



Barwa Real Estate Company
Corporate Governance Manual
2012

CG 1: Corporate Governance Manuals

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1. Executive Summary

1.1 Background

Background

In 2009, Barwa developed its Corporate Governance Model, Financial and Operational Authorities, and streamlined its processes, policies and procedures for the organization across different functional areas.

The organization has developed and changed over the past two years in response to the changes in the macro-economic environment and also internal factors such as leadership and business direction. As per the latest strategy, the fundamental strategic direction for Barwa is to be a Real Estate Development and Investment holding company. Barwa expects to make balanced income yielding investments in both its core Real Estate and synergistic businesses with above market ROI.

The guiding principle of Barwa is to focus on improving the planning and execution capabilities of its core business, while optimizing and leveraging its synergistic businesses that are an appropriate strategic fit.

The segmented business model of Barwa is organized around the following elements:

- Core Business: Real Estate Development, Investments and Operations
- Synergetic Businesses: Subsidiaries (controlling stake) and Private Equities (diversifies and enhances revenue stream)
- Effective Governance: Proper control and risk management.

Subsequently, Barwa decided to relook at its Corporate Governance Manual to ensure that the same is aligned with its new strategy.

The following document has been updated to reflect such changes in Barwa's latest strategy.

1.2 Scope

Scope

In light of the latest changes in Barwa's strategy, management has realized the need of updating the Corporate Governance Manual, existing Authorities Manual and processes, policies and procedures. In this regard Barwa has reviewed and updated related documentation. As such, the following work products have been updated/ developed:

- Corporate Governance Manual, and the following appendices:
 - ✓ CG - 1: Reporting Relationships
 - ✓ CG - 2: Code of Ethics
 - ✓ CG - 3: Terms of Reference for Board of Directors
 - ✓ CG - 4: Terms of Reference for Board and Management Level Committees
 - ✓ CG - 5: Job Descriptions for Directors
 - ✓ CG - 6: Corporate Governance Policies
 - ✓ CG - 7: Corporate Governance Guidelines for Subsidiaries.

This document describes the overall corporate governance framework taking into consideration governance practices, regulations and legal aspects. This report consists of:

- A brief background on corporate governance; and
- Governance framework for the Barwa Real Estate and the applicability of governance to subsidiaries.

Corporate Governance Documents **CG-1 to CG-7**, which are defined above, are **appendices** to this document.

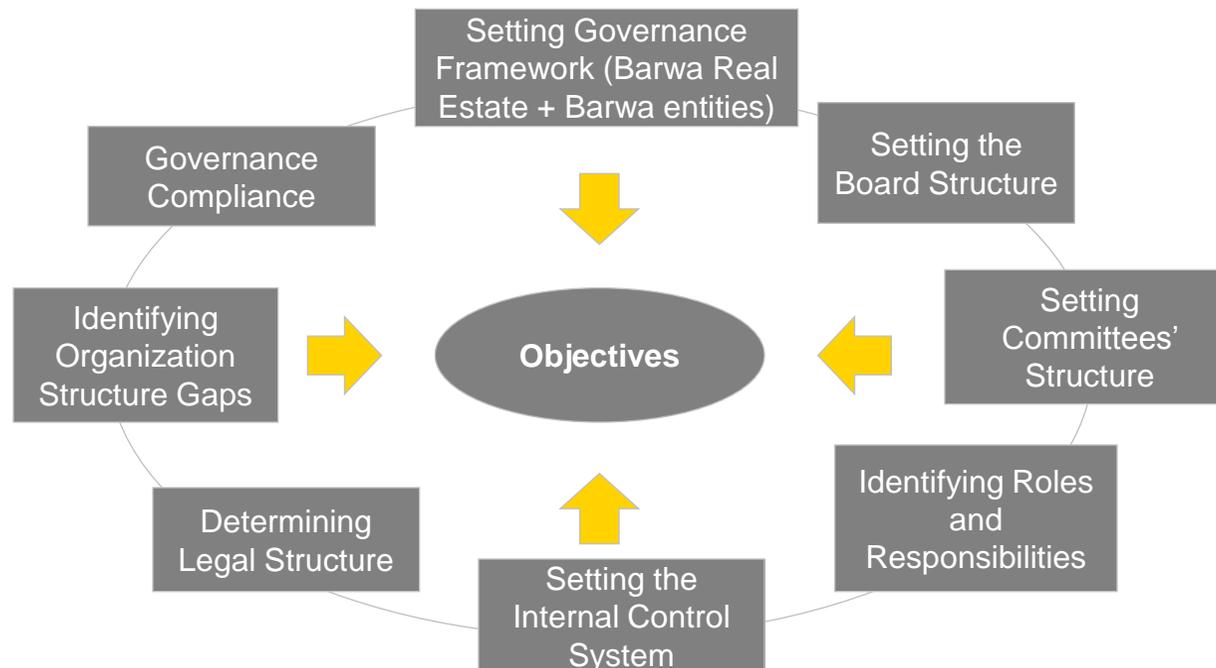
1.3 Objectives

Objective of the Governance Structure

The governance structure sets the system by which Barwa is directed and controlled. Documenting the governance structure supports in identifying:

- The roles and responsibilities of each party including the Board and Management;
- Gaps with governance practices; and
- The control environment that will be in place to monitor compliance with Board and management directives.

This document will be the foundation of other Corporate Governance documents. In the below diagram we depict the main objectives of this document:



2. Background for Corporate Governance

2.1: Local Governance Practices

Overview

As a Company listed on the Qatar Exchange, Barwa is governed by the Qatar Financial Markets Authority (hereinafter 'QFMA'). Furthermore, as a Company established in Qatar, Barwa will be regulated by the Qatar Commercial Companies Law and the Qatar Labor Law. In the following section we describe the main regulations relevant to Barwa.

Qatar Financial Markets Authority

The Qatar Financial Markets Authority has issued a "Corporate Governance Code for Listed Companies". The code is based upon international corporate governance standards and local laws and regulations. The code provides specific rules and regulations for roles of the board and management, required committees, internal audit, risk management and internal control aspects.

