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## **.Mekdam Holding Group Q.P.S.C**

### Nomination and Remuneration Committee Charter

November, 2021

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

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## **1. Introduction**

Nomination and Remuneration Committee (the “NRC” or the “Committee”) is established to represent and assist the Board of Directors (the “Board” or “BOD”) in providing organized and focused means to govern and achieve Mekdam Holding Group Q.P.S.C. (“MHG” or the “Group”) goals and to properly address issues related to identifying and recommending nominees for executive, non-executive and independent directors, as well as incentives system and approval of compensations.

## **2. Mandate**

The Nomination and Remuneration Committee is responsible for recommending Board Members’ and C-level executives’ appointment and re-nomination for election by the General Assembly as well as conducting the annual self-assessment of the Board’s performance. Also setting the Group’s remuneration framework for the Board Members, management, and staff.

## **3. Committee Responsibilities and Duties**

### **3.1. Nomination**

3.1.1. Identify and nominate new Board Member candidates that demonstrate the ability and oversight to make sound decisions on behalf of the Group and its shareholders. Ensure that nominations and appointments of the Board Members are made according to formal, rigorous, and transparent procedures.

3.1.2. Develop a succession plan for managing the Group to assure the swift appointment of an alternative to fill the vacant jobs in the Group and ensure compliance of the Senior Executive Management with such policy.

3.1.3. Design and adopt the BOD succession plan.

3.1.4. Nominate whom it deems fit to satisfy any job of the Senior Executive Management.

3.1.5. Receive candidacy requests for the Board membership and submitting the list of candidates to the Board, including its recommendations, and send a copy to Qatar Financial Markets Authority (QFMA).

3.1.6. Ensure that nominations consider the candidates’ sufficient availability to perform their duties, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and nominations should be annexed to Governance Code for Companies and Legal Entities issued by Qatar Financial Markets Authority (the “Corporate Governance Code”).

3.1.7. The Committee recommends the appropriate size and structure of the Board, including the structure of Board committees (eg type of membership). Establish criteria for selecting new Board Members and exercise oversight of all matters relating to director recruitment, of the evaluation of the Board and the Group management.

3.1.8. The Committee ensures that all Board candidates should be individuals of substantial accomplishment with demonstrated leadership capabilities and represent all shareholders and not any special interest group of constituencies.

3.1.9. Ensure that the Group complies with any provision or requirement relating to the nomination, election or appointment of Board Members issued by QFMA or any other relevant authority.

3.1.10. Review the structure of the Board of Directors and Senior Executive Management and recommend changes as and when required.

## **3.2. Remuneration**

3.2.1. Set the Group's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Group's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.

3.2.2. Prepare a well-defined policy and guidelines for the remunerations of the Board members and its Committees and the Senior Executive Management and present such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance and disclosing and ensuring the implementation of such policy.

3.2.3. Establish the bases of granting allowances and incentives in the Group, including issuance of incentive shares employees.

3.2.4. Evaluate the compliance of the Remuneration Policy with relevant rules and Standards.

3.2.5. Prepare the Remuneration Policy and seek approval of the Board and periodically review it and assess its effectiveness in achieving its objectives; and making recommendations to the Board for amending/updating the Policy.

3.2.6. Conducting an annual self-assessment of the performance of the Board of Directors and its committees.

3.2.7. Assess and evaluate Board Members based on criteria including:

a) Integrity and judgment,

- b) Diversity of backgrounds and experience they will bring to the Board; and
- c) Ability to devote sufficient time to the affairs of the Group.

3.2.8. Seek independent external counsel to advise and help the committee in conducting any of its responsibilities (as required).

3.2.9. Ensure that an annual remuneration and compensation review is conducted independently of Management.



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## **4. Committee Reporting Responsibilities**

### **4.1. Regularly report to the Board of Directors about the Committee's activities.**

4.2. Subject to applicable regulatory requirements, report annually to the shareholders describing the Committee's composition, role, and responsibilities, and any other information required by regulations.

4.3. Provide prompt reply to the Board on inquires.

4.4. If requested, submit reports to the Board on issues stipulated in this Charter, as well as approved minutes.

4.5. The Chairman of the Committee must provide the following reports to the Board annually:

- i. A report showing the details of remuneration and compensations paid to the members of the Board and Board Committees with the details required by regulations.
- ii. Outcomes of the Board and Board Committees' annual self-assessment with its recommendations, if any; and
- iii. Information related to recruitment, resignation, service termination and remuneration of the Executive Management.

## **5. Composition of the Committee**

### **5.1. Composition**

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

5.1.2. Chaired by a Board Member, and membership of at least two members, with relevant experience to exercise their responsibilities.

5.1.3. The Board shall issue a decision naming the Chairman and members of the Committee.

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

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

5.1.6. It is prohibited to chair more than one committee composed by the Board.

### **5.2. Term**

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

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## **6. Membership**

### **6.1. Qualifications and Requirements**

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

### **6.2. Nomination**

6.2.1. The Board shall appoint the Committee members.

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

### **6.3. Resignation and Replacement of Committee Members**

6.3.1. The position as member of the Committee shall be vacated:

- a) If the person holding it resigns or pass away.
- b) If the person become unfit.
- c) If the Board member is absent from attending three consecutive meetings or

four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned.

6.3.2. A Committee member may resign upon submission of a written notice to the Board and Committee Chairmen. Such resignation shall become effective as of the date of delivering the said notice, unless the notice specifies a later time for the resignation to be effective.

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

## **6.4. Remuneration**

6.4.1. The Committee Chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure by the Nomination and Remuneration Committee and approved by the General Assembly.

