



CORPORATE GOVERNANCE MANUAL – Board Of Directors Charter

(Issued 2022)



Board of Directors Charter

1. Introduction

The LOGTAH Board of Directors is the ultimate decision-making body of the Group except with regards to those matters specifically reserved for the Shareholders' decision, or except for authorities expressly excluded in the Companies Law or the LOGTAH Bylaws. The Board's primary responsibility is to oversee the management and governance of the Group on behalf of the Shareholders. To do so, the Board is empowered to make decisions and recommendations, and is authorized to delegate some of its authorities to any Board director, the Board committees and the Group CEO, within the scope of its delegated authority as set out in the LOGTAH Articles of Association and Bylaws.

The Board has the responsibility for the implementation, compliance and revision of the corporate governance structure, and recognizes the inextricable link between effective governance, sustainable organizational performance, as well as the creation and enhancement of long-term value for the shareholders. It is this understanding that underlines the Board's long-lasting commitment to lead LOGTAH in accordance with principles based on transparency, accountability, integrity and ethical leadership.

2. Board Composition

- Members of the Board are elected by the Ordinary General Assembly (OGA) for a period not exceeding three years, subject to annual renewal.
- The OGA may terminate a member of the Board for a cause; or a member of the Board may resign provided that such resignation is made at a proper time and reason.
- The Board shall appoint, from its members, a Chairperson and Deputy- Chairperson, who shall be non-executive and cannot hold any executive position with the Group.
- The Board may appoint a temporary member to fill a vacant position, as per the order of the votes being cast, provided such appointment is later presented before the first meeting of the General Assembly for ratification via cumulative voting. The new member shall complete the unexpired term of his predecessor.
- The independent members must represent "100%" of board composition.
- A shareholder can vote his cumulative shares, but only once, when appointing Board members.
- A shareholder is entitled to nominate himself or another person for membership of the Board of directors within the percentage of his ownership in the share capital.
- The LOGTAH Articles of Association specifies eight directors for the Board. Presently, the LOGTAH Board is composed of Five members, All of whom are independent directors selected on the basis of competence and qualification, and who bring together complementary skills and expertise, independence, experience and new perspectives.

3. Board Meetings

Attendance & Quorum

- The Board will hold at least two (2) meetings in a year, or whenever a specific need arises, at the request of the Board Chairwoman or two members.
- Agenda for the Board meetings shall be sent out at least seven (10) working days in advance.
- Board members must attend all meetings. Based on the Board's recommendation, the OGA may terminate a member who fails to attend three consecutive meetings without acceptable justification.
- The meeting is presided over by the Chairwoman or, in his absence, the Deputy-Chairman. In the absence of both, one of the members as assigned by attending shareholders can chair the meeting.
- Board meeting is valid only if attended by at Five (3) members, whether in person or by proxy
- A Board member may delegate another member, by written proxy, to attend the meeting and vote on his behalf, provided that he does not hold more than one proxy, and he may not vote on matters his principal is precluded from voting under the law.
- The Board meetings, and voting, may take place through electronic means (teleconference, video conference), as long as such arrangement is pre-confirmed.



Resolutions & Minutes

- Resolutions of the Board shall be made by majority votes of the members present or represented.
- The proxy cannot cast his vote on matters that are reserved for the Board
- In case of a tie in the voting, the Chairwoman has a casting vote.
- Resolutions for urgent matters may be adopted by submitting them to the members separately by circulation, provided that such resolutions shall be reiterated by the Board at the next meeting.
- The Board's discussions, resolutions, voting records (approvals, objections, abstentions), and attendance shall be recorded in minutes, which shall be signed by the Chairwoman, all the attending members, and the Board secretary.

4. Board Responsibilities

1. Board of Directors

The LOGTAH Board is expected to act on a fully informed basis, in good faith, with due diligence, loyalty and care, and in the best interest of the Group and the shareholders, applying high ethical standards, and taking into account the interests of all stakeholders. The Board is primarily responsible for:

