

## 1. Introduction

This Board Charter and corporate governance rules (the "**Board Charter**") present the essential rules for the management and supervision (governance) of QATARI INVESTORS GROUP (the "**Company**") and its Subsidiaries (together, the "**Group**") and contains internationally and nationally recognized standards for good and responsible governance. This Board Charter aims to make the Group's corporate governance system more transparent and understandable.

The Board Charter sets forth the rights, obligations, duties and responsibilities of the Board of Directors of the Company (the "**Board**") and clarifies the obligations of the Executive Management to ensure the continued existence of the Group and its sustainable creation of value in conformity with the principles of a social market economy (interest of the Group).

The Board is responsible for managing the Group. Its members are individually and jointly accountable for the management of the Group.

The Board appoints, supervises and advises the members of the Executive Management and is directly involved in decisions of fundamental importance to the Group. The Chairman of the Board coordinates the work of the Board.

The members of the Board are elected by the Shareholders at the General Meeting.

The Board Charter constitutes the Company's corporate values and includes professional conduct rules and internal policies and procedures which are binding upon the members of the Board, the Executive Management, the Company's staff and the Company's advisors.

The Board Charter is drafted to comply with the provisions of the Company's articles of association (*al aked al tasisi*) and by-laws (*al nizam al assasi*) (together, the "**Articles of Association**"), Qatar Commercial Companies Law No. (5) of 2002, the Qatar Exchange ("**QE**") Rulebook of August 2010 and the Corporate Governance Code (the "**Code**") issued by the Qatar Financial Markets Authority ("**QFMA**"). The Board Charter will be reviewed regularly against the background of national and international developments and will be adjusted, if necessary. The Board Charter is published on the Company's website available at [www.qatariinvestors.com](http://www.qatariinvestors.com)

## 2. The Shareholders

### 2.1 Shareholders

(a) Shareholders exercise their rights at the General Meeting and vote there.

(b) Each Share carries one vote. There are no Shares with multiple voting rights, preferential voting rights or maximum voting rights.

(c) All Shares of the same class shall have the same rights attached to them.

(d) Shareholders have the right to review and access for free the Company's Shareholders' Register and other information in accordance with the provisions of the Articles of Association.

## **2.2 General Meeting**

(a) The Board submits to the General Meeting the annual financial statements and the consolidated financial statements. The General Meeting resolves on the appropriation of net income and the discharge of the acts carried out by the Board. It elects the Board and the Company's external auditors.

(b) Furthermore, the General Meeting resolves on the Articles of Association, the purpose of the Company, amendments to the Articles of Association and essential corporate measures.

(c) Each Shareholder is entitled to participate in the General Meeting, to take the floor on matters on the agenda and to submit materially relevant questions and proposals.

## **2.3 Invitation to the General Meeting**

(a) At least once each year a General Meeting is to be convened by the Board giving details of the agenda. A quorum of Shareholders is entitled to demand the convening of a General Meeting and the extension of the agenda. The Board shall publish the reports and documents, including the Annual Report, required by law for the General Meeting in an easily accessible way on the Company's website together with the agenda.

(b) The Articles of Association include provisions ensuring effective Shareholders' right to call for a General Meeting that shall be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers; and the right to make informed decisions.

- (c) The Company shall facilitate the personal exercising of Shareholders' voting rights. The Company shall also assist the Shareholders in the use of proxies.
- (d) The Shareholders shall be given information relating to candidates to the Board including a description of each candidate's professional and technical skills, experience and other qualifications.
- (e) The Shareholders have the right to be informed of the policy of the Board regarding distribution of dividends which shall be submitted by the Board to the General Meeting and thereafter published on the Company's website.

#### **2.4 Communication and access to information policy**

- (a) The Group's treatment of all Shareholders in respect of information shall be equal. All new facts made known to financial analysts and similar addressees shall also be disclosed to the Shareholders by the Group without delay.
- (b) The Group shall use suitable communication media, such as the internet, to inform Shareholders and stakeholders in a prompt and uniform manner.
- (c) Any information which the Group discloses abroad shall also be disclosed domestically without delay.
- (d) As part of its regular information policy, the dates of essential regular publications (including the Annual Report and interim financial reports) and the date of the General Meeting shall be published sufficiently in advance in a "financial calendar".
- (e) Information on the Group which the Group discloses shall also be accessible via the Group's website. The website shall be clearly structured.

### **3. THE BOARD**

#### **3.1 The Duties and Responsibilities of the Board**

- (a) The Board is responsible for independently managing the Group with the objective of sustainable creation of value and in the interest of the Group, thus taking into account the interests of the Shareholders, its employees and other stakeholders.

