

Procedure Process for Nomination and Elections for the Board Membership

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1. Preamble

1.1 Introduction

The governance instructions issued by the Qatar Financial Markets Authority's Governance Code require a policy of standards setting forth specific and explicit procedures for Board membership. This document, therefore, outlines:

- Procedures for membership of the Board that include the nomination and election of the members of the Board , whether independent or non-independent;
- Determine the conditions of qualification, suitability and administrative matters for membership of the Board;
- and the requirement to present these Procedures to the Annual General Meeting (AGM) for approval.

1.2 The legal framework

These procedures have been prepared in accordance with:

- the Company's Articles of Association (AOA);
- QIC Board and Governance Charters as well as the internal Governance policies and Procedures;
- Qatar Central Bank's instructions on the Principles of Corporate Governance to Insurance Companies;
- Commercial Companies Law No. (11) of 2015;
- The Qatar Financial Market Authority Governance Code for the year 2016 for listed companies and legal entities on the Main Market;
- International best practice.

1.3 Accreditation Authority

The Board of Directors have reviewed these procedures and made recommendations to the Ordinary General Assembly to approve the document accordingly.

The forum to approve this procedures is, therefore, The Ordinary General Meeting (AGM), of the 25th February 2018.

2. General Provisions

2.1 These procedures provide instructions to the Board of Directors regarding candidates for Board membership, whether non-independent (Executive or Non-executive) or independent candidates and comes into force from the date of the AGM approval. These procedures shall remain effective, with any subsequent amendments, if applicable, unless they are revoked by a resolution of the AGM.

- 2.2 The AGM has authorised the Board of Directors to approve any subsequent amendments to these procedures, after being approved for the first time by the General Assembly, provided that such amendments require compliance with law, rules, regulations, or instructions issued by a regulatory body or are not material in nature. In all cases, such amendments shall be submitted to the AGM through the Annual Report of the Board of Directors or presented at the next regular meeting of the General Assembly, whichever is earlier, and documented in the minutes of the AGM. Otherwise, any amendments of these procedures require the approval of the AGM in order to be binding.
- 2.3 The Board of Directors of QIC consists of eleven members. The Government of the State of Qatar appoints a representative for its shareholding and the rest of the positions (ten) are elected by the Ordinary General Assembly (AGM) through a secret ballot. The Member nominated by the Government shall not have the right to participate in the election of the other members of the Board.
- 2.4 These procedures are subject to the provisions of the Articles of Association (AOA) of the Company and to the laws and regulations in force in the State of Qatar and shall be interpreted accordingly. In the event of any inconsistency or disagreements between these procedures and the AOA or any applicable law or legislation, the provisions of the AOA or that act of law and/or regulation shall apply.
- 2.5 Any disputes arising as a result of these procedures shall be subject to the exclusive jurisdiction of the Qatari Courts.
- 2.6 The Nomination Committee of the Board of Directors (referred to in these Procedures as "the Committee") shall supervise the matters outlined in this procedure document. "The Committee" will submit its reports and recommendations to the Board of Directors for the appropriate determination.

3. Nomination procedures

3.1 Opening Nominations

The Board of Directors shall open the nomination door for membership of the Board, (45) days, prior to the date of the Ordinary General Assembly convened for the selection of new Board of Directors.

The nomination period shall be initiated through advertisements in at least two local daily newspapers, in both Arabic and English. An advert will also be placed on the website of both the Company and the Qatar Exchange after obtaining the approval of the Ministry of Economy and Commerce on the draft advertisement before publication and / or the approval of any other regulatory body to which the Company is subjected. The advertisement should outline the number of positions to be contested, both for independents and non-independents, and the competencies required for independents.

The nomination door shall remain open for a period of not less than fifteen days from the date of the declaration, and every natural or legal person available wishing to nominate themselves or their representatives should make submissions of their suitability in accordance with the provisions of these procedures.

3.2 Procedures for candidacy

Any natural or juridical person who meets the conditions stipulated in these procedures shall submit a formal application for nomination to the Secretary of the Board of Directors of QIC within the deadlines as advertised by the Board.

