



QATAR ELECTRONIC SYSTEMS COMPANY

CORPORATE GOVERNANCE CHARTER

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1 Introduction

1.1 Purpose

- The corporate governance charter (“**Charter**”) of Qatar Electronic Systems Company (“**TechnoQ**” or the “**Company**”) aims to establish the corporate governance practices and protocols to be followed by the Company. This Charter will facilitate to institutionalize the principles of good corporate governance across the Company.
- Effective corporate governance is one of the key responsibilities of the Company’s Board of Directors’ (“**BoD**” or the “**Board**”), which is a fundamental and dynamic component of what constitutes sound strategic business management, and the Board will undertake every effort necessary to create awareness within the Company, with support from the Board committees, Chief Executive Officer (“**CEO**”), executive management team (“**EMT**”) and other operational staff.
- This Charter will be read in conjunction with the Company’s Articles of Association (“**AoA**”); Commercial Companies Law of 2015 (“**Companies Law**”) and Qatar Financial Market Authority’s (“**QFMA**”) governance code (“**Code**”) for companies listed on the Qatar Stock Exchange (“**QSE**”), other relevant laws, regulations, and leading governance practices.
- This Charter will be applicable to all Board members, CEO, EMT, employees and independent contractors of the Company, collectively to be known as “**Covered Persons**,” and mandates that these Covered Persons adopt to the highest standards of lawful conduct and diligence, in both personal and professional capacities, to ensure adequate compliance of the Charter in line with the requirements of the Code.
- The Board will be responsible to implement this Charter will support from the Board committees, CEO, Compliance Officer (“**CO**”), Board secretary, and EMT. The Chief Compliance Officer (“**CCO**”) and/or authorised delegate of the Board will be responsible to review this Charter, on behalf of the Board, at least annually, with support from the CEO and CO, to ensure alignment with the business necessities and requirements of corporate governance.
- By implementing this Charter, the Company strives to exemplify the finest aspects of its business and establish its commitment to sound governance practices. The Company strives to be recognized as an organization of integrity, and where ethical business practices are a routine, without any exceptions.

1.2 Scope and administration

- Corporate governance is the system or structure of rules, practices, and laws by which a firm is directed and controlled as well as balances the interests of the Company’s stakeholders. Stakeholders refer to those people who have an interest in the company and get affected by the business, comprising of the shareholders, Board members, employees, customers, suppliers, financiers, regulators, government, and the community.
- In view of the above, the scope and objectives of corporate governance encompasses the following key aspects, but not limited to:
 - ✓ **Accountability:** Facilitates and drives accountability to ensure that all Covered Persons are accountable and responsible for the tasks and responsibilities allocated to them.
 - ✓ **Fairness:** Protects the rights of all the shareholders, treats all shareholders equally including minorities and provides effective redressal for any concerns/issues.



- ✓ **Transparency:** Ensures timely and accurate disclosure on all material matters of the Company including the financial situation, performance, ownership. etc, on an ongoing basis.
- ✓ **Independence:** Facilitates implementation of procedures, rules, and structures to minimize/avoid conflicts of interest, and onboard/appoint independent directors/advisers.
- ✓ **Compliance:** Ensures compliance with the regulatory requirements and laws applicable in the State of Qatar, especially for listed companies.

1.3 Committed individual behaviour

- All Covered Persons will be responsible to comply with the guidelines of this Charters considering the following key aspects, but not limited to:
 - ✓ Read and understand this Charter and work in accordance with it;
 - ✓ Remain apprised with any changes in the Company's governance requirements and related policies and procedures;
 - ✓ Seek advice if they are unsure of any aspects of governance;
 - ✓ Ensure that the Company's business partners are aware of its corporate governance requirements; and
 - ✓ Seek questions and/or raise concerns with respect to the governance requirement.
- The Board, CEO and CO will be responsible to facilitate adequate understanding of the Company's corporate governance requirements, considering the following key aspects, but not limited to:
 - ✓ Lead by example and remain aware of their role in the governance and compliance program and ongoing periodic disclosures;
 - ✓ Foster a culture of integrity and trust;
 - ✓ Ensure that this Charter is accessible and understood by those for whom the Company is responsible;
 - ✓ Be open and respond to questions and assist in finding solutions when issues are raised;
 - ✓ Be accountable for those the Company leads and takes responsibility for their decisions and actions; and
 - ✓ Protect and never retaliate against anyone who raises good-faith concerns about a breach of the disclosure and transparency requirements.
- All Covered Persons shall hereby commit themselves to the principles and best practices contained in this Charter and acknowledge that the same will guide the attainment of the Company's corporate goals. The Board will ensure that the Company complies with the principles set out in this Charter.
- The Board will be responsible to ensure effective adoption and oversight of the implementation of the corporate governance principles and best practices, with support from the
- The Board will also ensure periodic review and update of the professional conduct rules setting forth the Company's corporate values and other related internal policies and procedures all of which shall be binding upon all the Covered Persons.

1.4 Non-compliance

- It is essential that all Covered Persons should, in their daily work, behave as if they were representatives and ambassadors of the Company. Therefore, each employee should be committed to preserving and enhancing the Company's reputation. The Company has set high



expectations of itself and its business partners and is open to questions or concerns as and when they are raised. The Company relies on its people who all share the role of ensuring that this Charter is recognized, understood, and adhered to.

