

**Board of Directors Charter**  
**United Development Company (UDC)**  
**(Qatari Public Shareholding Company)**

**Preamble:**

Pursuant to the rules of the corporate governance system issued by Qatar Financial Markets Authority, and in order to scale up the company's activity to achieve its long-term goals and vision, the UDC Board of Directors adopted the Charter of the Board of Directors below, with the following objectives:-

1. Establishing rules and values that invoked in a view to corporate activity governance.
2. Developing codes of conduct and upgrading standards as well as systems of responsibility of the members of the Board of Directors by developing controls to conduct their activities.
3. Providing the members of the Board of Directors with indicators that help them perform their duties towards the company.
4. Framing the activities of the Board of Directors and filling the organizational gaps to facilitate the work of the Board of Directors.
5. Creating standards conducive to establishing the principle of transparency and engaging the community in developing a concept for the mechanism of Boards of Directors in public joint-stock companies.

Considering all of the above, the Board of Directors decided to issue a charter for the UDC Board of Directors, which reads as follows:

**Article (1)**

The above-mentioned preamble is an integral part of this charter.

**Article (2)**

**Formation of the Board of Directors**

The Board of Directors shall be formed in accordance with the law and the Articles of Association of the Company, provided that at least one third of the members of the Board of Directors are independent, and the majority of the members are non-executives. As well, one or more of the Board of Directors seats may be allocated to represent the minority, and another seat to represent the employees of the company.

### **Article (3)**

#### **Main Functions and Tasks of the Board of Directors**

The main functions and tasks of the Board of Directors should include, for example, the following:

1. Approving the strategic plan and the main objectives of the company and supervising its implementation, including:
  - 1.1 Developing the overall corporate strategy, main business plans and risk management policy as well as guidance.
  - 1.2 Determining the optimal capital structure for the company, its strategy, financial goals, and annual budgets approval.
  - 1.3 Supervising the main capital expenditures of the company, ownership of the assets and disposing of them.
  - 1.4 Developing goals, monitoring implementation and overall performance in the company.
  - 1.5 Periodic review of the organizational structures of the company and its approval which ensure good distribution of the company's positions, tasks and responsibilities, especially the internal control units.
  - 1.6 Adopting a guide to the procedures for implementing the strategy and objectives of the company, which is prepared by senior executive management provided including the identifying ways and tools for rapid communication with the authority, the other oversight bodies and other parties involved in governance, including the nomination of the contact person.
  - 1.7 Approving the annual plan for training and education of the company, provided that it includes programs to introduce the company and its activities and governance in accordance with this system.
  
2. Establishing internal control systems and controls as well as general supervision over them, including:
  - 2.1 Establishing a written policy governing conflict of interest and processing potential conflicts of interests for both board members, senior executive management, and shareholders, including misconduct resulting from dealings with related parties.
  - 2.2 Setting a full disclosure system in a manner that achieves justice and transparency and prevents conflicts of interest and exploitation of information that is not available to the public, provided that this system includes the principles that must be followed when dealing with securities by knowledgeable people, and specifying periods of prohibiting them from trading in the securities of the company or any company from its group, as well as preparing and updating a list of knowledgeable people, and providing the authority and the market with a copy and approving or updating it.
  - 2.3 Ensuring the integrity of the financial and accounting systems, including those related to the preparation of financial reports.
  - 2.4 Ensuring the application of appropriate control systems for managing risks, by specifying the general perception of the risks that the company may face and presenting it in a transparent manner.
  - 2.5 Annual review of the effectiveness of the company's internal control procedures.

