



Barwa Real Estate Company
Corporate Governance Policy
Guidelines* 2012

Introduction

1. Purpose and Objectives of the Manual

- 1.1 This Corporate Governance Policies Guidelines refers to the Governance Policies regulating Barwa Real Estate (hereinafter Barwa). The policies are developed taking relevant laws and regulations into consideration and in accordance with Corporate Governance leading practices as promulgated by the Qatar Financial Market Authority (QFMA) Corporate Governance Code for Listed Companies.
- 1.2 This manual aims to address all the aspects involved in the Corporate Governance process. Specifically, the purpose of this Manual is to:
 - 1.2.1 Summarize the principles and practices of Corporate Governance and assist Barwa to orientate Board members/ management and establish a formal Corporate Governance structure and practices;
 - 1.2.2 Denote the structure and process established to oversee, direct and manage the business and affairs of Barwa with the objective of achieving its financial stability and enhancing shareholder value;
 - 1.2.3 Detail the policies adopted by the Board of Directors that are to be followed by all Barwa without distinction and exception; and
 - 1.2.4 Highlight the direct responsibility of the GCEO and Management in directing Barwa to function in accordance with this Manual and the responsibility of the Board to oversee that Barwa's functions in accordance with this Manual.
- 1.3 Each Barwa employee is personally accountable for fulfilling his/ her responsibilities within this Manual.
- 1.4 The Corporate Governance policies should serve to ensure a common understanding among employees of Barwa regarding the Corporate Governance structure. Board and Executive Management involved in the Corporate Governance will be responsible for having comprehensive familiarity with the contents of this Manual as it currently exists and for any subsequent approved updates.

2. Copyright Statement

- 2.1 Barwa has proprietary rights over this Corporate Governance Policies Guidelines and its contents. No part of the Manual should be copied for any reason without the express written permission of the Board or authorized Executive Management.

3. Compliance

- 3.1 The regulations set in the State of Qatar are taken into consideration for the development of this Manual. In the event that a conflict exists between this Manual and regulatory pronouncements, the latter, will take precedence. Amendments to the Manual will then be required to be in compliance with the regulations.

CGP-1 Board Roles and Responsibilities

Purpose:

The following policy has been developed to assist in developing general roles and responsibilities of the Board of Directors and individual Board members overseeing Barwa.

Contents:

1. Board Responsibilities

The following are the general roles and responsibilities of the Board of Directors as derived from the Board's 'Terms of Reference':

- 1.1 Appoint and delegate the authority to GCEO of Barwa to implement BOD directives and resolutions. The BOD shall define the jurisdiction and duties to GCEO who should report to the Chairman and the Board.
- 1.2 Approve Barwa's Delegation of Authorities Matrix recommended by the GCEO.
- 1.3 Consider, Review and Approve the BOD Committees' recommendations and also proposals forwarded by Barwa's Management and the related entities' BODs.
- 1.4 Review and assess Barwa's Financial Statements and other releases prior to filing them with the applicable regulator or prior to public announcement.
- 1.5 Approve financial commitments in excess of delegated authorities to the GCEO and Management.
- 1.6 Review and approve Barwa's organization structure.
- 1.7 Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that the management is addressing the issues appropriately.
- 1.8 Provide the strategic direction to Barwa. Review Barwa's vision and mission periodically, adopt strategic planning process and at least annually approve the strategic plan and business plans.
- 1.9 Review, recommend improvements and approve strategic initiatives and annual budgets including new business ventures and key investments and divestitures.
- 1.10 Oversee and assist to secure the necessary financial and human resources are in place to achieve Barwa's goals and objectives.
- 1.11 Monitor Barwa's performance and periodic updates provided by the GCEO and offer recommendations in light of the approved plans.
- 1.12 Set the risk appetite for Barwa Real Estate.
- 1.13 Assist Barwa's Management in addressing related entities' issues brought forward by their Board representatives.

- 1.14 Oversee the overall corporate governance of Barwa. Review and approve governance policies and principles prepared and recommended by the Management and the GCEO.
- 1.15 Receive, evaluate and provide further recommendations annually, on BOD and BOD Committees' Terms of References, Code of Conduct, and position descriptions of GCEO, other key executives and related entities' representatives through the Board Nomination and Governance Committee.
- 1.16 Supervise and ensure the proper internal controls and compliance, mainly through the Audit Committee. Following the Audit Committee's recommendations, BOD appoints an Internal Auditor who is independent of company operations and audit the compliance systems. Internal Auditor reports directly to the Board through the Audit Committee and submits an Audit Report quarterly.
- 1.17 Ensure that Barwa is in compliance with its AoA and applicable international and local laws and regulations, through delegated authorities and periodic reviews and assessments.
- 1.18 Recommend the External Auditor to the AGAM and receive Audit Reports semi-annually directly from External Auditor. Review reports and direct the management to improve related aspects accordingly.
- 1.19 Review company's policies annually to ensure they are adequate, suitable and in line with the internal business changes and the external macro-economic changes, subsequent to respective Committee reviews.
- 1.20 Appoint, retain, oversee, compensate and terminate independent advisors to assist the Board in their activities. BOD should receive adequate funding from Barwa for independent advisors and related administrative expenses.
- 1.21 Approve appointments and termination of Barwa representatives on related entity boards, through the Board Nomination and Governance Committee.