- Establishing corporate values, strategic direction and governance practices for the Group.
- Overseeing the development of the Group's long-term strategy and monitoring its implementation.
- Approve group's internal controls, evaluation on corporate policies & ensure governance guidelines implementation.
- Setting group's ideal capital structure in line with strategy & objectives
- Approving annual budgets, setting performance indicators; reviewing performance against them and instituting corrective action.
- Annual review & approval of organization structure.
- Recommending the Group's annual financial statements to the OGA for their approval
- Overseeing matters relating to auditing and accounting principles and practices, financial controls and reporting systems to assure the Group's financial integrity.
- Approving major financial objectives, business plans, significant corporate actions, and major transactions.
- Assessing major risk factors relating to the Group and its performance, and reviewing controls and risk management measures to address and mitigate such risks.
- Overseeing compliance with ethical standards, laws and regulations, and corporate policies.
- Overseeing proper management of conflicts of interest and disclosure requirements.
- Evaluating performance of the Board to ensure its effectiveness through annual self-evaluation & commissioning external assessment once every three years.
- Setting business partners & suppliers policy, ensuring their contractual reimbursements against company in case of failure to hold obligation, settling of complaints & litigations, confidentiality & ethics and upholding fair treatment principles.
- Setting wrong doing policy, seamless process, procedures & protection to cover employees & board members against Executive management wrong doings or violations to laws & regulations and ensuring confidential channels thru an independent audit committee member or other specialized committees with utilization of modern technologies such as emails or phones.
- Evaluating performance of the Chairwoman to ensure effectiveness & weaknesses with suggestion for its improvements through members only closed session without Chairwoman attendance.
- Appointing, evaluating and compensating the Group CEO and key executives.
- Appointing, evaluating and compensating the Group Chief internal auditor.
- Overseeing development of appropriate expertise and succession planning.
- Recommending appointment and fees of the Group's external auditor for OGA's approval, based on the Audit Committee's endorsement.
- Establishing Board committees and membership policy (Audit Committee needs OGA's approval)
- Providing counsel on significant issues facing the Group, based on best practices.
- Setting & ensuring Segregation of duties policy implementation & preventing unlimited decision powers to any individual.
- Setting interest & related party transactions policy
- Setting governance & compliance policy to ensure company compliance with regulations & laws.
- Disclosure to shareholders on material company information.
- Recommend board annual report to Ordinary general assembly (OGA)



- Recommendation to extraordinary general assembly on capital increase / decrease, continuation / dissolution of company prior to expiry date.
- Recommendation to Ordinary general assembly on the following matters:
 1. Utilization of statutory reserve
 2. Establishing additional reserves for specific purpose
 3. Dividends distribution
 4. Annual audited financials
 5. Annual board of directors / company report
 6. Accuracy of data & information with disclosure requirements
 7. Establishing effective communication channels with shareholders
 8. Formation of committees, charters & members and recommending adequate compensation
 9. Recommendation of company incentives scheme including fixed, performance based & shares without undermining companies laws & unlisted joint stock companies regulations.

2. Board Chairperson

The Board will be presided over by a Chairperson. The LOGTAH Board Chairwoman is appointed by the LOGTAH Board of Directors from one of the current Board members. The Board will also appoint a Deputy-chairman who will assume the Chairwoman authorities in her absence. The Chairwoman shall not hold executive position in the day-to-day management of the Group. The Chairwoman is responsible for the overall running of the Board, including:

- Provide overall leadership of the Board, ensure effectiveness, set agenda, and chair meetings.
- Call for emergency Board meeting, as the conditions warrant.
- Ensure the provision of accurate, timely and clear information to the directors.
- Setting the board agenda & Ensuring length of meeting is sufficient to give appropriate attention to the agenda issues at hand.
- Ensure effective implementation of Board decisions.
- Maintain effective communication with Shareholders.
- Appraise performance of the Board, its committees, individual directors, and the CEO.
- Encourage active participation and effective contribution by all members of the Board, and ensure constructive relations between executive and non-executive directors.
- Ensure that a comprehensive orientation program is provided for new directors, and address development requirements of individual directors and the Board as a whole.
- Build an effective Board and succession planning for the members and executive management.
- Ensure that the Board has within its membership relevant collective knowledge of the business.
- Promote the highest standards of corporate governance and ensure that the Board discharges its duties and complies with relevant laws and regulatory requirements.
- Establish close relationship of trust and provide support and advise to the CEO.
- Establish efficient communication protocol between the Board, CEO and executive management.
- Hold regular meetings with independent board members, without Executive management attendance.
- Disclosure to ordinary general assembly on related party transaction as disclosed by a member accompanied with the external auditor report.