- (b) The Board develops the Group's strategy, and ensures its implementation.
- (c) The Board ensures that all provisions of law and the Group's internal policies are abided by and works to achieve their compliance by members of the Group (compliance).
- (d) The Board ensures appropriate risk management and risk controlling in the Group.
- (e) The Board advises regularly and supervises the Executive Management and the General Managers of the Group. It must be involved in decisions of fundamental importance to the Group.
- (f) The Board appoints and dismisses the Executive Management, the General Managers of the Group and their respective deputies. When appointing the Executive Management and General Managers, the Board shall respect diversity. The Board shall ensure that there is long-term succession planning.
- (g) The Board is responsible for issuing and publishing this Board Charter as per the requirement of the Code.
- (h) The Board shall examine the efficiency of its activities on a regular basis.
- (i) In discharging their duties, the members of the Board must act in good faith and exercise the same care and diligence which an ordinary, prudent person would exercise in taking care of his own money under similar circumstances, and reasonably act in the best interest of the Company.
- (j) Members of the Board must take reasonable steps to be fully aware of all relevant issues, including engaging in due diligence, and make informed and independent decisions when voting on Company matters. The duty of care also requires the members of the Board to take reasonable steps to monitor the Company's Executive Management and finance.
- (k) Every newly elected Board Member shall upon his/her election become familiar with the Company Structure, management and all other information enabling the said Board Member to assume his/her responsibilities.

### **3.2 Cooperation between the Board and the Executive Management**

- (a) The Executive Management and the Board cooperate closely to the benefit of the Group.
- (b) The Executive Management coordinates the Group's strategic approach with the Board and discusses the current state of strategy implementation with the Board at regular intervals.
- (c) For transactions of fundamental importance, the Articles of Association specify provisions requiring the approval of the Board. They include decisions or measures which fundamentally change the asset, financial or earnings situations of the Group.
- (d) The Executive Management informs the Board regularly, without delay and comprehensively, of all issues important to the Group with regard to planning, business development, risk situation, risk management and compliance.

Executive Management points out deviations of the actual business development from previously formulated plans and targets, indicating the reasons therefore.

- (e) The Board shall specify the Executive Management's information and reporting duties in more detail. The Executive Management's reports to the Board are, as a rule, to be submitted in writing. Documents required for decisions, in particular, the Annual Financial Statements, the Consolidated Financial Statements and the Auditors' Report are to be sent to the members of the Board, to the extent possible, in due time before the relevant meeting.
- (f) Good corporate governance requires an open discussion between the Executive Management and the Board as well as among the members within the Executive Management and the Board. The comprehensive observance of confidentiality is of paramount importance for this.
- (g) All members of the Board must ensure that the staff members they employ observe the confidentiality obligation accordingly.
- (h) The Executive Management and the Board shall report each year on the Group's corporate governance in the Annual Report and the Corporate Governance Compliance Report that will be filed with the QFMA. It is an integral part of the annual corporate governance statement of the Group. This includes the explanation of possible deviations from the recommendations of the Code.

### **3.3 Composition of the Board**

- (a) The Board shall be comprised of seven members.
- (b) At least one third of the Board Members shall be Independent Board Members and a majority of the Board Members shall be Non-Executive Board Members. A person will be considered to be independent if he/she is not under the actual influence of any factor that limits his/her capacity to consider, discuss and decide on the Company's matters in an unbiased and objective manner. A non-executive Board member is one who does not perform executive management duties in the Company, who is not dedicated to the Company full time and who does not receive monthly or yearly remuneration from the Company other than that received as a Board member.
- (c) Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to their role as Board Members.

## **4. THE CHAIRMAN OF THE BOARD**

### **4.1 Responsibilities of the Chairman**

The Chairman is responsible for ensuring the proper functioning of the Board in an appropriate and effective manner by:

- (a) ensuring that the Board discusses all the issues presented to it in a timely manner; and
- (b) approving the agenda of every meeting of the Board and taking into consideration matters proposed.

### **4.2 Chairman's duties in relation to Board meetings**

- (a) The Chairman chairs the Board meetings, coordinates work within the Board and attends to the affairs of the Board externally.
- (b) The Chairman is responsible for calling Board meetings and approving their agendas. This may be delegated by the Chairman to a Board Member but remains the Chairman's responsibility.
- (c) The Chairman may not be the Chairman or a member of the Remuneration, the Audit or the Nomination Committees as described below.

(d) The Chairman of the Board shall regularly maintain contact with the Board, and consult with them on strategy, business development and risk management of the Group. The Chairman of the Board will be informed by the Board without delay of important events which are essential for the assessment of the situation and development as well as for the management of the Group.

