



Corporate Governance Manual

(Approved by QIA on 12.8.2020)

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1. Glossary

QSE: Qatar Stock Exchange.

Board: QSE's Board of Directors.

CEO: Chief Executive Officer.

Executive Management: Directors of the Departments and all employees appointed in Grade 1 and selected special grade of the Schedule of Grades and Salaries applicable to QSE.

QFMA: Qatar Financial Markets Authority.

QSE Staff: Any individual who is employed or appointed by the QSE, in connection with its business, whether under a contract of service or for services or otherwise, for example, directors, partners and consultants; or whose services, under an arrangement between the QSE and a third party, are placed at the disposal and under the control of the QSE, for example, contractors and agency staff.

QH: Qatar Holding LLC a company wholly owned by Qatar Investment Authority (QIA) incorporated Qatar Stock Exchange as a Qatari Shareholding Company wholly owned by QH.

Independent Member: A board member who:

1. has not been a member of the Senior Executive Management of the Company or any company of its group in the past two years.
2. has no first-degree relative relation with any Board member or Senior Executive Management of the Company, or any company of its group.
3. Was not a Board member of any company within the Company group in which nominated for its Board membership.
4. Has not been an employee, during the past two years preceding Board election, at any of the parties associated with the Company or any of its group, or if such member, during the two Years preceding the Board election, had controlling shares in any such party.
5. has a practical experience of not less than (5) years in the company's field of work.

2. Introduction

1. Purpose and Scope

Introduction

Corporate Governance could be defined as a framework of rules, relationships, systems and processes within and by which authority is exercised, controlled and monitored in corporations. Effective Corporate Governance practices ensure to protect the interests of all the stakeholders in a company i.e. shareholders, governing bodies, employees, customers, vendors, regulators and the community etc. It promotes transparency and efficiency and clearly articulates the division of responsibilities among different authorities.

“Established in 1995, the Doha Securities Market (DSM) officially started operations in 1997. Since then the exchange has grown to become one of the leading stock markets in the GCC region.

In June 2009, Qatar Holding, the strategic and direct investment arm of Qatar Investment Authority (QIA), and NYSE Euronext, the world's leading exchange group, signed an agreement to form a

major strategic partnership to establish the Exchange as a world-class market. The DSM was renamed the Qatar Stock Exchange on the conclusion of the deal.

The primary aim of the Qatar Stock Exchange is to support Qatar's economy by providing a venue for capital raising for Qatari companies as part of their corporate strategy and giving investors a platform through which they can trade a variety of products in a transparent and efficient manner. The Qatar Stock Exchange also provides the public with access to market information and ensures correct disclosure of information by listed companies via its website.

QSE has adopted a Governance framework in accordance with the provisions of the QIA Group Governance Standards of 6 September 2015, as set out in this Corporate Governance Manual, in accordance with the Corporate Governance Regulations of Private Public Shareholding Companies issued by Minister of Commerce and Industry Decision No. 71 of 2019.

QSE shall make available all financial information, such as Annual budgets, Income Statements, Cash flow, Internal and External Audit reports, Management Letters, KPI reports, and Audit Bureau reports (if applicable) to enable Qatar Holding to exercise their rights and their responsibilities towards QSE as mandated by the AoA and regulations in Qatar. This information shall be sufficient and accurate and shall be updated regularly and presented in a regular manner to Qatar Holding. In addition, with reference to article 96 of the AoA and the QIA Group Governance Standards, QSE will submit its strategic plans and any major transactions it envisages to engage in with regards to funding (through equity, debt or other funding instruments) and investments (by way of mergers acquisitions, capital expenses, sale & lease back agreements or similar) for prior approval to Qatar Holding.

QSE shall implement an effective method to communicate with Qatar Holding, and shall otherwise adhere to any directions of Qatar Holding under article 96 of the AoA.

Purpose

This Corporate Governance Manual (Manual) details the corporate governance standards that QSE will abide by. It forms the basis of QSE's policies, once it is approved by its Board of Directors. The purpose of this Manual is to:

- Demonstrate QSE's commitment to high level of corporate governance practices;
- Highlight the roles and responsibilities of the relevant authorities i.e. Board of Directors, Board Secretary, Chairman, Chief Executive Officer, Committees to oversee QSE functions;
- Summarize the practices of corporate governance within QSE;
- Highlight QSE's corporate governance standards and principles; and
- Provide guidance as to where detailed policies and procedures related to Corporate Governance exist within the business and assist QSE in orienting new Directors.

This Manual sets the minimal expected governance standards and should be read in conjunction with the QSE's Articles of Association (AoA), including article 96, which shall prevail in case of any conflict.

In case of any conflict between this Manual and the local laws and regulations, the local regulations shall prevail. Any area not covered in this Manual will have to be based on either the law or regulation or the leading practice – whichever is more specific or stringent.

2. Physical Ownership of the Manual

- The Board is the ultimate owner of this Manual and the Board Secretary shall be the Custodian of this Manual, as appointed.
- The Custodian of this Manual has physical custody of the master copy in printed form and soft copy file. For all official purposes, the master copy held by the custodian will be considered as the definitive document.
- The distribution of this Manual is set by the Board. Any inquiries with regards to this Manual can be brought to the Custodian of this Manual.

3. Revision of the Manual

- This Manual shall be reviewed by the Board on an annual basis, and it is the responsibility of the Board to make and approve any amendments, as deemed necessary, under Article (96) of the AoA and QIA Group Governance Standards, or otherwise.
- All amendments or updates to this Manual shall be provided for in writing to the Board Secretary. The approved amendments or updates to this Manual shall include the revision date, and be issued in writing by the Board to the Board Secretary.

3. Definition

The Organization for Economic Cooperation and Development (OECD) defines Corporate Governance as “the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the BOD, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs.” Corporate governance is the mechanism designed to protect investors' rights and enhance confidence in the business corporation.

The UK Corporate Governance Code defines corporate governance as: “the system by which companies are directed and controlled”. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting QSE's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meeting.

The OECD principles and the other codes broadly deal with five elements of Corporate Governance:

- Responsibilities of the BOD;
- Transparency of ownership and control;
- Accounting and auditing;
- Minority shareholders' protection/Equitable treatment of shareholders; and
- The regulatory environment.

4. Corporate Governance Statement & Commitment to Stakeholders

The primary aim of Qatar Stock Exchange is to support Qatar's economy by providing a venue for capital raising for Qatari companies and giving investors a platform through which they can trade fairly and efficiently. The Exchange is part of comprehensive national strategy that aims to establish Qatar as world-class international market and reinforce the Country's position as a regional financial centre by introducing new trading products, technology and international investors and issuers to Doha.

QSE's Board is responsible for the overall adherence to and implementation of a leading corporate governance standard within QSE and its business units. The Board is accountable to QSE shareholders for good governance practices, and believes that such standards are critical to overall business integrity and performance of the overall organization. The QSE Board of Directors and its Executive Management hereby commit themselves to the values and best practices contained in this Manual.

QSE operates within a best-practiced based corporate governance framework which provides a comprehensive set of processes for managing the business with integrity and in the best interests of QSE's shareholders. This is supported by diligent leadership, comprehensive risk management and performance monitoring by the Board of its Executive Management. This Manual aims to institutionalize the following values of good corporate governance in the entire organization:

- **Accountability:** QSE Board of Directors and Executive Management shall be responsible and accountable to QSE shareholders for their decisions and actions. Accountability is achieved by QSE Board of Directors and Executive Management having a clear understanding of their responsibilities and having clearly defined roles;
- **Responsibility:** QSE Board of Directors and Executive Management shall act responsibly in all activities undertaken to ensure that the reputation of QSE is protected in everything the organization does. Responsibility also requires the employees of QSE to act ethically and to ensure its governance framework is robust;
- **Integrity:** this value is dependent on the effectiveness of QSE's internal control framework, which is confirmed by compliance with local or regional regulations and requirements. Integrity is ultimately determined by the personal standards and professionalism of the QSE members, and is reflected both in QSE's decision-making procedures and in the quality of its financial and performance reporting;
- **Transparency:** QSE's shareholders and stakeholders need to have confidence in the entity's decision-making processes and actions. QSE's decision making process will be open and transparent through consultative engagement and communication with its shareholders and stakeholders, in order to relay accurate and clear information, which will lead to effective and timely action, and the necessary resources to confront scrutiny;
- **Oversight:** the Board of Directors shall undertake active and comprehensive oversight on the activities of QSE's Executive Management, without impeding them from achieving its objectives. The Board of Directors shall also provide oversight in regards to the progress of the entity in achieving its strategic objectives;
- **Respect for people:** QSE Board of Directors and Executive Management shall maintain respect and dignity for the inherent rights of the individual human being. In all dealings with people, QSE shall maintain an environment of mutual respect, openness, and individual integrity and shall serve fairly and in proper balance the interests of all groups associated with the business: shareholders, employees, customers, suppliers, and members of its community;

- **Stakeholder focus:** QSE's Executive Management shall consider the interests of its stakeholders in its business decisions and the activities it undertakes. QSE shall undertake all activities with an ethical and disciplined approach and informed by the entity's overall risk appetite. QSE shall strive to create value continuously through the creation and preservation of a strategic competitive advantage.

The shareholder(s), Board of Directors, Executive Management, employees and stakeholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

Through its operations, activities and initiatives, QSE continuously strives to maintain the highest level of ethical conduct, transparency, accountability, fairness, and responsibility.

On a regular basis, the Board of Directors will at its discretion issue a Corporate Governance Statement, reflecting its commitment to its stakeholders and shareholder to continuously review and update its Governance Framework. The Corporate Governance Statement should also include reference to any changes in the main corporate governance principles, practices and values along with an overview of each element of its Corporate Governance Framework.

5. QSE's Board of Directors (BOD) Terms of Reference

1. Board of Directors (BOD) Purpose and Role

The Board of Directors of the QSE is selected by the Company's Shareholders to supervise the Executive Management of the business and affairs of the Company. The prime responsibility of the Board is to ensure the viability of the Company and to ensure that it is managed in the interest of the shareholder(s) as a whole while taking into account the interests of other stakeholders.

The Board of Directors sets standards of conduct, including the Company's general moral and ethical tone, compliance with applicable laws, standards for financial practices and reporting, qualitative standards for operations and products, and other standards that reflect the views of the Board of Directors as to the conduct of the business in the best interests of the Company. The Board of Directors also establishes guidelines for its own performance, and self-assessment therein.

Pursuant to article (31) of the AoA the Board of Directors shall have full authority to manage the company and shall do all such acts as required for such management and to assist in achieving its objectives. Other than as otherwise provided by law, this article of association and the resolution of the general assembly of the company, the authority of the board of directors shall not be limited.

