



# **QATAR ELECTRONIC SYSTEMS COMPANY**

## **BOARD OF DIRECTORS' CHARTER**

**MAY 2024**



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## 1 Introduction

- The Board of Directors' ("BoD" or the "Board") Charter ("Charter") of Qatar Electronic Systems Company ("TechnoQ" or the "Company") constitutes its corporate values and internal procedures which are binding upon the Board members, Board committee members, Chief Executive Officer ("CEO"), executive management team ("EMT"), Company's staff, and advisors.
- This Charter outlines the essential components for the management, supervision and governance of the Company and contains recognized standards for adequate and responsible governance. This Charter aims to make the Company's corporate governance system more transparent and understandable.
- The Charter is drafted to comply with the provisions of the Company's Articles of Association ("AoA").
- The provisions of the Charter are complementary to the provisions governing the relationship between the committees and the Board, as outlined in the charters of the committees, and to the requirements regarding the Board and Board members outlined in the State of Qatar legislation and regulations of the Commercial Companies Law No. (11) of 2015 (the "Companies Law"), the Qatar Stock Exchange ("QSE") Rulebook of August 2010 and provisions of the governance code ("Code") issued by the Qatar Financial Markets Authority ("QFMA" or the "Authority") for companies and legal entities listed on the QSE.

## 2 Board Composition

- **Number of members:** The Company will be managed by a Board comprising of **at least five members** including the Board Chairman and **maximum of eleven members**, in line with the Companies Law and Company's AoA.
- **Conditions for Board membership:** The following conditions are required for being a member of the Board:
  - ✓ The candidate's age will be minimum twenty-one years and above.
  - ✓ He/she must not have been previously convicted of a criminal penalty, or a crime against honour or trust, or one of the crimes referred to in Article (40) of Law No. (8) of 2012 regarding QFMA, and Articles (334) and (335) of Law No. (11) of 2015 issuing the Companies Law, or that it is prohibited from performing any work in the bodies subject to the control of the Authority under Article (35 Paragraph 12) of Law No. (8) of 2012 referred to, or that it is he has declared his bankruptcy, unless he has been rehabilitated.
  - ✓ Be a shareholder when elected by owning minimum number of shares in line with the Company's AoA and the Companies Law.
  - ✓ Should deposit the shares that he/she owns in one of the approved banks or relevant depository body, within (60) sixty days from the date of the membership commencement. This is a guarantee of the rights of the Company, shareholders, creditors, and others, for the responsibility that may fall on the members of the Board. So that these shares continue to be deposited with their inability to trade, mortgage or seizure, until the membership period expires and the budget for the last fiscal year that the member has carried out with his duties is cleared. An Independent member will be exempted from this requirement.
  - ✓ Will be qualified and have sufficient knowledge of administrative matters and appropriate experience to perform their duties effectively, and he/she must allocate sufficient time to carry out his work in all fairness and transparency in the interests of the Company and its goals.



- ✓ Every Board member(s), immediately after their election, will sign a statement according to which he undertakes to abide by the provisions of the contract and the statute, and any other laws or regulations, which organize the joint-stock companies and members of their boards of directors.
  - ✓ Every Board member(s) will sign an acknowledgment that the conditions for membership of the Board are available, and that he does not assume any position that is legally prohibited to combine it with the membership of the Board, in accordance with the provisions of the law, the system of governance and the statute.
  - ✓ Any legal person; or a natural person representing a legal person as a member of the Board, or appointed to the Board, must continue to adhere to the principles contained in this Charter.
  - ✓ The Board member(s) representing the Company's employees will be exempted from holding shares in the Company and will be treated similar to an independent board member for this purpose, as per the updated Companies Law requirements.
  - ✓ Post elections, every Board member(s) will be required to provide a "certificate of good conduct" issued by the relevant authorities in the State of Qatar, as per the Authority's requirements, to ensure that he/she is not convicted of any offence or criminal activity.
  - ✓ In addition to the above-mentioned pre-requisites, the Board member(s) will also be required to satisfy any other requirements of the QFMA and QSE with respect to Board composition and eligibility of Board membership.
  - In all cases, the Company is obliged to send a list of the names and data of the candidates for membership in the Board along with the curriculum vitae of each candidate, and a true copy of the nomination requirements, to the Authority for approval, at least two weeks before the date set for the Board elections.
  - **Structural mix:** Board members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company. They shall give sufficient time and attention to their role as Board members. The Board shall include executive, non-executive, and independent Board members in order to ensure that the Board decisions are not dominated by one individual or a small group of individuals.  
(Definition of the type of board members is provided in the following sections)
  - **General composition:** The Board will ensure the following with respect to the general composition of members:
    - ✓ No less than one-third (1/3) of the Board members are independent. (Definition of Independence as per the Code is mentioned in the paragraph below)
    - ✓ Majority of the Board members shall be non-executive Board members.
    - ✓ In all cases, the Board composition shall ensure that the issuance of Board decisions is not dominated by one or more member(s).
    - ✓ A Board member, whether in person or in another capacity, should not hold the office of Board member for more than three shareholding companies with headquarters located in the State of Qatar, or 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 Board chairman will not be a member of the Audit and Risk Committee, and/or the Nomination and Remuneration Committee.
- ("A non-executive member is a board member who is not in charge of executive management duties in the company and is not dedicated to the company full time and who does not receive



