

# **Gulf International Services 2022 Corporate Governance Report**

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## **1. Introduction**

Gulf International Services (hereinafter referred to as “GIS” or “the Company”), a Qatari public shareholding company listed on Qatar Stock Exchange, was established on 12<sup>th</sup> of February 2008 in accordance with the provisions of its Articles of Association and the Commercial Companies Law promulgated by Law no. 5 of 2002, especially Article 68 thereof. GIS then brought its Articles of Association into conformity with the provisions of the Commercial Companies Law promulgated by Law no. 11 of 2015 as amended by Law no. 8 of 2021, having regard to the peculiar nature of its incorporation.

QatarEnergy, the founder, Special Shareholder and 10% shareholder, provides GIS with all the required financial and head office services under a service-level agreement. GIS therefore applies some of QatarEnergy’s established rules and procedures as a service provider. As part of its Board of Directors’ efforts aimed at complying with the principles of corporate governance and applying industry-standard best practices, GIS management made an agreement with a consultant to develop a Corporate Governance Framework, which was approved by the Board of Directors at its first meeting of 2013 held on 25<sup>th</sup> of February 2013.

## **2. Scope of implementation of the governance and compliance with its principles**

Out of a firm belief in the importance and necessity of entrenching the principles of good governance to ensure and enhance value creation to shareholders, GIS Board of Directors is firmly committed to implementing governance principals set forth in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company’s AoA.

In doing so, the Board defined the roles and responsibilities of the Board of Directors, Senior Executive Management and employees of the Company. It promotes the principals of justice and equality among stakeholders without discrimination and enables them to exercise and enjoy their rights, upholding values of protecting the minority. The Board maintains productive control and risk management, enhances transparency and disclosure and provides information to the stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly.

Moreover, the Board of Directors upholds the values of corporate social responsibility, puts the interest of the Company and its stakeholders ahead of any other interest, carries out its roles and responsibilities in good faith, integrity, honor and sincerity and takes the responsibility arising therefrom to the stakeholders and community.

The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance applications, as and when required. In addition, the Board of Directors endeavors to maintain a Code of Conduct that reflects the values held by the Company and ensures the establishment of the principals of transparency upholding the values of self-control and integrity and acknowledging responsibility.

In addition, as the head office service provider, QatarEnergy ensures that its concerned staff are made aware of and trained on risk management, self-control and professional code of conduct, anti-bribery and corruption, conflict of interest and information classification and security, among others.

Taking into account the provisions of Article no. 2 of QFMA Governance Code, the Company strictly observes the provisions of QFMA Governance Code and endeavors to maintain its official documents in conformity with such Code to ensure full and proper application of the provisions thereof.

### **3. Board of Directors**

#### **3-1 Board Structure**

GIS was established by QatarEnergy, a Qatari state-owned public corporation established by Decree Law no. 10 of 1974, as a parent company of a group of companies with interests in a broad cross-section of industries, ranging from insurance and re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation and catering services. GIS went public and listed on Qatar Stock Exchange by QatarEnergy to provide Qatari people with investment opportunity, and to share the generated profits with them, ensuring they get the maximum benefit. Also, the IPO price was lower than the fair estimate of the share value. All shareholders receive annual dividends in proportion to their shareholdings.

Recognizing the peculiar nature of GIS' activities and the Company's strategic position, especially in drilling and aviation segments, and taking into account the public interest, it was therefore critical, to make sure assets are properly managed in a manner that ensures sustainability and creates value for the Company's shareholders, that QatarEnergy, the founder of the Company, retains special privileges, including the Special Share. These special privileges are provided for in article no. 77 of the Commercial Companies Law promulgated by Law no. 5 of 2002 at that time, which are still in effect as part of the provisions of the Commercial Companies Law promulgated by Law no. 11 of 2015 as amended by Law no. 8 of 2021. In addition, article no.152 states that the Company's Articles of Association may provide for the determination of some privileges for a class of shares, provided that the shares of the same class are equal in rights, advantages and restrictions.

Due to many reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain aligned strategy and vision, QatarEnergy, the Special Shareholder, had to reserve the right to appoint three (3) Board Directors and senior and executive management teams who are sufficiently qualified and experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. The reasons are summarized as follows:

- QatarEnergy is the founder, Special Shareholder and 10% shareholder.
- The strategic activities of the Company, particularly in the aviation and drilling segments.
- QatarEnergy provides technical and technological support to group companies.
- QatarEnergy provides all financial and head office services to the Company under a comprehensive service-level agreement. These services are provided as and when requested to ensure that the operations of the Company are fully supported.

Therefore, the Board, in accordance with the Company's amended Articles of Associations, consists of seven (7) Directors, three (3) of whom are appointed by the Special Shareholder. Four (4) Directors are elected as per their eligibility in the satisfaction of Article (23) ("Eligibility of Directors") by secret ballot of the General Assembly. The Special Shareholder shall not participate in the voting process. Voting takes place in accordance with the applicable rules and regulations.

Except for those matters that are decided by shareholders as provided in the Company's Articles of Association, the Board of Directors has the widest powers to give full effect to the objects of the Company. The Board may delegate any such power to any one or more of the Directors.

### **3-2 Board Composition**

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). During 2021, the Company opened the nomination period for the membership of the Company's Board of Directors for four seats for a term of three (3) years (2021- 2024) for shareholders (individuals and companies) as per their eligibility in satisfaction of Article no. 23 ("Eligibility of Directors") of the Company's Articles of Association, which clearly states that:

1. The elected Director of the Board shall own a number of shares that are not less than one million shares of the company's capital to guarantee the rights of company, shareholders, creditors and third parties from any responsibility that falls on the Board of Directors, and these shares should be deposited within one week from the commencement of membership date and shall not be negotiated or mortgaged or blocked until the period of membership is expired, and the balance sheet of the last fiscal year in which the director conducted his work shall be approved. If the director fails to submit the guarantee, as mentioned above, his membership will be invalid.
2. Each shareholder, without exception, that satisfies the eligibility criteria set forth in Article 23 ("Eligibility of Directors") may nominate only one representative regardless of the percentage of his shares. For the purposes of this Article, a legal person, its subsidiaries and companies and/or individuals under its control, shall be deemed one person.
3. With exception of the Directors elected by the Special Shareholder, no person, either in person or as a proxy, can be a member of the Board of Directors unless by holding that post he becomes:
  - 1) A director in the Boards of two companies undertaking business activities similar to the Company or its Affiliates; or
  - 2) A director in the Board of Directors of more than three Qatari shareholding companies.
  - 3) The chairman or deputy chairman in more than two Qatari shareholding companies.

The membership becomes invalid if the above is violated and everything received from the Company must be returned to the Company.

4. In determining whether a person is suitable to be appointed as an Independent Board Member, such determination shall be based on the regulations and requirements of Qatar Stock Exchange. The relevant Independent Director must not be under the influence of any factor that may limit his/her capacity to consider, discuss and decide on the Company's matters in an unbiased and objective manner.

Accordingly, the following members, who had met the eligibility requirements, were appointed by acclamation during the meeting of the Ordinary General Assembly held on 10<sup>th</sup> of March 2021 for four seats for a term of three (3) years (2021-2024), starting 11<sup>th</sup> of March 2021:

1. Mr. Ali Jaber Hamad Al-Marri, representative of the General Retirement & Social Insurance Authority (Non-Independent/Corporate).
2. Sheikh Jassim bin Abdullah Al-Thani, representative of Qatar Investment Authority (Independent/Corporate).
3. Mr. Saad Rashid Al-Muhannadi, representative of Woqod Vehicles Inspection "FAHES" (Non-Independent/Corporate).
4. Mr. Mohammed Nasser Al-Hajri, representative of Qatar Electricity & Water Company (Independent/Corporate).

On the other hand, in accordance with Articles nos. 22 and 40 of GIS' Articles of Association, QatarEnergy, the Special Shareholder, pursuant to resolution no. 10 of 2021 passed on 17<sup>th</sup> of March 2021, nominated its representatives as follows:

1. Sheikh Khalid bin Khalifa Al-Thani, Chairman.
2. Mr. Ghanim Mohammed Al-Kuwari, Member.
3. Mr. Mohammed Ibrahim Al-Mohannadi, Member.

The following should be noted:

- Independent Directors in the current composition were identified from among the elected Directors as defined in QFMA regulations in this regard.
- None of the Directors appointed by the Special Shareholder "Qatar Energy" is Independent, as they are representatives of a legal person that owns more than 5% of the Company's share capital.

- GIS Board of Directors does not include executive Directors, as QatarEnergy provides the Company with all the executive services under a service - level agreement.

In accordance with the composition of the Board and its roles and responsibilities provided for in Board Charter, Manual of Authority and Company's Articles of Association, no one or more of Directors may have control over passing resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and the Chairman of the Board, and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. In addition, QatarEnergy ensures that all of its representatives in group companies attend appropriate training and awareness programs so that subsidiaries' boards of directors can achieve the highest levels of performance and adopt the best governance practices.

GIS makes timely disclosure of any and all resolutions by QatarEnergy concerning the composition of the Board of Directors or any change thereto (Directors' bios are included in the appendix to this report).

### **3-3 Key roles and responsibilities of the Board**

The Board of Directors represent all shareholders and is one of the most important pillars upon which the implementation of the governance at Company level rests, the Board of Directors is accountable to shareholders for exercising due care and diligence in managing the Company in an effective manner, as well as establishing the principles of good governance at all levels to serve the interests of the Company, its shareholders and stakeholders for the greater good. Accordingly, the Board developed a Board Charter within the Corporate Governance Framework in accordance with the industry-standard best corporate governance practices. The roles and responsibilities of the Board and the duties which must be fully performed by Directors are specifically identified in the Charter, which is reviewed and amended following any relevant new changes made by regulators. In addition, the Governance Framework developed by the Board contains the job descriptions of all Board Directors according to their classification and the positions they may have in



any Board Committee. The Framework also contains the job description of the Board Secretary.

