



QATAR ELECTRONIC SYSTEMS COMPANY

AUDIT COMMITTEE CHARTER

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1 Introduction

- The Audit Committee (“**AC**” or the “**Committee**”) of Qatar Electronic Systems Company (“**TechnoQ**” or the “**Company**”) is established to assist the Board of Directors (“**BoD**” or the “**Board**”) in executing its oversight responsibility, as outlined by existing regulations and corporate governance best practice.
- The AC will assist the Board in independently ensuring and maintaining oversight of the Company and fulfilling its oversight responsibilities relating to:
 - ✓ Integrity and accuracy of the Company’s financial statements and financial reporting process;
 - ✓ Responsibility for the selection of the external auditors; and
 - ✓ The appointment of an internal auditor and the internal audit (“**IA**”) services;
 - ✓
- In executing its responsibilities, the Committee is not itself responsible for the planning or conducting of audits, or for any determination that the Company’s financial statements are complete and accurate, or in accordance with International Financial Reporting Standards (“**IFRS**”), which will be the responsibility of the Company’s senior management and external auditors.
- Accordingly, in carrying out its oversight responsibilities, the Committee does not provide any expert or special assurance as to the Company’s financial statements; nor does it provide any certification as to the external auditor’s work. The Committee’s objective is to address specific matters delegated to it by the Board, make recommendations relating to these specifically delegated by the Board, as set out in this Committee Charter (the “**Charter**”).
- This Charter constitutes the Committee’s corporate values and includes internal policies and procedures which are binding upon the Committee members, and sets out the membership, responsibilities, principles, and operation of the Committee, and identifies the interaction with the Board, management, internal and external auditors. This Charter will be read in conjunction with other governance documents.
- 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 Board and the Committee, as contained in the Board charter 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 Qatar Stock Exchange (“**QSE**”).

2 Committee Composition

- **General composition:** The Board will ensure the following with respect to the general composition of the Committee:
 - ✓ The Committee will have at least three (3) members;
 - ✓ The Committee will consist of non-executive Board members, of which majority members shall be independent, the Committee chairman shall also be an independent member;
 - ✓ The Committee chairman and members shall have financial and audit experience, including specialist knowledge and experience in the application of accounting principles and internal control processes;
 - ✓ The chairman of the Board will not be a member of the Committee;
 - ✓ The chairman of the Committee will be an independent Board member;
 - ✓ The chairman of the Committee and members will not be members in another committee composed by the Board;
 - ✓ Any person who has previously conducted an audit for the Company within the previous two years shall not be a candidate, directly or indirectly, for Committee membership; and
 - ✓ The members will have an attitude which is independent from the Company’s management, should possess integrity, capacity to dedicate sufficient time and resources and have adequate understanding of the Company’s business, its products, and its operations.
- **Appointment, re-appointment, and removal of members:** The Board will appoint the Committee members for a term of three years. The appointment will be coterminous with the director’s term of appointment. Before recommending a member of the Committee for re-appointment, the Board must carefully consider his/her past performance on the Committee. The Board may appoint such additional directors to the Committee or

remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board. If a member is removed from the Board, he/she will be deemed removed from the Committee. A three months' notice needs to be presented to the chairman of the Committee prior to resignation from the Committee.

- **Chairman and secretary:** The Committee members can elect one of their members as chair. The Board secretary can act as the Committee secretary. The duties and responsibilities of the Board secretary are specified in the Board charter. The Committee members can also appoint a secretary for the Committee, who can either be the Company's Chief Internal Auditor ("**CIA**") or any other employee who is qualified and has had prior experience in managing secretarial and administrative affairs. The Committee secretary will be responsible for arranging the meetings, coordinating the attendance, distributing the agendas in advance, following up on certain matters after the meetings such as maintaining all committee documentation, presentations, meeting minutes etc.

3 Committee Meetings

- **Frequency:** The Committee will meet as often as necessary and shall be determined by the Committee chairman, or upon the request of any two of its members. There should be at least four meetings in a year. The Committee will endeavour to hold its meetings to preferably coincide with Board meetings for convenience.
- **Venue:** Committee meetings will be held at the offices of the Company; however, they may also take place elsewhere at a place agreed by the Committee members. In addition, meetings of the Committee 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 Committee will be called by the Committee 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 Committee 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);
 - ✓ Committee reports;
 - ✓ Periodic/interim reports; and
 - ✓ Conclusions (open discussions, suggestions for next meeting).
- **Attendance:** Majority of members including Committee chairman will be required to be present for the Committee meetings. The admission to a meeting of persons other than Committee members, the Chief Executive Officer ("**CEO**") and (if invited) other directors, shall be decided by majority vote of the Committee members present at the meeting. An absent member may, by documented request, delegate any other Committee member to represent them in attendance and voting. A Committee member cannot represent more than one member. A Committee member shall be deemed as resigned from post if the member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Committee. Attendance through virtual modes for the Committee meetings will be considered as acceptable and valid.
- **Quorum and decision making:** Each Committee member has the right to cast one vote. A Committee meeting will be deemed valid if attended by majority of the members, provided that the Committee chairman attends the meeting. The Committee will pass its decisions by majority vote of attendees and representatives. In the event of a tie, the chairman of the Committee has the deciding vote. The Committee, if necessary or urgent, may issue resolutions by circulation. Resolutions will be passed based on approval obtained from majority of the Committee members. In case of a tie, the Committee chairman will have the authority to cast the deciding vote. The resolution in question will be ratified in the next Committee meeting and its content will be included in the minutes of meeting.
- **Minutes of the meeting:** Minutes will be drawn up for every Committee 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 will be signed by the Committee chairman and the 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 shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. All minutes of the Committee meetings will be available at all times for inspection by any director.