The Qatar Financial Markets Authority (QFMA) requires all publicly listed companies to disclose how they have complied with the Guide, and explain where they have not applied any of the rules and regulations by providing a 'comply' or 'explain' option. Where the Company does not comply, the rationale should be explained in the Corporate Governance Report which Barwa submits annually to QFMA. The Corporate Governance Guide for listed companies provides guidance on the following:

The Board of Directors and its Committees:

- **Board Charter:** Adoption of a Charter ('terms of reference') defining the functions and responsibilities as well as Board Member duties. The Charter should be published and made available to the public.
- The **Board Balance:** should consist of a majority of non-executive directors. One third of the members need to be independent.
- The **Roles and Responsibilities:** of the Chairman, Non Executive Members of the Board and the Board as a whole.

2.1: Local Governance Practices

Qatar Financial Markets Authority

Independence

- **Independent Board Members:** are defined as members who are not under the influence of any factor that may bias his judgment. Independent Board Members can not be:
 - An employee of the Company;
 - An employee/ partner/ manager/ large shareholder (greater than 10%) of a consultant or external auditor to the Company;
 - an employee/ board member/ relative/ large shareholder/ person influenced by a senior executive/ legal entity owned by a senior executive of the Company ;
 - A relative of a senior executive;
 - In the past 3 years obtained directly or by a relative substantial commercial or financial transactions with the Company;
 - If he/ she is receiving or has received in the past three years substantial compensation from the Company other than compensation for being a Board Member; and
 - If he/ she has been a Board Member for more than nine consecutive years.

The Board of Directors and its Committees:

- The need to establish Board Committees including:
 - **Nomination Committee:** (all members should be independent) 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.
 - **Remuneration Committee:** the code requires listed companies to set up a Remuneration Committee (consisting of a minimum 3 non-executive directors most of whom should be independent) to set up levels of remuneration for the chairman, executive directors and non-executive directors. Executive remuneration should be largely linked to performance while non-executive director remuneration should be based on time commitment, attendance to meetings, and participation in committees.

2.1: Local Governance Practices

Qatar Financial Markets Authority

The Board of Directors and its Committees (Contd.):

- **Audit Committee:** the code requires a Company to establish an Audit Committee that consists of a minimum 3 non-executive directors, most of which should be independent, with at least one of them having financial experience. The committee is required to review the financial control, internal control, and risk management systems and to review financial and accounting policies and procedures.

Conflict of Interests and Insider Trading:

- **Related Parties:** the Code requires that companies develop a Related Party Transaction Policy, the Company will have to comply with the stipulations of the said policy. The policy should reflect an arms length nature of such transaction and include transparency requirements. Furthermore, the Code states that related party transactions policy should include a mechanism whereby approval for such deals is by a majority shareholder voting.
- **Conflicts:** in any case of conflict, the relevant Board Member or any related party should not participate in the related meeting.
- **Declaration of Board Member Trading:** Board Members should declare their holdings in Company stock and any changes thereto.
- **Insider Trading Policy and Procedures:** the Code requires that companies develop a Insider Trading Policy applicable to the Board and Management.

Corporate Governance Report Disclosures:

- **Board Member Disclosures:** the Code requires that as part of the Corporate Governance Report the Company discloses a resume of each Board Member describing his/ her respective education, profession and other board seats they may hold. The report should mention the committees constituted by the Board and its membership.

2.1: Local Governance Practices

Qatar Financial Markets Authority

Internal Controls:

- **Internal Control System:** the Code requires the Company to establish an internal control system approved by the Board which sets the procedures for evaluating risk management, compliance with the code and other laws and regulations.
- **Risk Management and Assessment:** the Code requires the Company to establish a Risk Management and Assessment function independent of internal audit and external audit functions.
- **Internal Audit:** the Code requires the Company to establish an internal audit function consisting of at least one auditor. The function should include financial and operational audit functions. The function should prepare quarterly reports for submission to the Audit Committee.
- **External Audit:** the Code requires the Company to appoint an independent and qualified external auditor to undertake annual and semi-annual audits. External Auditors should be changed every three years. External Auditors are also not allowed to provide any non-audit services as per the code.

Shareholders:

- **Information Access:** the Code requires the Company to provide shareholders copies of shareholder registers, board member's register, articles of association and by-laws of the Company, any document proving an asset or liability of the Company, related party contracts and any other document the QFMA may decide upon, for a fee prescribed by the QFMA.
- **Articles of Association:** the articles of association and by-laws of the Company should include procedures of access to information and details of what information can be accessed. The articles of association should provide shareholders information related to board member candidates. The articles should also include clauses related to protection of minority shareholders rights in cases where major transactions are approved while minority shareholders vote against such transactions. Furthermore the articles of association should provide for mechanisms to trigger a public offering or Tag Along Rights in the case of a change of ownership exceeding a certain percentage.
- **Dividend Policy:** the Company should establish a clear policy on dividend distribution and submit it to the General Assembly.

2.1: Local Governance Practices

Qatar Financial Markets Authority

Shareholders (Contd.):

- **Capital Structures and Shareholder Agreements:** capital structures should be disclosed and the Company should determine what shareholder agreements should be disclosed.

Stakeholders:

- **Remuneration Policy:** the Board should establish a remuneration policy and packages that provide incentives for employees and management to perform in the best interest of the Company.
- **Ethical Conduct:** employees should be treated in accordance with the principles of fairness and equity without discrimination.
- **Whistle-Blowing:** the Board shall develop a mechanism to enable companies to report suspicious behavior.

