



# **Qatar Gas Transport Company Ltd. (Nakilat)**

## **Governance Charter**

February 2020



## 1- Introduction

Nakilat (“the company”) strongly believes in adopting strong corporate governance practices that defines relationship among the company’s stakeholders, board of directors, senior management, and its employees to provide the framework for the governance of Nakilat; which in return achieves the long-term objectives of the company.

This charter is a general framework to organize the company’s corporate governance procedures in line with the corporate governance code issued by Qatar Financial Markets Authority (QFMA) to achieve the best application of corporate governance. The detailed measures for implementation are taken by the specialized department of the company.

The following charter was approved by the Board of Directors in their meeting on February 17th 2020. The Board recognized that there is a need for continuous and ongoing development of corporate governance, with the charter review to be on an annual basis.

## 2- The Board of Directors

### 2.1 The Role of the Board of Directors

The Board is primarily responsible for the sound and effective management of the company in accordance with the mission and vision of the company. In addition to the general oversight of management, the board also performs a number of specific duties, including:

- Approving the strategic objectives of the company.
- Evaluating company performance.
- Evaluating and mitigating potential risks.
- Ensuring that the company complies with relevant laws and regulations.

### 2.2 Board Composition and Expertise

The company is managed by a Board of Directors who is consisting of seven members, of whom four are appointed as follows:

The special shareholder shall appoint two members to fill the positions of Chairman and Vice Chairman, and Qatar Navigation Company appoints a member, and Qatar Shipping Company appoints a member. The rest of the members of the Board of Directors are elected by the General Assembly, and voting to elect the members of the Board of Directors is in accordance with the corporate governance code issued by Qatar Financial Markets Authority.

The Board of Directors may appoint an eighth member to represent a Qatari government entity whenever needed.

## 2.3 Board Committees

Three main committees were formed:

1. The Audit Committee.
2. The Compensation Committee.
3. The Nominations Committee.

These Board committees abide by their charter and adhere to the provisions of the corporate governance code. Each committee submits an annual report to the Board of Directors that includes: a) the number of meetings, b) attendance, c) discussions and recommendations were taken. The Board reviews and evaluates the work of the committees. The Nomination and Compensation Committees can be combined.

## 2.4 Board Meetings and Agenda

The Board of Directors shall meet pursuant to an invitation from the Chairman or the Vice Chairman if the Chairman is absent. In addition, the chairman shall invite the Board for a meeting if requested by at least two (2) Board members.

Invitation by the Chairman shall include the meeting agenda and shall be sent in advance . Other Board members may request to add other clauses to the meeting agenda. Also, every effort is expected by all members of the Board of Directors to attend the Board meetings, and the Board meeting shall only be valid if attended by majority of the members, provided that the Chairman or the Vice-chairman is among them.

All decisions of the Board taken during the meeting are issued through the approval of the majority of the votes of the attendees, and in case of equal votes, the decision of the Chairman's side will prevail.

## 3- External Auditor

In accordance with the provisions of Articles No. (141) to (151) of the Commercial Companies Law No. 11 of 2015 and Articles No. (60) to (63) of the company's articles of association and the provisions of the corporate governance code issued by Qatar Financial Markets Authority, the general assembly of the company appoints an external auditor for one fiscal year, and provided that the period of appointment should not exceed five consecutive years

#### 4- Shareholders Rights

The company strives to ensure that the rights of shareholders are protected and preserved, and the company holds periodically updated data from the shareholders' register through the membership of the company on the Qatar Stock Exchange.

The company publishes all the important and required information on the official website of the company and on Qatar Stock Exchange's website in order for shareholders to be fully aware of all the material information about the company.

The articles of association of the company stipulate that the shareholders are invited to the annual general assembly, and the shareholders have the right to request the extraordinary general assembly meeting to be held in a timely manner, provided that the shareholders own at least 25% of the company's total shares. In addition, shareholders are allowed to discuss all issues on the agenda, ask questions, and receive answers from members of the Board of Directors.

The company's articles of association affirm that all shareholders have equal rights without any discrimination in the ownership of the company, net assets, net profits and their dividends. The company applies the principle of voting in board elections, in accordance with the law and the corporate governance code issued by the authority.

#### 5- Stakeholders Rights

The management of the company takes into account the interests of a wide range of stakeholders in the company, as well as the communities in which it operates. Here are some aspects of the company's commitment to the rights of stakeholders:

- a. Provide access to relevant and sufficient information to stakeholders, which can be relied upon in a timely and regular manner.
- b. The company's employees are dealt with in a fair and equitable manner, and this was clearly addressed through the company's policies on business ethics.
- c. The company strives to provide competitive rewards for its employees, which in turn works to protect the company's interest in the long run.
- d. The company has adopted the required policies that reveal any violations, and this was clearly addressed through the company's policies regarding business ethics.
- e. The company takes into account all what was mentioned in the corporate governance code issued by Qatar Financial Markets Authority regarding protecting the rights of stakeholders.