



QATARI INVESTORS GROUP  
مجموعة المستثمرين القطريين

# QATARI INVESTORS GROUP

## CORPORATE GOVERNANCE CHARTER

### 2015



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## 1. INTRODUCTION

This Corporate Governance Charter sets out the rules, principles and commitments which form an essential part of the framework under which Qatari Investors Group (QIG) operates. The Charter is based on internationally recognised standards for responsible governance and aims to make QIG's governance system more transparent and comprehensible.

The Board of Directors (BOD), management, employees and shareholders, believe that good corporate governance is a necessary component of sound strategic business management and will therefore undertake every effort necessary to create awareness within QIG. This Governance Charter is drafted to comply with the provisions of the Company's Articles of Association, Qatar Commercial Companies Law No. (5) Of 2002, the Qatar Exchange ("QE") Rulebook of August 2010 and the Corporate Governance Code issued by the Qatar Financial Markets Authority ("QFMA").

## 2. BOARD OF DIRECTORS CHARTER

The Company has adopted a formal charter for the Board of Directors detailing the Board's composition, roles, responsibilities, and procedures for the purposes of increased transparency and compliance with QFMA Corporate Governance regulations. The Board of Directors Charter can be found on Qatari Investors Group's website at:

<http://www.qatariinvestors.com/english/>



### 3. NOMINATION COMMITTEE CHARTER

The Nomination Committee is established under Article (15) of QFMA Code of Corporate Governance. This section lays out the Nomination Committee's Charter and defines the purpose, authority, membership, meetings, reporting, duties and responsibilities of the Committee.

#### 3.1 Purpose

- To recommend Board Member appointments and re-nomination for election by the General Assembly.

#### 3.2 Authority

- The Nomination Committee shall have the authority to investigate any issues arising under this Charter.
- The Nomination Committee shall have access to all Company documents and records which relate to the selection and nomination of Candidates.
- The Nomination Committee shall have the power to obtain specialists advisors whenever the need arises. Such advisory services will be obtained by means of Nomination Committee resolutions.
- The Nomination Committee shall have access to sufficient funds for the discharging of its obligations under this Charter.

#### 3.3 Membership and Attendance

- The Nomination Committee shall be chaired by an Independent Board Member.
- The Nomination Committee shall comprise of three (3) Independent Board Members.
- A Committee member may invite a guest subsequent to a 2 day prior notification of such invitation to the Chairman and other Committee members.



### 3.4 Meetings

- The Nomination Committee shall meet a minimum of once per year or more frequently if the circumstances dictate.
- A Committee member may request additional meetings provided that adequate notice has been given to the other members.

### 3.5 Responsibilities and Duties

- To seek and nominate Directors and Senior Executives according to a formal, rigorous and transparent process which takes into account personality, skills, knowledge and experience as well as the professional, technical and academic qualifications of the candidates.
- To ensure nominated candidates have sufficient availability to perform their duties as Board Members.
- To ensure compliance with the 'Fit and Proper' Guidelines for Nomination of Board Members as contained in the Annex of the QFMA Code.
- To consider the principles of good governance when fulfilling their duties and obligations under this Charter to ensure that they are consistent with Qatar's business environment, Qatar Exchange, QFMA, Qatar's Commercial Companies Law and any other applicable laws and regulations.

### 3.6 Reports

- The Nomination Committee shall conduct an annual self-assessment of the Board's performance which shall be made available to all Shareholders.



## 4. REMUNERATION COMMITTEE CHARTER

The Remuneration Committee was established under Article (16) of the QFMA Code of Corporate Governance. This section lays out the Remuneration Committee's Charter and defines the purpose, authority, membership, meetings, reporting, duties and responsibilities of the Committee.

### 4.1 Purpose

- To allow QIG to fulfill its responsibilities in relation to setting an effective remuneration framework and incentive scheme for the Chairman, Board Members and Senior Executive Management.
- To ensure that such Policy encourages dedication and maximum performance by the Board of Directors and Senior Executives through fair and responsible rewarding of their efforts.
- To ensure that remuneration and incentives take into account the responsibilities and scope of functions of the individual as well as of the performance of the Company.

### 4.2 Authority

- The Remuneration Committee shall have the authority to investigate any issues arising under this Charter.
- The Remuneration Committee shall have access to all Company documents and records which relate to incentives and remuneration.
- The Remuneration Committee shall have the power to obtain specialists advisors whenever the need arises. Such advisory services will be obtained by means of Remuneration Committee resolutions up to the value of QR 100K. Any services exceeding such amount must first be approved by the Board of Directors.
- The Remuneration Committee shall have access to sufficient funds for the discharging of its obligations under this Charter.



