



# BOD Committee Charter



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## **1. Introduction**

This charter has been approved by the Company's Board of Directors for the purpose of supporting the BOD and its committees in carrying out their duties and responsibilities. The policies and principles provided for herein are in addition to the applicable laws, and shall not be construed as an interpretation, amendment of any laws thereof or to the Company's articles of association.

The BOD shall undertake to conduct a review of this Charter at least once a year and re-examine it from time to time, if appropriate.

This Charter details the roles and responsibilities of the BOD' members. The BOD shall issue instructions and decisions in relation to setting the Company's objectives and monitoring their implementation, while the CEO is responsible for the daily management of the Company.

The BOD shall be held accountable towards all shareholders for Company's performance. To fulfill its responsibility, the BOD shall act honestly, faithfully and impartially in the interests of shareholders, employees, suppliers, customers and all other stakeholders and in accordance with the applicable laws.

This Charter has been modified in accordance with the Commercial Companies Law No. 11/2015 and Governance Code for Companies & Legal Entities Listed on the Main Market No. 5/2016.

## **2. Board of Directors' Mandate:**

BOD's key responsibilities are represented in the following:

### **2.1 In general:**

- Ensuring the effectiveness of the BOD and that its members acquire the proper and required skills to be able to fulfill its obligations.
- Appointment of the Managing Director, Chief Executive Officer and senior executive managers and replacing them when required, as well as setting their remuneration, reviewing the Company's management performance and ensuring its succession planning.
- Under the developed policies, Approval of important decisions not assigned to the Management concerning acquisitions, inventories, capital investments and loan facilities.
- Executing the Company's social contribution activities.



- Developing the policies and procedures ensuring the company's compliance with the applicable rules and regulations and adheres to disclose the necessary information to shareholders, creditors and all other stakeholders.
- Calling for a shareholders' General Assembly meeting as required by law. The invitation and announcement shall include an executive summary of the General Assembly's agenda, including discussing and approving the governance report.
- Developing a mechanism for dealing and cooperating with financial services providers, financial analysis and credit rating services providers and any other service provider, as well as the authorities concerned with establishing standards, benchmarks and indicators of financial markets in order to deliver their services to all shareholders in a quick, fair and transparent manner.
- Adoption of a clear written policy that sets out bases and methods of granting remuneration to BOD members, senior executive management, as well as employees' incentives and remunerations in accordance with the principles stipulated herein. The said benefits shall be given without any kind of discrimination as to race, sex or religion and presenting it to the General Assembly for approval each year.
- Establishing a clear policy for contracting with the concerned parties and submitting it to the General Assembly to obtain approval regarding the same.
- Setting the parameters and criteria necessary for assessing the BOD and senior executive management performance.
- In general, and without prejudice to the competences of the General Assembly, the BOD shall assume all the powers and authorities necessary to supervise it. The BOD also may delegate certain powers to its committees. Moreover, it may form one or more special committees with a view to carry out particular tasks, provided that the nature of such tasks shall be specified in the relevant decision.
- The BOD shall bear the ultimate responsibility for the company, regardless of any delegations, assignments to committees, entities or other persons to carry out a few of its roles.

In all cases, it shall not issue a general or indefinite duration authorization.

## **2.2 Strategic Planning and Budget:**

- Approving the Company's strategic plan, key objectives and monitoring their implementation.
- Reviewing the Company's strategic business plan proposed annually by management and approving this plan, in addition to changes that the BOD deems appropriate.



- Reviewing the Company's operational plan, financial plans and budgets proposed by management and approving these plans, in addition to changes that the BOD deems appropriate.
- In respect of these reviews, the BOD shall request a long/short-term budget for the Company's strategic and operational plans.
- Managing the Company's capital expenditures and acquiring and disposing of assets.
- Determining the objectives and monitoring the implementation of the same, as well as the Company's overall performance.
- Conducting a periodic review of the Company's organizational structures and their approval in such a manner that ensures the adequate distribution of functions, tasks and responsibilities, particularly in internal control units.
- Approving the implementation process manual on the Company's strategy and objectives, which is prepared by the senior executive management. The said manual shall include methods and tools for prompt communication with the Qatar Financial Markets Authority, regulatory entities and other parties concerned with governance, including the designation of a focal person.
- Approving the Company's annual training and education plan involving programs to give introduction about the Company and its activities and governance in accordance with the Governance Code for Companies & Legal Entities Listed on the Main Market.

