Mekdam Holding Group Q.P.S.C
Board of Directors Charter
2021, November

:Approved by
On behalf of Mekdam Holding Group Q.P.S.C
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1. Introduction

The Board of Directors Charter (the “Charter”) is established to form a framework of responsibility and control over Mekdam Holding Group Q.P.S.C. (the “Group”) in addition to instituting a Board of Directors (the “Board” or “BOD”) that hinges on respecting the principles set forth according to the related policies and regulations.

2. Mandate

The Group is devoted to maintaining the highest standards of corporate governance which is considered a pivotal aspect of its business integrity and in maintaining shareholders’ trust. The Group expects all its directors, employees, vendors, and suppliers to put forth honesty, integrity and fairness in all aspects of operations. This Charter is considered binding to the Board Members of the Group, and the Board is responsible for ensuring the execution of this Charter and its application. This Charter has been set up in accordance to applicable rules and regulations of the Qatar Stock Exchange (the “QSE”) and the Governance Code for Companies and Legal Entities issued by Qatar Financial Markets Authority (the “Corporate Governance Code”).

3. The Board of Directors

The Board represents the Group’s shareholders, thus must exercise a certain level of due diligence and attention to the management of the Group in a productive and efficient manner in order to satisfy the interest of the Group, its shareholders and stakeholders, and achieve investor interest. Moreover, the Board shall be responsible for protecting all shareholders from unlawful practices and business or any decisions or activities that may be of harm to them, discriminate against them, or dominate a group over another.

3.1. Functions and Tasks of the Board

The Board’s key functions and responsibilities shall include:

3.1.1. Approve the strategic plan and main objectives of the Group and ensure their implementation, which includes:

i. Development of a complete strategy for the Group and fundamental business plans and risk management policies and evaluating and directing the same;

ii. Approve the annual budget and determine the most effective capital structure of the Group, its financial objectives and strategies;

iii. Oversee the key capital expenses of the Group and the disposal and acquisition of assets;

iv. Set the key performance objectives for the Group and supervising the execution thereof and the overall performance;
v. Approve and evaluate the organizational structure of the Group periodically to warrant a robust distribution of the functions, tasks and responsibilities of the Group particularly the internal control units;

vi. Approve the policies and procedures manuals required to apply the strategy and objectives of the Group, set up by the senior executive management. The manual shall contain the means and effective ways of contacting Qatar Financial Markets Authority (QFMA) and other regulatory authorities, in addition to all entities concerned with the governance, including the employment of a communication officer; and

vii. Approve the annual training and education plan in the Group that includes programs introducing the Group, its activities and governance, according to the Corporate Governance Code.

3.1.2. Set and administer the rules and procedures for internal control which incorporates:

i. Development of a written policy to regulate conflicts of interest and resolve any possible cases of conflict by Board Members, senior executive management and shareholders including abuse of the Group's assets and facilities and the misconduct resulting from transactions with related parties;

ii. Implementation of a complete disclosure system in order to attain transparency and to avoid conflicts of interest and exploitation of information not made available to the public. Such system shall incorporate procedures to be followed when dealing in securities by insiders, and determine prohibited periods of their trading in securities of the Group, as well as prepare and revise a list of insiders to provide a copy to QFMA and Qatar Stock Exchange (QSE) upon its approval or any update to it;

iii. Guarantee the integrity of the financial and accounting rules, including rules related to the preparation of the financial reports of the Group;

iv. Ensure the implementation of control systems suitable for risk management by foreseeing the risks that may be met by the Group and disclosing them transparently; and

v. Annually evaluate the effectiveness of the Group's internal control procedures.

3.1.3. Prepare a governance code for the Group in accordance with the requirements of Corporate Governance Code, and supervise and monitor generally the efficacy of it and revise the code whenever necessary.

3.1.4. Establish clear and specific policies, standards and procedures for membership of the Board and enforce upon their approval by the Group's General Assembly.