In summary, the key areas of focus of the Board comprise of the following:

- a) **Strategy:** the Board has the ultimate responsibility to i) challenge, assess, and acquire approval of the strategic plans from Qatar Holding LLC; ii) monitor performance against approved plans and alter business directions in light of changing circumstances;
- b) **Financial Information and Systems:** the Board has the ultimate responsibility to ensure i) that Executive Management is applying appropriate audit, accounting and financial reporting principles; ii) that the effective internal compliance and monitoring approach is in place and functioning effectively;

- c) *Compliance*: the CEO has prime responsibility to ensure there exists a robust compliance framework that ensures QSE is compliant with related laws and regulations as well as QSE's AoA and memorandum of association and bylaws and reports regularly to the Board on the same.
- d) *Risk Management*: the Board has the responsibility to understand the key risks facing QSE's operations and ensure through regular reviews and assessments that the Executive Management has established appropriate systems to identify and manage these risks;
- e) *Internal Control*: the Board has responsibility to direct the Executive Management to ensure that systems are in place for maintaining the integrity of and implementing internal financial, operational, and administrative controls to be monitored and reported;
- f) *Monitoring and Reporting*: the Board is responsible to direct the Executive Management to develop, implement, and maintain a reporting system to monitor QSE's operational and financial performance against expected Key Performance Indicators (KPIs), and to ensure that such reporting occur on a regular basis which includes any reporting required to regulators;
- g) *Code of Governance, Conduct, Conflict of Interest and Whistleblowing*: the Board is responsible to develop, review and update on a regular basis a code of governance and conduct for Board that entails conflict of interest requirements, management, and employees.
- h) *Company Policies*: the Board has the responsibility to approve all company policies.

2. Board of Directors (BOD) Composition

- *Number of Members*: QSE shall be managed by a BOD consisting of at least 5 but not more than 9 directors including the Chairman as per QSE's Articles of Association article 31. Qatar Holding (QH) is currently the sole shareholder of QSE and thus the directors and appointed by QH.
Currently the board is composed of 9 directors appointed by Qatar Holding.
- *Structural Mix*: Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of QSE and they shall give sufficient time and attention to their role as Board Members. The Board shall include Executive, Non-Executive and Independent Board Members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals.

It is recommended that at least one third of the Board members should preferably be independent members and the majority of the members should be non-executive members

- *Independent Members*: an independent Board Member is a Member who is not under the influence of any factor that may limit his/her capacity to consider, discuss and decide on the Company's matters in an unbiased and objective manner (on the basis of facts only). By way of illustration and without prejudice to generality, a Board Member shall be considered non-independent in any of the following situations:
 - If he, she, or any of his/her 1st degree relatives is currently, or has been during the last three years:
 - An employee of the Company; and this includes Executive Management;
 - An employee or Board Member or owner or partner or a large shareholder of a consultant to the Company (and the consultant shall include the external auditor of the Company);
 - An employee of the Company's subsidiaries or sister companies;
 - An employee of the Company's major supplier; or

- An employee of a legal entity where an executive manager of the company or anyone of his 1st degree relatives or any other person who is under the control of either of them; is a member of the board of directors, or an executive manager, or a large shareholder of that legal entity. QFMA defines that a person is considered to be a large shareholder if he holds 10% or more of the voting shares of a company.
 - If he is a 1st degree relative of an executive manager of the Company.
 - If he or anyone of his 1st degree relatives, has currently or within the last three years, direct or indirect substantial commercial or financial transactions with the Company.
 - If he is currently receiving or has received during the last three years a substantial compensation from the Company other than the compensation that he receives as a Board Member.
- *Non-Executive Members:* a non-executive member is a Board member who is not in charge of Executive Management duties in the Company and is not dedicated to the Company full time and who does not receive monthly or yearly remuneration from the Company other than the remuneration he receives as a Board Member or as a member of any of the Board committees. The major duties of the non-executive board members are as follows:
 - Participation in the meetings of the BOD and providing an independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operational standards.
 - Ensuring that priority shall be given to QSE's and shareholders' best interests in case of conflict of interests.
 - Monitoring QSE's performance in realizing its agreed objectives and goals and reviewing its performance reports.
 - Development of the procedural rules for the QSE's corporate governance for ensuring their implementation in a consistent manner.
 - Availing the BOD and its different committees of their skills, experiences, diversified specialties and qualifications through regular presence in Board meetings and effective participation in the General Assemblies, both ordinary and Extra-Ordinary while at the same time having a balanced understanding of shareholders' opinions.
 - Participation in the company's audit committee.
- *Executive Members:* an executive member is a Board member who performs executive management duties for the Company and/or is full-time employee of the Company. Such director may not vote on resolutions related with appointment or removal of such director from office. In addition, Executive members provide improved transparency on business activities.

A Director qualifying for the membership of QSE's Board should represent the ethical and moral standing to which QSE aspires to establish across the entity in line with QSE's overall vision and the Code of Ethics.

- *Membership Term:* The term for Board Membership shall be 4 years as per article (32) of the AoA. A director may be re-elected by the by Qatar Holding LLC. Maximum number of terms to be served by a director shall be determined by the Board.
- *Vacancy, Removal, and Replacement of Members:* As per article (33) of the AoA If the office of a director becomes vacant, another director shall be appointed by Qatar Holding LLC to fill the seat. Article (33) explains that the new director shall remain in office only for the balance of the

term of the former director. The office of director shall be considered vacant in any of the following events:

- The director is removed by the shareholder(s) that appointed him;
- A director is prohibited by law from acting as a director;
- A director resigns under a written notice given to QSE or if the director proposes to resign and the board of directors accepts such proposal;
- A director is declared bankrupt;
- A director is convicted of any felony, crime in breach of honor or trust;
- The director fails to attend four successive meetings of the board of directors without permission of the board of directors or the holder of the special share (if the director is appointed by the holder of the special share); or
- A director holds an executive position in QSE, when the employment of such director expires or is terminated and the board of directors resolved that such position shall be vacant.

Each Director will tender his resignation in case a change in position or responsibility in his principal occupation results in any conflict of interest with his role as a QSE BOD Director. The Board will verify the same prior to acceptance of the resignation.

Retirement for Directors is at an age where the director is no longer capable of performing his duties, and the Directors who reach this age within the next membership term should not stand for re-election, subject to the review of the Board. Executive Directors are required to resign upon leaving QSE subject to the review by the Board.

3. Board of Directors (BOD) Responsibilities and Functions

a. Duties and Responsibilities

While QSE Executive Management is responsible for the management of QSE, the Board is responsible for its stewardship and for monitoring the actions of, and providing overall guidance, direction, and oversight to QSE's Executive Management.

The major duties and responsibilities of the Board of Directors are:

Corporate Governance

- Approve QSE's approach to governance issues and the adoption of corporate governance principles and values guiding;
- Approve the Delegation of Authority matrix, table of Finance Authorities and respective policy;
- Approve and annually review an insider trading policy to ensure that BOD members and staff dealings in securities traded in QSE are complying with clear and strict trading requirements;
- Approve and annually review a disclosure, conflict of interest, related party transactions and other policies relating to reporting for QSE that addresses how QSE shall interact with the public; and contains measures for QSE to avoid selective disclosure; and
- Secure practices and mechanisms to remain up to date on new developments in the field of corporate governance issues.

- Prepare an annual corporate governance report signed by the Chairman, include it in the agenda of the company's General Assembly's meeting, and distribute a copy of it to the shareholders for discussion during the Meeting. The Governance Report must include all the information related to the governance code, which include, but not limited to:
 - The governance procedures followed by the Company.
 - The disclosure of any violations committed during the financial year including 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 financial year, as well as their remunerations.
 - The disclosure of the procedures of Internal Control of the Company including the supervision of the financial affairs, investments, and risk management.
 - 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 market changes.
 - Disclosure of the performance assessment of the Board and 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 the internal control systems when identifying and managing risks.
 - Disclosure of all relevant information describing the company's risk management processes and internal control procedures.
 - Establish a procedural mechanism through which the Corporate Affairs Department of the Ministry of Commerce and Industry reviews the governance controls established by the Company and their compliance with the governance system specified in the applicable decisions.

Relation with shareholders and stakeholders

- Honour the fiduciary obligations to QSE shareholders by ensuring that the best interests of the company and its shareholders prevail over any individual business interests of any member of the Board;
- Ensure that systems are in place for communication and relations with all stakeholder groups and that the appropriate policies, procedures and systems are developed for receiving feedback from stakeholders and shareholders; and
- Adopt proper practices for settlement of complaints or disputes that might arise between the stakeholders and QSE.

Annual Report and General Assembly

- In accordance with Article (77) of AoA the BOD shall in every financial year prepare the balance sheet of the company by the end of the former financial year and the relevant profit and loss account and shall refer the same to the auditor in such reasonable time so that the General Assembly may convene within 4 months from the end of financial year and accordingly the BOD shall prepare a report on the activity of the company during the last financial year and on its financial position on the end of the same year.
- In accordance with Article 59, within the first four months from the end of the financial year the Ordinary General Assembly shall be held at its head office or any other place in Qatar, at least once a year; and
- The agenda of the General Assembly shall include hearing the report of the Board of Directors of the Company on the Company's activities and financial position and the auditor's report, as well as approving the balance sheet, profit and loss account, the distributable dividends, in addition to appointing the auditor and determining his remuneration, and any other issues on the agenda.

Oversight of Operations

- Govern and periodically review policies with respect to decisions and other matters requiring Board approval;
- Determine and control the purposes, goals, activities and general characteristics of QSE i.e.:
 - Establishing objectives and scope of operations;
 - Setting fundamental strategies and policies;
 - Review and approve annual budgets;
 - Approving major capital investments, loans or financing agreements under the guidance and oversight of Qatar Holding LLC; and
 - Providing recommendations and suggestions on mergers and acquisitions, subject to the approval of the General Assembly.
- Further to the above, the Board is required to review any other specific actions that are likely to have a substantial effect on QSE or which the Board are legally required to approve as per QSE's AoA and Authority Matrix;
- Review with Executive Management the mission of QSE, its objectives and goals, and the strategies it proposes to use to achieve them and approve them. Monitor QSE's progress toward its goals and plans, and assume responsibility to revise and alter QSE's direction where warranted;
- Oversee the conduct and performance of QSE, its divisions, business units and Executive Management to ensure they are being managed properly and appropriately. To discharge this duty the Board of Directors will give specific and regular attention to:
 - Ensuring the establishment of strategic key performance indicators/objectives for the performance of QSE's functions, and acquire approval of the same from Qatar Holding LLC;
 - Monitoring performance against the strategic and business plans, and key performance indicators and report to Qatar Holding LLC;
 - Monitoring performance against local and regional peer and competitor companies; and
 - Enquiring into and following up areas of poor performance and their cause.

