



Barwa Real Estate Company
Board of Directors Terms of Reference
Version 2.0
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1. Introduction

Introduction

Introduction to Barwa's Board of Directors' Terms of Reference

The Board of Directors is responsible for the stewardship of the company, providing effective leadership to supervise the management of Barwa's business to grow value in a profitable and a sustainable manner. The Terms of Reference discussed under **Section 2** principally applies to the Board of Directors of Barwa Real Estate Company.

Section 3 of this report describes the Terms of Reference of Barwa subsidiaries' Boards and **Section 4**, Barwa Joint Ventures' Boards.

Barwa's Board Terms of Reference are developed in accordance with the Corporate Governance Code published by Qatar Financial Markets Authority, compliant with Qatar Commercial Companies Law, and in line with Qatar Exchange requirements.

Abbreviations used in this document:

AoA	Articles of Association
AGAM	Annual General Assembly Meeting
Barwa	Barwa Real Estate Company
BOD	Board of Directors
CEO	Chief Executive Officer
GCEO	Group Chief Executive Officer
GM	General Manager
JV	Joint Venture
MD	Managing Director
QCCL	Qatar Commercial Companies Law
QFMA	Qatar Financial Markets Authority
SPE	Special Purpose Entity
TOR	Terms of Reference

2. Terms of Reference: Barwa Real Estate Board

Terms of Reference: Barwa Real Estate Board

1. Board Composition:

Number of Members:

- 7 members considering the size of the company, the number of committees and the various compatible skills to be represented in the Board, and responsibilities entrusted to the Board and Board Committees.

Mix:

- Independent Members: Independent members are the directors who are not appointed by the holder of preferred share/ Founder of the company, not involved in the business operations, not closely related with the company, have not served more than 9 years on the Board, and who do not own more than 10% of shares of Barwa. According to leading practices 33% of the Board members should be independent members. Having independent members allows the Board to be more independent and to provide a higher level of assurance on the corporate governance structure for shareholders.
- Non-executive Members: Directors who are not Barwa employees, as such, not involved in the operations of the company are non-executive members. These Directors may be representatives of shareholders or owners themselves. The Non-executive members in the BOD act as custodians of the governance process. At least 50% of the Board members are Non-Executives which includes non-Independent and Independent Directors.
- Executive Members: Executive members are the directors who are involved in Barwa's business operations. One executive is allowed in the BOD to provide the full Board with a comprehensive understanding of the business. In addition, Executive members provide improved transparency on business activities to the BOD and also the accountability of Executives is enforced by including Executive members to the BOD.

Term of the Board:

- The founding Board is elected for a period of five years. Subsequent Board terms will be for 3 years. Each appointed BOD member is appointed for three years, renewable for a second term. Qatari Diar Board Members are appointed and removed by Qatari Diar and do not have a defined term.

Terms of Reference: Barwa Real Estate Board

2. Board Membership:

Qualifications:

As per Barwa's AoA, Article (26), the following criteria should be met:

- Age of the candidate should be twenty (20) years or above.
- Has not been convicted of a felony, an act of dishonesty, breach of trust or any of the crimes referred to in Articles (324) and Article (325) of the QCCL No.05. If the person has been rehabilitated this is not applicable.
- Should be a holder of at least one hundred thousand (100,000) shares of the company. Shares should be assigned as security for the rights of the company, shareholders, creditors and third parties against the responsibilities assumed by the member. This requirement is not applicable to members of the first BOD and the members representing the Founder in the BOD. Shares should be deposited with an accredited bank within 60 days from the date of commencement of the membership and continue to be held by the bank until Barwa's balance sheet for the last year of membership is approved. If a BOD member fails to provide the required security, the appointment will be nullified.

In addition to the requirements stipulated by the AoA the qualifications below should also be considered based on leading practice:

- The members should possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategic plan, and to supervise Barwa's Management to ensure maximization of shareholder wealth.
- The expertise in international markets and managing complex businesses and growth are considered complementary qualifications.
- The members should be able to commit time and exert effort necessary to fulfill all Board responsibilities, including review of required reports, assessment of relevant performance and attendance to meetings.
- Personal characteristics such as integrity, enthusiasm, strong leadership traits, ability to work as a team member and also the eagerness and commitment to work for the prosperity of Qatar in line with Barwa's overall vision and the Code of Ethics.