### **2.3 Risk Management:**

Internal control systems and relevant regulations shall be established and supervised, including:

- Developing awareness programs necessary for disseminating the culture of self-control and risk management within the Company.
- Development of a written policy regulating conflicts of interest and addressing potential conflicts for BOD members, senior executive management and shareholders, including misuse of the Company's assets and facilities and misconduct resulting from transactions with concerned parties.
- Establishment of a full disclosure system which ensures fairness, transparency and prevents conflicts of interest, exploits of confidential information that is not publicly accessible. This system shall include the rules governing trade in securities by insider traders, specifying the periods of their ban from trading in the securities of the Company or any group company. Also, a list of insider traders shall be prepared, updated and submitted to the Authority and the market with a copy thereof upon its approval or update.



- Ensuring the soundness of financial and accounting systems, including those associated with financial reporting.
- Ensuring the implementation of adequate control systems for risk management by formulating a general concept of risks that the Company may face and dealing with them in a transparent and fair manner.
- Conducting an annual review on the effectiveness of the Company's internal control procedures.
- Developing a corporate governance system in conformity with the provisions of the corporate governance code, supervising it, monitoring its effectiveness and amending it, if appropriate.
- Establishing clear and specific policies, standards and procedures for the BoD membership and implement them upon obtaining the approval of the General Assembly.
- Developing a written policy regulating the relationship between stakeholders in order to protect them and preserve their rights. In particular, this policy shall include the following:
  - \* A mechanism of compensation for stakeholders in case of violation of their rights prescribed by the regulations and protected by virtue of the contracts.
  - \* A mechanism for resolving complaints or disputes that may arise between the Company and stakeholders.
  - \* An appropriate mechanism to build a good and strong relationship with customers and suppliers and to preserve the confidentiality of information pertaining to them.
- Establishing the Company's executive management and employees code of conduct so that it is consistent with the proper professional and ethical standards and regulates the relationship between them and stakeholders, along with mechanisms to monitor the application thereof and the extent of compliance with it.
- Issuing instructions to the Management to advise the BoD periodically on the Company's business risks.
- Referring to the Management and discussing with it concerning those risks and systems designed to monitor and manage them.

#### **2.4 Executive officers:**

Through the Nomination and Remuneration Committee, the BOD shall approve nominations regarding appointment of senior executive management positions and its succession plan.

Executives shall:



- Create and review the job description of the Managing Director and the CEO and evaluating their performance. Also, review the performance evaluation of senior staff with the CEO.
- Review key organizational and functional matters in the company.

### **2.5 Systems safety:**

- Ensure that the Audit Committee reviews and discusses the safety of the Company's internal control system and information management systems.
- Ensure that the BOD has full and complete management authority in all matters regarding performance and compliance.

### **2.6 Cash Transactions:**

- Financial and cash transactions that are excluded from the company's budget shall be reviewed and ratified, including but are not limited, long-term agreements, as well as licenses or undertakings extending for long periods and individual relationships with the company.
- Upon obtaining permission from the General Assembly, the BOD may conclude loan agreements with terms exceeding three years, sell or mortgage the Company's real estate, should these actions be within the Company's business or aimed at realizing its objectives and exercising its activities.

## **3. Personal and Professional Characteristics of Board Members:**

The following characteristics is determines the framework through which BOD candidates are chosen and elected.

### **3.1 Management and accountability:**

A candidate shall have high ethical, behavioral and administrative standards in his personal, professional life and shall be responsible for his decisions as a member of the BOD.