2.1: Local Governance Practices

Commercial Companies Law

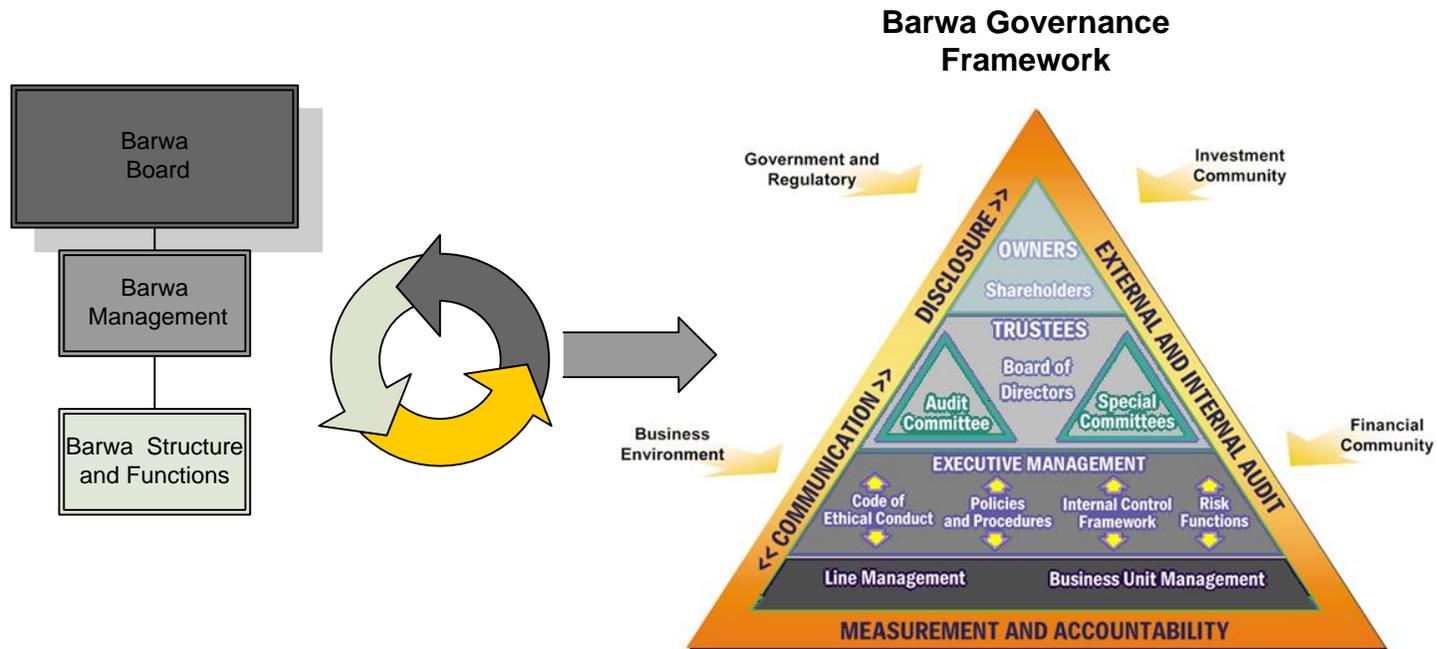
The Qatar Commercial Companies Law No. 5 of 2002 and its amendments issued in Law No. 16 of 2006 provide details on the legal structural requirements for a Qatari Company. Below we mention the relevant articles which would relate to Corporate Governance aspects. Barwa as an Article 68 Company is not required to follow the below requirements.

Requirements for a Publicly Listed Qatari Joint stock Company (QJSC)

- As per **Article 94**, the shareholding Company must establish a board composed of 5 to 11 members. The Board will be responsible for the management of the Company. Membership to the Board should not exceed 3 years, each term is renewable.
- As per **Article 95** The general assembly will elect the members of the board of directors. As an exemption, the first board of directors can be appointed by the founders, provided that its period should not be more than five years.
- As per **Article 96** Board Members must be above 21, not convicted of any crimes and hold the necessary number of shares as per the articles of association to guarantee the rights of Company, shareholders and third parties.
- As per **Article 97** Board Members, with the exception of shareholders whom represent the government or own more than 10% of shares, the Board member should not be a representative in more than 3 Company Boards or be a Chairman/ Vice Chairman in more than 2 Company Boards. In any case the member should not be part of management in more than one of the Company in the State of Qatar and can not be a board representative in two companies with the same activity.
- As per **Article 98** Board Members appointed by the government or by a state authority/ corporation can appoint members in proportion to their ownership, their number will be deducted from the Board and they can be appointed/ dismissed at any time. Such members will have all the rights applicable to Board Members and are exempted from the requirement to provide shares as guarantee.
- As per **Article 99** the Board should appoint a Chairman and Vice Chairman for a period of 1 year or as per the articles of association provided such term does not exceed 3 years
- As per **Article 108**, Board Members should avoid situations whereby conflict of interests occur, and should not participate in any meeting where a conflict of interest situation is present.
- The Commercial Companies Law further provides articles related to General Assembly meetings.

3. Corporate Governance Framework

3.1: Group Governance Structure Overview



As depicted in the above diagram the governance framework will consist of; 1) internal structure including Board, Executive Management and Line Management and the committees developed by them; 2) the governance controls in place such as policies and procedures, risk functions (e.g. risk management), internal controls systems and code of conduct.

Compliance with the governance framework is assessed against environment requirements (investment community, government regulations etc.). These are then monitored by internal and external audit and regulators. Governance disclosures and Barwa updates are then reported to Shareholders through Shareholder Relations. In the following sections we depict in more details the above components of the governance framework.