3. Devising a corporate governance system in line with the provisions of this system, general supervision of it, monitoring its effectiveness and amending it when needed.
4. Devising clear and specific policies, standards and procedures for Board of Directors membership and putting them into effect after the approval of the General Assembly.
5. Developing a written policy regulating the relationship between stakeholders in order to protect them and preserve their rights, and this policy should cover - in particular - the following:
  - 5.1 Mechanism to compensate stakeholders in case of violating their rights established by the regulations and protected by contracts.
  - 5.2 Mechanism for settling complaints or disputes that may arise between the company and the stakeholders.
  - 5.3 An appropriate mechanism for establishing good relations with customers and suppliers and maintaining confidentiality of information related to them.
  - 5.4 The rules of professional conduct for the executive management and employees of the company to conform with the sound professional and ethical standards and the organization of relations between them and the stakeholders, and the mechanisms for monitoring the implementation of these rules and commitment to it.
  - 5.5 The company's social contribution.
6. Establishing policies and procedures that ensure the company's respect of the rules and regulations along with its commitment to disclose information to shareholders, creditors and other stakeholders.
7. Inviting all shareholders to attend the General Assembly meeting in the way established by law. The invitation and announcement shall include a comprehensive summary of the agenda of the General Assembly, including the item for discussing and approving the governance report.
8. Approving the nominations for appointment to the positions of senior executive management, and the succession plan for managing it.
9. Establishing a mechanism for dealing and cooperating with financial services providers, financial analysis, credit rating and other service providers, and criteria and indicators of financial markets bodies to provide their services quickly, honestly and transparently to all shareholders.
10. Developing the necessary awareness programs to spread the culture of self-censorship and risk management in the company.
11. Adopting a clear and written policy that defines the principles and method for awarding the members of the Board of Directors, incentives and rewards of the higher executive management and company employees in accordance with the principles of this system and without any discrimination on the basis of race, gender or religion, and submitting this policy to the General Assembly annually for approval.
12. Developing a clear policy for contracting with the relevant parties, and submitting this policy to the General Assembly for approval.
13. Establishing the foundations and criteria for evaluating the performance of the Board of Directors and senior executive management.

14. Reviewing and evaluating the work of the committees, and including the corporate governance report on its work.

#### **Article (4)**

##### **Board of Directors' Responsibilities**

The board represents all shareholders. As well, the Board shall exert the necessary care in managing the company in an effective and productive way to achieve the interests of the company, partners, shareholders, and stakeholders. Moreover, achieves public benefit, investment development in the state and community development. The Board shall bear the responsibility to protect the shareholders from illegal or arbitrary business or practices or any actions or decisions that might harm them, discriminate them or enable one group from another.

The Board of Directors, in a manner that does not violate the provisions of the law, should perform its functions and tasks and assume its responsibilities according to the following:

1. The Board of Directors shall perform its duties responsibly, in good faith, seriousness and concern, and its decisions shall be based on adequate information from the executive management, or from any other reliable source.
2. The member of the board represents all shareholders, and he must abide by what is in the interest of the company, not the interest of his representative or whoever voted for him to appoint him to the board.
3. The Board of Directors shall determine the authority assigned to the executive management, decision-making procedures and the duration of the assignment. It also determines the issues that retain the power to decide, and the executive management reports periodically on the exercise of the assigned authorities.
4. The board should ensure that procedures are in place to familiarize the new board members with the company's work, especially the financial and legal aspects, as well as train them if necessary.
5. The board shall ensure that the company provides sufficient information about its affairs to all members of the board in general, and to non-executive board members in particular, in order to enable them to carry out their duties and tasks efficiently.
6. The Board may not be permitted to conclude loan contracts that have a maturity of three years, to sell or mortgage the company's real estate, or to discharge the company's debtors from their obligations unless it is authorized to do so in the company's articles of association and according to the terms set forth in articles of association. If the company's system includes provisions in this regard, the Board shall not perform the aforementioned actions without permission from the General Assembly, unless such actions are included in the purposes of the company.

## **Article (5)**

### **Devolution of tasks**

In a manner that does not prejudice the prerogatives of the General Assembly, the Board of Directors shall assume all the powers and authorities necessary to manage it. The Board of Directors may delegate its committees to exercise some of its powers, and it has the power to form one or more special committees to carry out specific tasks provided that the decision to form them stipulates the nature of those tasks.

The ultimate responsibility for the company remains with the Board of Directors, and if it forms committees or delegates other entities or persons to carry out some of its activities. The Board of Directors shall avoid issuing general or indefinite mandates.

## **Article (6)**

### **Duties of the Chairman of the Board of Directors**

The Chairman is the Chairman of the board of the company and represents it with others and before the judiciary. He is primarily responsible for the good management of the company in an effective and productive way and working to achieve the interests of the company, partners, shareholders and other stakeholders. The tasks and responsibilities of the Chairman of the board include, for example, the following:

1. Ensuring that the Board of Directors discusses all essential issues in an effective and timely manner.
2. Approving the agenda of each meeting, taking into consideration any issue raised by any member of the Board of Directors.
3. Encouraging the Board of Directors members to participate collectively and effectively in managing the affairs of the Board of Directors to ensure that the Board of Directors carries out its responsibilities in the interest of the company.
4. All data, information, papers and documents as well as records of the company, the Board of Directors and its committees shall be made available to the members of the Board of Directors.
5. Finding channels of effective communication with shareholders and work to communicate their views to a Board of Directors.
6. Making space for non-executive board members in particular with active participation and encouraging constructive relationships between non-executive and executive board members.
7. Keeping members informed of the implementation of the provisions of this system, and the Chairman of the board may authorize the audit committee or others to do so.

