2017

Annual Report

For the nine month period ended 31 December 2017

The future is exciting

Ready?

vodafone

In the Name of Allah,
Most Gracious, Most Merciful

His Highness Sheikh Hamad bin Khalifa Al-Thani

The Father Emir

His Highness Sheikh Tamim bin Hamad Al-Thani

Emir of the State of Qatar

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Board of Directors' Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Vodafone Qatar's financial results and business performance for the nine month period ended 31 December 2017.

At our Extraordinary General Assembly in October, Vodafone Qatar changed its financial year-end to 31 December. This change aligns our results announcements and other reporting requirements with other listed companies in Qatar.

Vodafone Qatar made the necessary changes to its Articles of Association to provide more flexibility with respect to securing additional funding if required. Amendments were also made to comply with new corporate governance rules issued by the QFMA board decision No. 5 of 2016 for companies and legal entities listed on the stock exchange.

EBITDA for the nine months ended 31 December 2017 stood at QAR 407 million (flat year-on-year) reflecting an EBITDA Margin improvement of 1.2pps. Quarter-on-quarter EBITDA increased by 75 per cent pointing to a strong recovery in revenue after a network outage in July 2017, disciplined cost management, and recognition of one off benefits during the quarter. These benefits included QAR 13 million recognised as Service Revenue and QAR 25 million credit note from a network supplier.

Revenue for the reported period stands at QAR 1,481 million, representing a decrease of four per cent year-on-year driven by a subscriber decrease of six per cent year-on-year as a result of the network outage and slowdown in the overall Prepaid market. However, compared to the previous quarter, total revenue grew by 25 per cent led by the acceleration of both the Postpaid subscriber segment (+nine per cent for the quarter-on-quarter), handset and equipment revenues and the QAR 13 million benefit mentioned above.

The Company's net profit excluding amortisation improved by 12 per cent year-on-year to reach QAR 120 million driven by higher EBITDA and lower depreciation. The net debt position continued to improve, reaching QAR 620 million by 31 December 2017, the lowest net debt in the Company's history.

The overall financial results clearly indicate a recovery in our business performance. Looking ahead, we will continue our growth plans by delivering innovative products and unmatched customer experiences across our core mobile offering. We will further expand our rapidly growing fixed-line proposition as well.

There are also a few key developments that have been recently announced that will re-set the company for the future:

Extension of Licence: The Communications Regulatory Authority (CRA) has extended our licence for an additional 40 years to 2068 which will enable us to reduce our amortisation cost annually from QAR 403 million to approximately QAR 100 million;

Capital Reduction: We will seek to obtain the necessary approvals to implement a reduction in the share capital from QAR 8.454 billion to QAR 4.227 billion by means of reducing the nominal value of the shares of the Company from QAR 10 per share to QAR 5 per share;

Extension of Vodafone Group Plc technical support agreement: We will continue our long term partnership with Vodafone Group Plc and continue to benefit from all services and support we currently enjoy as a Vodafone branded company.

In parallel, Qatar Foundation for Education, Science and Community Development entered into a conditional Share Purchase Agreement with Vodafone Group whereby Qatar Foundation agreed to purchase Vodafone Group's shares. This transaction is subject to various regulatory approvals.

We look to the future with confidence and optimism, supported by a clear strategy and solid foundation for the next stage of our journey.

On behalf of the Board of Directors, thank you to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar and to His Highness, Sheikh Hamad Bin Khalifa Al Thani, the Father Emir. The Board expresses its gratitude to the Communications Regulatory Authority and the Ministry of Transport and Communications for their continued support.

Thanks to the Executive team and Vodafone Qatar's employees for their efforts and dedication. We extend our appreciation to our customers and to our valued shareholders for their trust and support. We confirm our full commitment to more prosperous results in 2018 and subsequent years.

We ask God Almighty that he gives us the ability to continue working in the best interests of us all.

Abdulla Bin Nasser Al Misnad
Board Chairman

Chief Executive Officer's Statement

Dear Shareholders,

2017 has been an eventful year for both Qatar and Vodafone. The spirit and resilience of Qatar's population in response to the continuing economic blockade has been remarkable. Like the rest of the country, we too have had to adapt our operations in light of the challenges encountered this year, notably during a network outage we faced in July.

This challenge reinforced our unwavering commitment to our customers who will always be the heart of our business. Thanks to the commitment and hard work of our team, we dealt with the issue head on and took immediate corrective actions to prevent a similar outage from occurring in the future. I am pleased to report that overall customer impact was limited. Our proactive steps resulted in customer satisfaction rapidly recovering to pre-outage levels. I believe we are stronger than before.

As I wrote last year, we are in the middle of one of the most rapid technological transformations mankind has ever seen. Since the first touchscreen phone launched 10 years ago, technological innovation has progressed at an unprecedented pace. Progress has been unrelenting, surpassing boundaries that were previously inconceivable. Nearly 90 per cent of all the data in the world has been generated over the last two years alone, with today's Internet users generating 2.5 quintillion bytes of data each day. Vodafone plays a central role in this incredible growth.

During 2017, we focused on building a platform for future growth, whilst improving our operational and financial performance. Our customer base reached 1.4 million and we now have a 21.7 per cent total revenue market share in Qatar.

We are increasing our footprint among high value customers whilst moving away from low-margin business. Within our postpaid customer base, we saw significant growth as we migrated more pre-paid and new customers to postpaid offers.

> ‘We are in the middle of one of the most rapid technological transformations mankind has ever seen. Since the first touchscreen phone launched 10 years ago, technological innovation has progressed at an unprecedented pace. Progress has been unrelenting, surpassing previously inconceivable limits’

One of our most visible milestones in 2017 was the launch of our new brand campaign: The Future is Exciting. Ready? The response from our customers has been very positive, providing a signal of confidence in our intent to be Qatar's best digital partner, delivering great innovation and a world-class experience.

Our role as a leader in driving digital transformation is to ensure that we continue to provide our customers with what they need today, whilst building what they will need tomorrow. In doing so, we continue to improve our financial and operational performance.

Strategic pillars

Vodafone Qatar's future success relies on three strategic pillars.

1. **Digital transformation.** It is paramount that we deliver superior digital experiences, products, and services to our customers. We have invested significantly in our fixed network, mobility, Internet of Things (IoT), cloud solutions, big data and analytics, and the delivery of an omni-channel experience. These investments have also contributed to enhancements in the digitalisation of our product and service design, and key operating processes. By continuing to harness the power of our global business and innovative solutions, we will deliver a new digital standard that blends technology with a human touch that is personalised, instant and effortless.

2. **Smart investments in fixed-line service.** We are scaling up our fixed-line activities, which account for one third of our enterprise sales today. In the enterprise segment, we are targeting public and private sector investments and infrastructure projects. This year will also focus on growth through converged triple and quad play offerings while also accelerating the delivery of more content to our consumers.

3. **Customer centricity.** Underpinning all of our activities is a determination to help our customers with outstanding services at each stage and point of interaction they have with us. For example, using our Flex product, customers can now seamlessly tailor services to their use, gaining the freedom to use data, make local and international calls and SMS interchangeably on one balance with no pre-fixed quota. We have also become market leaders in ensuring transparency and simplicity through our Bill Manager and MyVodafone App solutions.

Moving forward, we welcome the opportunity to compete just as effectively in fixed-line as we have in mobile, where the benefits of effective competition is clearly evident in the form of improved value, greater choice, better service and innovation.

We look forward to our continued work with the Communications Regulatory Authority (CRA). Together, we are evolving the existing wholesale access regime by implementing a more comprehensive suite of regulated wholesale products (both passive and active).

We also support and encourage the CRA to take a more active role in applying the existing regulatory framework, including the fixed number portability mandated in April 2016. This will create a more level playing field in both fixed-line and mobile markets, encouraging further investment.

Making a lasting and meaningful contribution to Qatar's broader development

For as long as we have been operating in Qatar, we have been committed to delivering positive economic and social change as a long-term partner through an integrated sustainable business strategy. Our innovative services and products will further develop the telecommunications sector in Qatar and contribute to sustained economic growth.

As the country diversifies to become a knowledge-based economy, world-class digital infrastructure is needed to ensure Qatar competes at a world-class level. We stand ready to invest further in Qatar's networks.

Our social investment strategy leverages our expertise to drive positive social change. We ensure that all our contributions involve mobile communication technologies, whilst protecting the natural environment and supporting the communities where our stakeholders live. Our social investment programmes in 2017 include:

- **AmanTECH** to promote digital literacy amongst parents and improve digital safety for children
- **Vodafone For All** to offer people with disabilities and retired Qataris discounts on plans and handsets
- **Vodafone Easy Donation** for customers to support a cause as part of our Red plans
- **Community activities** with Vodafone throughout the year such as Qatar Sports Day and Qatar National Day

The future is exciting. We are ready!

Qatar is a young country, economically blessed and with endless ambition. We are fortunate to have opportunities to build and shape a world-class digital economy and society for Qatar.

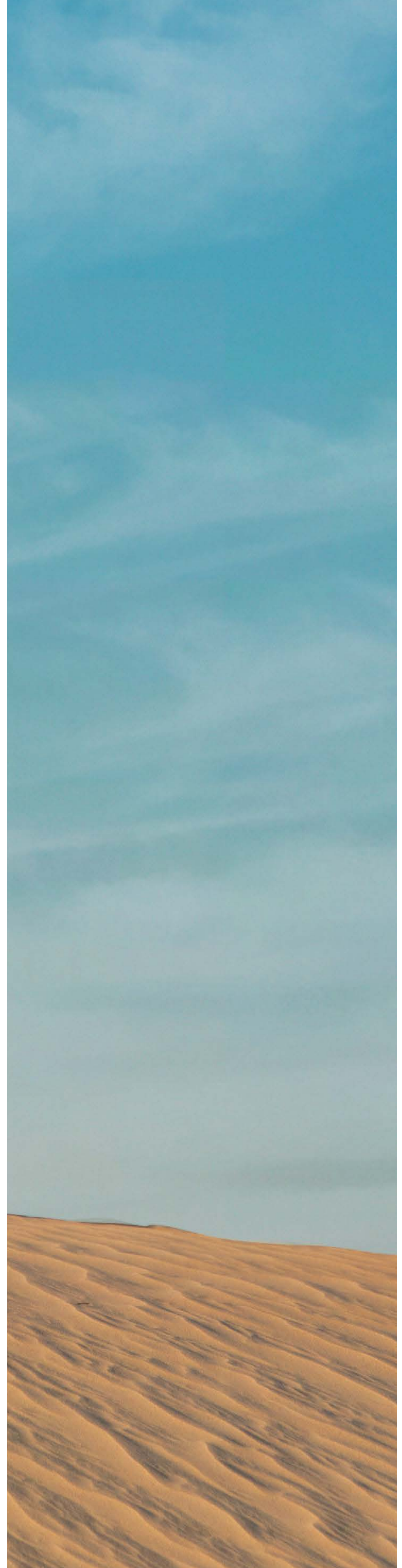
Together our management team has laid a strong foundation for our continued expansion in 2018. I remain optimistic about the direction the business is heading, and expect that we will reap the benefits in due course.

Finally, one of the most exciting opportunities for the future is in our team of people. In particular, over the last few years, we have increased the number of motivated young Qataris who will be the management team in a few years' time. The energy and engagement of the staff has contributed to the overall revival of the Company.

This will be my last report to you as I shall retire from full time work at our Annual General Assembly on March 19th, 2018. I am proud of what the team has achieved since I arrived in 2015 and I am grateful for your support and trust over these years.

I wish all of the team the very best for the future.

Ian Gray
Chief Executive Officer



Who We Are

Vodafone Qatar provides services including voice, messaging, data and fixed communications in Qatar as part of one of the world's largest telecommunications groups, the Vodafone Group.

Since Vodafone Qatar switched on its mobile network on 01 March 2009, we have delivered great value to customers with a range of innovative products and services. In nine years of commercial operation, close to 1.4 million customers use Vodafone's services supported by our state-of-the-art network.

Having built a converged IP network, Vodafone launched a comprehensive range of fibre-based enterprise grade and residential fixed products and services in October 2012. With fibre connectivity, Vodafone is set to become a total communications provider, offering triple and quadplay solutions to accelerate Qatar's digital agenda.

Vodafone's mission is to help customers and communities to adapt and prosper as new trends and technologies reshape the world. We are committed to providing world-class telecommunications infrastructure and services in support of Qatar's National Vision 2030.

With over 32,000 institutional and retail shareholders, Vodafone Qatar is 95 per cent Qatari-owned including 45 per cent for Vodafone and Qatar Foundation LLC. As a member of the Qatar Stock Exchange, Vodafone Qatar has paid capital of QR 8,454m.

2 Corporate Governance

Dear Shareholders,

In line with the Qatar Financial Markets Authority requirements and in particular the new Governance Code for Companies and Legal Entities Listed on the Main Market issued in November 2016 (the "QFMA Corporate Governance Code"), I am pleased to present the Vodafone Qatar Corporate Governance Report for the nine month period ended 31 December 2017.

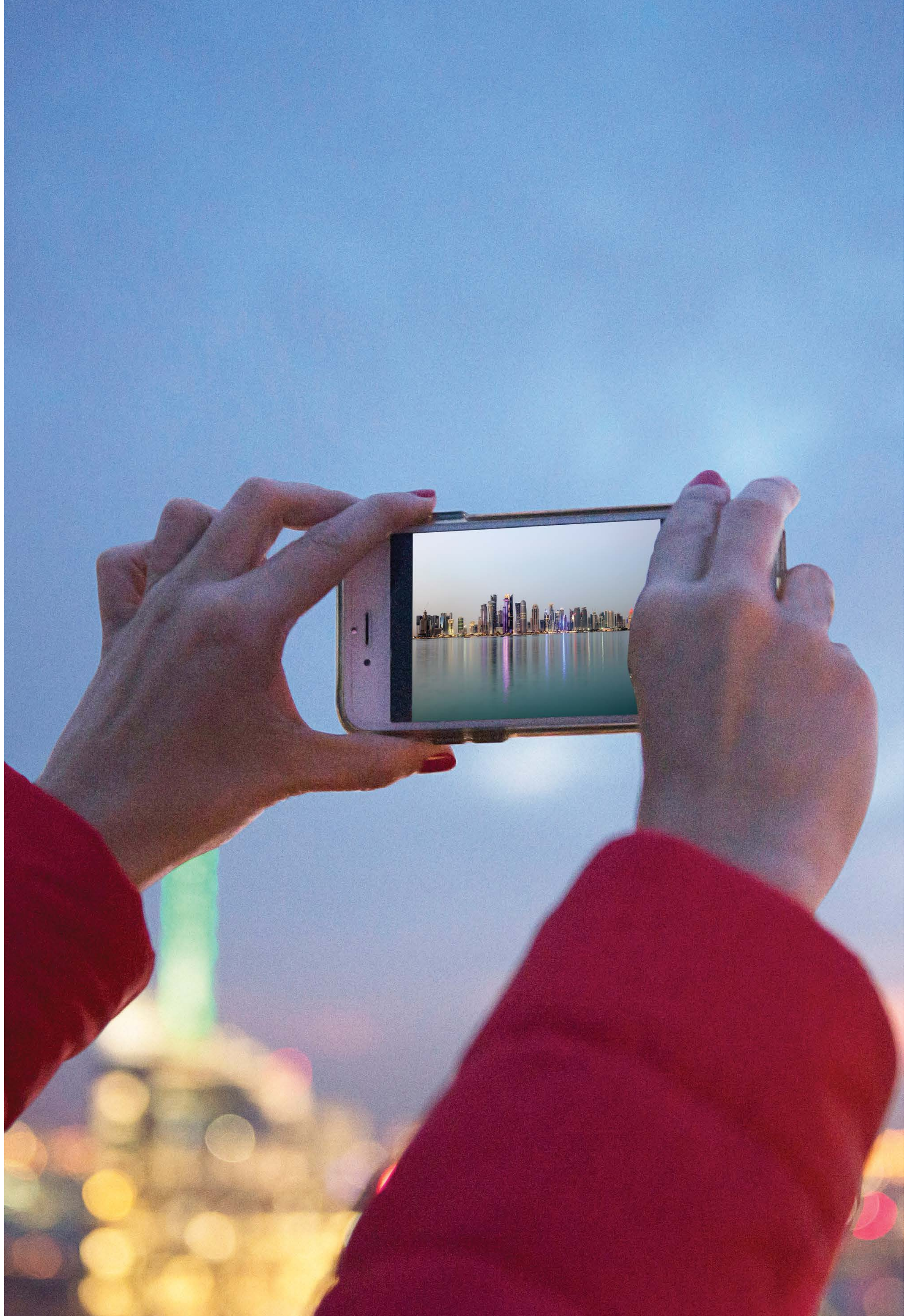
The Board is committed to implementing the governance principles set out in the QFMA Corporate Governance Code, namely justice and equality amongst all stakeholders without discrimination among them on the basis of race, gender, and religion, transparency, disclosure and providing information to the QFMA and stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly. The principles also include upholding the values of corporate social responsibility and providing for the public interest of Vodafone Qatar and its stakeholders over their personal interest as well as performing duties, tasks and functions in good faith with integrity, honour and sincerity and taking the responsibility arising therefrom to the stakeholders and society.

Over the past year, Vodafone Qatar has taken steps to bring its corporate governance in line with the QFMA Corporate Governance Code and continues to take steps to ensure that the highest standards of corporate governance and best practice are applied. We consider this critical to our business integrity and to maintain investors' trust. All executive committee members, leadership team members, staff and suppliers are required to act with honesty, integrity and fairness and therefore demonstrate the principles of the QFMA Corporate Governance Code of transparency, responsibility, justice and equality. Our business principles set out the standards that we set ourselves and are designed to ensure we continue to operate lawfully and with integrity and respect.

A comprehensive and robust corporate governance framework and processes help to ensure the Company operates in a responsible and transparent manner that is in the best interests of the Company, its shareholders and other stakeholders and which increases the confidence of investors.

It is the responsibility of the Board of Directors to oversee the management of the Company and we are confident that the Board of Directors and the Executive Management team of Vodafone Qatar have the appropriate governance policies and procedures in place to ensure that the Company operates in the best interests of shareholders.

Abdulla Bin Nasser Al Misnad
Chairman



Compliance with the QFMA Corporate Governance Code

Vodafone Qatar has endeavoured and continues to take steps to align its policies and practices with the requirements of the QFMA Corporate Governance Code as well as international governance principles.

In order to comply with the QFMA Corporate Governance Code, Vodafone Qatar has amended its Articles of Association to reflect the relevant requirements set out in the QFMA Corporate Governance Code and is currently in the process of amending its other policies, including its Governance Charter and Board Charter, to achieve this objective.

Appendix A to this report sets out the status of Vodafone Qatar's compliance with the provisions of the QFMA Corporate Governance Code and provides an explanation in respect of any of the provisions that the Company believes are not currently consistent with the QFMA Corporate Governance Code. Where relevant, Vodafone Qatar will endeavour to take the necessary actions to ensure any areas of current non-compliance are addressed before the QFMA Corporate Governance Code comes in effect in May 2018.

Board of Directors:

Role of the Board of Directors

The Board is responsible for the overall business strategy of Vodafone Qatar and for ensuring that a high standard of governance is adhered to throughout the business. The Board:

(a) has ultimate responsibility for the management, direction and performance of Vodafone Qatar;

(b) is required to exercise sound and objective judgement on all corporate matters independent from executive management;

(c) is accountable to shareholders for the proper conduct of the business; and

(d) is responsible for ensuring the effectiveness of and reporting on the Company's system of corporate governance.

Vodafone Qatar's Board Charter which provides the Board's responsibilities in more detail is available online (www.vodafone.qa).

Board Meetings

Article 36 of Vodafone Qatar's Articles of Association states the Board of Directors will meet at least six times per year and that no more than three months shall go by without the Board holding a meeting which is in line with the requirement set out under Article (14) of the QFMA Corporate Governance Code. Vodafone Qatar holds additional Board meetings throughout the year as and when required and held a total of six meetings during the nine month period ended 31 December 2017 as indicated in the table below.

Board Members / Dates of Board Meeting	Attendance					
	30 January 2017	5 April 2017	17 May 2017	27 July 2017	19 September 2017	25 October 2017
H.E. Mr. Abdulla Bin Nasser Al Misnad	√	√	√	√	√	
H. E. Akbar Al Baker	√	√	√	√	√	
Mr. Nasser Hassan Al Naimi	√	√	√	√	√	√
Mr. Nasser Jaralla Saeed Al Marri	√	√	√	√	√	
Mr. Vivek Badrinath	√	√	√	√	√	√
Mr. John Otty	√	√	√	√	√	√
Mr. Gianluca Ventura	√	√	√	√	√	√
Mr. Ian Gray	√	√	√	√	√	√
Mr. Rashid Al Naimi	√	√	√	√	√	√

Board meetings are structured to facilitate open discussion and participation by all Directors in matters relating to strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive supporting briefing material which is circulated to all Directors in advance of each meeting.

Directors who are unable to attend a particular Board meeting due to other commitments are provided with all the information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman and/or the Chief Executive Officer and may elect to appoint a proxy for voting purposes.

Board Composition

In compliance with Article (6) of the QFMA Corporate Governance Code, a third of the Board of Vodafone Qatar are independent members and the majority are non-executive Board members.

The Company's Board of Directors was elected by the Annual General Assembly of Shareholders for a term of three (3) years expiring on 25 July 2019. The current Board of Directors as of 31 December 2017 comprises nine (9) members as follows:

Name	Position	Date Appointed	Representing
H.E. Mr. Abdulla Bin Nasser Al Misnad	Chairman Non-Executive, Independent	25/07/2016	All shareholders
H. E. Akbar Al Baker	Vice Chairman Non-Executive, Independent	25/07/2016	All shareholders
Mr. Rashid Fahad Al Naimi	Non-Executive	23/06/2008	Vodafone & Qatar Foundation LLC
Mr. Nasser Jaralla Al Marri	Non-Executive Independent	25/07/2016	All shareholders
Mr. Nasser Hassan Al Naimi	Non-Executive	07/11/2016	Vodafone & Qatar Foundation LLC
Mr. Ian Gray	CEO of Vodafone Qatar Executive	01/12/2015	Vodafone & Qatar Foundation LLC
Mr. Vivek Badrinath	Non-Executive	25/10/2016	Vodafone & Qatar Foundation LLC
Mr. John Otty	Non-Executive	28/01/2015	Vodafone & Qatar Foundation LLC
Mr. Gianluca Ventura	Non-Executive	26/07/2016	Vodafone & Qatar Foundation LLC

H.E. Mr. Abdulla Bin Nasser Al Misnad

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Mr. Abdulla Al Misnad is the Chairman of the Al Misnad Company having its roots in the private sector business since the 1950's.

Mr. Abdulla Al Misnad is a prominent and active businessman in Qatar who is the Founder and Chairman of the Board of Qatari Investors Group a publicly listed share holding company.

The following are some of the positions presently held by Mr. Al Misnad:

- Al Misnad LLC – Chairman
- Qatari Investors Group – Chairman
- Al Khaliji Bank – Vice Chairman

H. E. Mr. Akbar Al Baker

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

As Group Chief Executive of Qatar Airways, Mr. Akbar Al Baker has shaped the company into one of the fastest growing and most highly acclaimed airlines in the world. Prior to his appointment in 1997, the airline only operated four aircraft in a regional capacity. Today, it flies over 200 aircraft to more than 150 destinations across six continents. In recognition of his leadership, former French President, François Hollande, awarded him the Legion of Honour in 2015.

In August 2017, H.E. Mr. Akbar Al Baker, was announced as the Chairman of the Board of Governors (BoG) of prestigious global aviation industry body International Air Transport Association (IATA), coming in to effect June 2018. Mr. Al Baker is also the Chairman of the Executive Committee of the Arab Air Carriers Organisation (AACO) and is a non-executive Director of Heathrow Airport Holdings (HAHL) - the company responsible for the running and development of the UK's largest airport.

A highly motivated individual, Mr. Al Baker has been a successful businessman in Doha for more than 25 years, holds a private pilot license, and is also GCEO of several divisions of Qatar's national airline – these being Qatar Executive, Hamad International Airport, Qatar Aviation Services, Qatar Aircraft Catering Company, Qatar Distribution Company, Qatar Duty Free and Internal Media Services.

Education

- BA, Economics and Commerce

Mr. Rashid Fahad Al-Naimi

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

As the CEO of Investments at the Qatar Foundation for Education, Science and Community Development, Mr. Rashid Al-Naimi is responsible for investment portfolios and long-term investment policies. He is also the residing Chairman of MEEZA and Mazaya Qatar, and a Board Member representing Qatar Foundation across numerous companies, including Vodafone Qatar P.Q.S.C.

Mr. Al-Naimi has an outstanding record of delivering successful restructurings that continuously improve shareholder value. In 2015, he was honoured by the Arab Economic Forum with the "Achievement in Leadership Award". Prior to joining the Qatar Foundation, Mr. Al-Naimi was the Manager of Human Resources for RasGas Company Limited.

Education

- MBA - University of Oxford (United Kingdom)
- BSc, Economics – Indiana State University (United States)

Mr. Nasser Jaralla Al Marri

Shares held in Vodafone Qatar as of 31 December 2017: 250 shares

Mr. Nasser Al Marri has served as Chairman of the Financial Affairs Authority at the General Headquarters of the Qatar Armed Forces since 2016. Previously, he was CFO of Marafeq Qatar, a subsidiary of Qatari Diar, after years spent as Director of Business Development and Investment Promotion in the Ministry of Economy and Commerce.

Other roles include serving as Finance Director for the Qatar National Food Security Programme and National Human Rights Committee. He was Vice Chairman of Qatar Steel International Company and a Board Member of Qatar Mining Company. Today, he serves as a Board Member of Masraf Al Rayan Bank and is Chairman of Al Rayan Investment Company.