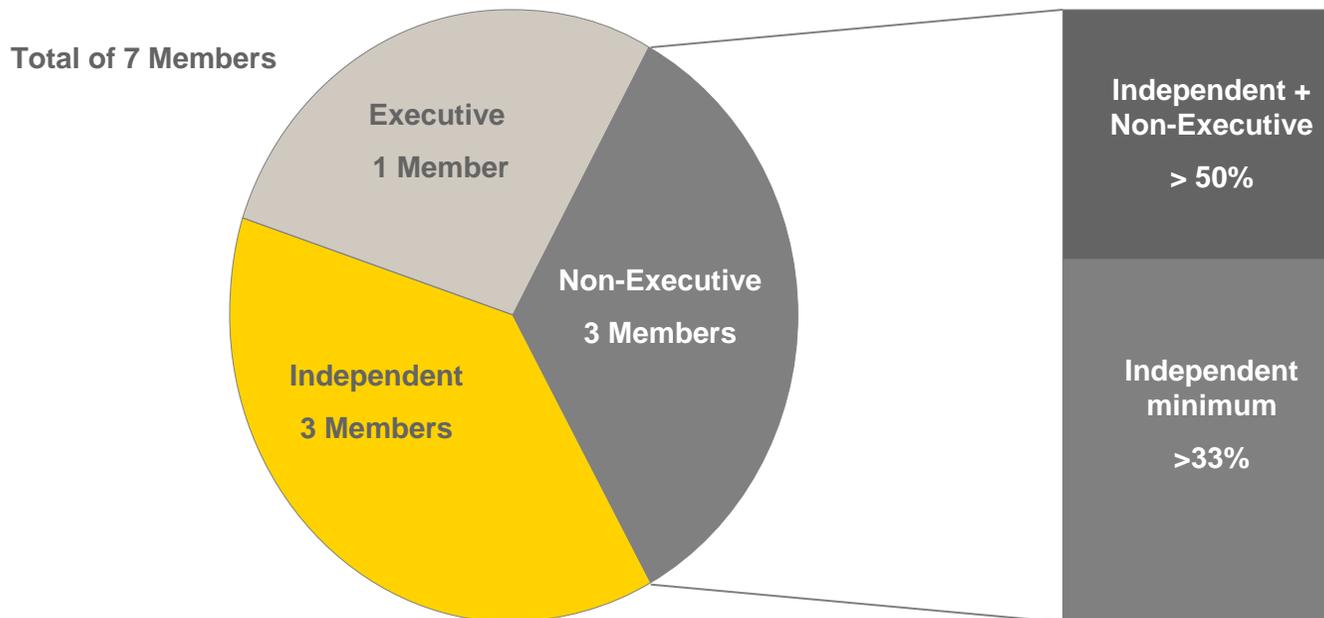
3.2: Board Level

Board Composition

The composition of the Board will be as follows:

- 33% or more Independent, i.e. Barwa, non-management;
- 50% or more independent and non-executive (includes Barwa Board representatives); and
- Remainder executive.

It is worth noting that Governance Practices promulgate the existence of executive directors on the Board. Currently, the Board is composed of 7 members, Barwa may consider increasing its Board Membership. Based on the current composition of 7 members, the Board breakdown should be as illustrated below:



3.2: Board Level

Board Composition Cont'd

In accordance with governance best practices, additional duties would be required of the BOD Members including participation in various committees as will be outlined in later parts of this document. Barwa will consider enlarging its Board to be able to handle the additional duties and to add independent members (if needed). In case such a decision is taken amendments to the Articles of Association would be necessary and would have to be done through an Extra Ordinary General Assembly as per Article 138 of the Commercial Companies Law. Percentages described in the previous page would also apply.

Board Member Roles

Below are the main roles of each Board Member in accordance with Governance Practices:

Chairman:

The Chairman can be an Executive Chairman or a Non-Executive Chairman. Some Governance Codes such as the Kings Report stipulate that the Chairman should be non-executive. In a non-executive scenario, the Chairman acts as an advisor to the GCEO, in an executive scenario, the Chairman supports the GCEO in operational aspects of the Company. Based on the current setup, the GCEO undertakes executive duties with the oversight of the Chairman and full Board.

The main roles and responsibilities of the Chairman are as follows:

- Lead the board, ensuring its effectiveness and proper functioning on all aspects of its role and setting its agenda.
- Responsible for ensuring that the members receive accurate, timely and clear information.
- Approve the Board Calendar and agenda of every meeting to the Board of Directors, taking into consideration any matter proposed by other Board Members
- Ensure effective communication with shareholders.

3.2: Board Level

Board Member Roles (Contd.):

Chairman (Cont'd):

- Facilitate the effective contribution of all members including non-executive and independent directors in particular, and ensure constructive relations between executive, independent and non-executive directors.
- Ensure the conduct of an annual evaluation of board performance

In the absence of the Chairman, the Vice Chairman/ any other member will be delegated to undertake the above roles and responsibilities. The Chairman is not allowed to be a member of the Audit or Remuneration Committee. The role of the Vice Chairman will be that of any Board Member, however he may undertake the duties of the Chairman, where the chairman is absent from a Board Meeting.

Executive Directors:

As members of the BOD and executive management, executive directors' responsibilities include:

- Act as full time directors responsible for the day-to-day operations of Barwa;
- Lead in meeting goals and objectives developed/Approved by the BOD;
- Update the BOD with periodic reports on Barwa activities;
- Participate in developing and meeting strategic initiatives approved by the BOD;
- Ensure the implementation of a system of internal control framework across Barwa;
- Ensuring the integrity of financial information and that financial controls and systems of risk management are robust and defensible within the Company; and
- Participate in various management level committees.

Executive Directors should be remunerated based on the achievement of agreed goals and objectives, as approved by the BOD.

3.2: Board Level

Board Member Roles (Contd.):

Non-Executive and Independent Directors:

As independent/ non-executive members of the BOD, responsibilities include:

- Constructively challenge and develop proposals on strategy;
- Scrutinize the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- Review the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- Develop Corporate Governance procedures and monitor the implementation;
- Ensure Company and Shareholder interests are maintained especially in conflict of interest situations;
- Participate in various committees including the Audit Committee;
- Determine appropriate levels of remuneration and appointment of executive directors; and
- Appraise the performance of the Chairman and Executive Directors.

Non-Executive Directors should be remunerated based on attendance to BOD meetings and participation in Board Committees.

Detailed roles are documented in **CG - 5 Board Member Job Descriptions**.

3.2: Board Level

Board Profiles

To keep shareholders abreast of the current governance structure (and any positions held by Board Members that may result in conflicts of interest), Board Member profiles should be created and made available to shareholders, including through the corporate website. Such profiles should include, but is not limited to the following:

- Education;
- Profession and experience;
- Membership in Barwa Committees; and
- Seats held in other boards.

Board Charter

The Board Charter (terms of reference) document the Board's roles and responsibilities. The Charter should consist of:

- Roles and responsibilities based on those mentioned in Barwa's Articles of Association, Commercial Companies Law and QFMA Corporate Governance Code; and
- Duties of Board members and Board Member Conduct Rules.

In accordance with governance transparency requirements, the Charter should be published on the Company's website. The Board Terms of Reference is documented in **CG-3**.

