



هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

Rules of the Employees' Incentive Shares Scheme in Listed Shareholding Companies

Through Owning Shares in the Listed Company

A listed shareholding company shall observe the following rules upon endorsement of its rules of employees' incentive shares scheme:

1. The proposal of the rules of the employees' incentive shares scheme shall be developed by the Board of Directors to be submitted to the extraordinary general assembly of the company for endorsement following its approval by the Qatar Financial Markets Authority "QFMA".
2. The rules of the employees' incentive shares scheme shall be presented to the extraordinary general assembly for approval, provided that they include the following:
 - a. The proposed number of shares earmarked to the incentive scheme to be allocated to the employees, which shall not exceed (7%) of the total paid up capital.
 - b. The beneficiaries of the incentive scheme. The Board of Directors members shall be excluded from the scheme.
 - c. The legal status of the shares with regards to voting in specific, as these shares are excluded from voting and annual dividends rights until they are fully owned by the employee.
 - d. The accounting methodology used in implementing the incentive rules according to the applied scheme's mechanism.

- e. The views of the company's independent external auditor about the impact of the proposed employees' incentive shares scheme on the shareholders' equity, the method of obtaining the shares, and the method of financing the scheme in accordance with the company's approach, provided that it is done inside the State of Qatar without investing any amounts outside Qatar or managing them by any other party outside Qatar. The method of obtaining the shares is determined by the company's policy in this regard.
 - f. Dates of the allocation of the shares of the incentive scheme according to the determined eligibility mechanism.
3. Notify the QFMA, Qatar Stock Exchange "QSE" and Qatar Central Securities Depository "QCSD" about the extraordinary general assembly decision regarding the employees' incentive scheme.
4. The QSE shall publish the extraordinary general assembly decisions specifying the proposed scheme.
5. The company shall conclude contracts or determine the appropriate mechanism for contracting with the beneficiaries of the said rules following the contract's approval by the company's general assembly. The contractual mechanism shall include the items mentioned in the sixth provision of the rules.
6. The contract shall include:
 - Terms of the scheme's eligibility criteria.
 - Cost and method of obtaining the shares.
 - Legal implications in case of resignation, dismissal, death or cancellation of the scheme.
 - The scheme beneficiary shall not own more than 10% of the scheme shares with observance of the terms of ownership ratios in accordance with the bylaws and QFMA's instructions in this regard.
 - If the company intends to purchase the scheme shares from the market, it shall comply with the provisions of the QFMA's rules and regulations relating to allowing companies to buy back its shares. The QFMA's prior approval shall be obtained if the company intends to sell these shares because of a justification that is accepted by the QFMA.

7. The company shall provide the QFMA and the QSE with quarterly reports about the scheme including any changes to it. These reports shall be submitted annually to the ordinary general assembly. Any amendment to the scheme shall be made in observance of the views of the company's ordinary general assembly.
8. The company shall provide the QFMA with the ordinary general assembly decisions regarding the implementation of the employees' incentive rules.
9. The scheme shall not be liquidated or canceled prior to QFMA's notification of the decision, stages and method of the said liquidation or cancellation.
10. The QSE shall present on its website the transactions executed in relation to the company's shares under the employees' incentive rules as soon as executed anonymously under "employees' incentive shares scheme transactions".
11. The QCSD shall maintain the shares in a separate investor account opened for this purpose. These shares shall be excluded from the rights of voting in the general assemblies and the dividends until the shares' ownership is fully transferred to the employee according to the company's applied system.
12. Listed companies with implemented shares incentive schemes shall rectify their position within one year dating from the Rules' enforcement date.
13. These rules shall be effective upon their endorsement by the QFMA.