- There may be times when the employees are not sure how to respond to or may witness an act of potential wrongdoing, one that may be incompatible with the Charter. In such circumstances, all the Covered Persons will be responsible to act in accordance with the guidelines set out in this Charter. In exercising this duty, the people should act without fear of reprimand or disciplinary action.
- All Covered Persons are individually and collectively responsible to ensure strict compliance with the guidelines of the Charter, non-adherence of which will be considered as a serious breach of the Company's standards. If any of the Covered Persons intentionally or unintentionally violate any of the requirements of this Charter, they will be subject strict disciplinary action decided by the concerned authorities of the Company, depending on the severity of the case.
- The Board may delegate this responsibility to the Audit and Risk Committee ("**ARC**") and/or CEO and/or CO to ensure adequate compliance of this Charter and take necessary action, as and when a potential breach/non-compliance is reported.
- In case of any contradiction with any of the local laws, rules, customs, or norms s applicable in the State of Qatar, the latter will assume prominence and will be considered for final compliance.
- This Charter's guidelines will be read in conjunction with the other Company policies for governance to ensure compliance with the requirements of the Code.
- Due to the dynamic nature and increasing number of the mandatory regulatory requirements pertaining to the corporate governance, the Board will ensure ownership and coordination in order to ensure compliance with the said requirements, whereby the CO will, according to the frequency, timing and requesting party fulfil as a minimum the agreed upon targets and ensure that the actions are duly implemented.

2 Corporate Governance

2.1 Definition

- Corporate governance is the framework, organizational structure and information used to identify sound methods based on which the Board, CEO and EMT administer all strategies and operations undertaken by the Company.
- The Authority adopts the definition of corporate governance as used by the Organisation for Economic Co-operation and Development ("**OECD**"), in the Code for companies listed on the main market'. It is defined as being the system according to which business corporations are directed and controlled.
- The corporate governance rules specify the foundations and principles of the distribution of rights and responsibilities among the different participations in a company, such as the Board, CEO, EMT, shareholders and other stakeholders.
- The OECD principles and the other codes broadly deal with the following six elements of corporate governance:
 - ✓ Ensuring the basis for an effective corporate governance framework;
 - ✓ The rights and equitable treatment of shareholders and key ownership functions;
 - ✓ Institutional investors, stock markets, and other intermediaries;
 - ✓ The role of stakeholders;



- ✓ Disclosure and transparency; and
- ✓ The responsibilities of the board of directors.
- The Company's principles of corporate governance are in harmony with local regulatory requirements on corporate governance and with the revised principles of corporate governance as revised from time to time, which highlights that good corporate governance helps to build an environment of trust, transparency and accountability, which is necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and societies that are more inclusive.
- The emphasis through the principles of corporate governance is to improve the legal, regulatory, and institutional framework for corporate governance, with a view to support economic efficiency and sustainable growth.

2.2 Benefits and importance

- Effective corporate governance is considered imperative for the establishment of a competitive edge. There is empirical evidence to suggest that companies that have implemented good corporate governance measures have generally experienced robust growth of corporate sectors along with a higher ability to attract capital.
- As per the OECD, "sound corporate governance practices have become critical to worldwide efforts to stabilize and strengthen good capital markets and protect investors." It helps companies to improve their performance and attract investments.
- Corporate governance enables the organisation to realize their corporate objectives, protect shareholders' rights, and meet requirements and to demonstrate to the wider public how they are conducting their business, as well as facilitate attracting investors from across the world.
- Following are the key benefits of corporate governance, but not limited to:
 - ✓ **Brings honesty and transparency:** Corporate governance is important to promote the honest and transparent monitoring of each and every activity of the Company and helps to maintain the rules and standards of the Company in an effective manner. Corporate governance also assists the training and development of directors so that they can perform well in the decision-making process.
 - ✓ **Access foreign capital:** Obtaining capital investment from foreign countries, which seek for high standards for efficiency and transparency in an organisation and good corporate governance is critical to drive and encourage efficiency and transparency for the Company which helps the global market players to gain credibility and trust.
 - ✓ **Protection of investors:** Corporate governance facilitates protection of investors' rights and interests.
 - ✓ **Fairness in financial reporting and accountability:** Financial reporting presents the Company's financial results to its stakeholders and the public and corporate governance ensures sound, transparent, and credible financial reporting.
 - ✓ **Improves shareholder communication:** Shareholder communication refers to the right to vote in the decision-making process and a mode through which investors can communicate with the Company, the basis for which is established through effective corporate governance.
 - ✓ **Increases goodwill and market reputation:** Corporate governance is important to increase goodwill and market reputation, since it ensures the protection of rights, the Company's efficiency in managing its operations as well as adapting to the highest ethical standards.



- ✓ **Enhances Company valuation:** Improved management, accountability, good market reputation, and transparency fulfil the investor's need and confidence in the Company leading to enhanced value, reputation, and overall image.
- From the above mentioned key benefits, the significance and importance of corporate governance can be summarised through the following key aspects, but not limited to:
 - ✓ Ensures that a properly structured board of directors, capable of thinking and taking decisions fair and impartial, creates long-term faith between the company or the corporation and the external capital market participants.
 - ✓ Onboarding independent directors with a wealth of expertise in different fields cause them to impose new ideas into business management, facilitating expansion and diversification, ultimately boosting the economy.
 - ✓ Advancements in surveillance methods relating to an internal audit, monitoring financial data, and the board's duties and responsibilities tend to influence the investor confidence in market investments.
 - ✓ Rationalises the corporation's internal and external management, and the risks involved in the financial market frame appropriate risk management policies through strategic thinking and methodology.
 - ✓ Promotes the adaptation of transparent and fair procedures in the appointment of directors, the audit of financial data, and the board's duties, thereby increasing management integrity.
 - ✓ Improves its quality on global market grounds.
 - ✓ Reduces illegal and defrauding practices affecting market stability and investor confidence in the capital market, also provides adequate mechanisms for grievance redressal.
 - ✓ Helps to cultivate ethical standards in management and company culture of integrity, facilitating an overall positive performance and sustainable growth.
 - ✓ Promotes an excellent corporate culture with ethical standards and practice; it promotes healthy competition among companies.
 - ✓ Enhances corporate social responsibility in the economy, thus aiding for socio-economic growth of the country.