3.1.5. Develop a policy that regulates the relationship among the stakeholders in order to protect them and their respective rights. The policy should cover the following points:

i. Indemnify systems of the stakeholders in the case where any of their rights pursuant to Commercial Companies Law No. (11) of 2015 (the “Law”) or any contracts are contravened;
ii. Systems of complaints or disputes that may arise between the Group and the stakeholders;

iii. Appropriate mechanisms for preserving good relationships with customers and suppliers and safeguarding the confidentiality of information related to them;

iv. Set forth a code of conduct for the Group’s executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the stakeholders and mechanisms for supervising the Corporate Governance Code and ensuring compliance there with; and

v. The Group’s social contributions.

3.1.6. Develop policies and procedures to ensure the Group’s conformity with the laws and regulations and the Group’s responsibility to disclose information to shareholders, creditors and other stakeholders.

3.1.7. Invite shareholders to attend the General Assembly meeting in the manner advised by the Law. The announcement and invitations shall include a comprehensive summary of the General Assembly agenda, including the key points of discussion and approval of the Group’s governance report.

3.1.8. Approve potential nominations for key Senior Executive Management positions, and the succession planning concerning the management.

3.1.9. Establish a system for dealing and collaborating with providers of financial service, financial analysis, credit rating and other service providers in addition to the entities that identify standards and indices of financial markets, to provide their services for all shareholders in a quick manner with integrity and transparency.

3.1.10. Develop awareness programmes essential for spreading the culture of self-control and risk management of the Group.

3.1.11. Develop a well-defined policy that outlines the basis and method of granting remuneration to Board Members, in addition to incentives and rewards of Senior Executive Management and the Group’s employees in accordance with the principles of the Corporate Governance Code without any prejudice towards race, gender or religion. The policy is be submitted annually to the General Assembly for approval.

3.1.12. Put in place a clear policy for engaging with related parties and presenting it to the General Assembly for approval.

3.1.13. Set the basis and standards for evaluating the performance of the Board and the Senior Executive Management.
3.2. Responsibilities of the Board

3.2.1. The Board must perform its duties in a responsible manner, in good faith and with due diligence. The decisions taken by the Board should be established with sufficient information from the executive management team, or from any source deemed reliable.

3.2.2. A Board member represents all shareholders; thus shall act in the best interest of the Group.

3.2.3. The Board shall govern the powers to be entrusted to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. Period reports must be submitted by the executive management to the Board on the exercise of the delegated powers.

3.2.4. The Board shall ensure that certain procedures are put in place for familiarising the newly appointed Board members of the Group’s business and, in specifically, with regards to the financial and legal aspects, in addition to their training, where necessary.

3.2.5. It is the Board’s responsibility to ensure that sufficient information about the Group is made available to all Board Members, and particularly to the non-executive Members, to allow them to carry out their duties and responsibilities in an effective manner.

3.2.6. The Board shall not enlist loans that spans for more than three years and shall not sell or mortgage real estate of the Group, or drop the Group’s debts, unless authorized by the Group’s Articles of Association. In the case where the Group’s Articles of Association includes no provisions to this respect, the Board should not act without approval of the General Assembly, unless such acts fall within the normal scope of the Group’s business.

3.3. Board Members Obligation

The Board members shall comply with the following:

3.3.1. Taking part in the Board and committee meetings and not withdrawing from the Board except at a convenient time;

3.3.2. Priority shall be provided to the interests of the Group, its shareholders and stakeholders over their own interest;

3.3.3. Offer an independent opinion on matters related to strategy, policy, performance, accountability, resources, key appointments and operation standards;

3.3.4. Supervise the Group’s performance to achieve its set objectives and goals and reviewing its performance reports including the Group’s annual, semi-annual and quarterly reports;
3.3.5. Monitor the development of the procedural guidelines for the Group’s governance to confirm their implementation in an ideal manner in accordance with the Corporate Governance Code;

3.3.6. Utilize their versatile skills, experiences, diversified specialties and qualifications through a dynamic and efficient management of the Group, and seek to accomplish the best interest of the Group, partners, shareholders and other stakeholders;

3.3.7. Active participation in the General Assemblies and attend to its members’ demands in a just and balance manner;

3.3.8. Refrain from providing any statements, or the disclosure of any data or information without prior written consent of the Chairman. The Board shall appoint an official spokesperson for the Group; and

3.3.9. Disclosure of financial and trade relations, and litigants, including the judicial, which result in a negative impact on the functions and tasks assigned to them.