4. Fitness and Propriety

Those who wish to run as a member of the Board of Directors must meet the following requirements:

4.1 Financial Soundness

In determining a person's financial soundness, the Board will have regard, to any factors including, but not limited to:

- a) Whether the person has not been declared bankrupt or has stopped to pay his debts or has made arrangements with his creditors to schedule his debts or caused losses to institutions or has been previously disqualified by the Qatar Central Bank or any other regulatory authority;
- b) Whether the person is not the owner of a company or institution that has been subject to judgement debt or award.

In the case of a company / legal entity:

- a) The company shall not be under legal detention, liquidation or any other similar action, declared bankrupt or default in the payment of its debts and caused losses to financial institutions or has been removed from board directorship by the Qatar Central Bank or any other regulatory authority;
- b) The company is not a member of the board of directors of any company whose license has been revoked or liquidated;
- c) The company has not ceased to repay its debt or entered into a settlement with creditors to schedule its debts;
- d) The Company is unable to meet its capital requirements;
- e) And the company has had its license revoked by a court ruling.

4.2 Skills and Knowledge for candidates

Personal qualities, academic and professional qualifications and experience required:

- a) Leadership skills;
- b) Holder of university degrees or higher academic degrees or equivalent;

- c) Preferably have previous experience in board membership;
- d) Experience and knowledge in the field of the insurance and financial services;
- e) Have personal qualities that are characterized by honesty, integrity and good reputation.

4.3 General Conditions:

The candidate of the natural persons or individual representing the candidates of the legal persons shall

- a) Fully eligible person and not be less than twenty-one years old
- b) For non- independent candidates, to be a shareholder at the time or within 30 days of being elected of not less than (200,000) two hundred thousand QIC shares.
- c) Not have been sentenced in any country to a criminal punishment or to any criminal offense or to an offense involving honor or trust or a crime of offenses referred to in Article (40) of Law No. (8) of 2012 on the Qatar Financial Market Authority and Articles 334 and 335 of Law No. (11) for the year 2015 to issue the Commercial Companies Law or to be prohibited from practicing any work in the entities which are subject to the control of the Qatar Financial Markets Authority under Article 35 (paragraph 12) of Law No. (8) for the year 2012, should not have been announced by a court for bankruptcy, unless otherwise stated has been rehabilitated, knowing that the Nomination Committee will consider the conditions when assessing the nomination application;
- d) He has not previously been a member of the board of directors or director of any company whose license has been revoked by a governing body or through court judgement;
- e) Not take any position prohibited by law to be combined with the Board of Directors membership.

4.4 Government Representatives

The provisions of these procedures shall be applicable to the Board representative of the Government of the State of Qatar.

4.5 Current Board Members

The provisions of these procedures, including the conditions of qualification and suitability, shall apply to all current re-nominated members.

5. Applications Evaluation and announcing the final list of candidates

Following the closure of the nomination process, “the Committee” will review all nominations and evaluate candidates according to the following criteria:

- a) Whether they meet the conditions and requirements stipulated in Chapter Four of these procedures;
- b) Whether there are adequate documentation supporting the application;
- c) Checking the eligibility of the candidate for the position and his ability to allocate the time and effort required to fulfill his responsibilities.

The Committee or the Chairman of the Board may request to meet the candidates or any of them during the process of evaluation and interview them with an aim of confirming the candidates’ personal integrity and verify their ability to allocate sufficient time to serve the Company.

The Committee shall prepare a report to the Board of Directors in which all the names of the candidates applying for membership of the Governing Council shall be presented.

The Committee may make its recommendations on each eligible candidate and indicate the reasons for preference of a candidate in accordance with the evaluation criteria specified in these procedures in its report to the Board of Directors. The Committee and the Board of Directors will issue the final recommendation of the General Assembly (AGM)

The final list of candidates shall be submitted to Qatar Central Bank, Qatar Financial Markets Authority and the Companies Control Department at the Ministry of Economy and Commerce for approval at least two weeks prior to the AGM.

In case of any potential conflict of interest between members of the Board of Directors or members of the Committee, the Board Chairman may make a determination on the subject of re-nomination.

Any proposal submitted by the Board of Directors to the shareholders on the candidates is not the final decision but guidance to the AGM. The list of the final candidates, including their experience shall be disclosed on the company's website immediately upon obtaining the necessary approvals from the relevant regulatory bodies.