monthly or yearly remuneration from the company other than the remuneration he receives as a board member or as a member of any of the board committees”)

(“An executive member is a board member who performs executive management duties for the company and/or is full-time employee of the company. Such director may not vote on resolutions related with appointment or removal of such director from office”).

- **Independence:** An independent Board member is a member who is not under the influence of any factor that may limit his/her capacity to consider, discuss and decide on the Company's matters in an unbiased and objective manner. As defined in the Code, “a board member shall be considered non-independent if he/she, falls into any of the below categories, but not limited to:
  - ✓ Owns at least 1% of shares of the Company, or any company within the group;
  - ✓ Is a representative of a legal person who owns at least 5% of shares of the Company, or any company within the group;
  - ✓ Has been a member of senior executive management of the Company, or any company within the group, during the financial year preceding Board election;
  - ✓ Has a first-degree relative relationship with any Board member or senior executive management of the Company, or any company within the group;
  - ✓ Is a board member of any other company, within the company group, which is nominating the individual in question for Board membership;
  - ✓ Has been an employee, during the financial year preceding Board election, at any of the parties associated with the Company, or any of its group, such as external auditors and main suppliers, or if such member, during the two financial years preceding the Board election, had controlling shares in any such party; and
  - ✓ Has, directly or indirectly, any commercial or financial dealings with the Company or any company within the group during the two financial years preceding Board election.
- A director qualifying for the membership of the Board should represent the ethical and moral standing to which the Company aspires to establish across the entity in line with the overall vision and strategic objectives.
- **Membership term:** The term for Board membership will be three years in line with the Company's AoA. A director may be re-elected by the Board. Maximum number of terms to be served by a director shall be determined by the Board, except for the members of the first Board which were appointed by the Company's founders by virtue of the AoA for a period of five (5) years starting from the date of conversion of the Company into a public shareholding company.
- **Appointment and re-appointment of members:** The General Assembly will elect members of the Board for a term in line with the Company's AoA. A nomination or recommendation to the General Assembly for a candidate for the Board shall state:
  - ✓ The candidate's age;
  - His/her profession;
  - ✓ The amount and nature of any shares held in the Company;
  - ✓ Any convictions for any crimes involving dishonesty, fraud or breach of trust;
  - ✓ The positions he/she holds or has held in the past 5 years (including memberships on any board of directors or executive committees); and
  - ✓ Any other information relevant to assess his/her suitability as a member of the Board.
- **Vacancy, removal, and replacement of members:** In case if the office of a director becomes vacant, another director shall be appointed by the Board to fill the seat in line with the AoA. The new director shall remain in office only for the balance of the term of the former director. The office of director shall be considered vacant in any of the following events:



