

**Vodafone Qatar P.Q.S.C.  
Board Charter  
2018**

## INTRODUCTION

This Board Charter sets out the Board's functions and responsibilities and the governance and management framework of Vodafone Qatar P.Q.S.C. (the "**Company**") which is premised on internationally recognised standards for good and responsible governance and includes the obligations, duties and responsibilities of the Board of Directors of the Company and clarifies the obligations of the Executive Management team.

At Vodafone Qatar we are committed to maintaining high standards of corporate governance which we consider are critical to business integrity and to maintaining investors' trust. We expect all our directors, employees and suppliers to act with honesty, integrity and fairness. The principles on which we seek to conduct business and standards we set are intended to ensure we operate lawfully and with integrity and respect.

The Board appoints, supervises and advises the members of the Executive Management and is directly involved in decisions of fundamental importance to the company.

The Board Charter is drafted to comply with the provisions of the Company's Articles of Association, the Commercial Companies Law No. (11) of 2015 (the "**Commercial Companies Law**"), applicable rules and regulations of the Qatar Stock Exchange (the "**QSE**") and the Governance Code for Companies and Legal Entities listed on the Main Market issued by Qatar Financial Markets Authority (the "**QFMA**") on 10 November 2016 (the "**Corporate Governance Code**").

The Board Charter will be reviewed regularly against the background of national and international developments and will be adjusted, as necessary. The Board Charter is published on the Company's website available at [www.vodafone.qa](http://www.vodafone.qa).

## **1. The Board**

The Board represents all Shareholders and must therefore exert due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, its Shareholders and stakeholders, and to achieve the interest of the public and the development of investment in the State as well as community development. Additionally, the Board shall also bear the responsibility of protecting Shareholders from illegal or abusive business and practices or any acts or decisions that may be harmful to them, discriminate among them, or allowing a group to dominate another.

### **1.1. Board Duties and Functions**

The Board's duties and functions shall include:

- (a) approving the strategic plan and main objectives of the Company and supervising their implementation, including:
  - (i) putting in place a comprehensive strategy for the Company and key business plans and risk management policies and reviewing and directing the same;
  - (ii) determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budget;
  - (iii) supervising the main capital expenses of the Company and the acquisition and disposal of assets;
  - (iv) setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company;
  - (v) reviewing and approving the organisational structure of the Company on a periodic basis to ensure a robust distribution of the functions, tasks and responsibilities of the Company especially internal control units;
  - (vi) approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by the senior executive management. The manual shall include determining ways and means of the quick contact with the QFMA and other regulatory authorities as well as all parties concerned with governance, including the appointment of a communication officer; and
  - (vii) approving the annual plan of training and education in the Company that includes programmes introducing the Company, its activities and governance, according to the Corporate Governance Code,
- (b) putting in place and supervising the rules and procedures for internal control including:
  - (i) developing a written policy to regulate conflicts of interest and remedy any possible cases of conflict by Board Members, Senior Executive Management and Shareholders including misuse of the Company's assets and facilities and the misconduct resulting from transactions with related parties;

- (ii) putting in place a full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploitation of information not in the public domain. Such system shall include procedures to be followed when dealing in securities by insiders, and determining prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of insiders to provide a copy to the QFMA and the QSE upon its approval or any update to it;
  - (iii) ensuring the integrity of the financial and accounting rules, including rules related to the preparation of the financial reports of the Company;
  - (iv) ensuring the implementation of control systems appropriate for risk management by envisaging the risks that the Company may encounter and disclosing them transparently;
  - (v) reviewing annually the effectiveness of the Company's internal control procedures,
- (c) drafting a governance code for the Company in line with the provisions of the Corporate Governance Code supervising and monitoring in general the effectiveness of this code and amending it whenever necessary;
- (d) setting forth specific and explicit policies, standards and procedures for membership of the Board and implementing them after approval by the Company's General Assembly;
- (e) developing a written policy that regulates the relationship among the stakeholders in order to protect them and their respective rights. The policy must cover the following points in particular:
  - (i) mechanism for indemnifying stakeholders in case any of their right pursuant to law or any contracts are contravened;
  - (ii) mechanisms of complaints or disputes that might arise between the Company and the stakeholders;
  - (iii) suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them;
  - (iv) code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the stakeholders and mechanisms for supervising this Code and ensuring compliance there with; and
  - (v) the Company's social contributions,
- (f) putting in place policies and procedures to ensure the Company's compliance with laws and regulations and the Company's obligation to disclose material information to Shareholders, creditors and other stakeholders;
- (g) inviting all Shareholders to attend the General Assembly meeting in the manner prescribed by law. The invitation and the announcement shall include a thorough summary of the General Assembly agenda, including the item of discussing and approving the Company's governance report;