2. Information and Professional Development

- 2.1 The Chairman will oversee that new Board members receive a full, formal and tailored induction on joining the Board.
- 2.2 The Board will ensure that all Board members have access to independent professional advice at Barwa's expense with the Board's approval.
 - 2.2.1 Board Committees will be provided with sufficient resources to undertake their duties.
- 2.3 All Board members will have access to the advice and services of Barwa Board's Secretary, who is responsible to the Board for maintaining and compiling Board policies, managing Board meeting operations and documenting and maintaining minutes of meetings and board resolutions.
- 2.4 It is recommended that Barwa's Board receives periodic reviews from third parties, such as auditors, consultants, or legal counsel, to assess how well the Board, its Committees and management are addressing Barwa's needs.

3. Board Member Responsibilities

3.1 Board members' key responsibilities in accordance with leading practices, are as follows:

Chairman

- 3.1.1 Lead the Board, overseeing its effectiveness on all aspects of its role and setting its agenda.
- 3.1.2 Responsible for supervising that the Directors receive accurate, timely and clear information.
- 3.1.3 Ensure effective communication between Barwa and its shareholders.
- 3.1.4 Facilitate the effective contribution of Non-Executive Directors in particular, and ensure constructive relations between Executive and Non-Executive Directors.

Non-Executive and Independent Directors:

Non-Executive Directors' responsibilities include:

- 3.1.5 Constructively challenge and develop proposals on strategy.
- 3.1.6 Scrutinize the performance of management in achieving agreed goals and objectives and monitoring the reporting of performance.
- 3.1.7 Review the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- 3.1.8 Determine appropriate levels of remuneration and appointment of Executive Directors.
- 3.1.9 Appraise the performance of the Chairman and Executive Directors.

Executive Directors:

As members of the Board and Executive Management, Executive Directors' responsibilities include:

- 3.1.10 Act as full time Directors responsible for the day-to-day operations of Barwa.
- 3.1.11 Provide leadership to the company in meeting goals and objectives developed by the Board.
- 3.1.12 Update the Board with periodic reports on Barwa activities and performance.
- 3.1.13 Participate in developing and meeting strategic initiatives approved by the Board.
- 3.1.14 Implement systems of internal control framework across Barwa.
- 3.1.15 Oversee the integrity of financial information and that financial controls and systems of risk management are robust and defensible within the company.
- 3.1.16 Participate in various Management level Committees and Board Committees (excluding Audit Committee, Nomination and Governance Committee and Remuneration Committee).

- 3.2 All Barwa's Board members are expected to:
- 3.2.1 Exercise their powers and duties with reasonable care and diligence;
 - 3.2.2 Exercise their powers and duties in good faith in the best interests of Barwa;
 - 3.2.3 Apply independent judgment in the exercise of their powers;
 - 3.2.4 Avoid conflicts between their duties to Barwa and their personal interests or their duties to others; and
 - 3.2.5 Observe standards of good corporate governance.
 - 3.2.6 Ensure that their own activities are conducted in accordance with the Board Code of Conduct, as defined in the Board's '**Terms of Reference**'.
 - 3.2.7 Strive to fully understand Barwa's operations and the legal environment in which Barwa operates, and will provide suggestions and feedback to the GCEO, Board and Management Level Committees and the management concerning content and formulation of Board reports.
 - 3.2.8 Uphold and implement decisions and resolutions concluded by the Board to its fullest extent.
 - 3.2.9 Participate in various activities on behalf of Barwa to generate business, serve the community and/or uphold Barwa's image, based on the pre-approval of the Board.
- 3.3 Where Board members have concerns about the operations of Barwa or a proposed action, which cannot be resolved, they will ensure that their concerns are recorded in the Board minutes. On resignation, a Director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

4. Board Secretary

- 4.1 The BOD appoints the Board Secretary and determines the incumbent's scope of work and remuneration. The Board appoints the Secretary by Resolution.
- 4.2 The Board Secretary shall have the required qualifications to meet QFMA requirements, this includes membership of a recognized body of professional accountants, or a member of a recognized or chartered body of corporate secretaries, or a lawyer or a graduate from a recognized university or equivalent. He/ she should have at least three years experience of handling the affairs of a public company listed in the market.
- 4.3 The Secretary is responsible for maintaining the BOD documentation and responsible for the distribution of:
- 4.3.1 BOD meeting agendas;
 - 4.3.2 Invitations;
 - 4.3.3 Other required documentation prior to the meetings; and
 - 4.3.4 Record keeping and the distribution of Board meeting minutes and resolutions.