2.3 Need for corporate governance

- Corporate governance enhances the Company's performance by establishing and maintaining a corporate culture that motivates the Board, CEO and EMT to maximise the Company's operational efficiency, thereby ensuring returns on investment and long-term productivity growth.
- Moreover, it ensures the Company's conformity to laws, rules, and practices, which provide mechanisms to monitor the behaviour of all the Covered Persons through corporate accountability, that in turn safeguards the investors' interest. It is therefore fundamental that all Covered Persons exercise their discretion with due diligence and in the best interest of the Company and the shareholders.
- Effective corporate governance is considered as essential to the Company, in fact it contributes to establishing good relationships between stakeholders and shareholders, guarantees a clear determination of existing responsibilities, and effective cooperation between the Board, CEO, EMT and all Company employees.
- Corporate governance provides assurance to all the stakeholders, internal and external, of the Company's adoption of leading practices in relation with disclosure and transparency. Effective corporate governance establishes accountability at all levels, with respect to the assigned tasks



and responsibilities, as well as effective decision making to ensure compliance with applicable laws and regulations and not influenced by any political or public relations considerations.

- **Economic growth:** Effective corporate governance supports economic growth by boosting the confidence of investors to expedite buying and selling of securities which directly influences the maintenance of financial market liquidity as well as assists the regulatory authorities for being professional, competent, and fast in dealings to promote market performance
- **Social responsibility:** One of the key objectives' of implementing corporate governance is to facilitate sustainable growth, whereby the development of business should encompass economic and social development that the governance codes enable. It acts as a tool for social construction where the Company can practice both profit maximisation and social welfare, and these practical applications benefit the growth of social responsibility among corporates. This also increases investor confidence leading to better investments and income generation for the society and community at the large.
- **Business expansion and development:** Corporate governance strategy also focusses on maintaining proper audit of accounts, efficiency in directors role, the cordial relationship among shareholders etc., which significantly impact business expansion and diversification.

2.4 Corporate governance framework

- The Company will establish a corporate governance framework aiming to meet the highest standards and best practices and in line with applicable relevant laws and regulations particularly the Companies Law and the Code.
- The corporate governance framework will be adopted by the Company inside or outside the State of Qatar up to the extent that it is not contradicting with the applicable legal and/or regulatory requirements on the subsidiary or affiliated entity. A detailed consolidated governance and supervision approach will be maintained to specify governance measures at the level of subsidiaries and/or affiliates, as applicable and as deemed appropriate.
- The corporate governance framework will comprise of the following key components related to the Company, but not limited to:
 - ✓ Articles of association;
 - ✓ Board of directors' charter;
 - ✓ Code of ethics and professional conduct;
 - ✓ Corporate governance guidelines for the Company's subsidiaries, if any;
 - ✓ Disclosure and transparency policy;
 - ✓ Related parties' transactions;
 - ✓ Conflict of interest and insider trading policy;
 - ✓ Anti-bribery and corruption policy;
 - ✓ Corporate governance charter;
 - ✓ Corporate governance report; and
 - ✓ Annual reports.



3 Board of Directors

3.1 Board charter

- The Board will make sure that the Company adopts and maintains a comprehensive charter detailing the Board's functions and responsibilities as well as the duties of members of the Board, which will be fulfilled, by all Board members. The said Board charter will be prepared to comply with the provisions of the regulations of the Authority and may be amended from time to time, as and when deemed necessary.
- This Charter outlines the essential components for the management, supervision, and governance of the Company, contains recognized standards for adequate and responsible governance, as well as aims to make the Company's corporate governance structure more transparent and understandable.
- The Charter is drafted to comply with the provisions of the Company's AoA as well the Companies Law of 2015.

3.2 Board's responsibilities

- The Company will be managed by an effective manner through a strong Board, which will be individually and collectively responsible for its proper management. In addition to the Boards' functions and responsibilities as set out in the Board charter, the Board will be responsible for the following key tasks, but not limited to:
 - ✓ Approve the Company's strategic objectives, policies, plans, appointing and replacing CEO and EMT, setting forth management compensation, reviewing the CEO and EMT performance as well as ensuring succession planning for the key management personnel of the Company.
 - ✓ Ensure the Company's compliance with related laws and regulations as well as the AoA and any other applicable laws in the State of Qatar.
 - ✓ Assume the overall responsibility for the business strategy, operations, quality and integrity of accounting, auditing, compliance, internal control, and financial soundness of the Company, through adequate collective knowledge of all types of activities and functions of the Company.
 - ✓ Ensure application of corporate governance according to the Company's business activities, market position and other relevant economic factors.
 - ✓ Provide a regulatory framework within the Company, in particular rules concerning the organizational structure and the conduct of business, including allocating the competencies to different bodies within the Company.
 - ✓ Review periodically the arrangements with the external auditors in order to ensure their sustainability pursuant to the size and nature of the Company's operations.
 - ✓ Ensure the integrity and appropriateness of the financial and accounting policies, inclusive of those relating to preparation of financial reports.
 - ✓ Ensure financial reporting to the shareholders with respect to the Company's business and operations.
 - ✓ Ensure an appropriate process of disclosure and communication to the public and the investment community at large concerning its strategy, financial results, and major developments.



