Mekdam Holding Group Q.P.S.C.
Audit and Risk Committee Charter
November, 2021

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

Audit and Risk Committee (the “Committee”) is established to assist the Board of Directors (the “Board” or “BOD”) in providing organized and focused means to govern and achieve Mekdam Holding Group Q.P.S.C. (“MHG” or the “Group”) goals and to properly address issues.

2. Mandate

The primary function of the Audit and Risk Committee is to consistently assist the Board in fulfilling its oversight responsibilities related to the: integrity of the Group’s financial statements, compliance with legal and regulatory requirements, independent auditor's qualifications and independence, and performance of the Group's effective internal audit function and independent auditors.

3. Committee Responsibilities and Duties

The Committee will provide advice and recommendations to the Board on the issues to cover the following:

3.1. Financial Reporting Process and External Audit of Financial Statements

3.1.1. Adopt a set of general guidelines for appointing the external auditors and to report to the Board any matter related to the audit process, that in the opinion of Audit and Risk Committee, requires action.

3.1.2. Review the contract for appointing the external auditor, its work plan and any other significant enquiries that might require from the Senior Executive Management of the Group in respect with the accounting records, financial accounts or control systems and the responses and comments of the executive management.

3.1.3. Overseeing the Group's Internal Controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary Information and the Group's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not.

3.1.4. Supervise and follow up the independence and objectivity of the external auditors and discuss with them the nature of the audit, its effectiveness and scope according to the ISA and IFRS.

3.1.5. Deliberate on any significant and extraordinary issues included or to be contained in the financial reports and accounts, as well as scrutinize any issues raised by the Chief Financial Officer (CFO) of the Group or the person who undertakes his duties or compliance officer, internal auditors, or the external auditors.
3.1.6. Review the letter of appointment of the External Auditor and any major clarifications he may request from Senior Executive Management with regards to the accounting records and financial accounts.

3.1.7. Ensure coordination between the internal and external auditors, whenever required, and the timely reply by the Board to any queries and matters raised by the External Auditors in the letters or reports.

3.1.8. Oversee the accuracy and coherence of the financial statements, annual, semi-annual, and quarterly reports and review these statements and reports with the concerned personnel who prepared them within a set schedule/time limit in compliance with Qatar Financial Markets Authority (QFMA) and Qatar Stock Exchange (QSE) regulations or any other local regulations. Focus shall be on the following in particular:

a) Any changes in the accounting policies and the applications/practices relevant to the account.

b) The aspects subject to discretional judgments made by Senior Executive Management.

c) Essential adjustments resulting from audit.

d) Going concern and continuing business successfully.

e) Compliance with the accounting standards.

f) Compliance with rules of listing in the ‘market’; and

g) Compliance with the disclosure rules and other requirements pertaining to the preparation of the financial reporting.

3.1.9. Ensure external auditor submits a formal written statement delineating all relationships between themselves and the Group.

3.1.10. Coordinate with the Board of Directors or Senior Executive Management and meet with the external auditors.

3.1.11. Provide the prompt reply to the Board on inquiries and issues raised in the letters or reports of the external auditors.

3.1.12. Resolve any disagreements between management, the external auditor and/or the internal auditor regarding financial reporting, internal controls, and compliance issues.

3.1.13. Reviewing the Group’s financial and accounting policies and procedures and expressing an opinion and recommendation on them to the Board.

3.1. System of Internal Control and Risk Management

3.1.1. Develop and review regularly the Group’s policies on risk management, considering the Group’s business, market changes, investment trends and expansion plans of the Group.
3.1.2. Supervise the training programs on risk management prepared by the Group and their nominations.

3.1.3. Prepare and submit periodic reports about risks and their management in the Group to the Board – at a time determined by the Board – including its recommendations and preparing reports of certain risks at the behest of the Board or Chairman.

3.1.4. Discuss the internal control system with the management and ensure that the management performs its duties towards developing effective internal control systems.