Education

- MSc, Accounting and Financial Science – Southampton University (United Kingdom)
- BA, Business Administration – Qatar University (Qatar)

Mr. Nasser Hassan Al-Naimi

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

As Chief of Investment, Research and Development at Qatar's Ministry of Defense, Nasser Hassan Al-Naimi oversees local and international investments in various areas, including mergers and acquisitions. He also provides executive support to the office of H.E. the Minister of State for Defense Affairs.

On behalf of the Ministry, Mr. Al-Naimi is CEO of Barzan Holdings, a wholly owned subsidiary of the Ministry of Defense, and a Board member of several direct investments held by the Ministry of Defense. In his private capacity, he is a Board Member of Artan Holding, a Qatari Holding Company which owns and manages a varied portfolio of companies in industries ranging from education to real estate. Mr Al-Naimi also co-founded a fund named MKaNN Ventures which invests in early-stage technology companies.

Education

- MA, Strategic Management
- BSc, Business Management

Mr. Vivek Badrinath

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Mr. Vivek Badrinath joined Vodafone Group Plc as CEO of AMAP in October 2016 and is a member of the Vodafone Group Plc Executive Committee. He is responsible for Vodafone Group's operations in the Vodacom Group, India, Australia, Egypt, Ghana, Kenya, Qatar, New Zealand and Turkey.

Prior to that, he was the Deputy Chief Executive at the international hospitality group AccorHotels where he was responsible for marketing, digital solutions, distribution and information systems. He was previously Deputy Chief Executive with Orange and has a long career in telecommunications and technology. Prior roles include Executive Director responsible for Orange's Business Services division, leadership of Orange's Global Networks and Operators Division and Chief Technology Officer for Orange's mobile activities.

Education

- MSc, Engineering, Telecom Paris Tech (France)
- Engineering Degree Applied Mathematics – École Polytechnique (France)

Mr. John Otty

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

After joining Vodafone Group in 1992, Mr. John Otty became Regional Finance Director in 2012 for Africa, the Middle East and Asia Pacific. His previous Vodafone roles have included Group Technology Financial Director, Interim Chief Financial Officer of Vodafone India and Vodafone plc Group Internal Audit Director. Mr. Otty has also held Senior Operational Finance roles in the UK, Australia and the Netherlands. Since 2012, he has served as a non-executive Board Member to Vodacom Group, a leading African telecoms group.

Today Mr. Otty holds numerous non-executive Board Director positions within the Vodafone Group including: Vodafone Qatar (since January 2015), Vodafone Turkey (since 2014), Vodafone Egypt (since 2012), Ghana Telecommunications (since 2012), Safaricom Kenya (since 2013), Vodafone India (since 2012) and Vodafone Hutchison Australia (since 2009).

Education

- BSc, Electrical Engineering – Cambridge University, Trinity Hall (United Kingdom)

Mr. Gianluca Ventura

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Mr. Gianluca Ventura was appointed Vodafone Group's Human Resources Director for Africa, the Middle East and Asia Pacific (AMAP) in 2013. Previously, he was Human Resources Director of Vodafone Southern Europe and a Director of Vodafone Italy. In May 2017, Mr. Ventura was also appointed as Human Resources Director for Vodafone Group Commercial in tandem with his role as the Human Resources Director for the AMAP region.

Mr. Ventura first joined Vodafone Group in 2003 as Head of Human Resources Technology. In 2006, he became Director of the Group's Technology department based in Newbury. Previously he worked for L'Oréal in Italy as Human Resources Director.

Education

- MA, International Management - Esade (Spain)
- BA, Bocconi University (Italy)

Mr. Ian Gray OBE

Chief Executive Officer (CEO)

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Ian Gray has been CEO of Vodafone Qatar since December 2015. Previously, he served as the Vodafone Group's Regional Director for Central and Eastern Europe and as Chairman of Vodafone Egypt with a Board position for more than 16 years.

Prior to joining Vodafone Group, Ian was CEO of FTSE companies Brown and Jackson and General Cable, a UK-based fixed line and cable TV operator. In January 2017, he was made an Officer of the Most Excellent Order of the British Empire (OBE) for his services to international trade relations.

Education

- BSc, Applied Physics - Durham University (United Kingdom)
- FCMA

Board Achievements

Please refer to the Board of Director's Report and the CEO Statement in the Annual Report.

Board remuneration

In line with the requirements for the payment of board remuneration as set out in the Commercial Companies Law, as no dividends have been paid to shareholders, no remuneration has been paid to the Board members.

Independent Advice

The Board recognises that there may be occasions where one or more of the Directors consider it necessary to seek independent legal and/or financial advice at the Company's expense. Independent legal and/or financial advice is sought by the Board as and when it is considered appropriate.

Division of Responsibilities

Vodafone Qatar maintains a clear separation between the roles of the Chairman and Chief Executive Officer with a clear division of responsibilities as follows:

(a) the Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness; and

(b) the Chief Executive Officer is responsible for the management of the business and implementation of the Company's overall strategy and policy.

Company Secretary

The Company Secretary acts as secretary to the Board and sub-committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of both the Audit and Remuneration committees to other

suitably qualified staff. The Company Secretary is responsible for:

(a) recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and noting members' objections to any decision issued by the Board;

(b) recording the Board decisions in the register prepared for this purpose as per issuance date;

(c) recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members' objections, if any;

(d) safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records;

(e) sending to the Board members and participants (if any) the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date, and receiving members' requests to add an item or more to the agenda with submission date;

(f) making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees;

(g) enabling the Chairman and the members to have timely access to all Information, documents, and data pertaining to the Company; and

(h) safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of the QFMA Corporate Governance Code.

The appointment or removal of the Company Secretary is a matter for the Board as a whole. The current Company Secretary of Vodafone Qatar is Brett Goschen, Chief Financial Officer. Mr. Goschen joined Vodafone Qatar in August 2017 and has held the role of Company Secretary since 1 October 2017. Mr. Goschen has 30 years of regional experience and brings a wealth of financial acumen to Vodafone Qatar as a certified chartered accountant. Previously as Chief Financial Officer and Executive Director for MTN Group Limited, Mr. Goschen oversaw the finance function in 22 operating countries across the Middle East and Africa. Mr. Goschen has extensive management experience and has held a range of diverse executive roles for organisations such as MTN Nigeria Communications Limited, MTN Ghana, Autopage Cellular and Digicel.

Board Committees

Vodafone Qatar currently has an Audit Committee, Remuneration Committee and Nomination Committee, each of which is operated in accordance with a specific and detailed Terms of Reference approved by the Board.

Members of the Board committees are not remunerated separately for membership of each committee.

Audit Committee

The Audit Committee of Vodafone Qatar consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Board Member	Position	Board Member Type
Mr. Rashid Fahad Al-Naimi	Chairman	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Nasser Al Marri	Member	Independent & Non-Executive
Mr. John Otty	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.3 of the QFMA Corporate Governance Code suggests that a company's Audit Committee should be comprised of at least three members, the majority of whom should be independent and the Chairman of whom shall be independent. Vodafone Qatar's Board believes the current composition of the Audit Committee is appropriate for its effective operation.

The Audit Committee responsibilities include:

(a) preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary;

(b) setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;

(c) overseeing the Company's Internal Controls following review by the External Auditor's to ensure compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements;

(d) overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;

(e) considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements;

(f) reviewing and ensuring accuracy of the disclosed numbers, data and financial statements and all information submitted to the General Assembly;

(g) coordinating among the Board, Senior Executive Management, and the Internal Controls of the Company;

(h) reviewing the systems of financial and Internal Control and risk management;

(i) conducting investigations in financial control matters requested by the Board;

(j) coordinating between the Internal Audit Unit in the Company and the External Auditor;

(k) reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard;

(l) reviewing the Company's dealings with Related Parties, and making sure such dealings are subject to and comply with the relevant controls;

(m) developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;

(n) supervising the training programs on risk management prepared by the Company and their nominations;

(o) preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the request of the Board and / or the Chairman;

(p) implementing the assignments of the Board regarding the Company's Internal Controls;

(q) engaging with the External Auditor and Senior Executive Management regarding risk audits with a focus on the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report;

(r) assessing the Company's processes to comply with Vodafone Group Governance requirements with regard to applicable laws, regulations, Code of Business Conduct and Ethics;

(s) reviewing and monitoring the procedures by which the Company complies with the Vodafone Group Governance requirements in respect of: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding any accounting or auditing matters;

(t) reviewing reports and disclosures of significant conflicts of interest; and

(u) overseeing the activity and credentials of the Company's internal auditors, including the review of the Internal Audit Terms of Reference, plans, resource requirements, staffing and organizational structure, ensuring consistency and compliance with the Vodafone Internal Audit methodology and approach.

Article 19 of the QFMA Corporate Governance Code requires the Audit Committee of a listed company to meet at least six (6) times per year. During the year 2017, the Audit Committee met on three (3) occasions as follows:

Committee Members / Dates of Audit Committee Meeting	Attendance		
	17 May 2017	23 August 2017	25 October 2017
Mr. Rashid Fahad Al-Naimi	√	√	√
Mr. Nasser Al Marri	√	√	√
Mr. John Otty	√		√

Vodafone Qatar is non-compliant with Article 18 (Board Committees) of the QFMA Corporate Governance Code as the Audit Committee is not chaired by an Independent Board Member and the majority of the Committee Members are not Independent Board Members. Vodafone Qatar intends to review the structure of the Audit Committee and make any necessary changes in advance of the coming into force of the QFMA Corporate Governance Code in May 2018. Vodafone Qatar is also non-compliant with Article 19 (Committees' Work) of the QFMA Corporate Governance Code as only three (3) Audit Committee meetings took place during 2017. However, the Company believes that bi-annual meetings of the Audit Committee, which take place in advance of the Company's reporting of its half year and full year results, are sufficient to ensure and maintain robust and effective oversight of the necessary internal audit controls and the scope of responsibilities of the Audit Committee outlined above. The Audit Committee provides a detailed report and recommendations directly to the Board at the Board meetings to approve the Company's half year and full year financial results, which supplements the report provided to the Board by the Company's external auditors. The Company also adheres closely to the Vodafone Group governance and compliance requirements, which follow international governance best practice and compliance with which is continually monitored and tracked by the Company's independent internal audit function and formally reported to the Audit Committee on a bi-annual basis. Notwithstanding same, Vodafone Qatar will undertake to review the frequency of the Audit Committee meetings to align more closely with the requirements of the QFMA Corporate Governance Code.

The main recommendations of the Audit Committee to the Board of Vodafone Qatar in 2017 were as follows:

(a) Approval of 2017/18 risk based audit plan;

(b) Approval of the company's audited financial statements for the financial year ended 31 March 2017, together with Auditors report and report of the acting Chief Financial Officer;

(c) Approval of the updated Internal Audit Charter; and

(d) Approval of 2017/18 half-year audited financial statements, together with Auditors report.

The full Terms of Reference for the Audit Committee is publicly available on Vodafone Qatar's website www.vodafone.qa.

Remuneration Committee

The Remuneration Committee of Vodafone Qatar consists of the following members who have the necessary expertise to fulfil the responsibilities of the committee:

Board Member	Position	Board Member Type
H.E. Mr. Akbar Al Baker	Member	Independent & Non-Executive
Mr. Nasser Al Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Vivek Badrinath	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Gianluca Ventura	Member	Vodafone and Qatar Foundation LLC & Non-Executive

Article 18.2 of the QFMA Corporate Governance Code requires that a company's Remuneration Committee be comprised of at least three Board members. The committee comprises of four members one of whom is an independent member.

The purpose of the Remuneration Committee is to determine and have oversight of the Company's remuneration policy and principles, in particular, as they apply to Board Members and Senior Executive Management. The Remuneration Committee is responsible for:

(a) setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders; and

(b) setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.

The Remuneration Committee met once during 2017 as follows:

Committee Members / Date of Remuneration Committee Meeting	Attendance
	14 May 2017
H.E. Mr. Akbar Al Baker	
Mr. Nasser Al Naimi	√
Mr. Vivek Badrinath	√
Mr. Gianluca Ventura	√

The main recommendations put forward to the Board were as follows:

(a) the proposed salary increases for Executive Committee members, on the basis presented to the Committee, be approved;

(b) the framework for the Company's senior management long term incentive scheme, on the basis presented to the Committee, be approved with the same to be applied in respect of FY 18;

(c) the framework for the Company's Global Short Term Incentive Plan (GSTIP), on the basis presented to the Committee be approved;

(d) the Committee recommended that the Company performance component of the GSTIP framework be set at 135.7% in respect of FY 2017 Company GSTIP on the basis presented to the Committee;

(e) the personal performance multipliers and long term incentive proposals in respect of Executive Committee members, as noted in the Committee Papers, be approved; and

(f) the long term incentive scheme awards would be subject to a vesting period of two years from the date of the relevant award to qualifying personnel and not otherwise subject to individual performance related criteria.

The full Terms of Reference for the Remuneration Committee are publicly available on Vodafone Qatar's website www.vodafone.qa.

Nomination Committee

Article 18 of the QFMA Corporate Governance Code requires that the company establish and maintain a Nomination Committee for the purposes of having oversight of the nomination and appointment of Board members and ensuring the proper application of formal, rigorous and transparent procedures.

The current Nomination Committee, as reconstituted following the Board elections that took place in conjunction with the Company's Annual General Assembly held on 25 July 2016, comprises of the following members who have the necessary expertise to fulfil the Committee's tasks:

Board Member	Position	Board Member Type
H.E. Mr. Abdulla Al Misnad	Chairman	Independent & Non-Executive
Mr. Rashid Fahad Al-Naimi	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Gianluca Ventura	Member	Vodafone and Qatar Foundation LLC & Non-Executive
Mr. Vivek Badrinath	Member	Vodafone and Qatar Foundation LLC & Non-Executive

The formation of the Nomination Committee is not in accordance with the requirements of Article 19 (Committees' Work) of the QFMA Corporate Governance Code. Article 19 stipulates that the Chairman of the Company cannot be a member of any committee and the Chairman of the Audit Committee cannot be a member of any other committee. In addition, no meeting of the Nomination Committee took place during 2017. Vodafone Qatar will undertake to review the formation and operation of the Nominations Committee to align more closely with the requirements of the QFMA Corporate Governance Code.

The Nomination Committee is responsible for:

(a) developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership;

(b) nominating whom it deems fit for the Board membership when any seat is vacant;

(c) developing a succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company;

(d) nominating whom it deems fit to fill any job of the Senior Executive Management;

(e) receiving candidacy requests for the Board membership;

(f) submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority; and

(g) submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

The full Terms of Reference for the Nomination Committee are publicly available on Vodafone Qatar's website www.vodafone.qa.

Sharia Advisor

The Company has appointed a Sharia advisor with specialist knowledge and expertise in financial transactions with not less than ten (10) years of experience in supervising Islamic financial institutions.

The Sharia advisor has various responsibilities and duties in respect of Vodafone Qatar's Sharia compliance including, but not limited to, the following:

(a) approving Sharia aspects of the Company's Articles of Association and by-laws;

(b) approving agreements and contracts in relation to financial transactions;

(c) approving financing structures, terms, and documents;

(d) reviewing Company operations and activities from a Sharia perspective;

(e) approving Sharia training to support employees in complying with Sharia standards and improving their capabilities;

(f) preparing a report confirming the Sharia compliance status of the Company for inclusion in the Company's Annual Report.

Executive Management Team

Ian Gray | Chief Executive Officer

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Ian Gray is responsible for the overall creation, implementation, and integration of the long range strategic financial, commercial and operational direction of the Company. Ian Gray also oversees key internal and external stakeholder engagement to influence the environment in which the Company operates by liaising with the Employees, the Board, Vodafone Group, and key Government entities. He chairs the Company's operational governance framework which includes committee oversight of the following: Strategy, Budget, CAPEX allocation, Commercial Approval, Trade Review, Brand Review and Assurance committees.

Shaikh Hamad Al-Thani | Chief Operating Officer

Shares held in Vodafone Qatar as of 31 December 2017: 5,000 shares

Hamad Al-Thani, as Chief Operating Officer, is responsible for the oversight of Customer Operations, Human Resources, Legal & Regulatory and External Affairs. Within the scope of his role, he is responsible for ensuring the success of our Customer Experience and Operational Excellence programs, embedding best practices within our Human Resources and employee talent management function and shaping the regulatory environment through external stakeholder engagement.

Brett Goschen | Chief Financial Officer

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Brett Goschen heads the Financial Operations, Financial Planning, Reporting & Analysis, Supply Chain Management and Business Partnering functions of the Company. He is responsible for the accounting and disclosure of the assets, liabilities, financial position and profit and loss of the Company and ensures that the financial statements of the Company comply with the local and global accounting policies. Brett Goschen also oversees the Treasury, Investor Relations and Business Intelligence functions of the Company.

Diego Camberos | Consumer Business Unit Director

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Diego Camberos is responsible for all commercial marketing, sales, and value management within the consumer business unit of the Company. Diego Camberos coordinates and implements the overall strategy to grow our consumer segments and bring to market a converged offer for the consumer segment across Mobile (Prepaid & Postpaid), Fixed Voice, Broadband Internet, and IPTV.

Ramy Boctor | Chief Technology Officer

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

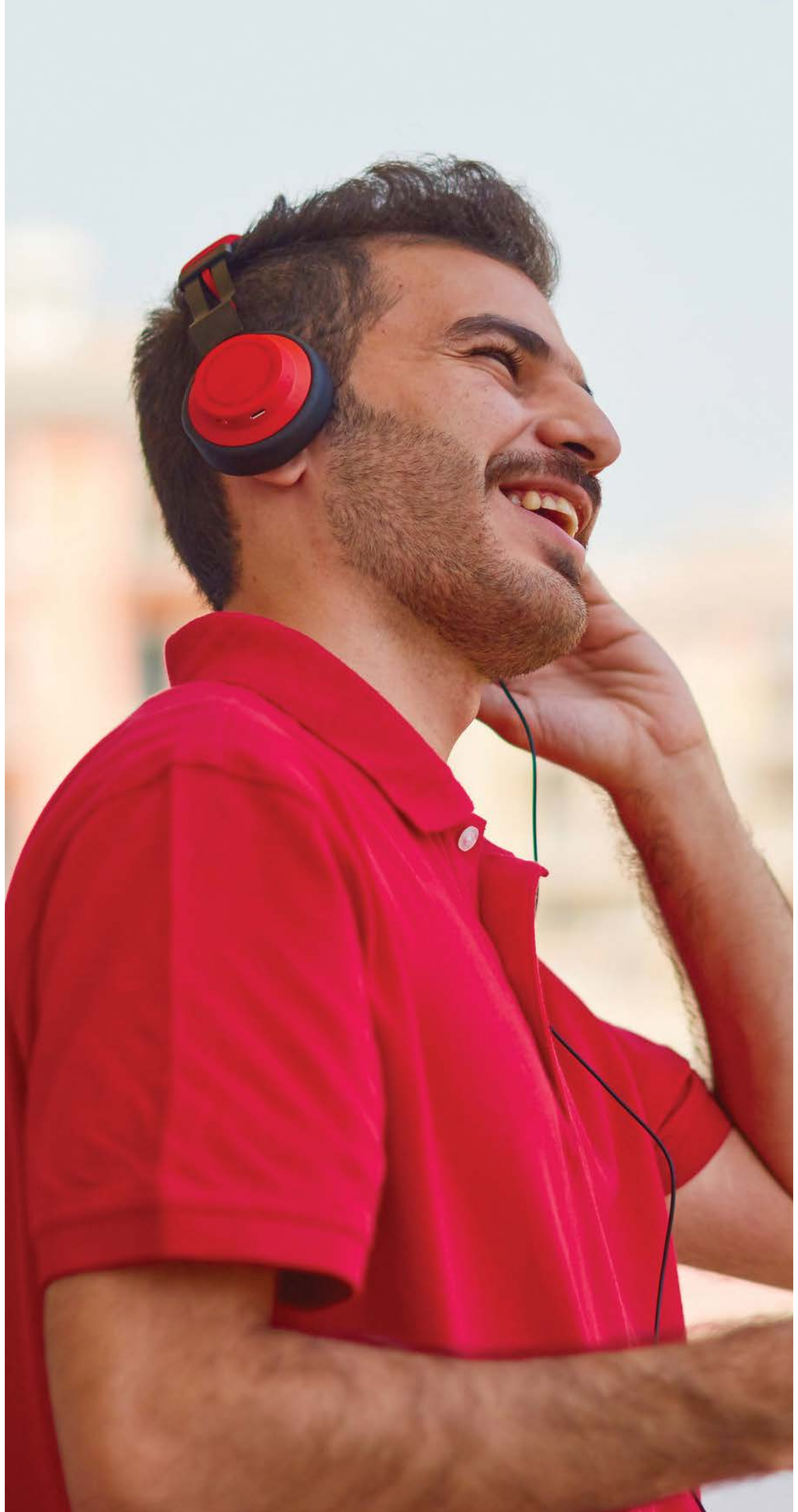
Ramy Boctor is responsible for the coordination and implementation of the overall technology strategy of the Company. Ramy Boctor oversees all aspects of the Design, Planning and Rollout and Optimization of the Radio and Fixed access network. He is also responsible for the Technology Security, Service Delivery, and IT functions of the Company.

Mahmud Awad | Enterprise Business Unit Director

Shares held in Vodafone Qatar as of 31 December 2017: 0 shares

Mahmud Awad is responsible for marketing, sales, and value management within the enterprise business unit of the Company. Mahmud Awad leads our overall enterprise strategy to bring to market a global portfolio of tailored enterprise services and solutions.

For Senior Executive Management's biographies and remuneration, please refer to the Executive Management Team section of the Annual Report and the Financial Statements for the nine month period ended 31 December 2017, which are also included in the Annual Report.



Our Shareholders

Disclosure

Vodafone Qatar conforms to all disclosure requirements of Article 25 of the QFMA Corporate Governance Code, providing quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) to the Qatar Stock Exchange (QSE) and Qatar Financial Markets Authority (QFMA) within the deadlines stipulated.

Vodafone Qatar is compliant with Article 29 of the Corporate Governance Code. Shareholders have all the rights conferred upon them by related laws and regulations including the Corporate Governance Code and the Company's by-laws. Further, the Board of Directors ensures that shareholders' rights are respected in a fair and equitable manner.

Vodafone Qatar is compliant with Article 32 of the Corporate Governance Code; the Company's Articles of Association includes provisions to ensure shareholders have the right to call for a General Assembly which is convened in a timely manner. Shareholders have the right to place items on the agenda, discuss matters listed in agenda and to address questions and receive answers.

Shareholder Relations

Vodafone Qatar has a dedicated Investor Relations function and is committed to communicating to shareholders, investors and financial analysts the Company's strategy, activities and financial and business performance as permitted by applicable Qatar Stock Exchange rules and regulations. The Investor Relations function as part of its primary purpose and function acts to maintain an active dialogue with investors through a planned programme of investor relations activities and disclosures throughout the year including (but not limited to):

(a) publication of earning releases and Investor presentations of quarterly, half-year and full-year results;

(b) publication of an Annual Report of the Company that provides a comprehensive overview of the company's financial and business performance for the year;

(c) hosting of investors and analysts calls to coincide with the release of the Company's financial results at which senior executive managers provide an overview of business and financial performance;

(d) hosting of the Annual General Assembly meeting which all shareholders are invited to attend, actively participate and to exercise their voting rights;

(e) ongoing meetings with institutional investors and analysts, attended by the Chief Executive Officer and/or the Chief Financial Officer to discuss the business and financial performance;

(f) disclosure information;

(g) answering shareholders' and analysts' queries and concerns;

(h) attending ongoing conferences and roadshows throughout the year; and

(i) updating the Investor Relations website dedicated to the Company's shareholders, investors and analysts.

General Assembly Meeting

The Company's Articles of Association affirm the right of shareholders to call Annual General Assembly and Extraordinary General Assembly meetings (AGA and EGA respectively) for the purposes of affording shareholders the opportunity to discuss and raise questions to the Chairman and Board Members with respect to any items on the agenda of the relevant General Assembly.

All shareholders can have access to the Company's website www.vodafone.qa to view the agenda and minutes of meetings of the General Assembly, financial information relating to the Company and biographies of all current Board members and the Company's executive management team.

Major Shareholders

The Company's major shareholders as at 31 December 2017 holding 5% and above of the Company's capital are as set out in the table below:

Name	Category	Domicile	Shares	Percent
Vodafone and Qatar Foundation LLC (1)	Corporations	Qatar	380,430,000	45.00%
Pension Fund - General Retirement and Social Insurance Authority	Government	Qatar	56,593,076	6.69%
Military Pension Fund - General Retirement Authority	Government	Qatar	44,178,872	5.23%
Qatar Foundation for Education Science and Community Development (2)	Corporations	Qatar	42,270,000	5.00%
		Total	**523,471,948**	**61.92%**

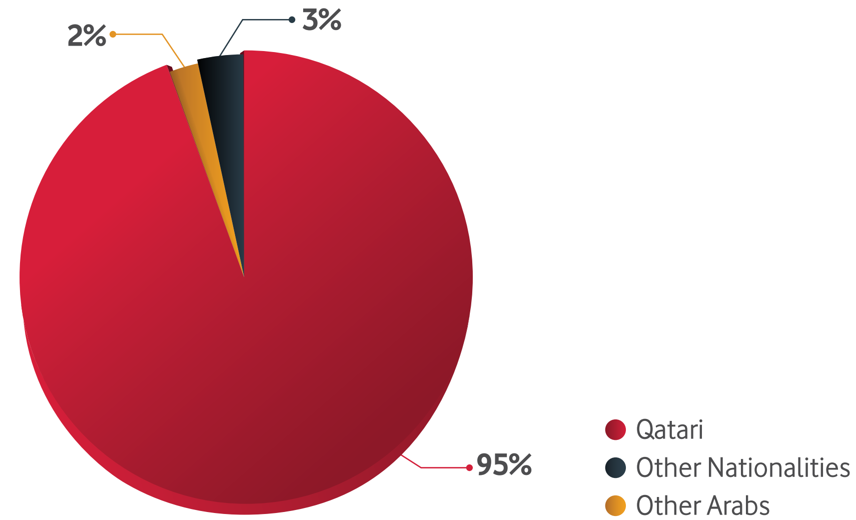
(1) Vodafone and Qatar Foundation LLC owns 45% of the Company's capital and is itself 51% owned by Vodafone Group and 49% by Qatar Foundation.