As part of the Company's Board of Directors' efforts aimed at determining Board roles and responsibilities in accordance with QFMA Governance Code and ensuring adherence, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended Article no. 27 "Directors' Responsibilities and Liabilities" of its Articles of Association to read as follows: "The Board shall prepare a Charter called "Board Charter" detailing the Board's functions, and rights, duties and responsibilities of the Chairman and Directors. The functions and responsibilities of the Board are defined in accordance with the provisions of the Law and the Governance Code for Listed Companies issued by Qatar Financial Markets Authority."

In accordance with Board Charter, which is available on the Company's website, the Board, among other responsibilities, provides strategic guidance to GIS in line with the Company's vision and mission. This is achieved through approving and supervising the implementation of the Company's strategic directions, main objectives and business plans. The Board develops and supervises proper internal control systems and risk management, appoints the Company's Senior Executive Management and approves the succession planning concerning the management. It establishes mechanisms for dealing and cooperating with providers of financial services, financial analysis, credit rating and other service providers, supervises and ensures the appropriateness of internal control systems of the risk management, conducts periodic review of the Company's internal control procedures mainly by the Board Audit Committee and approves the training and education in the Company that includes programs introducing the Company, its activities and governance in accordance with the Governance Code for Companies and Legal Entities Listed on the Main Market issued by QFMA.

The Board of Directors puts in place a corporate governance framework consistent with the provisions of QFMA Governance Code and oversees all aspects of the framework, monitors its effectiveness and makes amendments as required. The Board also reviews the Company's policies and procedures to ensure compliance with the relevant laws, regulations and GIS Memorandum of Association and Articles of Association.

The Board may delegate some of its functions or authorities to Board Committees or Special Committees. Special Committees are constituted to undertake specific

tasks under written and clear instructions. In accordance with the Company's Manual of Authority, the Board shall determine the authorities it may delegate to the executive management and the procedures for decision-making. The Board may also determine the matters that it retains the right to decide on. In all cases, the Board remains liable for all of its functions or authorities so delegated.

The Board carries out its functions and duties in accordance with the provisions of Article (9) of QFMA Governance Code, amongst which 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, which so authorize to the Company's Board of Directors. In addition, under GIS internal regulations, including Board Charter, the Board shall ensure that the Company adheres to its Articles of Association and the applicable laws and regulations, including QFMA regulations. Also, the Board may not act or make transactions that do not comply with the relevant laws and regulations, and that such actions or transactions must be approved by the relevant authorities, including the Company's General Assembly.

In accordance with the Company's AoA, All Directors shall be jointly and individually liable for any fraudulent act, abuse of power, negligent errors in management or violations of the Articles or Law.

### **3-4 Board Chairman**

The Chairman is primarily responsible for the proper management of the Company in an effective and productive manner, making available for Board Directors all data and information in a timely manner. The Corporate Governance Framework includes the Chairman's job description (roles and responsibilities). As described in detail under the Governance Framework, these roles and responsibilities, whether strategic, operational or administrative, are well aligned with the Chairman's main objective of providing the strategic guidance to GIS, protecting shareholders' rights and achieving the Company's vision and strategic objectives profitably and sustainably.

In accordance with the Company's Articles of Association, the Chairman shall represent the Company towards Third Parties. The Vice Chairman shall substitute for the Chairman in his absence.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of

the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended Article no. 41 "Role of Chairman and Deputy Chairman" of its Articles of Association to read as follows: "The Chairman shall represent the Company towards Third Parties and Judiciary, and his signature shall be regarded by Third Parties and Judiciary as indicating approval by the Board of any transaction to which it relates. The Chairman shall implement the resolutions passed by the Board and abide by the recommendations thereof. The Chairman may delegate some of his powers to other Directors or members of the senior executive management. The delegation shall be of definite period and subject. He has the authority of appointment or replacement of the Company's representatives on group companies' Board of Directors and he does not have the right to grant a Director or member of the senior executive management this authority. General Assembly meetings shall be chaired by the Chairman, or in his absence the Deputy Chairman (if any), or in the absence of both of them any other Director appointed by the Directors to act as the Chairman."

The Chairman is not a member of any Board Committee referred to in QFMA Governance Code. The Chairman does not hold any executive position at the Company. In this regard, the Company's management ensures that:

- No one person in the Company should have unfettered powers or influence on decision-making at the time of developing the Company's Manual of Authority and the relevant regulations.
- The Chairman in his capacity is not a member in any of the Board Committees or Special Committees, while ensuring that committees' Manuals of Authority and Terms of Reference are developed for effective functioning, members of the committees are properly selected, and that committees' Manuals of Authority and Terms of Reference are in line with best governance practices.
- The roles and responsibilities of the Chairman are separated from those of the rest of Board Directors and members of the Company's executive management.

### **3-5 Board Directors**

Directors are committed to exercising due care and making full use of their diverse skills and experience in managing the Company and complying with the relevant regulations and laws, including Board Charter and the Code of Ethics, and to work in accordance with the ethical principles of integrity, respect, objectivity,

accountability, excellence, sustainability and confidentiality to ensure upholding the interests of the Company, its shareholders and other stakeholders to be priority before any other interest. In accordance with the Company's Articles of Association and Conflict of Interest Policy, Directors shall declare any financial and commercial transactions and judicial proceedings that may adversely affect the performance of their assigned duties and responsibilities.

### **3-6 Board meetings**

The Board of Directors convenes to conduct the Company's business and shall adjourn and otherwise regulate its meetings as it thinks fit. In accordance with Article (30-1) of the Company's Articles of Association, the Board shall meet at least six (6) times during the Company's fiscal year, and a three-month period may not lapse without a meeting of Board. The number of Directors required to constitute a quorum shall be five (5) Directors (present or duly represented by an alternate) as a minimum, and the Chairman shall be one of them. In accordance with the amended Articles of Association, the Board fulfilled the minimum required number of meetings (6 meetings) during 2022.

In accordance with Board Charter and the Company's Articles of Association, all Board meetings are convened by a notice from the Chairman or, in his absence, the Vice Chairman (if any), or any two Directors or such other Director as is duly authorized by the Chairman. Meeting agenda and invitations shall be given to every Director not less than seven (7) days prior to the date set for the meeting. A meeting of the Board shall, with a notice of less than seven (7) days, be deemed to have been appropriately convened in the absence of any objection by Directors and as agreed by those Directors to attend.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended Article no. 35 "Business Not on Agenda" of its Articles of Association to read as follows: "No resolution may be proposed to the Board at a meeting unless the matter is on the agenda for that meeting or at least two (2) Directors (or the proxy of such Directors) agree to a request by a Director that one or more items may be added to the agenda."

In accordance with the Company's Articles of Association, an absent Director may appoint in writing a Director to represent him in attendance and voting, provided that no Director may represent more than one Director. The office of a Director shall be vacated by such Director if he absents himself from three (3) consecutive or four (4) non-consecutive Board meetings without an excuse being accepted by the Board.

To ensure full participation of all Directors in Board meetings, Director has the right to use any secure technological means of communications to enable him to hear and actively participate in discussing Board agenda items and passing resolutions. A participating Director in such a manner shall be considered as personally present at the meeting and counted in the quorum and shall be entitled to vote.

### **3-7 Board resolutions**

In accordance with the Company's Articles of Association and internal regulations, Board resolutions shall be passed by a majority of those Directors present and the Chairman of the Board at a duly constituted Board meeting. The Board shall keep minutes of all resolutions and proceedings of Board meetings and those absent from and attending such meetings. The Chairman, Secretary and all attendants shall sign on the minutes. Any objecting Director shall enter his objection in the minutes of meeting.

The Board of Directors may, in case of necessity and on urgency grounds, pass resolutions in writing by circulation subject to written approval on such resolutions by all Directors. The resolution shall be deemed in force and effective for all purposes as if it was adopted at a duly called meeting of the Board. In all cases, the written resolution shall be submitted at the next meeting of the Board, to be included in the minutes of the meeting.

### **3-8 Board Secretary**

In accordance with the Company's Articles of Association, the Board or the Special Shareholder may take a decision to appoint a Secretary of the Board for such period and on such terms as it may decide and may revoke such appointment. The Board shall decide on the duties of the Company's Secretary and on the scope of his/her authority and his/her annual remuneration.

The detailed roles and responsibilities of the Board Secretary are included in the Board of Directors Job Descriptions within the Corporate Governance Framework. These roles and responsibilities are aligned with the main objective of providing comprehensive and confidential administration and support services to the Board of Directors. The Secretary keeps safe Board documents and coordinates among Board Directors in a timely and appropriate manner.

The Secretary, in accordance with Board Charter and his/her job description, is responsible for arranging the logistics of the meetings, taking and recording the minutes of Board meetings and resolutions, maintaining and safekeeping of Board

documentation, minutes of meetings, resolutions and correspondence and distributing of Board meeting agendas, invitations, other required documentation, full coordination among Directors, the Board and relevant stakeholders, enabling Directors to have quick access to all the Company's documents, as well as its information and data. He/she is also responsible for keeping official forms, correspondence, official documents, lists of names of Board Directors and their membership, and fulfilling other official requirements. In addition, he/she provides orientation material and scheduling orientation sessions for new Board Directors.

The current Board Secretary has a legal experience that spans more than 19 years. In addition, the Secretary has long expertise on the affairs of a listed company.

The Secretary may, as he/she deems appropriate and upon approval of the Chairman, delegate to a representative any of his/her duties, powers or discretionary authorities. However, the representative shall not have the right to delegate such duties, powers and authorities to another person.

### **3- 9 Board Committees**

As part of implementing governance, the Board of Directors established some Board Committees and some Special Committees and delegated to these committees some powers and authorities to carry out specific tasks and conduct Company's business. The Board of Directors remains liable for all the powers and authorities so delegated. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

#### **3-9-1 Audit Committee**

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 5 of the fourth meeting of GIS Board of Directors of 2010. The current BAC was formed by virtue of resolution no. 2 of 2021 passed on 13<sup>th</sup> of June 2021 concerning the reconstitution of Board Committees. The BAC currently consists of 3 (three) Board Directors, including an Independent Director as Chairman. All committee members are elected Board Directors who have the required experience necessary to effectively perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

The Articles of Association were amended based on the approval of the Company's Extraordinary General Assembly meeting held on 2<sup>nd</sup> of May 2018, wherein the definition of the Independent Director and identification mechanism was added. Based on this amendment, in determining whether a person is suitable to be appointed as Independent Director, such determination shall be based on the regulations and requirements of Qatar Stock Exchange.