- Oversee corporate financial operations, including:
 - Financial results reporting, and the sufficiency and reliability of applied financial reporting controls;
 - Allocation of QSE's assets;
 - Selection of outside auditors for approval by the General Assembly; and
 - Selecting the appropriate and required insurance policies.
- Review and approve material transactions outside of the corporate budget.

Strategy

- Adopt a strategic planning process and annually review the strategic plan proposed by QSE's Executive Management and acquire approval from Qatar Holding LLC and adopt the same with such changes as the Board of Directors deems appropriate;
- Review and approve QSE's operational plans, financial plans and budgets proposed by the Executive Management and adopt the same with such changes as the Board of Directors deems appropriate;
- In connection with such reviews, the Board of Directors shall seek to provide a balance of long-term versus short-term orientation of QSE's strategic and operational plans; Review corporate performance against strategic plan, operations plans, financial and budget plans; and
- Review and approve expansion plans locally and regionally as recommended by QSE's Executive Committee and Executive Management within its delegated authority.

Executive Management Appointment and Performance Review

- Appoint Chief Executive Officer ("CEO") and define his respective power or authority. Monitor and evaluate CEO's performance;
- Appoint a Board Secretary and define his duties and remuneration as per AoA article 50;
- Evaluate if the members of Executive Management are achieving acceptable current financial results relative to corporate objectives, budgets, and the economic environment, and are developing the resources necessary for future success;
- Review and approve the succession plans of all members of the Board, the CEO and members of Executive Management and ensure that there is adequate succession key position and that positions are replaced when appropriate;
- Review and approve major QSE's organizational and staffing issues;
- Review and approve the process for the selection, appointment and re-appointment of Board Committee members, Board Secretary, CEO and Executive Management;
- Disallow any member of the Executive Management to decide his or her own remuneration;
- Review and approve the recruitment, remuneration and termination policy;
- Review and approve the orientation program for new directors, and develop and review induction procedures for new appointees to enable them to effectively discharge their duties;
- Review and approve continuous education measures to enhance Board Members and Executive Management competencies, knowledge-base and skill-sets;

- Review existing Human Resources Development Policy salaries and benefits policies, promotion and career advancement directives and approve it; and
- Oversee the development and implementation of a process for the evaluation of the performance of Committees as well as executive management using both qualitative and measurable indicators.

Maintenance of Systems Integrity

- Confirm with Audit Committee that the adequacy of QSE's internal controls and management information systems has been reviewed and discussed; and
- Ensure that the Board of Directors has free and full access to management regarding all matters of compliance and performance.

Risk Management

- Ensure the integrity of QSE's ERM framework, internal controls, procedures and management information systems and respective mechanisms;
- Approve risk management objectives, risk tolerances, and limits and ensure they are applied throughout QSE;
- Approve the QSE risk appetite statement, policy, framework, risk assessments and systems, and ensure the respective delegated functions are well resourced to carry out their respective duties;
- Approve QSE's key risks and respective strategies or action plans to manage these risks;
- Review and provide guidance on any outcomes, findings and issues arising in connection with the risk assessment and regular risk activities, and monitor the status of all key QSE risks;
- Oversee QSE's capacity to identify and respond to changes in its economic and operating environments;
- Cultivate a risk culture; define a code of conduct for members of the Board, management and staff to support business objectives, risk management objectives and internal control systems;
- Determine a clear set of policies on disclosure and ensure the independence of both internal and external auditors in relation to the review of risk management activities;
- Ensure that Board and Executive Management support each other in effective risk management, and ensure open and transparent information flows from Executive Management to the Board; and
- Ensure that stakeholders are aware of the ERM program being implemented and the benefits of this program to them.

Compliance

- Monitor QSE's compliance to applicable laws and regulations including health and safety as well as protect the company from illegal practices;
- Review and approve the environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies;
- Provide leadership and policy direction to Executive Management with a view to establishing and maintaining a high standard of legal and ethical conduct; and

- The Board shall be responsible and accountable to regulatory authorities for any breaches of compliance requirements.

Organizational Structure

- Review and approve QSE's organisational structure defining consequent tasks, functions, duties, responsibilities and clear reporting lines for different managerial levels of the Company after incorporating appropriate segregation of duties among compatible tasks.

b. Necessary References to Internal Policy Statements

General Policy Statement:

- A Code of Conduct will be developed to promote ethical and responsible decision-making and guide the Directors, the CEO and other key executives as to the practice necessary to maintain confidence in QSE's integrity. In particular, the Code of Conduct also provides guidance as to the responsibility and accountability of individuals for reporting and investigating reports of unethical practice.
- The Board is responsible for developing a detailed code of conduct and investigating breaches of the Code of Conduct and for the protection of those who report violations. Following is a high level statement of required and accepted standards of behaviour.

Director's Code of Conduct:

- A director must properly manage any conflict with the interests of QSE. Directors have an obligation to disclose to the Board any perceived conflicts of interest of a direct or indirect nature which could compromise in any way the performance or reputation of QSE;
- A director must act honestly, in good faith and in the best interests of QSE and its shareholders;
- A director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- A director must use the powers of office for a proper purpose, in the best interests of QSE as a whole;
- A director must recognize that the primary responsibility is to the membership of QSE but should, where appropriate, have regard for the interest of all stakeholders of QSE;
- A director must not make improper use of information acquired as a director, or improper advantage of the position of director. In particular, a director must not take advantage of property, information, position, or opportunities arising from these for personal gain or to compete with QSE;
- Confidential information received by the director in the course of the exercise of directorial duties remains the property of QSE and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorized by QSE, or the person from whom the information is provided, or is required by law;
- A director should not engage in conduct that is likely to bring discredit to QSE;
- A director has an obligation, at all times, to deal fairly and ensure that employees deal fairly with QSE's suppliers, competitors and employees, and in particular not to engage in misleading or deceptive conduct;

- A director has an obligation, at all times, not only to comply with the spirit, as well as the letter, of the law and with the principles of this code but also to promote compliance with all relevant laws, regulations and the provisions of this code; and
- A director has an obligation to report any instances of unlawful or unethical behaviour. The Board has an obligation to actively promote ethical behaviour and protect those who report violations in good faith.

Company Code of Conduct

- QSE's Board of Directors, executives and employees are required to execute their duties in the best interests of QSE's shareholders and the Company at all times. Similarly, the Board and employees of QSE are required to meet all legal and other obligations to other legitimate stakeholders of QSE. Through the policies and procedures, including the code of conduct drafted for QSE whereby the company undertakes to comply with applicable local legal requirements;
- The Code of Conduct shall be revised annually to ensure that it reflects the standards that QSE aspires to maintain in carrying out its operations and activities. Any amendments are subject to the Board's approval.

Related Party Transactions

- QSE will ensure that no related party transactions that are not in the best interest of the Company are undertaken. All transactions with the related parties should comply with QSE's Related Party Transaction approved policy.

Insider Trading

- QSE will ensure that Board members, Executive Management, and staff who have access to non-public material information are not permitted to use or share that information for stock trading purposes in companies traded in QSE.

Whistle-Blowing

In order to identify the occurrence of a corporate policy breach, fraud or the occurrence of corrupt practices, a whistle blowing process should be implemented. There should be a confidential and anonymous reporting mechanism for employees to report any breaches without the fear of victimization, subsequent discrimination or disadvantage. A clear policy and supporting procedures detailing:

- What breaches should be reported;
- Protection of the employee providing confidence in raising serious concerns or questions and assurance that employees can do so without fear of victimization, subsequent discrimination or disadvantage if disclosure is made in good faith;
- The proper avenue and method for an employee to raise his or her concerns and receive feedback on any action taken;
- How the allegation and investigation will be handled; and
- Assurance that if an employee makes an allegation in good faith, but is not confirmed by the investigation, then no action will be taken against the employee. If, however, an employee makes an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against the employee raising such unfounded allegations.
- A reporting framework which may include a confidential whistle blowing hotline, such as an internal telephone number or a "Claims" mailbox and approved form allowing employees the freedom to report breaches anonymously; and
- A register maintaining track of all reported breaches, related information and documentation.

Conflict of Interests

A conflict of interest arises whenever business or personal circumstances impair professional judgment or the ability to act in the interest of the Company, its shareholders and stakeholders. Directors and employees must act appropriately to recognize and manage situations where a conflict of interest may arise.

QSE is required to take all reasonable steps to identify conflict of interests that may arise in the course of QSE providing its activities, namely between:

- Itself, its stakeholders, Executive Management, other employees, and any other associated entities; and
- Itself, including Executive Management, employees, or any person directly or indirectly linked to it by control, and a member of the general public which it serves.

A detailed Conflicts of Interest Policy should be established and approved by the CEO and the Board, which outlines:

- How to identify conflicts of interest;
- What are the different types of conflicts of interest;
- How to manage conflicts of interest; and
- How and when to disclose conflicts of interest.

Authorized Signatories and Delegation of Authorities

The Board and Executive Management shall comply with the Authorized Signatories and Delegation of Authorities within QSE

Confidentiality

All proceedings of the Board of Directors, including papers submitted and presentations made to the Board of Directors, shall be kept confidential and will not be disclosed or released to any person other than Board of Directors members, except as required by law.

Corporate Social Responsibility

QSE is committed to ensuring social responsibility towards its environment and the communities in which it operates and strives to ensure ethical behaviour across all business practices. This social responsibility is reflected in QSE's responsibility towards its shareholders and stakeholders. QSE will operate in a way that promotes mutuality, fairness and similar treatment to all and will build a culture which will contribute to its long-term sustainable success.

Data Protection

Internal information is held in the strictest confidence and in compliance with relevant legislations and regulations. All information in QSE's public and internal communications is honest, accurate, timely and understandable. Financial information is prepared in accordance with best practice standards and all applicable legal and regulatory standards. The disclosure of QSE's financial performance is sufficiently complete to enable its stakeholders to make an informed assessment of both its strategies and its future prospects.

c. Matters Reserved for the Board

Along with the matters that are reserved to be discussed and approved by the Board through resolutions, in accordance with AOA, and internal policies i.e. authority matrices, the following matters shall be considered by the Board of Directors as a whole and may not be delegated to Board Committees or individual members. The Board of Directors reserves the right to review and amend the following matters from time to time as considered necessary:

- The submission of enquiries or other matter requiring QSE's shareholders' approval;
- Appointment and remuneration of CEO;
- Membership and Terms of Reference of Board of Directors Committees;
- Annual review and update (if necessary) of the Board of Director's Terms of Reference;
- Matters referred to the Board of Directors by Board Committees;
- Annual Board self-assessment relative to the Board purpose, duties, and responsibilities outlined herein as well as those of its individual members; and
- Review of prior Board minutes of meeting and follow up on decisions taken and documented in an action sheet of prior Board meetings, in order to ensure that matters raised have been resolved.