Board Secretary

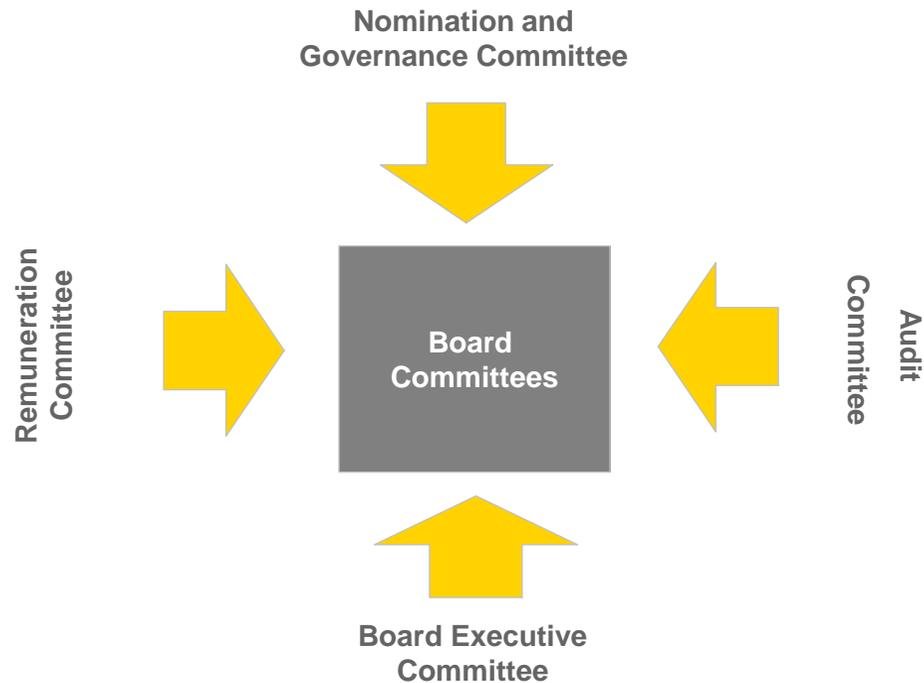
The Board should ensure that a Board Secretary is appointed whom meets the minimum QFMA requirements stipulated in Article 12 of the Code. The secretary will be responsible for maintaining committee minutes and other documentation and supporting the Chairman in dissemination of information to Board members.

3.3: Board Committees

Board Committees

The QFMA requires the establishment of an Audit Committee, Nomination Committee and Remuneration Committee.

Barwa may also established a Board Executive Committee, whereby certain decisions can be taken without calling the full board in session. The Committee will also study certain matters and recommend to the full board for approval.



3.3: Board Committees

Committee Roles and Responsibilities

Below we depict summary roles and responsibilities, and compositions of each Committee. Detailed Terms of Reference are documented in **CG-4**.

Audit Committee

- **Membership:** 3 members, 2 independent members and one executive member (BOD Chairman is excluded). At least one member with financial and audit experience.
- **Frequency:** Minimum 4 times per year

Responsibilities:

- Review accounting principles, and significant management assumptions underlying financial statements.
- Review the annual financial statements, and consider whether they are complete in all aspects.
- Review interim financial reports with management and the external auditors, before filing with regulators.
- Review and coordinate resolution of any disagreements between management and internal or external auditors.
- Obtain information to determine if financial and operating controls are functioning effectively.
- Review and approve the charter, plans, activities, staffing and organizational structure of the Internal Audit function.
- Ensure the development of whistle blowing procedures and review adherence to professional conduct rules within Barwa.
- Review and approve the appointment, replacement or dismissal of the audit personnel and external auditors as well as their remuneration. This includes overseeing the independence and objectivity of external audit and setting an external audit policy.
- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Ensure the timely reply by the Board of Directors on issues raised by External Auditor letters/ reports.

3.3: Board Committees

Committee Roles and Responsibilities (Contd.)

Nomination and Governance Committee

- **Membership:** 2-3 members all of whom are independent.
- **Frequency:** Minimum 2 times per year

Responsibilities:

- Nominate and identify new Board member candidates.
- Evaluate the annual performance of the current BOD (self-assessment) and nominate Barwa Real Estate BOD members for re-election.
- Review candidates for senior executive positions (GCEO and Deputy CEO) prior to Board review and approval.
- Review and approve BOD selection to related entities (delegation to the GCEO for approval of appointments to entities other than Subsidiaries and JVs is possible). 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.

Remuneration Committee

- **Membership:** 3 non-executive members, at least 2 of whom are independent (BOD Chairman is excluded).
- **Frequency:** Minimum 2 times per year

Responsibilities:

- Develop the framework for remuneration of directors and executive management to attract and retain suitable personnel.
- Develop and disclose a remuneration policy statement covering Board members and key executives.

3.3: Board Committees

Committee Roles and Responsibilities (Contd.)

Remuneration Committee (Contd.)

Responsibilities:

- Develop Barwa's policy for payments to Board members for extra-Board activities, such as consulting.
- Approve the terms of employment.
- Review corporate goals and objectives relevant to top management.
- Assist in setting remuneration policies and structure development for Barwa representatives in related entity Boards.

Board Executive Committee

- **Membership:** 3 members
- **Frequency:** Every 2 months

Responsibilities:

- Act as a consultative body to the Board.
- Review and submit to the Board overall business strategy and objectives.
- Review changes related to Barwa Real Estate's capital structure and significant changes to the management and control structure.
- Review and approve expansion plans locally and regionally.
- Authorize investments within the authority delegated to the Committee by the Board.
- Approve purchases, write offs/ impairments and credit facilities obtained within its authority.
- Review financial and operational performance of Barwa Real Estate and its subsidiaries and report to the Board on the same.
- *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.*

3.3: Board Committees

Committee Disclosures

In accordance with transparency requirements of the QFMA, the terms of references for such committees are to be published by Barwa on its website.

Activities of each committee during the year should be documented in the Corporate Governance Report.

3.4: Management Committees

Overview

Management Committees, while not a direct compliance requirement by Governance Best Practices, are an integral part of the overall management structure.

Committees usually established by Companies include Executive Management Committee, Employees Committee, Tender/ Purchasing Committee, Risk Committee, and Investment Committee. Companies usually also establish on an ad-hoc basis, Steering Committees for any large scale temporary assignment being executed at the organization.

Currently, Barwa has the following permanent Management Committees:

- Investment and Risk Committee;
- Tender Committee; and
- Management Committee

Detailed Terms of References for the permanent Management Committees are part of **CG-4**.