- ✓ The director is removed by the shareholder(s) that appointed him;
  - ✓ A director is prohibited by law from acting as a director;
  - ✓ A director resigns under a written notice given to the Company or if the director proposes to resign and the Board accepts such proposal;
  - ✓ A director is declared bankrupt;
  - ✓ A director is convicted of any felony, crime in breach of honor or trust;
  - ✓ The director fails to attend four successive meetings of the Board without permission of the Board or the holder of the special share (if the director is appointed by the holder of the special share);
  - ✓ A director holds an executive position in the Company, when the employment of such director expires or is terminated, and the Board resolved that such position shall be vacant; and
  - ✓ The director has been appointed as an independent director, but his/her independence is compromised.
- **Resignation and retirement of members:** Each director will tender his resignation in case a change in position or responsibility in his/her principal occupation results in any conflict of interest with his/her role as a director of the Board. The Board will verify the same prior to acceptance of the resignation. Except in the case of a resignation, the removal of a Board member shall be submitted to the General Assembly for approval. Retirement for directors is at an age where the director is no longer capable of performing his duties, and the directors who reach this age within the next membership term should not stand for re-election, subject to review of the Board.
  - **Re-appointment of members:** Before recommending a member of the Board for reappointment, the Board must carefully consider his/her past performance on the Board. The recommendation, or nomination for appointment, or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board for appointment or reappointment of a Board member must be in accordance with section 2 of this Charter.

### 3 Board Chairman and Secretary

- **Chairman:** The chairman of the Board is accountable to the shareholders of the Company, in leading and achieving its vision and to provide its shareholders with sustainable gains. The chairman is responsible for leading the Board and oversee the effectiveness of all aspects of its role and setting its agenda. The Board chairman may delegate specific duties to the Board members and/or committees and Chief Executive Officer ("CEO") as appropriate or during absence, provided such delegation is limited by time and in respect of authority, in line with the Companies Law requirements.
- **Chairman's appointment:** The Board will elect a chairman and a vice-chairman from among its members, while considering the following key aspects:
  - ✓ The vice-chairman replaces and assumes the powers and duties of the chairman when the chairman is absent.
  - ✓ The chairman may authorize any other of the Board members in some of his/her powers.
  - ✓ The chairman or a vice-chairman cannot be, whether in person or in another capacity, Board chairman or vice-chairman for more than two companies whose headquarters are in the State of Qatar.
  - ✓ The chairman's position cannot be combined with any other executive position in the Company.



- ✓ The chairman will not be a member of the Audit, Risk and Compliance Committee, and/or the Nomination and Remuneration Committee.
- **Duties and responsibilities:** The duties and responsibilities of the chairman will include but not limited to the following:
  - ✓ Ensure that the Board discusses all the key issues in an efficient and timely manner, as well as encouraging effective participation of all members.
  - ✓ Ensure that the Board performs their duties in a sincere approach, with good faith and due diligence, as they represent all shareholders and owe them the fiduciary duties of care and loyalty.
  - ✓ Ensure that the shareholders and Company's interest are always protected.
  - ✓ Approve the agenda of the Board meeting taking into consideration any other matter proposed by another Board member.
  - ✓ Ensure that all Board members have access to all information, data, and records of the Company, of the Board, and of the Board committees.
  - ✓ Ensure that all members are informed about the provisions of the Code.
  - ✓ Create effective communication channels with the shareholders to ensure their opinions are heard.
- **Board secretary:** The secretarial works of the Board shall be managed by a secretary selected by the Board and can be an officer of the Company. The minutes of the meetings of the Board shall be recorded and signed by the chairman and the secretary of the Board. Priority and preference will 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 Board secretary will support the Board and the chairman with the following key responsibilities and duties, but not limited to:
  - ✓ Prepare the agenda for each Board meeting, accompanied by relevant information or clarification, in cooperation with the concerned departments of the Company, and send it prior to the meeting according to the agreed timeline in line with the provisions of the Companies Law and the Code.
  - ✓ Prepare the minutes of the Board meeting, and to draft potential resolutions, in preparation of ratifying their final wording before issuing them.
  - ✓ Notify the concerned authorities of the Board's decisions and to submit reports to the Board on the execution of such decisions.
  - ✓ Prepare the necessary draft letters to execute the decisions of the Board.
  - ✓ Perform any other tasks referred to it by the Board.