- (h) approving the nominations for the appointment of individuals in Senior Executive Management roles, and the succession planning concerning the management;
- (i) developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all Shareholders in a quick manner with integrity and transparency;
- (j) developing awareness programmes necessary for spreading the culture of self-control and risk management of the Company;
- (k) putting in place a clear written policy that defines the basis and method of granting remuneration to Board Members, in addition to incentives and rewards of Senior Executive Management and the Company's employees in accordance with the principles of the Corporate Governance Code without any discrimination based on race, gender or religion. Such policy shall be submitted annually to the General Assembly for approval;
- (l) developing a clear policy for contracting with related parties and presenting it to the General Assembly for approval; and
- (m) putting in place foundations and standards for evaluating the performance of the Board and the Senior Executive Management.

## **1.2. Board Responsibilities**

- (a) The Board must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient information from the executive management team, or from any other reliable source;
- (b) A Board member represents all shareholders; shall undertake to carry out whatever might be in the interest of the Company, but not in the interests of the group it represents or that which voted in favour of their appointment to the Board;
- (c) The Board shall determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The executive management shall submit to the Board periodic reports on the exercise of the delegated powers.
- (d) The Board shall ensure that procedures are laid down for orienting the new Board members of the Company's business and, in particular, the financial and legal aspects, in addition to their training, where necessary.
- (e) The Board shall ensure that sufficient information about the Company is made available to all Board Members, generally, and, in particular, to the Non-Executive Members, to enable them to discharge their duties and responsibilities in an effective manner.

- (f) The Board shall not enter into loans that spans more than three years, and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association. In the case where the Company's Articles of Association includes no provisions to this respect, the Board should not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Company's business.

### **1.3. Board Member Obligations**

- (a) participation in the meetings of the Board and committees and not withdrawing from the Board except at the right time;
- (b) ensuring that priority shall be given to the interests of the Company, its Shareholders and stakeholders over their own interest;
- (c) providing an independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards;
- (d) monitoring the Company's performance in realising its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;
- (e) supervising the development of the procedural rules for the Company's governance to ensure their implementation in an optimal manner in accordance with the Corporate Governance Code;
- (f) make their skills, experiences, diversified specialties and qualifications available to the Board or its different committees by regularly attending the Board meetings and working to achieve the interests of the Company, partners, shareholders and other stakeholders;
- (g) effective participation in the General Assemblies and achieving its members' demands in a balanced and fair manner;
- (h) not to make any statements, or disclose any data or information without prior written permission from the Chairman. The Board shall appoint an official spokesperson for the Company;
- (i) disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them.

The Board Members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Company's affairs.

### **1.4. Delegation of Authority**

The Board may, from time to time, delegate some of its powers to its committees and may set up special committees for the purpose of undertaking specific operations.

These committees will operate in accordance with written and clear instructions from the Board relating to the nature of the operation and in any event, the Board remains liable for all of its powers or authorities so delegated and for the business of these committees.

The Board shall avoid issuing general authorisations which are not subject to a time limit.

#### **1.5. Board Members' Fiduciary Duties**

The Board and Board Director must act in good faith, in the best interests of the Company and take reasonable care in the management of the Company taking account of relevant stakeholder interests (including shareholders).

Board members must, at all times, act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Company and relevant stakeholders (including shareholders).

Every newly elected Board Member shall upon his/her election become familiar with the Company structure, management and all other information enabling the Board member to assume his/her responsibilities.

#### **1.6. Conflict of Interest / Related Party Transactions**

Each Board member's fiduciary duty requires Board members to subordinate any personal interests where such interest conflicts with the interests of the Company and / or its shareholders.