In applying the definition in QFMA Governance Code and based on candidate applications and related declarations submitted by all elected Directors, the majority of committee members are Independent Directors and no one of the current members has directly or indirectly conducted external audit for the Company during the two years prior to their membership in the Committee.

The Corporate Governance Framework, which was developed in line with QFMA Governance Code and industry-standard best governance practices, contains BAC Terms of Reference. Committee responsibilities include financial aspects, external and internal audits, internal controls, compliance, risk management and any other aspect within the competence and mandate of the Committee.

BAC reports periodically to the Board of Directors on its activities, issues and raises recommendations, particularly with regard to the review and endorsement of the quarterly, half-year and year-end financial statements, as well as internal and external audit reports, internal control system and risk management.

During its meetings of 2022, Committee considered several matters and resolved the following:

1. Approve the External Auditor's report on the consolidated financial statements for the financial year ended 31<sup>st</sup> of December 2021.
2. Review and endorse the consolidated financial statements for the financial year ended 31<sup>st</sup> of December 2021 and present the executive summary report.
3. Endorse the appointment of the External Auditor for the financial year ended 31<sup>st</sup> of December 2022 and determine their fees.
4. Endorse 2021 Corporate Governance Report.
5. Review and endorse the consolidated financial statements for the financial period ended 31<sup>st</sup> of March 2022 and present the executive summary report.
6. Review and endorse the consolidated financial statements for the financial period ended 30<sup>th</sup> of June 2022 and present the executive summary report.

7. Review and endorse the consolidated financial statements for the financial period ended 30<sup>th</sup> of September 2022 and present the executive summary report.
8. Periodic review of internal audit activities, including risk assessment update, audit plan for the Company and its subsidiaries, conclusions, recommendations and related corrective actions.
9. Endorse the appointment of the External Auditor for a period of five (5) years (subject to a yearly approval of the General Assembly), starting from the financial year ending 31<sup>st</sup> of December 2023 after reviewing the procedures for floating the tender and making relevant assessments.
10. Conduct annual self-assessment of the Committee's performance.
11. Endorse the appointment of the Internal Auditor for a period of five (5) years, starting 1<sup>st</sup> of January 2023 after reviewing the procedures for floating the tender and making relevant assessments.
12. Present GIS 2022 BAC meeting timetable for acknowledgement

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Committee Chairman and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. In accordance with the Committee's amended Terms of Reference, Committee holds at least (6) meetings during the financial year. During 2022, Committee met the minimum required number of meetings (6 meetings).

The Board Audit Committee currently consists of three members. The table below shows the current members of the Board Audit Committee:

Name	Position
Mr. Mohammed Nasser Al-Hajri	Chairman
Sheikh Jassim bin Abdullah Mohammed Jabor Al-Thani	Member
Mr. Ali Jaber Al-Marri	Member

### 3-9-2 Nomination and Remuneration Committee

As part of its efforts to comply with the provisions of QFMA Governance Code, the Company had established a Nomination and Remuneration Committee by Board resolution no. 3 of 2017. The current Committee was formed by virtue of resolution no. 2 of 2021 passed on 13<sup>th</sup> of June 2021 concerning the reconstitution of Board



Committees. Committee currently consists of three Board Directors who have the required experience to efficiently perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of another Board Committee, and the BAC Chairman is not a member of the Nomination and Remuneration Committee.

Committee's Terms of Reference were developed in line with QFMA Governance Code and the industry-standard best corporate governance practices. Committee responsibilities include outlining the general policy for granting remunerations on an annual basis, taking into consideration the requirements of relevant regulators. Committee sets the foundations for granting remunerations and allowances to Board Directors and the Senior Executive Management and submits proposals on the remunerations of the subsidiaries' Boards of Directors.

In determining the proposed remuneration, Committee takes into account the duties and responsibilities of Board Directors and the Company's performance and benchmarks with the best practices of the similar companies listed on Qatar Stock Exchange.

On the other hand, the scope of the Committee's responsibilities includes setting the foundations and developing criteria for the shareholders to identify eligible persons and elect candidates for Board membership at the General Assembly meeting, receiving applications for membership of the Board of Directors and submitting a list of candidates, including its recommendations in this regard. In addition, Committee reviews the self-assessments of Board Directors, which include a comprehensive analysis of the Board's performance and related recommendations, taking into consideration many factors that best serve the long-term interests of the Company's shareholders and meet their expectations. Committee reports to the Board of Directors on its activities, issues and raises recommendations.

In 2022, Committee held a meeting on 15<sup>th</sup> of February 2022, during which it considered several matters and resolved the following:

1. Review self-assessment of Board Directors –Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs.
2. Propose the remuneration of the Board Directors for the financial year ended 31<sup>st</sup> of December 2021.

3. Review the proposed remunerations of the subsidiaries' Boards of Directors - ensuring that these remunerations were determined based on the operational and financial performance of the subsidiaries with a fair estimate.

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Chairman of the Committee and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. Committee shall meet as and when necessary. Prior to Board meeting for reviewing the year-end financial statements, Committee shall meet to make recommendation on the proposed remuneration of Board Directors that should be presented to and approved by the Annual General Assembly.

### **Remuneration of Board of Directors**

The Company developed a periodically revisited remuneration and allowance policy for Board Directors. The policy has fixed component for Board Directorship and attending meetings and a variable component (remuneration) based on the performance of the Company and the extent to which it achieves its medium- and long-term objectives, provided that the total of both components - in any case - should not exceed the maximum "ceiling" amount determined by the policy as approved by QatarEnergy. The main principles of this policy are included in the Corporate Governance Framework. In accordance with the Company's Articles of Association, the proposed remuneration of Directors shall be presented to and approved by the General Assembly.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended Article no. 44 "Remuneration of Directors" of its Articles of Association to read as follows: "The Directors shall be paid such remuneration as may be determined by applicable Law and regulations, subject to approval by a resolution of the General Assembly. Directors may receive a lump sum in the event that the Company does not make any profits, subject to the approval of the Company's General Assembly."

In its remuneration policy, the Company complies with the limits provided for in Article no. 119 of the Commercial Companies Law promulgated by Law no. 11 of 2015 that such remuneration does not exceed (5%) of the net profit after deducting

reserves, legal deductions and distributing dividends of not less than (5%) of the Company's paid-up capital.

### Remuneration of senior management

All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement. Accordingly, the Company's staffing structure does not include any senior executive position.

Committee currently consists of three members. A meeting was held on 15<sup>th</sup> of February 2022 to consider the proposed remuneration of the Board of Directors for the financial year ended 31<sup>st</sup> of December 2021. The recommendation made by the Board of no remuneration was approved by the General Assembly held on 13<sup>th</sup> of March 2022. As for Board Committees, no remuneration is paid for membership. Only the members of the Nomination and Remuneration Committee receive allowances for attending its meetings. The table below shows the current members of the Committee:

Name	Position
Mr. Ghanim Mohammed Al-Kuwari	Chairman
Mr. Mohammed Ibrahim Al-Mohannadi	Member
Mr. Ali Jaber Al-Marri	Member

### 3-10 Assessment of Board Performance

The Board of Directors conducts an annual self-assessment to ensure that Directors are efficient, honor their commitments, make the most efforts possible and exchange experiences. The assessment takes into account several factors that best serve the long-term interests of the shareholders and meet their expectations as follows:

1. Independence and impartiality in presenting views and ideas while avoiding conflicts of interest.
2. Directors' knowledge and experience that are relevant to the Company's activity.
3. Commitment, participation and team working at the Board and its committees.
4. The role of the Board and the extent to which it achieves the objectives set, including the outcome of the business and the achievement of the Company's strategy.
5. Communication between the Board on the one side and its committees and the Executive Management of the Company on the other side.

6. Decision-making mechanisms and the accuracy and adequacy of the required information.
7. Providing constructive opinions, suggestions and recommendations and ideas in the best interest of the Company.

The Remuneration Committee, at its first meeting of 2022 held on 15<sup>th</sup> of February 2022, reviewed the self-assessments of Board Directors for the financial year ended 31<sup>st</sup> of December 2021. Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs. Assessment results were then presented to the Company' Board of Directors at its first meeting of 2022 held on 17<sup>th</sup> of February 2022.

In its first meeting of 2023, the Remuneration Committee will review 2022 Board self-assessment and will make its recommendations in this regard as part of its report to the meeting of the Board of Directors.

During 2022, the Board performed the tasks and dispensed business decisions within its authorities as provided for in the Board Charter. Directors had no grievances or complaints. All proposals were discussed during Board meetings and necessary relevant actions were taken, whether corrective or reinforcing. The Board is satisfied that it has effectively discharged all of their duties and obligations.

#### **4- Company's control system**

The primary purpose of internal controls is to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. To achieve this, the Company adopted an internal control system that includes the development of internal controls over financial reporting, policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.

The internal control system is overseen by the Audit Committee and the Board of Directors to discuss observations on the internal controls. The Internal Auditor periodically makes and submits reports in this regard.

To ensure that best standards are applied in developing internal control systems, the management adopted COSO Internal Control – Integrated Framework (2013) as a benchmark framework. COSO Internal Control – Integrated Framework (2013) consists of inter-related components, including control environment, risk assessment, control activities, information and communication, and monitoring.

Internal control is an integral part of GIS' corporate governance which involves the Board, Board Audit Committee, executive management and employees at all organizational levels. It is a process which includes methods and processes to:

1. Safeguard GIS' assets.
2. Ensure the reliability and correctness of financial reporting.
3. Secure compliance with applicable legislation and guidelines.
4. Ensure that objectives are met and continuous improvement of operational efficiency.