5. Board Meetings

- 5.1 The Board will meet regularly to discharge its duties effectively.
- 5.2 At a minimum the Board will meet six times a year. Every two months a Board meeting is held following the Article 103 QCCL.
- 5.3 Official Board Meetings shall be held based on the invitation of the Chairman or upon the request of a minimum of two Board members.
- 5.4 The Chairman will preside over all Board meetings.
- 5.5 The Board Secretary will maintain Board minutes of meeting and distribute meeting agendas.
- 5.6 An agenda for the meeting shall be prepared and distributed to all members. The agenda should be distributed at least one week prior to the set meeting date.
- 5.7 A member of the Board may appoint, by a letter addressed to the Chairman of the Board, another Board member to vote on his behalf. An individual member can represent a maximum of one vote in addition to the member's own vote (Article 103 of QCCL).
- 5.8 A decision is made based on the majority consent. The Chairman's vote (or the substitute's deputed by the Chairman) will be the deciding voice if a tie occurs.
- 5.9 In case of tied decisions whereby the Chairman's vote result in a decision, disagreeing Board members may note their objections in the minutes of meetings.
- 5.10 Based on decisions/ discussions made at the Board Meeting, the Board secretary shall ensure that Minutes of meetings and Board Resolutions are prepared and signed by the Chairman (or a deputy) and the Secretary.

6. Performance Evaluation

- 6.1 A self assessment process will be conducted by the Nomination and Governance Committee whereby the Committee will assess the Board, Board Committees and individual member performance. The Nomination and Governance Committee will subsequently make its recommendations/ findings to the Board
- 6.2 A self-assessment form will be distributed to each Director for their input.
- 6.3 The Board will disclose the followed process for performance evaluation in the Annual QFMA Report.

CGP-2 Board Supervision

Purpose:

This policy further elaborates the Board's responsibility with regard to the supervision. Supervisory responsibilities are to provide reasonable assurance that operations are directed towards achieving Barwa's strategy, goals, and objectives.

Contents:

1. Board Committee Structures

- 2.1 The Board Committee structures of Barwa will be based on Market Regulator's (QFMA) compliance requirements, Barwa's size, business focus, Board composition and expertise levels.
- 2.2 The Board will approve the formation of various Board and Management level Committees.
- 2.3 Each approved Committee will have a formal 'Terms of Reference' documenting the Committee's roles and responsibilities and delegated authority,
- 2.4 All Board Committees will:
 - 2.4.1 Be established through a charter approved by the Board;
 - 2.4.2 Elect a Chairman for the Committee;
 - 2.4.3 Be assigned specific responsibilities; and
 - 2.4.4 Report regularly to the Board, as deemed necessary.
- 2.5 Board Committees include:
 - 2.5.1 Audit Committee;
 - 2.5.2 Remuneration Committee;
 - 2.5.3 Nomination Committee; and
 - 2.5.4 Board Executive Committee.
 - 2.5.4.1. The Executive Committee is an optional committee and in case such committee is not established, Barwa Board of Directors will assume the responsibilities of the Executive Committee.
- 2.6 Ad-hoc Committees will be established for specific durations to coincide with particular project assignments. Such Committees should not be assigned for periods exceeding three months.
- 2.7 All Committees will meet as per the schedule defined in the Committee's 'Terms of Reference'.

- 2.8 Each Committee will appoint a Secretary to maintain all meeting minutes and other Committee documentation.
- 2.9 Approvals of Committee decisions are constituted by a majority vote with the Chairman's vote deciding upon ties.
- 2.10 Each Committee will provide written reports to the Board, at least on an annual basis.
 - 2.10.1 All Committees will support the Board in maintaining updated information to perform Board's duties.

CGP-3 Management Supervision

Purpose:

The following guidelines provide the framework for a solid and supportive working relationship between the Board and Executive Management. The guidelines also address communication between the Board and Executive Management and outline a specific management supervision program.

Contents:

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board, in implementing the Management Supervision:

- 1.1 The Board's role is to provide advice and direction to Barwa's Executive Management and of evaluating Management's performance in achieving established goals and objectives.
- 1.2 The Board will **not** interfere with or obstruct the daily management process. Management is responsible for the daily management of Barwa's operations.
- 1.3 The Board will evaluate the performance of Barwa's Management team.
- 1.4 The Board will establish criteria for Management supervision through policy statements addressing both the major business activities of Barwa and the performance of Management officials and personnel.

2. Committees & Board Reporting

- 2.1 Various Management Committees will be developed by Barwa including:
 - 2.1.1 Management Committee;
 - 2.1.2 General Tendering Committee.
- 2.2 The Board will designate a Committee/ Department to review and pre-approve established goals, objectives, budgets, and strategic plans.
- 2.3 The Management will receive monthly reports comparing Barwa's actual performance to the established goals, objectives, budgets, and strategic plans.
 - 2.3.1 Any variances between established goals and actual performance will be explained to the Board in detail in writing.
- 2.4 The designated Committee and GCEO will report on performance on a quarterly basis to the Board.
 - 2.4.1 The Board will evaluate Management's performance on the basis of its ability to meet the established goals, as assessed by the designated Committee.

CGP-4 Management Succession

Purpose:

The Management Succession policies have been established to formalize Barwa's efforts to meet Management/ Board needs in emergency situations.

Content:

1. General Policy Statement

- 1.1 The Board (including the Chairman) and Executive Management will coordinate to ensure that there is adequate staffing at all levels of Barwa.
- 1.2 The Board should ensure that a Management succession plan is developed so that in the in case that an Executive Management position gets vacant, Barwa operations are not adversely affected.
 - 1.2.1 The Board should ensure that a replacement is found on a timely basis for Executive managers and Board members who plan to retire.