4 Committee Responsibilities and Duties

- The Committee members will act in good faith, exercise diligence and care, speak out and be loyal to the Company. The key responsibility of the Committee is to supervise compliance with documented procedures for the preparation and publication of the different financial reports and any other financial information. The Committee will also supervise the internal control and audit mechanisms for external financial reporting.
- **General responsibilities:** The major tasks of the Committee will include the following but not limited to:
 - ✓ Prepare for and attending meetings of the Committee regularly, and not withdrawing from the Committee except when scheduled;
 - ✓ Prioritize the interest of the Company, shareholders, and all stakeholders over their own interest;
 - ✓ Utilize their diversified skills and experience, with diversified specialties and qualifications to ensure the effective and productive management of the Company, and working to achieve the interests of the Company, partners, shareholders, and other stakeholders;
 - ✓ Refrain from providing any statements, data, or information without prior documented permission from the chairman;
 - ✓ Regularly, and at the earliest opportunity, provide the Board with reports on the annual report and accounts, and the semi-annual and quarterly financial reports;
 - ✓ Report its dealings with the external auditor to the Board on an annual basis, including the assessment of external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor to provide both auditing and non-audit services to the Company). The Board will take this into account when deciding its nomination to the General Assembly for the appointment of an external auditor;
 - ✓ Present to the Board, on an annual basis, the whistleblowing complaints log;
 - ✓ Make recommendations to the Board as it deems appropriate, on any area within its remit, where action or improvement is needed;
 - ✓ Ensure that the consolidated financial statements and the condensed consolidated financial statements in the half-year and the quarterly financial reports are prepared in accordance with IFRS and International Accounting Standards ("**IAS**");
 - ✓ Review the financial and accounting policies and procedures of the Company and express an opinion and make recommendations to the Board in this regard, as well as review the Company's dealings with the related parties, and ensure that such dealings comply with the relevant controls;
 - ✓ Conduct investigations into financial control matters when requested by the Board;
 - ✓ Oversee the accuracy and validity of the financial reports and any disclosed numbers, data and financial statements submitted to the General Assembly;
 - ✓ Consider reviewing and following up on the external auditor's reports on the Company's financial statements and ensuring their compliance with the implementation of the International Standards on Auditing ("**ISA**");
 - ✓ Verify that the external auditor's report includes an explicit reference to whether it had obtained all the necessary information and the Company's compliance with IFRS and IAS, or whether the audit was conducted based on ISA;
 - ✓ Review this Charter on a periodic basis and present the updates to the Board to obtain approval on the same to make the amendments, as deemed necessary;
 - ✓ Review the reports of the Authority and the other supervisory authorities, following up on the correction of violations stated therein, setting forth the necessary controls to ensure their non-recurrence, and submitting the results of its reviews to the Board on a regular basis;
 - ✓ Review and approve the audit plan on an annual basis;

