



Qatar Gas Transport Company Ltd. (Nakilat)

Board of Directors Charter

April 2018



1- Formation of the Board

Article (1)

After the expiration of the period of the first board of directors, the company shall be managed by a board of directors formed of seven members, four of them shall represent the founders; two members from Qatar Petroleum of whom shall hold the positions of chairman and vice-chairman, one member shall represent Qatar Navigation Company, and one member shall represent Qatar Shipping Company. The remaining three seats shall be elected by the remaining shareholders.

Article (2)

The board of directors' member must fulfill the following conditions:

1. He shall not be less than twenty-one years old.
2. Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of law No. (8) Of 2012 referred to, or have been bankrupted, unless been rehabilitated.
3. When a shareholder is elected, or within 30 days from election date, he shall own a number of the Company's shares determined by Articles of Association.
Such shares must be deposited, within sixty days from the beginning of the membership, with one of the approved banks; the deposit thereof shall continue without being negotiable, mortgageable or seize-able until the expiration of the membership period and the ratification on the financial statements of the last fiscal year during the membership period. If the member fails to submit the security as mentioned above, his membership shall be forfeited.
4. Members of the board of directors shall provide written acknowledgment stating not undertaking any conflicting positions according to the provisions of the Commercial Companies Law and the Governance Code issued by Qatar Financial Markets Authority.

Article (3)

The directors shall be elected for a period of three years and the director may be re-elected only for another term, except for the founders. However, the first board of directors shall continue to perform its work for a period of five years.

Article (4)

If a board membership seat of the director other than the directors representing the founders becomes vacant, it shall be occupied by the director who has the majority of votes of the shareholders who did

not obtain the membership of the board of directors. In case of impediment, it shall be occupied by his successor and the new director shall complete the term of his predecessor only.

If no one occupied the vacant seat, the board of directors shall convene the general assembly to meet within two months from the date of seat vacancy to elect a director to occupy the same.

2- Board Authority

Article (5)

The board of directors shall have all the necessary authorities to manage the company and conduct its affairs. It may do all the acts and deeds required by such management, and such authority will be limited only as stipulated by the law, the company's bylaw or the decisions of the company general assembly.

The board may not sell or mortgage the company's real estates without the permission of the general assembly, unless such acts are within the object of the company.

Article (6)

The board of directors shall put in place the general policies of the company, take the necessary decisions related to such policies and verify the compliance therewith, and perform the tasks it is entrusted with by the provisions of the Commercial Companies Law and the Governance Code issued by Qatar Financial Markets Authority, and the Company's articles of association. The tasks of the board of directors are mainly as follows:

- 1) To protect the shareholders rights.
- 2) To oversee the company's objectives, key business plans, strategy, and ensure all required policies, including the risk management policy, are effectively implemented.
- 3) To study the suggestions and recommendations related to the company's objectives and to achieve its objectives and the related funding and expenditure policy.
- 4) To study and discuss the periodical administrative, financial and operation reports submitted by the Chief Executive Officer and to take the appropriate decisions related thereto.
- 5) To ensure the compliance of the company with the general frame of the laws and bylaws applied in the State and within the company.
- 6) To ensure the availability of the capital for the company
- 7) To endorse the planning budget and accounts of the company and the internal audit, to approve and amend the same whenever it is necessary and
- 8) To endorse the company's organizational structures.
- 9) To endorse the annual programs related to substitution, renewal, expansion and new additions to the existing capacities and to take decisions related to the financing and expenditure plans.
- 10) To review the company's performance and financial position at periodical intervals.
- 11) To supervise the execution of the decisions taken by the company's general assembly.

- 12) To discuss and study the financial statements, the final accounts, the balance sheet, the recommendations on the profit distribution, and ensure the integrity of the financial and accounting rules used in preparing financial reports.
- 13) To ensure the company has a mechanism in place for dealing and cooperating with institutions of financial services, financial analysts, credit rating agencies, and other entities within the financial markets to ensure providing services for all shareholders in a quick manner with integrity and transparency.
- 14) To endorse an annual training plan to promote awareness and ensure familiarization of the company's activities, operations, and governance.
- 15) To ensure the company has a mechanism relating to conflicts of interest and remedy any possible cases of conflict by board members, company' management and shareholders resulting from transactions with related parties.
- 16) To ensure the implementation of control systems appropriate for risk management that includes assessing the risks that the company may encounter and to be discussed transparently with the board, as well as promoting risk management awareness programs within the company.
- 17) To annually review the effectiveness of the company's internal control procedures
- 18) To ensure the implementation of succession planning system within the company.
- 19) To ensure disclosure of trading's in the company's securities according to the company's insider trading policy and procedures.
- 20) To ensure the company adopts its code of business ethics.
- 21) To engage the company in Corporate Social Responsibilities (CSR).
- 22) To endorse the criteria for evaluating the performance of the board and the management of the company.

