

## **Governance, Nomination and Remuneration Committee Charter**

### **United Development Company (UDC)**

### **(Qatari Public Shareholding Company)**

#### **Article (1)**

##### **Definitions**

The following words and phrases shall have the meaning indicated that appear beside each of them hereunder unless the context requires otherwise:

- The Company: United Development Company (UDC), and the companies owned by or contributed to it.
- Board: The UDC Board of Directors, and the boards of directors of companies that owned by it or contribute to it.
- The Committee: The Governance, Nominations and Remuneration Committee.
- The Chairman: The Chairman of the Committee.
- Members: The Board of Directors Members.
- Shareholders: The company's shareholders.
- Personal of the executive positions: The Chief Executive Officer, The Chief Operating Officer, The Chief Financial Officer, The General Manager, The Executive Director, The Company Chief Financial Officer or The Heads of the Departments.
- Guiding principles: The guiding principles for the nominating members in accordance with the corporate governance system issued by the Qatar Financial Markets Authority, which are attached to this charter.

#### **Article (2)**

##### **Objectives**

The committee aims to assist the Board of Directors in carrying out its duties and responsibilities related to nominating and appointing members and personal of the executive positions in the company, assessing their performance as well as evaluating the performance of the board annually. Further to providing proposals for the policy of wages, rewards and incentives for the company in line with the company's vision and goals, monitoring and supervising the company's implementation of the governance system and developing application mechanisms of this system.

### **Article (3)**

#### **Membership**

The committee consists of at least three members headed by a member of the board of directors and at least two members, appointed by the UDC Board of Directors. The selection of committee members takes into account the availability of the necessary experience to exercise its duties. The membership of the committee shall be for a period of three years which is renewable.

The Chairman of the Committee is prohibited from taking over more than the other committees formed by the board of directors.

### **Article (4)**

#### **Committee meetings and procedures**

- A. The committee shall meet under the invitation of its chairman or two of its members at least four times per year, or whenever the need arises. The committee meeting shall not be valid unless the majority of members attend, provided that the chairman is among them.
- B. The committee shall be met two months before the annual general meeting of the company to finalize the procedures for nominating members.
- C. The committee shall issue its decisions by an absolute majority of the votes of the members.
- D. The committee has the right to invite any of the company's employees to attend its meetings, and none of them have the right to vote on decisions thereof. It also has the right to communicate directly with any of the personal executive positions in the company, to obtain any information that it deems necessary to fulfill its responsibility in this regard.
- E. The committee has the right to seek the assistance of experts and consultants, whether from the company's employees or others in order to achieve its goals, and it has the right to determine the appropriate rewards for these actions.
- F. The committee shall have a secretary who will prepare draft minutes of its meetings within three working days from the date of the committee meeting, and send it to the members to express their comments on them,

provided that the president and the secretary sign the minutes, taking into account the observations of the committee members, if any.

The Secretary shall keep the minutes of the meetings, the decisions of the committee and its documents.

## **Article (5)**

### **Prerogatives**

The committee is concerned with the following:

- A. Proposing the necessary mechanisms to implement the decisions and instructions issued by the supervisory authorities regarding the rules and practices of governance; submitting their recommendations the UDC Board of Directors in this regard.
- B. Periodic follow-up of the decisions and instructions issued by the personal executive of the company and the extent of its commitment to laws, regulations and governance systems. Further to submitting the recommendations thereof in this regard to the UDC Board of Directors.
- C. Periodic follow-up of the corporate governance tools applied in the company and their effectiveness and presenting the necessary suggestions for the development thereof, including a proposal to amend the company's articles of association, and overseeing the preparation, rectification and development of the corporate governance charter.
- D. Reviewing all the policies and procedures applied in coordination with the specialized committees and departments in the company, and submitting them to the Board of Directors for approval after submitting them to the Department of Legal Affairs in the company
- E. Instituting and developing the criteria as well as the conditions that represent the minimum experience, qualifications and skills necessary to occupy the Board of Directors' membership, and the personal executive of the company. Further to reviewing the skills required in the Board of Directors' membership and receive requests to run for membership of the Board of Directors, along with submitting the list of candidates for Board of Director's membership to the Board of Directors including their

recommendations in this regard, provided that sending a copy to the organization.