The vice-Chairman of the board replaces the Chairman of the board in his absence, and the Chairman of the board may delegate to other members of the Board of Directors some of his authorities.

## **Article (7)**

### **The Obligations of Board of Directors' Members**

Board of Directors members shall be obligated to:

1. Regular attendance at the meetings of the Board of Directors and its committees, and not withdrawing from the Board of Directors except for necessity and at the appropriate time.
2. Upholding the interest of the company, partners, shareholders and other stakeholders, to the private interest.
3. Expressing an opinion on the strategic issues of the company, its policy in implementing its projects, employee accountability systems, resources, basic appointments, and working standards for it.
4. Monitoring the performance of the company in achieving its goals and objectives, and reviewing reports on its performance, including annual, semi-annual and quarterly reports.
5. Supervising the development of procedural rules on governance, and working to implement them in an optimal manner in accordance with this system.
6. Exploiting their various skills and experiences by diversifying their competencies and qualifications in managing the company in an effective and systematic way, and working to achieve the company's interests, partners, shareholders as well as other stakeholders.
7. Effective participation in the general assemblies of the company, and achieving the demands of its members in a balanced and fair manner.
8. Not to make any statements, data or information without the prior written permission of the Chairman of the board or whomever he delegates to do so, and the Board shall name the official spokesman in the name of the company.
9. Not to disclose any of financial and commercial relations, and judicial cases that may negatively affect the performance of the tasks and functions assigned to them.
10. Board members may request the opinion of an independent external consultant at the expense of the company regarding any matter concerning the company.
11. In the event that a member of the board of directors retires or leaves his seat in the Board of Directors for any reason, the concerned member must return all the papers and documents of the company that were in his possession to fulfill his duties entrusted to him by the company.
12. Returning the papers and documents mentioned above, the concerned board member does not exempt from maintaining the confidentiality of the information that related to the retired member during his work in the Board of Directors.
13. The members of the Board of Directors shall work within the scope of the powers granted to them under the Company's articles of association and the directives of the Board of Directors established in accordance with the principles, shareholders' decisions, and the relevant laws and boards. The members of the Board of Directors who exceed their powers are responsible for the losses incurred by the company as a result of exceeding the powers.

## **Article (8)**

### **Meeting Invitation**

The board of Directors shall be met under the invitation of its chairman, according to what articles of association stipulates. The Chairman of the board shall invite the board to the meeting whenever at least two of the members requested meeting. The invitation to each member shall be accompanied with the agenda prior to the meeting date on week at least. Any member of board of directors may add one item or more to the agenda.

## **Article (9)**

### **Board of Directors Meetings**

The Board of Directors hold six meetings - at least - during the year, and it is not permissible for three months to pass without a meeting. As well, the meeting of the Board of Directors shall not be valid unless the majority of members attend, provided that the Chairman of the board or vice Chairman of the board is among the attendees.

The absent member may delegate one of the members of the Board of Directors to represent him in attendance and voting in written, provided that one member shall not be represented by more than one member. If the member of the Board of Directors is absent from three consecutive meetings, or four non-consecutive meetings without an excuse acceptable to the Board of Directors, he shall be considered resigned.

It is permissible to participate in the meeting of the Board of Directors by any of the secured means of modern recognized technology, enabling the participant to listen and participate effectively in the work of the Board of Directors and issue decisions.

## **Article (10)**

### **Board of Directors Decisions**

In a manner that does not violate the provisions of the law in this regard, the decisions of the Board of Directors shall be issued by a majority of the votes of the attendees and representatives. A member who does not agree with any decision taken by the Board of Directors may prove his objection in the minutes of the meeting.

The Board of Directors may, in the event of necessity and for reasons of urgency, issue some of its decisions by passing, provided that all its members agree in writing to those decisions, and that it is submitted at the next meeting of the Board of Directors, to include its minutes of meeting.

**Article (11)**

**Board of Directors Committees**

It is forbidden to assume the presidency of more than one of the committees formed by the Board of Directors, and it is not permissible to combine the chairmanship of the audit committee with the membership of any committee.

**Article (12)**

This charter shall not be amended except by a written decision issued by the Board of Directors.

**Article (13)**

**Approval and Publication**

- A- The United Development Company Board of Directors approved this charter in its meeting no. (3) of the year 2019 AD.
  
- B- This charter shall be published on the company's official website, to contribute to clarifying the role, powers and responsibilities of the Board of Directors.

***Issued by the Board of Directors on 01/04/2019 in its meeting No. (3) of the year 2019 AD.***