Terms of Reference: Barwa Real Estate Board

2. Board Membership:

Nomination:

- The holder of preferred share/ Barwa Founder appoints BOD members in proportion to shares owned by them.
- The rest of the members in the Board are elected through a ballot taken at the respective Ordinary General Assembly. No one shall be elected unless nominated by a shareholder or a number of shareholders holding at least 1% of the share capital of the company.
- The holder of preferred share does not participate in this voting. The membership is given according to the number of votes acquired by the candidates.
- Board, through the Board Nomination and Governance Committee evaluates candidates for the Board, considering the required qualifications and Barwa Board needs.

Membership Term:

- There is no limit on the number of terms that an Executive Director can serve the Board. However, Non-Executive Directors' can be elected for two terms as a maximum.*
- Founder appointed members do not have a maximum limit for re-election.

Replacement and Removal of Members:

- If a BOD seat represented by the Founder is vacant, the Founder appoints a member to the Board.
- In all other cases, the vacancy is filled according to the secured number of votes by the candidates in the Board Election held at the General Assembly.
- If no candidate is available to fill the vacancy, the Board should call a General Assembly Meeting to elect a new member, within two months from the date the position becomes vacant. However if one fourth of the BOD positions gets vacant the BOD should call a General Assembly Meeting within two months from the date of the final vacancy.
- There are two methods to remove a BOD member in a General Assembly Meeting:
 1. Following a proposal by absolute majority of the Board Members; and
 2. Following a petition signed by number of shareholders holding not less than 25% of issued capital.

* Barwa's AoA states that Executive and non-Executive members can serve the BOD for maximum of two terms unless appointed by the Founder of Barwa. Barwa may need to amend this clause to allow the CEO to serve on the Board if his term exceeds 3 years.

Terms of Reference: Barwa Real Estate Board

2. Board Membership:

Resignation:

- Each Director will tender his resignation in case a change in position or responsibility in his principal occupation results in any conflict of interest with his role as a Barwa BOD Director. The Nomination and Governance Committee and the Board will verify the same prior to acceptance of the resignation. Retirement age for Directors is 75 and the Directors who reach this age within the next membership term should not stand for re-election, subject to the review of the Board.
- Executive Directors are required to resign upon leaving the company subject to the review by the Board.
- In line with the QCCL Article (104) and Barwa AoA Article (35), if a member is absent for three consecutive BOD meetings or five non-consecutive meetings he will be considered to have resigned from the position, unless acceptable reasons are provided to the Board.

Compensation:

- The Remuneration Committee assesses the compensation structure of the BOD annually and proposes a compensation structure which is initially reviewed by the Board and subsequently presented to the shareholders at the Ordinary General Assembly Meeting for approval.

Corporate Secretary:

- The BOD appoints the Corporate Secretary and determines the incumbent's scope of work and remuneration. The Secretary is responsible for maintaining the BOD documentation and responsible for the distribution of BOD meeting agendas, invitations, other required documentation prior to the meetings and also for proper record keeping and the distribution of Board meeting minutes and resolutions. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for new Board members.

Venue:

- In accordance with Barwa's AoA Article (33), the Board Meetings must be held in the State of Qatar, and can be convened outside Barwa's business premises if all members are present or represented.

Frequency and Number:

- In line with the Article (103) of QCCL and Barwa's AoA Article (33), at least six (6) BOD meetings should be held during each financial year and must be held at least once every two months. Board meetings are scheduled in the Board Calendar according to the key events and financial period closures of the company.

Terms of Reference: Barwa Real Estate Board

3. Board Meetings:

Invitation and Agenda:

- A BOD meeting can be summoned by the BOD Chairman or by two members. The Meeting Agenda will be circulated by the BOD Secretary together with any material that members should refer to at least one week prior to the meeting. BOD may invite Barwa's managers, staff or any other third party for the meetings to obtain information, recommendations and clarifications as required.

Quorum and Representation:

- At least half of the Board members should be present for the meeting to be considered valid. Proxy voting is permissible as long as there is written evidence of the delegation to another Director of that member's power to vote in his absence. A member can represent only one peer in the meeting.