## **6.5. Committee Chairman**

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

- a) Organize the Committee's meetings and determine the time, date, and place for each meeting as well as specify the agenda of its meetings after the coordination with the Committee members.
- b) Lead the Committee meetings, and submit its activities' results and recommendations to the Board.
- c) The supervise the preparation of periodic reports for the Committee's activities in coordination with the Committee's Secretary and presenting of such reports to the Committee before submitting it to the Board.
- d) The Committee Chairman or whom in his place from the Committee members shall attend the General Assembly meetings to answer the shareholders questions.
- e) Represent the Committee before the Board or any other party as required.

## **6.6. Committee Secretary**

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

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

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



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

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



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## **6.1. Meetings**

### **7.1. Frequency**

7.1.1. The Committee will meet at least twice a year. A meeting of the Committee may be held by the telephone or video conference call, and such participation shall be considered presence in person at such meetings.

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

### **7.2. Invitation and Agenda**

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

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

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

7.2.4. If the Committee's Chairman is not present, he/she shall nominate his/her replacement. In case this is not feasible, the Members present shall nominate an alternate Chairperson who shall be appropriately qualified for the purpose of that specific Committee session.

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

7.2.6. A Committee member may invite an attendee but will notify the Chairman and other Committee members at least two days in advance.

7.2.7. A Committee member can request a meeting be held with appropriate notice to other members.

### **7.3. Quorum**

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

### **7.4. Decisions**

7.4.1. The Nomination and Remuneration Committee shall take its decisions by simple majority of the Committee members. The Committee can take its decisions by circulation unless a member request in writing to discuss the circulated matter in a meeting.

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

### **7.5. Access to Information**

7.5.1. The Committee, in performing its functions, may as appropriately have unrestricted access to the Group's records and any other documents, reports, materials or information (as related to its functions) in the possession of any employee or external advisor of the Group.

### **7.6. Minutes of Meeting**

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

7.6.2. A Nomination and Remuneration Committee secretary shall be appointed and record minutes of each meeting.

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

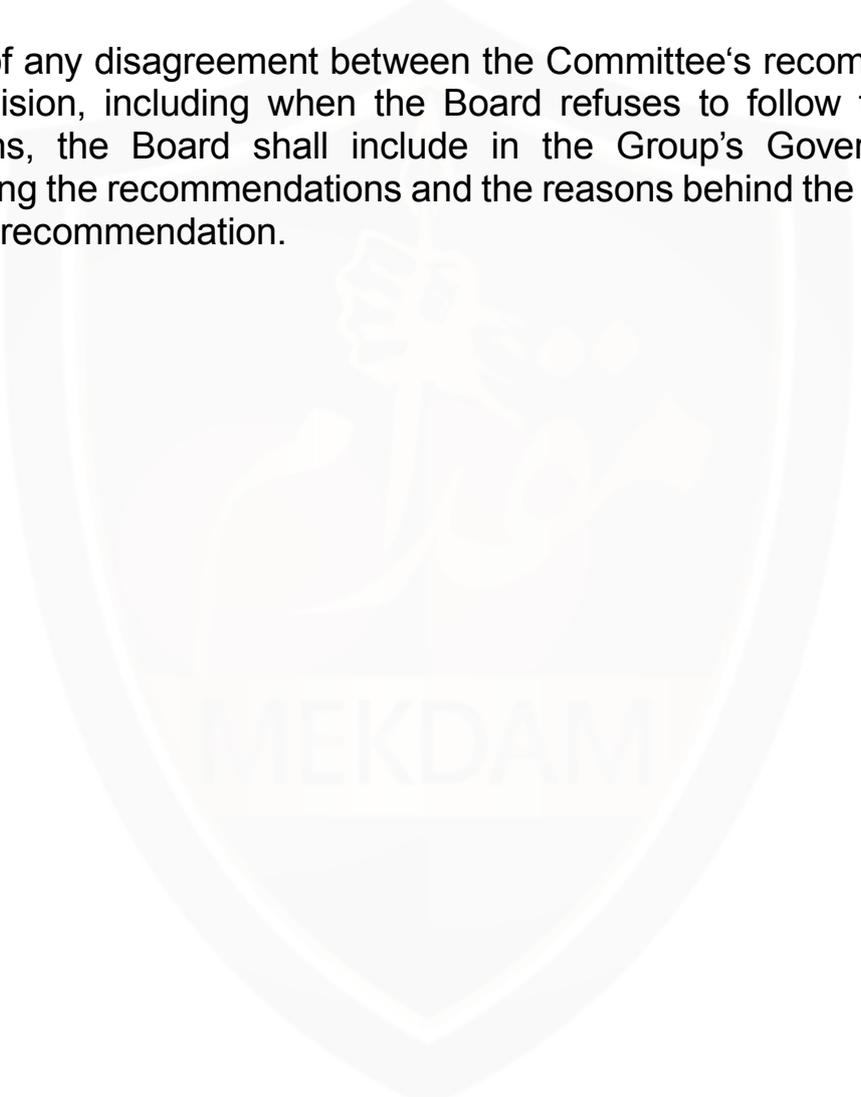
### **7.7. Meeting Methods**

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

## 8. Disputes

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

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

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## 9. Performance Evaluation Process

The Committee will make recommendations to the Board annually, in respect of the self-performance assessment process for evaluating each of the Board committees.

Amendment initiated by	_____			
Approved / rejected (*) by	_____			
Approved / rejected by (*)	_____			
	(Name)	(Signature)	(Department)	(Date)
Section(s) and paragraph(s) proposed to be amended				
Reasons for amendment				
Text of the proposed amendment (attach separate sheets if required)				
Reasons for rejection				
Electronic form updated by		Amendments distributed by		



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