- ✓ Ensure periodic reporting required by the Company and to required regulatory authorities as stated in respective regulations.
- ✓ Provide an effective internal control system, which enables risks to be assessed and managed, and ensure the establishment of a sound and robust risk management framework.
- ✓ Provide a system by which information on unlawful or unethical behaviour can be reported to the Board.
- ✓ Provide clear, efficient, and effective rules, dealing with conflict of interest.
- ✓ Submit the budget, required financial statements and recommended profit distribution to the general assembly of shareholders.
- ✓ Ensure that the CEO and EMT provides sufficient and timely information about the Company's operations to all Board Members in order to enable them to carry out their duties correctly and efficiently.
- ✓ Conduct an annual self-assessment of the Board's performance.
- The Board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf. In this case, written and clear instructions will be given concerning the delegated function or authority with the requirements to obtain the Board's prior approval on specific matters.
- In any event, and even where the Board delegates one of its functions or authorities, the Board remains liable for all of its functions or authorities so delegated.

3.3 Fiduciary duties of Board members

- Each Board Member owes the Company's fiduciary duties set out in related laws and regulations along with the Board charter and the code of ethics and professional conduct. The Company's Board Members will be responsible at all times, to act on an informed basis, in good faith, with due diligence, care and in the best interests of the Company and all shareholders.
- Fulfilling their responsibilities towards the Company, the Board members will act effectively, considering the following key aspects, but not limited to:
 - ✓ Conduct fair business transactions with the Company and ensure that personal interests do not bias with Board decisions;
 - ✓ Devote time and attention necessary to properly discharge duties and responsibilities;
 - ✓ Act judiciously;
 - ✓ Exercise independent judgment;
 - ✓ Possess working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its AoA and by-laws, QSE, QFMA, and where applicable, the requirements of other regulatory bodies;
 - ✓ Observe confidentiality; and
 - ✓ Ensure the continuing soundness, effectiveness, and adequacy of the Company's control environment.

3.4 Code of ethics and professional conduct

- The Board will ensure that the Company maintains a code of ethics and professional conduct that meets the highest standards and leading international practices with consideration to those enforced by the relevant regulations or recommended by international institutions such as Basel Institute on Governance, OECD, or the Institute of Business Ethics ("IBE").



- The code of ethics and professional conduct adopted by the Company will focus on thinking and doing the right things in an open, honest, transparent, and fair manner and ensure objectivity and integrity in all types of dealings with others.
- In order to fulfil the regulatory requirements, the Board will regularly review the code of ethics and professional conduct and update them as appropriate to ensure meeting these standards.
- In this regards, the Company's code of conduct and ethics should include, among other matters, the following, but not limited to:
 - ✓ Company's values, vision, and mission;
 - ✓ Social responsibility;
 - ✓ Adherence to laws, policies, and procedures;
 - ✓ Avoidance of conflict of interest and inducements;
 - ✓ Personal dealings, conduct, appearance, and relationship with emphasis on integrity;
 - ✓ Professionalism and fair treatment; and
 - ✓ Safety and security.

3.5 Board's authority

- The Board will have the widest powers to manage the Company and its subsidiaries, excluding the authority, which has been expressly reserved in the Company's Articles of Association for the General Assembly.
- The Board will have the right to appoint the Company's CEO and EMT, as applicable and deemed necessary and to vest on them the right to sign jointly or severally on behalf of the Company. Such rights will manifest themselves through the delegation of authorities or policies approved by the Board. The EMT will directly report to the CEO.
- The Board will provide executive management with definite strategies, policies, and plans by which the objectives of the Company could be achieved. The Board will re-evaluate and develop such strategies, plans and policies on a periodic basis and it will utilize the studies, reports and information prepared by the executive management for this purpose.
- The Board Chairman and the Vice-Chairman and the CEO will have, severally or jointly, the right to sign on behalf of the Company in accordance with the resolution passed by the Board for this purpose.
- The Board's authority will expire after three years of their appointment/election or on any circumstance that the relevant laws and regulations specify, in line with the Board charter and the Company's AoA.
- The Vice Chairman will act as the deputy of the Chairman and backup the Chairman with respect to his responsibilities.

3.6 Separation of positions of the Chairman and CEO

- In accordance with the provisions of the Code, it is prohibited to combine the functions and position of the Board Chairman and any other executive position in the Company. Moreover, the roles and responsibilities of the CEO and EMT will not be clubbed or mixed with the roles and responsibilities of the Board Chairman or the Board.



3.7 Duties of Board Chairman

- The Board Chairman will be responsible for ensuring the proper functioning of the Board in an appropriate and effective manner, including timely receipt of complete and accurate information by all Board members.
- The Board Chairman may not be a member of any of the Board committees.
- The duties and responsibilities of the Board Chairman will, in addition to the provisions of the Board charter, include the following, but not limited to:
 - ✓ Ensure that the Board discusses all the main issues in an efficient and timely manner;
 - ✓ Approve the agenda of every Board meeting taking into consideration any matter proposed by any other members; this may be delegated by the Board Chairman to a Board member; however, the Chairman remains responsible for proper discharge of this duty by the concerned Board member.
 - ✓ Encourage all Board members to participate in dealing fully and effectively with the affairs of the Board to ensure that it is working in the best interest of the Company.
 - ✓ Ensure effective communication with shareholders and communicating their opinions to the Board.
 - ✓ Allow effective participation of the non-executive Board members in particular, and to promote constructive relations between executive and non-Executive Board members.
 - ✓ Ensure conducting of an annual evaluation of the Board's performance.
 - ✓ Ensure that all Board members are constantly informed about the implementation of the provisions of corporate governance and may authorize the Audit and Risk Committee in this mission.