Article (7)

The company's board of directors may form committees to perform some of its functions or other tasks, provided that such committees comprise of at least two directors, and that the functions and authorities of each committee are determined. The committee chairman appointment shall be determined either by board resolution or by election among the committee members. The board may delegate one of its members to perform one or more tasks or to supervise of one of the activities of the company.

In case the board requires external consultancy, the board of directors can consult with an external independent party, for any issues relating to the company's affairs; and the expenses incurred shall be paid by the company.

Article (8)

The right to sign for the company is given to the chairman of the board of directors and his deputy, jointly or solely. They shall represent the company in front of the courts and third parties. The right to sign for the company is also given to any of the directors delegated by the board, within the limits determined by the board. The employees of the company may also sign on its behalf within the limits determined by the board.

Duties of the board chairman

1. Ensure the board discusses all the key issues in an efficient and timely manner, as well as encouraging effective participation of all members.
2. Ensure the board performs their duties in a sincere approach, with good faith and due diligence, as they represent all shareholders and owe them the fiduciary duties of care, loyalty, and ensure the shareholders and the company's interest are always protected.
3. Approving the agenda of the board meeting taking into consideration any matter proposed by another board member.
4. Ensure all board members have access to all information, data, and records of the company, of the board, and of the board committees. As well as keeping all members informed about the provisions of the governance code.
5. Creating effective communication channels with the shareholders to ensure their opinions are heard.

Article (9)

The company shall have a general manager authorized by the board to sign on its behalf. The board may, when necessary, delegate one of its members to manage the company instead of the general manager and it shall determine his remuneration.

Article (10)

The chairman of the board of directors or any of the directors or any of the employees of the company may not have a personal interest, whether direct or indirect, which is in conflict with the company's interest.

3- Board Meetings

Article (11)

The board of directors shall meet by an invitation from its chairman or his deputy in case the chairman is absent or upon the request of two of its members at least.

The number of meetings shall not be less than six meetings minimum during one financial year and the meeting of the board shall only be valid if attended by majority of the members at least, provided that the chairman or the vice-chairman is among them.

Article (12)

The meeting of the board of directors shall be held at the company's headquarters or elsewhere. The meetings of the board of directors may be held through a conference call or any other way by which the members may discuss the subject and exchange their opinions in this regard.

Article (13)

The director may delegate, in writing, when necessary, one of his colleagues on the board. In such case, such delegated director may have two votes. And the director may not be a delegate for more than one director.

Article (14)

The decisions of the board of directors are passed by the majority of the votes of the present board members and representatives. In case of tie votes, the chairman or his delegate shall have the decisive vote and the objecting member shall confirm his objection in the minutes of the meeting.

Article (15)

Upon the request of the chairman or his deputy in case he is absent, the board may issue one or more decisions by circulation. The decision shall be deemed valid if signed by all board members. The passing of the decision for issuing the same shall be deemed as a meeting for the board and it shall be counted among the number of times required to hold the annual meeting. The decision issued by circulation shall be ratified at the first actual meeting of the board following the issuance of the decision.

Article (16)

If the director fails to attend three consecutive meetings of the board or four non-consecutive meetings without an excuse acceptable by the board, he shall be deemed resigned.

Article (17)

The board may call upon persons to take their opinions on subjects addressed to it, to attend its meetings, without them having the right to vote.

4- Board Secretary

Article (18)

The secretarial works of the board shall be handled by a secretary selected by the board which shall determine his competences and remuneration. The minutes of the meetings of the board of directors shall be recorded and signed by the chairman and the secretary of the board.

Article (19)

The secretariat shall be responsible for the following:

1. To prepare the agenda of each of the board of directors' meetings, accompanied by studies and clarifying data, in cooperation with the concerned departments of the company, and send it prior to the meeting according to the agreed timeline and in line with the provisions of the Commercial Companies Law and the Governance Code issued by Qatar Financial Markets Authority.
2. To prepare the minutes of the board meeting, and to draft potential resolutions, in preparation of ratifying their final wording before issuing them.
3. To notify the concerned authorities of the board's decisions and to submit reports to the board on the execution of such decisions.
4. To prepare the necessary draft letters to execute the decisions of the board.
5. To do any other works referred to it by the board.
6. Maintaining the board members' declaration forms which dictates that a board member does not hold conflicting positions as per the law and the provisions of the governance code.

5- Board Committees

Article (20)

1. The board, immediately after election and at its first meeting, shall constitute at least three committees as follows:
 - a. Nomination Committee: chaired by a board member and a membership of at least two
 - b. Compensation Committee: chaired by a board member and a membership of at least two
 - c. Audit Committee: chaired by an independent board member and a membership of at least two; where the majority of the members shall be independent
2. It is prohibited to chair more than one board committee, and it is not permissible to combine the chair of the audit committee and the membership of any committee.
3. The committee's meeting shall be deemed valid if attended by its chairman and the majority of the members.
4. All board committee shall present an annual report to the board highlighting the committee's activities and recommendations, if any, throughout the year.