(2) Accordingly, Qatar Foundation's ownership interest in the Company (both directly held and indirect through Vodafone and Qatar Foundation LLC) totals 27% of the Company's capital.

Shareholder Base by Nationality

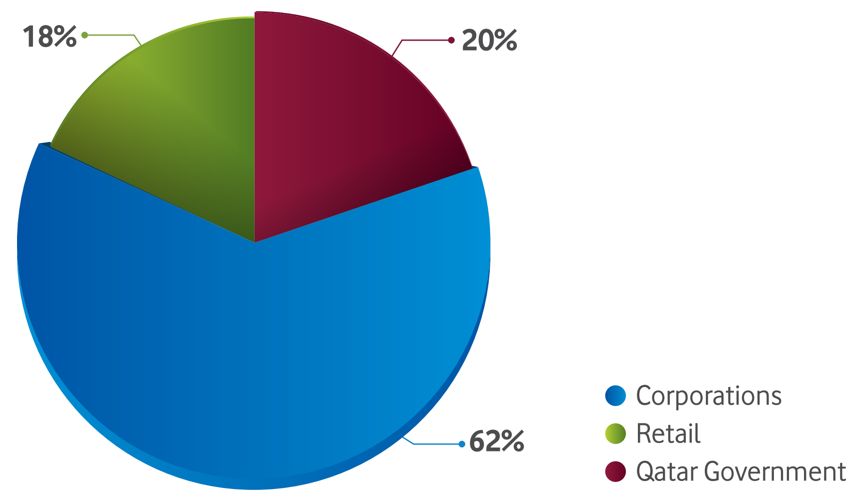
On 31 December 2017, the total number of shareholders in Vodafone Qatar reached 32,764 down from 33,867 as end of March 2017. The percentage of shares legally held by Qatari shareholders (being shareholders either citizens or entities incorporated in Qatar) reached 95% of the Company's capital issued and paid up share capital (including the 45% equity stake held by Vodafone and Qatar Foundation LLC).

Shares owned by shareholders from other Arab countries and other nationalities reached 2% and 3% respectively of the Company's issued and paid up share capital.



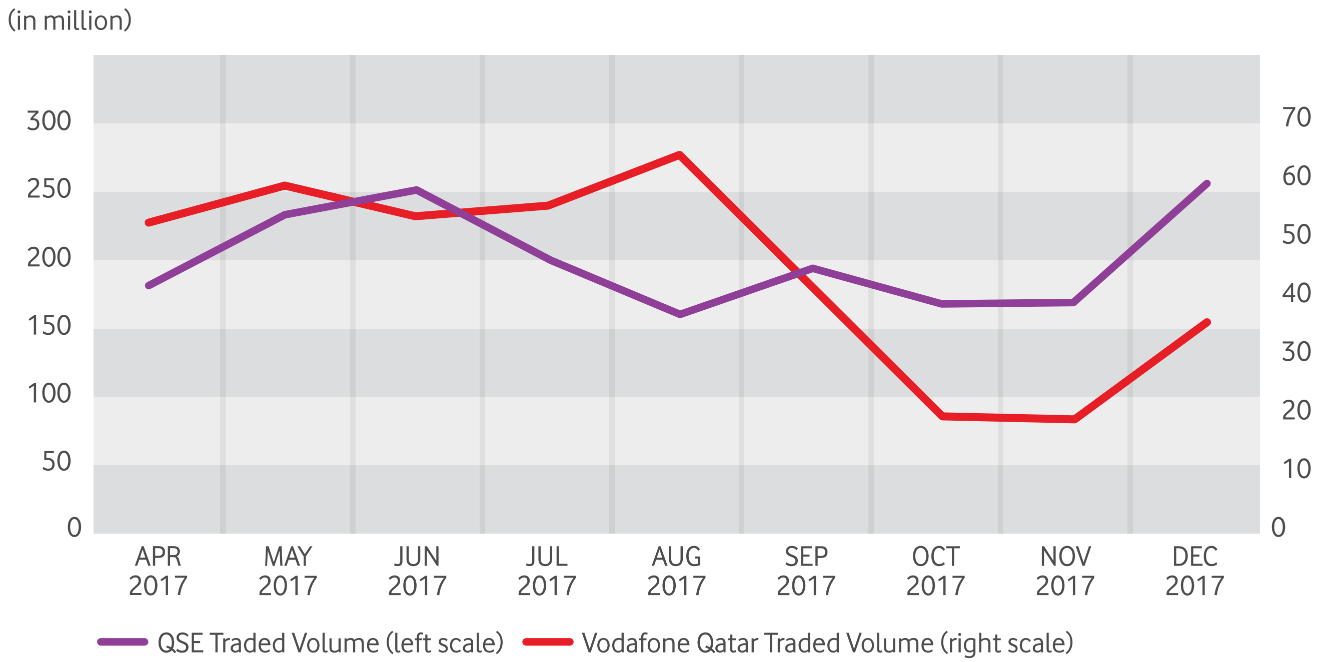
Shareholder base by category

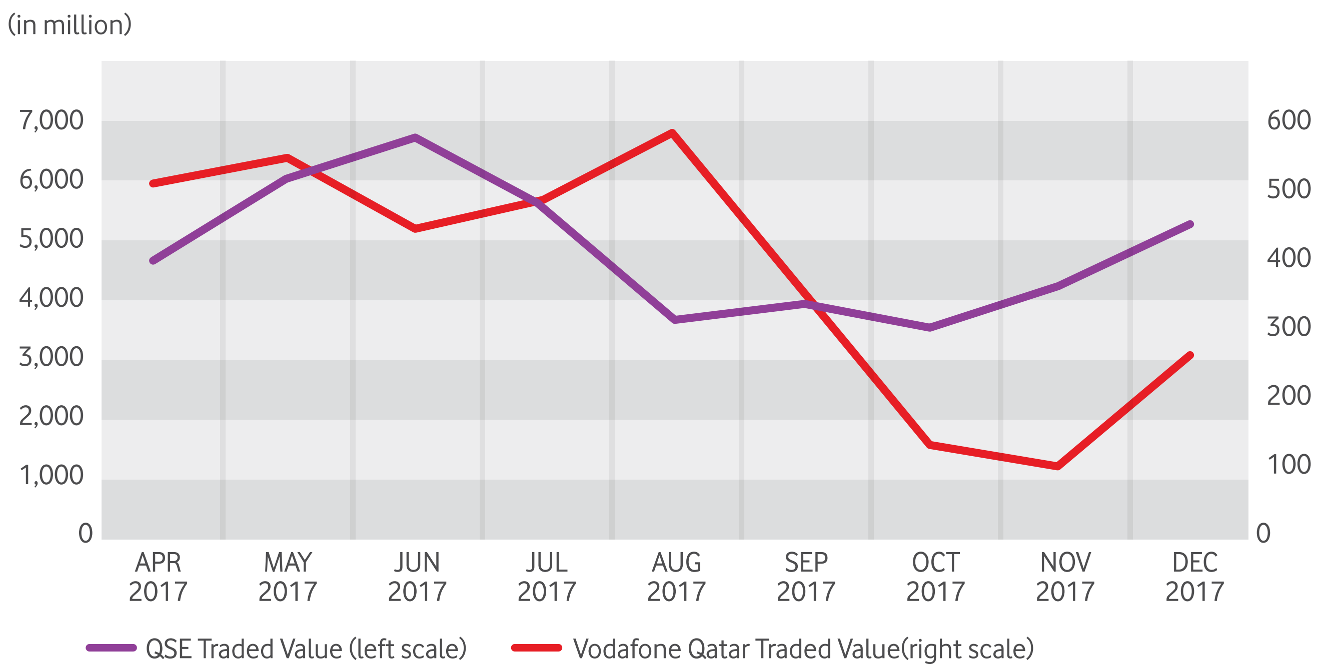
On 31 December 2017, the percentage of the Company's issued and paid up share capital retained by corporations reached 62% whilst the percentage retained by Qatar Government and Retail shareholders reached respectively 20 and 18%.



Share Trading Activity

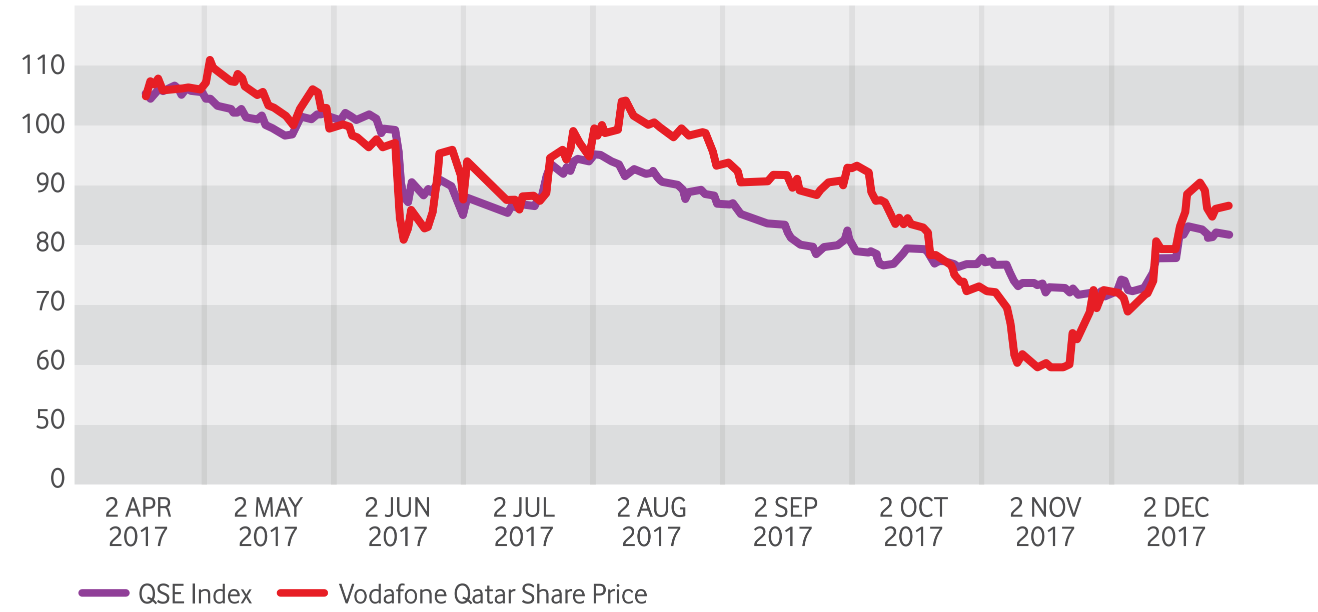
Vodafone Qatar's stock is one of the top volume traded stocks on the QSE with a monthly average traded volume of 44.7 million shares.





Vodafone Qatar - Share Price

In the nine month period ended 31 December 2017, Vodafone Qatar's share price decreased by 14.13% (from QAR 9.34 at 31 March 2017 to QAR 8.02 at 31 December 2017) compared to a17.97% decrease for the QSE index.



Employee Rights

Vodafone Qatar's Board of Directors ensures that all employees are treated equally without any discrimination whatsoever on the basis of race, gender or religion. Remuneration policy and packages have been established to incentivise employees to perform in the best interests of the Company and retain and reward employees who demonstrate exceptional performance.

Appropriate mechanisms are in place to enable all employees to report known or suspected breaches of Company policies confidentially and without the risk of a negative reaction from other employees or their superiors.

Internal control and risk management

Internal control processes / business continuity / risk management

The Board has overall responsibility for internal risk management and control processes. Vodafone Qatar has implemented a dedicated compliance programme in accordance with best practice mandated by the Vodafone Group Plc **("Vodafone Group")**. As part of the compliance programme, Vodafone Qatar applies the policies and processes set forth in the Vodafone Group Policy Manual which identifies discrete governance policies designed to ensure that all material financial and business risks for the Company are identified and managed appropriately.

The existence and effectiveness of Vodafone Qatar's internal controls and processes to achieve and maintain compliance with the Vodafone Group governance policies is primarily the responsibility of Vodafone Qatar's management and is monitored through compliance and internal audit. Internal audit provides an independent assurance over the internal control system and reports significant issues to the Audit Committee in relation to the risk based yearly audit plan.

Vodafone Qatar has an established business resilience framework that addresses and mitigates the risk of the business being unable to resume its operational activities within a reasonable time following the occurrence of any events leading to business interruption. The Business Continuity, Crisis Management, Technology Resilience and Site Emergency Response Plans set out the requirements to protect the Company against the impact of emergencies and disruptions to critical business operations through effective and timely response (within predetermined timeframes) to an emergency or crisis.

Vodafone Qatar operates a comprehensive ongoing risk management and assessment programme within the business. The primary objectives are to balance the risks the business takes with potential reward, support the achievement of corporate strategy and anticipate any future threats. The Company believes a vigilant and robust approach to risk management enables informed decision making, provides senior management with appropriate visibility of relevant business risks, defines the level of risk the Company is willing to take and facilitates risk based assurance activity. Vodafone Qatar adheres to the Vodafone Group management programme. On a bi-annual basis, the risk management function reports to the Audit Committee on the top 10 risks that the Company believes would have the greatest impact on the Company's strategic objectives, operating model, viability or reputation. These risks, plus relevant mitigating actions, are catalogued and tracked in the Company's 'Risk Register' and are then subject to additional reporting, oversight and assurance on an ongoing basis.

Internal Audit

Vodafone Qatar's Internal Audit Department is a service provided and supported by Vodafone Group as part of the company's internal governance and compliance framework. The Internal Audit Department provides objective and independent assurance over critical business processes and projects. The Internal Audit Department reviews business and technology processes to identify the risks, review the controls, make recommendations and track management action plans until completion to enable better management of the business by identifying those aspects of the business that could be controlled more effectively. The Internal Audit team has the independence to report objectively on any function without being constrained by line management through reporting to the Chair of the Vodafone Group Audit and Risk Committee and with a secondary reporting line to the Chief Financial Officer of the Company. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews the Company's financial and accounting policies and processes to evaluate and assess any relevant risks in that context.

The Internal Audit Department provides a detailed report every six months to the Audit Committee which includes the following information:

(a) procedures of control and supervision in respect of financial affairs, investments, and risk management;

(b) review of the development of risk factors for the Company and the appropriateness and effectiveness of the systems of the Company to face drastic or unexpected changes in the market;

(c) comprehensive assessment of the Company's performance regarding its implementation of the internal control system in compliance with provisions of the QFMA Corporate Governance Code;

(d) the Company's compliance with applicable market listing and disclosure rules and requirements;

(e) the Company's compliance with internal control systems when determining and managing risks;

(f) the risks faced the Company, their types, causes and the actions taken in this regard; and

(g) the suggestions for addressing the violations and mitigating the risks.

In addition, Internal Audit operates in co-operation with and has full access to, the Vodafone Qatar Audit Committee. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

Vodafone Group's Internal Audit activity complies with the International Standards for the Professional Practice of Internal Auditing from the Institute of Internal Auditors.

Article 21 of the QFMA Corporate Governance Code prescribes that a company's internal audit function should be independent from the day-to-day functioning of the company and suggests reinforcing this independence by having the Board determine compensation of its staff. As a function provided by the Vodafone Group, the Board considers the Internal Audit Department as being independent from Vodafone Qatar.

External Auditor

The decision to appoint the External Auditors including a review of the External Auditor's remuneration is made at the Annual General Assembly at which all shareholders are able to participate. The External Auditors attend the Annual General Assembly to present their report and to answer queries from shareholders.

The purpose of appointing an External Auditor is to provide objective assurance to the Board and shareholders that the financial statements have been prepared in accordance with all related laws, regulations and International Financial Reporting Standards (IFRS) and that they fairly represent the financial position and performance of the Company in all material aspects.

PwC currently holds the position of Vodafone Qatar's External Auditors and they conduct a full audit at the end of the Company's financial year and supplement this with a review of the Company's half-year results.

Article 23 of the QFMA Corporate Governance Code provides that External Auditors shall be appointed by the Annual General Assembly each year which may be renewed for one or more terms provided this does not exceed five years which is in line with Article 141 of Commercial Companies Law No.11 of 2015. Vodafone Qatar's Articles of Association (Article 66) are aligned to the Commercial Companies Law and state that an auditor can be appointed for a period not exceeding five consecutive years.

Conflicts of Interest and Insider Trading

Conflicts of Interest and related Party Transactions

Vodafone Qatar has an established Conflicts of Interest Policy that is in accordance with the Vodafone Group Conflicts of Interest Policy and forms part of the Vodafone Group Governance Policy framework and Code of Conduct. The purpose of this policy is to promote and maintain transparency and proper management of any potential conflict of interest relating to employees and their personal interests outside Vodafone Qatar. Application of this policy in accordance with Vodafone Group best practice serves to protect the interests of both the Company and its employees from any impropriety.

The Vodafone Qatar Board, Executive Management Team and all staff in positions of key responsibility or influence are required to undertake an annual self-assessment to declare any personal or professional interests that would either make it difficult for them to fulfil their duties to the Company or that might otherwise create an appearance of impropriety that could undermine public confidence in Vodafone Qatar.

Vodafone Qatar was a party to the following related party transactions in 2017:

(a) Variation Agreement with Vodafone Limited dated 31 October 2017 for International Call Routing Migration Services (Board approved on 19 September 2017);

(b) Agreement with Vodafone Group Services Limited dated 22 October 2017 in respect of IT Managed Services (Board approved on 25 October 2017); and

(c) Lease Agreement with Qatar Foundation for Education, Science and Community Development dated 1 October 2017 for premises at Qatar Science and Technology Park (Board approved 19 September 2017).

In addition to the above, the Company continues to benefit from the management services provided by Vodafone Group Plc and related entities in accordance with the Management Agreement entered into between the relevant parties on 24 July 2012.

Anti-Bribery

Vodafone Qatar operates to an established and comprehensive framework that is in accordance with Vodafone Group global best practice and designed specifically to manage a number of areas of compliance and business risk. This framework extends to include customer and data privacy, network security and resilience and anti-bribery.

As part of the anti-bribery program specific actions and measurements are taken to actively manage identified sources of risk. Measures taken include:

(a) mandatory training for all staff in key positions of responsibility or influence;

(b) creating and maintaining an official register in which all employees are required to record all corporate gifts or hospitality whether given or received.

Breaches of this policy are treated as a serious disciplinary offence.

Insider Trading

Vodafone Qatar has created an information document summarising the insider trading rules and regulations applicable in Qatar. This document, together with relevant share trading black-out dates, is communicated to the Vodafone Qatar Board, Executive Management Team and all employees prior to the commencement of each trading black-out period.

Litigation and Disputes

Cable Landing Station Dispute with Ooredoo P.Q.S.C. ("Ooredoo")

Vodafone Qatar is currently involved in an ongoing pricing dispute with Ooredoo for Vodafone Qatar's use of and access to a Cable Landing Station at Sumaisma, Qatar. The case is currently before the Court of Appeal where Ooredoo is seeking to challenge a decision of the Arbitrator in Vodafone Qatar's favour on the basis of certain procedural flaws. The Court of Appeal case is ongoing.

Disclosure obligations

Vodafone Qatar has throughout 2017 complied with the disclosure requirements set out in the rules and regulations of the Qatar Financial Markets Authority.

Corporate Social Responsibility

Vodafone Qatar believes that the true value of a business lies in how it creates economic, environmental and social value. We incorporate our core competencies to engage with communities where we live and work. We hope to deepen personal links, enhance the quality of life in our surroundings and create opportunities for a better future for all people in Qatar.

In 2017, we focused our investments in four key areas:

(1) Child safety;
(2) Community giving;
(3) Women's empowerment; and
(4) Sustainability.

These investments are regulated through our Charitable Donations Policy, which ensures all of our contributions are linked to using mobile communication technology for social welfare, environmental protection or community support. Our Social Investments Committee assesses all requests based on transparent and objective evaluation criteria.

Appendix A - Corporate Governance Checklist

Article	Paragraph	Compliant	Non-Compliant	NA	Comments
Article 3: Compliance with Governance Principles	The Board shall commit to implement Governance principles set out in this Code, which are: Justice, Equality among Stakeholders without discrimination among them on basis of race, gender, and religion; and transparency, disclosure and providing Information to the Authority and Stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly. The principles also include upholding the values of corporate social responsibility and providing the public interest of the Company and Stakeholders over the personal interest as well as performing duties, tasks and functions in good faith, integrity, honor and sincerity and taking the responsibility arising therefrom to the Stakeholders and society.	√			The Company abides by Vodafone Group's global Code of Conduct policy as a fundamental component of its overall governance and compliance framework.
	The Board shall constantly and regularly review and update Governance applications, and apply the highest principles of Governance when listing or trading any securities in the Foreign Market, and uphold fair-trading principle among shareholders. The Board shall also update professional conduct rules setting forth the Company's values and shall constantly and regularly review its policies charters, and internal procedures of which shall be binding upon the Company's Board members, Senior Executive Management, advisors, and employees. These professional conduct rules may include the Board Charters and committees, the policy of its dealings with related parties, and the Insiders' the trading rules.	√			
Article 4: Governance Report	The Governance Report is an integral part of the Company's annual report and shall be attached with it and signed by the Chairman. Without prejudice to the provision of Article (2) of this Code, the Governance Report must include Company's disclosure on its compliance with the provisions of this Code. It must also include all the information regarding the implementation of its principles and provisions, which include, but not limited to:	√			
	1. The procedures followed by the Company in implementing the provisions of this Code.	√			
	2. The disclosure of any violations committed during the Year including violations and sanctions imposed because of non-compliance with implementation of any of principles or provisions of this Code, their reasons, the remedial measures taken and measures to avoid the same in the future;	√			
	3. The disclosure of the information relating to Board members and its Committees, Senior Executive Management in the Company, their responsibilities, powers and activities during the Year, as well as their remunerations;	√			
	4. The disclosure of the procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments, and any relevant information;	√			
	5. The committees' works, including number of meetings and their recommendations.	√			
	6. Disclosure of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;	√			
	7. Disclosure of the performance assessment of the Board, compliance of its members in achieving the Company's interest, doing the committee's works, and their attending of the Board and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues;	√			
	8. Disclosure of the Internal Controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing Internal Controls failures (especially such problems as disclosed in the Company's annual reports and financial statements);	√			
	9. Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;	√			
	10. Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.	√			
	11. Disclosure of operations and transactions entered into by the Company with any "Related Party".	√			
Chapter III Board of Directors					
Article 5: Requirements for the Board Member	The Board member must be qualified with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively, and must devote enough time to do its job with integrity and transparency to achieve the Company's interest, goals and objectives.	√			
	The Board member must:				
	1. Not be under twenty-one years old with full capacity.	√			
	2. Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of Law No. (8) of 2012 referred to, or have been bankrupted, unless been rehabilitated.	√			
	3. Be a shareholder owning, when elected, or within thirty days from its election date, a number of the Company's shares determined by Article of Association. Such shares shall be deposited to the Depository within sixty days from starting date of membership with prohibition from trading, mortgage or seize until the end of membership period, approved on the last budget of financial Year of doing business. Such shares shall also be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the responsibility of the Board members. If the member does not provide the guarantee as mentioned, its membership becomes invalid. The Independent Member shall be exempted from this requirement.	√			
	The candidate for Board membership shall provide written acknowledgment stating not undertaking any legally prohibited job position to combine it with the Board membership.	√			

	In all cases, the Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's curriculum vitae and original copies of candidacy requirements to the Authority at least two weeks before the date specified for Board election.	√			
Article 6: The Board Composition	The Board shall be composed pursuant to the Law and the Company's Articles of Association. At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees.	√			
	In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.	√			
Article 7: Prohibition of Combining Positions	Without prejudice to the Law provisions in this regard, it is prohibited for any one, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two Companies which their headquarters located in the State, nor to be a Board member for more than three shareholding companies which their headquarters located in the State, nor to be a Managing Director in more than one Company which its headquartered located in the State, nor to combine two memberships of two Companies exercising a homogenous activity. It is also prohibited to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not to be a member of any of the Board committees set out in this Code.		√		The Company is partially compliant with this Article.
	The Chairman and the members of the Board must provide an annual acknowledgment that no one of them shall combine the prohibited positions according to the Law and this Code provisions. The Secretary shall keep such acknowledgment in the file prepared for this purpose.	√			
Article 8: Key Functions and Tasks of the Board	The Board shall prepare a Charter called "Board Charter" detailing the Board's functions, and rights, duties and responsibilities of the Chairman and members, according to the provisions of the Law and this Code, and shall be published at the Company's website.	√			The Company has a Board Charter and Governance Charter both of which are available on the Company's website. The Company intends to update the Board Charter and Governance Charter to ensure consistency with the new requirements of the QFMA Corporate Governance Code prior to its becoming effective in May 2018
	The Board Charter shall include the Board's key functions and responsibilities including, at least the following:	√			
	1. Approving the Strategic Plan and main objectives of the Company and supervising their implementation, including:	√			
	1.1 Setting a comprehensive strategy for the Company and key business plans and risk management policy, reviewing and directing them.	√			
	1.2 Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets.	√			
	1.3 Supervising the main capital expenses of the company and acquisition/disposal of assets.	√			
	1.4 Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company.	√			
	1.5 Reviewing and approving the organizational structures of the Company on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Company especially internal control units.	√			