3. Independent Board Member

It is expected that each Board member looks after the affairs of the Group, and is in a position of trust. Therefore, in carrying out his duties and responsibilities of the Board, each Board director individually is expected to be guided by the following objectives:

- Actively participate in development of company strategy.
- Receive appropriate orientation of the Group's business operations and activities upon joining.
- Be familiar and abide with the LOGTAH Code of Conduct principles.
- Recognize his role is to represent the interests of shareholders; and promote the success of the Group.
- Demonstrate independent judgment and knowledge in the ability to assess company strategy, business plans, management evaluation and other key issues.
- Be sufficiently informed and knowledgeable to contribute effectively to the Board's monitoring responsibilities & review performance reports.
- Ensure the integrity of financial reports.
- Ensure quality of financial controls & risk management systems.
- Participate in defining compensation levels for the executive management.
- Provide opinion in board members appointment & ouster & develop executive management succession plan.



- Compliance with companies laws & unlisted companies guidelines under capacity as a member & abstaining from participation in any activities leading to mismanagement of company matters.
- Immediate disclosure to the board on potential matters of conflicts, related party transactions & competition with clarity on deal nature, financial direct or indirect benefit as well as abstaining from voting on board resolution relating to transaction.
- Maintain high levels of confidentiality and avoid disclosure to shareholders unless requested by the ordinary general assembly (OGA)
- Participate in Board processes in a meaningful way, with confidence and willingness to express ideas; engage in constructive discussion; actively participate in decision-making; diligently attend Board meetings.
- Communicate freely with other members; be willing to hold management accountable for performance and results; work well with other members while not necessarily sharing their views.
- Make his individual's expertise available to the Board; draw on relevant experience in addressing issues facing the Group; be willing to respond to appropriate requests for advice and support.
- Understand the Group's philosophy and strategy; support its values; be open, honest and direct; make appropriate time commitment for Board Surveys; and have no conflict of interest in serving on the Board.
- Maintain standing and reputation in the business and professional communities in which he operates; and appropriately represent the Group in such communities.
- Professional courtesy of resignation from company board for not fulfilling assumed role & responsibilities
- Encouraged to demonstrate individual opinion in strategic matters, company policy & performance along with appointment of executive management, actively develop governance guidelines & executive management compliance, also expected to safeguard company, shareholders & disclose of any potential conflicts, related party transactions & competition.

4. Board Secretary

The Board Secretary is appointed by the Board. His role is to support the Board Chairwoman in ensuring the smooth functioning of the Board. His main responsibilities are to:

- Assist the Chairwoman in the logistics and procedural matters of the Board and Committee meetings.
- Organize meetings and ensure the annual calendar of Board meetings is updated after each meeting; and proper notices of meetings are issued on time.
- Ensure meeting agenda and support Board papers are circulated to all Board members at least seven (7) working days before the meeting.
- Ensure that all votes are as per the voting matrix of the Board meetings, announce the voting results for each Board member immediately after voting.
- Maintain minutes of the Board's deliberations and resolutions at each meeting, recording important facts and details discussed and decisions reached, voting results and names of attending members.
- Distribute the final minutes, not later than ten (10) working days after the meeting, to the members.
- Ensure the minutes are signed by the Chairwoman, the members who are present at such meeting, and the Board Secretary.
- Follow up on the Board decisions and ensure implementation of actions agreed, with concerned parties.
- Facilitate induction for new Board members, particularly the non-executive directors, to ensure they are aware of their duties and responsibilities.
- Facilitate good communication flow and effective working relationship between the Board members, Committees and executive management.
- Ensure Board procedures are followed and applicable regulations are complied with by members.
- Ensure that the charters of the Board and its Committees are kept up to date.
- Oversee and complete any other duties assigned by the Chairwoman.
- The board secretary can be ousted only by a board of directors resolution.
- Coordination amongst board members.
- Provide support & counsel to board members.
- Develop & Implement board members ordination program that includes, company strategy & objectives, financial & operational activities, board members obligations, committee's role & charters.
- Custodian of the members disclosures register.