The Board Members, at the Group’s expense, may appoint an independent external consultant to provide an opinion on issues relating to any of the Group's affairs.

3.4. Delegation of Authority

3.4.1. Without prejudice to the powers of the General Assembly, the Board may, under its own discretion, delegate some of its powers to its committees and may establish special committees for the sole purpose of carrying out specific operations. These committees will operate in accordance with written and clear guidelines set forth by the Board relating to the nature of the operation and in any event. The Board remains liable for the Group’s responsibility, even if it forms committees or delegates other parties or persons to carry out some of its responsibilities.

3.4.2. The Board shall avoid issuing general or open-ended authorisations which are not subject to a time limitation.

3.5. Conflict of Interest/ Related Party Transactions

Each Board member’s fiduciary duty obliges members to priorities the interest of the Group and/or its shareholders over personal interest where conflict arises.

In addition to complying with the procedures and guidelines concerning Related Party transactions, a Board member shall refrain from:

3.5.1. Engaging a transaction with the Group where the Board member or a member of family, or a business associate or any other party closely affiliated with the Board member and/or has a financial interest in the Group;

3.5.2. Seizing an opportunity which rightfully belongs to the Group unless the opportunity is first rejected by the Group;
3.5.3. Evident, possible, and actual conflict of interest. In such case, the concerned member must completely disclose the nature of the conflict, and refrain from voting on, or being present, when any matters related to the conflict are brought to a Board vote;

3.5.4. Any decision or action which represents insider trading or improper disclosure of commercially sensitive or confidential Group information; and

3.5.5. Any action or transaction that does not comply with relevant laws and regulations.

3.6. Segregation of Duties

3.6.1. It is prohibited for any one, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two companies which their headquarters located in the State of Qatar, nor to be a Board member for more than three shareholding companies which their headquarters located in the State of Qatar, nor to be a Managing Director in more than one company which its headquartered located in the State of Qatar, nor to combine two memberships of two companies exercising a homogenous activity.

3.6.2. It is also prohibited to combine the position of the Chairman with any other executive position in the Group. The Chairman shall not to be a member of any of the Board committees set out in the Corporate Governance Code.

3.6.3. The Chairman and the members of the Board must provide an annual acknowledgment that no one of them shall combine the prohibited positions according to the Law and the Corporate Governance Code provisions. The Secretary shall keep such acknowledgment in the file prepared for this purpose.
4. **Board Membership and Composition**

4.1. **Conditions for Board Membership**

Board Members possess sufficient knowledge and qualifications administrative matters and relevant experience to perform their duties effectively and must devote sufficient time to fulfil their role with honesty and transparency to achieve the Group's interest and fulfil its goals and objectives. A Board Member must:

a) Not be under twenty-one years of age with full capacity.

b) Not having been sentenced to criminal penalty, or a crime against honour or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) of 2012 concerning the Qatar Financial Markets Authority, and Articles (334) and (335) of law no. (11) of 2015 promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the QFMA’s jurisdiction under Article (35 paragraph 12) of law No. (8) of 2012 referred to, or have been bankrupt, unless been rehabilitated.

c) Be a shareholder owning, when elected, or within thirty days from its election date, a number of the Group's shares determined by Article of Association. Such shares shall be deposited to the Qatar Central Securities Depository within sixty days from starting date of membership with prohibition from trading, mortgage or seize until the end of membership period, approved on the last budget of 'financial year' of doing business. Such shares shall also be allocated to ensure the rights of the Group, shareholders, creditors and third parties for the responsibility of the Board members. If the member does not provide the guarantee as mentioned, its membership becomes invalid. The Independent Member shall be exempted from this requirement.