3.8 Board's composition

- The Company's Board will be constituted as per the Company's AoA, Board charter and other pertinent regulatory directives.
- The Board will comprise of executive, non-executive, and independent members to ensure that one individual or a small group of individuals do not dominate the Board decisions.
- At least one third of the Board members will be independent members and majority of the Board members will be non-executive members.
- Board members will have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they will be responsible to give sufficient time and attention to their roles as Board members.
- Board member(s), whether in person or in another capacity, will 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 Board Chairman with any other executive position in the Company.
- The Board Chairman will not be a member of the Board committee's i.e., Strategy and Investment Committee, Nomination and Remuneration Committee and/or the Audit and Risk Committee.



3.9 Board members' appointment

- Nominations and appointments of the Board Members will be made according to formal, rigorous, and transparent procedures and in line with the Company's AoA and requirements of the Code as applicable for publicly listed entities.
- Board members will be elected among the shareholders based on the applicable rules and regulations. The Board will identify and adopt appropriate and objective criteria for the Board candidature taking into consideration QFMA's requirements related to the same subject.
- Nominations for Board members will take into account the candidates' sufficient availability to perform their duties as Board members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and should be based on the "fit and proper" basis.

3.10 Board committees

- As per corporate governance practices and regulatory requirements, the Company's Board will establish committees to carry out their supervisory responsibilities. Each Board committee will be assigned to manage one or more of the tasks of the Board. The responsibilities of the Board Committees are duly documented through charters/terms of reference, which will be approved by the Board for effective implementation.
- The Board will form committees with sufficient expertise and experience of the committee members. These committees will serve to increase the efficiency of the Board's work, effective management of complex issues and compliance with requirements of the Code. The respective committee chairman will report to the Board on the work of their committee, on a periodic basis. The Board will set up the following committees:
 - ✓ Executive Committee ("**EC**"): Chaired by a non-executive Board member and comprising of minimum three Board members, of which majority members will be either non-executive or independent.
 - ✓ Nomination and Remuneration Committee ("**NRC**"): Chaired by either non-executive or independent Board member and comprising of minimum three Board members, of which majority will be either non-executive or independent members.
 - ✓ Audit, Risk and Compliance Committee ("**ARCC**"): Chaired by an independent Board member and comprising of minimum three Board members, of which majority members will be independent members.
- The Board will issue a decision to nominate the members for each committee, identifying their responsibilities, duties, work provisions and procedures. The committee members will elect one of their members as a chair. The Board will consider the following essential aspects with respect to these committees to ensure compliance with the Code's requirements:
 - ✓ It is prohibited to chair more than one Board committee;
 - ✓ It is not permissible to combine the position of ARCC chair and membership of any other committee;
 - ✓ The committee's meeting will be deemed valid if attended by its chairman and majority of members;
 - ✓ All Board committees will present an annual report to the Board highlighting the committee's activities and recommendations, if any, accomplished during 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.
- Each Board committee will have their respective committee charter/terms of reference in line with the Board charter.

3.11 Board members

- **Non-executive board member(s):** Majority of Board members will be composed of non-executive members who are not in charge of executive management duties of the Company, are not dedicated to the Company full time and who do not receive monthly or yearly remuneration from the Company other than the remuneration they receive as a Board member or as a member of any of the Board committees.
- **Independent board member(s):** Member(s) who comply with the pre-requisites of independence in accordance with the Code and the Board charter. At least one-third members of the Company's Board will be independent members.

3.12 Board performance assessment

- The Board believes that periodic evaluation of the Board performance will lead to a closer working relationship among the Board members, ensure greater efficiency in the use of the Board's time, and support with increased effectiveness of the Board.
- To ensure that the Board and its individual members are carrying out their roles/responsibilities effectively, the Board will undertake the process of an annual assessment, in line with the Board's responsibilities and provisions of the Code.
- All Board members will also be required to complete a self-evaluation and indicate to what extent they are comfortable with their individual performance as members of the Board.
- The NRC and/or the ARCC or any other committee of the Board will initiate the assessment exercise of the Board committees and the Board members on an annual basis.
- Full Board evaluation will be complied, shared, and discussed by the entire Board to determine an average group answers to each question and an overall rating.

3.13 Board meetings

- Board meetings will be held in accordance with the Company's Board Charter. The Board will meet as often as necessary; however, they will convene at least six meetings during a financial year and two months should not elapse without convening a Board meeting.
- 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 communicate with each other simultaneously.
- Meetings of the Board will be called by the Board Chairman, upon the request of at least two of its members. The invitation for a meeting, accompanied by the agenda, will be sent to all Board members by the Board Secretary at least one week before the meeting. An invitation may be sent by fax, first class post or e-mail (subject to satisfactory evidence of receipt). An agenda may include the following topics, but not limited to:
 - ✓ 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 and expansion plan;
 - ✓ Financial reports/annual reports;
 - ✓ Business support (operations and support functions related topics);
 - ✓ Committee reports;
 - ✓ Periodic/interim reports; and
 - ✓ Conclusions (open discussions, suggestions for next meeting).
- The Board meeting will be deemed valid if attended by majority of the members provided that either the Board Chairman and/or the vice-chairman attends the meeting.