5. Board Members' Conflict of independence & Liabilities

- The board will establish LOGTAH's Conflict of independence policy that includes provisions on independence, related party transaction, conflict of interest & competition. The policy will serve in setting procedures of dealing with incidents of conflict & its resolution along with setting clear contracting & board procedures of disclosure up to annual licensing by ordinary general assembly (OGA).
- Board will set examples related to LOGTAH activities on independence, related party transaction, conflict of interest & competition
- Ensure board members will disclose any conflict of interest they may have, direct or indirect, in any transaction or contract concluded for the account of the Group. Any such interest must have the OGA's approval, renewed annually, in which case the concerned members shall abstain from voting in related resolution.
- Board members & executive management must avoid accepting gifts especially if it potentially will violate independence, related party transaction, conflict of interest & competition policy.
- Board members shall not engage in commercial activities that are in competition with the Group. Any such activity must have prior OGA's approval, renewed annually, permitting them to do so.
- Board members shall not be granted any loan nor guarantee to a loan with third party, except for loans or guarantees offered as part of the Group's approved staff incentive program.
- Board members shall not disclose or use the Group's confidential information for their own interests or for their relatives/ close associates, even after leaving the membership of the Board.
- Board members shall abstain from voting on a potential independence, related party transaction, conflict of interest & competition matter.
- Board members are jointly liable towards the Group, the Shareholders and third parties for all acts of fraud, power abuse, illegal acts and violation of the Companies Law or Articles of Association.
- A Board member shall not serve as a director in more than ten (5) boards of other Public joint stock companies, at the same time.
- Board members will be subject to an annual assessment ensuring independence.
- Board members are not considered independent according to the following:
 - Owning 5% of more of company equity, or related to a shareholder with similar ownership
 - Representing a shareholder owning 5% or more of company equity or its subsidiaries.
 - Membership of subsidiary board.
 - An employee or Ex-employee within past two years for the company or related party such as external auditors or major suppliers.
 - Ownership of controlling stake of equity within past two years.
 - Direct & indirect interest in business & transactions.
 - Receiving financial allowances on top of board sitting fees.
 - Participation of competing business with the company or its subsidiaries.

6. Matters for the Board

The Board is the decision-making body for all matters that are significant to the Group as a whole. It has overall responsibility for the leadership, control and oversight of the Group, and for effective governance over the Group's affairs. It has final authority to decide on all issues except those that are specifically reserved for the Shareholders by the Group Articles of Association and Companies Law.

The Board has delegated some of its oversight authorities in specific areas to the Board Committees. The Board has also delegated to the CEO the responsibility for the day-to-day management of the Group, with a provision to sub-delegate powers to the executive management team of the Group and its businesses.

The Board approves all resolutions and related documentation put before Shareholders at the General Assemblies. All acts of the Board are binding to the Group even if such acts fall outside the limits of the Board's competence, except if the beneficiary of such acts is acting in bad faith or knew that such acts were outside the limits of the Board's competence.

6.1 Board Annual Report

Annual report to Ordinary general assembly (OGA) in line with companies law guidelines must include the following:

- 6.2 Names of board members, committees, executive management, their background, current & previous roles.



- 6.3 Current board composition with clarification on membership type, executive, independent & non-executive
- 6.4 Procedures made to inform independent members of shareholders suggestions or feedback
- 6.5 Disclosure on board & executive management compensation
- 6.6 Liabilities on company resulting from regulatory violations, with incident details & mitigation process.
- 6.7 Internal controls evaluation results supported by audit committee endorsement on system sufficiency or recommendation of internal auditor appointment "if vacant".
- 6.8 Conflicting audit committee recommendations with board of directors, details of objection & board justification on matter.
- 6.9 Social responsibility programs "if applicable"
- 6.10 Clear discription of business activities and contribution to results.
- 6.11 Summary of company major plans & decision including organization structure, expansions or divestments.
- 6.12 Risk related information such as; operational, supply chain & market risks accompanied with the policy of managing risks & monitoring it.
- 6.13 Clarification on financial standards variations against IFRS
- 6.14 Debt instruments cancelation or refund
- 6.15 Summary of board meetings held, dates & attendance register
- 6.16 Related party transaction summary, other related information detailing names, deal nature & duration, if non-exists the company will issue a statement of confirmation.
- 6.17 Summary of outstanding fees, zakat & Tax up to the end of the financial year with clarification of status.
- 6.18 Summary of investments or reserves issued benefiting the employees.
- 6.19 Reserved matters on the financials by the external auditor accompanied with justification by the board.
- 6.20 Transparent disclosure of rewards of any type received by board, committees & highest five paid executives, including financial, privileges or benefits.