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## **INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**

### **Reporting on the Compliance with the Qatar Financial Markets Authority’s Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market**

#### **Introduction**

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors’ assessment of compliance of Salam International Investment Limited Q.P.S.C. (“the Company”) with the QFMA’s law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market as at 31 December 2021.

#### **Responsibilities of the Board of Directors and Those Charged with Governance**

The Board of Directors of the Company is responsible for preparing the accompanying ‘Annual Corporate Governance Report 2021’ that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA’s Board pursuant to Decision No. (5) of 2016 (the ‘Code’).

In the Annual Corporate Governance Report 2021, the Board of Directors presents their statement on compliance with the QFMA’s law and relevant legislations including the Code (the “Directors’ Report”).

In addition, the Board of Directors of the Company is responsible for the design, implementation and maintenance of adequate internal controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to Company’s policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA’s law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA’s Board pursuant to Decision No. (5) of 2016.

#### **Our Responsibilities**

Our responsibility is to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the “Board of Directors’ Report on compliance with the QFMA’s law and relevant legislations including the Code” do not present fairly, in all material respects, the Company’s compliance with the QFMA’s law and relevant legislations including the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (‘IAASB’). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors’ statement of compliance with the QFMA law and relevant legislations including the Code, taken as a whole, is not prepared in all material respects in accordance with the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform any additional procedures that would have been required if this were to be a reasonable assurance engagement.

## **INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C. (CONTINUED)**

### **Reporting on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)**

#### **Our Responsibilities (continued)**

Our limited assurance procedures comprise mainly of inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements; and the methodology adopted by management to assess compliance with these Requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the Requirements.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

#### **Inherent Limitations**

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

#### **Our Independence and Quality Control**

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA code") issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Other information**

The Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Corporate Governance Report 2021, but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code, and our report thereon.

Our conclusion on the Directors' Report does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Company to provide a separate reasonable assurance report on the Management's Report on Internal Control Framework over Financial Reporting, included within the other information.

In connection with our engagement of the Directors' report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' report or our knowledge obtained in the engagement, 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 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 Corporate Governance Report 2021, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF  
SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C. (CONTINUED)**

**Reporting on the Compliance with the Qatar Financial Markets Authority’s Law and relevant legislations  
including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)**

**Basis for Qualified Conclusions on Qatar Financial Market Authority (“the Code”)**

The following incidents of non-compliance were observed as at 31 December 2021:

<i>Article Description</i>	<i>Article Number</i>	<i>Description of Article (Article summary narrative)</i>	<i>Exceptions</i>
Scope of Implementation	2	Non-compliance with any provision of the QFMA Code has been clearly highlighted along with the reasons and justifications in the Company’s Annual Governance Report.	<p>Failure to disclose the following non-compliance along with the reasons and justifications in the Governance report as at and for the year ended 31 December 2021:</p> <ul style="list-style-type: none"> <li>The chairmen of the audit committee is a member of remuneration committee.</li> </ul>
Key Functions and Tasks of the Board	8.3	<p>Over the period under review, the Board has approved, reviewed and monitored the following:</p> <ul style="list-style-type: none"> <li>Company’s strategy.</li> <li>Determined the most appropriate capital structure of the Company</li> <li>Supervise the main capital expense of the Company/ Acquisition and disposals</li> <li>Performance of the Executive Management.</li> <li>Company’s organizational chart (if updates were made).</li> <li>Company’s newly developed policies and procedures (based on the DoA).</li> <li>Annual training program for the employees on the topics such as Governance, Risk Management and Internal Control.</li> <li>Conflict of interest declared by the Company’s employees.</li> <li>Annual Governance Report.</li> <li>Periodic reports on compliance to policies and procedures as well as laws and regulations.</li> <li>Financial statements and auditor’s report.</li> <li>Risk management reports.</li> <li>Succession Planning Policy</li> <li>Related party transactions and approval.</li> <li>Report from Nomination Committee on Board Members and Executive Management’s performance assessment.</li> </ul>	<p>Following were not available,</p> <ul style="list-style-type: none"> <li>Annual training program for the employees on the topics such as Governance, Risk Management and Internal Control.</li> <li>Periodic reports on compliance to policies and procedures as well as laws and regulations.</li> <li>Risk management reports.</li> <li>Succession Planning Policy</li> </ul>

**INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF  
SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C. (CONTINUED)**

**Reporting on the Compliance with the Qatar Financial Markets Authority’s Law and relevant legislations  
including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)**

**Basis for Qualified Conclusions on Qatar Financial Market Authority (“the Code”) (continued)**

<i>Article Description</i>	<i>Article Number</i>	<i>Description of Article (Article summary narrative)</i>	<i>Exceptions</i>
	8.4	Compliance Policy/Procedures are developed and approved by the Board to manage the compliance to internal policies and procedures as well as the laws the regulations  Periodic compliance reports are communicated to the Audit Committee/Board.	Periodic compliance reports are not communicated to the Audit Committee/Board.
	8.5	Risk Management Policy/Procedures are developed and approved by the Board to identify, assess manage and report the risks faced by the organizations.  Periodic risk management reports are communicated to the Audit Committee/Board.	Periodic risk management reports are not communicated to the Audit Committee/Board.
	8.6	Annual training programs to the Board members, Executive Management and Company’s employees are presented to and approved by the Board on topics such as governance, risk management, compliance and internal control.	Annual training programs relating to governance, risk management, compliance and internal control of the Board members, Executive Management and Company’s employees are not conducted.
Board Members Obligations	12.2	The Board has nominated a Communication Officer / Spokesperson for the Company.	The Board has not nominated a communication offices / spokesperson for the Company.
Board Committees (Nomination Committee)	18.5	A succession planning policy was developed by the Committee and submitted to the Board for approval.  <ul style="list-style-type: none"> <li>• Succession plan for managing the Company to ensure suitable alternatives are made available to fill vacant positions in the Company.</li> <li>• Nominating individuals for senior executive management.</li> </ul>	Succession planning policy is not available.
Board Committees	18.18	The Chairman of the Audit Committee is not a member of any other Board’s Committees.  Any person who has previously conducted audit for the Company within the previous two years shall not be a candidate for the Board Membership.	The chairmen of the audit committee is a member of remuneration committee.

**INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF  
SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C. (CONTINUED)**

**Reporting on the Compliance with the Qatar Financial Markets Authority’s Law and relevant legislations  
including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)**

**Basis for Qualified Conclusions on Qatar Financial Market Authority (“the Code”) (continued)**

<i>Article Description</i>	<i>Article Number</i>	<i>Description of Article (Article summary narrative)</i>	<i>Exceptions</i>
Board Committees (Audit Committee)	18.21	The Audit Committee has developed and submitted the following to the Board for review, approval and implementation: <ul style="list-style-type: none"> <li>• Internal control framework (particularly the ICOFR)</li> <li>• External auditor appointment policy/procedure.</li> <li>• Company’s risk management reports.</li> </ul>	Risk management reports are not available.
Audit Committee / Internal Control Unit	21	The internal audit plan was prepared covers various aspects of the company’s business including the following: <p>Governance</p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Financial audit</li> <li>• Business Process Controls including controls over related party transactions</li> </ul>	Absence of the following: <ul style="list-style-type: none"> <li>• Risk Management Framework.</li> <li>• Risk Management plan.</li> <li>• Enterprise Risk Register.</li> <li>• Periodic Risk reports.</li> </ul>

**Qualified Conclusion**

Based on the procedures performed and the evidence obtained, except for the matters described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying Annual Corporate Governance statement does not present fairly, in all material respects, the entity’s compliance with QFMA code.

We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and our qualified conclusion regarding the Board of Director’s report on compliance with the QFMA’s law and relevant legislations including the Code does not affect our opinion on those consolidated financial statements.

*Ahmed Sayed*

Ahmed Sayed  
Of Ernst & Young  
Auditor’s Registration No.: 326

Date: 7 June 2022  
Doha