	1.6 Approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by senior executive management. The manual shall include determining ways and means of the quick contact with the Authority and other regulatory authorities as well as all parties concerned to governance, including the appointment of a communication officer.	√			
	1.7 Approving the annual plan of training and education in the Company that includes programs introducing the Company, its activities and Governance, according to this Code.	√			
	2. Setting the rules and procedures for Internal Control and supervising them, that includes:	√			
	2.1 Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.	√			
	2.2 Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update.	√			
	2.3 Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.	√			
	2.4 Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently.	√			
	2.5 Reviewing annually the effectiveness of the Company's Internal Control procedures.	√			
	3. Drafting a Governance code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary.	√			
	4. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.	√			
	5. Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following:	√			
	5.1 Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts.			√	
	5.2 Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders.	√			
	5.3 Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them.	√			
	5.4 Put a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with.	√			

	5.5 The Company's social contributions.	√			
	6. Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material Information to shareholders, creditors and other Stakeholders.	√			
	7. Inviting all shareholders to attend the General Assembly Meeting in the way charted by Law. The invitation and the announcement shall include a thorough summary of the General Assembly agenda, including the item of discussing and approving the Governance Report.	√			
	8. Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.	√			
	9. Developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all shareholders in a quick manner with integrity and transparency.	√			
	10. Developing awareness programs necessary for spreading the culture of self-control and risk management of the Company.	√			
	11. Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Company's employees in accordance with the principles of this Code without any discrimination based on race, gender or religion. Such policy shall be submitted yearly to the General Assembly for approval.	√			
	12. Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval.	√			
	13. Setting foundations and standards for evaluating the performance of the Board and the Senior Executive Management.	√			
Article 9: Board Responsibilities	The Board represents all shareholders; therefore, the Board must exert more due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, partners, shareholders and Stakeholders, and to achieve the public interest and investment development in the State as well as community development. The Board shall also bear the responsibility to protect shareholders from illegal or abusive practices and business, or any acts or decisions that may be harmful to them, discriminate among them, or let a group dominate another.	√			
	The responsibilities of the Board must be clearly stated in the Company's Articles of Associations and in "the Board Charter" referred to in the previous article.	√			
	Without violating the provisions of the Law, the Board must carry out its functions and duties, and bear responsibility according to the following:				
	1. The Board must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient Information from the executive management, or from any other reliable source.	√			
	2. A Board member represents all shareholders; shall undertake to carry out whatever might be in the interest of the Company, but not in the interests of the group it represents or that which voted in favor of its appointment to the Board.	√			

	3. The Board shall determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The executive management shall submit to the Board periodic reports on the exercise of the delegated powers.	√			
	4. The Board shall ensure that procedures are laid down for orienting the new Board members of the Company's business and, in particular, the financial and legal aspects, in addition to their training, where necessary.	√			
	5. The Board shall ensure that sufficient Information about the Company is made available to all Board members, generally, and, in particular, to the Non-Executive Members, to enable them to discharge their duties and responsibilities in an effective manner.	√			
	6. The Board shall not enter into loans that spans more than three years, and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association. In the case where the Company's Articles of Association includes no provisions to this respect, the Board should not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Company's business.	√			
Article 10: Tasks Delegation	Without prejudice to the competences of the General Assembly, the Board shall assume all the necessary competencies and powers for the Company's management. The Board may delegate to its committees to exercise some of such powers, and may form a special committee or more to carry out specific tasks to be stipulated in the decision of formation the nature of those tasks.	√			
	The ultimate responsibility for the Company rests with the Board even if it sets up committees or delegates some of its powers to a third party. The Board shall avoid issuing a general or an open-ended delegation.	√			
Article 11: Duties of the Board Chairman	The Chairman: is the president of the Company, represents it before the others and before the judiciary and is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working to achieve the interest of the Company, partners, shareholders and Stakeholders. The Board Charter must include tasks and responsibilities at least the following:	√			The Company has a Board Charter and Governance Charter both of which are available on the Company's website. The Company intends to update the Board Charter and Governance Charter to ensure consistency with the new requirements of the QFMA Corporate Governance Code prior to its becoming effective in May 2018.
	1. Ensuring that the Board discusses all the main issues in an efficient and timely manner;	√			
	2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;	√			
	3. Encouraging all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring that the Board is working with its responsibilities to achieve the best interest of the Company;	√			
	4. Making available for the Board Members all data, Information, documents and records of the Company, and of the Board and its committees.	√			
	5. Creating effective communication channels with shareholders and making their opinions heard to the Board;	√			
	6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non- Executive Board Members; and	√			

	7. Keeping the members constantly informed about the implementation of the provisions of this Code, the Chairman may authorize Audit Committee or other committee in this mission.	√			
	The vice-chairman shall replace the Chairman during his absence, and the Chairman may authorize another of the Board members in some of his/her powers.	√			
Article 12: Board Members Obligations	The Board members shall comply with the following:				
	1. Attending meetings of the Board and committees regularly, and not withdrawing from the Board except for the need at the right time.	√			
	2. Giving priority to the interest of the Company, shareholders and all Stakeholders over their own interest;	√			
	3. Providing opinion on the Company's strategic matters, policy of projects implementation, staff accountability systems, resources, key appointments and operation standards;	√			
	4. Monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;	√			
	5. Supervising the development of the procedural rules for the Company's Governance to ensure their implementation in an optimal manner in accordance with this Code.	√			
	6. Using their diversified skills and experience with diversified specialties and qualifications through an effective and productive management of the Company, and working to achieve the interests of the Company, partners, shareholders and other Stakeholders.	√			
	7. Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner.	√			
	8. Not to make any statements, data or Information without prior written permission from the Chairman, and the Board shall appoint an official spokesperson for the Company.	√			
	9. Disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them.	√			
	The Board members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Company's affairs.	√			
Article 13: Invitation for Meeting	The Board shall meet upon an invitation by the Chairman, and pursuant to what is stipulated in the Company's Articles of Associations. The Chairman may call the Board for the meeting upon a request by at least two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date; the member may request to add an item or more to the agenda.	√			
Article 14: Board Meetings	The Board shall convene at least six meetings during the year and three months must not elapse without convening a meeting. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the vice-Chairman attends the meeting.	√			

	The absent member may, by written request, delegate any other Board member to represent it in attendance and voting. A Board member cannot represent more than one member. If the Board member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned.	√			Article 33 of the Company's Articles of Association entitles the Company to appoint two (2) Vice Chairmen to ensure there is no business interruption due to the unavailability of the Chairman or Vice Chairman.
	Participation in the Board meeting may be done by any secure and known of new technologies that enable the participant to hear and actively participate in the Board agenda discussions and make decisions.	√			
Article 15: Board Decisions	Without violating the provisions of the Law in this regard, the Board shall pass its decisions by majority votes of attendants and representatives. In case of a tie votes, the Chairman shall cast the deciding vote. A minute shall be prepared for each meeting, including names of the attending and absent members, as well as the meeting discussions.	√			
	The Chairman and Secretary shall sign on the minute and if there is any member, who does not agree on any decision taken by the Board, may prove his objection in the meeting minute.	√			
	The Board, if necessary or urgent, may issue some decisions by passing subject to written approval of all its members to those decisions, and to be presented at the next Board meeting to include them in its minutes.	√			
Article 16: Secretary	The Board shall issue a decision naming the Board Secretary. A priority shall be for a person who holds a university degree in law or accounting from a recognized university or equivalent, and for who has at least three years' experience in handling the affairs of a listed company.	√			
	The Secretary may, upon the Chairman approval, requires the assistance of any employee of the Company to perform its duties.	√			
Article 17: Tasks and Duties of the Secretary	The Secretary shall provide assistance for the Chairman and all members in conducting their duties and shall comply to conduct all Board functioning, including:	√			
	1. Recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and prove members objections to any decision issued by the Board.	√			
	2. Recording the Board decisions in the register prepared for this regard as per issuance date.	√			
	3. Recording the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members objections, if any.	√			
	4. Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records.	√			
	5. Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date, and receiving members' requests to add an item or more to the agenda with submission date.	√			
	6. Making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees.	√			

	7. Enabling the Chairman and the members to have timely access to all Information, documents, and data pertaining to the Company.	√			
	8. Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.	√			
Article 18: Board Committees	The Board, immediately after election and at its first meeting, shall constitute at least three committees as follows:				
	First: Nomination Committee, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the committee's functions, which are – at least – the following:		√		The formation of the Nomination Committee is not in accordance with the requirements of Article 19 (Committees' Work) of the QFMA Corporate Governance Code. Article 19 stipulates that the Chairman of the Company cannot be a member of any committee and the Chairman of the Audit Committee cannot be a member of any other committee. In addition, no meeting of the Nomination Committee took place during 2017. Vodafone Qatar will undertake to review the formation and operation of the Nominations Committee to align more closely with the requirements of the QFMA Corporate Governance Code.
	1. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.	√			
	2. Nominating whom it deems fit for the Board membership when any seat is vacant.	√			
	3. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.	√			
	4. Nominating whom it deems fit to fill any job of the Senior Executive Management.	√			
	5. Receiving candidacy requests for the Board membership.	√			
	6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.	√			
	7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.		√		
	Second: Remuneration Committee, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the Committee's duties, which are – at least - the following:	√			
	1. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.	√			
	2. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.	√			
	Third: Audit Committee, chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties, which are – at least - the following:		√		Vodafone Qatar is non-compliant with Article 18 (Board Committees) of the QFMA Corporate Governance Code as the Audit Committee is not chaired by an Independent Board Member and the majority of the Committee Members are not Independent Board Members.
	1. Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary.	√			

	2. Setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work.				Vodafone Qatar intends to review the structure of the Audit Committee and make any necessary changes in advance of the coming into force of the QFMA Corporate Governance Code in May 2018. Vodafone Qatar's Audit Committee is scheduled to meet twice per year. Vodafone Qatar believes that in conjunction with all the existing internal control and risk management processes adopted by the Company, a minimum of two Audit Committee meetings per year is sufficient. Furthermore, additional Audit Committee meetings shall be held during the year as required..
	3. Overseeing the Company's Internal Controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary Information and the Company's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not.	√			
	4. Overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports.	√			
	5. Considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements.	√			
	6. Ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly.	√			
	7. Making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company	√			
	8. Reviewing the systems of financial and Internal Control and risk management;	√			
	9. Conducting investigations in financial control matters requested by the Board.	√			
	10. Making coordination between the Internal Audit Unit in the Company and the External Auditor.	√			
	11. Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard.	√			
	12. Reviewing the Company's dealings with the Related Parties, and making sure whether such dealings are subject to and comply with the relevant controls.	√			
	13. Developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company.	√			
	14. Supervising the training programs on risk management prepared by the Company, and their nominations.	√			
	15. Preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the behest of the Board or the Chairman.	√			
	16. Implementing the assignments of the Board regarding the Company's Internal Controls.	√			
	17. Conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report.	√			

Article 19: Committees' Work	The Board shall issue a decision to nominate the chairman and members of each committee, identifying its responsibilities, duties and work provisions and procedures. Audit Committee shall meet at least six meetings a year.	√			See above note at Article 18
	It is prohibited to chair more than one committee composed by the Board, and it is not permissible to combine the chair of the Audit Committee and the membership of any committee. The Nomination Committee and Remuneration Committee may be combined together in one committee called "Nomination and Remuneration Committee".		√		See above note at Article 18
	The committee's meeting shall be deemed valid if attended by its chairman and the majority of the members. A minute shall be prepared for each meeting including the meeting discussions signed by the committee's chairman.	√			
	Each committee shall submit an annual report to the Board including its work and recommendations.	√			
	The Board shall review and evaluate the committees' achievements, and include it in the Governance Report.	√			
Chapter IV The Company's Control System					
Article 20: Internal Control	The Board shall adopt a proposal submitted by the Audit Committee on the Company's Internal Control. The proposal shall include control mechanism, duties and functions of the Company's departments and sections, its provisions and procedures of responsibility, and awareness and education programs for employees about the importance of self-control and Internal Controls.	√			Vodafone Qatar has its own internal audit function which performs the role of ensuring appropriate controls are in place and formally monitored on an annual basis. The Company's internal audit function operates independently from the local business and makes use of best practice from the Vodafone Group internal audit function.
	The above-mentioned proposal shall include the Company's plan in risk management that at least includes identifying major risks that may impact the Company especially those related to new technology, the Company's ability to take risks, put in risks identification mechanisms to ensure its qualification and implement awareness programs and ways to mitigate them.	√			
Article 21: Internal Control Unit	Internal Control system of the Company shall include establishing one or more effective and independent unit (s) for assessment and management of risk, financial audit and overseeing the Company's compliance with the controls of financial Transactions, especially those done with any Related Party. This unit shall be managed by one or more internal auditor (s) who has qualification and experience in financial audit, performance assessment and risk management, and has an access to all Company's departments to follow-up the unit work. The Board shall issue a decision on appointing and determining functions and remuneration of the internal auditor, and shall be responsible before the Board.	√			The Company has clear policies relating to conflicts of interests contained in its Code of Conduct. This is in addition to the specific provisions on related party transactions set out in the Articles of Association. Any related party transactions are disclosed in the Annual Report.
Article 22: Internal Control Reports	Every three months, the internal auditor shall submit to the Audit Committee a report on the Internal Control achievements in the Company. Based on the Audit Committee recommendation, the Board shall determine the data that the report should include, which are at least the following:		√		The internal audit report is prepared to coincide with meetings of the Audit Committee which meets a minimum of twice per annum.
	1. Procedures of control and supervision in respect of financial affairs, investments, and risk management.	√			
	2. Review of the development of risk factors in the Company and the appropriateness and effectiveness of the systems in the Company to face the drastic or unexpected changes in the Market.	√			
	3. Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control system in compliance with provisions of this Code.	√			

	4. The Company's compliance with applicable market listing and disclosure rules and requirements.	√			
	5. The Company's compliance with Internal Control systems when determining and managing risks.	√			
	6. The risks faced the Company, their types, causes and the actions taken in this regard.	√			
	7. The suggestions for addressing the violations and mitigating the risks.	√			
Article 23: External Control	The Audit Committee shall review and consider offers of External Auditors registered in the external auditors list of the Authority, and then submit to the Board a recommendation with reasons to choose one offer or more for appointment of the Company's external auditor. Immediately, after the Board's approval of the recommendation, it shall be included in the Company's General Assembly agenda.	√			
	The General Assembly shall appoint an External Auditor or more for one Year, renewable for a similar period or other similar periods up to a maximum of five consecutive Years, provided that the re-appointment shall not be before passing two consecutive Years. The External Auditor and its employees are prohibited neither to reveal the Company secrets, nor to combine between its assigned business, functions and duties and any other business in the Company, nor to work at the Company before at least one Year from the date of relations end with such Company.	√			
Article 24: Functions and Responsibilities of the External Auditor	The External Auditor shall inform the Board - in writing – about any risk to which the Company exposed or expected to be exposed, and about all of the violations immediately upon identification, as well as send a copy of that notice to the Authority. In this case, the External Auditor shall have the right to invite the General Assembly to convene pursuant to the Law provisions in this regard, provided that informing the Authority thereof.	√			Vodafone Qatar is currently not in compliance as the new QFMA Corporate Governance code will be effective in May 2018. The company will endeavor to ensure compliance by that date.
	The External Auditor – even if they are more - shall submit one report to the General Assembly and read it, as well as shall send a copy to the Authority with responsibility for the validity of data contained therein. Each shareholder of the General Assembly has the right to discuss with the External Auditor and seek clarification in any matter of the report.	√			
	The External Auditor's report must include whatever informs shareholders with the control works and performance assessment in the Company, especially relating to the following:		√		
	1. Appropriateness and effectiveness of Internal Control systems implemented in the Company.		√		
	2. The Company's ability in continuous of engaging activities and implementation of its obligations; that is evaluated independently of what shown by the Board.	√			
	3. The Company's compliance to develop all types of internal policies and procedures, and the appropriateness of them with the Company's status, as well as its compliance with their implementation.		√		
	4. The Company's compliance with its Articles of Associations and its compliance with the provisions of the Law and the Authority's relevant legislations, including the provisions of this Code.	√			

	5. The Company's compliance with the implementation of the best international standards in auditing and the preparation of financial reports as well as its compliance with international audit and accounting standards (IFRS / IAS) and (ISA) and their requirements.		√		
	6. The Company's cooperation with the External Auditor in providing access to the necessary Information to complete its duties.	√			
Chapter V Disclosure & Transparency					
Article 25: Disclosure	The Company must comply with disclosure requirements, including the financial reports, the number of shares owned by each of the Chairman and the Board members, Senior Executive Management, and major shareholders or controlling shareholders. The Company must also comply with disclosure about information related to the Chairman, members, and committees of the Board as well as their scientific and practical experiences as in the Curriculum Vitae, and whether one of them is a Board member, Senior Executive Management of another Company or a member of any of their Board committees.	√			
	The Company must determine its policy on dealing with rumours by denying or proving, and on how to disclose clearly in writing without inconsistence with the Authority's relevant legislations. The Board must ensure the accuracy and truth of the Company's disclosure and its compliance with all disclosure rules.	√			
Article 26: Conflicts of Interest	Without prejudice to the provisions of the Law in this regard, the Board shall comply with the principles of this Code and with the disclosure for dealings and transactions, which the Company enters into with any "Related Party" and in which such Related Party has an interest that may conflict with the Company's interest.	√			
	Prior at least a week from the date of holding the General Assembly called for considering the Company's budget and the Board's report, the Board must disclose in details for the shareholders about the abovementioned dealings and transactions, and must disclose them in the Company's annual report.	√			
	In all cases, the Company must not carry out any dealing or enter into any transaction with any "Related Party" only after the approval of the General Assembly of the Company, and must be included in the agenda of the next General Assembly to complete the procedures.	√			
Article 27: Transparency and Upholding the Company's Interest	Any Related Party, which is a party, has a relation with a business dealing, or has a relation with or a transaction entered into by the Company, shall not attend the Board meeting while discussing that dealing, relationship or transaction. Such Related Party shall not entitled to vote on what issued by the Board regarding these relationships or transactions.	√			
	In all cases, all relationships held by the Company with others must serve the Company's interest, as well as all transactions shall be made according to market prices and on arm's length basis and shall not involve terms that are contrary to the Company's interest.	√			

Article 28: Disclosure of Securities Trading	The Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and transaction they carry out involving the Company's shares and any other securities, and the Board shall adopt clear rules and procedures regulating trading of the Insiders in securities issued by the Company.	√			
Chapter VI Stakeholders Rights					
Article 29: Shareholders Equality in Rights	Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions.	√			
	The Company's Articles of Associations and by-laws shall include procedures and guarantees needed for all shareholders to exercise their rights. The rights, in particular, rights to dispose of shares, obtain the determined dividends, attend the General Assembly and participate in its deliberations and voting on decisions, as well as the right to access to Information and request it with no harm to the Company's interests.	√			
Article 30: Access to Ownership Register	The Company shall submit, monthly, an application to the Depositary to get an updated copy of shareholders register and keep it.	√			
Article 31: Shareholder's Right to Access to Information	The Company's Articles of Associations and by-laws shall include procedures of access to Information that enable the shareholder to exercise full rights without prejudice to other shareholders' rights or harm the Company's interest.	√			
	The Company shall comply to check and update the Information regularly, and to provide the shareholders with all Information they deemed important and enable them to exercise their rights fully, using new and modern technologies.	√			
Article 32: Shareholders' Rights Related to General Assembly	The Company's Articles of Associations shall include regulating the shareholders' rights related to the General Assembly Meeting, including:	√			
	1. The shareholder(s) who owns at least (10%) of the Company's capital shall, for serious grounds, be entitled to request an invitation to convene General Assembly. The shareholders representing at least (25%) of the Company's capital shall be entitled to invite Extraordinary General Assembly to convene pursuant to the procedures prescribed by the Law and the regulations in this regard.	√			
	2. The right to request including certain issues in the General Assembly's agenda to be discussed in the meeting if the Board do not include such issues and the Assembly decided that.	√			
	3. The right to attend meetings of the General Assembly, and to allow the opportunity to effectively participate in them and in its deliberations as well as discuss matters listed in the agenda, and to facilitate knowing date and place of the Assembly and the issues listed in the agenda as well as the rules governing the discussions and asking questions.	√			
	4. A shareholder shall – in writing and upon a power of attorney – be entitled to appoint another shareholder who is not a Board member to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's capital shares.	√			
	5. The right of minors and shareholders restricted to attend the General Assembly meeting, to be represented by their legal attorneys.	√			

	6. The shareholder shall be entitled to ask questions to the Board members and shall be answered in a manner that does not prejudice the Company's interests and shall be entitled to appeal to the General Assembly if the answer considered as not sufficient.	√			
	7. The right to vote on General Assembly decisions, and to facilitate all information about the rules and procedures governing the voting process.	√			
	8. The shareholder shall have be entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests, and be entitled to demonstrate this in the meeting minutes and to invalidate the objection according to the provisions of the Law in this regard.	√			
Article 33: Facilitating Effective Participation in General Assembly	The Company shall choose the most appropriate place and time of the General Assembly, and shall use new and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly.	√			
	The Company shall enable shareholders to know the matters listed on the agenda and any new matters accompanied by sufficient Information that enable them to make their decisions and shall also enable them to purse the General Assembly minutes. The Company shall disclose the results of the General Assembly immediately upon finishing and send a copy of such minutes to the Authority immediately upon approval.	√			
Article 34: Shareholders' Rights Related to Voting	Voting is a shareholder's right - can be exercised in person or by a legal representative – which shall not be waived or denied.	√			
	The Company is prohibited to put any limitations or take any action might hamper the use of the shareholder's voting right. The shareholders shall be afforded all possible assistance as may facilitate to exercise of the right to vote, using the new and modern technologies.	√			
Article 35: Shareholders' Rights Related to Board Members Election	The Company shall comply with disclosure requirements relating to Board members' candidates and shall inform in sufficient time the shareholders all the information of all candidates and their knowledge and practical experiences as in their Curriculum Vitae before the date determined for convening the General Assembly. The General Assembly shall elect the Board members by secret ballot in accordance with the Cumulative Voting method.	√			
Article 36: Shareholders' Rights Regarding Dividends Distribution	The Company's Articles of Associations shall determine – without prejudice to the Company's ability to fulfill its obligations to third parties - the minimum percentage of net dividends that should be distributed to shareholders. The Board shall lay down a clear policy for the distribution of such dividends, in a manner that may realize the interests of the Company and shareholders; shareholders shall be informed of that policy during the General Assembly and reference thereto shall be made in the Board report. The dividends approved by the General Assembly for distribution, whether they be in cash or bonus shares shall be given, as of right, to shares owners who are listed in the register kept at the Depository at the end of trading session on the day on which the General Assembly is convened..	√			
Article 37: Shareholders' Rights Regarding to Major Transactions	The Company's Articles of Associations shall include a specific mechanism for the protection of shareholders' rights in general and Minorities in particular in the event that the Company conducted Major Transactions that might harm their interests or prejudice the ownership of the Company's capital.	√			
	In all cases, the Company must disclose its capital structure, any agreement concluded thereto, and the shareholders who own, directly or indirectly, (5%) or more of the shares.	√			
Article 38: The Stakeholders' Rights (non-shareholders)	The Company shall maintain and respect the Stakeholders' rights. Each Stakeholder in the Company may request the Information related to his interest with attaching a proof of capacity, and the company shall provide the requested Information in a timely manner and in a way that does not threaten the others' interests or prejudice the Company's interests.	√			
	The Board shall establish, in writing, a mechanism that defines procedures of the Stakeholders' appeals against the decisions and actions of the Company's officials and Senior Executive Management, and other procedures to receive and consider their complaints, proposals and notifications regarding all aspects affecting the Company's interests and funds. The mechanism shall state the confidentiality of content of such complaint, proposal or notification, and shall protect the applicant, and deadlines to decide on appeals and response to complaints and proposals.	√			
Article 39: The Community's Right	The Company shall do its part in community development and promotion, and the environment preservation through effective and meaningful participation system of corporate social responsibility.	√			

3 Executive Management Team

Ian Gray OBE

Chief Executive Officer (CEO)

Ian Gray has been CEO of Vodafone Qatar since December 2015. Previously, he served as the Vodafone Group's Regional Director for Central and Eastern Europe and as Chairman of Vodafone Egypt with a board position for more than 16 years.

Prior to joining Vodafone, Ian was CEO of FTSE companies Brown and Jackson and General Cable, a UK-based fixed-line and cable TV operator. In January 2017, he was made an Officer of the Most Excellent Order of the British Empire (OBE) for his services to international trade relations.

Education

- BSc, Applied Physics - Durham University (United Kingdom)
- FCMA

Sheikh Hamad Bin Abdullah Al Thani

Chief Operating Officer (COO)

Sheikh Hamad Bin Abdullah Al-Thani was appointed COO in July 2017. Since joining Vodafone in 2013, he has served in many roles including: Senior Business Development Manager, Head of Public Sector Sales and Sales Director.

Under his leadership, Vodafone's enterprise market share grew substantially as did our position as an ICT and "Mega Projects" service provider. Before joining Vodafone, he held many roles in the oil and gas sector related to industrial networks, cyber, automation and control system engineering.