(e) The functions of the Chief Executive Officer or Managing Director shall be distinct from those of the Chairman.

## **5. THE DIRECTORS' DUTIES**

A member of the Board must:

- (a) be available and regularly and actively attend the Board and Shareholders' meetings;
- (b) protect the Company's interests;
- (c) act in good faith;
- (d) subordinate his/her personal interests to the interests of the Company and its Shareholders at all times (fiduciary duty);
- (e) exercise diligence and care;
- (f) be loyal to the Company;
- (g) speak out;
- (h) comply with corporate authority entrusted to him/her in the Articles of Association, shareholders' resolutions, this Board Charter and related laws and regulations;
- (i) be transparent and observe confidentiality;
- (j) take all reasonable steps to be fully aware of issues;
- (k) make informed and independent decisions when voting on Company matters; and
- (l) take reasonable steps to monitor the Company's management and finances.

## **6. THE FORMATION OF COMMITTEES**

The Board shall form committees with sufficient expertise. They serve to increase the efficiency of the Board's work and the handling of complex issues. The respective committee chairmen shall report regularly to the Board on the work of their committee.

The Board shall set up a Nomination Committee, Audit Committee, Executive Committee, Corporate Governance Committee and Remuneration Committee.

## **7. THE NOMINATION COMMITTEE**

The Nomination Committee shall identify, select and recommend nominees for appointments and re-nomination to the Board for election by the General Assembly.

### **7.1 Key responsibilities of the Nomination Committee**

The Nomination Committee shall:

- (a) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO, having regard to the fact that the Board should comprise Directors with a broad range of skills, expertise and experience from a diverse range of background.
- (b) Review and recommend to the Board the criteria for Board membership including assessment of necessary and desirable competencies of Board Members.
- (c) Review Board membership and make recommendations to the Board regarding its membership including recommendations for the appointment and re-election of Directors and where necessary propose candidates for consideration by the Board subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves.
- (d) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (e) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- (f) Review the Board Charter on periodic basis and recommend any amendments for Board consideration.
- (g) Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- (h) Ensure that an effective induction process is in place and regularly review its effectiveness.
- (i) On an annual basis, review the effectiveness of its objective and strategies, aimed in achieving its objective and report to the Board recommending any changes to those strategies or the way they are implemented.

### **7.2 Composition of the Nomination Committee**

The Nomination Committee shall have at least three (3) members.

## **8. THE AUDIT COMMITTEE**

The Audit Committee shall handle issues of accounting, risk management and compliance, and the appointment and work of the external auditor (including determining the independence of the external auditor, issuing the audit mandate to the external auditor, determining auditing focal points and negotiating the fee agreement with the external auditor subject to the approval of the General Meeting).

### **8.1 Key Responsibilities of the Audit Committee**

The Audit Committee shall:

- (a) review the integrity of each of the Company's Subsidiaries' and Branches' financial reporting (day-to-day responsibility for the integrity of the Company's Subsidiaries' and Branches' financial reporting rests with the Chief Financial Officer and the Managing Director/Chief Executive Officer);
- (b) review the Group's financial and accounting policies and procedures and review and advise the Board in relation to the Group's financial reports;
- (c) adopt a policy for appointing the external auditor;
- (d) report to the Board any matters that, in the opinion of the Committee, necessitate action and provide recommendations on the necessary procedures or required action;
- (e) assess and advise the Board in relation to the independence, objectivity and competence of the external auditor;
- (f) discuss with the external auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards ("IFRS");
- (g) oversee the accuracy and validity of the financial statements and the yearly and half-yearly reports, and review such statements and reports. In this regard, the Audit Committee will particularly focus on:

- (i) any changes to the Group's accounting policies and practices;
  - (ii) matters subject to the discretion of Executive Management;
  - (iii) any major amendments resulting from the audit;
  - (iv) continuation of the Company as a viable going concern;
  - (v) compliance with the accounting standards designated by relevant laws and governmental authorities; and
  - (vi) compliance with disclosure rules and any other requirements relating to the preparation of financial reports;
- (h) coordinate with the Board, Executive Management and the Company's Chief Financial Officer, and meet with the external auditor at least once a year;
- (i) review the Group's financial and internal control and risk management systems, and discuss the same with Executive Management and General Managers to ensure their understanding and compliance;
- (j) consider the findings of principal investigations in internal control matters requested by the Board or carried out by the Audit Committee on its own initiative with the Board's approval;
- (k) ensure coordination between the internal auditors and the external auditor, the availability of necessary resources, and the effectiveness of the Company's internal controls;
- (l) review the letter of appointment of the external auditor, and any significant clarifications requested by the external auditor from Executive Management as regards the Group's accounting records, the financial accounts or control systems as well as Executive Management's reply;
- (m) ensure the timely reply by the Board to the queries and matters contained in the external auditor's letters or reports;
- (n) develop rules through which employees of the Company can confidentially report any concerns about matters in the financial reports or internal controls or any other matters that raise suspicions and ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal (such rules shall be submitted to the Board for adoption);

- (o) oversee the Company's adherence to professional conduct rules;
- (p) submit a report to the Board on the matters contained in this Article; and
- (q) consider other issues as determined by the Board.