The Board of Directors reserves the right to review and amend this list from time to time as considered necessary.

4. Board of Directors (BOD) Chairman

The Chairman is accountable to the shareholders of QSE and for leading QSE in achieving its vision and to provide its shareholders with sustainable gains. The Chairman is responsible for leading the Board and oversee the effectiveness of all aspects of its role and setting its agenda. He may delegate specific duties to the Board members and/or committees and CEO as appropriate or during absence.

Appointment

As per Article 31 of the AoA, the Chairman shall be appointed and removed by Qatar Holding LLC. Qatar Holding LLC shall also appoint all the directors of the Company (including the Chairman).

In accordance with the AoA, the Chairman shall have the right to sign on behalf of the Company and to represent it before the courts and third parties. In the event of the absence of the Chairman, the Vice Chairman shall carry out the Chairman duties.

As per Article 58 of the AoA, the Chairman shall chair the general assembly meeting. In the event of the chairman absence, the general assembly meeting shall be headed by a director nominated by the board of directors.

The Chairman of the Board of Directors may not assume any other executive position in QSE, such as the CEO, and may not be not be a member of any of the Board committees.

Roles and Responsibilities

The Chairman of the Board of Directors is responsible to ensure that the activities undertaken by the Board are in the best interests of QSE's shareholders.

In addition to the aforementioned Board duties, the duties and responsibilities of the Chairman shall include:

- Ensure the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information;
- Ensure effective operation of the Board and its Committees in conformance with the highest standards of proper corporate governance;
- Ensure effective communication between the Board and the shareholders, local regulatory and governmental agencies;
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making;
- Provide complete, accurate and timely information and information packs to the Board members;
- Ensure Board meetings are conducted in an appropriate manner to address and attend to the matters established in its Agenda;
- Encourage Board members entitled to express their views to do so for all Board members to participate effectively in running the Board affairs so as to ensure that Board's activities are in the interests of QSE;
- Ensure that all Board Committees are properly established, composed and operated;
- Ensure new directors conduct comprehensive induction programs and update programs are provided for all directors as and when necessary;
- Promote effective relationships and communications between non-executive directors and members of the Executive Committee;
- Advocate non-executive members of the Board to have effective participation and encourage strong relationship among the executive and non-executive Board members;
- Ensure that the performance of the Board, its main Committees and individual directors, is formally evaluated on an annual basis;
- Ensure decisions taken by at the Board meeting adequately reflect the views of the meeting as a whole;
- Ensure effective communication with shareholders and convey their opinions to the Board of Directors; and
- Sign off on the audited financial statements of the Company and on the report of QSE's before the General Assembly's meeting.

5. Board of Directors (BOD) Meetings

a. Venue

The meetings shall be held at the Head Quarters Office of QSE or at a place agreed by the directors. Meetings can also be held over the phone if all directors can hear each other at the same time.

b. Frequency

Article (45) of AoA explains that the Board shall be convened by invitation of one director and shall be at least 4 meeting in a single financial year

c. Invitation and Agenda

A BOD meeting can be summoned by the BOD Chairman or by at least one director. An agenda for the meeting shall be prepared and distributed to all members. The agenda should be distributed at least two week prior to the set meeting date. An agenda may include the following topics:

- Date, time, and place of the meeting.
- Call to order (attendance check, review/approval of last meeting's minutes).
- Key Performance and Activity Summary.
- Strategy & Expansion Plan.
- Financials.
- Business Support (HR/IT topics).
- Committee Reports.
- Periodic/Interim Reports.
- Conclusions (Open discussions, suggestions for next meeting).

d. Quorum and Representation

The quorum shall not be present unless the required number of directors is present as such meeting:

- At the first and second calling of such a meeting a majority of the members of the BoD;
- Failing the realization of quorum at the first and second calling of BOD meeting, at the third calling at least 50% of members of the BoD.

e. Resolutions and Voting

BOD resolutions shall be passed, if approved by a simple majority of more than 50% of the votes cast by voting members of the board of directors who are in attendance at a duly convened board of directors meeting, except resolutions which require a qualified majority under applicable Qatari law (see article 48 of the AoA). A director that has objected to the resolution may enter his/ her objection in the minutes of the relevant meeting. BOD resolutions may be issued by signing a copy of the resolutions by each director, provided that all such signed copies shall be the same. A director may appoint another director in writing, to the Chairman, to vote on his behalf. In addition to his vote, a director may be able to vote on behalf of one director only.

f. Minutes of Meeting

BOD meetings and resolutions are recorded by the Board Secretary in the special register as stipulated in Commercial Companies Law Article (106) and should be signed by the Chairman or the deputed member and the Secretary. The signature confirms the authenticity of facts and information recorded.

6. Board of Directors (BOD) Code of Conduct

a. Accountability

- The Board represents the interests of shareholders by overseeing Executive Management performance on behalf of shareholders. The Board's responsibility of this oversight function includes both duty of care and duty of loyalty. The BOD is accountable for QSE's performance and its activities and hence should provide leadership in setting vision, strategy, principles and values for QSE.
- The Board closely monitors QSE's and its key executives' performance to ensure it is in line with the set objectives and strategies.
- In carrying out their responsibilities to QSE, Directors will adhere and direct QSE to adhere with all applicable international and local laws and regulations.

b. Transparency

- Board members follow QSE's values, acting honestly and with integrity in all their dealings.
- The BOD members act in good faith and in QSE's best interest, not in the personal interest of the Directors, interest of family member or an organization with which the member is affiliated. The Directors do not use their position for personal gain and should be free from any influence of conflict of interest when they participate in Board, Board Committees' deliberations and voting.
- The BOD promotes ethical behavior and encourages an open environment where employees are encouraged to communicate with Executive Management, report any unethical behavior observed and not to permit retaliation for reports of misconduct made in good faith.

c. Fairness

- Directors always strive to deal fairly with QSE's Executive Management, shareholders, suppliers, competitors, employees and other business partners. Directors avoid taking unfair advantage of anyone through manipulation, or concealment of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
- The BOD members do not use QSE's assets, labor and information for personal use unless approved as part of the compensation or reimbursement of expenses.

d. Fiduciary Duties

Each Board Member owes QSE a fiduciary duty of care, loyalty and compliance with the rules set out in related laws and regulations and the Board policy and Code of Professional Ethics.

QSE's Board Members must at all-time act on an informed basis, in good faith, with due diligence and care, and in the best interests of QSE and all shareholders.

Fulfilling their responsibilities towards QSE, the Board's members shall act effectively through:

- Conducting fair business transactions with QSE and ensure that personal interests do not bias Board decisions.
- Devoting time and attention necessary to properly discharge duties and responsibilities.
- Acting judiciously.
- Exercising independent judgment.
- Having a working knowledge of the statutory and regulatory requirements affecting the QSE, including the contents of its Articles of Association and By-Laws, and the requirements of Qatar Financial Market Authority (QFMA).
- Observing confidentiality.
- Ensuring the continuing soundness, effectiveness, and adequacy of QSE's control environment.

e. Conflict of Interests

QSE will adopt and make public general rules and procedures governing the QSE entering into any commercial transaction with a related party. In any event, it shall not be permitted to enter into any commercial transaction (or contract) with any related party unless in strict compliance with the provisions of the Commercial Companies Law Number (11) for the year 2015 and its subsequent amendments, QSE's Articles of Association and Professional Code of Conduct. The said general rules and procedures include principles of transparency, fairness and disclosure in addition to the requirement that a related party transaction be approved by a majority vote, without the concerned related party participating in the voting. Whenever an issue involving conflicts of interest or any commercial transaction between QSE and any of its Board Members or any party related to the Board Member are discussed in a Board meeting. Moreover, the 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. In any event, such transaction shall be made at market prices and on arm's length basis and shall not involve terms that are contrary to the interests of QSE.

In any event, such transactions shall be disclosed in QSE's annual report and specifically referred to in the General Assembly following such commercial transactions.

f. Disclosure

The BOD provides a policy of transparency and disclosure. This policy ensures timely and accurate disclosure of information on all material matters with regard to QSE including its financial position, performance, ownership and corporate governance. The policy has to be in writing and must be disclosed to the public.

The BOD provides an Annual Report to the shareholders that should include:

- The financial statements for the financial year.
 - A clear policy regulating the method of dividend distribution and disclosure of the capital structure and shareholder agreements.
- The description of the applied accounting standards which must represent a true and fair view of QSE.
- The compliance and risk policy including foreseeable risk factors.
- The organizational structure of QSE including the committees set up within the BOD, the mandate assigned to them, their members and working procedures.
- A full list of the BOD members and the CV of each of them providing information on their experience and information about their membership in any other companies, also stating their status.
- The names of members of the various committees formed by the Board.
- A report on the total remuneration for each of the members of the BOD and the adopted remuneration policy for the members of the BOD.
- The policy concerning the corporate governance of QSE.
- Plans, objectives and strategies of QSE.
- Any penalty, fine or punishment imposed on QSE.
- Material issues regarding the employees or stakeholders, Shareholders, investors and market participants must be granted access to the information in accordance with applicable laws and regulations. The Annual Report must be made available to stakeholders upon request and must be available on the web-site of QSE.
- QSE's Annual Report must comply with the International Financial Reporting Standards (IFRS).

- The External Auditor report shall include affirmations that they have received all the required information, and that the audit was conducted in accordance with the International Standards on Auditing (ISA).

7. Board of Directors (BOD) Committees

Board Committees are formed in order to assist the BOD. Committees provide organized and focused means to achieve company goals and to properly address issues. Whereas each committee abides by its own detailed Terms of Reference, Board Committees regularly report to the Board on their proceedings and deliberations. The Committees and their Terms of Reference are approved by the Board. Moreover, membership to Committees are approved by the Board.

To fulfill its objectives adequately, QSE's BOD decided to constitute the following committees in order to support its functioning:

a. Executive Committee (EC)

i. Purpose:

The purpose of the Executive Committee is to assist the Board of Directors within the powers set and determined for it by the Board and, to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- Recommending to the Board director nominees for each committee of the Board.
- Develop succession planning for the Board.
- Oversight of all matters relating to director and Executive Management compensation.
- Review the recommendations of the CEO on the hiring and remuneration of the Executive Management.

ii. Roles and Responsibilities:

- Monitoring and Administrating QSE's Activities and Initiatives: the committee shall have the following roles:
 - Act as a consultative body to the Board.
 - Review and submit to the Board overall business strategy, long term business objectives, annual operating budget and financial plans necessary to achieve QSE's objectives as recommended by the Executive Management of QSE.
 - Review all matters representing a major change of strategic direction or involvement of a material nature in a new area of business.
 - Review changes relating to QSE's capital structure and significant changes to the management and control structure and recommend to Qatar Holding LLC.
 - Overseeing and monitoring the governance framework and manual as well as monitoring its execution and its amendments whenever required.
 - Review the delegation of authority matrix on capital and operational expenditure and recommending any changes to the Board of Directors and Qatar Holding LLC.
 - Review and recommend to the board expansion plans locally and regionally.