Furthermore, temporary Management Committees can be constituted by approved resolutions (examples include: special tender committee, project steering committee, stock management committee ...etc.)

3.5: Organization Structure

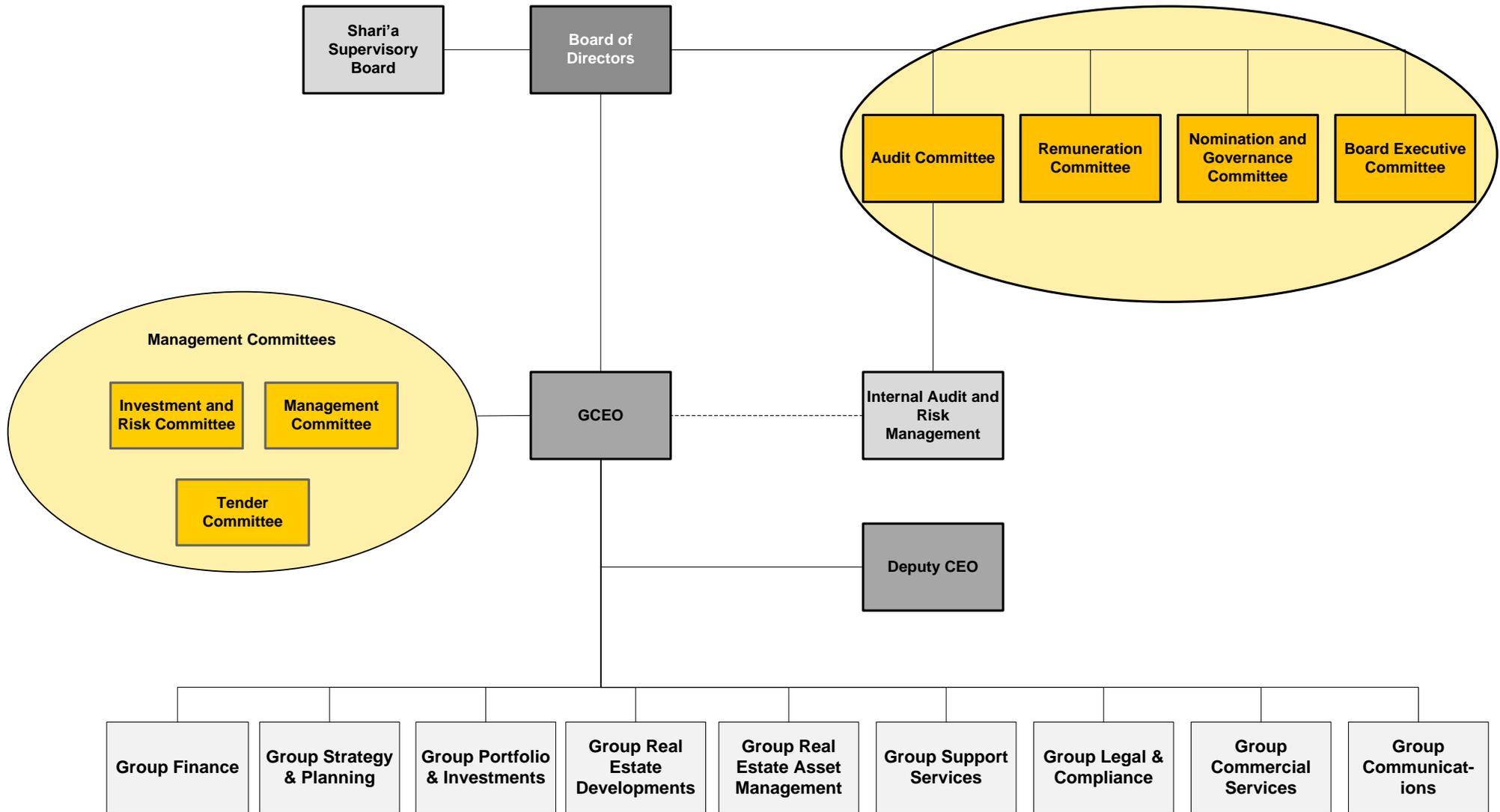
Overview

The following changes are made to the existing structure to comply with governance requirements:

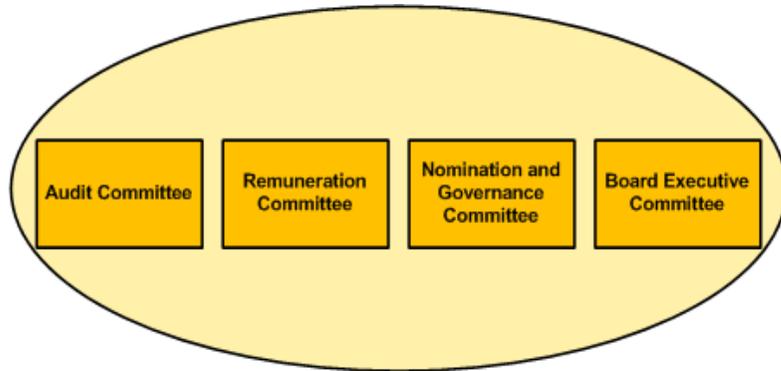
- Inclusion of Board and Management Committees;
- Addition of Shari'a aspects;

In the following pages, we depict the organization structure with the relevant Board and Management Committees.

3.5: Organization Structure



3.5: Organization Structure



Board Committees:

We have depicted the Board Committees recommended in **Section 4.3**. These committees report to the Board on their activities.



Management Committees:

We have depicted the Management/ Management and Board Committees recommended in **Section 4.4**. These committees will report to the GCEO and Deputy GCEO whom then reports to the full Board on the scope of and activities of such committees.

3.5: Organization Structure



Shari'a Requirement

While not a requirement by Corporate Governance standards. As per Article 3 of Barwa's Articles of Association, Barwa will operate under Shari'a principles. This requires a framework of Shari'a compliance to be part of the organizational structure. Based on Islamic Governance Standards applicable to the financial sector (AAOIFI Standards), companies that follow Islamic principles should have an independent Shari'a Supervisory Board (hereinafter 'SSB') Its main purpose is to ensure transactions entered into and activities undertaken by the Company and its subsidiaries are Shari'a compliant. We further recommend that a Shari'a compliance framework is developed which is out of the scope of this current assignment.