2. Chain of Command

- 2.1 Should the Chairman be unable to carry out his duties due to an emergency situation, the duties of the Chairman will be assumed by individuals in other positions of power within Barwa' Board on a temporary basis.
- 2.2 Duties of the Chairman will be assumed in emergency situations only in the following descending order:
 - 2.2.1 The designated Vice Chairman; or
 - 2.2.2 A Board member by majority vote.
- 2.3 With respect to disaster recovery procedures, the individual acting as Chairman will also assume the responsibilities of Disaster Recovery Planning Committee leader.
- 2.4 Should the GCEO be unable to carry out his or her duties due to an emergency situation, the duties of the GCEO will be assumed by the Deputy GCEO on a temporary basis.

CGP-7 Conflict of Interest

Purpose:

The Board acknowledges the risk that conflicts of interest may arise in obtaining persons involved in the business and civic community to act as Directors, Executives, and employees of Barwa. Because of such persons' worth in attracting and maintaining business relationships, the Board feels it is prudent to adopt a conflict of interest policy. In recognizing that excessive activities and gratuities and access to information may lead to conflicts of interest for employees, directors, and principal shareholders, Barwa has developed this policy to recognize such positions and to prevent a loss of objectivity by requiring appropriate and trustworthy conduct.

Scope:

This policy applies to all employees of Barwa and members of the Board.

Content:

1. General Policy Statements

- 1.1 All employees have a responsibility to Barwa, its shareholders, and to each other. Although this duty does not prevent employees from engaging in personal transactions and investments, it does demand that employees avoid situations where a conflict of interest might occur or appear to occur.
- 1.2 Individuals associated with Barwa have a primary responsibility to uphold its ethical standards.
- 1.3 Barwa is subject to scrutiny from many different individuals and organizations. Employees should always strive to avoid even the appearance of impropriety. The following is a non-exhaustive list of situations qualifying to pose conflict of interest:
 - 1.3.1 **Outside Employment.** Employees should disclose any business, or consulting outside of Barwa for another for-profit organization in conflict of interest situations. Barwa's policies prohibit any employee from accepting simultaneous employment with a Barwa supplier, client, developer, or competitor, and from taking part in any activity that directly enhances or supports a competitor's position.
 - 1.3.2 **Outside Directorships.** It is a conflict of interest to serve as a director in a company other than Barwa (or its related entities) having similar business in Qatar (Article 96 of QCCL). Although an employee may serve as a Director of a Barwa supplier, customer, or contractor, Barwa's policy requires that an employee first obtains written approval from Barwa's GCEO before accepting a

Directorship, and any remuneration an employee receives should be of an amount equal to his/ her responsibilities.

- 1.3.3 **Business Interests.** If an employee is considering investing in the business interests of clients, suppliers, developers, and competitors, this employee must first take great care to ensure that these investments do not compromise his/ her responsibilities to Barwa. Many factors should be considered in determining whether a conflict situation exists, including the size and nature of the investment; the employee's ability to influence Barwa decisions; the employee's access to confidential information of Barwa or of the other company; and the nature of the relationship between Barwa and the other business. Typically, investments of less than 2 percent of the total outstanding shares in companies listed on a national or international securities exchange do not create a conflict.
- 1.3.4 **Related Parties.** As a general rule, an employee should avoid conducting Barwa business with a family member (to the first degree) or with a business in which a family member is associated in any significant role. If such a transaction is unavoidable, the employee must disclose the relationship and obtain prior written approval from the GCEO, and where appropriate (based on materiality) the Board Executive Committee. Any dealings with a related party should be conducted in such a way that no preferential treatment is given to this business that would not otherwise be given to another business. If the employee was unable to disclose the related party details, which come to the notice of the Management or the Board at a later date, Barwa may decide to take disciplinary action as appropriate.
- 1.3.5 **Other Situations.** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in an employee's mind, it should be referred to the manager, relevant Director, or the GCEO before taking up a role in the transaction/ activity or entering into the relationship or situation in question.
- 1.4 All employees and representatives of Barwa are required to act in a responsible and respectable manner and to remain free of influences that may result in the loss of objectivity regarding business conducted with Barwa customers or with Barwa itself.
- 1.5 Each employee must disclose and avoid any interests or activities involving another organization or individual that may result in a conflict of interest between Barwa and that organization or individual.
- 1.6 Employees are not authorized to enter into transactions with vendors in which members of their family are shareholders or directors unless they are authorized by the GCEO.
- 1.7 While this policy does not intend to interfere with the personal lives of employees and representatives, it requires those persons to recognize situations where conflicts of interest may arise and to avoid them when possible.

- 1.8 Actions or acceptance of gifts that are not specifically mentioned in this policy must be reviewed as to intent and purpose. Employees should ask themselves: “If a situation were to be made public, would my conduct be embarrassing or come into question?”
- 1.9 If these situations cannot be avoided, they must be reported immediately to a direct supervisor. Subsequently, the employee or representative should remove himself or herself from any compromising situations.