3.14 Board secretary

- The secretarial and administrative activities of the Board will be managed by a Secretary selected by the Board who can be an employee of the Company. The minutes of the meetings of the Board will be recorded and signed by the Board Chairman and Board Secretary.
- The Board Secretary will be responsible for supporting the Board Chairman and other Board members with the following key tasks, 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; and
 - ✓ Perform any other tasks referred to it by the Board.

3.15 Conflict of interest and insider trading

- The Company will adopt and make public general rules and procedures governing the entering into any commercial transactions by the Company with any related parties, personal accounts dealing, tenders, auctions, and outsourcing.
- All the Company's employees are required to disclose periodically any personal interests and dealing in the Company's shares, including third parties that have relations with the Company.
- The Company will maintain a comprehensive policy to address conflicts of interests and insider trading aspects so that it is able to identify actual and potential conflicts of interest and manage them fairly and appropriately to prevent any situation affecting adversely the interests of the Company, its shareholders, and stakeholders.
- The Company's insider trading policy also captures rules governing the Company entering into any commercial transaction with a related party, personal account dealing, tenders, auctions, and outsourcing. In any event, it will not be permitted to enter into any commercial transaction (or contract) with any related party unless in strict compliance with the provisions of the Code and Companies Law.



- The said rules and procedures also include principles of transparency, fairness, and disclosure in addition to the requirement that a related party transaction be approved by a majority vote of shareholders, without the concerned related party participating in the voting.

3.16 Succession planning

- The NRC will be responsible for developing a draft succession plan for the CEO and EMT for Board approval, to ensure suitable alternatives are identified in a timely manner to fill potential vacant key executive positions.
- The Board and NRC will be responsible to ensure that a succession plan is developed and adequately implemented to ensure that Company's operations are not adversely affected should the CEO or other key executive positions become vacant.
- The NRC will also ensure that a replacement is identified in a timely manner for the Board member(s) and/or CEO and/or EMT members who plan to retire.

4 Executive Management

4.1 Introduction

- The Company's EMT will consist of a core group of senior staff who will be responsible and accountable to the Board for effectively overseeing the day-to-day management of the ongoing Company's operations.
- The Company's governance principles and decision-making of EMT will be clear and transparent and designed to promote effective management of the Company's affairs. This includes clarity on the role and authority of various positions within EMT.
- The Company's EMT will contribute substantially to the Company's sound corporate governance through personal conduct.
- Members of the EMT will provide adequate oversight of those they manage and ensure that the Company's activities are consistent with the business strategy, risk appetite and the policies approved by the Board.

4.2 Qualifications

- EMT members will adopt high standards regarding professional knowledge and expertise and personal qualifications, as well as apply high ethical standards.
- All EMT members will respect the division of power and responsibilities between the strategy delegated to the Board and execution delegated to the Company's EMT.
- All EMT members will remain aware and apprised of their role in corporate governance, implementing the regulatory requirements and the Board's instructions in the best interest of the Company.

4.3 Function and responsibilities

- EMT members will be responsible to perform the following functions, but not limited to:



- ✓ Carrying out the Company's operations and ongoing business activities;
 - ✓ Prepare an organisation structure, which will be approved by the Board, allocating duties, responsibilities, authorities and reporting lines for the functions and business operations to ensure segregation of duties avoid conflicts of interest;
 - ✓ Implement relevant regulations, directions, and instructions from the Board to the best of their ability and best interest of the Company;
 - ✓ Provide for appropriate procedures for identifying, measuring, evaluating, and managing the risks faced by the Company;
 - ✓ Provide appropriate procedures for ensuring that the requirements of the compliance function be fully met;
 - ✓ Provide appropriate procedures based on instructions of the Board in order to ensure that internal controls are complete and work efficiently and effectively, and review the adequacy of internal controls regularly;
 - ✓ Keep proper records of all relevant procedures and decisions;
 - ✓ Provide for a management information system, which comprises reporting on the business activities and any findings from internal controls regularly, and provide for immediate information to the BOD, internal audit about material findings;
 - ✓ Ensure that control functions, including internal audit and compliance have access to all required information to execute their tasks without affecting their independency in accordance with regulatory authority requirements and best standards and practices in this regard.
- The EMT is responsible for the proper execution of the Company's business activities. They will be responsible for the relevance, integrity, completeness, and timely submission of information regarding the operational business to the Board. The EMT will also ensure that adequate information is furnished to the Board members with respect to the Company's operations and financial position, in order to enable them to discharge their functions effectively.
 - The EMT will also be responsible for making necessary arrangements in order to convene Board meetings to discuss and vote on resolutions evolving around the following principal suggestions:
 - ✓ Corporate business strategy;
 - ✓ Annual budget and business plans;
 - ✓ Internal control framework;
 - ✓ Financial reporting, forms, reports, periodicity; and
 - ✓ Annual report to the general assembly of shareholders.

4.4 Organisation

- The EMT will be responsible to ensure that controlling activities are integral to all business procedures, which includes controlling deviation from targets and goals in processes and results and taking corrective actions if needed, and the review of conduct of individuals and organizational units.
- The control activities will consider the following key aspects, but not limited to:
 - ✓ Activity controls which allow the different levels of management to monitor business performance and risk behaviour.
 - ✓ The use of physical controls, as the double checking principle, segregation of duties or restricting access wherever it seems appropriate.
 - ✓ Setting up and monitoring the system of authorities.