### **3.2 Requirements:**

A Board member must:

- Not be less than twenty one years old, and shall have full legal capacity.



- Not have been previously convicted in a criminal offence or in a crime breaching honor or trust or in any of the crimes stated in Article (40) of Law No. (8) of 2012 concerning Qatar Financial Markets Authority and Articles (334) and (335) of the Commercial Companies Law No. (11) of 2015, nor have been prohibited from engaging in any business in the areas under the supervision of QFMA as per Article (35), paragraph (12) of the above law, nor have been declared bankrupt unless he has been rehabilitated.
- Hold and own a number of shares of the company's capital upon his election or within thirty days of such date, as determined by the articles of association. The ownership of these shares shall be registered with the relevant entity, within 60 days as of the date of his membership. The shares shall remain non-negotiable and may not be pledged or seized until the end of his membership term and the balance sheet of the last financial year of his membership is approved. This amount of shares is allocated to secure the rights of the company, shareholders, creditors and others from the responsibility that falls upon the Board members. Should the member fail to provide security, as mentioned, his membership shall be invalid. Independent members shall be exempted from the said condition.

A candidate running for the membership of the board is required to submit a written statement acknowledging that he is not assuming any other post legally prohibiting him from being a board member at the same time.

In all cases, the Company shall submit a list of the names and data of the candidates to the Board for approval at least two weeks before the date set for the board elections, attached with the candidate's CV, and a true copy of the nomination requirements. The candidate shall demonstrate, in a manner that satisfies the Board, his ability to provide appropriate advice in various commercial, industrial, social and administrative matters.

- The candidate must be aware of the basic information regarding the business of the company and shall update his information and knowledge in a manner that satisfies the Board, in order to understand the basis on which the company's strategies and business plans were developed. In this context, the Board shall provide a detailed presentation to the new members to ensure that they have an appropriate understanding of the Company's business and operations. The Board shall organize a training program for newly joined members of the Board, if necessary.
- The candidate shall be able to provide, in a manner that satisfies the Board, a mature and useful perspective on the business strategy plan, risks and objectives of the company.





Overall, a board member shall be qualified, have sufficient knowledge of the administrative matters and appropriate experience to perform his duties effectively. He shall devote sufficient time to conduct his work in a fair and transparent manner to the benefit of the company and its goals and objectives.

### **3.3 Knowledge of financial aspects:**

The candidate shall demonstrate, in a manner that satisfies the Board, an acceptable level of knowledge of financial matters and aspects, including his ability to understand financial reports and use financial measures to assess the financial performance of the company.

### **3.4 Working within the team:**

Candidate shall demonstrate their ability to cooperate with other Board members to complement the effectiveness of the Board.

### **3.5 Communication:**

The candidate shall demonstrate, in a manner that satisfies the Board, his desire to listen and communicate with the views of the other members in an open and respectful manner.

### **3.6 Experience:**

The candidate shall demonstrate, in a manner that satisfies the Board, and continue to demonstrate and show a high level of achievement in his personal and professional life, reflecting the high standards of his personal and professional conduct.

## **4. Composition of the BOD:**

The Board shall be composed in accordance with the Law and the Company's Articles of Association, provided that at least one third of the board members shall be independent members, and the majority of them shall be non-executive members. One or more seats may be allocated within the BOD to represent the minority and another to represent the Company's employees. In all cases, the Board shall be composed in such a manner, which ensures none of the members could control the issuance of decisions.

### **4.1 Number of BOD Member:**

According to the Company's AOA, The BOD shall be formed of nine members as a minimum and a maximum of eleven members, including the chairman. The BOD members are generally elected for a three-year term and may be re-elected, however, the first BOD elected shall remain in office for five years.