## 4 Board Meetings

- **Frequency:** The Board shall meet as often as necessary; however, it will convene at least six meetings during a financial year and three months should not elapse without convening a Board meeting.
- **Venue:** Board meetings will be generally held at the offices of the Company; however, they may also take place elsewhere at a place agreed by the Board. In addition, meetings of the Board





may be held by conference call, video conference or by any other means of communication, provided all participants can effectively attend and communicate with each other simultaneously.

- **Invitation and agenda:** Meetings of the Board are called by the chairman of the Board. The chairman shall call for the Board meeting upon the request of at least two of its members. The invitation for a meeting, accompanied by the agenda, shall be sent to all Board members at least one week before the meeting. An invitation can be sent by fax, first class post or e-mail (subject to satisfactory evidence of receipt). An agenda may include the following topics:
  - ✓ Date, time, and place of the meeting;
  - ✓ Call to order (attendance check, review/approval of last meeting's minutes);
  - ✓ Key performance and activity summary;
  - ✓ Strategy & expansion plan;
  - ✓ Financials;
  - ✓ Business support (HR/IT/ other support functions related topics);
  - ✓ Committee reports;
  - ✓ Periodic/interim reports; and
  - ✓ Conclusions (open discussions, suggestions for next meeting).
- **Attendance:** The Board meeting will be deemed valid if attended by majority of the members provided that either the chairman or the vice-chairman attends the meeting. The admission to a Board meeting of persons other than Board members, the CEO and (if invited) other executives shall be decided by majority vote of the Board members present at the meeting. The absent member may, by documented request, delegate any other Board member to represent him/her in attendance and voting. A Board member cannot represent more than one member. A Board member shall be deemed as resigned from the post if the member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board. Attendance through virtual modes for the Board meetings will be considered as acceptable and valid.
- **Quorum and decision making:** Each Board member has the right to cast one vote. A Board meeting shall be deemed valid if attended by majority of the members, provided that either the chairman or the vice-chairman attends the meeting. The Board will pass its decisions by majority vote of attendees and representatives. In the event of a tie, the chairman of the Board has the deciding vote. The Board, if necessary or urgent, may issue resolutions by circulation. Unanimous approval for resolutions shall be obtained from all the members. The resolution in question shall be ratified in the next Board meeting and its content shall be included in the minutes of meeting.
- **Resolutions and voting:** Board resolutions will be passed, if approved by a simple majority of more than 50% of the votes cast by voting members of the Board who attend a duly convened Board meeting. The Board will consider the following key aspects when passing resolutions:
  - ✓ A director that has objected to the resolution may enter his/ her objection in the minutes of the relevant meeting.
  - ✓ Board resolutions will be issued by signing a copy of the resolutions by each director, provided that all such signed copies shall be the same.
  - ✓ A director may appoint another director in writing, to the chairman, to vote on his behalf. In addition to his vote, a director may be able to vote on behalf of one director only.
  - ✓ Along with the matters that are reserved to be discussed and approved by the Board through resolutions, in accordance with AoA, and internal policies, the following matters shall be





considered by the Board unanimously and may not be delegated to Board committees or individual members.

- The Board reserves the right to review and amend the following matters from time to time as considered necessary:
  - ✓ The submission of enquiries or other matters requiring shareholders' approval;
  - ✓ Appointment and remuneration of CEO and/or Managing Director;
  - ✓ Membership of the Board and Board committees;
  - ✓ Annual review and update (if necessary) of the Board and committee charters;
  - ✓ Significant matters referred to the Board by the Board committees;
  - ✓ Annual Board self-assessment with respect to the Board's duties and responsibilities outlined in this Charter;
  - ✓ Significant change in the Company's governance and/or organisation structure; and
  - ✓ Major expansion plans / investment opportunities in line with the Company's strategic initiatives.
- **Minutes of the meeting:** Minutes must be drawn up for every Board meeting and for every resolution adopted in a meeting, and then circulated within ten working days after the meeting, for comments and approval by the members. The minutes are to be signed by the chairman of the Board and the Board secretary, then added to the Company's records.
- If there is any member, who does not agree on any decision taken by the Board, he/she may prove his/her objection in the meeting minutes. The minutes of meetings shall include the names of the attending and absent members, as well as the meeting discussions and the vote details for each resolution. The secretary will ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

## 5 Board Committees

- The Board will form committees with sufficient expertise and experience. These committees shall serve to increase the efficiency of the Board's work and the effective management of complex



issues. The respective committee chairman shall report regularly to the Board on the work of their committee.