- The Company will adopt internal control systems as approved by the Board or its relevant committee(s), to evaluate the methods and procedures for risk management, implementation of the Code and compliance with related laws and regulations.
- Such systems will set clear lines of responsibility and accountability throughout the divisions/business units, overseas branches, and subsidiaries (as applicable) and will include effective and independent risk assessment and management functions, as well as financial and operational internal audit, in addition to the external audit.

4.5 Management committees

- The EMT could (but not obliged) form a number of management committees as appropriate in order to handle their responsibilities and run the day-to-day activities effectively and efficiently.
- Management committees will be endowed with sufficient executive powers to take necessary decisions and actions related to their field.

5 Risk Management and Internal Controls Framework

5.1 Risk management

- Risk management is an integral part of the business and decision-making process for which the Company maintains a robust risk management governance structure and framework that ensures a crucial balance between risk and reward.
- The Company's risk profile and appetite will be approved by the Board and ARCC, post which it will be then cascaded down to every division, department, and employee. The success of the Company's risk management framework is focused largely on encouraging pre-determined roles and responsibilities from the Board level, down to the various committees, CEO, EMT and individual employees.
- The Board will evaluate and oversee the Company's risk profile in coordination with the ARCC, CEO, and EMT, on a periodic basis.
- The Board takes the responsibility for all aspects of the Company's risk management, through the ARCC which sets forth the policy objectives and framework for the Company on all risk issues and maintains oversight of all risks on a day-to-day basis as per the policy guidelines.
- The identification of principal risks is a process overseen by the ARCC. The material risks will be regularly reported to the Board, ARCC Chairman, CEO and EMT, with periodic evaluation of the effectiveness of the overall control environment for managing risks.

5.2 Internal audit

- The Company will establish an independent internal audit department ("IAD") (whether using internal or external resources) which will report to the Board through the ARCC. The IAD will provide reasonable assurance to all the Covered Persons, as well as the shareholders and investors, that the Company's key organizational and procedural controls are effective, appropriate, and complied with.
- The IAD will be managed by an individual with the relevant qualifications and experience in financial and/or operational audit, performance assessment and risk management, and will have adequate access to all of the Company's departments for ongoing audit related activities.



- The Chief Internal Auditor (“CIA”) will be responsible to submit a risk-based audit plan to the ARCC prior to the start of the financial year covering all the major risk areas of the Company. The CIA may decide to outsource specialized areas of audit to suitably qualified and independent consultants.
- After discussion with the CEO and EMT, all internal audit reports will be presented to the ARCC for consideration at the next meeting.
- The CIA will be responsible to submit periodic reports to the Board and ARCC on the progress of internal audit activities, on a quarterly basis.
- The CIA and IAD will promote sound corporate governance in the Company in accordance with the IAD charter.

5.3 Internal controls and compliance

- **Internal controls:** The Board will be responsible to ensure adequate internal controls, whereby specific policies, guidelines, and controls covering the Company’s transactions have been devised. On behalf of the Board, the ARCC will be responsible to assess the adequacy and effectiveness of internal control environment based on internal audits conducted by the IAD.
- Internal control is an integral part of all Company’s activities and is a process for assuring achievement of the Company’s objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws and regulations.
- All Covered Persons will be collectively and individually responsible to support with enhancing and improving the internal control framework of the Company.
- **Compliance:** The Board is committed to ensure compliance with relevant laws and regulations, as well as the AoA and corporate governance regulations. The Company’s compliance function will be responsible to ensure ongoing tracking, monitoring of the Company’s compliance with the operational and regulatory requirements, as well as and reporting the compliance updates to the Board, ARCC and CEO.
- The compliance function will be responsible to evaluates and monitors the Company’s compliance risk, consisting of legal or regulatory sanctions or financial loss, which the Company may suffer as a result of failure to comply with applicable laws and regulations, AoA and the Code.
- The Board will be responsible for the Company’s compliance activities, with the assistance and support of the ARCC and CEO.

5.4 External audit

- The nomination and replacement of the Company’s external auditor(s) will be performed according to the provisions of the Companies’ Law along with the Company’s AoA and the Board charter.
- Based on the applicable rules and regulations, the external auditor will be independent, qualified, and will be appointed upon the recommendation of the ARCC to the Board. The selection of the external auditor will be a separate item on the agenda of the general assembly.
- The purpose of the external audit is to provide an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with the applicable laws and regulations and the international financial reporting standards and accurately represent the financial position and performance of the Company.



- The external auditor will comply with the highest professional standards and will not be contracted by the Company to provide any advice or services other than carrying out its audit.
- The external auditor will be completely independent of the Company's functions and Board members and will not have any conflict of interest in their relation to the Company.
- The external auditor will be required to attend the annual general assembly meeting and will deliver the annual audit report and answer any queries. Moreover, the external auditor will be invited to attend the quarterly ARCC meetings to discuss any major issues related to the financial statements before being presented to the Board for approval.
- The external auditor will be accountable to the Company and its shareholders to exercise due professional care in the conduct of the audit. The external auditor is also responsible for notifying the relevant authorities of any violation to their instructions, or any other regulations, or contradiction with the international accounting standards, or any significant development on any item of the financial statements.