In addition to complying with the procedures and guidelines concerning Related Party transactions, a Board member shall refrain from:

- (a) entering into a transaction with the Company where the Board member or a member of his family, or a business associate or any other party closely affiliated with the Board member, has a financial interest in the Company;
- (b) carrying out activities which compete with the financial interests of the Company, including engaging in a competing business, provided that this does not prohibit a concerned party from owning less than 10% of a listed company or instances where the conflict is disclosed and expressly approved in accordance with applicable law, rules or regulations;
- (c) usurping an opportunity which rightfully belongs to the Company unless the opportunity is first offered to, and rejected by the Company;
- (d) apparent, likely, and actual conflict of interest. In the instance of such a conflict of interests involving a Board member, the concerned Board member must fully disclose the conflict, and refrain from voting on, or being present, when any matters related to the conflict are brought to a Board vote;
- (e) any action which leads to granting a preferential personal loan when similar loans and loan terms are not offered to the general public;

- (f) any action which constitutes insider trading or improper disclosure of commercially sensitive or confidential Company information; and
- (g) any action or transaction that is not compliant with relevant laws and regulations.

#### **1.7. Division of responsibilities**

The roles of the Chairman and Chief Executive Officer are separate and there is a clear division of responsibilities.

- (a) The Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness.
- (b) The Chief Executive Officer is responsible for the management of the business and implementation of overall strategy and policy.

#### **1.8. Duties of the Chairman of the Board**

The Chairman is the head of the Company and represents it before third parties and the judiciary. The Chairman has primary responsibility for ensuring that the Company is properly managed in an effective and productive manner and in a way to achieve the best interests of the Company, its shareholders and all stakeholders.

The duties and responsibilities of the Chairman of the Board shall, include but not be limited to the following:

- (a) ensure that the Board discusses all the main issues in an efficient and timely manner;
- (b) approve of the agenda of each meeting of the Board taking into consideration any matter proposed by any other Board member;
- (c) encourage all Board members to fully and effectively participate in the affairs of the Board to ensure that the Board is working in the best interest of the Company;
- (d) create and ensure the availability of effective communication with Shareholders and communication of their opinions to the Board;
- (e) allow effective participation of Non-Executive Board Members in particular and to promote constructive relations between Executive Board Members and Non-Executive Board Members; and
- (f) keep the Board Members informed of compliance with the provisions of the Corporate Governance Code. The Chairman may delegate this task to the Audit Committee or otherwise.

The Vice Chairman (or Vice Chairmen as applicable) shall fill in for the Chairman during his absence. The Chairman may delegate some of his responsibilities to other Board Members.



## **1.9. Conditions for Board Membership**

Board Members must be qualified with sufficient knowledge of administrative matters and relevant experience to perform their duties effectively, and must devote enough time to fulfil their role with integrity and transparency to achieve the Company's interest, goals and objectives. A Board Member must:

- (a) not be under twenty-one years old with full capacity; and
- (b) 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 the Commercial Companies Law, or be prevented from practicing any work in the entities subject to the QFMA's jurisdiction under Article (35 paragraph 12) of law No. (8) of 2012 referred to, or have been bankrupt, unless rehabilitated.

It is prohibited for any one, whether in person or as a representative, to be a Board Chairman or a vice-chairman of more than two companies which have their headquarters located in the State, nor to be a Board member for more than three shareholding companies which their headquarters located in the State, nor to be a Managing Director in more than one Company which its headquarterd located in the State, nor to combine two memberships of two companies exercising a homogenous activity.

It is also prohibited to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not be a member of any of the Board committees set out in this Code. The Chairman and the members of the Board must provide an annual acknowledgment that no one of them shall combine the prohibited positions according to the law and the Corporate Governance Code. The Company Secretary shall keep such acknowledgment in the file prepared for this purpose.

## **1.10. Board Composition**

Article 6 of the Corporate Governance Code requires that a company's Board should include executive, non-executive and independent Board Members and that the Board should not be dominated by one individual or a small group of individuals. The Corporate Governance Code further requires that at least one-third of Board Members shall be independent Board Members and that the majority of all Board Members should be non-executive.