Education

- BA, Computer Science - University of Ottawa (Canada)

Brett Goschen

Chief Financial Officer (CFO)

Brett Goschen was appointed CFO in August 2017, bringing 30 years of regional experience and financial acumen to Vodafone Qatar as a certified chartered accountant. Previously as CFO and Executive Director for MTN Group Limited, Brett oversaw finance in 22 operating countries across the Middle East and Africa.

His management experience is as broad as his geographic reach with CEO roles for organisations including MTN Nigeria Communications Limited, MTN Ghana, Autopage Cellular and Digicel.

Education

- Chartered Accountant (South Africa)
- Certificate, Advanced Management – INSEAD (France)
- B.Comt Honours, Accounting Science - University of South Africa (South Africa)
- B Comm, Accounting - University of Natal (South Africa)

Diego Camberos

Consumer Business Unit Director

Diego Camberos joined Vodafone Qatar in March 2017 from telecommunications company, Tigo-Millicom, where he served as CEO in Senegal and Rwanda.

In under three years in Senegal, he transformed Tigo-Millicom into a strong challenger among emerging telecoms companies with solid double-digit growth. In Rwanda, he led the company to acquire 35 per cent market share in his first two years. He has held numerous other management positions across Latin America, including with McDonalds, Comcel and Viva.

Education

- MA, Business Administration - University of Los Andes (Columbia)
- BA, Economics and International Studies - University of South Carolina (United States)

Ramy Boctor

Chief Technology Officer

Since joining Vodafone Qatar in February 2014, Ramy Boctor has led the launch of our 4G and 4G+ network. Under his leadership, our network was recognised as "Best in Test" by the international leader in mobile performance testing, P3 Communications.

Previously, Ramy was CTO at Mobilink where he was renowned for improving tech performance with under-performing teams and rolling-out innovative solutions.

Education

- MA, Business Administration – Warwick Business School (United Kingdom)
- BSc, Telecommunication Engineering – Cairo University (Egypt)

Mahmud Awad

Chief Business Officer

Mahmud Awad is responsible for generating sizeable revenues and leading a sales, marketing and care team of 150 people. He joined Vodafone Qatar in March 2014.

Previously, he was VP of Corporate Sales at du in Dubai. During this time, he created new revenue streams, introduced more industry specific solutions and established an end-to-end sales approach. Mahmud has held other executive roles with Ooredoo, Nokia Siemens Networks and Siemens.

Education

- MSc, Electrical Engineering – University of Aachen (Germany)
- BSc, Electrical Engineering – University of Aachen (Germany)

4 Corporate Social Responsibility

We believe that the true value of a business lies in how it creates economic, environmental and social value. We incorporate our core competencies to engage with communities where we live and work. We hope to deepen personal links, enhance the quality of life in our surroundings and create opportunities for a better future for all people in Qatar.

In 2017, we focused our investments in four key areas:

1. **Child safety**
2. **Community giving**
3. **Sustainability**

These investments are regulated through our Charitable Donations Policy, which ensures all our contributions are linked to using mobile communication technology for social welfare, environmental protection or community support. Our Social Investments Committee assess all requests based on transparent and objective evaluation criteria.

Social investment initiatives

1. CHILD SAFETY

AmanTECH

Aimed at promoting digital literacy amongst parents and improving digital safety for children, we launched AmanTECH in 2014 (which stands for "Safe Technology" in Arabic). We are especially proud of the results we achieved this year with our partners.

We held over 20 educational events and workshops at schools, malls and high-profile events such as QITCOM and the Doha International Book Fair. With the Ministry of Transport and Communications, we delivered workshops to 1,000 children who learned to identify fake news, safely game online and protect their personal data.

Learn more @ vodafone.qa/Amantech

Aman Watches

We partnered with the Protection and Social Rehabilitation Centre (AMAN), to power Aman watches for children with our sim cards and network. These innovative devices use GPS technology to track a child's location during travel, helping to keep them safe and give parents more peace of mind.

We supported the distribution of more than 1,000 watches to child travellers at Hamad International Airport. We also presented the watches to children at the Shaffalah Centre for children with special needs and the Renad Academy for students with autism spectrum disorder.

2. GIVING BACK TO THE COMMUNITY

The Giving Challenge

The 2017 edition of the Vodafone #GivingChallenge raised QR 364,810 with over 36,000 votes received. Launched on the first day of Ramadan, the challenge reached new heights with the support of three Qatari social media influencers.

Aqeel Al-Janahi, Ahmed Abdallah and Ahmed Khalil selected charities and encouraged their followers on social media to vote for the charity of their choice using the My Vodafone App. With each vote, Vodafone donated QR 10 to the selected charity.

> "I'd like to thank Vodafone for giving me the opportunity to be charitable in this innovative way. I'm proud that the money raised will make the wishes of so many orphans come true through Qatar Charity's Omnyaati programme."
>
> - Writer and actor, Ahmed Abdullaa

Vodafone For All

With Vodafone For All, we are realising our strong belief that connectivity is a right for all. We seek to overcome accessibility challenges whether technological or economic, especially for disadvantaged people such as the disabled, elderly and retired.

In 2017, we advanced this cause by launching permanent offers for retired customers in partnership with the National Retirement Authority. Retired customers with a valid military, civil or employee card from the General Retirement and Social Insurance Authority, are now eligible for a 50 per cent discount on our Red Postpaid Plans. Benefits include unlimited local calls and SMS, unlimited local and global data, Vodafone Points and much more.

Better Connections

In July 2017, we signed a Memorandum of Understanding with The Ministry of Transport and Communications to jointly raise ICT awareness and connectivity amongst migrant workers.

Through the Better Connections Programme, we are providing internet connectivity services and devices in 1,500 labs that will benefit 1.5 million workers in Qatar.

> "Vodafone globally has long championed internet access for all members of society. We are delighted that millions of workers in Qatar can benefit from the Better Connections Programme using our world-class network."
>
> - Ian Gray, CEO Vodafone Qatar

Easy Donations

As part of Vodafone Red, customers can now make automatic monthly contributions of QR 100 to 300 to charities of their choice. One hundred per cent of the donation is given to the organisation, which in 2017 amounted to over QR 50,000.

Since May 2017, customers can also make charitable gifts using the Vodafone Easy Donations feature on the My Vodafone app.

Celebrating National Sports Day

Vodafone marked Qatar's National Sports Day in 2017 by engaging employees and the public in community activities across the country. Visitors to the Qatar Foundation's Al Shaqab indoor arena, for instance, used virtual reality powered by Vodafone to "cycle" and explore other sports.

The Filipino community especially enjoyed the celebrations sponsored by Vodafone. With "Be fit with Kulinarya Qatar", many Filipinos visited a health and fitness bazaar featuring fitness activities, healthy food and medical checks.

3. SUSTAINABLE DEVELOPMENT

Global Goals Week

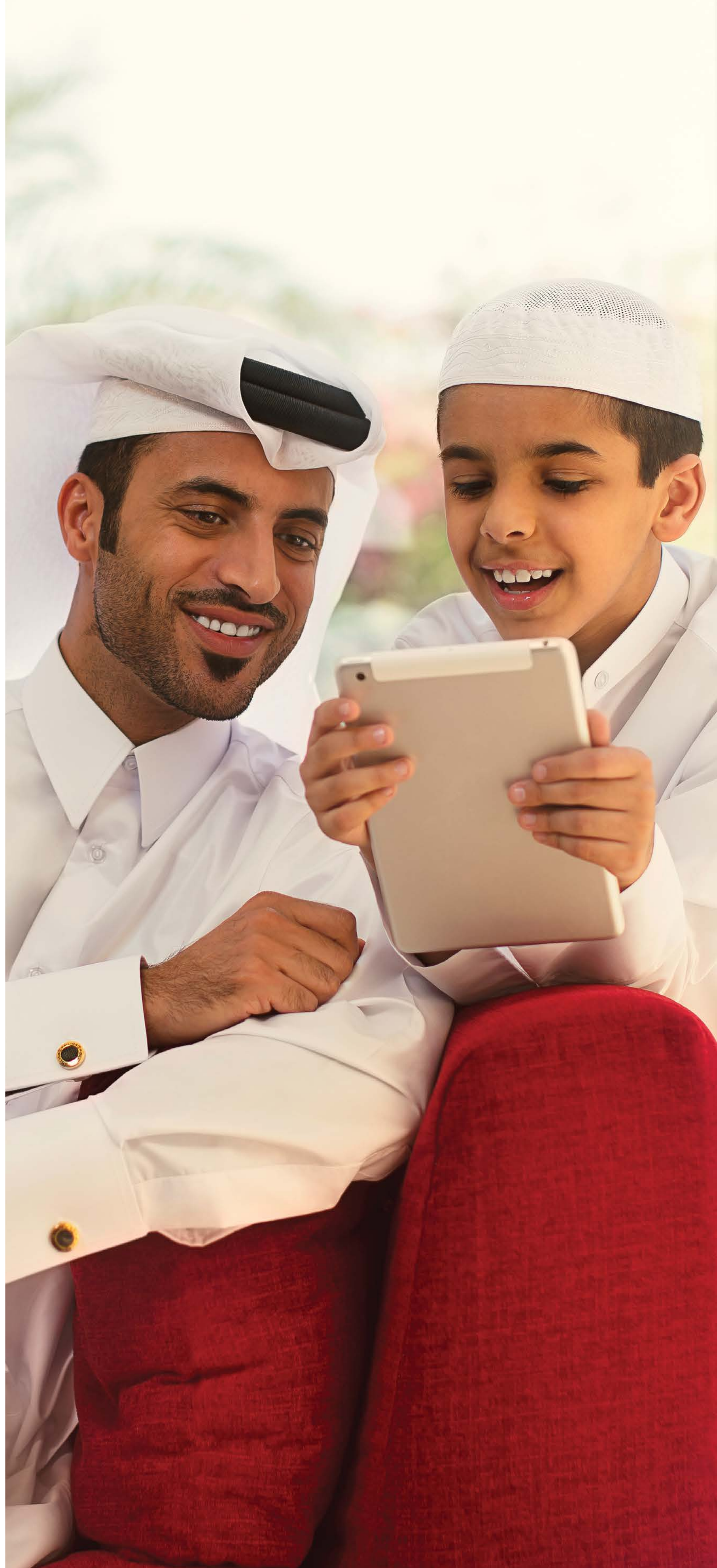
In 2015 at the United Nations, world leaders committed to the Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice and tackle climate change by 2030.

We leveraged our social media influence in Qatar to raise awareness about the SDGs and their importance for Qatar's future. Social media engagement took place during the Global Goals Week in September 2017.

Qatar Sustainability Week

During Qatar Sustainability Week, Vodafone served as the official communication partner for the organiser: the Green Building Council (QGBC). The initiative enabled stakeholders from the public and private sectors to discuss breakthroughs in sustainability and the latest environmental trends.

We focused on promoting the revolutionary power of the Internet of Things (IoT) to enhance sustainability. From smart metres to smart homes, Vodafone enables technology with incredible potential to reduce Qatar's environmental footprint.



5 Review of the year

The future is exciting. Ready?

As a young Qatari company, we are boldly optimistic about the future and genuinely excited about Vodafone's role in shaping it. This made the Group's global campaign - The future is exciting. Ready? – ideally suited to roll-out in Qatar.

Click to watch

Through this campaign, we have repositioned the Vodafone Qatar brand towards our new Group purpose of helping communities adapt, innovate and prosper in a rapidly changing world. This purpose is nicely consistent with Qatar's 2030 vision. The campaign invites customers and all Qataris to embrace and enjoy the bright future we envisage together as partners.

Our video, "Nostalgia for the Future" was one of the most notable expressions of the campaign to date. Launched on Qatar National Day, it embodied the essence of our progressive brand, services and innovations all while honouring Qatari traditions and customs. It perfectly expresses our optimism for Qatar, blending its rich history into an innovative future.

Click to watch

" The Group recognised Vodafone Qatar for its outstanding delivery of the brand relaunch in 2017. "

New slogan, fresh look. Now that's exciting!

The new slogan and fresh look affirms our commitment to bring the best and most innovative products and services to Qatar.

The Vodafone "speech mark" now appears as the graphic focus of our messages. It has become a strong symbol of our commitment to place customer benefits at the heart of our brand.

The slogan, which replaces "Power to You", in use since 2009, was deployed in all of Vodafone's 36 markets in the biggest ad campaign in our 34-year history.

Ready to...empower customers

Alongside the campaign, we launched three services that empower customers to stay connected on their own terms. Each service is specially designed to resonate with a target customer segment in Qatar.

1. **Red.** Offers an exclusive world of privileges and high-end services promoted by Qatari brand ambassadors. Hosts a suite of unique and customisable services.
2. **Flex.** Empowers customers with the freedom to use their plan on their terms. Customers choose how to spend on data and minutes when and where they want.
3. **Daily123.** Provides a platform with personalised offers delivered daily for prepaid customers. Ensures customers get the best value for the services they want.

Made in Qatar

Vodafone Qatar reflects the best of our global network stemming from our local roots. Operationally, we are committed to a 100 per cent "Made in Qatar" approach, and only work with local businesses to create and deliver our marketing materials.

This decision is driven by our strong commitment to help businesses in Qatar advance their capabilities and showcase their work across the globe.

Vodafone Qatar was twice recognised by Vodafone Group this year: once for the outstanding delivery of the group brand relaunch, and second for its luxury approach to the iPhone X launch. Local agencies supported both campaigns.

Leveraging our global expertise to bring the latest innovations and business solutions to Qatar has been another focal point. We repositioned our enterprise brand as a global and tailor-made solutions provider, offering unparalleled expert advice to Qatari businesses. We were honoured to have CEOs of Qatari companies, including Msherieb, Meeza and Energy City publicly highlight Vodafone's pivotal role in bringing global innovation and bespoke solutions to Qatar.

Click to watch

Digital first

The immediate future will see an acceleration of innovation in the digital space. Recognizing this opportunity, Vodafone Qatar is committed to being a digital first company. Enabling our customers to manage their relationship with us in the most convenient way lives at the heart of our brand and advances in digitalization make this more convenient than ever before. As a business, we are committed to building engaging digital content and services to interact with our customers and keep them informed of our best offers, no matter where they are.

Getting closer to our Customers

New stores

We believe that leading in retail requires being geographically close to our customers, enabling as many face-to-face interactions as possible. That is why we now operate 29 retail stores across Qatar, three of which opened this year in Dar Al Salam, Gulf Mall and Doha Festival City with more planned for 2018.

The new stores are designed to bring customers on a branded journey based on convenience, transparency, simplicity and speed. The stores boast some unique features including terminals with best-selling devices and popular mobile accessories. We have also focused on training our team members to improve how they deliver the best advice and services at these locations.

" The new stores blend the best of digital and human interaction in a personal, instant and easy way. "

Direct sales

Reaching potential customers where we lack a presence such as in Al Shahania and labour camps is a key part of our strategy. Our newly created direct sales team bridges this gap by taking the sale to the end customer. In July, we brought together agents with strong sales records and diverse nationalities to connect with and acquire new customers in these areas. Thanks to their efforts, these hard-to-reach customers are now a significant part of our monthly postpaid acquisitions.

Postpaid services

We have expanded our distribution by offering postpaid sales in 150 mass-market outlets, strategically spread across Qatar where we lack a retail footprint or competitive presence. In 400 mass outlets, we have also launched bill payment capabilities for postpaid accounts. This expansion is a win-win for customers who now get better access to Vodafone services and for dealers who now have more business with Vodafone.

" Delivering everyday great value that fits in your pocket. "

Red team

Reaching high-value customers in Qatar is a key sales objective, and our Red Teams are making it happen. Selected based on their outstanding customer service skills, Red Team members are providing world-class personalised service. All team members are Qatari advisers to ensure smooth interaction with the target customer and reinforce our position as a company with local roots.

Meaningful moments

Vodafone is more than just a business in Qatar. We seek to become an integral part of the communities we serve, and celebrate meaningful moments together. In this spirit, many of our stores transformed this year to celebrate major events from National Day to Garangao during Ramadan. Customers connected with team members during these moments, building bonds based on shared values and experiences that transcend our business.

Digitally outstanding and responsible

Vodafone Qatar is committed to creating a digitally outstanding customer experience, and advanced analytics enable us to deliver on this promise. Additionally, the utilization of "Big Data" helped to generate many of the insights that led to the 2017 strategies and activities described here.

" Vodafone Qatar has a well-deserved global reputation of bringing together advanced analytics, innovative products and agile processes. "

– Diego Camberos
Consumer Business Unit Director

As a global leader in mobile communication, we take data security and confidentiality very seriously. With best-in-class systems and highly skilled experts, Vodafone Qatar meets and often exceeds our obligations to protect and secure customer data.

We CARE

Our vision is to CARE – ensuring our customers are Confidently connected, we deliver Always excellent value, we Reward loyalty and provide Easy access to support.

Previously the “A” in CARE stood for “Always in control”. The change in 2017 to “Always excellent value” better reflects our commitment to provide “control, choice and transparency” to customers.

“Choice” is especially strategic. It reflects our commitment to give customers the best options for their needs with total flexibility and no worries. “Transparency” relates to our fair pricing policy, proactive billing notifications and competitive rates.

Rewriting the rules with Red postpaid

Our new Red postpaid portfolio is one of the best expressions of our CARE vision. With this service, we rewrote the rules for telecoms in Qatar.

- **Vodafone Global Data** allows customers to experience the global power of Vodafone with in-plan data in 20 Vodafone countries including the UK, Italy, Turkey and other popular destinations.
- **Vodafone Bill Manager** is an automatic service on customer accounts to ensure they never get “bill shock” for their data or roaming use. Customers can also set limits on how much they spend monthly.
- **My Network Name** allows customers to personalise the network name on their phone with the word or letters of their choice.
- **Personal VIP Managers** serve as the personalised contact for customers to respond to any service requests or inquires.
- **Automatic Charity Donations** enable customers to make monthly contributions between 100 – 300 QR to prominent non-profits.
- **My Car Service** tracks exactly when and where a car is driven, and at what speed when a Vodafone mobile device is present. Customers find this service especially useful to track their children’s commute to school and locate the whereabouts of drivers.

Reinforcing CARE with innovation

As part of one of the biggest telecommunications companies in the world, Vodafone Qatar has launched many innovative products and services. Here are some of the most exciting launched this year that reinforce our CARE vision.

- **Vodafone Points** is a new loyalty programme that rewards customers for their time and spend as a Vodafone customer. Points can be viewed on the My Vodafone app and redeemed when paying bills or recharging credit.
- **Directory Service 180** was launched to empower all customers to have all numbers in Qatar at their fingertips using simple SMS. In addition, through clever partnership with Google, we added it to My Vodafone app. This enabled all customers to get contact information, location and reviews of almost any business not only in Qatar but globally.
- **FLEX**, one of our most successful innovations, is extended to prepaid customers. Now they too have the freedom and flexibility to use data, make local and international calls and SMS interchangeably on one credit balance pack with no pre-fixed quota.

Next generation customer care

In the consumer segment, customer satisfaction results in Qatar are far above industry standards, positioning Vodafone as a clear leader in our region. How did we achieve this result? With next generation customer care that exceeds expectations.

After a 360-review of the customer journey, we upgraded our digital platforms and tools to enhance the customer experience during the moments that matter most. With the new My Vodafone app, for instance, new features make chat even easier and allow for direct debit card payment and recharge. The app is a win-win by improving customer service and reducing costs.

These upgrades made customer service simpler and faster, as well as freed our care team to focus more on complex customer requests.

Connecting our customers

We continued to make investments in our network and IT systems to provide best-in-class service to our customers and satisfy the ever-increasing demand for data. Here are some of the exciting new investments in our technology that we have realised this year.

- **Expanded 4G** to ensure world-class data services and ultra-fast mobile broadband speed. Coverage is continuously expanding alongside Qatar’s population growth and development.
- **Cloud core network** installed to continuously improve the customer experience and offer new capabilities.
- **Enhanced security** with state-of-the-art tools, techniques and innovative controls to protect customers against cyberattacks. We have acquired the top global ISO re-certifications in information security and business continuity.
- **Expanded fibre network** that proves we are a resilient service provider that exceeds customer expectations.

Expanding enterprise

Expanding our service to small- and medium-sized enterprises (SMEs) remains at the heart of our company strategy. How are we delivering on it in Qatar? By treating SMEs as partners in the relentless pursuit of technology and innovation that unlocks new value. This year, we achieved several major milestones towards this goal.

- **Revamped plans** for our mobility products that provide better value and enhance the quality of the customer’s experience. By removing low-value plans in the market, we improved customer portfolios with higher-value ones and better service.
- **Enhanced call centre service** that expanded eligibility to this premium service, while adding more agents and creating a single interface for customer care.
- **Total telecoms proposition** that mixes fixed and mobile products and services, tailored to customer consumption. Customers with mobile lines, for example, can now upgrade for free to higher-value plans when purchasing fixed connectivity.
- **All-time low churn** was achieved in mobility due to our quality-first acquisition strategy. By revamping our incentive plans, we could focus on high-quality customers that deliver consistent revenue.
- **Launched IPTV triple play** for the first time in Qatar in cooperation with clients in the hospitality sector. By launching the service in hotels, we completed our portfolio in this sector.

Because we see our enterprise customers as partners, we work to deliver innovations that enable them to grow and thrive. In 2017, this included playing promotional corporate ring-back tones and offering up to 30 international minutes of talk time for every one hour of received calls.

> “Vodafone connects people, places and things in ways people could never imagine before in Qatar.”
>
> – Mahmud Awad, Chief Business Officer

Why innovative enterprises choose Vodafone		
"Glocal"	→	active in almost 30 countries with bespoke solutions for Qatar
IoT leaders	→	more IoT applications than any other company in the world
Vodafone has expertise in augmented reality, smart energy, facial recognition, fleet management, asset tracking, connected cabinets, smart Wi-Fi, 5G technology and more.		

Bringing IoT to life

While some just talk about the possibilities for the Internet of Things in Qatar, we are bringing this technology to life for enterprises of all kinds throughout the country.

- **Connected ATM** machines with Global SIM cards and IPVPN solutions that provide complete coverage for ATMs. Remote control capability enables banks to restart connectivity from the convenience of their offices without contacting an operator.
- **Launched IoT Smart City Platform** that hosts innovative smart solutions including smart parking, smart energy, smart security and more. Globally, Vodafone is leading the way as a smart city provider by launching the world's first smart stadium in Turkey and a smart city platform in Spain.
- **Developed tracking solutions** for fleets and assets that reduce transport costs.

In the public eye

By engaging in high-profile events in 2017, we affirmed our leadership role in tech and telecom with influential enterprise stakeholders at all levels.

- **Vodafone Innovation Day**. Launched for the first time, this Vodafone event brought together enterprise customers to hear from Daniel Burrus, a global innovation expert, on the future of innovation and how to face the challenges ahead.
- **World Stadium Conference**. Vodafone was the preferred partner to the 2017 World Stadium Congress. We presented our joint project with Vodafone Turkey to build the first and only smart stadium in the world.
- **Information Security Conference**. We presented our views and solutions to fight cybercrime worldwide in a conference hosted by Qatar Central Bank.
- **Information and Communication Technology Exhibition (QITCOM)**. As a corporate sponsor of Qatar's biggest digital event, we presented our latest innovations and expertise to over 15,000 visitors.

Our people

Ready to...

"The future is exciting. Ready?" applies to more than just our customers. We want to infuse this pioneering spirt and enthusiastic embrace of the future into the heart of our company – beginning with our most valued asset, our people.

The employer brand campaign we launched in 2017 is enhancing the way we attract and retain talent by showcasing all the amazing things that are possible with Vodafone. The campaign is organised around four key pillars to inspire the pride and thrill of being part of our company.

1. **Ready to shape the future** with our expertise in tech, digital and innovation.
2. **Ready to connect for good** as a sustainable business committed to health and safety, powered by the Vodafone Foundation.
3. **Ready to be at my best** by working alongside exceptional people with access to a world of opportunity and life-long learning.
4. **Ready to be myself and belong** by celebrating diversity in an inclusive environment for all regardless of race, gender or ethnicity.

As part of the campaign, we are developing videos of employees telling their stories around these four pillars. Videos will be featured on our internal channels as well as on social media. The new careers website set to launch in 2018 will deliver campaign messages in an even more engaging format.

Talent and capability

As a company with innovation in its DNA, we are committed to life-long learning and continuous improvement. We want the world's top talent to choose Vodafone because of our reputation for investing in learning and development across the company. The comprehensive training programmes we delivered in 2017 clearly affirmed this commitment.

> ‘Our employees in Qatar are ambitious. They want training, mentoring and coaching. They want to develop and reach their potential while helping the business grow. I'm really excited by how our teams are making this happen.’
>
> – Sheikh Hamad Al Thani,
> Chief Operating Officer

Onboarding

The new onboarding programme we launched in 2017 celebrates and reinforces the decision to join Vodafone Qatar. Our goal is to enhance job satisfaction and engagement while shortening the time from hire to full productivity. Realising this goal required delivering the variety of support, tools and resources described below.

- **Onboarding optimisation** to provide a single point of contact throughout a new hire's onboarding journey.
- **Onboarding guide** that describes work life at Vodafone, cultural life in Qatar, visa requirements and more.
- **Personalised video message** from the line manager and co-workers to enthusiastically welcome the new hire to the team.
- **Hotel and flight bookings** prepared with a meet and greet service at the airport, including transportation to the office during the first two days.
- **Welcome pack** upon arrival with a personalised letter and all the necessary tech and materials for the role.
- **Induction training** to introduce Vodafone Qatar, its values, culture, people and working practices to the new hire. Heads of department can tailor the training to the specific requirements of the role.
- **Personal buddies** assigned to make introductions, answer questions, and help the new hire adapt and thrive at Vodafone.

Leadership and culture training

The main objectives of the programmes described below are to develop leadership skills, learn to engage and motivate teams and to become consistent at leading the business.