The objective for GIS' financial reporting is to be in line with the highest professional standards and to be full, fair, accurate, punctual and understandable.

Moreover, having a benchmark framework, such as COSO Framework, will enable the management to establish and maintain an internal control system. Company's auditors can also refer it as a benchmark framework to perform their duties in accordance with article no. 24 of QFMA Governance Code for Companies & Legal Entities Listed on the Main Market issued pursuant to QFMA's Board Decision no. 5 of 2016, in particular with regard to the assessment of the appropriateness and effectiveness of the applicable control systems.

To ensure compliance with the provisions of Article no. 4 of QFMA Governance Code, Gulf International Services should:

1. Establish and maintain adequate and effective internal controls over financial reporting to mitigate the risk of significant misstatements.
2. Evaluate and assess the adequacy and effectiveness of the internal controls over financial reporting to mitigate the risk of significant misstatements.

To achieve this, the management developed a framework to assess the Company's internal controls over financial reporting based on the Company' 2022 standalone financial statements. A top-down approach was used in designing and testing of the Company's framework wherein it begins at the financial statement level and with the understanding of the overall risks to internal controls over financial reporting.

Business risks were assessed using the Company's 2021 standalone financial statements. The risk assessment, which involved application of "Materiality" on GIS' 2021 standalone financial statements (considering the qualitative and quantitative factors) based on the inputs of the External Auditor and the best practices, was made to determine the significant accounts, disclosures, their relevant assertions and applicable business processes within the Company for controls identification, evaluation and testing.

This approach directs attention to accounts, disclosures, and assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures. The next activity involves understanding of the risks in the Company's processes relevant to the identified significant accounts, disclosures and assertions based on risk assessment and select for testing those controls that sufficiently address the assessed risk of misstatement to each relevant assertion. This process can be detailed as follows:

Risk assessment:

1. Identifying and assessing the risks of material misstatement in the financial statements.
2. Determining materiality (considering the qualitative and quantitative factors), external audit input, and other factors relating to the determination of material weaknesses.
3. Identifying classes of transactions, significant account balances, disclosures, their relevant assertions and applicable business processes based on determined materiality. The financial statement assertions include existence or occurrence, completeness, valuation or allocation, rights and obligations, presentation and disclosures.

Perform walkthrough:

Following the risk assessment, the relevant internal controls which mitigate the risk of material misstatements for applicable business processes are identified through walkthroughs by reviewing the established policies and procedures, enquiries with management and process owners and understanding the flow of transactions.

These internal controls are grouped as follows:

1. Entity Level Controls (ELCs) – present across the Company and include measures taken by management to equip staff to adequately manage risks

through raising awareness, providing appropriate knowledge and tools as well as developing skills.

2. Information Technology General Controls (ITGCs) - The ITGC (applicable IT applications and infrastructure relevant to identified business process) on Company's general IT infrastructure and systems.
3. Business Process Controls - both manual and automated, are embedded in business processes applicable to financial transactions. These controls may change over time due to changes in the Company's business processes.

A walkthrough involves following a transaction from origination through the Company's processes, including information systems, until it is reflected in the Company's financial records, using the same documents and information technology that Company personnel use.

Walkthrough procedures usually include a combination of inquiry, observation, inspection of relevant documentation.

#### Test of internal controls:

Following the risk assessment and controls identification, control testing was conducted on each of the identified controls to assess if they are designed adequately and operating effectively. Control testing encompasses three components: test of design effectiveness, test of operating effectiveness, and ongoing monitoring.

#### Test of Design Effectiveness:

Testing the design effectiveness of controls involves determining whether the Company's controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the Company's control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements. This will conclude if the Company has an adequate system of internal controls over financial reporting.

Testing the design includes a mix of inquiry of appropriate personnel, observation of the Company's operations, and inspection of relevant documentation.

#### Test of Operating effectiveness

Testing the operating effectiveness of controls involves obtaining evidence about whether the control is operating as designed throughout the relevant financial reporting period. For each control selected for testing operating effectiveness, the evidence necessary to conclude that the control is effective depends upon the risk associated with the control, which is assessed based on factors such as nature and materiality of misstatement the control is intended to prevent, history of errors, frequency with which control operates, effectiveness of entity level controls, competency of personnel performing the control, nature of control i.e., automated or manual.

#### Evaluating identified deficiencies:

A 'deficiency' in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Evaluation of the severity of each control deficiency should be made to determine whether the deficiencies, individually or in combination, are significant deficiencies or material weaknesses as of the balance sheet date.

The Company's management recognizes that a significant deficiency or weakness in internal controls over financial reporting increases the possibility that a misstatement in the Company's annual or interim financial statements will not be prevented or detected on a timely basis, which is important enough to merit attention of those charged with management and governance.

A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operating effectiveness exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

#### Remediation Testing:

The Company ensures that any issues or deficiencies either relating to design or operative effectiveness of specific controls are remediated. Once a new control is in place or remediated, it should be given enough time for its operations to validate the control's operating effectiveness. The amount of time that a control should be in



place and operating effectively depends on the nature of the control and how frequently it operates.

Based on its assessment of the Company's current internal controls over financial reporting and Testing of Design and Operating Effectiveness, the management believes that the Company has developed an appropriate internal control framework that meets the requirements of the internal control over financial reporting. Moreover, the management considers the developed framework as appropriate to form the basis for compliance with the requirements of Qatar Financial Markets Authority in this regard.

The following are the main elements of the Company's internal control framework:

#### **4-1 Risk management**

As a service provider under a service-level agreement, QatarEnergy's established risk management rules and regulations are applied. However, the Board of Directors endeavors to maintain an appropriate risk management framework at Company level, as risk management is an integral part of company governance, which the shareholders expect from the Board of Directors.

This framework takes into consideration pursuing an integrated process for continuous risk management, starting from risk identification, assessment, measurement, management to monitoring as follows:

- Risk identification and assessment involve identifying and assessing all risks facing the Company. Risks are classified into four main categories: strategic, operational, financial and compliance related. For each risk, there must be measures to address it effectively, as well as a set of indicators to monitor changes in the overall risk structure and landscape. Risks are simulated in several scenarios in order to develop proper remedies and assess their cumulative impact on the performance of the Company.
- Risks are then measured based on the impact and possibility of their occurrence.
- Risks are managed with the possibility that their level is increased, decreased or maintained in a manner consistent with the determined level of risk accepted by the Company. During treatment, the Company takes into consideration that risks have a life cycle, i.e., before, during and after the occurrence. The Company ensures protection, and that regulations,

- operational procedures and controls are developed in accordance with the best practices to minimize and mitigate related risks.
- Risks are then monitored to ensure that any related problems are quickly identified and properly addressed.

## **4-2 Audit**

### **4-2-1 Internal Audit**

Gulf International Services periodically floats a tender for the engagement of an independent consultant to provide it with internal audit services in accordance with tendering procedures. Offers are received by an established Tender Committee. Based on its evaluation of the technical and commercial offers, the Tender Committee makes its recommendations to the Board Audit Committee on the selection of the appropriate consultant.

During 2022, a tender was floated to appoint an Internal Auditor to provide the Company and its subsidiaries, as instructed by the BAC and in accordance with the audit plan, with internal audit services as a “service provider”. The Committee, by its resolution no. 2 of 2022, endorsed the appointment of the Internal Auditor for a period of five years, starting 1<sup>st</sup> of January 2023 after reviewing the procedures for floating the tender and making relevant assessments.

The appointed Internal Auditor makes risk assessment at the Company and its subsidiaries level, draw up appropriate audit plan, get BAC approval, conduct audit in accordance with the approved audit plan, submit their periodic reports to the BAC and follow up on the implementation of the outstanding observations and related corrective action plans.

The Internal Auditor has access to business functions and all data are provided as and when requested. The Internal Auditor verifies control systems, financial oversight and risk management, reviews the development of risk factors at the Company and the appropriateness and effectiveness of the applicable systems to address the related risks. The Internal Auditor also verifies the extent to which the Company is committed to applying internal control systems and complying with the relevant laws and regulations, including Company's compliance with the rules and provisions that govern listing and disclosure to the stock market.

The internal audit reports are prepared by the Internal Auditor at the Company and subsidiaries level according to the approved audit plan and in line with the international auditing standards. All reports and recommendations are quarterly

presented by the Internal Auditor to the BAC and subsequently submitted to the Company's Board of Directors as part of the BAC periodic report. The report includes assessment results of risks and applied systems at the Company, control and risk management procedures, updates on audit work and related results and an assessment of the Company's performance as to applying the internal controls to ensure adherence to and compliance with the regulations set by the regulators, a follow up and the current status of the executive management' plans of corrective actions to address any weaknesses in the internal controls and any other tasks as recommended by the Audit Committee. The executive management receives a copy of the report to take the necessary corrective actions as instructed by the Board Audit Committee.

The Internal Auditor completed 3 audits during 2022 in accordance with the audit plan that covers GIS and its subsidiaries. The scope of the internal audit, which was based on risk assessment, included many areas across group companies, covering main operations (operations, procurement, life insurance, joint venture agreements, client contracts, reinsurance, .business development and investments).

#### **4-2-2 External Audit**

The External Auditor provides assurance that the financial statements were properly and fairly prepared in accordance with the international accounting and auditing standards. They report on observations made on significant financial issues and implemented financial controls. Taking into account the requirements of article no. 24 of QFMA Governance Code, the scope of work of the External Auditor includes undertaking control works and assessment of the Company performance, especially relating to appropriateness and effectiveness of internal control systems implemented in the Company, including internal controls over financial reporting, the Company's compliance to its Articles of Associations and the provisions of the Law and QFMA's relevant legislations, including the provisions of QFMA Governance Code.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended article no. 57 "Auditors" of its Articles of Association to read as follows: "The Auditors of the Company, who shall be a reputable internationally recognized firm of independent accountants registered to do business in the state of Qatar, shall be recommended by the Board and appointed annually for a term of one

(1) year by the General Assembly. Auditors may not be appointed for more than three (3) consecutive terms unless otherwise decided by the General Assembly. The Board shall provide the Auditors with all information reasonably required by them to compile their reports within two (2) months of the Company's Financial Year end. The Auditors shall have full access to the Company's books and records. The Auditors shall provide a report on the Company's accounts prior to the relevant meetings of the Board and the General Assembly in accordance with applicable rules and regulations. The Auditors shall attend the Annual General Assembly (to be convened within four (4) months of the Company's year-end), and give their report in relation to the accounts of the Company laid before such Annual General Assembly.”

