



بورصة قطر
Qatar Stock Exchange

CORPORATE GOVERNANCE FOR EQUITY SECURITIES LISTED ON QATAR STOCK EXCHANGE

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Qatar's listed companies are required to operate within a 'mandatory' corporate governance code administered by QFMA.

Corporate Governance is one of the most important management and control systems for companies in general, and for shareholding companies and all other legal entities listed on the financial markets in particular. Such importance is due to that it entrenches the principles of good Governance and determines the functions and responsibilities of the Board of Directors, Senior Executive Management and employees of the Company. It also promotes principles of justice and equality among Stakeholders, productive control and risk management, transparency and disclosure, regulate Stakeholder's rights, and encourage the society development and its advancement. This can lead to improve the Company's performance in general, and definitely ends to achieve the real meaning of principle of upholding the interests of the public, the Company, and its Stakeholders to be priority before any other interest. The corporate governance code is based on the following guiding principles:

Transparency

Responsibility Acknowledgement

Justice & Equality

The Boards of Directors of the listed company are expected to ensure that the company complies with the principles set out in the Code. The Board shall also review and update its corporate governance practices, and regularly review the same. The Board is expected to regularly review and update professional conduct rules setting forth the company's corporate values and other internal policies and procedures all of which shall be binding upon the Members of the Board of Directors and the company's staff and advisors.

The corporate governance code covers the following main areas in line with international principles and standards:

Scope of implementation;

Provisions of compliance with governance principles;

Content of the governance report;

Terms and conditions of candidacy for Board membership;

Board functions and responsibilities;

Functions and procedures of the Board Chairman and members;

Composition of Board committees and their membership provisions and terms of reference;

Provisions of internal and external audit and risk management in the company;

Provisions of disclosure and transparency, and regulating the Stakeholders' rights in the light of the principle of upholding the public interest and the rights equality among Stakeholders

Board Composition

The Board shall be composed pursuant to the Law and the Company's Articles of Association. At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees. In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.

Audit Committee

Chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties.

Board Members' Fiduciary Duties

Each Board Member owes the company the fiduciary duties of care, loyalty and compliance with the Code.

Board Members must at all times act on an informed basis, in good faith, with due diligence and care.

Separation of Positions of Chairman & CEO

The same person may not hold or exercise the positions of Chairman and CEO at the same time.

Board Meetings

The Board shall meet at least six times during a year.

The invitation for the Board meeting and agenda shall be communicated to each Board Member at least one week before the date of the meeting.

Conflict of Interest

The company shall adopt and make public general rules and procedures governing the company's entering into any commercial transaction with a Related Party.

Whenever an issue involving conflict of interest or any commercial transaction between the company and any of its Board of Directors or any party related to said Board Members, 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.

Nomination Committee

Nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures.

The Board shall issue a decision to identifying its responsibilities, duties and work provisions and procedures of the committee including conducting an annual self-assessment of the Board's performance.

The Board shall constitute a Nomination Committee chaired by a Board Member and a membership of at least two, which shall recommend Board Members' appointments and re-nomination for election by the General Assembly.

Nominations shall take into account inter alia the candidates' sufficient availability to perform their duties as Board Members.

Remuneration Committee

Chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the Committee's duties.

Corporate Governance Report

The Governance Report is an integral part of the Company's annual report and shall be attached with it and signed by the Chairman. The Governance Report must include Company's disclosure on its compliance with the provisions of this Code. It must also include all the information regarding the implementation of its principles and provisions, which include, but not limited to:

The procedures followed by the Company in implementing the provisions of this Code;

The disclosure of any violations committed during the year including violations and sanctions imposed because of non-compliance with implementation of any of principles or provisions of this Code, their reasons, the remedial measures taken and measures to avoid the same in the future;

The disclosure of the information relating to Board members and its Committees, Senior Executive Management in the Company, their responsibilities, powers and activities during the Year, as well as their remunerations;

The disclosure of the procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments, and any relevant information;

The committees' works, including number of meetings and their recommendations;

Disclosure of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;

Disclosure of the performance assessment of the Board, compliance of its members in achieving the Company's interest, doing the committee's works, and their attending of the Board and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues;

Disclosure of the Internal Controls failures, wholly or partly or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing Internal Controls failures (especially such problems as disclosed in the Company's annual reports and financial statements);

Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;

Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.

Disclosure of operations and transactions entered into by the Company with any "Related Party";

Independent Board Members

A Board member, who has complete independence, a Board member shall be considered non-independent, if he or she, for example but not limited to:

Owns at least (1%) of shares of the Company or any company of its group.

Is a representative of a legal person that owns at least (5%) of shares of the Company or any company of its group.

Has been one of Senior Executive Management of the Company or any company of its group during the Year preceding Board election.

Has a first-degree relative relation with any Board member or Senior Executive Management of the Company, or any company of its group.

Is a Board member of any company within the Company group in which nominated for its Board membership.

Has been an employee, during the Year preceding Board election, at any of the parties associated with the Company or any of its group such as External Auditors, and main suppliers, or if such member, during the two Years preceding the Board election, had controlling shares in any such party.

Has, directly or indirectly, any commercial or financial dealings with the Company or any company of its group during the two Years preceding Board election.

* This represents a summary only. Please refer to QFMA Corporate Governance Code for further details.

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