## **4.2 BOD Members' Duties**

The BOD members' duties shall include:

- Regularly attend the BOD and its committees meetings without withdrawing except when necessary and in an appropriate time;
- Provide an independent opinion on the company's strategic matters, its policy regarding the implementation of its projects, employees accountability systems, resources, essential appointments as well as its labor standards;
- Uphold the interest of the company, shareholders and all other stakeholders over their own interest;
- Participate in committees of BOD;
- Monitor the company's performance in realizing its agreed goals and objectives and reviewing its performance reports, including annual, semi-annual and quarterly reports;
- Supervise the development of the procedural rules for the company's corporate governance to monitor its application in accordance with the rules of the governance code for companies and legal entities listed on the main market;
- Utilize their various skills and experience as diversified with their qualifications and specialties in managing the company in productive and effective manner and to work on pursuing the interest of the company, shareholders and all other stakeholders;
- Effectively participate in the general assembly of the company as well as to achieve its members' demands in a balanced and equitable manner;
- Refrain from making any statements, or disclosing data, information without a prior written consent from the BOD chairman or his authorized representative. The BOD shall nominate the company spokesperson;
- Disclose financial and commercial relations, lawsuits that may have an adverse effect on carrying out the tasks and functions assigned to them;
- The BOD may request, at the company's expense, the opinion of an independent third-party consultant with respect to any of the company's affairs.



#### **4.3 The BOD Members' Fiduciary Duties:**

- Each BOD member owes the company a due diligence care, loyalty as well as compliance with the institutional authority as set out in the relevant laws and regulations, including this Charter and rules of the governance code for companies and legal entities listed on the main market;
- BOD members shall, at all times, act bonafide on an informed basis, with due diligence and care for the best interest of the company and all its shareholders;
- BOD members shall act effectively to fulfill their responsibility towards the company;
- Without prejudice to the provisions of the law in this regard, no person shall, in his professional or personal capacity, hold positions of BOD chairman or deputy chairman in more than two companies whose headquarters are located within the State; BOD member in more than three companies; a managing director in more than one company whose headquarters is located in the State; nor be a BOD member in two companies carrying out similar activities.
- It is not allowed to simultaneously occupy the position of the BOD chairman and any executive position in the company. The BOD chairman shall not be a member at any of the BOD committees set out in this charter.
- The BOD chairman and members shall provide an annual declaration, maintained by the secretary in a folder dedicated for this purpose, at which each of them declares that he does not occupy any position prohibited to be held with his position at the same time, in accordance with the law and provisions of the governance code for companies and legal entities listed on the main market.

#### **4.4 BOD Chairman**

- Means the company chairman who represents it before third parties and courts. He holds the prime responsibility for effective and productive corporate governance. He also works on meeting the interest of the company, partners, shareholders and all other stakeholders. This is in addition to being responsible for leading the BOD. Furthermore, he shall ensure that the board activities are organized and carried out effectively and efficiently and that board members are correctly, appropriately notified with meetings;
- The BOD chairman position shall be separated from positions of Managing Director and CEO; and



- The BOD Chairman may not be a member in any of the BOD committees formed in accordance with the governance code for companies and legal entities listed on the main market.

#### **4.5 BOD Chairman's Duties:**

- To ensure that the BOD discusses all primary matters effectively and timely;
- To approve the agenda of every BOD meeting, taking into consideration any matter raised by any BOD members; this may be delegated by the chairman to any other BOD members but the chairman shall remain responsible for the proper performance of this duty by the said BOD member;
- To encourage the BOD members to fully, effectively participate in conducting the affairs of the BOD for ensuring that the BOD is working in the best interest of the company;
- To ensure effective communication with the shareholders as well as to communicate their opinions to the BOD;
- To make all data, information, papers, documents, and records relevant to the company, the BOD, and its committees available to the BOD members;
- To allow the effective participation of the non-executive BOD members, in particular. This is in addition to promote constructive relations between executive and non- executive BOD members;
- To keep BOD members at all times informed on the execution of the provisions of the governance code for companies and legal entities listed on the main market; this may be delegated by the chairman to the Audit Committee or otherwise;
- The vice- chairman acts in lieu of the chairman in the absence of the latter. The BOD chairman may delegate some of his authorities to any other BOD members; and
- To ensure the conducting of an annual evaluation of the BOD performance.