3.1.5. Review the findings of the essential investigations in the internal control issues vested by the Board or initiated by the Audit and Risk Committee and approved by the Board.

3.1.6. Ensure coordination between the Internal auditors and External auditor, the accessibility of required resources, and supervise and verify the efficacy of the Internal Control.

3.1.7. Review the financial and internal control systems and risk management.

3.1.8. Receive reports from the Internal Audit or Group CFO on any fraud, whether material that involves management or other employees who have a significant role in the Group's internal controls.

3.2. **Internal Audit Process**

3.2.1. Appoint the Group's internal audit, and oversee their work and outputs.

3.2.2. Review with the internal auditors, plans, activities, staffing, budget, qualifications, and organizational structure of the internal audit function.

3.2.3. Ensure that there are no unjustified restrictions or limitations on the work of the Group's Internal Audit, as well as the Internal Auditor have access to the Group's records, documents and personnel, when necessary, in the performance of their duties.

3.2.4. Discuss, when required, the internal control system with internal auditors.

3.2.5. Assure and maintain, through the organizational structure of the Group and by other means, the independence of the internal audit process.

3.2.6. Approve the annual plan, and all major changes to the plan. Review the internal audit activity's performance relative to its plan quarterly.

3.2.7. Supervise and follow up the independence and objectivity of the Internal Auditors.
3.2.8. Ensure that the management responds to the recommendations of the Internal Auditors and that all information, records and other requirements sought by the internal auditors and necessary to perform their duties are made available to them by the management without any difficulties.

3.2.9. Assess the work carried out by Internal Auditors in sensitive areas such as conflict of interests, and compliance with corporate code of conduct, etc.

3.3. Processes for Monitoring Compliance with Laws and Regulations

3.3.1. Oversee the Group's compliance with relevant QSE, QFMA regulations and all applicable laws and regulations.

3.3.2. Ensuring the efficiency of the discipline process in detecting deviations and violations within the Group and ensuring that there are no factors that would affect its independence and objectivity, and that the compliance reports are sound.

3.3.3. Supervise the compliance of the Group with the professional conduct rules.

3.3.4. Ensure that the work rules related to these duties and powers as delegated by the Board of Directors are applied appropriately.

3.3.5. Reviewing the effectiveness of the compliance monitoring system for maintaining laws and regulations, as well as reviewing investigation results and follow up, including disciplinary measures in the event of non-compliance.

3.3.6. Review the communication and enforcement of the code of ethics and professional behavior for the Group's employees and monitor compliance.

3.3.7. Review the corporate governance annual report, in accordance with the regulatory requirements.

3.4. Whistleblower Mechanism

3.4.1. Develop rules through which the employees of the Group could inform confidentially about their doubts about certain matters that may give rise to suspicion in the financial reports, internal control or any other matter and ensure the existence of appropriate arrangements that allow conducting an independent and fair investigation about these issues. The employee shall be provided with secrecy and protection from any adverse reaction or damage and propose such rules to the Board to approve them.

3.5. Other Responsibilities

3.5.1. Manage and supervise special investigations, commissioned by the Board.
3.5.2. Review and evaluate the efficiency of the Committee's performance and audit the compliance with charter annually, in addition to requesting the approval of the Board in the event of any changes, if any, and publishing the new amendments according to the regulatory requirements.

3.5.3. Independent external advice may be obtained to assist the Committee in carrying out its responsibilities.

3.5.4. Review the Group's dealings with related parties and the extent to which they engage in and comply with the controls related to those transactions.

3.5.5. Study any issue determined by the Board.
4. Committee Reporting Responsibilities

4.1. Regularly report to the Board about all Audit and Risk Committee activities, and related recommendations.

4.2. Periodically review and assess the adequacy of the Audit and Risk Committee Charter, requesting Board of Directors’ approval for proposed changes to this Charter, and ensure appropriate disclosure as may be required by Commercial Companies Law No. (11) of 2015 or regulation.