- **Stephen Covey's 7 Habits** to improve personal and interpersonal effectiveness and growth. We are currently rolling out this world renowned programme to all our employees.
- **Performance Development 2020** to give employees the necessary tools to reach their full potential and empower line managers with skills to support their direct reports, supported by the new iFeedback app to launch in 2018.
- **Performance coaching** to build and sharpen the coaching skills of line-managers as part of Performance Development 2020.

Future Leaders programme

For high-potential "G band" employees, we have developed the Future Leaders programme to empower them to reach their full potential. The two-year programme evolves over three stages.

Foundation programme

Grows competencies related to drive, engagement, applied thinking and change. Includes individual coaching and a mini-telecoms MBA covering business acumen, leadership and more. (Length: 6 months)

↓ Select Graduates ↓

Advanced programme

Refines and enhances leadership style, strategic planning, functional skills and more. (Length: 6 months)

Rotational programme

To experience and explore the business from a different perspective. (Length: 3-6 months)

Admired Leaders programme

This programme is for "H band" employees recognised for their potential to develop bigger, broader roles across the business. Participants complete three modules covering: change and context, thought leadership, and understanding innovation. They also benefit from individual coaching and 180-degree feedback. (Length: 6 months)

Functional and professional training

This training equips leadership teams with the skills to assess the learning and development needs of their direct reports and reach their business objectives. Nearly 700 employees benefited from 33 workshops in 2017 including:

- **Technology:** agility, scrum, cloud, project management
- **Sales:** solution selling, consultative selling, customer experience
- **Marketing:** brand, marketing segmentation, marketing courses

To support our employees to develop and grow in a structured way, Vodafone Qatar has created career path programmes for care, retail and technology. Programmes have empowered employees to improve their performance, resulting in promotions for 12 per cent of front-line staff.

Reward and recognition

When employees and teams experience a win or achievement – no matter the size – we encourage managers to recognise it with a "shukran" star. While symbolic, shukrans confirm the tremendous value we place on our people and their hard work in Qatar. In 2017, we awarded almost 30 per cent of our employees with a shukran.

Through the Global Hero Programme, four employees with an outstanding story related to the customer experience were selected in 2017. One grand prize winner won a family trip to London and met with the Vodafone Group CEO.

Employee benefits portfolio

After reviewing our portfolio of employee benefits, we launched two news programmes this year that are proving popular with employees across the business.

- **Employee phone plans** now include more data and minutes as well as a 50 per cent discount on consumer postpaid plans for family and friends. We also extended our offer to all our employees for a 30 per cent discount on three additional phone lines. Contractors are now eligible for the Flex 225 plan with a 30 per cent discount on postpaid lines for friends and family.
- **Qatar Foundation** access is now available to employees with a wide range of facilities including gyms, football pitches and more. The Foundation has proven the perfect location for Vodafone tournaments.

Qatarisation

We made great progress this year on our journey to support the Qatar National Vision to invest and develop local talent. We "Qatarised" more of our employee roles, moving from 10 to 17 per cent.

Today, 70 per cent of high-potential Qataris are on the Fast Track programme we launched last year to move more Qataris to leadership positions. We are confident that we will soon meet our 20 per cent Qatarisation goal.

Discover Graduate programme

Through our Discover Graduate programme, we are identifying the next generation of Vodafone leaders by hiring the best talent coming straight out of university. This programme is key to grow our talent pipeline with diverse young people who are ready to drive Vodafone forward to the next telecoms era. The two-year programme takes participants on a journey across the business.

- **Rotations** within key business functions to experience different roles and identify a career path (6 to 4 weeks).
- **Individual development plan** to improve both interpersonal skills and business knowledge, developed with the graduate's line manager and human resources (1 to 6 months).
- **Landing role** to get to know the business and deliver against targets before taking a full-time role (1 to 12 months).
- **Champion** assigned to the graduate to provide mentorship and support their Vodafone journey (1 to 12 months).

In addition to job opportunities, graduates benefit from their new Vodafone network and assignments abroad through our Columbus programme.

2017 figures
8 graduates
3 hired
1 going abroad to Vodafone Turkey

ReConnect

Vodafone Qatar is committed to increasing the proportion of women in management and leadership roles. This year, we made our first hire as part of the Group's ReConnect programme, which recruits women on career breaks into management roles.

We are making great efforts in 2018 to "Reconnect" with more talented women and build on our forthcoming gender equality, diversity and inclusion strategies. The Group's ground-breaking maternity policy announced in March 2015 has helped us to attract and retain more women in Qatar.

Health, safety and wellbeing

Health and safety rules are fully integrated as a core value across Vodafone Qatar. This is reflected among employees, nearly 95 per cent of whom said that they believe we take health and safety rules seriously. This is a 2 per cent gain from last year. Our record in practice is just as strong. In November, we proudly celebrated reaching 1,000 incident-free days in Qatar.

The management team makes health and safety a priority, visiting different locations to support our high standards. This year they visited network sites, data centres and offices across the country.

We support our partners that perform high-risk activities to practice the same level of health and safety standards as us. In November, we invited key vendors to attend Vodafone's annual health and safety forum to strengthen their awareness and compliance.

Nearly 20 members of our technology team attended a Managing Safety training course to better control high-risk activities and work effectively with third-parties to achieve health and safety targets.

Property and facilities management

After critically assessing our main office including with an employee survey, we discovered many ways to enhance our workplace productivity, collaboration and engagement.

As a result, we invested in renovations to increase the number of meeting rooms, add collaboration areas, reduce the noise level and improve overall workplace ergonomics. We also improved the lighting and air conditioning. This project was completed in six months without any impact on the staff during working hours.

Today, the main office has 16 meeting room, 10 collaboration areas, acoustic solutions, LED lights, wireless presentation facilities and superior cable management.

Enhancing employee wellbeing was another priority this year. Activities from football tournaments to athletic challenges helped to increase workplace engagement, motivation and productivity.

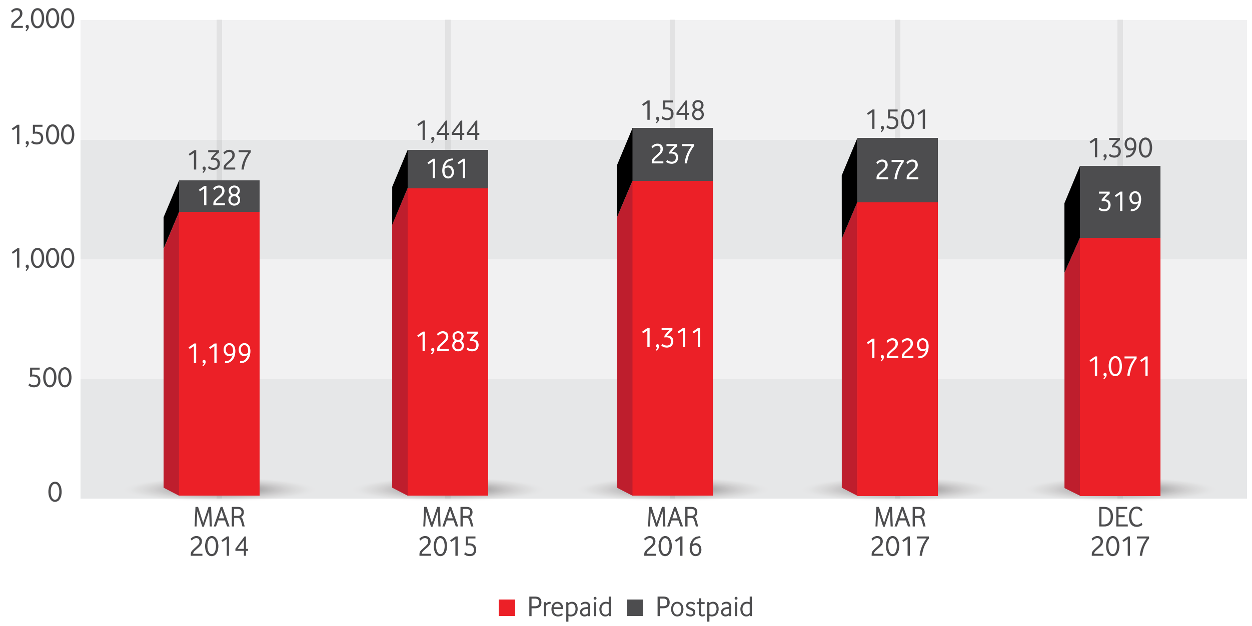
On the move

- 150 employees played in a 3-month football tournament
- 1,000 miles walked by 120 employees in 1 month

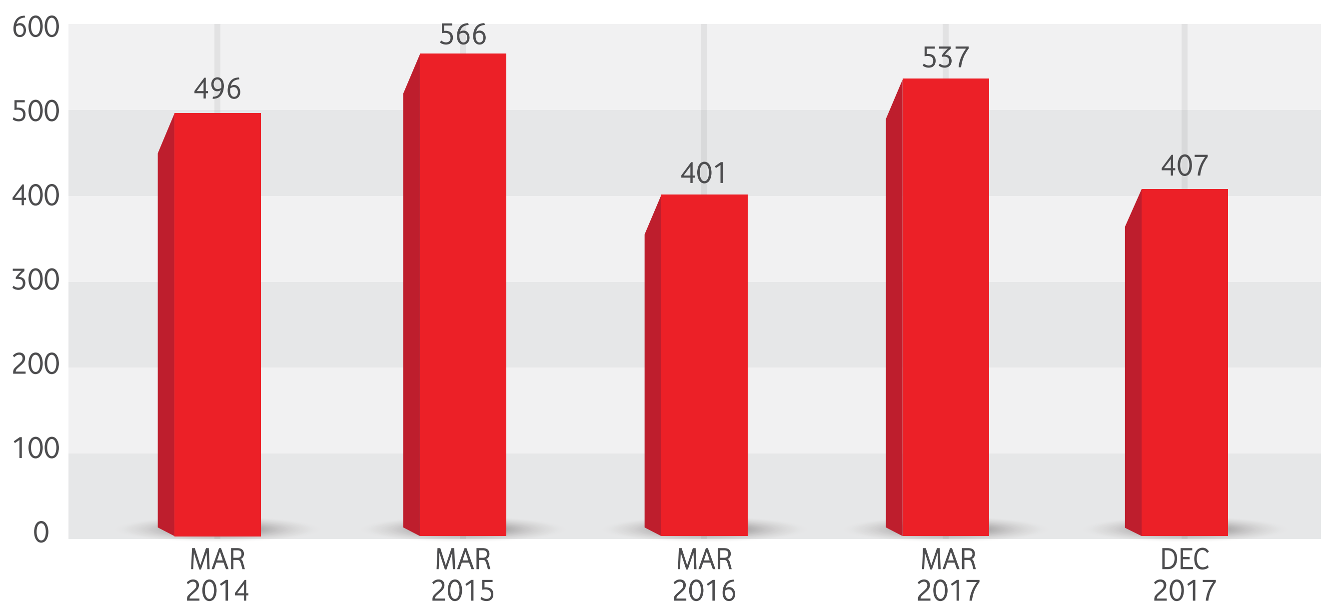
Financial Highlights

Vodafone is an Islamic Sharia complaint company and has no interest bearing loans or receivables.

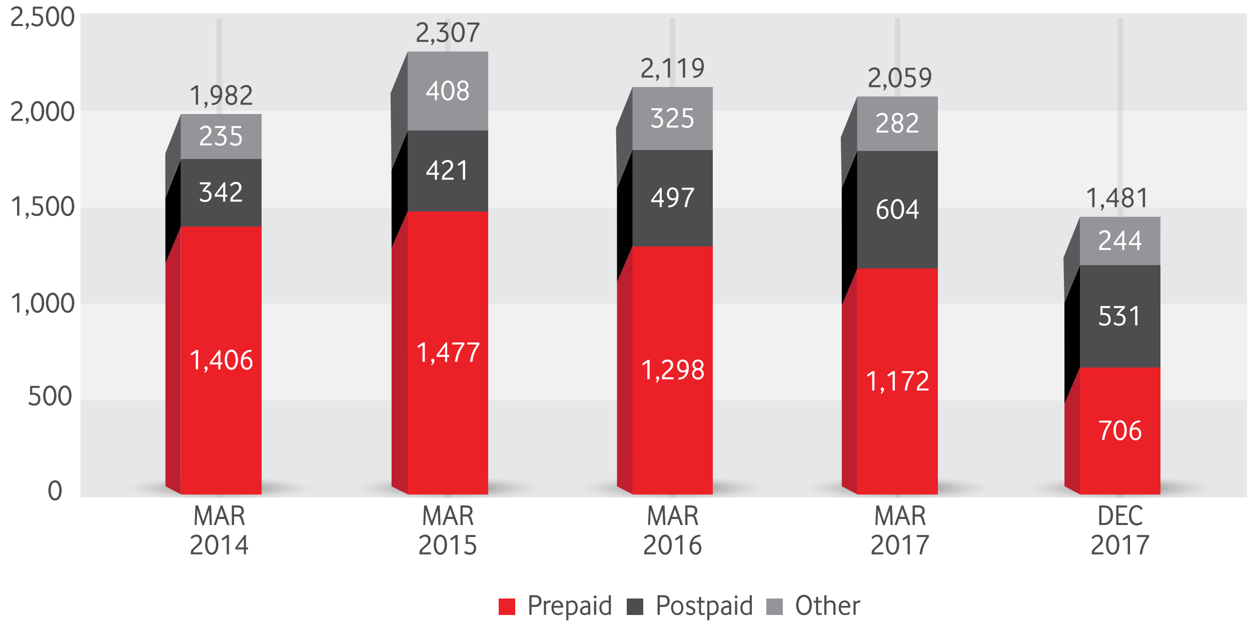
Customers (000)



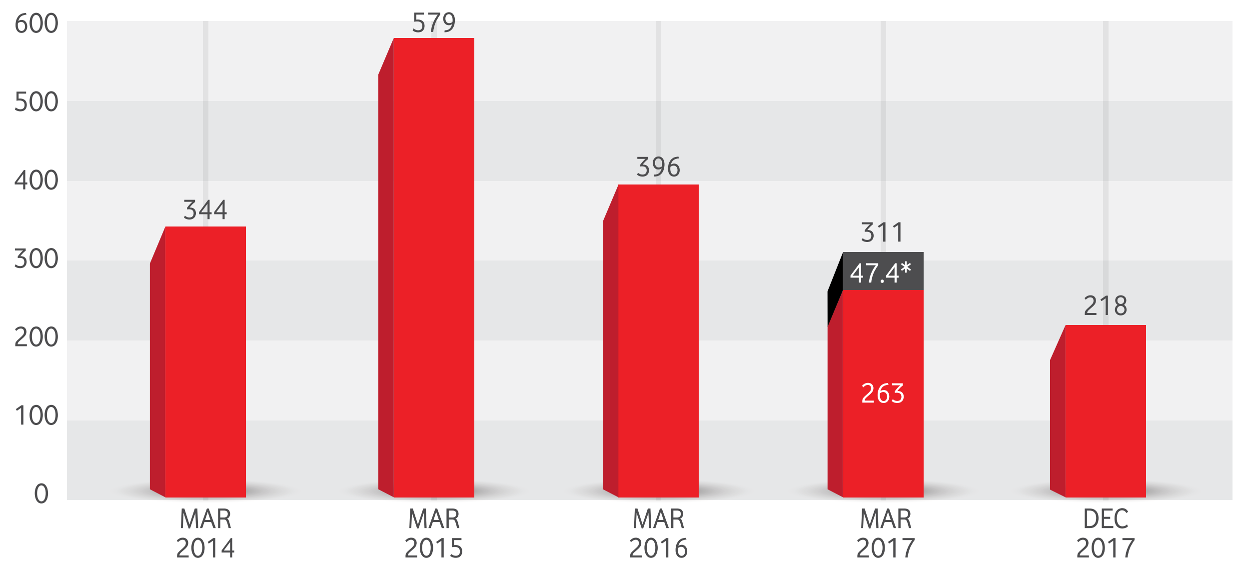
EBITDA (QR m)



Revenue (QR m)

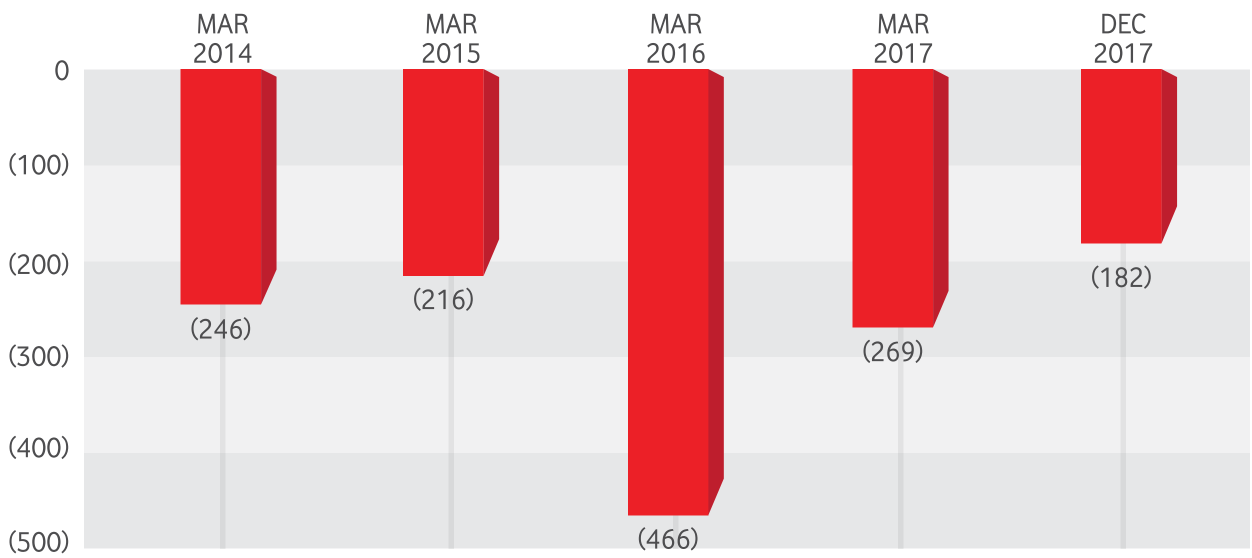


Capital Expenditure (QR m)

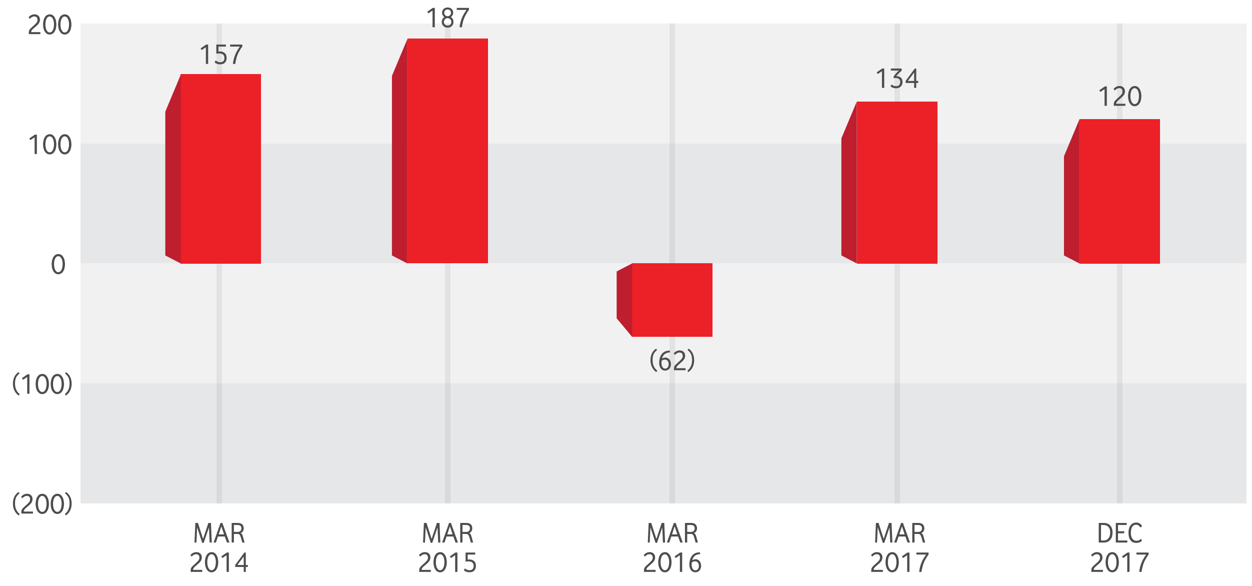


* QR 47.4 m represents Aseet Retirement Obligation

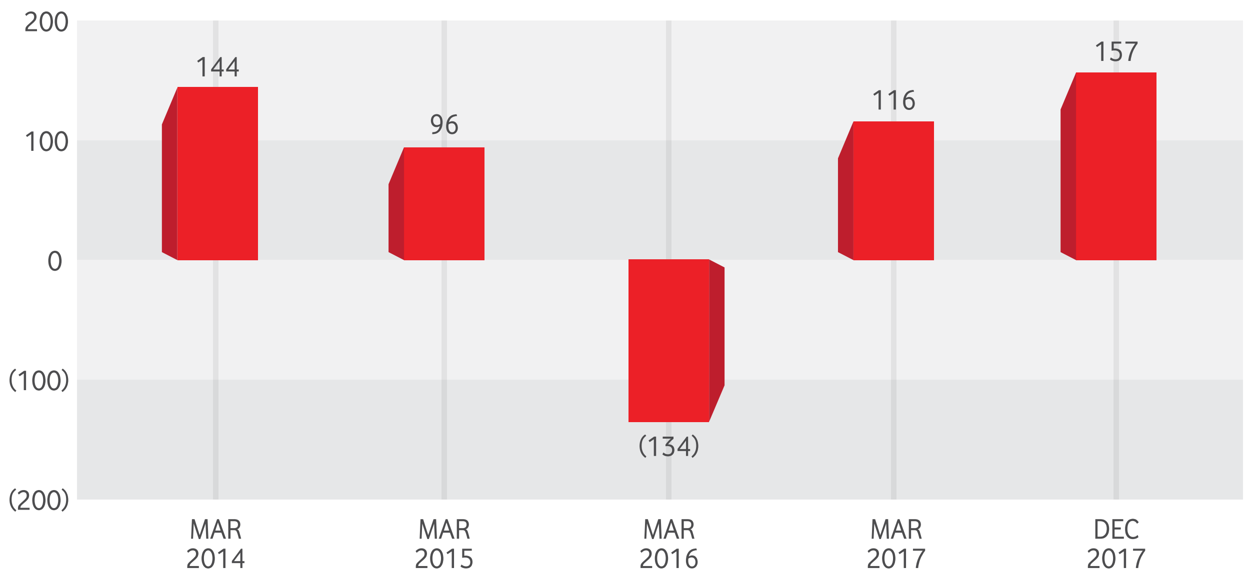
Net Loss (QR m)



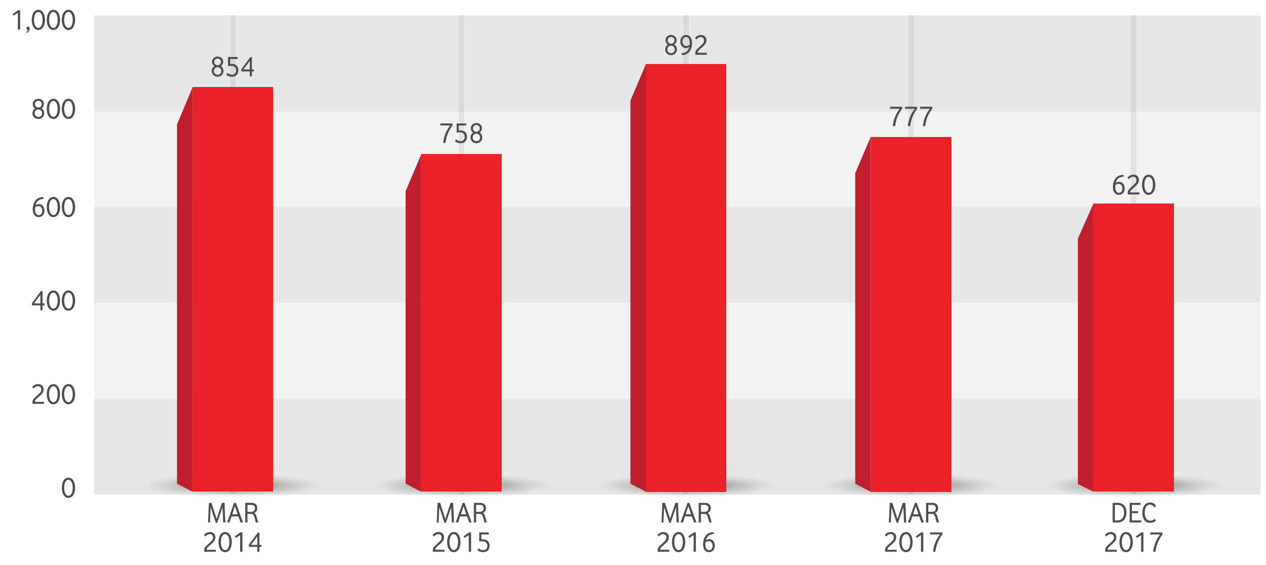
Net Profit Excluding Amortization (QR m)

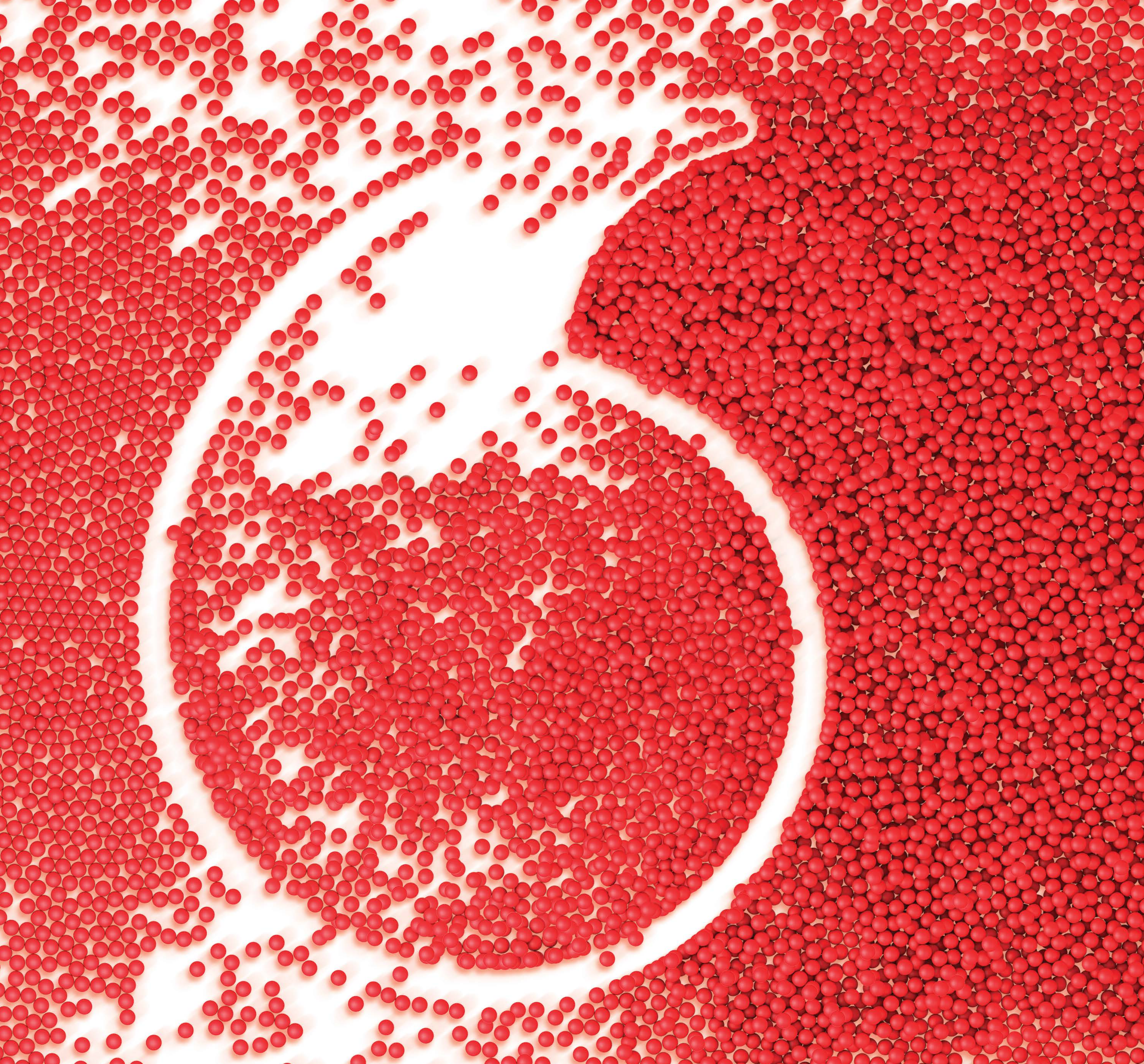


Free Cash Flow (QR m)



Net Financing Position (QR m)





6 Financial Statements

Annual Sharia report of Vodafone Qatar For the nine month period ended on 31/12/2017

Dear Shareholders,

Praise be to Allah the Lord of the worlds and may the blessings and peace of Allah be upon the Messenger of Mercy for all creatures our master Muhammad and upon all his family and companion.