2. Confidential Information

- 2.1 All employees and directors must acknowledge that all information concerning Barwa or its subsidiaries, customers, and personal information is considered confidential and is to be used for Barwa’s purposes only. The use of such information for personal, familial, or other gain is unethical and illegal under Barwa’s policy.
- 2.2 Information regarding any business conducted cannot be disclosed to outside individuals (unless authorized by Barwa or its customers ...etc.) and may not be used for personal gain.
- 2.3 Use of confidential information for other than Barwa’s business purposes may result in disclosure of insider information. Insider information is considered as one situation where conflict of interest should be avoided
- 2.4 In addition, all published information (both for internal and external use), developed programs, manuals, equipment ...etc. are the property of Barwa and are reserved for use by employees of Barwa. Use of this material for any other purpose may constitute copyright infringement and theft.

3. Solicitation

- 3.1 Employees of Barwa are not to solicit gifts from prospective or current customers, vendors or any other individual or business.
- 3.2 Employees may occasionally be offered gifts and/or entertainment by suppliers or customers. The general rule in this respect is that gifts and entertainment should be refused tactfully, unless such gift is clearly of nominal value.
- 3.3 Nominal value is considered to be anything below QAR 1,000. Gifts and gratuities from external parties exceeding a value of QAR 1,000 should be immediately reported to Group Legal and Compliance.
- 3.4 Employees of Barwa may be expected to participate in entertainment and amenities of reasonable cost to facilitate business. Payment by anyone other than Barwa of excessive costs or travel not customary or within acceptable business practice must not be accepted. Any questionable circumstances must be reported by the employee to his/her immediate supervisor.

4. External Involvement

- 4.1 While Barwa encourages its employees to be involved in outside activities, including charitable and social functions, Barwa’s policy prohibits Barwa from making political contributions. At no time will employees solicit other employees for political contributions

or coerce others into contributing to any organization. Conduct must not give the perception that benefit to Barwa or connections are sought or desired.

- 4.2 Additionally, offers of directorship to any outside organization that has or desires a business relationship with Barwa, must be reported to the GCEO prior to acceptance.
- 4.3 Capitalizing on opportunities for personal gain or compensation outside of that provided by Barwa for the performance of services for Barwa is strictly prohibited.

5. Conduct of Insiders

- 5.1 “Insiders” is defined as Directors, Executive Managers, and principal shareholders. These individuals must take care that their conduct does not violate rules relating to self-dealing and personal gains. At no time are members of this group allowed to take advantage of their position in Barwa for personal profit or influence over Barwa Operations for their business or personal interests.
- 5.2 Decisions regarding the sale, purchase or leasing of Barwa’s assets and services must be made in the best interests of Barwa, with no influence on insiders resulting from gifts, entertainment, or gratuities. All conduct of such business must be at “arm’s length.”

6. Disclosures and Reporting

- 6.1 A form has been included for which employees are encouraged to use to report any and all instances of Conflicts of Interest, including receipt of material gifts
- 6.2 Employees should immediately consult with their supervisor in cases of conflicts of interest or solicitation as to the required action needed. Employees are also encouraged to contact Group Legal and Compliance.
- 6.3 Conflicts of Interest of Executive Management should be reported to the Board. All matters resulting in conflicts of interest of managers/ directors of Barwa should be reported at the General Assembly meeting to shareholders (Article 121 of QCCL) and comprise part of the QFMA Report by the Board.

7. Compliance & Consequences of Non-compliance

- 7.1 Failure to comply with all policies herein described may result in the termination of employment consequent to a penal investigation. The action taken will be commensurate with the seriousness of the conduct and an evaluation of the situation.
- 7.2 All violations of this policy will be brought to the attention of the Board, through the relevant Board Committees and the GCEO.

CGP-8 Related Party

Purpose:

The general purpose of this policy is to provide Executive Management with a systematic approach to discern related parties/ affiliates, for approved types of related party/ affiliate transactions, and for proper documentation of such transactions.

Content:

1. Definition and Nature

- 1.1 As per QFMA, a person/ entity is considered to be a related party to Barwa if:
 - 1.1.1 A member of the Board of Directors of Barwa or an Affiliate Company;
 - 1.1.2 A member of the Executive Management of Barwa;
 - 1.1.3 Owns 10% or more of the voting shares in Barwa of its affiliated companies;
 - 1.1.4 Is a relative to the fourth degree of any person of 1.1.1 to 1.1.3
 - 1.1.5 Is a company in which individuals described in 1.1.1 to 1.1.4 own jointly or individually 20% or more of its voting share, or a Director or a key Officer of such a Company.
 - 1.1.6 Is an affiliated company or Parent Company of Barwa.
- 1.2 Barwa considers any relation to the first degree to constitute a relative relationship.
- 1.3 Related party/ affiliate transactions may be recurring or infrequent in nature.

2. General and Specific Goals

- 2.1 To 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 company practices as set by the Board.
- 2.2 To ensure a transparent process is in place with adequate disclosure of related party transactions to shareholders.
- 2.3 Require that all transactions be handled at fair market value, properly collateralized if required, and represent a bookable asset.