Vodafone Qatar's Board currently consists of seven (7) members, four (4) of whom are appointed by the Private Founder (Vodafone and Qatar Foundation LLC) and three (3) members appointed by the shareholders who will be independent Board Members.

## **1.11. Board Meetings**

### **Number of Meetings**

The Board shall convene at least six (6) meetings during the year and three (3) months must not elapse without convening a meeting. Participation in the Board meeting may

be done by any secure and known of new technologies that enable the participant to hear and actively participate in the Board agenda discussions and make decisions.

### **Invitation to Meetings**

The Board shall meet upon an invitation by the Chairman. The Chairman must call the Board for the meeting upon a request by at least two (2) of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date; the member may request to add an item or more to the agenda.

### **Quorum for Board Meetings**

The Board meetings shall only be valid if attended by the majority of Board members including three (3) members nominated by the Private Founder and provided that the Chairman or one of the Vice-Chairmen is also in attendance (Article 36 of AOA)

### **Delegation**

The absent Board Member may, by written request, delegate any other Board Member to represent it in attendance and voting. A Board Member cannot represent more than one member.

### **Non-attendance**

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 to have resigned.

### **Board Decisions**

Without violating the provisions of the Law in this regard, the Board shall pass its decisions by majority votes of attendants and representatives. In case of a tie, the Chairman shall cast the deciding vote.

The Chairman and Company Secretary shall sign on the minutes and if there is any member, who does not agree on any decision taken by the Board, may prove their objection in the meeting minute.

The Board, if necessary or urgent, may issue some decisions by passing subject to written approval of all its members to those decisions, and to be presented at the next Board meeting to include them in its minutes.

## **2. Board committees**

### **2.1. Audit Committee**

### **2.1.1. Responsibilities and Duties**

In May 2011, Vodafone Qatar's Board formed an Audit Committee whose responsibilities include:

- (a) preparing and presenting to the Board a proposed internal control system for the Company upon constitution, and conducting periodic audits whenever necessary;
- (b) setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work;
- (c) overseeing the Company's internal controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report includes an explicit confirmation that it had obtained all the necessary information and the Company's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not;
- (d) overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports;
- (e) considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements;
- (f) ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly;
- (g) making coordination among the Board, Senior Executive Management, and the internal controls of the Company;
- (h) reviewing the systems of financial and internal control and risk management;
- (i) conducting investigations in financial control matters requested by the Board;
- (j) making coordination between the internal audit unit in the Company and the External Auditor.
- (k) reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard;
- (l) reviewing the Company's dealings with the related parties, and making sure whether such dealings are subject to and comply with the relevant controls;
- (m) developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company;

- (n) supervising the training programs on risk management prepared by the Company, and their nominations;
- (o) preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the behest of the Board or the Chairman.
- (p) implementing the assignments of the Board regarding the Company's internal controls;
- (q) conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report.

#### **2.1.2. Membership**

The Audit Committee shall consist of three members, the majority of whom shall be independent of the Company's senior management team. The Audit Committee shall be chaired by an independent Board member. It is not permissible to combine the chair of the Audit Committee and the membership of any other committee.

#### **2.1.3. Terms of Reference**

The Audit Committee's full Terms of Reference is publicly available on Vodafone Qatar's website [www.vodafone.qa/ir](http://www.vodafone.qa/ir).

### **2.2. Remuneration Committee**

#### **2.2.1. Responsibilities and Duties**

In May 2011, Vodafone Qatar's Board formed a Remuneration Committee whose purpose is to determine the Company's remuneration policy and principles including:

- (a) To be responsible for the administration of the Company's executive incentive plans;
- (b) To consider the principles of good governance ensuring they are consistent with Qatar's business environment, Qatar Exchange, the Qatar Financial Markets Authority, and the country's Commercial Companies Law, the Articles of Association, and any other applicable local regulations; and
- (c) The Remuneration Committee will advise the Board if it believes that, in any year, there are particular matters relating to remuneration which should be put to the Company's shareholders.

### **2.2.2. Membership**

The Remuneration Committee shall consist of at least three non-Executive Board Members, the majority of whom shall be Independent Board Members.

### **2.2.3. Terms of Reference**

The Remuneration Committee's full Terms of Reference is publicly available on Vodafone Qatar's website [www.vodafone.qa/en-ir](http://www.vodafone.qa/en-ir).