## **8.2 Composition of the Audit Committee**

The Audit Committee shall:

- (a) meet as needed and regularly at least once every three (3) months and shall keep minutes of its meetings;
- (b) have at least three (3) members; and
- (c) include at least one (1) member with financial and audit experience, including knowledge and experience in the application of accounting principles and internal control processes.

## **9. THE EXECUTIVE COMMITTEE**

The Executive Committee shall handle the Group's strategy, investments and financings.

### **9.1 Key Responsibilities of the Executive Committee**

The Executive Committee shall:

- (a) assist the Board in coordinating, supervising and monitoring the performance of the Executive Management and General Managers through periodic reports to the Board;
- (b) analyze and examine the Group's potential investment opportunities and monitor the implementation of such investment opportunities by the Executive Management; and

- (c) support the Board and the Executive Management in delivering the Group's strategic objectives having regard to the interests of the Shareholders, employees and other stakeholders.

## **9.2 Composition of the Executive Committee**

There are no specific requirements as to the composition of the Executive Committee.

## **10. THE REMUNERATION COMMITTEE**

The primary role of the Remuneration Committee shall be to assist the Board in establishing a clear relationship between performance and remuneration.

### **10.1 Key responsibilities of the Compensation Committee**

The Remuneration Committee shall:

- (a) determine key performance indicators and targets for Board members and Executive Management;
- (b) recommend to the Board the remuneration payable to the Chairman, all other Board members and Executive Management;
- (c) review the remuneration packages for Executive Management annually; and
- (d) ensure remuneration packages are set at levels that attract and retain talent, taking into account the responsibilities and scope of the functions of the Board members and the Executive Management as well as the long-term performance of the Company.

### **10.2 Remuneration Structure**

- (a) The Company clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.

- (b) Executive remuneration comprises a balance between fixed and incentive pay reflecting short and long term performance objectives to the circumstances and goals of the Company. Non-executive directors' remuneration comprises of fees in the form of cash and non-cash benefits.
- (c) Compensation may include fixed and performance-related components, and performance related components shall be based on the long-term performance of the Company.
- (d) The compensation structure must be oriented toward sustainable growth of the Group. The monetary compensation elements shall comprise fixed and variable elements. The Board must ensure that the variable compensation elements are in general based on a multi-year assessment. Both positive and negative developments shall be taken into account when determining variable compensation components. All compensation components must be appropriate, both individually and in total, and in particular must not encourage taking unreasonable risks.
- (e) Compensation of the members of the Executive Management takes into account the responsibilities and scope of tasks as well as the economic situation and performance of the Group.

### **10.3 Composition of the Remuneration Committee**

The Remuneration Committee shall comprise at least three (3) non-executive Board members.

## **11. THE SHARE DEALING**

- (a) The Board must disclose insider information directly relating to the Group without delay unless it is exempted from the disclosure requirement in an individual case.
- (b) No member of the Board or the Executive Management may buy or sell shares in the Company (for their own account or for the account of others) whilst in possession of insider information relating to the Company, or during the following periods:
  - (i) from the date on which a Board meeting is called to discuss the yearly or half-yearly financial report of the Company to the date on which such report is disclosed to the public, which must be at least 15 days; and

(ii) from a week before the end of the financial quarter of the Company to the announcement of the Company's quarterly results.

## 12. THE CONFLICT OF INTEREST

### 12.1 No Benefit

- (a) Members of the Board and employees may not, in connection with their work, demand nor accept from third parties payments or other advantages for themselves or for any other person or grant third parties unlawful advantages.
- (b) Members of the Board are bound by the Group's best interests. No member of the Board may pursue personal interests in his/her decisions or use business opportunities intended for the Group for himself/herself.

### 12.2 Related Party Transactions

Article (108) of Qatar Companies Law No 5/2002 reads as follows: *“The chairman or board member or director should not have any direct or indirect interest in the contracts, projects, undertakings made on account of the company. The public contracting works and tenders in which all the competitors are allowed to participate equally are exempted from the above. If the suitable offer is submitted by either party mentioned in the foregoing paragraph the ordinary general assembly should approve the same. This approval will be renewed if the contracts and undertakings are having routine nature and renewed.”*

In all cases, the party who has the interest thereof should be kept away from the meetings of the general assembly or board of directors, in which the subject related to him, is discussed.