3. Authority

- 3.1 All transactions with related parties, above the defined material threshold, require the prior review of the Board. Barwa has decided that as representatives of shareholders, the Board shall have ultimate authority over related party transactions. Disclosures of related party transactions will subsequently be disclosed to shareholders through Barwa's Financial Statements.

4. Risk Management and Compliance

- 4.1 Executive Management, in working with the Board in addressing related party transactions activities, must have an awareness of various or different types of risks.
- 4.2 Failure to adequately plan and, manage related transactions may result in problematic situations with regulatory bodies including tax authorities, and therefore, will impact the organization's ability to grow or compete both in the short-term as well as in the future.
- 4.3 Identified risks related to related party/ affiliate transactions are associated, but not limited to, compliance risk and reputation risk.
- 4.4 The Risk function and the Group Legal and Compliance will review all related party transactions prior to recommendation to the Board for approval.

5. Board Member Related Party Transactions

- 7.1 In accordance with QCCL Article 108 the Chairman or Board Member should not have a direct or indirect interest in the contracts, projects, undertakings made on account of Barwa.
- 7.2 Public contracting works and tenders in which all the competitors are allowed to participate equally are exempted from the above given that the relationship is approved in an ordinary general assembly.
 - 7.2.1 The approval will be renewed if the relationships are of recurring nature.
 - 7.2.2 In all cases, the individual who has interest thereof will not participate in the meetings of the general assembly or Board where the referred matter is discussed.

6. Accounting Implications

- 8.1 The existence of related party transactions may have a significant effect on Barwa's financial statements. Transactions between or among related parties differ from transactions between unrelated parties in that they are, by definition, difficult to classify as at an arm's length basis.
- 8.2 It is required that Barwa discloses significant related party relationships and transactions in Barwa's financial statements. This disclosure is considered significant because it provides the user of the financial statements with relevant information to interpret Barwa's operating results.

7. Compliance

- 11.1 All employees should disclose any possible related party transactions as soon as they are made aware of the same.
- 11.2 Non-compliance to related party requirements of the QFMA will be disclosed in the Company's Governance Report. Decision for non-compliance vests with the full Board of Barwa.

CGP-10 Insider Trading

Purpose:

To outline guidelines and policies as it relates to insider trading activities as Barwa is listed on the Qatar Exchange.

Scope:

This policy applies to all employees and their immediate families (first degree) and Board Members who are privy to undisclosed company information.

Content:

1. Insider Trading Issues

- 1.1 An "insider" may be an officer, director, employee, or beneficial owner of Barwa's stock who is in possession of material information regarding Barwa that has not been fully disclosed to the public.
- 1.2 From time to time, employees may have access to information about Barwa's business which has not been disclosed to Barwa shareholders and the investing public.
- 1.3 Material undisclosed information about Barwa's business is defined as "inside" information and can be financial information, operational initiatives, pricing decisions, or other information that could affect the share price of Barwa.
- 1.4 Trading stock on the basis of inside information, regardless of how small or large the trade, is a serious violation of Barwa's ethical standards and policies.
- 1.5 If an employee has material inside information about Barwa, the employee may not trade in Barwa stock from the moment the employee receives that information until after the close of the second trading day following public disclosure of the information.
- 1.6 Additionally, the employee must not assist anyone else to trade in the stock by improperly disclosing inside information to them.
- 1.7 All Barwa employees who have access to internal financial statements, or to material information concerning anticipated quarterly financials that has not yet been made public, are strongly recommended not to trade in Barwa stock during the 30 calendar days prior to the end of any fiscal quarter and ending at the close of business on the second trading day following public disclosure of financial results for the fiscal quarter.
- 1.8 All Board Members and Executive Management are prohibited from trading in Barwa stock from the date of calling the Board meeting to discuss the financial statements to the date of convening the General Assembly. Qatar Exchange has implemented controls with regards to trading by listed Company Board Members.
- 1.9 Insider trading rules are strictly enforced, even in instances when the financial transactions seem small.

2. Prohibited Activity

- 2.1 Tipping Non-Insiders – The person who trades or "tips" information violates Barwa's policy and ethical standards if he/ she has a fiduciary duty or other relationship of trust and confidence not to use the information.
- 2.2 Utilization of Insider Information for Benefit – Trading is also prohibited when a person who receives information through a confidential relationship uses ("misappropriates") the information for his or her own trading or tips to others.
- 2.3 Controlling Persons – corporations, brokerage firms, or other "controlling persons" who supervise a person who violates the insider trading rules may also be liable. A "controlling person" can be penalized if he knew or recklessly disregarded the fact that the controlled person was likely to engage in insider trading and failed to take steps to prevent it.
- 2.4 Directors and officers are prohibited from being involved in the investment approval process of insiders who may benefit directly or indirectly from the decision to grant a service. Relatives of the first degree may not trade in Barwa stock based on insider information.