Resolutions:

- The Board resolutions are decided by the majority votes of the attendees and representatives. In case of a tie in the number of votes, the Chairman, or his representative shall have a casting vote. Objections of members should be recorded in the minutes of the meeting. The resolutions can also be concluded by circulating the documented resolution and obtaining members' signatures for the same without holding a Board meeting.

Minutes of the Meeting:

- BOD meetings are recorded by the Board Secretary in the special register as stipulated in QCCL Article (105) and should be signed by the Chairman or the deputed member and the Secretary. The signature confirms the authenticity of facts and information recorded.

Terms of Reference: Barwa Real Estate Board

4. Board Committees:

Board Committees are formed in order to assist the BOD. Committees provide organized and focused means to achieve company goals and to properly address issues. Barwa has established Audit, Remuneration and Nomination and Governance Committees as stipulated by QFMA and Board Executive Committee to act as a consultative body to the Board. An overview of these Committees is provided here, whereas each abide by its own detailed Terms of Reference. Board Committees regularly report to the Board on their proceedings and deliberations. The Committees are and their Terms of Reference are approved by the Board. Moreover, membership to Committees are approved by the Board.

Audit Committee:

- The Board appoints an Audit Committee in line with the QFMA Corporate Governance guidelines and the term of the Committee is three years. Audit Committee consists of a minimum of 3 non-executive members and majority are independent members with at least one member with a financial audit background. In case independent members in the BOD is not sufficient, Barwa may appoint non-independent members. However, the Head of the Committee is independent.
- The members should not be currently working or had worked with the external auditors of the company during the past two years.
- Committee meetings should be conducted regularly, at least once every 3 months. The Committee should meet with the external auditors at least once annually.
- The Audit Committee should review the financial and accounting policies, financial controls, internal controls and risk management system of Barwa on a regular basis. The Internal Audit Department of Barwa report directly to the Audit Committee ensuring the independence of the internal controls. The External Auditors are recommended to the Board for the approval at the Annual General Assembly Meeting (AGAM) and managed by the Audit Committee.
- Audit Committees of the dependant subsidiaries (real estate companies in Qatar and newly established companies) indirectly report to Main Board Audit Committee through the Internal Audit enabling Barwa to monitor its related entities' compliance, controls and risk aspects.

Terms of Reference: Barwa Real Estate Board

4. Board Committees:

Remuneration Committee:

- The Board appoints a Remuneration Committee in line with the QFMA guidelines. The Committee consists of minimum 3 non-executive members and majority are independent members and the Committee term is three years.
- Committee meetings should be conducted at least once every 6 months and update the BOD on its significant discussion points, issue and deliberations.
- The main task of the Committee is to set the remuneration policy of the company including the Chairman, BOD members and the executives.
- This Committee also reviews the subsidiary and other related entities' Board members' and key Executives' compensation structures as per requested by related entities' Remuneration Committees or Barwa representatives.

Nomination and Governance Committee:

- Nomination Committee: (all members should be independents) responsible for developing a transparent procedure for board appointments, setting out responsibilities of directors, ensuring adequate skills and time commitments of the board members and annually evaluate the performance of the Board of Directors for final approval of the Board.
- Review and approve BOD selection to key subsidiaries/ joint ventures.
- Approve Barwa Real Estate personnel appointment to the management of any Barwa entity.
- Provide recommendations concerning the appropriate size and composition of the Board.
- Establish criteria for selecting new Board members, and exercise oversight of the evaluation of the Board and management.
- Overseeing matters of corporate governance for the board, including formulating and recommending governance principles and policies

Board Executive Committee:

- The Board Executive Committee is appointed every three years by the BOD and is comprised of at least three members including the Board Chairman and at least one Executive Director.
- This Committee acts as a consultative body to the Board.
- The Executive Committee reviews Business Strategy, annual budget and Barwa's capital structure and provides recommendations to the full Board.
- The Committee also is delegated approval authorities for certain transactions.
- In addition, this Committee deliberates matters in detail which are not discussed in length at the meetings of the full Board.
- *It is worth noting that 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.*

Terms of Reference: Barwa Real Estate Board

5. Board Responsibilities:

Authorities and Delegation:

The BOD is entrusted with limitless authority to manage the company and QCCL Article (102) states that the Chairman represents the Company before third parties and judiciary and is responsible for the company's activities. The Chairman can delegate some of his powers to the BOD members and Committees. Following are the key operational responsibilities of the BOD:

- Appoint and delegate the authority to the Managing Director and GCEO of Barwa to implement BOD directives and resolutions. The BOD shall define the jurisdiction and duties to GCEO who should report to Managing Director, the Chairman and the Board.
- Approve terms of employment, service contract, scope of pension arrangements, basis of bonus and terms for cessation of employment for executive management (MD, GCEO and Directors).
- Approve Barwa's Delegation of Authorities Matrix of the Board and the GCEO, as recommended by the Managing Director.
- Consider, Review and Approve the BOD Committees' recommendations and also proposals forwarded by Barwa's Management and the related entities' BODs.
- Review, assess and approve Barwa's Financial Statements prior to filing them with the applicable regulator or prior to public announcement.
- Approve budget overruns in excess of delegated authorities to the GCEO and Management.
- Approve the job grading structure, compensation structure and annual bonus pool for staff, as recommended by the Remuneration Committee.
- Approve financial commitments (including guarantees and borrowings) in excess of delegated authorities to the GCEO and Management.
- Approve Barwa's Corporate Social Responsibility plans and initiatives.
- Review and approve Barwa's organization structure.
- Approve related transaction parties that do not fall within management's delegated authority.
- 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.
- Approve investment write-offs and impairments in excess of delegated authorities to the GCEO and Management.
- Approve litigation, arbitration and settlements in excess of delegated authorities to the GCEO and Management.

Terms of Reference: Barwa Real Estate Board

5. Board Responsibilities:

Strategy and Planning:

- 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.
- Approve the long term investment strategy and risk appetite of Barwa.
- Review, recommend improvements and approve strategic initiatives and annual budgets including new business ventures (including incorporation of entities) and key investments and divestitures.
- Approve financial investments (including treasury and hedging transactions) excess of delegated authorities to the GCEO and Management.
- Oversee and assist to secure the necessary financial and human resources are in place to achieve Barwa's goals and objectives.
- Approve Barwa's branding and identity (e.g. logo) initiatives/ documentation.
- Monitor Barwa's performance and periodic updates provided by the GCEO and offer recommendations in light of the approved plans.
- Assist Barwa's Management in addressing related entities' issues brought forward by their Board representatives.

Governance and Compliance:

- Oversee the overall corporate governance of Barwa. Review and approve governance policies and principles prepared and recommended by the Management and the GCEO.
- Receive, evaluate and provide further recommendations/ approve annually, on BOD and BOD Committees' Terms of References, Code of Ethics, and position descriptions of GCEO, other key executives and related entities' representatives through the Board Nomination and Governance Committee.
- 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.
- Approve performance objectives of board members, and annual evaluation of the Board developed by the Remuneration Committee and Nomination and Governance Committee, respectively.
- Approve the bonus of the MD (If appointed), GCEO and Director Internal Audit.
- 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.

Terms of Reference: Barwa Real Estate Board

5. Board Responsibilities:

Governance and Compliance:

- 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.
- Approve the company's policies and ensure they are adequate, suitable and in line with the internal business changes and the external macro-economic changes, subsequent to respective Committee reviews.
- 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.
- Approve appointments and termination of Barwa representatives on related entity boards, through the Board Nomination and Governance Committee.

General Assembly and Extra Ordinary Assembly:

- Call for a General Assembly meeting at Board's own discretion whenever the need arises.
- Conduct the General Assembly at least once a year at the date and venue in Doha determined by the BOD.
- Conduct a General Assembly whenever requested to do so for a certain purpose by the External Auditors or by shareholders holding not less than 10% of the capital.
- Conduct the Annual General Assembly within four months from the last date of Barwa's Financial year.
- Ensure the timely sending of invitation to all shareholders with the meeting agenda in accordance with Commercial Companies Law.
- Publish Audited Financial Statements, report on BOD and Auditor's report in two local daily Arabic newspapers and submit the same to the Ministry of Finance and Ministry of Business and Trade at least 15 days prior to the Ordinary General Assembly.

