



M A Z A Y A

Audit Committee Charter

V1.0

Document Control and Approval Sheet

Document Control

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INTRODUCTION

1. Introduction

- 1.1 The Audit Committee (“**AC**” or the “**committee**”) of Mazaya Real Estate Development Company Q.P.S.C. (“**Mazaya**” or the “**company**”) was established to assist the Board of Directors (the “**Board**” or the “**BOD**”) in discharging its oversight, as outlined by existing regulations and corporate governance best practice.
- 1.2 The AC will assist the board in independently ensuring and maintaining oversight of the company and fulfilling its oversight responsibilities relating to:
 - Integrity and accuracy of the company’s financial statements and financial reporting process.
 - Responsibility for the selection of the external auditors.
 - The appointment of an internal auditor and the Internal Audit activities.
 - Risk assessment and supervision of Risk Management function.
 - Company compliance with corporate governance processes, and legal and regulatory requirements.
- 1.3 In discharging its responsibilities, the committee is not itself responsible for the planning or conducting of audits, or for any determination that the company’s financial statements are complete and accurate, or in accordance with International Financial Reporting Standards (IFRS). This is the responsibility of the management and the external auditors. Accordingly, in carrying out its oversight responsibilities, the committee does not provide any expert or special assurance as to the company’s financial statements; nor does it provide any certification as to the external auditor’s work.
- 1.4 The committee’s objective is to address specific matters delegated to it by the board, make recommendations relating to these and make decisions based on the authority specifically delegated by the board, as set out in this AC Charter (the “**Charter**”).
- 1.5 This charter constitutes the committee's corporate values and includes internal policies and procedures which are binding upon the committee members; sets out the membership, responsibilities, principles, and operation of the AC, and identifies the interaction with the board of directors, management and the internal and external auditors.
- 1.6 This charter must be read in conjunction with other governance documents.

2. Complementary to law and articles

- 2.1 The charter has been drafted to comply with the provisions of the company's Articles of Association and Memorandum of Association (together, the “Articles of Association” or “AoA”). The provisions of the committee charter are complementary to the provisions governing the relationship between the board and the committee, as contained in the Board Charter and the Provisions of the Governance Code for Companies and Legal Entities Listed in the Main Market (the “code”) issued by the Qatar Financial Markets Authority (“QFMA” or the “authority”) under decision No. (5) of 2016.

3. Charter online

- 3.1 This charter and the composition of the committee is posted on the company's website.

CHAPTER I: COMPOSITION OF THE COMMITTEE AND POSITIONS

1. Size, expertise, and independence

1.1 Number of members

1.1.1 The committee shall have at least three (3) committee members.

1.2 General composition

1.2.1 The board shall ensure that:

- The committee shall be chaired by an *independent* board member.
- The majority of the members shall be independent board members.
- At least one member has financial and audit experience, including specialist knowledge and experience in the application of accounting principles and internal control processes.

1.2.2 The chairman of the board shall not be a member of the AC.

1.2.3 The chairman of the AC shall not be a member in another committee composed by the board.

1.2.4 Any person who has previously conducted an audit for the company within the previous 2 years shall not be a candidate, directly or indirectly, for committee membership.

1.2.5 The members must have an attitude of mind which is independent from the company's management. They should possess integrity, the capacity to dedicate sufficient time and resources and have adequate understanding of the company's business, its products and its operations.

2. Appointment, reappointment, and removal

3.1.1.1 Appointment by the board

2.1.1 The board appoints its committee members for a term of 3 years.

2.1.2 The appointment will be coterminous with the director's term of appointment.

3.1.1.2 Reappointment

2.2.1 Before recommending a member of the committee for reappointment, the board must carefully consider his/her past performance on the committee.

3.1.1.3 Removal

2.3.1 The board may appoint such additional directors to the committee, or remove and replace members of the committee, by resolution.

2.3.2 Members may withdraw from membership by written notification to the board.

2.3.3 If a member is removed from the board, he/she will be deemed removed from the committee.

3. Chairman of the committee (chairman)

3.1.1.4 The committee members must elect one of their members as chair. As outlined above, the committee shall be chaired by an independent board member.

4. Secretary

3.1.1.5 The AC appoints the secretary to the committee.

CHAPTER II: COMMITTEE MEETINGS AND DECISION-MAKING

1. Frequency, notice, agenda, and venue of meetings

1.1 Frequency

- 1.1.1 The committee shall meet as often as necessary, but not less than six times a year.
- 1.1.2 The committee will endeavor to hold its meetings to preferably coincide with board meetings for convenience.