3. Personal Account Transactions

- 3.1 Barwa will establish and maintain systems and controls to ensure that:
 - 3.1.1 Personal account transactions undertaken by employees does not conflict with the duties to its customers under the regulatory system; and
 - 3.1.2 Barwa receives prompt notification of each personal account transaction entered into by any of its employees or is otherwise able to identify it, and makes a record of it; and
 - 3.1.3 An employee does not arrange for another person to enter into the transaction, or communicate any opinion to another person, if the employee knows or reasonably ought to know that the other person will, as a result, be likely to enter into the transaction or arrange for another person to do so.
- 3.2 Barwa may at any time, and without giving any reason:
 - 3.2.1 Restrict employee dealings by any employee;
 - 3.2.2 Impose special conditions or restrictions on staff dealing; or
 - 3.2.3 Decline to give permission to staff dealing when it is requested.
- 3.3 In general, Barwa will place controls on personal account transaction on employees involved in investments (liquid publicly traded investments)/ treasury activities only.
- 3.4 Such employees will be requested to open accounts with an approved broker.
- 3.5 Additionally Barwa will ensure that restrictions with regards to personal account transactions are included in terms of contract of the relevant employees.
- 3.6 Employees may not undertake personal account transactions in relation to investments on the restricted list unless:

3.6.1 The transaction is for the purposes of realizing the cash value of a holding or position not related to Barwa's business; and

3.6.2 The firm has given its express written permission for the transaction.

4. Board Disclosures

4.1 In accordance with transparency requirements, all Barwa Board Member's holdings in Barwa (executive, independent, non-executive) will be reported in the QFMA report. Any changes to Board member ownership will also be disclosed.

5. Penal Action

5.1 Insiders may be subject to internal penal prosecution for trading (purchase or sale) in Barwa stock when they know material information concerning Barwa that has not been fully disclosed to the public.

5.2 Penal prosecution in addition to penal action taken by QE for insider trading can and often does result in termination from employment for the violating employee.

CGP-11 Whistle-blowing

Purpose:

The purpose of this policy is to encourage all Barwa employees to disclose any wrongdoing that may adversely impact the Company, its customers, shareholders, employees or the public at large. This policy document advocates that an employee can report issues without fear of reprisal.

Scope:

This policy applies to all employees of Barwa. The Policy will also apply to Barwa's real estate development related entities in Qatar and newly established subsidiary employees.

Content:

1. Definitions

- 1.1 Misconduct: Generally misconduct committed is a violation of law, rule, and regulation and/ or relates to or is a direct threat to public interest, fraud, health, safety violations, and corruption. A few examples are given below:
 - 1.1.1 Financial or non-financial maladministration or malpractice or impropriety;
 - 1.1.2 Misconduct: Academic or professional malpractice (intentional misconduct, fraud or deceit against Barwa or a Barwa Entity) and criminal offence;
 - 1.1.3 Improper conduct or unethical behavior; and
 - 1.1.4 Attempts to suppress or conceal information relating to any of the above.

2. Safeguards:

- 2.1 **Harassment or Victimization:** Barwa 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. Barwa will not tolerate harassment or victimization and will take action to protect the whistle-blower that raises a concern in good faith. However, this does not imply that if the whistle-blower is already the subject of disciplinary or redundancy procedures, those procedures will be halted as a result of whistle-blowing.
- 2.2 **Confidentiality:** Barwa will do its best to protect the identity of the whistle-blower. It must be appreciated that the investigation process may reveal the source of the information and a statement by the whistle-blower may be required as part of the evidence under the related investigation proceedings.

2.3 Whistleblower Protection

- 2.3.1 Any employee who experiences adverse employment action i.e. he/ she was discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his/ her superior because of lawful acts done by the employee on behalf of the company or others, will be entitled to all relief necessary. The protection against retaliation extends to whistle-blowers whose allegations could legitimately support legal claims even if the case is never filed.
- 2.3.2 Consistent with the policies of Barwa, the Audit Committee/ Whistle-Blower liaison and investigation team shall not retaliate, and shall not tolerate any retaliation by the Management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an accounting allegation or provides assistance to the Audit Committee, Management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an accounting allegation.
- 2.3.2.1 Barwa shall not reveal the identity of any person who makes an accounting allegation in good faith and who requests that his/ her identity be kept confidential. Audit Committee shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of the whistle-blower who reported in good faith the accounting allegation anonymously.

CGP-14 Shareholder Relations

Purpose:

The purpose of this policy is to delineate guidelines and standards for Barwa that promote good relations through effective communications between Barwa and its shareholders.

1. Shareholders Communications

- 2.1 Shareholder communications shall be done through press releases, newsletters and Barwa's official website. Such communications could include:
 - 2.1.1 Corporate and business developments;
 - 2.1.2 Financial results;
 - 2.1.3 Annual reports;
 - 2.1.4 Corporate Governance related disclosures*;
 - 2.1.5 Social responsibility updates;
 - 2.1.6 Barwa's market data and other statistical data; and
 - 2.1.7 Qatar Exchange (QE) trading information.
- 2.2 Additionally a copy of all media releases should be provided to the QE.
 - 2.2.1 Disclaimers/ disclosure in press releases should be provided if and when required by the applicable regulatory authority.