It is our understanding that Barwa does have a SSB in place, this is now depicted in the structure.

3.6: Governance Control

Overview

The below diagram depicts the main governance controls, these are addressed within the appendices to this document and as part of other documents developed by Barwa.

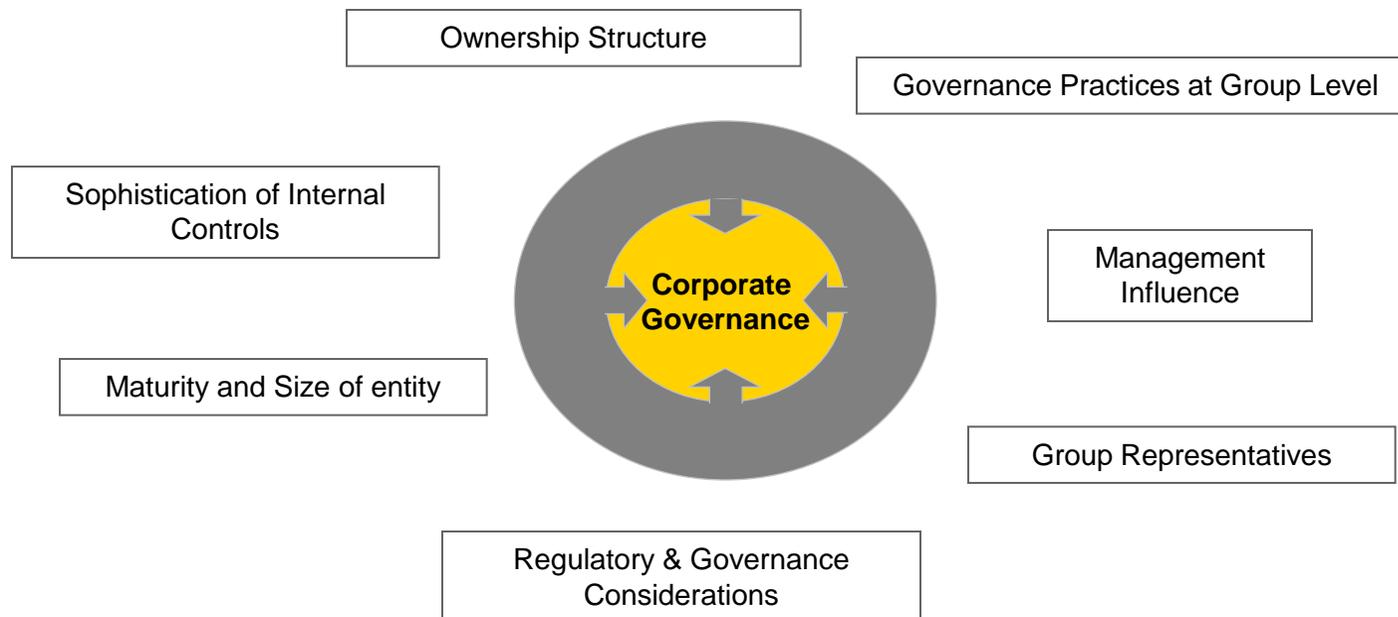


4. Governance Application to Subsidiaries and Other Barwa Entities

4.1: Overview

Overview

Based on the overall governance framework for Barwa Real Estate, this governance framework can be applied to subsidiaries. The below diagram depicts the factors which affect the implementation of a governance structure at the subsidiary/ investment/ affiliate/ joint venture level.



4.1: Overview

Overview (Contd.)

Ownership Structure: affects the overall influence that can be applied by Barwa to entities it may own. For 100% owned entities for example Barwa has the ability to impose the Group Governance Structure on the subsidiary, while for an affiliate, Barwa's representative in the entity BOD are only able to provide their opinion on governance matters.

Management Influences: reflects the considerations that Barwa is no longer actively managing operational aspects of subsidiaries, in such cases a strong management could impose the control framework, ethical conduct and performance management aspects of the entities employees. In case Barwa acquire established companies the existing management has a greater influence.

Group Representatives: will be the bearers of Barwa's influence on a Barwa entity governance structures, thus their active participation is necessary to ensure an effective top down instilment of governance.

Governance Practices at Group: aspects of the practices at the Group level may in instance not be applicable to a Barwa entity, for example entities that are not regulated by the QFMA.

Maturity and Size of Entity: certain entities which have been established for a period of time would already have some form of governance policies in place, which may differ from Barwa Real Estate. Furthermore, entities of different sizes may have different committee structures. Additionally, entities established for Special Purposes may not be operational and need formal governance structures.

Regulatory and Governance Considerations: certain entities operate in different jurisdictions, thus different Governance and Regularity requirements apply. This would thus effect the governance structure of the entity. Furthermore entities such as Barwa Bank are also regulated by the QCB and QFMA which has further requirements which are not applicable to Barwa Real Estate.

Sophistication of Internal Controls: internal control framework may already be established at a Barwa entity which may differ from the Group Level. Furthermore processes such as Risk Management and Internal Audit may be performed directly by the subsidiary.

4.2: Governance Aspects Applicable to Barwa Entities

Overview

The below table summarizes the key documents that would be developed by Barwa Real Estate and their applicability to each Barwa Entity. Special Purpose Entities have been excluded as this structure in essence is similar to any other category which depends on Barwa's ownership and or agreement with Partners. In the following pages we depict each type of entity and explain in further detail the framework that would be applicable.

Entity Relationship	Code of Ethics	Board of Directors Charter	Board and Management level Committee Terms of Reference	Director JDs	Governance Policies Manual
Wholly Owned Subsidiary	X	X	X	X	X
Partly Owned Subsidiary	X	X	X	X	X
Joint Venture	X	X	X	X	X
Associate / Affiliates				X	
Investment				X	

4.2: Governance Aspects Applicable to Barwa Entities

Subsidiary

Entity Relationship	Code of Ethics	Board of Directors Charter	Board and Management level Committee Terms of Reference	Director JDs	Governance Policies Manual
Wholly Owned Subsidiary	X	X	X	X	X
Partly Owned Subsidiary	X	X	X	X	X

Wholly Owned Subsidiaries include entities whereby Barwa holds 100% of the entity ownership, while Partly Owned Subsidiaries include entities whereby Barwa holds 51% or more of the entity ownership. In Subsidiaries, Barwa has the ability to instill relevant governance practices. The applicability of each will to the most extent depend on 1) minority influence if any 2) regulatory requirements of the subsidiary and 3) operations of the subsidiary. For real estate development (SPVs in Qatar) and new subsidiaries Barwa will exercise active control of the governance structure.