1.2 Notice and agenda

- 1.2.1 Meetings of the committee are called by the chairman. The chairman may call the committee for the meeting upon the request of any of its members.
- 1.2.2 The invitation for a meeting, accompanied by the agenda, shall be sent to all committee members preferably 1 week before the meeting. Each committee member has the right to request one or more item(s), to be placed on the agenda.

1.3 Venue

- 1.3.1 Committee meetings are generally held at the offices of the company but may also take place elsewhere. In addition, meetings of the committee may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

2. Attendance of, and admittance to, meetings

2.1 Attendance by non-members

- 2.1.1 The admission to a meeting of persons other than committee members, the CEO and (if invited) other directors, shall be decided by the majority vote of the committee members present at the meeting.

2.2 Delegation

- 2.2.1 An absent member may, by documented request, delegate any other committee member to represent them in attendance and voting. A committee member cannot represent more than one member.

2.3 Undue absence

- 2.3.1 A committee member shall be deemed as resigned from post if the member is absent from attending three consecutive meetings or four non-consecutive meetings, without an acceptable excuse to the committee.

3. Decision-making within the committee

3.1 Individual vote

- 3.1.1 Each committee member has the right to cast one vote.

3.2 Quorum and majority vote

- 3.2.1 A committee meeting shall be deemed valid if attended by the majority of the members provided that the chairman attends the meeting.
- 3.2.2 The committee shall pass its decisions by the majority vote of attendees and representatives. In the event of a tie, the chairman of the committee has the deciding vote.

3.3 Urgent/necessary procedures

- 3.3.1 The committee, if necessary or urgent, may issue resolutions by circulation.
- 3.3.2 Unanimous approval for resolutions shall be obtained from all the members. The resolution in question shall be ratified at the next committee meeting and its content shall be included in the minutes of meeting.

3.4 Minutes

- 3.4.1 Minutes shall be drawn up for every committee meeting and for every resolution adopted outside a meeting and then circulated within 10 working days after the meeting, for comments and approval by the members. The minutes are to be signed by the chairman of the meeting and the secretary then added to the company's records. If there is any member, who does not agree on any decision taken by the committee, he/she may prove his/her objection in the meeting minutes.
- 3.4.2 The minutes of meetings shall include the names of the attending and absent members, as well as the meeting discussions and the vote details for each resolution.
- 3.4.3 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 3.4.4 All minutes of the committee will be open at all times for inspection by any director.

CHAPTER III: RESPONSIBILITIES AND DUTIES

1. Duties regarding supervision of financial reporting

1.1 Supervision responsibilities

- 1.1.1 The AC supervises compliance with documented procedures for the preparation and publication of the different financial reports and any other financial information. The AC also supervises the internal control and audit mechanisms for external financial reporting.
- 1.1.2 The AC shall ensure that the consolidated financial statements and the condensed consolidated financial statements in the half-year and the quarterly financial reports are prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).
- 1.1.3 The AC shall review the financial and accounting policies and procedures of the company and express an opinion and make recommendations to the board in this regard, as well as review the company's dealings with the related parties, and ensure that such dealings comply with the relevant controls.
- 1.1.4 The AC may conduct investigations into financial control matters when requested by the board.
- 1.1.5 The AC is responsible for overseeing the accuracy and validity of the financial reports and any disclosed numbers, data and financial statements submitted to the General Assembly.
- 1.1.6 While overseeing the accuracy and the validity of the financial reports, the AC shall focus on:
 - Any changes to the accounting policies and practices.
 - Matters subject to the discretion of senior executive management.
 - The major amendments resulting from the audit.
 - Continuation of the company as a viable going concern.
 - Compliance with the accounting standards as designated by the authority.
 - Compliance with the applicable listing rules in the market.
 - Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.
- 1.1.7 The AC shall consider reviewing and following up the external auditor's reports on the company financial statements and ensuring their compliance with the implementation of the International Standards on Auditing (ISA).
- 1.1.8 The AC shall verify that the external auditor's report includes an explicit reference to whether it had obtained all the necessary information and the company's compliance with IFRS and IAS, or whether the audit was conducted based on ISA.