6 Disclosure Requirements

6.1 Annual report

- The Board will be responsible to prepare an annual report ("**Annual Report**") for the shareholders which will comprise the following, but not limited to:
 - ✓ The financial statements for the relevant financial year;
 - ✓ The description of the applied accounting standards, which must represent a true and fair view of the Company;
 - ✓ The organizational structure of the Company including the committees set up within, their responsibilities, membership and working procedures;
 - ✓ List of the Board members providing information on their experience and information about their membership in any other companies;
 - ✓ A report on the total remuneration for each of the Board members' and the related remuneration policy;
 - ✓ Plans, objectives, and strategies of the Company;
 - ✓ Any penalty, fine or punishment imposed on the Company; and
 - ✓ Material issues regarding the employees or stakeholders.
- Shareholders, investors, and market participants will be granted access to the relevant Company information in accordance with applicable laws and regulations. The Company's Annual Report will be made available to stakeholders upon request and will also be available on the Company's corporate website.
- The Company will comply with all disclosure requirements including financial reporting by ensuring that all disclosures made by the Company provides accurate and true information.
- The Company's financial statements disclosed in the Annual Report will comply with the International Financial Reporting Standards ("**IFRS**").
- The external auditor's report will include affirmations that they have received all the required information, and that the audit was conducted in accordance with the International Standards on Auditing ("**ISA**").
- The Company's audited financial statements along with the external auditor report will be circulated to all shareholders, investors, and any interested party.



6.2 Corporate governance report

- Based on the disclosure requirements issued by the Code for corporate governance, the Board will be responsible to prepare an annual corporate governance report, which will be reviewed by the ARCC and approved by the Board, in line with the above- mentioned requirements.
- The Report will include the Board's assessment of the Company's level of compliance with the provisions of the Code issued by the Authority and any other competent authority.
- The Report will be submitted to QFMA on an annual basis and/or as and when deemed necessary. The Report will be published and will include all information related to the application of the Authority's requirements, comprising the following, but not limited to:
 - ✓ Procedures followed by the Company in this respect;
 - ✓ Any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future;
 - ✓ Board and committee members and their responsibilities and activities during the year, along with the policy of determining the remuneration of the Board, CEO and EMT;
 - ✓ Internal control procedures and assessment of the Board and EMT performance in effective implementation of the internal control systems.
 - ✓ Compliance with applicable market listing and disclosure rules; and
 - ✓ Any other related and relevant information.
- The Company's corporate governance report will be drafted by the compliance function, for the review and approval of the ARCC and Board. This report will be compiled and discussed with the CEO and EMT, before presenting to the Board and ARCC. The corporate governance report will be included in the agenda of the annual general assembly of shareholders and will be published on the Company's corporate website in the investor relations section.

7 Shareholders and Stakeholders rights

7.1 Shareholders' rights

- **General rights:** Shareholders will have all rights conferred upon them by related laws and regulations as well as the Company's AoA. In addition, the Board will ensure that shareholders' rights are respected in a fair and adequate manner.
- **Ownership records:** Before the general assembly meeting, shareholders will be entitled to have access to the shareholders' register and Board members' register, as well as obtain a copy of the latest approved Company's AoA, the Annual Report, governance report, financial statements, any related parties' contracts, and any other document required by the AoA or the Code.
- **Meetings:** The Company's AoA include provisions ensuring effective shareholders' right to call for a general assembly and be convened in a timely manner. Also included is the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon and the right to make informed decisions. The general assembly decision will be enforceable. All the Company's shares will have the same rights attached to them.
- **Dividend distribution:** The Board, in conformity with the applicable rules and regulations, will submit a clear policy on dividend distribution to the general assembly. This will include the background and rationale of such policy in terms of the best interests of the Company and shareholders.



- **Capital structure and major transactions:** The capital structure of the Company will be disclosed and all the agreements between the Company and any of its shareholders will be disclosed and approved following the rules and requirements of the State of Qatar.

7.2 Stakeholders' rights

- The rights of stakeholders will be considered in all matters of their dealing with the Company. Where stakeholders participate in the corporate governance arrangements, they will have access to relevant, sufficient, and reliable information on a timely and regular basis.
- The Board will ensure that the Company's employees are treated according to the principles of equal opportunity and without any discrimination whatsoever based on race, gender, or religion.
- The Board will be responsible to implement a policy for stakeholders' rights across the Company to outline the general principles and guidelines for relations and interactions with stakeholders. The policy will also take into consideration generally accepted best practices that are in accordance with the Code, and any other related regulatory requirements. The basic key principles of the Company's Shareholders' Rights policy will comprise the following, but not limited to:
 - ✓ Responsibilities of the Board towards the shareholders and other stakeholders;
 - ✓ Ensuring rights of stakeholders and their protection;
 - ✓ Equitable treatment of all categories of stakeholders;
 - ✓ Role of employees and other stakeholders; and
 - ✓ Timely disclosure and transparency of corporate structure and operations.
- The Board will also be responsible to develop and implement a remuneration policy that provides guidelines for the remuneration and incentives for the Board members, CEO and EMT, while considering the long term performance of the Company.
- Moreover, the Board will adopt the whistle-blower mechanism enabling the Covered Persons to report to the delegated personnel by the Board and/or the Board on suspicious behaviours, where such acts are unethical, illegal, or detrimental to the Company.
- Under the whistle-blower policy, the Board will be responsible to ensure adequate confidentiality, and safety of those personnel, who report such instances or cases, as well as ensure their protection from any harm or negative reaction by other employees or the employee's superiors.

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 committees or the CEO 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.