- Review QSE's organizational structure defining consequent tasks, functions, duties, responsibilities and clear reporting lines for different managerial levels of QSE after incorporating appropriate segregation of duties among compatible tasks and recommend any change to the Board for approval.
- Review financial and operational performance of QSE and its subsidiaries and report to the Board on the same.
- Review and approve tenders and contracts within its delegated authority or present it to the Board of Directors if it was not within its authority limits for approval.
- Report sufficient information to enable the Board to monitor overall performance of QSE.
- Authorize purchases/ transactions within its delegated authority.
- Review proposed policies prior to obtaining the final approval from the full Board of Directors.
- Report quarterly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.
- Roles Relating to Corporate Governance:
 - Oversee the continuous update and review of the Corporate Governance Manual as the minimum requirements and get the approval of the Board of Directors. Amendments to the Corporate Governance Manual should be made on a periodic basis in order to maintain the manual up to date.
 - Ensure that the Corporate Governance Manual is published on the website and in every other mean possible and ensure that the same is disclosed in the annual reports. The manual contents should be also informed and clarified to Stakeholders.
 - Review the corporate governance standards and applications that have been approved by the BOD are in line with the QFMA requirements over corporate governance and recommend changes/ update to the BoD
 - Monitor the development and implementation of the corporate governance manual and review and updating it whenever needed.
 - Coordinate with the Audit Committee to ensure that governance manual is being complied with.
 - Direct the preparation of an annual report that includes the requirements and procedures for completing the corporate governance rules and complying with it. This report shall be included in the QSE's annual reports about its activities.
 - Review the governance structure of QSE on a regular basis to ensure:
 - Appropriate number of Board committees exist to assist the Board in conducting its duties.
 - Roles and responsibilities of the committees are clearly defined and understood, and followed.
 - A performance review process exists for the Board and Board committees and is followed as per policy and process.
 - Ensure compliance with CG requirements of the QFMA and any other regulatory body as applicable.

- Ensure transparency and open communication within QSE, among all shareholders.
- Monitor developments in the area of corporate governance and recommend initiatives that help QSE maintain the highest standards of corporate governance.
- Carry out other duties as delegated by the Board and fall within the Committee Charter.
- Committee members shall deepen their knowledge and skills through participating in periodic development programs (internal/external) specified for QSE, in addition to participating in conferences and discussion seminars in the industry.
- Review and recommend for Board approval any Company Code of Ethics and Business Conduct and any other appropriate codes of conduct. Review annually the implementation and effectiveness of the ethics and compliance program, and any significant deviations by Executive Managers and employees from any Code of Ethics and Business Conduct or other ethics policies.
- Review the program that Executive Management has established to monitor compliance with its code of business conduct.
- Review and seek the Board of Directors approval on any change or waiver in the Code of Conduct.
- Roles Relating to Nomination: With respect to Nomination, the committee shall have the following roles:
 - Have the responsibility to identify individuals qualified to become independent Board members and to recommend to the Qatar Holding LLC the nominees to stand for election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders.
 - In the case of a vacancy in the office of an independent Board member (including a vacancy created by an increase in the size of the Board), the committee shall recommend a replacement until re-election and appointment of Board members member by Qatar Holding LLC to fill in a vacant seat as per article 33 of the AoA.
 - In nominating individuals, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience, and the extent to which the individual would be a desirable addition to the Board and any committees of the Board.
 - Review the composition of each committee of the Board and recommend to the Qatar Holding LLC for its approval directors to serve as members of each committee. The Committee shall recommend additional committee members to fill vacancies as needed.
 - Assist the Board in selecting, developing and evaluating potential candidates for executive positions, and oversee the development of Executive Management succession plans.
 - Define, the qualification, and experience of the individual for appointment in a Executive Management position and get the approval from the Board for his/her hiring,
 - Regularly assess the independence of each non-executive director. That assessment should be made at least annually at or around the time that the Board or the Executive Committee considers candidates for election to the Board. In the case of a change in a non-executive director's interests, positions, associations or relationships, the assessment should be made as soon as practicable after the Board or the Executive Committee becomes aware of the change.

- Roles Relating to Remuneration: With respect to Remuneration, the committee shall have the following roles:
 - Review and recommend the decisions made by the CEO relating to the performance evaluation and annual compensation level of the Executive Management of QSE.
 - Annually review the salaries of the Executive Management and adjust them if there has been an increase in the cost of living or taxes.
 - Make recommendations to the Board with respect to director compensation and incentive-compensation plans.
 - Make recommendations to the Board with respect to Executive Management long term and short-term incentive-compensation plans. The Executive Management remuneration should be designed to promote the long-term success of QSE. Performance related elements should be transparent, stretching and rigorously applied.
 - Review the contractual agreements regarding compensation of an Executive Manager.
- If the Executive Committee includes an Executive Director, they should not be involved in deciding their own remuneration and should be aware to the potential conflict of interest in being involved in setting the remuneration for other Executive Management that may indirectly affect their own. QSE should disclose in its annual report or on its website the fact that it does not have a Nomination and Remuneration committee and explain the processes it employs for setting the level and composition of remuneration for Directors and Executive Management and ensuring that such remuneration is appropriate and not excessive.
- Other Roles: The committee shall report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or the Board requests and shall perform any additional activities delegated by the Board.

iii. Membership:

- Mix and Composition: Comprised of at least three Non-Executive Board Members the majority of whom must be independent. The committee Chairman shall be independent.
- Membership Qualifications: All members of the committee should have a thorough knowledge of QSE's operations and initiatives and at least one with Compensation and HR experience.
- Appointment and Term: The Board shall appoint and approve Board Members to the Executive Committee. The term of membership will run concurrently with the Board of Director's term.
- Committee Chairman: Unless a chairperson is elected by the full board, the members of the committee may designate a chairperson by majority vote.
- Committee Secretary: A Committee Secretary will be elected by the Committee, responsible for maintaining all committee documentation and arranging for committee meetings.
- Compensation: Remuneration for committee members will be as per the approved Remuneration Policy.
- Resignation: A three months' notice needs to be presented prior to resignation from the committee. Resignations are subject to Board approval.

iv. Committee Meetings

- Frequency of Meetings: The Committee will meet at such times as shall be determined by its Chairperson, or upon the request of any two of its members. With a minimum of one meeting every three months.
- Meetings' Venue: Meetings will be held at QSE's Head Office or any other location which is approved by the Committee Chairman. Meetings can be held physically; face to face or in person, remotely, online, or virtually via video conferencing.
- Agenda and Invitation: Agenda for each Board Executive Committee meeting shall be circulated at least five working days prior to the date of the meeting. Personnel outside the Committee may attend if invited.
- Required Quorum: Majority of members including Committee Chairman are required to be present for the meeting to be held.
- Voting: Decisions will be taken based on majority Consent, the Chairman's vote decides on any ties.
- Minutes of Meetings: The Committee Secretary shall keep records of the meeting discussions and decisions and circulates minutes of each meeting within two working days after the meeting for comments and approval of the minutes. The Committee should establish a special register to record the meeting's minutes with a serial number for the year, and including the following:
 - Meeting location;
 - Date of the meeting;
 - Timing of the meeting; and
 - In addition to preparing minutes of discussions and deliberations including any voting that took place, and categorize it and maintain it for ease of reference.

v. Authority

- The Committee shall have the authority to obtain advice and assistance from internal or external legal or other consultants or advisors, and to incur such expenses within budget as the Committee in its discretion determines necessary and appropriate in carrying out its work. Obtaining external legal advice shall be coordinated through QSE's legal department.
- The Committee may form subcommittees when appropriate for the purpose of providing advice and assistance to the Committee, but the Committee may not delegate to the subcommittee the authority delegated to the Committee by the Board. The Committee may in its discretion refer any request or other matter to the entire Board for determination.
- The Committee may perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.
- Notwithstanding any other provision of this charter, all authority, duties and responsibilities of the Committee and all terms and conditions of this charter are limited by and subject to any contrary or limiting provision of:
 - i. Applicable law;
 - ii. QSE's Articles of Association, as amended from time to time, including but not limited to article 37 in respect of delegation of authority;
 - iii. QSE's By Laws, as amended from time to time; and
 - iv. Any resolution of QSE passed by the general assembly, or, to the extent permitted by applicable law.

vi. Confidentiality

Members of the Executive Committee and other persons who attend these Committee meetings must maintain all the documents and information they receive confidential, on the contents of deliberations and on all confidential information pertaining to QSE, particularly operating and business information that are disclosed to them in the course of their work on the Committee.

All non-public information should be considered confidential information.

b. Audit Committee

i. Purpose

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to:

- Financial statements and financial reporting processes.
- Internal control environment and systems.
- Assessment of the adequacy and effectiveness of the process of monitoring compliance with laws, regulations and the code of conduct.
- Internal audit.
- External audit.
- Reporting relationships.

ii. Roles and Responsibilities

- Roles Relating to Financial Statements and Financial Reporting Processes: With respect to financial statement and financial reporting processes, the committee shall have the following roles:
 - Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional or regulatory pronouncements, and understand their impact on the financial statements of QSE.
 - Review with Executive Management and the external auditors the results of the audit, including any difficulties encountered.
 - Review the annual financial statements, and consider whether they are complete, consistent with the information known to committee members and reflect appropriate accounting standards and principles.
 - Review QSE's annual report, notes to the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
 - Review with Executive Management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
 - Understand how Executive Management develops interim financial information, and the nature and extent of internal and external audit involvement and coordination.