6. Election of members of the Board

6.1 Convening the General Assembly to elect Board Members

The Board of Directors of QIC are obliged to invite the General Assembly of Shareholders to meet in a regular manner to elect new Board of Directors before the end of their term. This is likely to occur if the Board's mandate expires before the General Assembly that approves the final financial reports of the Company.

In all cases, the invitation and the procedures of convening the General Assembly shall be in accordance with the provisions of the Articles of Association of the Company, the related laws and regulations.

6.2 Voting Process

The Board of Directors shall present all the names of the candidates who have submitted candidature applications for the Board membership after an assessment of their curriculum vitae by the Nomination Committee.

Independent Board of Directors will be separately elected from Non-Independents Directors in a secret ballot. Unless Qatar Financial Markets Authority decides another voting system, Voting shall be carried out in accordance with the cumulative voting or any other voting system.

The Board of Directors shall announce the candidate's election process, in an ordinary general assembly and in the presence of representatives of the Ministry of Economy and Commerce, The Central Bank of Qatar, External Auditors of the Company and other regulatory bodies as applicable.

The Secretary of the Board shall prepare the official ballot papers from the final list of the names of candidates approved by regulatory authorities.

The sequence of names shall be in alphabetical order of the names of the candidates as per official identity papers and shall be prepared in accordance with the technology available.

The ballot shall be carried out by means of a closed box designated for this purpose, to be placed in the assembly hall. The ballot must be opened and presented to the audience and official representatives including External Auditors to ensure that there are no papers in it. The External Auditors shall close the box and invite the shareholders present to start the process of casting their votes. Any ballot paper which is not prepared in accordance with these procedures shall be considered null and void.

After the counting process, the External Auditor shall arrange the candidates in descending order according to the number of votes they have received and announce candidates that received most votes.

6.3 Appointing Board Members

Candidates with the most votes are automatically declared Board members. The number of independents and non-independents to be elected as Board members will be as defined in the Articles of Association of the Company.

Non-independent members are not allowed to be appointed in Board positions that have been reserved for independent members.

If the winner of the seat of the board of directors is a judicial person, such legal person has the right to dismiss the natural person that represents the entity on the board at any time and appoint an alternate, provided that the alternative is qualified and suitable as outlined in this standard procedures.

7. Subsequent actions to form a new Board of Directors

7.1 Shareholding

With the exception of independent members, all new Board of Directors of QIC are to provide evidence that they hold 200,000 shares of QIC.

The Chairman of the Board of Directors will request the evidence of the shareholding in QIC within a period of 60 days from the date of their election, otherwise their membership shall be invalid.

QIC follows the procedures applicable to the Qatar Exchange and Qatar Central Depository Company regarding the holding of directors' shares.

7.2 Disclosures

All new members of the Board of Directors, whether independent or non-independent, must make all required disclosures and hand over to the Board Secretary. This includes all papers, documents or certificates required by virtue of their membership of the Board of Directors according to laws, regulations, policies and regulations.

“The Committee” will conduct annual assessment of board members' throughout their mandate. In the event of unsatisfactory results, the board of directors shall notify the concerned member of the necessary measures to rectify the situation within 30 days. If the Board member is unable to rectify the situation, the BOD has the right to terminate the member and appoint a replacement from the reserves of members as an alternative after making the necessary disclosures.

7.3 Dismissal of Board Members

The General Assembly may dismiss any member of the Board of Directors in accordance with the law and the provisions of the Company's article of association.

7.4 Training

The Company shall provide an induction program for the members of the Board of Directors, whether they are current or new members, in order to ensure that they have a proper understanding of the business process and provide awareness of responsibilities.

8. Grievance mechanism

Any candidate who has submitted an application for candidacy and is disqualified based on conditions specified in these procedures may appeal to “the Committee” within 5 working days from the date of disclosure of the final list of names of candidates.

The Committee is not mandated to consider any subsequent grievance request arising from decision from any regulatory body. The Committee may, however in special circumstances, refer the request to the respective regulatory body for further consideration. Otherwise, the Committee shall consider and respond to the appeal within five working days. If the request is rejected again, the candidate concerned may submit his complaint to the Chairman of the Board of Directors within a maximum of three working days and the decision of the Chairman shall be final. The complaint shall be addressed by an official letter registered mail.