



QATAR ELECTRONIC SYSTEMS COMPANY

RISK MANAGEMENT AND COMPLIANCE COMMITTEE CHARTER

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Confidentiality Clause:

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1 Introduction

- The Risk Management and Compliance Committee ("**RMCC**" or the "**Committee**") of Qatar Electronic Systems Company ("**TechnoQ**" or the "**Company**") is established to address specific matters delegated to it by the Board of Directors ("**BoD**" or the "**Board**"), make recommendations relating to these and make decisions based on the authority specifically delegated by the Board, as set out in this Committee Charter (the "**Charter**").
- The Committee is responsible for developing and periodically reviewing the Company's overall risk management strategy and policies, ensuring that they reflect the nature, scale, and complexity of the Company's activities. It must monitor compliance with regulatory requirements, internal control procedures, and adopted risk frameworks, and report any violations to the Authority without delay. The Committee ensures that there are adequate and independent resources for risk management and provides the Board with periodic reports on existing and emerging risks and the Company's compliance status. 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.
- 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 comprise of at least three Board members including the Committee chairman, with experience in financial and legal risks;
 - ✓ The Committee will comprise of executive, non-executive, and independent Board members, of which majority members will be independent or non-executives;
 - ✓ Chairman of the Board, chairman and members of the Audit committee will not be members of the Committee;
 - ✓ Chairman of the Committee may chair any other committee (Except the Audit Committee) composed by the Board, where the Board's composition so requires; and
 - ✓ The Board may separate the roles and responsibilities of risk and compliance into two independent committees.
- **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 reappointment, 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 secretary to the Committee. 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 is reasonably qualified and has had prior experience in managing secretarial and administrative affairs.

3 Committee Meetings

- **Frequency:** The Committee will meet as often as necessary and will be determined by the Committee Chairman, or upon the request of any two of its members. There should be a minimum of four meetings in a financial year, or as and when deemed necessary by the Committee members, either quarterly/bi-annual/annual.
- **Venue:** Committee meetings will be generally 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 shall act in good faith, exercise diligence and care, speak out and be loyal to the Company. The key responsibility of the Committee is to develop and periodically review the Company's risk management and compliance strategy and policies, to oversee the independent risk management and compliance functions, and to monitor the Company's compliance with applicable laws, regulations, and the approved risk framework.
- The key tasks of the Committee with respect will include the following but not limited to:
 - ✓ Drawing up a comprehensive strategy for both the present and the future regarding the type and level of acceptable risks for all the Company's activities, and having it approved by the Board, with periodic reviews aimed at continuously developing it;
 - ✓ Drawing up the Company's risk management policies that are tailored for the Company particular set up, the size and diversity of its activities, and the nature of the risks it faces in accordance with the strategy approved by the Board. These policies should include clear 25 procedures for risk management, determine maximum limits for risk exposure, and ensure the availability of a comprehensive system for regular risk monitoring, whilst reviewing the same periodically;
 - ✓ Adopting effective policies and procedures to monitor compliance with regulatory policies, laws, and instructions, and drawing up preventive measures to ensure compliance. This is in addition to setting up appropriate mechanisms for reporting any violations and breaches in a timely manner and holding those responsible accountable. The committee shall be responsible for immediately notifying the Authority of any violations of the Law.;
 - ✓ Providing the Board with periodic reports on the risks that are facing, or are likely to face, the Company, as well as any violations of laws and regulations. This is in addition to monitoring the compliance of Senior Executive Management with approved risk management policies and their compliance with laws and regulations as well as reviewing reports received from the Risk and Compliance Department;
 - ✓ Verifying the availability of qualified personnel working independently to manage risks, in accordance with a clear risk management framework that identifies, measures, controls, and hedges all risks associated with the Company's activities, and adopts appropriate means to mitigate risks and potential losses, whilst maintaining the required capital to address them; and
 - ✓ The Board shall pay special attention to the quality, accuracy, completeness, and soundness of the sources of data used to identify and measure risks and their impact on the capital base.
 - ✓ Appointing and removing the Chief Risk Officer and the Compliance Officer, assessing and approving their performance and remuneration, and ensuring that each maintains independent authority, direct access to the Committee, and adequate resources to discharge their duties
 - ✓ Ensuring that the Company adopts appropriate methodologies to assess climate-change risks across the jurisdictions in which it operates, and that periodic reports are submitted to Senior Executive Management and the Board on the expected short, medium, and long-term impact of climate change on the Company's business and results, taking into account the applicable international standards
 - ✓ Ensuring that the Company maintains procedures for approving new products, significant changes to existing products, the launch of new business lines, entry into new markets, and mergers and acquisitions, including assessment of the resulting risks and of any deficiencies in the internal controls and risk environment
- **Annual Committee reporting:** The activities and memberships of the Committee, number of Committee meetings held and 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 will include the following, but not limited to:
 - ✓ 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;
 - ✓ A brief review report on the manner in which the Committee has discharged its responsibilities; and
 - ✓ The findings, recommendations and actions initiated by the committee during the year.

- 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.
- The Committee has the right to invite any of the Company's employees to attend its meetings, without having voting rights. It also has the right to communicate directly with any of the executive persons in the Company, to obtain any information that it deems necessary to fulfill its responsibility in this regard.
- The Committee also has the right to seek the advice of experts and consultants, whether from the Company's employees or others in order to achieve its goals and has discretionary authority to determine the appropriate compensation for such services.
- In the event of any dispute related to the interpretation of the provisions of the present Charter or their application thereof, such dispute will be referred to the Committee's chairman. The Chairman's decision in this respect will be final and immediately enforceable.

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.
- **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 24/06/2026.
- **Charter publication:** The Committee will ensure that this Charter is published on the Company's corporate website.