- (a) A person is considered to be a Related Party to the Company if he/she:
  - (i) is a member of the Board of the Company or any other member of the Group;
  - (ii) is a member of the Executive Management of the Company;
  - (iii) owns or controls 10% or more of the voting shares in the Company or any other member of the Group;
  - (iv) is a relative of any of the natural persons mentioned in paragraphs (i), (ii) or (iii) above;
  - (v) is a company in which the natural persons mentioned in paragraphs (i) to (iv) above own jointly or individually 20% or more of its voting shares; or a director, CEO or a key officer of such company; or

(vi) is a member of the Group or a parent company of the Company.

- (b) All members of the Board shall disclose conflicts of interest to the Chairman without delay and inform the other members of the Board thereof.
- (c) Whenever any issue between the Company and any Related Party is discussed in a Board meeting, the said issue shall be discussed in the absence of the concerned Board member who may not in any event participate in the voting on the matter.
- (d) Unless permitted to do so by a resolution of the shareholders at a General Meeting, members of the Board must not have a direct or indirect interest in any contracts, projects or commitments made on account of the Company, unless such contracts:
  - (i) were awarded pursuant to a public tender which was open to all interested parties; and/or
  - (ii) are being entered into by the Company in the ordinary course of business.
- (e) Each member of the Board shall inform the Board of any conflicts of interest, in particular those which may result from a consultant or directorship function with clients, suppliers, lenders or other business partners.
- (f) In any event, advisory and other service agreements and contracts for work between a member of the Board and the Group or any transactions between a member of the Board and the Group shall be made at market prices and on an arm's length basis and shall not involve terms that are contrary to the interests of the Company and be discussed in the absence of the concerned Board member.
- (g) All Related Party transactions shall be disclosed in the Company's annual report and specifically referred to in the General Meeting of the Shareholders following the entry into of such transactions.

### **13. THE SHAREHOLDERS' RIGHTS**

- (a) Shareholders and third parties are mainly informed by the Consolidated Financial Statements. During the financial year they are additionally informed by means of a half-year financial report and, in the first and second halves, by interim reports or quarterly financial reports. The Consolidated Financial Statements and the Condensed Consolidated Financial Statements in the half-year financial report and the quarterly financial report are prepared under observance of the IFRS.

- (b) The Consolidated Financial Statements must be prepared by the Board and examined by the external auditor. Half-year and any quarterly financial reports shall be discussed with the Board or the Audit Committee prior to publication. The Consolidated Financial Statements shall be publicly accessible within ninety (90) days of the end of the financial year; half yearly interim reports and quarterly interim reports shall be publicly accessible within forty-five (45) days and thirty (30) days, respectively, of the end of the reporting period.
- (c) The Group shall publish a list of third party companies in which it has a shareholding that is not of minor importance for the Group. The following shall be provided: name and headquarters of the company, the amount of the shareholding, the amount of equity and the operating result for the past financial year.
- (d) Notes on related party transactions shall be provided in the Consolidated Financial Statements pursuant to applicable accounting regulations.
- (e) In respect of the audit of annual financial statements:
  - (i) prior to submitting a proposal for election, the Board or the Audit Committee shall obtain a statement from the proposed external auditor stating whether, and where applicable, which business, financial, personal and other relationships exist between the external auditor and its executive bodies and head auditors on the one hand, and the Group and the members of its executive bodies on the other hand, that could call its independence into question. This statement shall include the extent to which other services were performed for the Group in the past year, especially in the field of consultancy, or which are contracted for the following year;
  - (ii) the Board shall agree with the external auditor that the Chairman, the Board or the Audit Committee will be informed immediately of any grounds for disqualification or partiality occurring during the audit, unless such grounds are eliminated immediately;
  - (iii) the Board commissions the external auditor to carry out the audit and concludes an agreement on the latter's fee, subject to approval of the General Meeting;
  - (iv) the Board shall arrange for the external auditor to report without delay on all facts and events of importance for the tasks of the Board which arise during the performance of the audit;



(v) the Board shall arrange for the external auditor to inform it and/or note in the auditor's report if, during the performance of the audit, the external auditor came across facts which show a misstatement by the Board and/or the Executive Management on this Board Charter; and

(vi) the external auditor takes part in the Board's deliberations on the Annual Financial Statements and Consolidated Financial Statements and reports on the essential results of its audit.