- Review interim financial reports with Executive Management and the external auditors before filing with the applicable regulators, and consider whether they are complete and consistent with the information known to committee members.
 - Review any legal matters that could significantly impact the financial statements of QSE.
- Roles Relating to Internal Controls: With respect to internal controls, the committee shall have the following roles:
 - Obtain explanation from Executive Management, internal and external auditors on whether QSE's financial and operating controls are functioning effectively.
 - Obtain reports from Executive Management on the assessment of risks pertaining to the Internal Control environment and evaluate the adequacy and effectiveness of the risk management controls to ensure that material risks are reported to the Board
 - Obtain and review reports by external auditors describing the firm's internal quality control procedures and any material issues raised by the most recent quality control review, or peer review of QSE, or by any inquiry or investigation by professional authorities.
 - Consider the adequacy and effectiveness of QSE's management of internal controls over annual and interim financial reporting, regulatory and other reporting, including information technology security and controls.
 - Consider the adequacy and effectiveness of the process of monitoring compliance with laws, regulations, policies, procedures and the Code of Conduct.
 - Consider how Executive Management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown.
 - Understand the scope of internal and external auditors' review of internal control over financial reports and obtain reports on significant findings and recommendations, together with management's responses.
 - Consider with internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar areas.
- Roles Relating to Internal Audit: With respect to internal audit, the committee shall have the following roles:
 - Review and approve the charter, plans (including the annual audit plan), goals, objectives, activities, staffing and organizational structure of QSE's Internal Audit.
 - Review and recommend for approval the Internal Audit Policy.
 - Approve the appointment, replacement or dismissal of internal audit personnel.
 - Approve the remuneration of internal audit personnel, in accordance with QSE compensation and benefits structure and policies.
 - Review the findings of internal auditors, including findings and coverage over subsidiaries.
 - Approve outsourcing/ co-sourcing of internal audit work,
 - Approve the conduct of internal audits outside the internal audit plan on QSE.
 - Ensure there are no unjustified restrictions or limitations on the functioning of QSE's Internal Audit, as well as on Internal Audit's access to QSE's records, documents, personnel as and when may be required in the performance of their functions.

- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing and other applicable standards and best practices.
 - On a regular basis, meet separately with the Internal Audit to discuss any matters that the Committee or Internal Audit believe should be discussed privately.
 - Ensure that Executive Management responds to recommendations by the internal auditors and that all information, records, etc. sought for and required by internal auditors in the performance of their formal duties is/are made available to them by Executive Management as required.
 - Establish a direct line of communication with the Internal Audit Director
 - Assess the effectiveness of the internal audit function at least once a year.
 - Review the performance of the Internal Audit Director at least once a year, and approve the salary adjustment and bonus in accordance with QSE's compensation and benefits structure and policies.
 - Ensure that the frequency of Internal Audit reporting to the Audit Committee is defined and agreed (i.e. once a quarter, delivered on the last working day of the month). The committee shall ensure that all risk identified by the Internal Auditors have defined risk level, risk owners and mitigation plans in place.
 - Resolve disagreements that may arise between the internal audit function and Executive Management
- Roles Relating to External Audit: With respect to external audit, the committee shall have the following roles:
 - Require the external auditor to coordinate its work and cooperate with the Committee and subject to the power of the general assembly under the Articles of Association to appoint and determine the remuneration of the external auditor, the Committee shall recommend the appointment of, oversee the work of, evaluate the qualifications, performance and independence of, assist in determining compensation for, and where appropriate, recommend termination, replacement, or rotation of, the external auditor.
 - Review and pre-approve, to the extent required by applicable laws and regulations, the scope and general extent of the external auditor's services, audit and non-audit, the significant audit procedures that will be used, and the estimated fees for its audit services. The Chairman of the Committee may grant any required pre-approval of specific services as required, provided that the full Committee is advised of such approval at the next regularly scheduled Committee meeting.
 - Obtain and review a report by the external auditor, at least annually, regarding: (a) the external auditor's quality control procedures, (b) any material issues raised by the most recent internal quality control or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting an audit conducted by the external auditor, (c) any steps taken to address such issues, and (d) all relationships between the external auditor and QSE. Discuss with the external auditor whether any disclosed relationships or services may impact the objectivity and independence of the external auditor and make appropriate recommendations to the Board concerning such matters.
 - Obtain and review a report by the external auditor, at least annually, containing: (a) the auditor's conclusions regarding QSE's critical accounting principles and the application of those principles, (b) all alternative treatments of financial information that have been discussed with Executive Management and the ramifications of the use of such alternative treatments, (c) the critical accounting principles preferred

- by the external auditor, and (d) other matters required to be discussed with the external auditor by applicable laws and regulations.
- Set clear policies for QSE's interaction with the employees of the external auditor or hiring of former employees of the external auditor.
- Review with the external auditor any problems or difficulties in auditing QSE's financial statements and management's responses (including any observations raised in the external auditor's Management Letter). The Committee will make efforts to resolve any disagreements between Executive Management and the external auditor regarding financial reporting.
- Facilitate open communications among QSE's external auditor, Executive Management, the internal audit division and the Board.
- Roles Related to Reporting Relationships: With respect to reporting relationships, the committee shall have the following roles:
 - Submit the annual audit plan to the Board of Directors and regularly report about committee activities, issues and related recommendations. When there is any conflict between the recommendations of the Audit Committee and the decisions of the Board, including the Board's refusal to follow the Committee's recommendations regarding the auditor, the Board must attach to the Governance Report a statement detailing these recommendations and the reasons for not adopting them.
 - Subject to applicable regulatory requirements, report annually to the shareholders, describing the committee's composition, role and responsibilities and how they were discharged, and any other information required by regulations.
 - Review any other reports QSE issues that relates to the Audit Committee's area of responsibility.
- Others Roles: The committee shall have the following additional roles:
 - Review and reassess the adequacy of its Charter annually and recommend to the Board any changes the Committee deems appropriate.
 - Conduct periodic self- assessment on the effectiveness of the Committee's members or consider the need to utilize external resources for assessment.
 - Conduct special investigations as required by the Board, the Audit Committee itself or Executive Management.
 - Perform any additional activities delegated by the Board.

iii. Membership

- Mix and Composition: Comprised of at least three non-executive members the majority of whom should be independent. If the number of available Independent Board members was not sufficient to fill the Audit Committee membership, QSE may appoint members that are not Independent Board Members provided that the Chairman of the Committee is independent.
- Membership Qualifications: The Audit Committee must include at least one member with financial and audit experience. In any event, any person who is or has been employed by the QSE's external auditors within the last 2 years may not be a member of the Audit Committee.
- Appointment and Term: The Board shall appoint and approve Board Members to the Audit Committee. The term of membership will run concurrently with the Board of Director's term.
- Committee Chairman: Unless a chairperson is elected by the full board, the members of the committee may designate a chairperson by majority vote.

- **Committee Secretary:** A Committee Secretary will be elected by the Committee, responsible for maintaining all committee documentation and arranging for committee meetings.
- **Compensation:** Remuneration for committee members will be as per the approved Remuneration Policy.
- **Resignation:** A three months' notice needs to be presented prior to resignation from the committee. Resignations are subject to Board approval.

iv. Committee Meetings

- **Frequency of Meetings:** The Committee will meet at such times as shall be determined by its Chairperson, or upon the request of any two of its members. With a minimum of one meeting every 3 months.
- **Attendance:** Committee members should attend each meeting, either in person, via telephone and/or video conference through secured and reliable technical channels that enables them to participate effectively.
- **Meetings' Venue:** Meetings will be held at QSE's Head Office or any other location which is approved by the Committee Chairman. Meetings can be held physically; face to face or in person, remotely, online, or virtually via video conferencing.
- **Agenda and Invitation:** Agenda for each Audit Committee meeting shall be circulated at least five working days prior to the date of the meeting. Personnel outside the Committee may attend if invited.
- **Required Quorum:** Majority of members including Committee Chairman are required to be present for the meeting to be held.
- **Voting:** Decisions will be taken based on majority Consent, the Chairman's vote decides on any ties.
- **Minutes of Meetings:** The Committee Secretary shall keep records of the meeting discussions and decisions and circulates minutes of each meeting within two working days after the meeting for comments and approval of the minutes. The Committee should establish a special register to record the meeting's minutes with a serial number for the year, and including the following:
 - Meeting location.
 - Date of the meeting.
 - Timing of the meeting.
 - In addition to preparing minutes of discussions and deliberations including any voting that took place, and categorize it and maintain it for ease of reference.

v. Authority

- The role of the Audit Committee remains primarily an oversight role.
- In carrying out its duties and responsibilities, the Audit Committee shall also have the authority to meet with, and seek any information it requires from, employees, Executive Managers, or external parties. For this purpose, The Audit Committee has the authority to retain the services of independent legal, accounting or other consultants to advise the Committee on matters, and as needed to fulfil its responsibilities and the related funding requirements. The Committee may, and will at times, request any Executive Manager, or employee, lawyer/legal counsel or external independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee privately as deemed necessary.

- Notwithstanding any other provision of this charter, all authority, duties and responsibilities of the Committee and all terms and conditions of this charter are limited by and subject to any contrary or limiting provision of:
 - i. Applicable law(s);
 - ii. QSE's Articles of Association, as amended from time to time, including but not limited to Article 37 in respect of delegation of authority;
 - iii. QSE's By Laws, as amended from time to time; and
 - iv. Any resolution of QSE passed by the general assembly, or, to the extent permitted by applicable law, QSE's Shareholder Restrictions.

vi. Confidentiality

All members of the Audit Committee and other persons who attend the committee meetings must maintain all documents and information received as confidential as it relates to the content of deliberations as well as all confidential information pertaining to QSE particularly operational and business information that are disclosed to them.

All non-public information should be considered confidential information.

8. Board of Directors (BOD) Evaluation

The Board role will also include conducting an annual self-assessment using the "Director's Assessment Tool in Appendix I" and submit the assessment results to Qatar Holding LLC in addition to the following:

- The Chairman's performance based on the following attributes:
 - Encourage open discussion during board meetings.
 - Makes available sufficient time for discussion at meetings.
 - Include what is important on the meeting agenda.
 - Provides for sufficient and appropriate material to be sent to Board of members in advance of meetings.
 - Encourages Director Participation in meetings.
 - Provides adequate exposure of other key members of Executive Management to the Board.
 - Ensures that quality presentations are made to the Board and Committees.
 - Adequately orients new Board members.
- The BOD's performance based on the following attributes:
 - Sufficiently challenging the CEO.
 - Sufficiently supporting the CEO.
 - The right number of Board Committees existing to get the work done.
 - Board Committees include qualified people to fulfill their tasks.
 - Board Committees keep other Board members informed.
 - QSE's strategic planning.
 - Monitoring QSE's strategy.
 - Reviewing QSE's operating/financial performance.
 - Developing succession plans for key jobs.
 - Evaluating the Chairman.
 - Make compensation decisions.

- Reviewing Executive Management's performance and ethics.
- Protecting privacy of what occurs at Board meetings.
- The Board refrains from micro-management.
- The Board avoids conflicts of interest.
- The frequency of Board meeting is appropriate.
- The location of Board meetings is satisfactory.
- The facilities where the Board meetings occur are satisfactory.
- The Board is made up of the right number of people.
- The process for selecting new Directors is appropriate.
- The Board is made up of a diverse group of people (age, background, experience. etc.).

The Board will disclose the followed process for performance evaluation in the Annual Report.