Pursuant to the commissioning letter, we hereby submit our annual report:

First: Pursuant to the Company's abidance by the provisions of the Islamic Sharia, we arranged the contracts that are acceptable according to the Islamic Sharia, reviewed the other contracts and directed the company's various activities in line with the provisions and principles of the Islamic Sharia.

Second: We supervised, with the Company's management, the placement of money by establishing Sharia rules and controls, while observing the best interests of the company in line with the provisions of the Islamic Sharia.

Third: We directly supervised the internal sharia Audit and Sharia Review processes through an independent company that submitted its report to us. We discussed said report and submitted our comments on compliance with the sharia to the company's management to study and discuss the same in order to take appropriate corrective measures and meet Sharia requirements.

Fourth: We answered the questions submitted to us about the activities that the company plans to undertake.

Fifth: The execution liability falls upon the Company's Management whereas our liability is limited to the provision of an independent opinion pursuant to what was submitted to us and what we perused in terms of the Company's operations and activities and to the submittal of this report to you.

In our Opinion:

1. Nothing contained in the financial statements of the nine month period ended on 31/12/2017 that we reviewed and discussed with the financial management contradicts the provisions of the Islamic Sharia.
2. The contracts and agreements concluded by the company during the nine month period ended on 31/12/2017 that we perused and reviewed do not contradict with the provisions of the Islamic Sharia.
3. The liability to pay Zakat does not fall upon the company but upon shareholders. We calculated the amount of Zakat due by the company for the year ended on 31/12/2017 and concluded that the amount of Zakat for each share this nine month period is equal to 0.00150 Qatari dirhams (which is one and a half Riyals for each 1000 shares).

Finally, we ask God almighty to bless you all in your efforts to abide by the provisions of the Sharia and contribute to the development and prosperity of this dear country.

May Prayers be upon our Prophet Muhammad, his family and his companions

May the Peace, Mercy and Blessings of Allah be upon you

Prof. Dr. Ali M. Al-Quradaghi
Sharia Advisor of Vodafone Qatar

Independent auditors' report to the shareholders of Vodafone Qatar P.Q.S.C.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Vodafone Qatar P.Q.S.C. (the "Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance and its cash flows for the nine month period then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Company's financial statements comprise;

- the statement of financial position as at 31 December 2017;
- the statement of income for the nine month period then ended;
- the statement of comprehensive income for the nine month period then ended;
- the statement of changes in equity for the nine month period then ended;
- the statement of cash flows for the nine month period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter – change of period end

We draw attention to Note 3 to these financial statements, which refers to the fact that the financial year end of the Company has been changed from 31 March to 31 December to align annual reporting date with companies listed on the Qatar Stock Exchange. Accordingly the financial statements were prepared for the nine months period from 1 April 2017 to 31 December 2017, which makes financial performance and cash flows for the current period not comparable with last year. Our opinion is not modified in respect of this matter.

Our audit approach

Overview

Key Audit Matters	The areas of focus for our audit, which involved the greatest allocation of our resources and effort, were: • Revenue recognition • Assessment of impairment of non financial assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition The total revenue recognised in the statement of income is QR 1,481 million for the nine month period ended 31 December 2017. There is an inherent risk around the accuracy of revenue recorded given the complexity of the revenue process and the number of non-interfaced systems involved. That results in the need for manual entries for revenue to be made to the general ledger, including the performance of a manual deferred revenue calculation and for the reconciliation of those entries back to key systems by management to ensure accuracy. We focused on these areas because of the materiality of revenues from prepaid and postpaid services and a misstatement, whether due to fraud or error in the manual calculations, if it exists, could have a material impact on the financial statements.	We evaluated the design of IT general controls and manual controls relevant to revenue and tested on a sample basis the operating effectiveness of controls over: • access to key systems; • data loading from different revenue source systems to the financial reporting system; • postpaid revenue to cash receipts and billing system reconciliations; and • reconciliation of closing deferred revenue balance to source systems. We also performed substantive testing to obtain a high level of assurance over the accuracy and occurrence of revenue by: - re-performed key manual reconciliations for pre-paid and postpaid revenues as at 31 December 2017; - reconciling revenue to cash received for prepaid, post-paid and handset revenues; - using computer assisted audit techniques to identify non-standard revenue entries and corroborated these entries to supporting documentation; - recalculating prepaid revenue from the deferred revenue balance movement and testing the accuracy and valuation of the deferred revenue balance as at 31 December 2017; and - agreeing that cash receipts for a sample of customers were accurately applied to the customer's account.

Key audit matter	How our audit addressed the Key audit matter
Assessment of impairment of non financial assets The Company's Property plant & equipment and Intangible assets amounted to QR 1,202 million and QR 4,461 million respectively as at 31 December 2017. These assets are stated at cost less accumulated depreciation/amortization (notes 12 & 13). As discussed in Note 25, the Company is required under IFRS to undertake a test for impairment of finite lived assets if events or changes in circumstances indicate that the carrying amount of an asset or a group of assets may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Management has assessed that there is one cash generating unit due to the interdependency of cash flows derived from the mobile and fixed businesses and therefore one test has been performed. Based on the model developed by management and the results of the impairment test, management has concluded that no impairment is required. However, the results are sensitive to changes in the assumptions, including changes in terminal earnings before finance income/costs, tax, depreciation & amortisation, long-term growth rate, pre-tax discount rate, and changes in the discounted cost of license renewal. The assumptions used in the model to calculate the net present value of future cash flows are derived from a combination of latest board approved 5 years business plan and management's best estimates and are highly judgemental. Refer to Note 25 for more details about critical accounting estimates and assumptions used. We focused on this area because of the significant judgments involved in performing the impairment test and the materiality of the value of tangible and intangible assets together with the network outage event that occurred during the period, which had impacted trading. An impairment, if it were to exist, could have a material impact on the financial statements both in terms of the carrying value of such assets in the statement of financial position and in the income statements for the current and future periods.	We obtained management's impairment model and discussed the critical assumptions used by them with management and the Audit Committee. In particular, we focused on the terminal earnings before finance income/costs, tax, depreciation & amortisation used, long-term growth rate, pre-tax discount rate, and the discounted cost of licence renewal. We carried out the following audit procedures: - Our valuation experts assessed the appropriateness of certain key assumptions used in the model in accordance with IAS 36 and considered evidence provided by management to support the assumptions used. They compared the assumptions applied in the model to their own assessment of the Company's financing and capital costs and to external data where possible; - We have evaluated the appropriateness of using one cash generating unit; - Assessed the likely reliability of management's forecast through a comparison of actual performance against previous forecasts; - Assessed the reasonableness and consistency of the calculation of the assumed license renewal cost; - Examined the projected cash flows to ensure assumptions only include forecasted cash flows generated from the current asset base as at 31 December 2017; - Tested the appropriateness of the methodology and mathematical accuracy of the model; and - Reviewed the disclosures in the financial statements made in relation to the impairment testing and to the description of critical accounting estimates and assumptions.

Other information

The directors are responsible for the other information. The other information comprises Board of Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the financial statements are in agreement therewith;
- The financial information included in the Board of director's report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2017.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mohamed Elmoataz

Auditor's registration number 281
Doha, State of Qatar
26 February 2018

STATEMENT OF INCOME

For the nine month period ended 31 December 2017

	Notes	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Revenue	6	**1,481,045**	2,058,630
Interconnection and other direct expenses	7	**(540,658)**	(739,676)
Employee salaries and benefits		**(174,600)**	(231,777)
Network, rentals and other operational expenses	8	**(383,301)**	(550,664)
Other income	9	**24,942**	-
Earnings before financing income/costs, tax, depreciation and amortisation		**407,428**	536,513
Depreciation	12	**(193,067)**	(270,062)
Amortisation	13	**(371,286)**	(509,520)
Loss on disposal of property, plant and equipment and intangibles	12	**(4,428)**	(62)
Operating loss		**(161,353)**	(243,131)
Wakala contract cost		**(18,344)**	(24,621)
Other financing costs	10	**(3,942)**	(3,661)
Profit from mudaraba		**1,479**	2,230
Loss for the period		**(182,160)**	(269,183)
Basic and diluted loss per share (in QR per share)	11	**(0.22)**	(0.32)

The accompanying notes 1 to 27 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 31 December 2017

	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Loss for the period	**(182,160)**	(269,183)
Other comprehensive income	**-**	-
Total comprehensive loss for the period	**(182,160)**	(269,183)

The accompanying notes 1 to 27 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	31 December 2017	31 March 2017
		QR'000	QR'000
Non-current assets			
Property, plant and equipment	12	**1,201,978**	1,232,878
Intangible assets	13	**4,461,427**	4,781,947
Trade and other receivables	14	**24,932**	25,443
Total non-current assets		**5,688,337**	6,040,268
Current assets			
Inventories	15	**35,727**	13,165
Trade and other receivables	14	**301,966**	356,793
Cash and cash equivalents	16	**198,558**	168,884
Total current assets		**536,251**	538,842
Total assets		**6,224,588**	6,579,110
Equity			
Share capital	17	**8,454,000**	8,454,000
Legal reserve	18	**41,400**	35,405
Distributable profits	18	**247,943**	134,045
Accumulated losses		**(4,271,729)**	(3,969,676)
Total equity		**4,471,614**	4,653,774
Non-current liabilities			
Wakala contract	19	**818,237**	945,554
Provisions	20	**105,290**	114,211
Trade and other payables	21	**52,372**	49,823
Total non-current liabilities		**975,899**	1,109,588
Current liability			
Trade and other payables	21	**777,075**	815,748
Total current liability		**777,075**	815,748
Total liabilities		**1,752,974**	1,925,336
Total equity and liabilities		**6,224,588**	6,579,110

The financial statements were approved by the Board of Directors on 26 February 2018 and were signed on its behalf by:

H.E. Abdulla Bin Nasser Al Misnad
Chairman

Ian Gray
Chief Executive Officer

The accompanying notes 1 to 27 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 31 December 2017

	Share capital	Legal reserve	Distributable profits	Accumulated losses	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000
Balance at 1 April 2016	8,454,000	28,727	7,169	(3,566,939)	4,922,957
Total comprehensive loss for the year:					
Loss for the year (note 18)		-	-	(269,183)	(269,183)
Total comprehensive loss for the year	-	-	-	(269,183)	(269,183)
Transfer to distributable profits (note 18)	-	-	133,554	(133,554)	-
Transfer to legal reserve (note 18)	-	6,678	(6,678)	-	-
Balance at 31 March 2017	8,454,000	35,405	134,045	(3,969,676)	4,653,774
Balance at 1 April 2017	**8,454,000**	**35,405**	**134,045**	**(3,969,676)**	**4,653,774**
Total comprehensive loss for the period:					
Loss for the period (note 18)	**-**	**-**	**-**	**(182,160)**	**(182,160)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(182,160)**	**(182,160)**
Transfer to distributable profits (note 18)	**-**	**-**	**119,893**	**(119,893)**	**-**
Transfer to legal reserve (note 18)	**-**	**5,995**	**(5,995)**	**-**	**-**
Balance at 31 December 2017	**8,454,000**	**41,400**	**247,943**	**(4,271,729)**	**4,471,614**

The accompanying notes 1 to 27 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the nine month period ended 31 December 2017

	Notes	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Cash flows from operating activities			
Net loss for the period		**(182,160)**	(269,183)
Adjustments for:			
Depreciation	12	**193,067**	270,062
Amortisation	13	**371,286**	509,520
Profit from mudaraba		**(1,479)**	(2,230)
Other financing costs		**3,942**	3,661
Wakala contract cost		**18,344**	24,621
Loss on disposal of property, plant and equipment and intangibles		**4,428**	62
Change in operating assets and liabilities			
(Increase)/ decrease in inventories		**(22,562)**	261
Decrease /(increase) in trade and other receivables		**55,338**	(17,609)
Decrease in trade and other payables		**(38,907)**	(117,587)
(Decrease)/ increase in provisions		**(12,201)**	5,080
Net cash flows from operating activities		**389,096**	406,658
Cash flows used in investing activities			
Purchase of property, plant and equipment	12	**(162,693)**	(206,927)
Purchase of intangible assets	13	**(51,561)**	(56,343)
Proceeds from disposal of property, plant and equipment and intangibles		**173**	18
Profit received from mudaraba		**1,479**	2,230
Net cash flows used in investing activities		**(212,602)**	(261,022)
Cash flows used in financing activities			
Repayment of wakala contract	19	**(145,661)**	(101,935)
Dividend paid	21.1	**(1,159)**	(5,226)
Net cash flows used in financing activities		**(146,820)**	(107,161)
Net increase in cash and cash equivalents		**29,674**	38,475
Cash and cash equivalents at the beginning of the period		**168,884**	130,409
Cash and cash equivalents at the end of the period	16	**198,558**	168,884

The accompanying notes 1 to 27 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the nine month period ended 31 December 2017

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Vodafone Qatar P.Q.S.C. (the "Company") is registered as a Qatari Shareholding Company for a twenty- five year period (which may be extended by a resolution passed at a General Assembly) under Article 68 of the Qatar Commercial Companies Law Number 5 of 2002. The Company was registered with the Commercial Register of the Ministry of Business and Trade on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed on the Qatar Exchange.

The Company is licenced by the Ministry of Transport and Communications (formerly Supreme Council of Information and Communication Technology (ictQATAR) to provide both fixed and mobile telecommunications services in the state of Qatar. The conduct and activities of the Company are primarily regulated by the Communications Regulatory Authority (CRA) pursuant to Law No. 34 of 2006 (Telecommunications Law), the terms of its mobile and fixed licences and applicable regulation.

The Company is engaged in providing cellular mobile telecommunications services, fixed line services and selling mobile related equipment and accessories. The operations and activities of the Company are confirmed as being Sharia compliant. The Company's head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Qatar Science and Technology Park, Doha, State of Qatar.

Qatar Commercial Companies Law No. 11 of 2015 (the "new Commercial Companies Law") which is applicable to the Company came into effect from 7 August 2015. The Company revised its Articles of Association to achieve compliance with the new Commercial Companies Law which necessitated a number of amendments to the Articles of Association. The relevant amendments to the Articles of Association were approved by the Company's Extraordinary General Assembly held on 25 July 2016.

The final form of the amended and restated Articles of Association were approved and validated by the Ministry of Economy and Commerce on 24 April 2017 and the Ministry of Justice on 1 June 2017 and published by the Ministry of Economy and Commerce in the Official Gazette on 10 September 2017.

The Company held an Extraordinary General Assembly ("EGA") on 18 October 2017, where the shareholders approved certain changes to the Articles of Association to more closely align the Company with other listed companies in Qatar, allow the Company to incorporate the recently issued Corporate Governance Rules for listed entities issued by Qatar Financial Markets Authority (QFMA) and to set the Company for future growth. At the EGA, the shareholders approved changing the financial year end of the Company from 31 March to 31 December. The change in financial year end was approved and validated by Ministry of Finance Tax Department on 9 November 2017. Subsequent to 31 December 2017, the amended and restated Articles of Association of the Company were approved by the Ministry of Economy and Commerce on 23 January 2018. The Ministry of Justice also approved the amended and restated Articles of Association, including the change in financial year end, on 31 January 2018. The authenticated and approved Articles of Association have been re-submitted to the Ministry of Economy and Commerce and are currently awaiting publication in the Official Gazette. Other amendments to the Articles of Association approved by the shareholders include changes to the procedures for election of the Chairman, granting permission for the Company to enter into potential financing arrangements and to grant security in respect of such financing arrangements and the introduction of a limit of 5% on individual shareholding in the Company, with certain exceptions.

2 SUBSEQUENT EVENTS

Mobile licence extension

Subsequent to 31 December 2017 and before the approval of the financial statements of the Company, the Company was granted a 40 years' extension to its Public Mobile Telecommunications Network and Services Licence ("Licence") at no additional cost. As a result of the Licence extension, the term of the Licence will expire on 28 June 2068. The Licence was originally granted to the Company on 29 June 2008 for a period of 20 years. The extension of the Licence and its useful economic life will result in a substantial reduction in the yearly amortisation charge in the future.

Capital reduction

At the Board Meeting of Vodafone Qatar P.Q.S.C. held on 26 February 2018, the Board of Directors of the Company resolved to undertake a capital reduction to reduce the par value of the Company's share capital from QAR 10 per share to QAR 5 per share. The effect of the capital reduction will be to reduce both the share capital and accumulated losses of the Company by QAR 4,227 million. The capital reduction has no impact on the total equity, cash position or financial liquidity of the Company.

3 BASICS OF PREPARATION

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value.

3 BASIS OF PREPARATION (CONTINUED)

Functional and presentation currency

These financial statements are presented in Qatari Riyals, which is the Company's functional and presentation currency. All the financial information presented in Qatari Riyals has been rounded off to the nearest thousand (QR'000) unless indicated otherwise.

Change in financial year end

The financial year end of the Company has been changed from 31 March to 31 December to publish annual financial statements of the Company in line with annual reporting norms of companies listed on Qatar Stock Exchange. Accordingly, the current financial statements are prepared for the nine month period from 1 April 2017 to 31 December 2017 and as a result, the comparative figures stated in the statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flow and the related notes are not comparable.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Company's critical accounting estimates see "Critical Accounting Estimates" under note 25. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are consistently applied in the preparation of the financial statements:

Revenue

Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received, exclusive of discounts.

The Company principally obtains revenue from providing the following telecommunication services: access charges, airtime usage, messaging, interconnect fees, data broadband services and information provision, connection fees and equipment sales.

Revenue from access charges, airtime usage and messaging by contract customers is recognised as services are performed. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

Revenue from interconnect fees is recognised at the time the services are performed. Revenue from data services and information provision is recognised when the Company has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Company as commission for facilitating the service.

Revenue for device sales is recognised when the device is delivered to the end customer or to an intermediary when the significant risks and rewards associated with the device are transferred.

Interconnection and other direct expenses

Interconnection and other expenses include interconnection charges, commissions and dealer charges, regulatory costs, cost of equipment sold, bad debt costs and other direct and access costs.

Interconnection and roaming costs
Costs of network interconnection and roaming with other domestic and international telecommunications operators are recognised in the statement of income on an accrual basis based on the actual recorded traffic usage.

Commissions and dealer costs
Intermediaries are given cash incentives by the Company to connect new customers, upgrade existing customers and distribute recharge cards. These cash incentives are recognised in statement of income on an accrual basis.

Regulatory costs
The annual licence fee, spectrum charges and numbering charges are accrued as other direct expenses based on the terms of the Licence Fee Agreement and relevant applicable regulatory framework issued by the CRA.

Operating leases

Rentals payable under operating leases are charged to statement of income on a straight line basis over the term of the relevant lease.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency rate prevailing at the date of the transaction. Any differences on settlement of the transaction are immediately recognised in the statement of income. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation (at reporting period-end exchange rates) of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Borrowing costs

The borrowing costs (wakala contract costs) incurred on funding construction of qualifying assets are capitalised as being part of cost of construction. All other borrowing costs are recognised on an accrual basis using the effective yield method in the statement of income during the year in which they arise.

Income tax

As per Income Tax Law No. 21 of 2009, corporate income tax is levied on companies that are not wholly owned by Qataris or any GCC nationals, based on the net profit of the Company. As per the provisions of the law, the Company is not subject to corporate income tax as it is listed on the Qatar Exchange.

Property, plant and equipment

Recognition and measurement
Furniture and fixtures and network, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Assets in the course of construction are carried at cost, less any recognised impairment losses.
The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable for bringing the assets to a working condition for their intended use, capitalised borrowing costs and estimated discounted costs for dismantling and restoration of the sites, where the Company has an obligation to restore the sites.

Depreciation
Depreciation of these assets commences when the assets are ready for use as intended by the management. Depreciation is charged so as to write off the cost of assets, other than assets under construction, over their estimated useful lives using the straight line method as follows:

Leasehold improvements	During the period of the lease
Network infrastructure	4 - 25 years
Other equipment	1 - 5 years
Furniture and fixtures	4 - 8 years
Others	3 - 5 years

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits will flow to the Company and the cost of the asset can be reliably measured. Intangible assets include licence fees, software and indefeasible rights of use (IRU's). Intangible assets with finite useful lives are subsequently carried at cost less accumulated amortization and impairment loss, if any.

Licence fees
Licence fees are stated at cost less accumulated amortisation. The amortisation period is determined primarily by reference to the unexpired licence period, the conditions for the licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives from the commencement of service of the network. The estimated useful lives of the mobile and fixed line licences are 20 years and 25 years respectively.

Indefeasible rights of use ("IRU")
IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Company has the indefeasible right to use a specific asset, generally specific optical fibres or dedicated wavelengths on specific cables, and the duration of the right is for the major part of the underlying asset's economic life. IRU's are considered as intangible assets with finite lives (15 years).

Finite lived intangible assets (including software)
Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of income on a straight line basis (3 to 5 years).

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

Property, plant and equipment and finite lived intangible assets
At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Recoverable amount is the higher of value in use and fair value less cost of disposal. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in the statement of income.

Inventories

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average cost and comprises direct materials and, where applicable, direct labour cost and those overheads that have been incurred in bringing the inventories to their present location and condition.

Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Non-derivative financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets recognised by the Company include:

Trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, bank balances and Mudaraba deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Mudaraba is a short term bank deposit made by the Company under the terms of Sharia principles. The profit from such deposits is accrued in the statement of income on periodic basis.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables
Trade payables are not interest bearing and are stated at their nominal value.

Wakala contract
The Company entered into a wakala contract in the capacity of a wakil. Wakala is an agreement between two parties whereby one party (the "Muwakkil") provides funds ("Investment Amount") to an agent (the "Wakil"), to invest on their behalf in accordance with the principles of Sharia. The Investment Amount is available for unrestricted use for capital expenditure, operational expenses and for settlement of liabilities. If profits are made, the Wakil will pay an agreed-upon share of these profits to the Muwakkil. The Investment Amount is repaid back at the end of the investment period along with any accumulated profits. Hence the wakala contract is stated at amortised cost in the statement of financial position. The attributable profits are recognised as wakala contract costs in the statement of income on a time apportionment basis, taking account of the anticipated profit rate and the balance outstanding.