Code of Ethics: the Group Code of Ethics can be applied to a subsidiary taking into consideration any regulatory requirements that might be applicable and other operational aspects that could be part of the code of ethics. For established subsidiaries which have been acquired their own code of ethics can be applied provided that the code, from a governance perspective, is acceptable to Barwa Real Estate.

Board Charter: the Group Board Charter can be applied to a subsidiary taking into consideration any regulatory requirements (such as articles of association) that might be applicable. Further amendments can be made based on subsidiary scope and operational activities.

Board and Management Committee TORs: Barwa Group documents can be applied to the subsidiary. However it is worth noting that committees such as the Nomination and Remuneration Committee would in most cases not be mandated as the subsidiaries are non-listed. Management Committees would depend on the specific activities of the subsidiary, their reporting relationships with Barwa Real Estate is documented as part of **CG-1 Reporting Relationships**.

4.2: Governance Aspects Applicable to Barwa Entities

Subsidiary (Contd.)

Director JDs: Director JDs developed at the Group Level would also apply to the subsidiary. These would have to be adjusted as participation in committees would be to a lesser extent.

Governance Policies: the Group Level Governance Policies can be applied to a subsidiary taking into consideration any regulatory requirements that might be applicable and other operational aspects that could be part of the Governance Policies. Furthermore certain policies may be beyond the scope of the subsidiary (intra-group reporting policy), or may directly be handled by Barwa Real Estate (e.g. Internal Audit). For established subsidiaries which have been acquired their own Governance Policies can be applied provided that from a governance perspective the policies are acceptable to Barwa Real Estate, these should be reviewed by the directors in coordination with Governance and Regularity function under Legal and Compliance. Furthermore each Director will be issued relevant Governance Guidelines by the Governance and Regularity function in establishing the subsidiary and assessing the current governance structure and the impact of any new governance practices.

Guidelines:

The Corporate Governance Guidelines for Subsidiaries (Refer to **CG-7**) provides relevant guidance for subsidiaries to set their governance framework. The Governance Affairs Function should coordinate with subsidiary management with regards to setting their governance framework, and in terms of coordinating any required deviations from the guidelines. Barwa's governance documents will be provided as a guide to implement the subsidiary governance framework.

4.2: Governance Aspects Applicable to Barwa Entities

Joint Venture

Entity Relationship	Code of Ethics	Board of Directors Charter	Board and Management level Committee Terms of Reference	Director JDs	Governance Policies Manual
Joint Venture	X	X	X	X	X

Joint Ventures refers to entities whereby Barwa Real Estate has joint control over an entity with one or more other partners. The applicability of each will to the most extent depend on 1) Partner Influence 2) regulatory requirements of the JV and 3) operations of the joint venture 4) the joint venture agreement.

It is important to take into consideration that decisions in a JV may be taken collectively between the partners or in certain instances tasks could be delegated to one of the parties with the most competency/ experience in that activity.

Code of Ethics: the Group Code of Ethics can be applied to a joint venture taking into consideration partner buy-in, any regulatory requirements that might be applicable and other operational aspects that could be part of the code of ethics.

Board Charter: the Group Board Charter can be applied to a joint venture taking into consideration any regulatory requirements (such as articles of association and JV agreement) that might be applicable and partner buy-in. Further amendments can be made based on joint venture scope, operational activities and agreements between the parties.

Board and Management Committee TORs: Barwa Real Estate terms of reference can be applied to the joint venture provided partner buy-in. However it is worth noting that committees such as the Remuneration and Nomination would in most cases not be mandated as the Joint Ventures are non-listed. However the JV Board may appoint Board Committees as per requirement and Barwa representatives in the Boards also may sit in these Committees. Management Committees would depend on the specific activities of the Joint Venture and may differ from Barwa's Level.

Director JDs: Director JDs developed at the Group Level would also apply to the Directors appointed by Barwa Real Estate. The JD describes Barwa representatives' role. These would have to be adjusted as participation in committees would be to a lesser extent and also according to the JV BOD Charter and Agreement

4.2: Governance Aspects Applicable to Barwa Entities

Joint Venture (Cont'd)

Governance Policies: the Group Governance Policies can be applied to a joint venture taking into consideration partner buy-in to the use of such. Any regulatory requirements that might be applicable and other operational aspects that could be part of the Governance Policies should be considered. Each Director will be issued relevant Governance Guidelines by the Governance and Regularity function in establishing the joint ventures and in assessing the current governance structure and the impact of any new governance practices.

Guidelines:

The Corporate Governance Guidelines for Subsidiaries (Refer to **CG-7**) provides relevant guidance for subsidiaries to set their governance framework. These can also be applied at a Joint Venture.

4.2: Governance Aspects Applicable to Barwa Entities

Associate/ Affiliate

Entity Relationship	Code of Ethics	Board of Directors Charter	Board and Management level Committee Terms of Reference	Director JDs	Governance Policies Manual
Associate/ Affiliate				X	

Associates/ affiliates are entities in which Barwa has significant influence, but which is neither a subsidiary nor a joint venture 20-50% share of ownership. In such cases the code of ethics, board charter, board and management committees and governance policies can be influenced by Barwa. This does not however necessitate Barwa implementing such policies at the associate/ affiliate level. Directors appointed to associates/affiliates will be governed by their Job Descriptions and Guidelines provided by Barwa Real Estate.

Investments

Entity Relationship	Code of Ethics	Board of Directors Charter	Board and Management level Committee Terms of Reference	Director JDs	Governance Policies Manual
Investments				X	

In the case of investments Barwa can only promulgate governance best practices through their Directors, governance decision will be out of Barwa's control. Directors appointed to investments will be governed by their Job Descriptions and Guidelines provided by Barwa Real Estate..