- ✓ Coordinating with the Risk Management and Compliance Committee regarding the evaluation of risk management and hedging systems;
- ✓ Ensuring the availability of suitable frameworks that ensure maximum compliance with laws, instructions, regulations, and sound practices; and
- ✓ Perform any other activities consistent with this Charter, the Company's governing laws that the Board or the Committee determines as appropriate.
- **Financial reporting:** The consolidated financial statements will be prepared by the management under the supervision of the Board and examined by the external auditor. The Committee shall review and approve the Company's interim and annual financial statements and shall discuss such statements with Senior Executive Management and the External Auditor prior to their submission to the Board for final approval. Quarterly, half-yearly and annual financial reports will be discussed with the Board and the Committee prior to publication. While overseeing the accuracy and the validity of financial reports, the Committee will focus on the following, but not limited to:
 - ✓ Any changes to the accounting policies and practices;
 - ✓ Matters subject to the discretion of senior executive management;
 - ✓ Major amendments resulting from the audit;
 - ✓ Continuation of Company as a viable going concern;
 - ✓ Compliance with the accounting standards as designated by the Authority;
 - ✓ Compliance with the applicable listing rules in the market; and
 - ✓ Compliance with disclosure rules and any other requirements relating to the preparation of financial reports; and
 - ✓ Company's dealings with related parties and ensure whether such dealings are subject to and compliant with relevant regulations or policies.
- **External audit:** The Board's principal contact with the external auditor is through the chairman of the Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Committee chairman and the external auditor. The Committee is responsible for setting the procedures of contracting with, nominating external auditors, and ensuring their independence while performing their work. The Committee is also responsible for selecting the external auditor and recommending to the Board the nomination and dismissal, the remuneration and scope of the audit, the results of the audit and inspection of the assigned tasks. The Committee will consider offers of external auditors registered in the external auditors list of the QFMA. The Committee will:
 - ✓ Meet with external auditors at least once a year to raise issues, ask questions and seek feedback from external auditors;
 - ✓ Coordinate between the IA department in the Company and the external auditor;
 - ✓ Ensure external auditor obtains significant clarifications he/she requests from senior management regarding the accounting records, the financial accounts or control systems;
 - ✓ Ensure the timely reply by the Board to the queries and matters contained in the external auditor's letters or reports;
 - ✓ Conduct discussion with the external auditor and senior executive management about risks identified in the audit reviews, especially the appropriateness of the accounting decisions and estimates, and submit them to the Board to be included in the annual report; and
 - ✓ Supervise and monitor the independence of external auditors, their objectivity and scope as per the ISA and IFRS requirements.
- In the event of any conflict between the Committee's recommendation and the Board, including the situation whereby the Board refuses to follow the Committee's recommendation regarding the external auditor, the Board shall include in the Company's governance report, a statement detailing such recommendations and the reason(s) behind the Board's refusal to follow such recommendation.
- **Internal controls:** The Committee will oversee the Company's internal controls system. The key tasks of the Committee will include the following but not limited to:
 - ✓ Prepare and present to the Board a proposed internal control system for the Company and conduct periodic audits whenever necessary. The proposed internal control system shall include control mechanism, duties and functions of the Company's departments and sections, its provisions and

- procedures of responsibility, and awareness and education programs for employees about the importance of self-control and internal controls;
- ✓ Coordinate the communications among the Board and management regarding the internal controls of the Company; and
 - ✓ Implement the assignments of the Board regarding the Company's internal controls.
- **Internal audit:** The Committee will oversee the IA function. The key tasks of the Committee will include the following but not limited to:
 - ✓ Approve decisions regarding the selection, appointment and removal of the head of IA;
 - ✓ Approve the IA charter and IA manual;
 - ✓ Review the reports prepared by the IA;
 - ✓ Review, with the head of IA, the budget, resources plan, activities, and organizational structure of the IA function;
 - ✓ Approve the annual IA plan and all major changes to the plan;
 - ✓ Review the performance of the head of IA and personnel in collaboration with the Nomination and Remuneration Committee;
 - ✓ Review the overall risk management and hedging system; and
 - ✓ Review the effectiveness and adequacy of the IA function, including compliance with the Institute of Internal Auditors' ("IIA") definitions of internal auditing, the Code of Ethics, and International Standards for Professional Practice of Internal Auditing ("IPPF").
 - **Annual Committee reporting:** The activities and memberships of the Committee, number of Committee meetings held, attendance over the course of the year and any updates to the Charter shall be disclosed in the annual report to be submitted by the Committee to the Board. The annual report shall include:
 - ✓ The names and qualifications of all members of the Committee during the period;
 - ✓ The number of Committee meetings and the attendance record of each of the members;
 - ✓ Brief review report on the manner in which the Committee has discharged its responsibilities;
 - ✓ The findings, recommendations and actions initiated by the committee during the year; and
 - ✓ The Committee dealings with the external auditor to the Board on an annual basis.
 - The Committee members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Committee's affairs. At least once a year, the Committee shall discuss its own activities and those of its individual members, the effectiveness of such activities, the composition and competence of the Committee.
 - At least once a year, the Committee shall also perform a review of this Charter and recommend to the Board any changes, where applicable.

5 Other Provisions

- **Access to information:** The Committee will have unrestricted access to relevant management, employees, and information, and investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. The Committee will have access to adequate internal and external resources, on any matters within its Charter.
- **Right to Seek Assistance:** The Committee has the right to seek the assistance of any expert firm or consultant on matters it deems important, in accordance with its powers and allocated resources.
- **Responsibility of the Board:** 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. Decisions that, by law, must be made by the Board may not be delegated to a committee.
- **Confidentiality:** Unless required to do so by law, no Committee member shall, during his/her membership of the Committee 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 Committee 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.

6 Amendment, Adoption, and Publication

- **Charter amendment:** The Committee will be responsible to ensure periodic review of this Charter and update it, as and when deemed necessary, at least on an annual basis, in order to reflect any regulatory changes as well as to comply with any legal requirements, applicable in the State of Qatar. The Committee may delegate this task to any of the Committee 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 [24/11/2025].
- **Charter publication:** The Committee will ensure that this Charter is published on the Company's corporate website.