## **5. Meetings and Procedures**

### **5.1 Frequency of Meetings**

- The BOD shall convene, upon the invitation of its Chairman, at least six times annually or more frequently if necessary. Interval between meetings shall not exceed three months. The BOD members may participate in these meetings by any means of modern technology that ensure listening and active participation.



- The Chairman may invite the BOD to convene upon request of a minimum of two BOD members. A notice of the meeting shall be sent individually to each member together with the meeting agenda at least one week prior to the scheduled date of the meeting. Any member may request to add one or more items to the agenda.

## **5.2 Board Resolutions**

- Without prejudice to any provisions of the law on the matter, BOD resolutions shall be made by majority vote of the members present either in person or by proxy. In case of a tied vote, the Chairman's or acting Chairman's side shall prevail. Minutes of meetings shall be drawn up for every meeting and shall include a list of attendees and a list of absent members, as well as a description of the events of the meeting. Minutes of meetings shall be signed by the Chairman and the BOD members and secretary. A member who objects to the resolutions issued by the BOD may record his/her objection in the minutes of the meeting.
- The BOD may, in case of urgent necessity, may pass some of its resolutions by circulation subject to the written approval of all members. Resolutions made by circulation shall be presented to the BOD in its next meeting; for inclusion in the minutes of meeting.

The document of the resolution made by circulation shall be kept with the minutes of BOD meetings.

## **5.3 Quorum**

The BOD meeting shall not be valid unless attended by a majority of its members, provided that the Chairmen or the Vice Chairman are amongst the attendees.

An absent member may appoint another member to represent him in voting, provided that no member can represent more than one member by proxy. A member who fails to attend three consecutive meetings or four non-consecutive meetings of the BOD, without accepted apologies, shall be deemed resigned.

Participation in the meeting may take place through any modern, generally accepted secure electronic means that enable members to listen and effectively participate in the proceedings of the meeting and the issuance of resolutions.

## **5.4 Attendance**

Senior executive Management, Department Heads, Advisors or any third parties may be invited to attend the BOD meetings at the discretion of the BOD.



### **5.5 Board Secretary**

The BOD shall issue a resolution appointing the BOD Secretary. Priority should be given to holders of university degree in Law or Accounting from a recognized university or an equivalent degree, and to those who have not less than three years of experience in operating a listed company.

The Secretary shall assist the Chairman and all BOD members in performing their duties, and shall carry out the BOD works, including the following:

- Draft minutes of BOD meetings, determining the names of present and absent members, the events of the meeting and recording the members' dissents on BOD resolutions.
- Maintain BOD minutes of meetings, resolutions and reports, in addition to all BOD records, communications and correspondence in both paper and electronic records.
- Send notices of the meetings to BOD members and participants, if any, together with the agendas, at least one week prior to the scheduled date of the meeting and receive members requests to add one or more items to the agendas, and record the dates of submission of requests.
- Fully coordinate between BOD Chairman and Members, BOD members and the BOD and concerned parties and stakeholders, including shareholders, management and employees.
- Allow BOD Chairman and members a rapid access to all the Company's papers and documents, as well as all the relevant data and information.
- Keep the BOD members undertakings of not assuming more than one of the positions as prohibited under the law and the provisions hereof.

The Secretary, upon the approval of the Chairman, may seek assistance from whoever he deems appropriate in the performance of his duties.

### **5.6 Minutes of meetings:**

BOD minutes of meetings and resolutions shall be passes by circulation, and passed by the BOD secretary within a reasonable period of time. The BOD Chairman shall ratify these minutes and resolutions, then the same shall be circulated to all BOD members. Minutes of meetings shall be ratified, approved and signed in the next BOD meeting.

## **6. Independent Professional Counseling**

BOD members and BOD Committees may, in relation to their duties and responsibilities, request independent professional counseling at the Company's. A written consent of the BOD Chairman is required. However, such consent shall not be withheld arbitrarily.