The Board Audit Committee examines and evaluates offers received from external auditors registered in QFMA external auditors' list. Accordingly, the Committee makes its recommendation to the Board on the appointment of the External Auditor. Once approved by the Board, the recommendation shall be included in the agenda of the Company's General Assembly.

The General Assembly appoints the External Auditor for one year, renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no re-appointment shall be made before two consecutive years are passed. The agreement between the Company and the External Auditor provides that the External Auditor's employees are required to strictly maintain confidentiality. Under relevant regulations and laws, the External Auditor is prohibited from combining between their assigned business, functions and duties and any other business in the Company, and from working at the Company before at least one year from the date of relations end with such Company.

The Company floated a tender for the appointment of an External Auditor for a period of five years, starting 2018. The recommendation on the proposed appointment by the committee, which is formed in accordance with Company's tendering procedures, is annually presented to the Company's Ordinary General Assembly for approval. In 2022, the Company's General Assembly, at its meeting for 2021 which was held on 13<sup>th</sup> of March 2022, approved the appointment of KPMG as the Company's External Auditor for 2022 for an annual fee of QR 313,690 inclusive of the external audit work and additional work of ICoFR and corporate governance assessment as instructed by QFMA, as well as the Company's compliance with QFMA Governance Code.

With the expiry of the current agreement with the External Auditor on 31<sup>st</sup> of December 2022, GIS floated a tender during 2022 to appoint an External Auditor to provide the Company and its subsidiaries with audit services. The Committee, by its resolution no. -- of 2022, endorsed the appointment of the External Auditor for a period of five years (subject to a yearly approval of the General Assembly), starting from the financial year ending 31<sup>st</sup> of December 2023 after reviewing the procedures for floating the tender and making relevant assessments.

During 2022, the External Auditor attended the meeting of the Company's General Assembly for the financial year ended 31<sup>st</sup> of December 2021 held on 13<sup>th</sup> of March 2022, and submitted their independent assurance report on: (a) Consolidated financial statements audit, (b) Board of Directors' report on the design, implementation and operating effectiveness of internal control over financial reporting, (c) Board of Directors' report on compliance with the applicable Qatar Financial Markets Authority laws and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market.

As for the financial year ended 31<sup>st</sup> of December 2022, the External Auditor, KPMG, will attend the Company's General Assembly meeting for the financial year 2022 to be held on 13<sup>th</sup> of March 2023, and will submit the independent assurance report to the Company's shareholders on:

- a) **Audit of the consolidated financial statements.** In their opinion, the External Auditor pointed out that the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').
- b) **Internal Controls over Financial Reporting and their related assessment.** In their opinion, the External Auditor pointed out that based on the results of their reasonable assurance procedures, the Directors' ICOFR report fairly presents that the Company's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2022.

- c) **Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies & Legal Entities Listed on the Main Market.** In their opinion, the External Auditor pointed out that based on their limited assurance procedures performed, nothing has come to their attention that causes them to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation and the Company is in compliance with the articles of the Code as at 31 December 2022.

Moreover, the External Auditor's full independent reports mentioned above, which include responsibilities, inherent limitations, scope and its determinants, criteria, results and the basis for conclusion/opinion, were published as part of the Company's annual report available on the Company's website ([www.gis.com.qa](http://www.gis.com.qa)).

#### **4-3 Compliance**

GIS Board of Directors is strongly committed to maintaining full compliance with all applicable regulations, including QFMA requirements for listed companies. The Board makes every effort to ensure that a governance structure based on best practices, standards and regulatory governance requirements is developed and implemented.

Areas of non-compliance with particular provisions of QFMA Code, including the reasons for any such non-compliance, were highlighted in this report. The Company makes every effort to be in compliance with the provisions of the applicable QFMA law and relevant legislations, including the Code.

The main responsibility of the Compliance Section is to assist the Board of Directors, Board Audit Committee and the Company's management to comply with governance rules, and to manage and monitor risks by ensuring that relevant policies and procedures are in place to protect the Company, as a listed entity, against exposure to non-compliance risks.

The Compliance Section continuously monitors changes to governance regulations and best practices, and periodically updates the Board on any changes to governance practices / regulations.

As and when the Company is required to update its governance structure due to new changes to corporate governance regulations and leading practices, Compliance Officers are required to prepare and submit proposals on governance changes to the Board for approval.

To this end, as additional layer, a mechanism is being developed to review, monitor and ensure that the Company is compliant with applicable laws, rules and regulations, and to enhance the Company's self-revision of risk management. The mechanism generally aims to:

- Provide a reasonable assurance of the Company's compliance with the relevant applicable laws and regulations.
- Detect cases of non-compliance, whether accidental or intentional.
- Take the necessary disciplinary actions in accordance with the Company's regulations in cases of noncompliant behavior.
- Take the necessary corrective actions to address the consequences of noncompliance.
- Develop proposals to avoid non-compliance in the future.

Each and every company of GIS group companies, which are not the main focus of this report, is fully aware of the importance of establishing the principles of good governance, including transparency, accountability and responsibility to support efforts geared towards achieving strategic goals and objectives, financial stability and integrity, and thus enhancing operational excellence. On the other hand, each company is managed independently by a Board of Directors having the necessary powers to manage and exercise its duties in full accordance with its fiduciary responsibility, ensuring the protection of all shareholders' rights of different classes. Each company also has its own systems and internal controls, including risk management systems, which are overseen by its Board of Directors, Board committees and other relevant executive committees, such as audit committees, institutional risk management committees and governance and compliance committees. All of this contributes positively to creating a control environment in line with the best standards and practices.

Moreover, the Company's Board of Directors ensures that the financial and operational performance of its group companies is periodically discussed. In addition, GIS appoints only qualified and eligible Directors – its representatives to subsidiaries - who are sufficiently experienced to perform their duties effectively in the best interest of the subsidiary and dedicated to achieving its goals and objectives.

Upon appointment, a Director shall be fully responsible to the subsidiary, in which he holds a seat on its Board, and shall be held accountable for his decisions to GIS as a shareholder in the meeting of the General Assembly, thereby increasing the level of independence from the appointee and non-interference in the management.

## **5. Disclosure and Transparency**

### **5-1 Disclosure**

The Company complies with disclosure requirements, including A) financial reports and notes thereto as disclosed to the regulators, published in the local newspapers and posted on the Company's website ([www.gis.com.qa](http://www.gis.com.qa)), B) number of shares owned by the Chairman, Board Directors and members of the Senior Executive Management, and C) major shareholders. The Company also complies with the requirements of disclosing information on the Chairman, Directors, Board Committees, Chairman and Directors' qualifications and experience as noted from their bios, and whether any of them is a member of the Board of Directors of other listed company, a member of its Senior Executive Management or its Board committees.

On the other hand, during 2022, no penalties were imposed on the Company as a result of violations committed during the year, including violations and sanctions imposed because of non-compliance with the implementation of any of principals or provisions of QFMA Governance Code. In addition, there were no settlements of any actual, pending, or threatened litigation during this period against the Company, and that there are no unasserted claims and assessments to be probable of assertion.

Disclosure is made in accordance with specific procedures approved by the Company's management. These procedures include ways of dealing with rumors by proving false or true, and how to clearly disclose in writing in a manner that is consistent with QFMA relevant legislations.

The Board takes appropriate measures to ensure that all disclosures are made in accordance with the instructions and rules of the relevant regulatory authorities, and that accurate and non-misleading information with the required quality and quantity is provided to all shareholders in an equitable manner to enable them to take informed decisions.

### **5-2 Conflict of Interest**



The Board complies with QFMA Governance Code principals for the disclosure of any dealing and transaction the Company enters into with any "Related Party", in which such Related Party has an interest that may conflict with the Company's interest. In all cases, any transaction with Related Parties is disclosed in the notes to the Company's consolidated financial statements, which are published in the local newspapers and posted on the Company's website.

The Company also seeks the approval of the General Assembly before entering into a major deal or transaction, as defined by QFMA, with a Related Party. Such deal or transaction must be put on the agenda of the next General Assembly to complete the requisite procedures for conclusion.

Moreover, the Company developed a policy on Related Party transactions in its Corporate Governance Framework. This policy takes into account the following:

- Review of these transactions, if any, by the Board Audit Committee and the Board of Directors to ensure compliance with relevant regulations.
- Ensure that all transactions with, or for the benefit of, any Related Party are on terms and conditions that are acceptable and within safe and sound practices and fulfil the adequacy condition of the required documents and the appropriate levels of the approving authority.
- Ensure that a transparent process, when applicable, is in place with adequate disclosure of Related Party transactions to shareholders.
- Price in a manner consistent with the recognized market practices, or on an appropriate basis, being arms-length.
- Adequate documentation, and such documentation may take the form of, for example, a services agreement, sale and purchase agreement, loan agreement etc., as appropriate, and that the terms and conditions contained therein are consistent with market practices.

In all cases, all relationships held by the Company with others must serve the Company's interest, as well as all transactions shall be made according to market prices and on arm's length basis and shall not involve terms that are contrary to the Company's interest.

During 2022, Related Party transactions at the Company level (on a stand-alone basis) included:

- Annual expenses paid to QatarEnergy for providing the Company with all financial and head office services under a service-level agreement.
- Income tax amounts received from subsidiaries.
- Annual dividends approved by the subsidiaries' General Assemblies.
- Rent amounts received from a subsidiary for residential villas rented to its employees.
- Credit facilities provided to a wholly owned subsidiary of GIS to cover the working capital needs.
- Foreign exchange transactions made between GIS and its subsidiaries as part of managing cash and working capital needs. These transactions were made at the official exchange rates.