4.3. Taking into account the regulatory requirements, an annual report is submitted to the shareholders explaining the composition and responsibilities of the Committee, and any other information required from the regulatory authorities.

4.4. Annually report to the General Assembly on the Committee’s views as to the adequacy of the Group’s Internal control environment and with regards to any other activity within the Committee’s authorities. The Board of Directors should retain sufficient copies of these reports at the Group for shareholders and the reports shall be read during the meeting.

4.5. If requested, submit reports to the Board on issues stipulated in this Charter.
5. Composition of the Committee

5.1. Composition

5.1.1. The members of the Audit and Risk Committee shall be appointed by the Board and shall consist of three members at least.

5.1.2. Chaired by an independent Board Member, and membership of at least two members. Majority of the members shall be independent Directors with relevant experience to exercise their responsibilities.

5.1.3. In the absence of the Committee Chairman, he / she can designate another member of the Committee as the Vice Chairman.

5.1.4. Any person who is or has conducted audit for the Group within the past 2 years may not be a candidate, directly or indirectly, for the Committee membership.

5.1.5. The Chairman of the Board of Directors may not be a member of the Committee.

5.1.6. It is prohibited to chair more than one committee composed by the Board, and it is not permissible to combine the chair of the Audit and Risk Committee and membership of any other committee.

5.2. Term

5.2.1. The membership will run concurrently with the term spent on the Board and will be for a maximum three-year renewable period for one additional term only. Except for the first Board term it may run for five years.
6. Membership

6.1. Qualifications and Requirements

6.1.1. Members of the Committee shall collectively be knowledgeable of the matters presented to the Committee, have suitable qualifications and relevant career experience, and have a comprehensive awareness of the roles and responsibilities of the Directors and Executive Management. The Committee shall be capable and able to allocate adequate time to their duties as members of this Committee.

6.2. Nomination

6.2.1. The Board appoints the members of the Committee.

6.2.2. Nominations and appointments of the Committee will be made according to formal, rigorous, and transparent procedures and in line with the applicable rules and regulations. Moreover, for transparency purposes, and in order to ensure equal and fair treatment for all candidates, the Board will exclusively be in charge of the candidates’ selection and election processes.

6.3. Resignation and Replacement of Committee Members

6.3.1. The position as member of the Committee 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.

6.3.2. A Committee member may resign upon submission of a written notice to the Board and Committee Chairmen. 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.

6.3.3. In the case where a Committee seat becomes vacant for any reason, the BOD shall appoint a new member in the vacant seat to continue the term of the previous member, while taking into consideration the requirements that should be fulfilled by the Committee member.

6.4. Remuneration

6.4.1. The Committee 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.
6.5. Committee Chairman

6.5.1. The Board shall issue a decision to nominate the Chairman, who supervise on the Committees’ task accomplishments in particular the following:

a) Organize the Committee’s meetings and determine the time, date, and place for each meeting as well as specify the agenda of its meetings after the coordination with the Committee members.

b) Lead the Committee meetings, and submit its activities’ results and recommendations to the Board.

c) Supervise the preparation of periodic reports for the Committee’s activities in coordination with the Committee’s Secretary and presenting of such reports to the Committee before submitting it to the Board.

d) The Committee Chairman or whom in his place from the Committee members shall attend the General Assembly meetings to answer the shareholders questions.

e) Represent the Committee before the Board or any other party as required.

6.6. Committee Secretary

6.6.1. The Board Secretary shall carry out the Committee’s secretarial duties. The Committee may appoint a Secretary from the Group’s employees, provided that he/she meets the appropriate requirements as stipulated in the Corporate Governance Code issued by Qatar Financial Markets Authority and who shall be responsible for documenting the Committee’s minutes of meetings, which shall include the discussions and deliberations carried during meetings, as well as the place, date, times on which the meetings commenced and concluded; and record the decisions of the Committee and voting results and retaining them in a special and organized register, and including the names of the attendees and the reservations expressed in the meetings (if any). Such minutes shall be signed by all of the attending members.