- The Company's Board will set up the following committees:
  - ✓ Executive Committee (“**EC**”): Chaired by a non-executive Board member and comprising of minimum three members, of which majority will be either non-executive or independent.
  - ✓ Nomination and Remuneration Committee (“**NRC**”): Chaired by an independent Board member and comprising of minimum three members, of which majority will be independent members.
  - ✓ Audit and Risk Committee (“**ARC**”): Chaired by an independent Board member and comprising of minimum three members, of which majority will be either non-executive and/or independent members, as long as the committee chairman is independent.
- The Board will issue a decision to nominate the members of each committee, identifying its responsibilities, duties, and work provisions and procedures. The committee members must elect one of their members as chair. The Board will consider the following essential aspects with respect to these committees:
  - ✓ It is prohibited to chair more than one Board committee;
  - ✓ It is not permissible to combine the chair of the audit and risk committee and the membership of any other committee;
  - ✓ The committee's meeting shall be deemed valid if attended by its chairman and majority of the members;
  - ✓ All Board committees shall present an annual report to the Board highlighting the committee's activities and recommendations, if any, throughout the year;
  - ✓ The Board remains collectively responsible for the decisions and actions taken by any of the committees;
  - ✓ A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole; and
  - ✓ Decisions that, by law, to be taken by the Board may not be delegated to a committee.

## 6 Board Responsibilities and Duties

- The Board is responsible for independently overseeing the activities of the Company with the objective of sustainable creation of value and in the interest of the Company, considering the interests of the shareholders, its employees, and other stakeholders.
- The Board will be responsible to carry out its duties responsibly, 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. In discharging their duties, the members of the Board must exercise the same care and diligence which an ordinary, prudent person would exercise in taking care of his/her own interest under similar circumstances, and reasonably act in the best interests of the Company.
- All Board member(s) will take reasonable steps to be fully aware of all relevant issues, including engaging in due diligence, and make informed and independent decisions when voting on Company matters.
- The duty of care also requires the Board members to take reasonable steps to monitor the Company's executive management and strategic initiatives. The key tasks of the Board may include the following but not limited to:
  - ✓ Protect the shareholders' rights;



- ✓ Oversee the Company's objectives, key business plans, strategy, and ensure all required policies, including the risk management policy, are effectively implemented;
- ✓ Study the suggestions and recommendations related to the Company's objectives and strategic long-term initiatives, the related funding and expenditure for achieving these objectives;
- ✓ Study and discuss the periodical administrative, financial and operation reports submitted by the CEO and to take the appropriate decisions related thereto;
- ✓ Ensure that the Company is following the general frame of the laws and bylaws applied in the State of Qatar and within the Company;
- ✓ Ensure the availability of sufficient capital for the Company;
- ✓ Endorse the planning budget and financial statements of the Company, approve, and amend the same whenever it is necessary;
- ✓ Endorse and approve the Company's organizational structures;
- ✓ Endorse the annual programs related to substitution, renewal, expansion, and new additions to the existing capacities;
- ✓ Review the Company's performance and financial position at periodical intervals;
- ✓ Supervise the execution of the decisions taken by the Company's general assembly;
- ✓ Discuss and study the financial statements, the final accounts, the balance sheet, the recommendations on the profit distribution, and ensure the integrity of the financial and accounting rules used in preparing financial reports;
- ✓ Ensure the Company has a mechanism in place for dealing and cooperating with institutions of financial services, financial analysts, credit rating agencies, and other entities within the financial markets to ensure providing services for all shareholders in a quick manner with integrity and transparency;
- ✓ Endorse an annual training plan to promote awareness and ensure familiarization of the Company's activities, operations, and governance;
- ✓ Ensure the Company has a mechanism relating to conflicts of interest and remedy any possible cases of conflict by Board members, Company' management and shareholders resulting from transactions with related parties;
- ✓ Ensure the implementation of control systems appropriate for risk management that includes assessing the risks that the Company may encounter and to be discussed transparently with the Board, as well as promoting risk management awareness programs within the Company;
- ✓ Ensure effective functioning of the internal audit department for ongoing improvement and enhancement of internal controls for the Company;
- ✓ Review the effectiveness of the Company's internal control procedures on an ongoing basis;
- ✓ Ensure the implementation of succession planning system within the Company;
- ✓ Ensure disclosure of trading's in the Company's securities according to the Company's insider trading policy;
- ✓ Ensure the Company adopts its Code of business ethics;
- ✓ Engage the Company in Corporate Social Responsibility ("CSR") related initiatives;
- ✓ Endorse the criteria for evaluating the performance of the Board and the management of the Company;
- ✓ Provide guidance and supervision to the CEO and executive management of the Company; and
- ✓ Remain involved in decisions that are of fundamental importance to the Company.