2. Dialogue with Shareholders

- 3.1 Dialogue should be maintained with institutional investors based on the mutual understanding of objectives. The Board as a whole has the responsibility for ensuring that a satisfactory dialogue with such shareholders takes place.
- 3.2 The Chairman (and other Board members as appropriate) should maintain sufficient contact with major shareholders to understand their issues and concerns.
 - 3.2.1 The Chairman should oversee that the views of shareholders are communicated to the Board as a whole.
 - 3.2.2 The Chairman should discuss governance and strategy with major shareholders.
- 3.3 The Board should state in the QFMA Report the steps they have taken to ensure that members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of major shareholders about Barwa, for example through direct face-to-face contact and surveys of shareholder opinion.

- 3.4 The Chairman should arrange for the members of all Board Committees, External Auditors and the Directors to be available to answer questions at the Annual General Assembly meeting..

3. General Assembly Meetings (AGAM)

- 4.1 Agenda of the AGAM should be enclosed in the general assembly notice to shareholders on the Qatar Exchange and in newspapers in accordance with Commercial Companies Law.
- 4.2 The Annual Report will include the following with regard to the Board:
- 4.2.1 A statement of how the Board operates, including a high level statement of which types of decisions are to be taken by the Board and which are to be delegated to the Management;
 - 4.2.2 Profiles of the Chairman, Board members and the Chief Executive Officer: and
 - 4.2.3 Setting out the number of meetings of the Board, Board Committees and individual attendance to those by Board members.
- 4.3 Shareholders should have the opportunity to participate effectively and vote in General Assembly Meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings:
- 4.3.1 Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting;
 - 4.3.2 Shareholders should have the opportunity to ask questions from the Board; including but not limited to questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations;
 - 4.3.3 Effective shareholder participation in key corporate governance decisions, such as the nomination and election of Board members, should be facilitated. Shareholders should be able to make their views known on the Directors' remuneration policy for Board members and key Executives. The equity component of compensation schemes (if any) for the Board members and employees should be subject to shareholder approval; and
 - 4.3.4 Shareholders should be able to vote in person or in proxy, and equal effect should be given to votes whether cast in person or in proxy.

4. Equitable Treatment of Shareholders

- 4.1 All Shareholders should be treated equitably.
- 5.1.1 All shares should carry the same rights. All shareholders should be able to obtain information about the rights attached to all series and classes of shares before they purchase the same.

- 5.1.2 Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.
- 5.1.3 A clause related to minority shareholder's Tag along Rights is included in the Company's AoA and Barwa will always adhere to the same.
- 5.1.4 The protection of minority shareholders rights in cases where major transactions are approved while minority shareholders vote against such transactions is included in Barwa's AoA. This will be exercised by noting down the objection in the meeting minutes and publishing the same.
- 5.1.5 Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Procedures should not make it unduly difficult or expensive to cast votes.

5. Shareholders Feedbacks

- 6.1 It is Barwa's policy to ensure that its investors/ shareholders gain a good understanding of its business through appropriate informative media communications.
- 6.2 Feedback on Barwa's performance shall be accumulated, maintained and reported to the Board on a periodic basis by the Management.
- 6.3 The report to the Board shall also include shareholder suggestions in order to obtain appropriate response.

6. Shareholder Queries and Access to Information

- 7.1 Barwa's website will reflect the latest in Investor Relation information including all pertinent press releases, financial reports, Board related aspects, governance aspects and other disclosures as required.
- 7.2 Additionally, a direct line is provided (and included on Barwa's website and press releases where applicable) to all shareholders who may have queries or require further information.
- 7.3 All information provided to shareholders/ investors must be in the public realm. In the provision of information, as a strict policy, no insider information or preference to one shareholder over another is allowed.
- 7.4 In all telephone/ email or any other medium of communication, queries should reflect publicly known information. The Shareholder Relations function is responsible in assisting in the provision of released information and to receive feedback from shareholders.
- 7.5 Shareholder Relations is permitted to provide shareholders with information relating to intangible values such as the company's policy on Corporate Governance, Code of Ethics, Corporate Social Responsibility and Environmental Standards.
- 7.6 In accordance with QFMA Corporate Governance Code Article 23, Barwa shall make available to its shareholders the following information:

- 7.6.1 Board member's register;
- 7.6.2 Articles of Association and by-laws of the Company; and
- 7.6.3 Board member candidates' information.

7. Coordination with Qatar Exchange

- 8.1 Any information that may affect the share price of Barwa should be disclosed to the exchange prior to public release. If information has been leaked / released to the press without QE's approval, Group Communications should immediately provide clarification to the QE.

8. Dividends

- 8.1 Barwa will strive to distribute dividends every year. Dividend distribution will however depend on various factors including profitability, funding needs, cash flows and expansion opportunities which Barwa may have identified. Each year, the Board will propose to the AGAM the dividend distribution and provide the rationale behind the proposal.
- 8.2 Barwa will ensure the setting aside of the required statutory reserves from its profits annually. Reserved amounts above the statutory limit can be used for dividend distribution in years where company profits are non- sufficient for dividend distribution.
- 8.3 A portion of the profits determined by shareholders shall be allocated to employee and other liabilities and obligations as defined by the Labor Law.

** This manual presents only high level guidelines of the Barwa Corporate Governance policies, which are detailed in the complete approved Corporate Governance Manual. In case of any variance between both, the Complete approved manual has precedence.*