### **5-3 Transparency and upholding the interest of the Company**

The Board of Directors recognizes that the risk of conflict of interest may arise from the fact that a Director or a member of the executive management is a "Related Party", or access to Company's information by employees, service providers and any other stakeholder. In order to avoid this, the Company adopted a conflict of interest policy within its Corporate Governance Framework to identify, as far as possible, conflict of interest situations, and to prevent losing objectivity by adhering to the appropriate professional conduct and establishing the principles of transparency, fairness and disclosure.

In accordance with the Company's internal regulations and Conflict of Interest policy, if a Related Party is in a conflict of interest situation, it shall not be entitled to attend the discussion, cast vote, or pass a resolution in this respect.

In general, a Related Party shall avoid any situation that may involve or result in actual or potential conflict of interest. In all cases, all related decisions must serve the interests of the Company.

Moreover, Directors and employees / service providers understand that all information related to GIS, its subsidiaries and customers is confidential and only used for the Company's purposes. Using such information for personal or family purposes or for other benefits is considered unethical and illegal conduct.

## **5-4 Disclosure of share trading**

The Company adopted procedures and rules that govern insider trading. These procedures and rules take into account the definition of the insider, whether permanently due to holding a position in the Company, or temporarily as a result of carrying out specific tasks for the Company. This insider has access to material information about the Company that could have a positive or negative impact on the investment decisions that can be taken by those who trade Company's share at Qatar Stock Exchange.

The Company updates Qatar Central Securities Depository (QCSD) with the details of the insiders, Directors and members of the Company's executive management to ban their tradings according to the applicable rules, and to disclose their tradings of the Company's shares on a daily basis by Qatar Stock Exchange.

In general, insiders are not allowed to benefit directly or indirectly from the use of inside information that has not yet been disclosed. Trading Company's shares on the basis of inside information, regardless trade size, is a serious violation of the Company's ethical standards and policies. In addition, the insider may not assist others to trade the Company's shares by improperly disclosing inside information.

## **6- Stakeholder rights**

### **6-1 Equal rights of shareholders**

Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions.

The Company's Articles of Associations and internal regulations provide for the procedures and guarantees needed for all shareholders to exercise their rights, particularly the rights to dispose of shares, receive the determined dividends, attend the General Assembly and participate in its deliberations and vote on decisions, as well as the right to access information and request it with no harm to the Company's interests.

The Company amended its Articles of Association, as approved by the Extraordinary General Assembly meeting held on 5<sup>th</sup> of March 2018, by adding a provision on shareholder's right to sell shares as follows:

“Should a Shareholder or a group of Shareholders reach an agreement to sell Shares in the Company equal to or exceeding fifty percent (50%) of the Company's market capitalization, such agreement shall not be enforceable unless an offer is extended

to the remaining Shareholders to exercise, at such Shareholders' discretion, their Tag-Along Right.”

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended article no. 13 “Rights Attaching to Shares” of its Articles of Association to read as follows: “Shareholders holding shares of the same class are equal and have all the rights, privileges and restrictions arising from share ownership. Each Share shall, except the Special Share, give its holder equal rights in the Company's assets and Shareholder distributions as well as rights to vote on a one-share- one-vote basis. The rights of the holders of Shares (other than the Special Share) are subject to the rights of the holder of the Special Share as set out in these Articles.

## **6-2 Register of shareholders**

The register of shareholders is managed in accordance with QE applicable rules and procedures. The register of shareholders is kept and updated by Qatar Central Securities Depository (QCSD). Under the agreement between GIS and QCSD, the latter undertakes the tasks of registering, maintaining and depositing of securities, clearing and settlement, entering dealings in securities, whether purchase, sale, transfer of ownership, registration or pledging in the respective registers.

## **6-3 Shareholder rights to access information**

The Company's Articles of Association and internal regulations provide for the procedures to be followed by shareholders for accessing information allowed to be disclosed to enable them to exercise their full rights without prejudice to other shareholders' rights or adversely affect the interests of the Company.

The Board of Directors and the Company's employees are making continuous efforts to establish constructive relationship and maintain communication with shareholders and investors so that they can make sound investment decisions by:

- (a) Ensuring fair and transparent disclosure of the Company's information both in quality and quantity in accordance with applicable laws and regulations.
- (b) Publishing a quarterly analytical report that includes details and analysis of the Company's financial and operational performance.
- (c) Publishing a presentation and holding a quarterly virtual earning call.

- (d) Dedicating a professional team to meet shareholders and discuss their inquiries regarding the company's financial and operating performance.
- (e) Attending events and conferences.
- (f) Updating the Company's website ([www.gis.com.qa](http://www.gis.com.qa)) in line with the modern display techniques to better serve the shareholders of the Company and all related parties. The website contains a dedicated section for investor relations through which all information subject to regular and immediate release, including, financial reports, press releases and corporate governance reports and their requirements.
- (g) Making and maintaining strong partnerships with newspapers and other media.

Qatar Stock Exchange and Qatar Financial Markets Authority are provided with the details of the contact person. Further, an email account ([gis@qp.com.qa](mailto:gis@qp.com.qa)) is dedicated for receiving inquiries or questions from the Company's shareholders. The Company also seeks views and consider assessments and suggestions from the institutional and individual shareholders, with whom it maintains regular communication.

The representatives of the Company ensure that all information provided to shareholders / investors is of the class that is allowed to be disclosed to the public. Providing confidential information or favoring a shareholder more than another is strictly prohibited.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended article no. 60 "Access to Books of Account" of its Articles of Association to read as follows: "The books of account of the Company shall be kept at its head office. Subject to such confidentiality and such other restrictions as the Board may from time to time agree, the Shareholders and their respective auditors and the Directors shall have full access to such books of account and all information that enable them to exercise their full rights without prejudice to other shareholders' rights or harm the Company's interest, provided; however, that prior to undertaking any review of the Company's books or records, the Shareholders shall first use their best efforts to obtain the information sought to be obtained from such review by making inquiry of the Company's Auditors."

## 6-4 Shareholder rights to General Assembly

### 6-4-1 Attendance and invitation

The Annual General Assembly considers and approves the Board of Directors' report on the Company's activity and financial performance during the financial year, External Auditor's report, Company's financial statements, governance report, Board's recommendation on dividend distributions, absolving Directors from their liability and approving their remuneration, and appointing the External Auditor and approving their fees.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, taking into account the instructions made by QFMA on regulating shareholders' rights to the Company's General Assembly meeting held on 13<sup>th</sup> of March 2022, amended the following articles of its Articles of Association:

- a) Article no. 46 "Annual General Assembly" now reads as follows: "A General Assembly shall be convened by the Board and held at least once every year (at a date and venue determined by the Board and notified to the Ministry of Commerce and Industry), within four (4) months of the end of the Financial Year ("Annual General Assembly"). The procedures to be followed for convening and conducting each Annual General Assembly shall be those set forth in these Articles."
- b) Article no. 48 "Place of General Assembly Meetings" now reads as follows: "All meetings of the General Assembly shall be held in Qatar. The meetings of the General Assembly may be held by means of modern technology in accordance with the controls set by the Ministry of Commerce and Industry."
- c) Article no. 49-1 "Notice of General Assembly" now reads as follows: "A General Assembly shall be convened by a notice from (and shall be chaired by) the Chairman or, in his absence, the Deputy Chairman (if any) or such other Director as may have been authorised to do so by the Chairman. A notice to attend the meeting of the General Assembly shall be electronically made to all shareholders on the websites of Qatar Stock Exchange and the Company and shall be published in a Qatari daily newspaper published in Arabic or otherwise by any other means of notification before not less than twenty-one (21) days prior to the proposed date of the General Assembly."
- d) Article no. 49-2-1 "Notice of General Assembly" now reads as follows: "The notice shall contain: (i) the time, date and place of the meeting; (ii) a notice to

Shareholders that they may appoint a proxy (who must be a Shareholder) to attend on their behalf; (iii) an agenda for the meeting with a detailed explanation.”

- e) Article no. 50 “Requisition of General assembly” now reads as follows: “A Shareholder or Shareholders together holding at least (10%) of the Company’s share capital may require that a General Assembly be convened. Shareholders representing at least (25%) of the Company’s share capital may require that an Extraordinary General Assembly be convened in accordance with the provisions of the Law and the regulations in this regard.”
- f) Article no. 52 “Right to Attend and Vote” now reads as follows: “Each Shareholder (including minors and interdicted persons), whose name is entered in the Shareholders Register at the end of trading session on the day on which the General Assembly is convened and who is present in person or duly represented by proxy, shall be entitled to attend the General Assembly, participate in deliberations and raise questions to Directors who shall respond to the questions to the extent that this does not harm the interest of the Company. A shareholder may refer to the General Assembly if they believe the response to their question is not sufficient. Shareholder shall have the right to vote on such matters on the meeting agenda. Such Shareholder shall have one vote for each Share held. The General Assembly shall elect the Directors by secret ballot and voting should take place in accordance with the applicable rules and regulations.”

In accordance with the Company’s AoA, a shareholder may appoint by a proxy executed in writing another shareholder who is not a Director to attend the General Assembly on his behalf, provided that shareholder by proxy shall not own more than (5%) of the Company’s share capital.

#### **6-4-2 Effective Participation**

The Company saves no effort to ensure that shareholders have the opportunity to participate effectively, vote in General Assembly meetings and be well informed of the rules, including voting procedures, which govern general shareholder meetings. In achieving this, the Company:

- Provides the shareholders with sufficient information in quality and quantity on the date, location and agenda of the general meetings, as well as complete and timely information regarding the matters to be discussed at the meeting to enable them to make a decision. This is achieved through

- announcing the meeting agenda in the local newspapers and posting it on the Company's own website. It also communicates the agenda to Qatar Stock Exchange for announcement on its website.
- Enables shareholders to directly pose questions to the Board Directors, place items (if any) on the agenda of the meeting, and to propose or object to resolutions, subject to the procedures established by law and applicable regulations in this regard.
  - Provides a mechanism through which shareholders can attend and vote in person or in proxy. Equal effect should be given to votes whether cast in person or in proxy.