4.2. **Board Composition**

4.2.1. The Board should include executive, non-executive and independent Board Members and that the Board should not be dominated by one individual or a small group of individuals;

4.2.2. The Corporate Governance Code further requires that at least one-third of Board Members to be independent Board Members and that the majority of all Board Members should be non-executive; and

4.2.3. A seat or more of seats may be allocated to represent minority shareholders and another to represent the Group’s employees.

4.3. **Term**

4.3.1. The membership will run for a maximum of three-year renewable period for one additional term only. Except for the first Board term it may run for five years.
4.4. Qualifications and Requirements

4.4.1. The Board member shall be qualified with sufficient knowledge of administrative matters and relevant experience to perform their duties effectively, and must devote enough time to do its job with integrity and transparency to achieve the Group's interest, goals and objectives.

4.5. Nomination

4.5.1. The Board shall approve appointments of the members based on the recommendation of the Nomination and Remuneration Committee.

4.5.2. Nominations and appointments of the Board will be made according to formal, rigorous, and transparent procedures and in line with the applicable rules and regulations.

4.6. Resignation and Replacement of Board Members

4.6.1. The position as member of the Board shall be vacated:

a) If the person holding it resigns or pass away.

b) If the person become unfit.

c) If the Board member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned.

4.6.2. A member may resign upon submission of a written notice to the Board Chairman. Such resignation shall become effective as of the date of delivering the said notice, unless the notice specifies a later time for the resignation to be effective.

4.6.3. In the case where a Board seat becomes vacant for any reason, the BOD shall appoint a new member, based on the Nomination and Remuneration Committee referral and in line with the Group’s Nomination Policy.

4.7. Remuneration

4.7.1. The Chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure recommendations by the Nomination and Remuneration Committee and approved by the General Assembly.

4.8. Chairman of the Board

The Chairman is the head of the Group and represents it before third parties and the judiciary. The Chairman has primary responsibility for ensuring that the Group is properly managed in an effective and productive manner and in a way to achieve the best interests of the Group, its shareholders and all stakeholders.
The duties and responsibilities of the Chairman of the Board shall include but not be limited to the following:

4.8.1. Ensure that the Board discusses all the main issues in an efficient and timely manner;

4.8.2. Approve of the agenda of each meeting of the Board taking into consideration any matter proposed by any other Board member;

4.8.3. Encourage all Board members to fully and effectively participate in the affairs of the Board to ensure that the Board is working in the best interest of the Group;

4.8.4. Making available for the Board Members all data, information, documents and records of the Group, and of the Board and its committees;

4.8.5. Create and ensure the availability of effective communication with Shareholders and communication of their opinions to the Board;

4.8.6. Allow effective participation of Non-Executive Board Members in particular and to promote constructive relations between Executive Board Members and Non-Executive Board Members; and

4.8.7. Keep the Board Members informed of compliance with the provisions of the Corporate Governance Code. The Chairman may delegate this task to the Audit Committee or otherwise.

The Vice Chairman (or Vice Chairman as applicable) shall fill in for the Chairman during his absence. The Chairman may delegate some of his responsibilities to other Board Members.

4.9. Board Secretary

Appointed by the Board, the Secretary, whose term of service is alike the Board members. A priority shall be for a person holding a university degree in law or accounting and who has at least three (3) years’ experience in handling the affairs of the Group and shall be responsible for the following:

4.9.1. Attend Board meetings with the purpose of preparing the minutes of meeting, setting out names of the attending and absent members and the meeting discussions and prove members objects to any decision issued by the Board. The minutes should be circulated to all members for approval, within a period not to exceed five (5) working days.

4.9.2. Ensure that all meetings are appropriately documented, and the minutes of meetings, decisions, reports, all records and correspondence are archived securely for future reference.

4.9.3. Circulate meeting invitations along with the meeting agenda at least two weeks prior to the date of the meeting and receive members’ requests to add an item or more to the agenda with submission date.