- F. Reviewing the human resources and training policies of the company, observing the distillation process therein to ensure the achievement of the targeted distillation ratios, and setting a draft succession plan for the company's management to ensure the speedy appointment of the appropriate alternative to fill the company's vacant positions.
- G. Proposing the means and mechanisms that ensure the Board of Directors contains the appropriate mix of competencies and skills that help it fulfill its responsibilities to the fullest extent.
- H. Reviewing the skills to be required in the personal executive positions of the company, presenting its recommendations in this regard to the UDC Board of Directors, and nominate whom it deems appropriate to fill any of the positions of the senior executive management.
- I. Preparing a list of the qualified candidates for the membership of the UDC Board of Directors in accordance with the criteria set by the committee, and according to the guiding principles, to be presented to the general assembly of the shareholders of the United Development Company (UDC).
- J. Proposing the necessary programs and plans to educate and edify the new members of the board of directors in a manner that helps them to play their role and achieve the goals and programs of the company and its services on the basis of knowledge, and in accordance with the applicable laws and regulations.
- K. Expressing an opinion regarding the appointment, reappointment or dismissal of any of the members of the Board of Directors of companies owned by or contributed by the United Development Company (UDC), as well as the personal of the executive positions of the company, provided that this opinion is based on the results achieved by any of them, as well as on skills and qualifications and their experiences.
- L. Establishing and developing objective criteria for evaluating the performance of the board members and the personal of the executive positions in the company, and conducting an annual performance

evaluation for them, preparing a report in this regard and presenting it to the UDC Board of Directors.

- M. Determining the general policy for granting bonuses in the company annually, including the method for determining the remuneration of the chairman and members of the board of directors, provided that the annual reward for the Board of Directors does not exceed 5% of the company's net profit after deducting legal reserves and deductions as well as distributing cash and in-kind profits to shareholders.
- N. Defining the principles for granting allowances to the company, including issuing incentive shares to its employees.
- O. Reviewing and developing the remuneration policies and systems in the company to ensure that they are related to the performance rate according to the original, and may be based in part on the principle of fixed remuneration.
- P. Directing the rewards and incentives system in the company in a way that leads to motivating the members and the personal of the executive positions in the company to raise the level of performance, in a way that ensures the growth of the company and achieving its goal.
- Q. Directing the wages policy in the company in a way that guarantees the link between the wages and each of: the general performance of the company and the extent of its success in achieving its goals, changing the working conditions in the company and the prevailing wages in the labor market, and the committee raises its recommendation in this regard to the UDC Board of Directors.
- R. Preparing the company's targeted performance card, which is used to assess the actual performance of the company, and determining the basis for calculating the annual material incentive.
- S. Expressing an opinion on the value of bonuses obtained by members, and submitting its recommendations in this regard to the UDC Board of Directors.
- T. Submitting an annual report to the Board of Directors on its actions and recommendations.

- U. Conducting an annual evaluation of the Board of Directors' effectiveness, provided that this evaluation addresses the following:
- Board independence and responsibilities, and the extent to which the board undertakes to achieve the company's strategy and monitor its implementation.
  - The extent of clarity regarding the separation between the role of the Board of Directors and the executive management.
  - The extent of discipline with regard to accessing information, and to workers and experts, at an appropriate time.

#### **Article (6)**

##### **Construal of the provisions of this Charter**

In the event of a dispute regarding the construe of the provisions of this Charter or the application of any of its provisions, the matter shall be referred to the Board of Directors for adjudication, and its decision shall be final and enforceable.

#### **Article (7)**

##### **Accreditation and publishing**

- A. The United Development Company Board of Directors approved this charter in its meeting No. (3) of 2019 AD.
- B. The committee publishes this charter on the official website of the company, in a way that contributes to clarifying its role and the powers vested in it.

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