In accordance with the Company's Articles of Association, shareholder may object to any resolution deemed for the interest or harm of a certain group of shareholders; or brings personal benefits for Directors or others without regard to the Company's interests. Shareholder is entitled to enter such objection into the record of the meeting and to invalidate the objected resolution without prejudice to the provisions of the Articles of Association in this regard.

As for the financial year ended 31<sup>st</sup> of December 2022, the Company's Ordinary and Extraordinary General Assembly meetings were held on 13<sup>th</sup> of March 2022. The agenda of the Ordinary General Assembly and the proposed amendments to the Company's Articles of Association were approved. The amendments were originally made to ensure compliance with certain provisions of the Commercial Companies Law promulgated by Law no. 11 of 2015 as amended by Law no. 8 of 2021, as well as the provisions of QFMA Governance Code.

As for the financial year ended 31<sup>st</sup> of December 2022, the following agenda of the Company's Ordinary General Assembly meeting (to be held on 13<sup>th</sup> of March 2023) will be considered:

1. Listen to Chairman's Message for the financial year ended 31<sup>st</sup> of December 2022.
2. Listen and approve Board of Directors' Report on GIS' operations and financial performance for the financial year ended 31<sup>st</sup> of December 2022.
3. Listen and approve External Auditor's Report on GIS' consolidated financial statements for the financial year ended 31<sup>st</sup> of December 2022.
4. Approve GIS' consolidated financial statements for the financial year ended 31<sup>st</sup> of December 2022.
5. Approve 2022 Corporate Governance Report.



6. Approve Board recommendation for a dividend payment of QR 0.1 per share for 2022, representing 10% of the nominal share value.
7. Absolve the Directors of the Board from liability for the financial year ended 31<sup>st</sup> of December 2022 and approve their remuneration with a total of QR 3,800,000 for all Directors.
8. Appoint “PwC” as the Company’s External Auditor for the financial year ended 31<sup>st</sup> of December 2023 and approve their fees.

In addition, an Extraordinary General Assembly meeting is scheduled to be held on 13<sup>th</sup> of March 2023 to approve the proposed merger of Amwaj, a wholly-owned subsidiary of GIS, with other selected entities, and authorizing GIS Board of Directors, or anyone authorized by GIS Board of Directors, to take all the necessary steps as to complete the transaction.

### **6-4-3 Election of Board Directors**

GIS adheres strictly to disclosure requirements with regard to candidates for Board membership (four elected Directors). The Company has already provided its shareholders with full information about all candidates for the Board’s term of office (2021-2024), including their qualifications and experience as noted from their bios. On 23<sup>rd</sup> of February 2021, GIS proactively provided the regulators with the names of the candidates and posted their names on the Company’s website well enough before the meeting of the General Assembly, which was held on 10<sup>th</sup> of March 2021, so that shareholders could take informed decisions regarding the candidates on substantive grounds.

As for appointed Directors, QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. QatarEnergy makes timely disclosure of any and all decisions on the composition of the Board of Directors or any change thereto.

### **6-4-4 Dividend distribution**

In accordance with the provisions of the Company’s Articles of Association amended by the resolution of the Extraordinary General Assembly held on 26<sup>th</sup> of February 2017 and pursuant the resolution of the Extraordinary General Assembly held on 5<sup>th</sup> of March 2018 and without prejudice to the Company’s ability to fulfill its obligations towards third parties and pursuant to a resolution of the General Assembly, dividends of not less than five (5) percent of the net profits of the

Company after deducting legal deductions shall be distributed to registered shareholders at the end of trading session on the day on which the General Assembly is convened, provided that dividends shall not exceed the amount recommended by the Board.

The main lines of the dividend distribution policy included in the Company's Corporate Governance Framework are explained in the attachments to the meeting agenda of the Company's General Assembly.

In general, the dividend policy requires the Company to balance shareholders' expectations with its operational and investment needs. This is achieved through investigating the following factors before a recommendation on the dividend distribution could be presented to the General Assembly:

- Cash flow constraints: It is not obligatory on GIS to distribute full profit to the shareholders. GIS shall keep sufficient cash for its operational requirements before dividend distribution.
- Lenders Constraints: GIS shall satisfy the financial requirement of lenders, if any.
- Legal constraints: Any legal reserves shall be reserved before distributing the dividend .
- Future investment plan: investment plans of GIS shall be considered, and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.

The proposed annual dividend is subject to the final approval of the General Assembly. The Company, through its agreement with a local bank, Qatar National Bank, makes it easier for the shareholders to claim their dividends for the year or previous years by making transfers to the accounts of the shareholders who provided their bank account details to Qatar Central Securities Depository or submitted a request for transferring their dividends to any QNB branch. The Company's website is updated with the required documents and all related details to claim dividends.

As for the resolution of Company's General Assembly passed in 2022 for the financial year ended 31<sup>st</sup> of December 2021, the General Assembly approved Board of Directors' recommendation not to distribute dividends for the year 2021.

As for the financial year ended 31<sup>st</sup> of December 2022, the Board of Directors' recommendation for a dividend payment of QR 0.1 per share for 2022, representing

10% of the nominal value of share will be presented at the Company's General Assembly meeting that will be held on 13<sup>th</sup> of March 2023.

### **6-5 Conducting Major Transactions**

The Company is committed to treat all shareholders equitably. Shareholders of each class of shares are equal and have all the rights arising from the share ownership in accordance with the provisions of the relevant law, regulations and decisions. The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

Therefore, the Company ensures that all shareholders are equitably treated at the General Assembly meeting, and that voting process is facilitated without prejudice to the provisions of its AoA.

In accordance with the Company's Articles of Association, Shareholders in general and Minorities in particular may, in the event that the Company conducts Major Transactions that might harm their interests or prejudice the ownership of the Company's share capital, object and enter such objection into the record of the meeting and to invalidate the objected transaction without prejudice to the provisions of these Articles in this regard.

The Company's capital structure is disclosed in the financial statements and herein. Additionally, Qatar Stock Exchange discloses the Company's major shareholders on its website.

With the exception of some selected entities identified in the Company's Articles of Association, and pursuant to the resolution of the Company's Extraordinary General Assembly held on 2<sup>nd</sup> of May 2018, no person or entity, shall hold either directly or indirectly (or be beneficially entitled to) shares of a nominal value exceeding 2% of the Company's share capital. The maximum ownership of the company's share capital is 2%. Qatar Central Securities Depository (QCSD), the entity entrusted with managing the register of the Company's shareholders, ensures that this maximum ownership limit is maintained.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13<sup>th</sup> of March 2022, amended article no. 20 "Restrictions on

shareholding” of its Articles of Association to read as follows: “The Board of Directors may, by a Board resolution considering applicable rules and regulations, determine the ownership percentage of non-Qatari shareholders up to one hundred percent (100%) of the shares listed on Qatar Stock Exchange or on any regulated stock market.”

Accordingly, the Board of Directors, by resolution no. 2 of 2022, approved to increase the ownership limit for non-Qatari shareholders to 100%. All necessary measures were then taken in this regard with the relevant authorities. Pursuant to a decision made by the Council of Ministers in its meeting held on 12 October 2022, it was approved to increase the percentage of ownership of a non-Qatari investor in the Company’s capital up to 100%.

Details of shareholdings in GIS share capital could be obtained from Qatar Central Securities Depository as per the register of shareholders. Details of major shareholdings as at 29<sup>th</sup> of December 2022 are as follows:

Shareholder	Percentage of Shares (%)
Pension Fund - General Retirement and Social Insurance Authority	16.71%
QatarEnergy	10.00%
Military Pension Fund	5.27%
Qatar Investment Authority	3.76%
Other Shareholders	64.26%
Total	100.00%

GIS relies on QCSD to obtain valid up-to-date record of shareholdings. As per the information obtained from QCSD as at 29<sup>th</sup> of December 2022, no shareholder has exceeded the limit specified in the Company’s Articles of Association, except as expressly provided therein.

#### **6-6 Stakeholder rights (non-shareholders)**

GIS safeguards and ensures respect for the rights of the Company’s stakeholders in accordance with QFMA Code. Each stakeholder may request the information related to his interest upon submitting a proof of identity. The Company is committed to provide the requested information in a timely manner and in a way that does not threaten others’ interests or prejudice its interests.

A whistleblowing policy and related procedures were adopted within the Company’s Corporate Governance Framework to disclose any wrongdoing that may adversely

impact the Company, its customers, shareholders, employees or the public at large. Under the policy, GIS assigns a member of the Board Audit Committee to address whistleblowing concerns. The assigned Committee member ensures that issues raised through whistleblowing are raised and reported to the Board Audit Committee according to the materiality of the issue.

A whistleblowing hotline (+974) 4013-2802 was established and provided on the Company's website ([www.gis.com.qa](http://www.gis.com.qa)) to report malpractice, unlawful or unethical behaviour.

These procedures are also a key defense against management override of internal controls and thus can help improve corporate governance.

GIS recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. GIS will not tolerate harassment or victimization and will take action to protect the whistle-blower that raises a concern in good faith.

### **6-7 Community right**

Realizing the importance of its responsibility and the comprehensive role it plays in community development, Gulf International Services Company makes unremitting efforts to support social initiatives and deepen its positive impact on the individual, community and the environment in general. The Company is making efforts to reduce the environmental impact of its operations to the lowest possible sensible level by adopting effective sustainability plans, while also providing job opportunities for qualified Qataris and maintaining suitable operating environment. As part of its ongoing efforts to diversify its sources of income and expand its complementary business, GIS and its subsidiaries support

Qatar's overall strategy towards, achieving comprehensive economic development, in the interest of the community in which it operates through initiatives in the areas such as:

1. Health Safety and Environment: health awareness campaign, health service collaborations, engagement in safety culture and programs such as "Goal Zero", HSE training, operational excellence, energy efficiency, environment management which included water management, waste management, chemicals management, noise management, spill prevention and air emissions management etc.,

2. People: Qatarization programs (partnership with educational institutions, internships, career fairs, trainings and talent management), diversity and equal opportunities, employee retention, training and development, promoting health and fitness, sports activities etc.; and
3. Community: local procurement, sponsorships and donations, health awareness campaigns, community participation programs, such as cultural, social and sport events etc.