Equity instruments
Ordinary shares issued by the Company are classified as equity.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

Derivative financial instruments

The Company uses derivative financial instruments to reduce its financial risks due to changes in foreign exchange rates. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For trade receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or counterparty; (ii) default or delinquency in interest or principal payments; or (iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Dividend on ordinary share capital

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividend is approved by the shareholders. Dividend for the year that is approved after the statement of financial position date is dealt with as a non-adjusting event after the balance sheet date.

5 SEGMENT REPORTING

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance of the components. The functions of the CODM are performed by the Board of Directors of the Company.

(a) Description of products and services from which each reportable segment derives its revenue and factors that management used to identify the reportable segments

The Company only operates in Qatar and is therefore viewed to operate in one geographical area. Management also views that its mobile business is the main operating segment of the Company. Fixed line services are reported in the same operating segment as they are currently insignificant to the overall business. The Company does not have customers with the revenues exceeding 10% of the total revenue of the Company.

(b) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on IFRS adjusted to meet the requirements of internal reporting. Such financial information does not significantly differ from that presented in these financial statements.

6. REVENUE

	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Revenue from pre-paid mobile services	**706,400**	1,172,410
Revenue from post-paid mobile services	**530,793**	603,844
Sale of equipment and other revenue	**243,852**	282,376
	1,481,045	2,058,630

7. INTERCONNECTION AND OTHER DIRECT EXPENSES

	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Interconnection and roaming costs	**321,746**	464,550
Equipment and other direct costs	**116,201**	120,934
Commissions and dealer costs	**67,365**	102,862
Regulatory costs	**25,463**	33,756
Provision for impairment of receivables	**9,883**	17,574
	540,658	739,676

Provision for impairment is net of collections from previously written off balances of QR 0.7 million (31 March 2017: QR 2.3 million).

8. NETWORK, RENTALS AND OTHER OPERATIONAL EXPENSES

	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Operating lease rentals	**110,204**	174,401
Network and other operational expenses	**273,097**	376,263
	383,301	550,664

9. OTHER INCOME

This represents compensation from a network vendor on account of network outage experienced by the Company in July 2017.

10. OTHER FINANCING COSTS

Other financing costs include withholding tax payable on previous financing arrangement and unwinding of discounted portion of asset retirement obligations. This does not include any interest payments to third parties.

11. BASIC AND DILUTED LOSS PER SHARE

	Nine months ended 31 December 2017 QR'000	Year ended 31 March 2017 QR'000
Loss for the period (QR '000)	**(182,160)**	(269,183)
Weighted average number of shares (in thousands)	**845,400**	845,400
Basic and diluted loss per share (QR)	**(0.22)**	(0.32)

There is no dilutive element and hence basic and diluted loss per share are the same.

12. PROPERTY, PLANT AND EQUIPMENT

	Network and equipment QR'000	Furniture and fixtures QR'000	Total QR'000
Cost:			
At 1 April 2016	1,898,274	234,597	2,132,871
Additions	245,628	8,748	254,376
Disposals	(78,109)	(20,325)	(98,434)
At 31 March 2017	2,065,793	223,020	2,288,813
Additions	165,973	-	165,973
Disposals	(19,108)	(125)	(19,233)
At 31 December 2017	**2,212,658**	**222,895**	**2,435,553**
Accumulated depreciation:			
At 1 April 2016	735,798	148,429	884,227
Charge for the year	240,462	29,600	270,062
Disposals	(78,030)	(20,324)	(98,354)
At 31 March 2017	898,230	157,705	1,055,935
Charge for the period	182,888	10,179	193,067
Disposals	(15,302)	(125)	(15,427)
At 31 December 2017	**1,065,816**	**167,759**	**1,233,575**
Net book value:			
At 31 December 2017	**1,146,842**	**55,136**	**1,201,978**
At 31 March 2017	1,167,563	65,315	1,232,878

The net book value of property, plant and equipment includes assets in the course of construction amounting to QR 30.39 million (31 March 2017: QR 40.57 million), which are not depreciated. The Company sold network equipment and other assets during the period and recognised a loss on disposal of QR 3.6 million (31 March 2017: QR 0.062 million).

13. INTANGIBLE ASSETS

	License fee	Software	Indefeasible right to use	Total
	QR'000	QR'000	QR'000	QR'000
Cost:				
At 1 April 2016	7,726,000	872,576	20,712	8,619,288
Additions	-	56,343	-	56,343
Disposals	-	(10,998)	-	(10,998)
At 31 March 2017	7,726,000	917,921	20,712	8,664,633
Additions	-	51,561	-	51,561
Disposals	-	(2,319)	-	(2,319)
At 31 December 2017	**7,726,000**	**967,163**	**20,712**	**8,713,875**
Accumulated amortisation:				
At 1 April 2016	2,787,793	591,699	4,672	3,384,164
Charge for the year	402,737	105,345	1,438	509,520
Disposals	-	(10,998)	-	(10,998)
At 31 March 2017	3,190,530	686,046	6,110	3,882,686
Charge for the period	302,053	68,155	1,078	371,286
Disposals	-	(1,524)	-	(1,524)
At 31 December 2017	**3,492,583**	**752,677**	**7,188**	**4,252,448**
Net book value:				
At 31 December 2017	**4,233,417**	**214,486**	**13,524**	**4,461,427**
At 31 March 2017	4,535,470	231,875	14,602	4,781,947

The net book value of software includes software under development amounting to QR 4.66 million (31 March 2017: QR 29.63 million), which are not amortised.

14. TRADE AND OTHER RECEIVABLES

	31 December 2017	31 March 2017
	QR'000	QR'000
Non-current assets:		
Prepayments	**24,932**	25,443
Current assets:		
Trade receivables – net	**217,220**	252,440
Prepayments	**27,595**	52,797
Due from related parties (note 21)	**4,322**	5,432
Accrued revenue receivables	**25,582**	35,742
Other receivables	**27,247**	10,382
	301,966	356,793

Trade and other receivables are net of provision for impairment amounting to QR 60.9 million (31 March 2017: QR 50.3 million).

15. INVENTORIES

	31 December 2017	31 March 2017
	QR'000	QR'000
Handsets	**33,812**	11,233
Scratch cards and accessories	**1,915**	1,932
	35,727	13,165

Inventory is reported net of allowance for obsolescence, an analysis of which is as follows:

	31 December 2017	31 March 2017
	QR'000	QR'000
Balance at beginning of the period	**4,013**	7,708
Amounts credited to statement of income	**(576)**	(3,566)
Inventory written off	**-**	(129)
Balance at period end	**3,437**	4,013

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows are as follows:

	31 December 2017	31 March 2017
	QR'000	QR'000
Mudaraba deposits	**85,000**	100,000
Cash at bank	**113,458**	68,784
Cash on hand	**100**	100
	198,558	168,884

17. SHARE CAPITAL

	31 December 2017		31 March 2017	
	Number	QR'000	Number	QR'000
Ordinary shares authorised, allotted, issued and fully paid:				
Ordinary shares of QAR 10 each	**845,400,000**	**8,454,000**	845,400,000	8,454,000

18. LEGAL RESERVE AND DISTRIBUTABLE PROFITS

The Company is public joint stock company having been incorporated pursuant to Article 68 of the Qatar Commercial Companies' Law No. 5 of 2002 and amended its status in accordance with Qatar Commercial Companies Law No.11 of 2015 as approved by the Company's Extraordinary General Assembly dated 25 July 2016. The amended and restated Articles of Association were approved and validated by the Ministry of Economy and Commerce on 24 April 2017 and the Ministry of Justice on 1 June 2017 and published by the Ministry of Economy and Commerce in the Official Gazette on 10 September 2017.

Legal reserve:

The excess of issuance fees collected over the issuance cost during the initial public offering of the ordinary shares has been transferred to the legal reserve as required by Article 154 of Qatar Commercial Companies Law No. 5 of 2002. Further, as per the Articles of Association of the Company, 5% of annual distributable profits should be transferred to the legal reserve. The General Assembly may discontinue this deduction if the legal reserve reaches 10% of the paid up capital.

Distributable profits:

As per the Articles of Association of the Company, distributable profits are defined as the net profit/loss for the financial period plus amortisation of licence fees for the period. Undistributed profits are carried forward and are available for distribution in future periods.

The above provision of Article of Association was impacted by the new Commercial law however, the Company amended its Articles of Association which were approved by the Ministry of Economy and Commerce as described in note 1.

	Nine months ended 31 December 2017		Year ended 31 March 2017	
	QR'000	QR'000	QR'000	QR'000
Balance at beginning of the period		**134,045**		7,169
Net loss for the period	**(182,160)**		(269,183)	
Amortisation of licence fee	**302,053**		402,737	
Distributable profits		**119,893**		133,554
Transfer to legal reserve		**(5,995)**		(6,678)
Balance at period end		**247,943**		134,045

19. WAKALA CONTRACT

	31 December 2017	31 March 2017
	QR'000	QR'000
Balance at beginning of the period	**945,554**	1,022,868
Investments during the period	**-**	-
Wakala profit accumulation for the period	**18,344**	24,621
Settlement of wakala	**(145,661)**	(101,935)
Balance at period end	**818,237**	945,554

The Company entered into a Sharia compliant wakala contract with Vodafone Finance Limited for USD 330 million on 18 November 2014. The facility has a tenure of five years at an agreed profit share based on six month LIBOR plus a margin of 0.75%. The facility was availed on 15 December 2014.

The wakala contract is renewed on 31 March and 30 September every year to reset the profit rates without cash settlement. The accumulated profits are then reinvested by the Muwakkil. The wakala contract will be due for repayment five years from the origination date unless early termination is initiated by management. Based on management's plans, these liabilities are classified as non-current.

20. PROVISIONS

	31 December 2017	31 March 2017
	QR'000	QR'000
Asset retirement obligations (note 20.1)	**59,961**	54,121
Employees' end of service benefits (note 20.2)	**31,009**	28,269
Other provisions (note 20.3)	**14,320**	31,821
	105,290	114,211

20.1 Asset retirement obligations

During the period, the Company recorded an additional provision of QR 5.8 million (31 March 2017: QR 47.4 million) on account of new sites added and unwinding of discount for liability. Out of additional provision, an amount of QR 3.3 million (31 March 2017 QR 47.4 million) capitalized as additions of property, plant and equipment was excluded from the purchase of property, plant, and equipment in statement of cash flows.

20.2 Employees' end of service benefits

	Nine months ended 31 December	Year ended 31 March
	2017	2017
	QR'000	QR'000
Balance at beginning of the period	**28,269**	25,448
Charge for the period	**7,332**	8,957
Payments during the period	**(4,592)**	(6,136)
Balance at period end	**31,009**	28,269

20.3 Other provisions

This mainly comprises of estimated amounts for liabilities relating to ongoing disputes on commercial arrangements.

21. TRADE AND OTHER PAYMENTS

	31 December 2017	31 March 2017
	QR'000	QR'000
Non-current liabilities:		
Supplier retentions	**52,372**	49,823
Current liabilities:		
Trade payables	**159,722**	400,431
Accruals and deferred income	**532,879**	312,207
Other payables	**22,384**	20,559
Dividend payable (note 21.1)	**11,950**	13,109
Due to related parties (note 22)	**50,140**	69,442
	777,075	815,748

21.1 Dividend payable

	Nine months ended 31 December	Year ended 31 March
	2017	2017
	QR'000	QR'000
Balance at beginning of the period	**13,109**	18,335
Dividend paid in cash	**(1,159)**	(5,226)
Balance at period end	**11,950**	13,109

22. RELATED PARTY TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Company and companies controlled, jointly controlled or significantly influenced by those parties. The following transactions were carried out with related parties:

	Nine months ended 31 December	Year ended 31 March
	2017	2017
	QR'000	QR'000
Sales of goods and services		
Vodafone Group Plc controlled entities	**2,931**	4,132
Purchases of goods and services		
Vodafone Group Plc controlled entities	**110,922**	157,869
Wakala contract costs		
Vodafone Finance Limited	**18,344**	24,621

Goods and services are bought from related parties at prices approved by management, as being on an arm's length basis. Balances arising from sales/purchases of goods/services are as follows:

	31 December 2017	31 March 2017
	QR'000	QR'000
Receivables from related parties:		
Vodafone Group Plc controlled entities	**4,322**	5,432
Payables to related parties:		
Vodafone Group Plc controlled entities	**50,140**	69,442
Wakala contract:		
Wakala contract from Vodafone Finance Limited	**818,237**	945,554

22. RELATED PARTY TRANSACTIONS (CONTINUED)

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. No impairment losses were recognised for balances due from related parties during the period (31 March 2017: Nil). The payables to related parties arise mainly from purchase transactions and bear no interest. The wakala contract has an anticipated profit rate as described in Note 19.

Compensation of key management personnel

Key management personnel include the Board of Directors, Chief Executive Officer (CEO) and the executive managers who directly report to the CEO. Compensation paid to key management personnel, which does not include any remuneration to the Board of Directors, is as follows:

	Nine months ended 31 December 2017	Year ended 31 March 2017
	QR'000	QR'000
Salaries and short-term benefits	**11,118**	15,704
Employees' end of service benefits	**465**	514
	11,583	16,218

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital management

The following table summarises the capital structure of the Company:

	Nine months ended 31 December 2017	Year ended 31 March 2017
	QR'000	QR'000
Wakala contract	**818,237**	945,554
Cash and cash equivalents	**(198,558)**	(168,884)
Net debt	**619,679**	776,670
Total equity	**4,471,614**	4,653,774
Gearing ratio	**13.9%**	16.7%

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Categories of financial instruments

	31 December 2017	31 March 2017
	QR'000	QR'000
Loans and receivables:		
Cash and cash equivalents	**198,558**	168,884
Trade and other receivables (excluding prepayments)	**274,371**	303,996
Other financial liabilities at amortised cost:		
Trade and other payables (excluding accruals and deferred income)	**296,568**	553,364
Wakala contract	**818,237**	945,554

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies and hence exposed to risks on exchange rate fluctuations. The Company uses currency forwards to mitigate its financial risks on foreign exchange rates. The use of financial derivatives is governed by the Company's policies, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Interest rate risk management

The Company has no interest bearing loans or receivables being a Sharia compliant business.

Profit rate on the wakala contract
The Company is liable to pay profit on the wakala contract at an anticipated profit rate which is computed based on six month LIBOR. Every one per cent rise or fall in LIBOR rates would increase or reduce the total loss of the Company for the financial period by QR 6.3 million (31 March 2017: QR 9.5 million).

Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

The following table presents the movement in provision for doubtful receivables:

	31 December 2017	31 March 2017
	QR'000	QR'000
Balance at beginning of the period	**50,279**	30,395
Amounts charged to income statement	**10,590**	19,884
Balance at period end	**60,869**	50,279

The following table presents ageing of trade receivables (gross):

	31 December 2017	31 March 2017
	QR'000	QR'000
0 – 30 days	**150,040**	121,251
31 – 60 days	**29,681**	52,190
61 – 90 days	**12,649**	14,392
Over 90 days	**85,719**	114,886
	278,089	302,719

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Carrying Amount	
	31 December 2017	31 March 2017
	QR'000	QR'000
Cash and cash equivalents	**198,558**	168,884
Trade and other debit balances (excluding prepayments)	**274,371**	303,996
	472,929	472,880

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves and adequate wakala contracts, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Company's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2017	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	**651,018**	**52,372**
Wakala contract	**-**	**818,237**

At 31 March 2017	Less than 1 Year	More than 1 year
	QR'000	QR'000
Trade and other payables excluding deferred income	682,838	49,823
Wakala contract	-	945,554

Fair value of financial instruments

Fair value measurements are analysed by levels in the fair value hierarchy as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobserved inputs)

Financial assets or liabilities were measured at fair value based on level 3 input. The carrying value of financial assets and financial liabilities classified as current assets or current liabilities in the statement of financial position at year-end approximates its fair value due to its shorter maturities.

24. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

Operating lease commitments

The Company has entered into commercial leases on certain properties, network infrastructure, motor vehicles, and items of equipment. The leases have various terms, escalation clauses, and renewal rights. Future lease payments comprise:

	31 December 2017	31 March 2017
	QR'000	QR'000
Within one year	**154,106**	109,143
In more than one year but less than two years	**66,966**	64,587
In more than two years but less than three years	**61,464**	54,825
In more than three years but less than four years	**53,858**	53,129
In more than four years but less than five years	**49,509**	49,667
In more than five years	**312,776**	319,572
	698,679	650,923

Other commitments

	31 December 2017	31 March 2017
	QR'000	QR'000
Contracts placed for future capital expenditure not provided for in the financial statements	**64,364**	43,022

Contingent liabilities

	31 December 2017	31 March 2017
	QR'000	QR'000
Performance bonds	**52,679**	51,732
Credit guarantees – third party indebtedness	**2,000**	2,000

Performance bonds

Performance bonds require the Company to make payments to third parties in the event that the Company does not perform what is expected of it under the terms of any related contracts.

Credit Guarantees – third party indebtedness

Credit guarantees comprise guarantees and indemnity of bank or other facilities.

25. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board, the application of which often requires judgements to be made by management when formulating the Company's financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or anet asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and accordingly provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant IFRS accounting policies, which is provided in note 3 to the financial statements.

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before financing income/costs, tax, depreciation and amortisation, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long term growth rates;
- expected costs to renew the licence; and
- the selection of discount rates to reflect the risks involved.

The Company prepares and the Board of Directors approves formal five year plans for its business and the Company uses these as the basis for its impairment reviews. In estimating the value in use, the Company uses a discrete period of 5 years where a long term growth rate into perpetuity has been determined as the lower of:

- The nominal GDP rates for the country of operation; and
- The compound annual growth rate in earnings before financing income/ costs, tax, depreciation and amortisation.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results. The discount rate used in the most recent value in use calculation for the period ended 31 December 2017 was 9.9% (31 March 2017: 9.7%) and the long-term growth rate was 2.5% (31 March 2017: 3.0%). The management has considered the renewal costs of licence as percentage of the future expected revenues.

Based on the results of the test, the management has concluded that no impairment is required. The results are sensitive to changes in the following assumptions. With all individual inputs constant, an increase in pre-tax discount rate by 2.00 pps or decrease in terminal EBITDA growth by 6.80 pps or decrease in long term growth rate by 2.70 pps or increase in discounted cost of licence renewal by 531%, would bring the headroom to zero. Any further decline would suggest an impairment, since recoverable amount would be lower than carrying amount of long term assets net of working capital (excluding cash) of the Company.

Revenue presentation: gross versus net

When deciding the most appropriate basis for presenting revenue and costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Company's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Company's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned. Transit revenue is recognised on a gross basis as the Company assumes credit risk and acts as a principal in the transactions.

Estimation of useful life

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

Licence fees
The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Company will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Company's expectation of the period over which the Company will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

Property, plant and equipment
Property, plant and equipment represent a significant proportion of the asset base of the Company being 19.3% (31 March 2017: 18.7%) of the Company's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of income.

The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Provision for receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time the amount has been due.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. Inventories which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Asset retirement obligation

A Provision for asset retirement obligation exists where the Company has a legal or constructive obligation to remove an infrastructure asset and restore the site. Asset retirement obligation is recorded at the present value of expected costs to settle the obligation using estimated cash flows and is recognised as part of the particular asset. The cash flows are discounted at the rate that reflects the risk specific to the asset retirement obligation.

Subsequent to initial recognition, an unwinding expense relating to the provision is periodically recognised as a financing cost.

While the provision is based on the best estimate of future costs and the useful lives of infrastructure assets, there is uncertainty regarding both the amount and timing of incurrence of these costs. Any subsequent change in the present value of the estimated cost due to changes in the gross removal costs or discount rates, is dealt with prospectively as a change in accounting estimate and reflected as an adjustment to the provision and a corresponding adjustment to the infrastructure assets.

26. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2017:

- Disclosure initiative – amendments to IAS 7.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

New accounting standards and IFRIC interpretations that are not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018, and have not been applied in preparing these financial statements. Those which are relevant to the Company are set out below. The Company does not plan to early adopt these standards.

- *IFRS 9, 'Financial Instruments'* (Annual periods beginning on or after 1 January 2018) addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

  The Company has reviewed its financial assets and liabilities and is expecting that the potential impact of the new standard for the Company is expected to be as follows:

26. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

New accounting standards and IFRIC interpretations that are not yet adopted (continued)

- The contractual cash flows of trade receivables and contract assets of the Company comprise solely payment of principal and interest and the Company is holding to collect these contractual cash flows. These financial assets of the Company will continue to be classified at amortized cost and adoption of IFRS 9 will have no impact on classification and measurement model of the Company. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Company expects the loss allowance for trade receivables to increase by an immaterial amount.

- The new standard also introduces expanded disclosure requirements and changes in presentation. The Company has finalized its assessment of the impact of IFRS 9 on the financial statements which is not expected to be significant.

• *IFRS 15 'Revenue from Contracts with Customers' (Annual periods beginning on or after 1 January 2018):* The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption.

The Company has assessed the effects of applying the new standard on the Company's financial statements, the potential impact of the revenue standard for the Company is expected to be as follows:

- Accounting for acquisition revenue will require to be deferred and amortized over the contract period. However, since the Company is using maximum lock in period as the contract period therefore, adoption of IFRS 15 will result in reduction of revenue by an immaterial amount.

- Accounting for contract costs for the year ended 31 December 2018: Incremental contract costs to be incurred to obtain and fulfil a contract to provide goods or services to the customer are required to be capitalised under IFRS 15, if those costs are expected to be recovered. These costs are to be amortised over expected contract period and tested for impairment regularly. The Company expects to have an immaterial reduction in its acquisition cost considering the very short term contract period upon adoption of IFRS 15.

- Accounting for bundled products: The Company has reviewed its existing products portfolio and determined that any bundling of products was performed during promotion periods which are very short term in nature. IFRS 15 requires the allocation of sale price of the bundled product to its components e.g. handset and data, based on their standalone selling prices. The Company expects the impact of re-allocation of revenue within existing revenue streams will be immaterial due to very short term nature of promotions.

- Accounting for financing component: The Company does not have payments terms which do not match with the timing of delivery of services or equipment to the customers, there will be no impact on the Company's financial statements in this regard.

- Presentation of contract assets and contract liabilities in the balance sheet – IFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. This will result in some reclassifications as of 1 January 2018 in relation to contract assets and contract liabilities which are currently included in other balance sheet line items. Since the amounts of contract assets and contract liabilities involved are not significant, the Company has concluded that there is no material impact on balance sheet of the Company.

• *IFRS 16 'Leases' (Annual periods beginning on or after 1 January 2019):* The International Accounting Standards Board (IASB) has published a new standard, IFRS 16 "Leases". The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 "Leases" and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

IFRS 16 is expected to have a significant impact on the financial statements of the Company by increasing the reported assets and liabilities for the existing operating leases, particularly relating to leased network assets (base stations, leased lines), IT network (data centers) and property leases (stores and offices). The Company is currently in the process of finalising the impact assessment.

• *IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (Annual periods beginning on or after 1 January 2018)* clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The adoption of this interpretation doesn't have any impact on the current period or any prior period and is not likely to affect future periods.

27. SHARIA COMPLIANCE

Governance

The sharia advisor of the Company is a scholar who is specialised in sharia principles and ensures the Company's compliance with general Islamic principles and work in accordance with issued Fatwas and guiding rules. The advisor's review includes examining the evidence related to documents and procedures adopted by the Company in order to ensure that the activities are according to principles of Islamic sharia.

Zakah

Zakah is directly borne by the shareholders. The Company does not collect or pay Zakah on behalf of its shareholders.

7 Glossary & Disclaimer

Glossary

Distributable Profits

Net profit or loss plus amortisation of the licence, for the financial period.

ARPU

Average Revenue Per User – Service revenue divided by average customers.

EBITDA

Earnings Before Income/Costs, Tax, Depreciation and Amortisation

EBITDA Margin

EBITDA divided by revenue for the financial period.

Sharia Compliance

Meeting all of the requirements of Islamic law and the principles articulated for Islamic finance.

Disclaimer

This constitutes the annual report of Vodafone Qatar P.Q.S.C. ("Vodafone Qatar") for the financial year started 1 April 2017 and ended 31 December2017. The content of the company's website (www.vodafone.qa) should not be considered to form part of this annual report. In the discussion of Vodafone Qatar's reported financial position, operating results and cash flow for the year ended 31 December 2017, the material is presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information is not uniformly defined by all companies, including those in Vodafone Qatar's industry. Accordingly, it may not be comparable with similarly-named measures and disclosures by other companies.

The terms "Vodafone Qatar", "we", "us" refer to the company Vodafone Qatar P.Q.S.C.

This annual report contains forward-looking statements that are subject to risks and uncertainties, including statements about Vodafone Qatar's beliefs and expectations. All statements other than statements of historical or current facts included in the document are forward-looking statements. Forward-looking statements express the current expectations and projections of Vodafone Qatar relating to the condition, plans, objectives, future performance and business of Vodafone Qatar, as well as their expectations in relation to external conditions and events relating to Vodafone Qatar and its respective sector, operation and future performance. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The forward-looking statements may include words such as "forecast", "anticipate", "estimate", "believe", "project", "plan", "intend", "prospective" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. Due to these factors, Vodafone Qatar cautions that you should not place undue reliance on any forward looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible to predict these events or how they may affect Vodafone Qatar. Except as required by Qatari law, the rules of the QFMA, or the rules of the Qatar Exchange, Vodafone Qatar has no duty to, and does not intend to, update or revise the forward-looking statements included herein after the date of the annual report. Vodafone, the Vodafone logo and Vodafone Mobile Broadband are trademarks of the Vodafone Group. Other product and company names mentioned herein may be the trademarks of their respective owners.