6.6.2. The Committee Secretary shall provide the Committee members with the agenda of the meeting and related documents and information, related to the topics included in the agenda, before at least two weeks of the date specified for the meeting.

6.6.3. The Committee Secretary shall notify the Committee members of the dates of the Committee’s meetings within a sufficient period.

6.6.4. The Committee Secretary shall carry out any and all other duties assigned to him/her by the Committee.

6.6.5. The Committee Secretary cannot participate in any of the Committee decisions or in voting.
7. Meetings

7.1. Frequency

7.1.1. The Audit and Risk Committee shall meet once every two months, at least six (6) times a year, and should coincide with key dates in Group's financial reporting cycle, and shall keep minutes of its meetings. The Committee's meetings may be held by the telephone or video conference call, and such participation shall be considered presence in person at such meetings.

7.1.2. Meetings in addition to those scheduled may, with approval of the Chairman, be held at the request of the Internal Auditor, External Auditor, Group Chief Executive Officer (CEO), or other members of Senior Executive Management or at the request of the board.

7.1.3. The Committee shall meet with the external auditors at least once each year.

7.2. Invitation and Agenda

7.2.1. The Committee shall establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

7.2.2. A detailed agenda, together with supporting documentation must be circulated in adequate time prior to each meeting to the members of the committee and other invitees.

7.2.3. Committee members must be fully prepared for committee meetings, to provide appropriate and constructive input on matters for discussion.

7.2.4. The Group CEO can attend the meetings of the Committee to provide any clarification needed on the discussed items, and he shall have no voting right on any of the Committee's decision.

7.2.5. The Committee has the right, through the Group CEO or directly, to invite any of the executive managers, external auditors, internal auditors and/or others to attend meetings and provide pertinent information, as necessary.

7.2.6. If the Committee's Chairman is not present, the Chairman shall nominate his replacement. In case this is not feasible, the Audit and Risk Committee members present shall nominate an alternate Chairman who shall be appropriately qualified for the purpose of that specific Audit and Risk Committee session.

7.2.7. An invitation and agenda, together with any other relevant materials relating to the Committee meeting, shall be sent to the members two weeks prior to the meeting.
7.2.8. 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.

7.2.9. 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.

7.2.10. The Group CEO, CFO, External Auditors, and Internal Auditors shall also have the right to request a meeting if they deem necessary, subject to approval of the Audit Committee’s Chairman.

7.3. Quorum

7.3.1. The meeting of the Committee shall not be valid except in the presence of the Chairman and the majority of the members.

7.4. Decisions

7.4.1. The Audit and Risk Committee shall take its decisions by simple majority of the Committee members. In case of equal votes, the Chairman shall have an additional vote. The Committee can take its decisions by circulation unless a member request in writing to discuss the circulated matter in a meeting.

7.4.2. A decision shall be issued if approved in writing (physically or by email) by the majority of the Committee members and all approved decisions taken by circulation shall be recorded in the following minutes of meetings.

7.5. Access to Information

7.5.1. The Committee, 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.

7.6. Minutes of Meeting

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

7.6.2. An Audit and Risk Committee secretary shall be appointed and record minutes of each meeting.

7.6.3. Meeting notices will be provided to interested parties in conformance with applicable laws, regulations, and practices.
7.7. **Meeting Methods**

7.7.1. The Committee may meet personally or via telephone or video conference.

8. **Disputes**

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

In the event of any disagreement between the Committee's recommendations and the Board’s decision, including when the Board refuses to follow the Committee's recommendations, the Board shall include in the Group's Governance report a statement detailing the recommendations and the reasons behind the Board’s decision not to follow the recommendation.

9. **Evaluation of the Committee's Performance**

The Committee will make recommendations to the Board annually, in respect of the self-performance assessment process for evaluating each of the Committee’s members.
## 10. Appendices

### 10.1. Appendix 1: Manual Amendment Form

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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 |
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