## 7 Other Provisions

- **Conflicts of interest of Board members:** The Board shall ensure the following with respect to conflict of interest of its members:
  - ✓ Members of the Board and employees in connection with their work, may neither demand, nor accept from third parties, payments, or other advantages for themselves or for any other person, or grant third parties' unlawful advantages.
  - ✓ Members of the Board are bound by the Company's best interests. No member of the Board may pursue personal interests in his/her decisions or use business opportunities intended for the Company for himself/herself.
  - ✓ A Board member shall immediately report to the chairman of the Board without delay, any conflict of interest and shall provide all relevant information, including information concerning his/her relatives by blood or marriage up to the second degree.
  - ✓ All these transactions shall be disclosed in the Company's annual report and specifically referred to in the General Assembly following the entry into of such transactions.
  - ✓ The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists, nor in any discussion, decision-making or voting regarding any subject or transaction in which he/she has a conflict of interest with the Company.
  - ✓ The Chairman or a Board member(s) or member(s) of the senior executive management are not allowed to participate in any activity/business competing with the Company or to trade on his/her own account or for others in an activity practiced by the Company, unless an approval is obtained from the General Assembly otherwise, the Company may seek compensation or consider such operations completed for the account of the Company.
  - ✓ The Board chairman, Board member(s) and members of the Company's senior executive management will be responsible to disclose to the Board any interest, whether direct or indirect, that he/she would have in the transactions and deals taking place for the Company's account, and the disclosure will include the type, value and details of those deals and transactions and the nature and extent of his/her interest and a specification of the beneficiaries.
  - ✓ If the total value of the transactions and deals stipulated in the above mentioned points is equal to or more than (10%) of the market value of the Company or the value of the Company's net assets according to the latest financial statements announced, whichever is lower, and unless the Companies Law guidelines provides for a lower percentage, a prior approval of the General Assembly will be obtained after those transactions and deals are evaluated by the external auditor.
  - ✓ The external auditor's report will be submitted to the General Assembly, provided that it includes the type and details of those transactions and deals, their value, the nature and extent of the interest and the stakeholder, and a statement of whether they are set in accordance with market prices and on a purely commercial basis. This approval will be renewed annually if these transactions and deals are of a periodic nature.
  - ✓ The concerned stakeholders stipulated in the above mentioned points will neither attend the sessions of the General Assembly or the sessions of the Board in which the subject related to it is discussed nor vote on it.
  - ✓ In the event that any of the persons stipulated in the above mentioned points violates the provisions stipulated therein, he/she will be dismissed from his position or job in the Company, and he/she will not be entitled to run for membership in the board of directors of any other



company or to assume any position or job in the senior executive management therein, for a period of one year from the date of issuance of the dismissal decision.