#### 4.3 Membership and Attendance

- The Remuneration Committee shall be composed of three (3) Non-Executive Board Members.
- A Committee member may invite a guest subsequent to a 2 day prior notification of such invitation to the Chairman and other Committee members.

#### 4.4 Meetings

- The Remuneration Committee shall meet a minimum of once per year or more frequently if the circumstances dictate.
- A Committee member may request additional meetings provided that adequate notice has been given to the other members.

#### 4.5 Responsibilities and Duties

- To be responsible for the Company's remuneration policy.
- To be responsible for the Company's incentive plans.
- Advise the Board if the Committee believes that a matter has arisen in relation to remuneration which should be put to the Company's Shareholders.
- To consider the principles of good governance when fulfilling their duties and obligations under this Charter to ensure that they are consistent with Qatar's business environment, Qatar Exchange, QFMA, Qatar's Commercial Companies Law and any other applicable laws and regulations.

#### 4.6 Reports

- To prepare an annual report on remuneration policy and principles which is to comply with all relevant external disclosure requirements and be made available to Shareholders at the General Assembly for approval.



## 5. AUDIT COMMITTEE CHARTER

The Audit Committee was established under Clause (18) of the QFMA Code of Corporate Governance. This section lays out the Audit Committee's Charter and defines the purpose, authority, membership, meetings, reporting, duties and responsibilities of the Committee.

### 5.1 Purpose

- Oversee the Company's compliance with relevant Qatar Exchange (QE) and Qatar Financial Markets Authority (QFMA) regulations.
- Oversee management in the performance of its responsibility for the integrity of the Company's accounting and financial reporting and its systems of internal controls.
- Oversee the Company's risk management process.
- Oversee the Company's compliance with statutory, legal and regulatory requirements.
- Oversee the performance of the external auditor (including the external auditor's Independence).
- Oversee the performance of the Company's internal auditing function.
- Report to the Company's Board of Directors on areas of improvement and recommend actions.
- Investigate into any matters within the Audit Committee's responsibilities

### 5.2 Authority

- The Audit Committee shall have the authority to investigate any activity within this charter.
- The Audit Committee shall have full access to the Company's records, employees, and internal or external auditors (with or without the presence of management) relevant to the subject matter under review.
- The Audit Committee shall have the power to seek any information that is required from any employee and the authority, to the extent it deems necessary or appropriate, to retain legal, accounting or other advisors for advice and assistance. Such advisory services will be obtained by means of Audit Committee resolutions up to the amount of QR 500K; for any advisory services exceeding such amount the Audit Committee must obtain approval of the Board of Directors.
- The Committee shall have access to sufficient funds to fulfill its duties.



### 5.3 Membership and Attendance

- The Audit Committee shall consist of three (3) members, the majority of whom shall be independent.
- The Audit Committee must include at least one member with financial/audit expertise.
- If the Chairman is not present, Audit Committee members present shall nominate an alternate chairman who shall be appropriately qualified for the purpose of that specific Audit Committee session.
- The Company's Head of Internal Audit, External Auditor and Chief Financial Officer shall attend every meeting at the Committee's request.
- A Committee member may invite an attendee, but will notify the Chairman and other Committee members at least two days in advance. The attendance of any party so invited will be at the sole discretion of the Chairman.
- In any event, any person who is or has been employed by the Company's external auditors within the last 2 years may not be a member of the Audit Committee.

### 5.4 Meetings

- The Audit Committee shall meet as needed and at least once every three (3) months and shall keep minutes of all such meetings.
- A Committee member can request a meeting be held with appropriate notice to other members. The Committee may meet, separately, with each of the Internal Auditors and the External Auditors on an as-requested basis.
- The Chief Executive Officer, Chief Financial Officer, External Auditors, and Head of Internal Audit shall also have the right to request a meeting if they deem necessary.
- Any and all actions taken by the Audit Committee must be by majority decision. The quorum of an Audit Committee meeting shall be considered fulfilled with two members present either physically or via acceptable video/audio communication facility. In the event that only two members attend, then the Chairman shall have the casting vote.
- Board members and the Chief Executive Officer shall be permanent invitees who may attend the meetings at their discretion. The Audit Committee may invite other persons to its meetings, as it deems appropriate.
- An Audit Committee secretary shall be appointed and record minutes of each meeting.