4.9.4. Entering the meeting of the Board in a serial numbered register prepared for this including the minutes of such meeting.
4.9.5. Arrange all communication, in coordination with the Chairman as needed, and convey information to the Board Members, and relevant parties, including shareholders, management and employees.

4.9.6. Enabling the Chairman and the members to have timely access to all information, documents, and data pertaining to the Group.

4.9.7. Safekeeping the Board Members’ acknowledgments of not combining positions that they are prohibited to combine by the Law and the Corporate Governance Code.

4.9.8. Act as the key contact person and source of information for Board members with regards to relevant Group activities, to assist in the decision-making process.

4.9.9. Ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters.

4.9.10. Administering the procedure under which Board Members can, where appropriate, obtain independent professional advice at the Company’s expense.

The appointment or removal of the Group’s Secretary is a matter for the Board as a whole.
5. Meetings

5.1. Frequency

5.1.1. The Board shall meet once every two months, at least six (6) times a year, and three months must not elapse without convening a meeting. Board meetings may be held by the telephone or video conference call, and such participation shall be considered presence in person at such meetings.

5.2. Invitation and Agenda

5.2.1. The Board shall meet upon an invitation by the Chairman. The Chairman must call the Board for the meeting upon a request by at least two (2) of its members. The invitation, accompanied with the agenda, shall be sent to each member at least 2 weeks prior to the meeting date; the member may request to add an item or more to the agenda.

5.2.2. The Board Secretary shall, in coordination with the Board Chairman and the Executive Management, prepare the agenda of the Board meeting, which shall be reviewed and approved by the Board Chairman before being distributed to Board members.

5.2.3. The Board Chairman shall consult with the Board members and the Chief Executive Officer when preparing the agenda of the Board meeting.

5.2.4. The Board shall approve the agenda once the Board meeting is convened. Should any member of the Board raise any objection in respect of such agenda, such objection shall be recorded in the minutes of the meeting.

5.2.5. Each member of the Board shall be entitled to propose additional clauses to the agenda.

5.3. Quorum

5.3.1. The Board meetings shall only be valid if attended by the majority of Board members and provided that the Chairman or one of the Vice-Chairman is also in attendance.

5.4. Decisions

5.4.1. The Board shall pass its decisions by majority votes of attendants and representatives. In case of a tie, the Chairman shall cast the deciding vote.

5.4.2. The Chairman and the Board Secretary shall sign on the minutes and if there is any member, who object on any decision taken by the Board, may prove their objection in the minutes of meeting.

5.4.3. The Board, if necessary, may issue some decisions by passing subject to written approval of all its members to those decisions, and to be presented at the following Board meeting to include them in its minutes.
5.5. **Access to Information**

5.5.1. The Board, in performing its functions, may as appropriately have unrestricted access to the Group’s records and any other documents, reports, materials or information (as related to its functions) in the possession of any employee or external advisor of the Group.

5.6. **Minutes of Meeting**

5.6.1. Minutes shall be kept of each Board meeting and such minutes along with a schedule of action items shall be circulated within five (5) working days after the meeting of all Board members.

5.6.2. The Board secretary shall be appointed and record minutes of each meeting.

5.6.3. Meeting notices will be provided to interested parties in conformance with applicable laws, regulations, and practices.

5.7. **Meeting Methods**

5.7.1. The Board may meet personally or via telephone or video conference.

5.8. **Delegation**

5.8.1. In the case of the absent of a Board Member, a formal written request may be submitted delegating any other Board Member to represent their attendance and voting. A Board Member cannot represent more than one member.
6. Disputes

In case of any disputes within the Board members or difference in interpretation of the Charter's rules, then the Chairman is the ruling authority. The Chairman's decision taken shall be conclusive and final.

7. Evaluation of the Board's Performance

The Board members will undertake self-performance assessment process for evaluating each of the Board members.

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Section(s) and paragraph(s) proposed to be amended

Reasons for amendment

Text of the proposed amendment (attach separate sheets if required)

Reasons for rejection

Electronic form updated by

Amendments distributed by