1.2 Discussion of financial reports

- 1.2.1 The consolidated financial statements must be prepared by the management under the supervision of the board and examined by the external auditor. Half-year and any quarterly financial reports shall be discussed with the board and the AC prior to publication.

1.3 Audit Committee is the principal contact with the external auditor

- 1.3.1 The board's principal contact with the external auditor is through the chairman of the AC. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the AC chairman and the external auditor.
- 1.3.2 The AC shall:
 - Meet with the external auditors at least once a year to raise issues, ask questions and seek feedback from external auditors.
 - Coordinate between the Internal Audit unit in the company and the external auditor.
 - Ensure external auditor obtains significant clarifications he/she requests from senior management regarding

the accounting records, the financial accounts or control systems.

- Ensure the timely reply by the board of directors to the queries and matters contained in the external auditor's letters or reports.
- Conduct a discussion with the external auditor and senior executive management about risk audits especially the appropriateness of the accounting decisions and estimates, and submit them to the board to be included in the annual report.

2. Duties regarding nomination and assessment of external auditor

- 2.1 The AC is responsible for setting the procedures of contracting with and nominating external auditors, and ensuring their independence while performing their work. The AC is also responsible for selecting the external auditor. These procedures are detailed further under the External Audit Appointment Policy.

3. Duties regarding internal controls

- 3.1 The AC shall oversee the company's internal controls system. Main duties are, but not limited to:
 - 3.1.1 Preparing and presenting to the board, a proposed internal control system for the company and conducting periodic audits whenever necessary.
 - 3.1.2 Coordinating the communications among the board and management regarding the internal controls of the company.
 - 3.1.3 Implementing the assignments of the board regarding the company's internal controls.

4. Duties regarding internal audit

- 4.1 The AC shall oversee the Internal Audit function. Main duties are, but not limited to:
 - 4.1.1 Approving decisions regarding the appointment and removal of the internal audit director.
 - 4.1.2 Approving the Internal Audit Charter and Internal Audit Manual.
 - 4.1.3 Reviewing, with the internal audit director, the budget, resources plan, activities and organizational structure of the Internal Audit function.
 - 4.1.4 Approving the Annual Audit Plan and all major changes to the plan.
 - 4.1.5 Reviewing the performance of the internal audit director in collaboration with the Nomination and Remuneration Committee.
 - 4.1.6 Reviewing the effectiveness of the Internal Audit function, including compliance with the Institute of Internal Auditors' (IIA) definitions of internal auditing, the Code of Ethics and International Standards for Professional Practice of Internal Auditing.

5. Duties regarding risk management

- 5.1 The AC shall oversee the Risk Management function. Main duties are, but not limited to:
 - 5.1.1 Reviewing the systems of risk management.
 - 5.1.2 Developing and regularly reviewing the company's policies on risk management, taking into account the company's business, market changes, investment trends and expansion plans of the company.
 - 5.1.3 Supervising the risk management training programs prepared by the company and its nominees.
 - 5.1.4 Preparing and submitting periodic reports about risks and their management within the company to the board - at a time determined by the board - including its recommendations and preparing reports on certain risks at the request of the board or the chairman.

6. Duties regarding compliance

- 6.1 The AC shall oversee the Compliance function. Main duties are, but not limited to:
 - 6.1.1 Obtaining regular updates from the Compliance function regarding legal and regulatory requirements, and compliance matters.

- 6.1.2 Obtaining regular updates from the Compliance function regarding any corporate governance compliance matters.
- 6.1.3 Reviewing the process of communicating the Code of Conduct to the employees and monitoring compliance with this.
- 6.1.4 Reviewing the results of management's investigation and follow-up of any instances of non-compliance.
- 6.1.5 Reviewing the findings of any examinations by regulatory agencies and any auditor observations.

7. Duties regarding whistleblowing

- 7.1 The AC shall monitor the implementation of the Whistleblowing Policy.
- 7.2 The AC shall establish performance measurement schemes e.g. the number of complaints received, number of investigations, and time to resolve a complaint and corrective action taken.
- 7.3 The AC receive all complains from whistle-blowers to ensure that serious concerns are properly raised and addressed by the company. The detailed process is described under the Whistleblowing Policy.