Terms of Reference: Barwa Real Estate Board

5. Board Responsibilities:

General Assembly and Extra Ordinary Assembly:

- Invite all Shareholders for an Extra Ordinary Meeting at the Board's discretion or upon request made in writing by shareholders holding at least 25% of the capital. The meeting to be called within 15 days of the receipt of the request and Extra Ordinary Meetings are held for the following according to QCCL Article (137):
 - I. Amend the Articles of Association or statute of the company;
 - II. Extend the period of the company;
 - III. Increase or decrease capital of the company;
 - IV. Dissolve, liquidate, transfer or merge the company; and
 - V. Sell all the projects for which the company was established or deal them in any other way (which is not applicable for Barwa as it is not incorporated to carry out certain projects).
- Publish Extra Ordinary Meeting decisions if it includes any amendments to the company statute.

Terms of Reference: Barwa Real Estate Board

5. Board Responsibilities:

Statutory Obligations:

- According to the QCCL, the Company is bound with the activities performed by the BOD and Barwa will be required to compensate third parties for the damages resulting from any illegal or unethical activities attributed to the members of the Board.
- The Company, a group of shareholders or individual shareholders can file a case of responsibility against the BOD members for mistakes resulting damages to the company or shareholders.
- The members and the Chairman will be collectively responsible for compensating the company, shareholders and others for the damage caused from deceit, bad use of authority, violations of company statute or laws and any mistake in the management. Wherever the decision is taken by the majority vote, the objectors will not be held liable if the objection is recorded in the respective minutes of the BOD meeting.
- A member's absence to the meeting is not considered a reason for the exclusion from the responsibility unless it was confirmed that the absent member was not knowing about the decision or he was unable to object the same after having known about it.
- The responsibility can be invalidated by the General Assembly decision, after five years from the assembly date, if it only necessitated the presentation of the issue at the assembly.
- A decision issued at the General Assembly as to clearance of the responsibility of the Board will not invalidate the same for the mistakes committed by BOD during the execution of their duties, if this is classified a civil or criminal act.

Terms of Reference: Barwa Real Estate Board

6. Board Code of Conduct:

Accountability:

- The Board represents the interests of shareholders by overseeing management performance on behalf of shareholders. The Board's responsibility of this oversight function includes both duty of care and duty of loyalty. The BOD is accountable for the company's performance and its activities and hence should provide leadership in setting vision, strategy, principles and values for Barwa.
- The Board closely monitors Barwa's and its key executives' performance to ensure it is in line with the set objectives and strategies.
- In carrying out their responsibilities to the company, Directors will adhere and direct Barwa to adhere with all applicable international and local laws and regulations.

Transparency:

- Board members follow Barwa's values, acting honestly and with integrity in all their dealings.
- The BOD members act in good faith and in Barwa's best interest, not in the personal interest of the Directors, interest of family member or an organization with which the member is affiliated. The Directors do not use their position for personal gain and should be free from any influence of conflict of interest when they participate in Board, Board Committees' deliberations and voting.
- The BOD promotes ethical behavior and encourages an open environment where employees are encouraged to communicate with management, report any unethical behavior observed and not to permit retaliation for reports of misconduct made in good faith.

Fairness:

- Directors always strive to deal fairly with Barwa's management, shareholders, suppliers, competitors, employees and other business partners. Directors avoid taking unfair advantage of anyone through manipulation, or concealment of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
- The BOD members do not use Barwa's assets, labor and information for personal use unless approved as part of the compensation or reimbursement of expenses.

Terms of Reference: Barwa Real Estate Board

6. Board Code of Conduct:

Fairness:

- Business entertainment and gifts are offered only in a commercial setting to create goodwill and sound working relationships and not to gain unfair advantage. Directors and their family members may not accept gifts from individuals or other entities where such are offered in order to influence the Board member's actions related to Barwa's business activities.

Sustainability:

- Board members always use their professional experience and skills and commit adequate time and effort in order to serve Barwa and secure sustainable returns to its shareholders.
- The Board members actively promote the continuous improvement of the company procedures and practices while adhering to the policies and standards. They also encourage achievement of knowledge at all levels to help personal and organizational success.
- The Directors protect Barwa's assets, ensure their efficient use and make sure the assets are used for legitimate business purposes.

Confidentiality:

- The Directors maintain the confidentiality of all proprietary, sensitive or important information of Barwa entrusted to them, except when disclosure is authorized or legally mandated.
- All non-public information of Barwa is considered confidential information. Board members who have access to confidential information will not share these for any purpose including securities trading activities.