## **2.3. Nomination Committee**

### **2.3.1. Responsibilities and Duties**

The Nomination Committee has the following functions:

- (a) developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership;
- (b) nominating whom it deems fit for the Board membership when any seat is vacant;
- (c) developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company;
- (d) nominating whom it deems fit to fill any job of the Senior Executive Management;
- (e) receiving candidacy requests for the Board membership;
- (f) submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the QFMA; and
- (g) submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

### **2.3.2. Membership**

The Committee shall consist of at least three Board Members.

### **2.3.3. Terms of Reference**

The Nomination Committee's full Terms of Reference is publicly available on Vodafone Qatar's website [www.vodafone.qa/en-ir](http://www.vodafone.qa/en-ir).

## **3. Company Secretary**

The Company Secretary shall be appointed by a decision of the Board. Priority shall be given to an individual who holds a university degree in law or accounting from a

recognised university and someone who has at least three years' experience in handling the affairs of listed companies.

The Company Secretary may, upon the approval of the Chairman, require the assistance of any employee in the Company to assist in performing their duties.

The Company Secretary shall provide assistance to the Chairman and other Board Members in carrying out their duties and to manage the Board's operations including:

- (a) recording the minutes of Board meetings including details of attendees, the discussions had and the objection of any Board Member on any decisions passed by the Board;
- (b) recording the decisions of the Board in the register prepared for this as of the date of its issuance;
- (c) entering the meeting of the Board in a serial numbered register prepared for this including the minutes of such meeting;
- (d) safekeeping of minutes of Board meetings, decisions, reports and all Board records and correspondence in physical and electronic copies;
- (e) sending meeting invitations accompanied with the agenda at least two weeks before the relevant meeting to all Board Members and participants (if any) and received requests from Board Members to ass one or more items to the agenda and to record the date such requests have been received;
- (f) liaising between the Chairman and Board Members, between the Board Members and between the Board and the stakeholders including Shareholders, Management and employees;
- (g) ensuring that the Chairman and all other Board Members have full and timely access to all relevant information documents and data pertaining to the Company;
- (h) safekeeping the Board Members' acknowledgments of not combining positions that they are prohibited to combine by law and the Corporate Governance Code;
- (i) ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters; and
- (j) administering the procedure under which Board Members can, where appropriate, obtain independent professional advice at the Company's expense.

The appointment or removal of the Company Secretary is a matter for the Board as a whole.

#### **4. Shareholders' Rights**

#### 4.1. Disclosure

Vodafone Qatar conforms to all disclosure requirements, providing quarterly financial statements prepared in accordance with International Financial Reporting Standards (IFRS) to the Qatar Exchange and Qatar Financial Markets Authority within the deadlines stipulated.

#### 4.2. Shareholder Relations

We are committed to communicating our strategy and activities clearly to our shareholders and seek to maintain an active dialogue with investors through a planned programme of investor relations activities throughout the year. The investor relations programme includes:

- (a) publication of press releases and presentation of quarterly, half-year and full-year results;
- (b) hosting of the Annual General Assembly meeting which all shareholders are invited to attend through announcements in at least two local daily newspapers;
- (c) publication of the Annual Report detailing the Company's financial statements and annual review of business operations;
- (d) meetings as required between institutional investors and analysts and the Chief Executive Officer or Chief Financial Officer to discuss business performance;
- (e) hosting an annual investor and analyst session at which senior executive managers provide an overview of business and financial performance;
- (f) attendance by executive managers at relevant meetings and conferences throughout the year;
- (g) responding to enquiries from shareholders and analysts through our Investor Relations team; and
- (h) <https://www.vodafone.qa/en-ir> which is a section dedicated to shareholders on our website.

The principal communication with private investors is via the Annual Report and through the Annual General Assembly meeting where all shareholders are able to attend, and those present at the meeting are given the opportunity to question the Chairman and Board Members. After the General Assembly meeting, shareholders can meet informally with Board Members and Senior Executive Management of the Company. A summary presentation of the Company's financial results is given at the General Assembly meeting before the Chairman deals with the formal business of the meeting.