8. Duties regarding the members and self-assessment

8.1 Duties of committee members

- 8.1.1 The committee members shall act in good faith, exercise diligence and care, speak out and be loyal to the company.
- 8.1.2 In all cases, the committee members should comply with the following:
 - Preparing for, and attending, meetings of the committee regularly and not withdrawing from the committee, except when scheduled.
 - Prioritizing the interests of the company, shareholders and all stakeholders over their own interest.
 - Using their diversified skills and experience, with diversified specialties and qualifications, to ensure the effective and productive management of the company, and working to achieve the interests of the company, partners, shareholders and other stakeholders.
 - Refraining from providing any statements, data or information without prior documented permission from the chairman.
- 8.1.3 The committee members, at the company's expense, may request the opinion of an independent external consultant in issues relating to any of the committee's affairs.

8.2 Committee self-assessment

- 8.2.1 At least once a year, the committee shall discuss its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the committee.

9. Duties regarding reporting to the board

- 9.1 The AC shall:
 - 9.1.1 Regularly, and at the earliest opportunity, provide the board with reports on the annual report and accounts, and the semi-annual and quarterly financial reports.
 - 9.1.2 Report its dealings with the external auditor to the board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor to provide both auditing and non-audit services to the company). The board shall take this into account when deciding its nomination to the General Assembly for the appointment of an external auditor.
 - 9.1.3 Present to the board, on an annual basis, the whistleblowing complaints log.
 - 9.1.4 Make any recommendations it deems appropriate to the board, on any area within its remit where action or improvement is needed.
 - 9.1.5 The activities, terms of reference and memberships of the committee, number of committee meetings held

and attendance over the course of the year will be disclosed in the Annual Report to be submitted by the committee to the board. The Annual Report shall include:

- The names and qualifications of all members of the committee during the period.
- The number of committee meetings and the attendance record of each of the members.
- A brief review report on the manner in which the committee has discharged its responsibilities.
- The findings, recommendations and actions initiated by the committee during the year.
- The committee dealings with the external auditor to the board on annual basis.

CHAPTER IV: OTHER PROVISIONS

1. Access to information

- 1.1 The AC shall have unrestricted access to relevant management, employees and information, and investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the company.
- 1.2 The committee shall have access to adequate internal and external resources, on any matters within its charter.

2. Confidentiality

2.1 Duty to keep information confidential

- 2.1.1 Unless required to do so by law, no committee member shall, during his/her membership of the committee or afterwards, disclose any information of a confidential nature regarding the business of the company and/or any companies in which it holds a stake, that came to his/her knowledge in the capacity of his/her work for the company and which he/she knows, or shall know to be of, a confidential nature.
- 2.1.2 A committee member may disclose such information to fellow committee members, as well as co-staff members of the company and companies in which the company holds a stake who, in view of their activities for the company and companies in which the company holds a stake, shall be informed of the information. A committee member shall not use such confidential information for his/her personal benefit.

2.2 Return of confidential information

- 2.2.1 At the end of each committee member's term of office, he/she shall return all confidential documents in his/her possession to the company, or guarantee their disposal in a manner that ensures confidentiality is preserved.

2.3 Notice of disclosure

- 2.3.1 If a committee member intends to disclose to third parties, information which he/she has become aware of in his/her duties and which may be confidential, he/she must inform the chairman of his/her intent and the identity of the person who is to receive the information, with sufficient notice for the chairman to assess the situation and advise the committee member. This section applies to both official and personal statements and to any person attending committee meetings which, in terms of their content and form, are clearly only intended for the committee.

3. Miscellaneous

3.1 Acceptance by committee members

- 3.1.1 Anyone who is appointed as a committee member shall, upon assuming office, declare in writing to the company that he/she accepts and agrees to comply with the provisions of this charter. A corresponding reference to this extent is included in the 'Director's Letter of Appointment' (Refer to the 'Director's Letter of Appointment').

3.2 Board responsibility for committee action

- 3.2.1 The board remains collectively responsible for the decisions and actions taken by any of the committees. A committee may only perform the tasks delegated to it by the board and may not exceed the authority or powers of the board as a whole. Decisions that, by law, must be made by the board may not be delegated to a committee.

3.3 Compensation of committee members

- 3.3.1 Compensation related to committee membership shall be as per the Remuneration Policy and the Director's Letter of Appointment.

3.4 Amendment

3.4.1 This charter shall be reviewed on a regular basis, or at least every 3 years.

3.5 Interpretation

3.5.1 In case of uncertainty or difference of opinion over how a provision of this charter should be interpreted, the opinion of the chairman of the committee shall be decisive.

3.6 Partial invalidity

3.6.1 If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The committee may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.