- ✓ Without prejudice to the rights of bona fide third parties, as a result of the violation of the provisions of the above-mentioned requirements, the shareholders may be requested before the competent court to invalidate the deals or transactions and impose upon the violator to pay a compensation determined by the court in the event of non-disclosure. The shareholders may also claim compensation as a result of mismanagement or breach, by the members of the Board, of their obligations regardless of the invalidity of the deals or transactions in the event that the terms of the deals or transactions are unfair or harm the interests of the shareholders. In all cases, the violator will be obligated to pay back any profit or benefit he gained from such operations to the Company.
- ✓ Shareholders who own at least 50% of the Company's capital may check the papers and documents related to the deals or transactions to which these provisions shall apply and shall obtain copies or extracts thereof. The Board will enable them to access those papers and documents, or to obtain copies and extracts thereof, as the case may be.
- ✓ The Board will be responsible to ensure adequate disclosures to the Authority about the transactions and deals referred to in the above mentioned provisions and the necessary details, nature, and extent of interest of the persons mentioned therein, in accordance with the procedures followed by the Authority.
- *("A transaction is defined by the Code as, "Commercial or financial transactions of the same nature whose value amounted (10%) of the company's transactions volume in one year, or more than the average company's total transactions during the last three Years".)*
- *("A major transaction is defined by the Code as, "Any transaction or series of linked or related transactions aiming to own, sell, lease, exchange, or otherwise dispose of (except for establishing guarantees) assets of the company or assets to be acquired by the company or transactions which would change the essential nature of the company business; or those whose gross value exceeds (10%) of the lesser of either the company's market value or the net value of the company's assets according to the latest announced financial Statements")*
- **Relations with shareholders:** The Board's relation with the shareholders will comprise the following essential components, but not limited to:
  - ✓ Shareholders exercise their rights at the General Assembly and vote there. Each share carries one vote. There are no shares with multiple voting rights, preferential voting rights or maximum voting rights. All shares of the same class shall have the same rights attached to them.
  - ✓ The Company shall check and update the information regularly and provide the shareholders with all information they deem important to enable them to exercise their rights fully, using new and modern technologies.
  - ✓ Shareholders have the right to review and access the Company's shareholders' register and other information, free of cost, in accordance with the provisions of the AoA and the Code.
  - ✓ The Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information (when appropriate), about matters that may influence the share price.
  - ✓ The chairman shall ensure that (unless there are important reasons) all the members of the Board shall attend the General Assembly meetings.



- ✓ The General Assembly meetings are presided over by the chairman of the Board or, in his/her absence, the vice-chairman of the Board. The Board may designate someone else to preside over the assembly meeting.
- ✓ A resolution of the General Assembly may be publicly disclosed only through a statement from the chairman of the Board or the Board secretary.
- ✓ Any substantial change to the corporate governance structure of the Company shall be submitted to the General Assembly for discussion under a separate agenda item.
- **Board and committee members' remuneration:** The remuneration of each Board member will be recommended by the Nomination & Remuneration committee. This committee will also supervise the payment of compensation of the directors as well as Company's senior executive management and employees, including the CEO. The members of the Board and the Board committees shall be eligible for yearly remuneration after the approval of the General Assembly. The amount of remuneration for members of the Board and committees shall not exceed 5% of the Company's net profit after deduction of the reserves, legal deductions and distributing dividends (in cash and in-kind) to the shareholders.
- **Corporate social responsibility:** The Board shall do its part in community development and promotion, and the environment preservation through effective and meaningful participation system of CSR. It relates to the Company's initiatives to assess and take responsibility for the Company's effects on social wellbeing. Through CSR, the Company aims to exercise its role as a good citizen, and to reduce any negative impact of its activities on the surrounding community, the environment in general, and the national economy. CSR activities include the actions that provide benefits for the society and other stakeholders, beyond the interests of the Company.
- **Confidentiality:** Unless required to do so by law, no Board member shall, during his/her membership of the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his/her knowledge in the capacity of his/her work for the Company and which he/she knows, or shall know, to be of, a confidential nature. A committee member may disclose such information to fellow committee members, as well as co-staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, shall be informed of the information. A committee member shall not use such confidential information for his/her personal benefit. At the end of each Board member's term of office, he/she shall return all confidential documents in his/her possession to the Company or guarantee their disposal in a manner that ensures confidentiality is preserved.

## 8 Amendment, Adoption, and Publication

- **Charter amendment:** The Board will be responsible to ensure periodic review of this Charter and update it, as and when deemed necessary, in order to reflect any regulatory changes as well as to comply with any legal requirements, applicable in the State of Qatar. The Board may delegate this task to any of the Board member(s) to ensure that this Charter is relevant and up to date.
- **Charter adoption:** The present Charter has been adopted by the Board during the meeting held on *[date to be determined at a later stage]*.
- **Charter publication:** The Board will ensure that this Charter is published on the Company's corporate website.