## 5.5 Duties and Responsibilities

- Review the integrity of each of the Company's Subsidiaries' and Branches' financial reporting
- Review the Group's financial and accounting policies and procedures and review and advise the Board in relation to the Group's financial reports
- Adopt a policy for appointing the external auditor
- 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;
- Assess and advise the Board in relation to the independence, objectivity and competence of the external auditor;
- 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")
- Oversee the accuracy and validity of the financial statements and the yearly and half-yearly reports, and review such statements and reports.
- Coordinate with the Board, Executive Management and the Company's Chief Financial Officer, and meet with the external auditor at least once a year
- 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
- 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;
- Ensure coordination between the internal auditors and the external auditor, the availability of necessary resources, and the effectiveness of the Company's internal controls
- 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
- Ensure the timely reply by the Board to the queries and matters contained in the external auditor's letters or reports
- 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)
- Consider other issues as determined by the Board.
- In the event of any disagreement between the Audit Committee's recommendations and the Board Decision including where the Board refuses to follow the Committee's recommendations concerning 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 of Directors' decision not to follow the recommendations.



- To oversee the Company's adherence to professional conduct rules.
- To ensure that the rules of procedure related to the powers assigned to the Board of Directors are properly applied.

### 5.6 Risk Management and Controls

- Review and assess the Company's risk management process and the adequacy of the overall control environment, including controls in selected areas representing:
  - a) Compliance with relevant QE and QFMA regulations.
  - b) Financial reporting, disclosure, compliance, significant financial or business risk and information technology security and control.
- Receive reports from the Head of Audit or CFO on any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- Review the results of the annual Key Control Questionnaire and ensure appropriate action is taken to address weaknesses identified.
- Review high risk control issues identified and ensure appropriate action is taken to address weaknesses identified.

### 5.7 Financial Reporting and Disclosure Matters

- Review annual financial statements and related QE disclosures and QFMA corporate governance code, and recommend their approval to the Board of Directors after discussing with management and the external auditor such matters as major accounting judgments, the presentation and impact of significant risks and uncertainties, accruals, key estimates, judgments of management and results of operations as considered necessary by the Committee.
- Review and discuss with management and the external auditor any significant events, transactions, changes in accounting estimates, changes in important accounting principles and their application, and any major issues as to the adequacy of internal controls affecting the quality of financial reporting.
- Review process by which CEO and CFO certify the Company's financial statements and receive reports from the CEO and CFO on all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data.
- Consider findings from the external and internal auditors on material weaknesses in accounting and financial control systems.



## 5.8 External Auditor Oversight Responsibilities

- Review the independence, objectivity and effectiveness of the external auditor including their quality control procedure and steps taken to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures, and will consider any ethical issues in the relationship with the external auditor, including management decisions taken by the external auditor or potential mutual interests.
- Ensure external auditor submits a formal written statement delineating all relationships between themselves and the Company.
- Review matters related to the conduct of the annual audit.
- Review and discuss with management and auditors the interim information and annual financial statements. This includes the quality and acceptability of the accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors and the financial reporting disclosures and changes thereto, including a review of any major items of correspondence between the Company and external auditors.
- Review management letter and other material including any written communications between external auditors and management.
- Review with the external auditor any audit problems or difficulties and management's responses and resolve significant disagreement between the Company's management and the external auditors regarding financial reporting.
- Review the scope and extent of both audit and non-audit services provided to the Company by the external auditors and any associated fees and terms of engagement, including the assessment of the non-impairment of the auditor's judgment and independence.
- Ensure that there are no restrictions on the scope of the statutory audit.
- Discuss with the external auditor the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to the audit) and ensure co-ordination if more than one audit firm is involved. This should include the interface to other risk management functions.



### 5.9 Internal Audit Oversight Responsibilities

- Consider the appointment, replacement or dismissal of the Head of Internal Audit for the Company.
- Oversee the activity and credentials of the Company's internal auditors, including the review of the Internal Audit Charter, plans, resource requirements, staffing and organizational structure.
- Receive reports on the status of significant findings, recommendations, and management's responses.
- Approve the local audit plan.

### 5.10 Reports

- The Audit Committee shall submit a report to the Board of Directors relating to all matters contained in this Charter and in Article 18 of the QFMA Corporate Governance Code.

### 5.11 Performance Evaluation

- The Audit Committee shall review this Charter on annual basis and evaluate the processes, activities and effectiveness of the Audit Committee, including the composition, expertise, and availability of the Audit Committee members and make recommendations to the Company's Board of Directors with regard to any adjustments that are deemed necessary.
- Any proposed changes to this charter shall be submitted to the Board of Directors for approval.
- The Board of Directors may conduct its own external review of the efficacy of the Audit Committee and its charter on an annual basis.