9. Board of Directors (BOD) Remuneration

The Executive Committee assesses the compensation structure of the BOD annually and proposes a compensation structure which is initially reviewed by the Board and subsequently presented to the shareholders at the Ordinary General Assembly Meeting for approval. The determination and payment of the remuneration of the BOD members shall be subject to the following considerations:

Firstly: The total remuneration of the directors shall not exceed 5% of the net profits upon deduction of the reserves and statutory withholdings and the distribution of at least 5% of the paid share capital to the shareholders as profits (as per article 119 of the Commercial Companies Law). The BOD may determine the remuneration of the directors by a lump sum if QSE fails to make any profits or the profits were insignificant. In such event, it is required to obtain the approval of the general assembly for such lump sum.

Secondly: When determining the remuneration policy, the responsibilities and scope of the duties of BOD members as well as the performance of the company must be taken into consideration. The remuneration may include a section related to performance.

Thirdly: The remuneration must be fair and proportionate to the BOD member's experience, competencies, tasks, independence, number of sessions attended and the objectives set by the BOD.

Fourthly: The remuneration should be reasonably sufficient to attract, motivate and retain members of appropriate competence and experience.

Fifthly: The BOD members shall not participate in voting on the BOD's Remuneration Item at the General Assembly meeting.

Sixthly: If the General Assembly decides to terminate the membership of a BOD member who was absent from attending three successive meetings or for absence of four meetings of the Board without an acceptable excuse, the member shall not be entitled to receive any remuneration for the period following the last meeting he attended, and he must return all the remunerations paid to him by the Company for that period.

Seventhly: If it is found that the payment of these remunerations to any of the BOD members was based on incorrect or misleading information presented to the General Assembly or included in the BOD report, the concerned member shall return these remunerations and the Company has the right to request him to return it.

Eighthly: The Board must disclose in its annual report the details of the policies related to remunerations and the methods for determining them, as well as the remuneration paid to each of its members for any business or in return for any executive, technical, administrative or consulting positions assigned to him in the Company.

Board of Directors (BOD) Secretary

The Board of Directors (BOD) Secretary shall be responsible, along with the Executive Management, for carrying out the tasks related to the Board of Directors. The key responsibility for the Secretary is to ensure that the Board has the proper advice and resources for discharging its fiduciary duty, and to ensure that the records of the Board's actions reflect that the Board has done so. The Secretary is usually the executive to assist directors in these efforts, providing information on the practices of other companies, and helping the Board to tailor corporate governance principles and practices to fit the Board's needs and expectations of investors.

Responsibilities and Duties

To fulfill his/her responsibilities and duties, as the chief administrative officer of QSE, the Secretary shall:

With Respect to supporting the Board of Directors

Most of the Secretary's time will be spent supporting the Board of Directors. His/her duties in this area include:

Organizing Board Meetings

The Secretary is responsible for organizing Board meetings. Although Board meetings are ultimately the responsibility of the Chairman, the Secretary handles all administrative and organizational matters such as:

- Prepare board calendar of meetings.
- Helping the Chairman to prepare the agenda.
- Developing presentations on substantive and procedural issues under discussion.
- Preparing model briefs for Boardroom discussions.
- The Secretary shall give advance notice of Board meetings to all directors.
- Distribute voting ballots to directors.
- Collect the written opinions of directors who are not physically present at the meeting.
- Forward the written opinions to the Chairman.
- Distribute meeting papers, documents, information and agenda.
- Coordinate between the BOD members and coordinate between the BOD and other stakeholders of the Company.

In addition, the Secretary shall help ensure that procedures for Board meetings are followed. Along with the Chairman, the Secretary is required to draft the minutes and resolutions of Board meetings. The Secretary shall also record the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the members' objections, if any. The Secretary shall also brief newly elected directors on:

- The corporate procedures that regulate the operations of the Board.

- The organizational structure and officers of QSE.
- QSE's internal documents.
- The decisions of the Annual General Meeting (AGM) and the Board that are in effect.
- The availability of information required by directors for the proper discharge of their duties.

Providing the Board with Access to Information

The Secretary plays a key role in assisting directors in obtaining the information they need for sound decision-making. The Secretary provides directors with timely and full access to:

- The minutes of Board meetings.
- Decisions approved by the CEO.
- Documents from the CEO.
- The minutes of meetings and reports prepared by the External Auditor.
- Financial documents.

Resolutions

The Secretary also plays a key role in periodically following up with the executive management on the implementations of Board resolutions.

With Respect to Protecting Shareholders Rights

Organizing the Annual General Meeting (AGM)

The Secretary plays an important role in organizing the AGM. Some of functions that he performs in this regard are:

- Notifies shareholders of the AGM.
- Ensures that the list of shareholders of record is prepared.
- Answers procedural questions during the AGM and resolves disputes related to preparing and conducting the AGM.
- Communicates the report on the results of the AGM to shareholders.
- Ensures that minutes on the voting results and the AGM minutes are kept.
- Ensures compliance with the procedures of registration for the AGM.
- Collects voting ballots and transfers them to the counting commission.
- Distributes materials (documents) for and during the AGM.

With Regards to providing information for Disclosure and Transparency

The Secretary plays an important role in helping the Board and CEO fulfill their respective obligations to disclose material information on a timely basis to QSE's shareholders and financial markets. The Secretary's roles in relation to information disclosure include:

- Ensures that QSE operates in compliance with procedures for the maintenance and disclosure of information about QSE.
- Guarantees the safekeeping of corporate documentation.
- Certifies copies of documents before they are given to shareholders.
- Ensures unrestricted access for all shareholders to information in accordance with the all relevant laws.

The Qualifications of a Secretary

A full-time staff member, exclusively dedicated to this task, can best fulfil the functions of the Secretary. When selecting a Secretary, the Board shall look for an individual with the highest

qualifications and skills. The Board will need to assess the candidate's education, work experience, professional qualities, and skills. A detailed job description is the responsibility of the Board, and needs to be developed in conjunction with the contract. The core qualifications for Secretaries are:

- Has presence and good communication skills.
- Understands corporate and securities law.
- Mediates and achieves consensus.
- Understands QSE's business.
- Is detail-oriented, flexible and creative.
- Knows how to overcome bureaucratic thinking in QSE.
- Reads signals on the horizon and provides early warning to management.
- Is intuitive and sensitive to what the Chairman and directors are thinking.
- A legal expert, or a member of a recognized body of professional accountants, or a member of a recognized or chartered body of corporate secretaries, or a holder of a university degree from a recognized university or equivalent.
- has at least three years of experience in handling the affairs of a listed company.

The Independence of the Secretary

To act in the interests of QSE and its shareholders at all times, the Secretary must be shielded from undue influence from management and other parties. The Secretary shall thus be accountable to and controlled by the Board. He shall not be an affiliated person of QSE or its officers, e.g. a family member of the CEO or business partners of QSE.

6. Appointment and Qualifications of the Executive Management

The Executive Committee shall assist the Board in selecting, developing and evaluating potential candidates for executive positions through nomination, including the CEO, and oversee the development of Executive Management succession plans.

Executive Management must fulfill high standards regarding professional knowledge and expertise and personal qualifications. Criteria for appointing Executive Management may include:

- Ability to demonstrate highest ethical standards by the potential candidate.
- Ability to make significant and immediate contributions to QSE's operations and strategic planning.
- Ability to demonstrate any special skills, expertise and background that add to and complement the range of skills, expertise and background of the existing executives.
- The previous experience of the candidate and whether he had a successful career that demonstrates the ability to make important and sensitive judgments.
- High leadership and team development skills.
- Ability to be results oriented and demonstrate calculated risk taking attributes.
- Ability to adapt to change and to foster innovation and new ideas.

All members of Executive Management have to respect the division of power and responsibilities between the strategy (a function delegated to the BOD) and execution (a function delegated to Executive Management) within QSE. All members of Executive Management should be aware of their

role regarding the corporate governance and understand their role in implementing the regulatory requirements and the BOD's instructions in the best interest QSE.

10. Functions of the Executive Management

Executive Management will ensure the following functions:

- Carrying out the operative business of QSE.
- Prepare an organizational structure which should be approved by the BOD allocating duties, responsibilities, authorities and reporting lines for the operations of the business and avoiding conflicts of interest
- Implementation of relevant regulation and instructions of the BOD to the best of its ability and best interest of the QSE.
- Provide appropriate procedures for ensuring that the requirements of the risk management and compliance functions are fully met.
- Keep proper records of all relevant procedures and decisions.
- Provide management information system which comprises reporting on the business activities and any findings from internal controls regularly and provide for immediate information of the BOD and internal audit about material findings.
- The Company's executive management must provide the board and its committees, upon request, with all the information, data, documents, records and information of the company.

11. Responsibilities of the Executive Management

Executive Management is responsible for the proper execution of the business. They are responsible for the relevance, integrity, completeness and timely submission of information regarding the operational business to the BOD. Executive Management will ensure that enough information on the operations of QSE and financial instructions are furnished to all members of the BOD, in order to enable them discharge their functions effectively. Executive Management is responsible to the BOD in drafting the following items:

- Strategy of QSE.
- Annual budget and business plans.
- Risk policy and the enactment of a directive defining tasks, responsibilities and reporting lines of the risk function and the compliance function.
- Regular assessment of the risk function, compliance function and controls.
- Internal control system
- Financial reporting, forms, reports, periodicity
- The Annual Report to QFMA and the General Assembly.

7. Succession Planning

QSE's BOD shall coordinate to ensure that there is adequate staffing at all levels of QSE and that a management succession plan is developed to ensure that in the case of vacancy of an Executive Management or BOD position, QSE's operations are not adversely affected. The BOD shall ensure that a replacement is found on a timely basis for Executive Management who will be retiring or exiting the entity.

1. Chain of Command

- Should the Chairman be unable to carry out his duties due to an emergency situation, the duties of the Chairman will be assumed by individuals in other positions of power within QSE's Board on a temporary basis.
- Duties of the Chairman will be assumed in emergency situations only in the following descending order:
 - The designated Vice Chairman; or
 - A Board member by majority vote.
- When the duties of the Chairman are assumed by one of the above listed individuals, that individual will continue to serve in the capacity of Acting Chairman until:
 - The Chairman is back;
 - A new Chairman is elected by the Board; or
 - A majority vote by the Board determines that the individual cannot adequately perform the necessary duties.
- Should the CEO be unable to carry out his or her duties due to an emergency situation, the duties of the CEO will be assumed by an Acting CEO on a temporary basis.
- Individuals will continue to serve in the capacity of Acting CEO until:
 - The CEO is back, or;
 - A new CEO is appointed by the Board; or
 - A majority vote by the Board determines that the individual/Acting CEO cannot adequately perform the necessary duties.