### **The Social and Sport Contribution Fund**

Pursuant to Law no. 13 of 2008 as amended by Law no. 8 of 2011, a 2.5% of the Company's annual net profit is allocated to support sports, cultural, social and charitable activities. For the financial year ended 31<sup>st</sup> of December 2021, the 2.5% amounted to QR 1.35 million (2020: no amount was allocated as the Company did not make profits). The deducted amount was credited in full to the account of the Social and Sport Contribution Fund on 21<sup>st</sup> of March 2022.

For the financial year ended 31<sup>st</sup> of December 2022, the Company has allocated QR 7.25 million, representing 2.5% of its 2022 net profits, to support these activities.

### **Conclusion**

Through its Board of Directors, Gulf International Services Company is committed to implementing corporate governance principles and best practices, maintaining by-laws and internal procedures to achieve the highest levels of governance and create anticipatory (proactive) compliance environment aimed at safeguarding its assets and capital, protecting the interests of its customers and shareholders and preserving the Company's integrity and image.

The Board is satisfied that it has effectively discharged all of its duties and obligations and fulfilled its mandate during 2022 as set out in its Charter and relevant legislation. The Board exercises due care and diligence in managing the Company in an effective and productive manner to achieve the interest of the Company, all shareholders and stakeholders in a balanced manner.

**Khalid bin Khalifa Al-Thani**

**Chairman**

**Appendix:****Board of Directors Bios**

<b>Name</b>	<b>Brief bio</b>
<p><b>Sheikh Khalid bin Khalifa Al-Thani</b></p> <p><b>Chairman</b></p> <p><b>Non-Executive / Non-Independent Member</b></p>	<p><b>Qualifications and experience:</b> Sheikh Khalid bin Khalifa Al-Thani holds a Master Degree in Business Administration (MBA) from Pacific Lutheran University, Tacoma, Washington, United States.</p> <p>Khalid bin Khalifa Al Thani was appointed Chief Executive Officer (CEO) of Qatargas Operating Company Limited (Qatargas) in 2010. He also serves as Vice Chairman and CEO of the Qatargas group of companies.</p> <p>Before his appointment to Qatargas, Sheikh Khalid was Director of Ras Laffan Industrial City since 2007 and prior to that he held the position of Business Development Manager of Mesaieed Industrial City. Sheikh Khalid held various key positions in QatarEnergy since joining the corporation in 1991.</p> <p><b>Other positions*:</b> <b>Vice Chairman, Milaha</b></p> <p><b>Number of shares in GIS:</b> <b>Nil</b></p>
<p><b>Mr. Saad Rashid Al-Muhannadi</b></p> <p><b>Vice Chairman</b></p> <p><b>Non-Executive / Non-Independent Member, representing Woqod Vehicle Inspection (FAHES)</b></p>	<p><b>Qualifications and experience:</b> Saad Rashid Al-Muhannadi obtained BSC in Industrial &amp; Systems Engineering from the University of Southern California (USC), LA. USA 1990.</p> <p>Saad joined QatarEnergy Engineering Department as a Developpee in 1990.</p> <p>He held various positions within the Engineering Business Department before he was appointed as Engineering Business Manager in 2001 where he was responsible for a wide spectrum of duties.</p> <p>Saad became the first Corporate Manager – Contracts in 2003, reporting to the Managing</p>

	<p>Director (MD) of QatarEnergy, where a Centralized Contracts Department was established to serve all QatarEnergy Departments. This included the development of Systems, Processes with a full suite of related procedures.</p> <p>In June 2006 Saad was appointed to the post of Director Technical and was reporting to the Managing Director (MD) of QatarEnergy. Executive responsibility for planning, directing controlling and executing a diverse range of Oil and Gas related and Civil Infrastructure Capital Projects.</p> <p>Saad was appointed as Chief Executive Officer of Qatar Chemical Company Limited (Q-Chem) in September 2015.</p> <p>In April 2017, he was appointed as the Chief Executive Officer of WOQOD.</p> <p>In July 2019, he was appointed as the managing Director and CEO of WOQOD.</p> <p>In April 2021, he was appointed as Vice - Chairman of GIS.</p> <p>In April 2021, he was appointed as Vice-Chairman of GIS.</p>
	<p><b>Other positions*:</b> - Managing Director and CEO, WOQOD</p>
	<p><b>Number of shares in GIS:</b> <b>97100</b></p>
<p><b>Mr. Ghanim Mohammed Al-Kuwari</b></p> <p><b>Chairman of the Nomination and Remuneration Committee</b></p> <p><b>Non-Executive / Non-Independent Member</b></p>	<p><b>Qualifications and experience:</b> Mr. Ghanim Mohammed Al-Kuwari obtained Bachelor of Science in Computer Science from the University of Wisconsin in 1986.</p> <p>Mr. Al-Kuwari joined QatarEnergy in 1986 as fresh graduate in Information Systems Division. He has held various positions from 1989 to 1993.</p> <p>In 1993, he was seconded to Qatargas and shortly became IT Manager. In 2006, he was promoted to the position of Chief Operating Officer-Administration. He is currently the Chief Human Capital Officer in Qatargas.</p> <p><b>Other positions*:</b></p>



	<p><b>Nil</b></p> <p><b>Number of shares in GIS:</b> <b>34160</b></p>
<p><b>Mr. Mohammed Ibrahim Al-Mohannadi</b></p> <p><b>Member of the Nomination and Remuneration Committee</b></p> <p><b>Non-Executive member / Non-Independent</b></p>	<p><b>Qualifications and experience:</b> Mr. Mohamed Al Mohannadi holds the CEO position of Gulf Helicopters Company (GHC) since 2008 and Board of Director since 2011, Mr. Mohamed Al Mohannadi has been associated with Gulf Helicopters since November 1994. Earlier to this, Mr. Al Mohannadi held the position of Customer Services Manager with Gulf Air in Doha. He holds an aviation management degree from Florida Institute of Technology, USA.</p> <p>Mr. Al Mohannadi is a proven entrepreneur and strategic leader who translates business strategies into maximum profits aligned with efficient, safe and quality service conforming to International Standards.</p> <p>Mr. Mohammed Al-Mohannadi implemented a strategic plan to expand the network of Gulf Helicopters and build a modern fleet and was able to bring about comprehensive changes and an advanced philosophy that takes the quality of services as its starting point.</p> <p><b>Other positions*:</b> <b>Nil</b></p> <p><b>Number of shares in GIS:</b> <b>50220</b></p>

<p><b>Mr. Ali Jaber Al Marri</b>  <b>BAC member</b>  <b>Member of the Nomination and Remuneration Committee</b></p> <p><b>Non-Executive / Non-Independent Member, representing General Retirement and Social Insurance Authority</b></p>	<p><b>Qualifications and experience:</b>  Mr. Ali Jaber Hamad Al Marri earned a Master of Business Administration from Gulf University, Bahrain, in 2009. He was graduated with a bachelor's degree in accounting from Beirut Arab University in 1999. He had also received a Diploma in Commerce in 1991.</p> <p>Mr. Al-Marri currently holds the position of Director of the Internal Audit Department at General Retirement and Social Insurance Authority (GRSIA).</p> <p>He has 35 years of experience in the management of financial and administrative affairs, human resources. Mr. Al-Marri participated in developing GRSIA strategic plans, objectives, vision, mission and reflection in achieving the general objectives of GRSIA in a manner that leads to improved effective performance.</p> <p><b>Other positions*:</b>  Nil</p> <p><b>Number of shares in GIS:</b>  Nil</p>
<p><b>Sheikh Jassim bin Abdullah Al-Thani</b>  <b>BAC member</b></p> <p><b>Non-Executive / Independent Member, representing Qatar Investment Authority</b></p>	<p><b>Qualifications and experience:</b>  Sheikh Jassim bin Abdullah Al-Thani obtained a Bachelor Degree (B.SC) in Administrative Science and Economic majoring in Accounting from Qatar University in 2005.</p> <p>Sheikh Jassim started his career as an Assistant Manager at the Qatar Takaful Company and was promoted to Assistant General Manager in 2006 and worked in that position until 2009. He then worked in the Business Development Department of QIA for 5 years and subsequently worked in the Training Department for two years. He is currently working as a Senior Performance Analyst within the CFO Office of QIA, a position he has held since April 2016.</p> <p><b>Other positions*:</b>  Nil</p>

	<p><b>Number of shares in GIS:</b> Nil</p>
<p><b>Mr. Mohammed Nasser Al-Hajri</b> <b>BAC Chairman</b> <b>Non-Executive member /</b> <b>Independent, representing Qatar</b> <b>Electricity &amp; Water Company</b></p>	<p><b>Qualifications and experience:</b> Mr. Mohammed Nasser Al-Hajri holds a Master’s degree in Gas Engineering from University of Salford in the United Kingdom and Bachelors’ degree in Chemical Engineering from Qatar University.</p> <p>He Jointed Qatar Electricity &amp; Water Company in 2021.</p> <p>He joined QatarEnergy in 1991 and brings a wealth of business and operational experience of more than 32 years of upstream and downstream oil &amp; gas and manufacturing industries.</p> <p>Mr. Al- Hajri held different leadership roles in QatarEnergy since 1991 and his last position was Executive Vice President of Downstream Development Directorate.</p> <p><b>Other positions*:</b> <b>Managing Director and General Manager of Qatar Electricity &amp; Water Company (QEWG)</b></p> <p><b>Number of shares in GIS:</b> 33280</p>

\*Positions on the Boards of other public shareholding companies. GIS Directors may also have positions in other entities / companies.