2. Certification of Authority

- Any changes to the Board will be reported immediately to the Ministry of Economy and Commerce. As per Article 102 of Commercial Companies Law.
- Written notification of the change will be forwarded to the appropriate individuals, groups, or companies as determined by the Board.

8. Financial Reporting to Board of Directors (BOD)

Results of Financial Performance shall be prepared by the Finance Director and presented to the BOD by the CEO on a quarterly basis to assist in measuring the results of a company's policies and operations in monetary terms is referred as Financial Performance. These results are reflected in the entity's return on investment, return on assets, and economic value added.

The Financial Performance reports will be consolidated at different levels according to the accountability structure of QSE. The consolidation levels are:

- QSE level.
- Operational level.
- Departmental level.

Reports, at each entity and different level of consolidation could include:

- Quarterly Financial statements.
- Financial Performance Indicators report.
- Variance analysis reports. Actual financial/operational performance vs. budgeted figures.
- Asset and Liability Management Analysis.
- Cash Position and Liquidity Analysis.
- Cost of Capital Analysis.
- Debt Status and Debt Service Analysis.

Financial Performance report to BOD will be used to:

- Maintain transparency throughout QSE and provide the Board, Board Committees and QSE's Executive Management with relevant and timely information;
- Monitor the performance of QSE as a whole;
- Monitor and ensure compliance with regulatory requirement;
- Ensure adequate financial consolidation and performance reporting; and
- Monitor implementation of strategy.

9. Internal Audit

QSE will have an independent Internal Audit function with clearly defined functions and role designed to add value and improve the QSE's operations. Internal Audit's role within QSE is to assist the Board and Executive Management meet goals and objectives by providing reliable and independent opinions on the adequacy and effectiveness of the risk management, control and governance processes in operation across QSE. Internal auditors must be specialized in audit matters and be of high professional and personal qualifications in order to improve the performance level of QSE. The Director of the Internal Audit Department is appointed by the Board and is accountable to the Board. Before the start of each financial year, Internal Audit will prepare an Annual Internal Audit Plan for submission to the Audit Committee.

1. Roles of Internal Audit

QSE Internal Audit has the responsibility to identify and report on issues, deficiencies or weaknesses in the QSE's systems and processes for controlling its activities and managing risks. In particular, the Internal Audit function will:

- Audit the Internal Control Systems and processes for controlling the QSE's activities and managing risks through risk-focused examination and assessment covering:
 - The adequacy and reliability of systems and procedures in use and under development;
 - Compliance with control guidelines issued by Executive Management;
 - Compliance with the QSE's objectives and strategies;
 - Compliance with all internal regulations, systems and procedures;
 - The reliability and integrity of Executive Management information;
 - Arrangement for the acquisition, record, custody and disposal of assets and for verifying their existence.
- Prepare an annual audit plan before the beginning of each financial year and present it to the Audit Committee.

- Submit its reports to the BOD either directly or through the Audit Committee.
- Internal Audit may conduct special investigations as required by the Board, the Audit Committee or Executive Management.

2. Board of Directors (BOD) Role in Internal Audit

The Board should examine company practices relating to the internal audit. Among key issues, the Board should ensure that:

- QSE has an effective Internal Audit Department at the QSE level.
- The Audit Committee understands and has approved the Annual Internal Audit Plan;
- The Audit Committee is receiving the requisite information from internal auditors such as key risks facing QSE;
- The Internal Audit Department is structured to promote operational independence;
- The Internal Audit Director has a direct line of communication with the Audit Committee;
- Appropriate lines of communication exist between the internal auditors and Management; and
- The Internal Audit Director meets regularly in executive session with the Audit Committee.

3. Internal Audit Role in Corporate Governance

“International Standards for the Professional Practice of Internal Auditing” as issued by the Institute of Internal Auditors (hereinafter ‘IIA’) address internal audit responsibilities in the corporate governance arena. Internal Audit should make appropriate recommendations for improving the governance process in its pursuit of the following objectives:

- Promoting appropriate ethics and values within QSE;
- Ensuring effective organizational performance management and accountability;
- Effectively communicating risk and control information to appropriate areas of the organization; and
- Effectively communicating the activities of and communicating information among the Board, external and internal auditors, and Executive Management.

4. Communication with Audit Committee

- The Audit Committee requires information from the Internal Audit Department to gain an overview of the strategic, operational, and financial risks facing QSE and the assessment of the system of internal controls in place to manage these risks.
- The Internal Audit Directors will report to the Audit Committee on a quarterly basis on the following matters:
 - assignments and activities conducted over the reported period
 - observations with identification of key or high risk observations
 - Internal Audit objectives, KPI’s and performance
 - any cases of proven or suspected fraud or similar (if any)
 - Internal Audit administrative matters;
 - other matters as required
- The Internal Audit Director should have a direct reporting line to the Audit Committee, attend Audit Committee meetings, and have regular sessions with the Committee.
- The Internal Audit will raise issues of concern, including any issues involving the internal control environment and the performance of External Auditors.

5. Reporting

- The Internal Audit Director is responsible for reporting any material assurance issues to Executive Management, the Audit Committee and the Board, and for providing an update on previously reported issues with an escalation policy in place.

6. Rights of Access

The Internal Audit Department, for the purpose of performing its duties, has the right of access to:

- Any and all information, accounting and transaction records in whatever media and wherever maintained or stored;
- All assets, including property held in custody and supporting records;
- All contracts and agreements in effect or expired;
- All premises and property owned, loaned or rented;
- All systems, procedures and practices;
- All Executive Management, staff and contracted third parties records;
- Minutes of all Board and Board /Management Committee meetings throughout QSE;
- All third party reports relating to the affairs of QSE including regulatory reports;
- The right to be informed, on a timely basis, of any significant control failures identified by Management or the External Auditors; and
- The right of access to all correspondence with regulators of QSE.

7. Independence and Objectivity

- Internal Audit is a function, independent of line Management, established within QSE. Independence is established by organizational status, through reporting lines and by members of Internal Audit carrying out their duties freely and objectively.
- Members of Internal Audit are required to be objective and constructive in discharging their responsibilities. They will at all times:
 - i. Ensure compliance with the Standards for the Professional Practice of Internal Auditing and The Code of Ethics of the Institute of Internal Auditors (IIA).
 - ii. Observe the following IIA Attribute Standards:
 1. Integrity;
 2. Honesty;
 3. Objectivity; and
 4. Professional care.
 - iii. Demonstrate QSE values.
- The Audit Committee should review and approve the Internal Audit Department's Charter and ensure unrestricted access by internal auditors to records, personnel, and physical properties relevant to the performance of the engagements.
- In ensuring the independent and effective functioning of the Internal Audit Department, the Audit Committee should:
 - Ensure that the Internal Audit Department is structured in a manner that achieves organizational independence and permits full and unrestricted access to Executive Management;
 - Review and approve the annual internal audit budget and assess the appropriateness of the resources allocated to internal auditing;
 - Endorse, through the Audit Committee, hiring or termination of the Internal Audit Director and other employees in the Department;
 - Evaluate the Internal Audit Director and be involved in the performance evaluation and compensation decisions related to the Internal Audit Department; and

- Consider developing a rotation policy for internal audit staff to promote independence.

8. Relationship with External Auditors

Internal Audit shall keep a good working relationship with the external auditors. Internal Audit shall, when invited, attend meetings between Executive Management and the external auditors, as observers only.

10. External Audit

The nomination and replacement of QSE's External Auditors will be performed according to the provisions of the Commercial Companies' Law Number (11) for the Year 2015 and QSE's Articles of Association. Based on the applicable rules and regulations, the External Auditor should be independent, qualified, and will be appointed upon the recommendation of the QSE Audit Committee to the BOD. As per article 141 of the Commercial Companies Law, Every shareholding company must have one or more accounts auditors appointed by the general assembly for one year. It wages are also fixed by the general assembly. QSE may reappoint the external auditor for further period provided that the period of appointment should not exceed five consecutive years.

The purpose of the external audit is to provide an objective assurance to the BOD and shareholders that the financial statements are prepared in accordance with the applicable laws and regulations and the international financial reporting standards and accurately represent the financial position and performance of QSE in all material aspects. The External Auditor must be completely independent from QSE's functions and Members of its BOD and shall not have any conflict of interest in his relation to QSE. The external auditor is responsible for carrying out the following duties in particular:

1. Conduct an independent annual audit and carry out a semi-annual review to ensure that all financial statements have been prepared in accordance with the governance rules and reflect the financial position of the company truthfully.
2. Ensure its compliance with professional standards, and its complete independence from the Company and its Board of Directors.
3. Attend the ordinary and extraordinary general assembly meetings to present the annual report and respond to the shareholders' inquiries.
4. Notify the Corporate Affairs Department of the Ministry of Commerce and Industry or other regulatory bodies in the event that the BOD does not take appropriate action regarding the matters raised by shareholders.

11. Shareholders' Rights

Shareholders shall have all rights conferred upon them by related laws and regulations as well as QSE' Memorandum and Articles of Association.

12. Stakeholders' Rights

The rights of Stakeholders and QIA Group Governance Standards shall be considered in all matters of their dealing with QSE. Where Stakeholders participate in the corporate governance arrangements, they shall have access to relevant, sufficient and reliable information on a timely and regular basis. The BOD shall ensure that QSE employees are treated according to the principles of equal opportunity and without any discrimination whatsoever on the basis of race, gender, or religion.

The BOD shall develop a remuneration policy and packages that provide incentive for employees and management of QSE to always perform in the best interests of the QSE. This policy should take into consideration the long term performance of QSE.

Moreover, the BOD will adopt the whistle-blowing mechanism enabling employees of QSE to report to the BOD suspicious behavior, where such behavior is unethical, illegal, or detrimental to QSE. Under the whistleblowing policy, the BOD ensures that the employee addressing.

The BOD shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors.

13. Compliance

Compliance with laws, regulations and standards will remain the prime responsibility of the CEO and ultimately the BOD through the Audit Committee.

QSE Compliance is a function, with a formal status within QSE that identifies, assesses, advises on, monitors and reports on the QSE's compliance risk, that is the risk of legal or regulatory sanctions, financial loss, or loss to reputation the QSE may suffer as a result of failure to comply with applicable laws, regulations, codes of ethics & conduct and standards of good practice, which are principally relevant to corporate governance and the business activities of the QSE. These regulations include, but are not limited to, Qatar Financial Markets Authority law and regulations QSE's Memorandum and AOA and any regulations and instructions to which the QSE is subject to. These include those dealing with the prevention of money laundering and terrorist financing. The responsibilities of QSE's Compliance will be carried out under a Compliance Manual, which sets out its planned activities. Such plan will be approved by the BOD.
