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Industries Qatar



Vision and Mission Statements

Version date: 23 December 2011

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1. Introduction

This phase involves development of Company's corporate vision and mission statements with reference to the information collected from EY's gathering of information from external sources (IQ and subsidiaries' websites) and initial discussions with and information obtained from IQ's Senior Management on corporate goals, objectives and future business plans.

2. Our Approach

IQ's vision and mission is developed in consideration of the leading practices across the corporate world today.

Definitions:



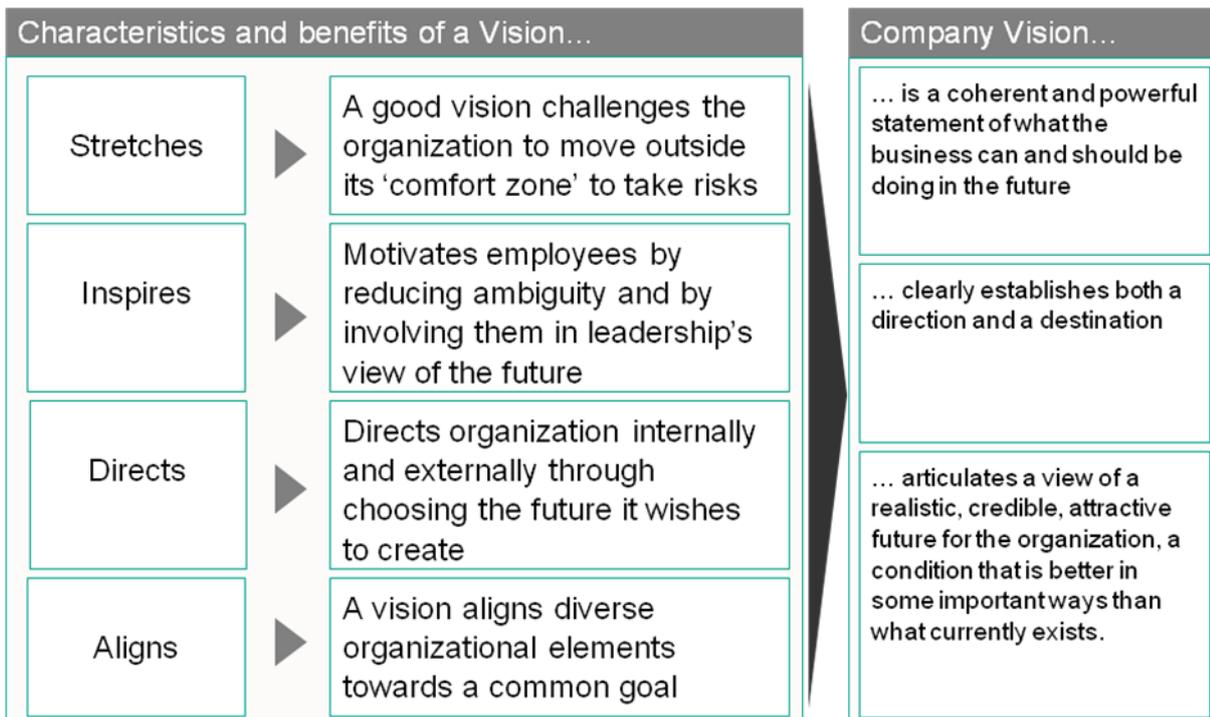
A vision is a statement that describes what an organization aspires to be or achieve.

The mission describes to the organization and external market, the business services provided and the value propositioned to the customer.

Shared Vision and Mission helps the company in developing its strategies

Vision Statement:

A. Benefits of a Vision Statement:



B. Components of a Vision Statement:

Describes:

- Organization's envisioned future
The envisioned future is what company aspires to become, to achieve, to create something that will require significant change and progress to attain
- Core identity factor: values
The core identity factor is what the company stands for – the fundamental tenet of the company (value). It is what the Company has faith in and follows in all operations
- Core identity factor: purpose
The core identity factor is what the company stands for – why the company exists (purpose). It's a characteristic that will be consistent and transcends changes in the market, technology, management thoughts and people

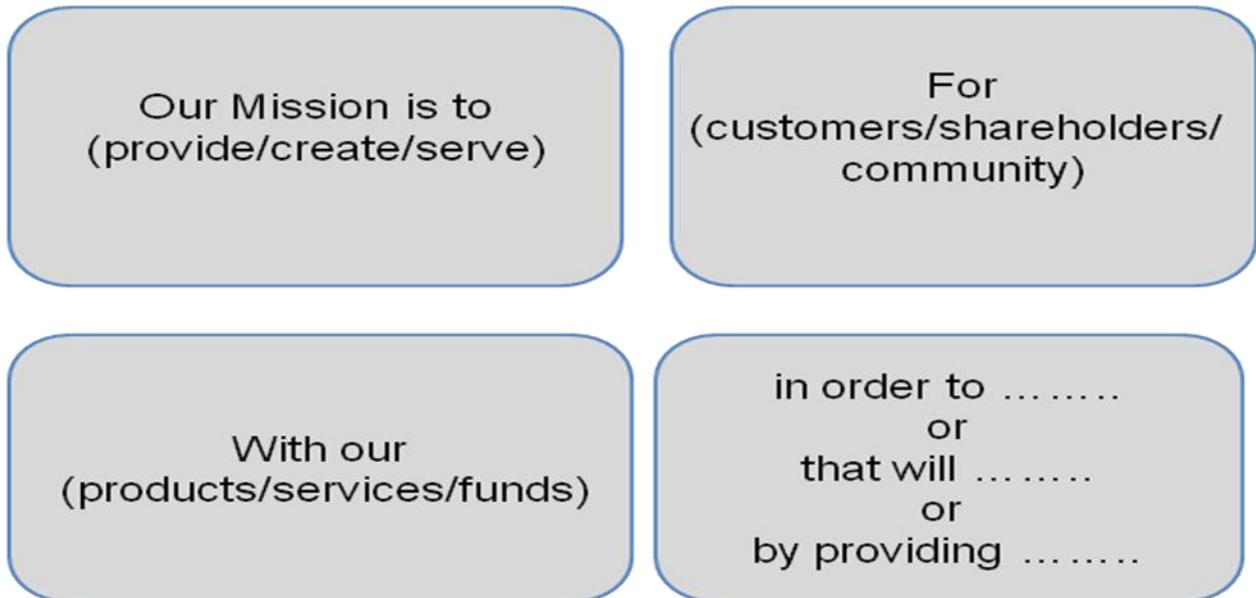
Mission Statement:

A. Components of a Mission Statement:

Describes:

- The business (business definition)
That captures the essence of the business strategy that provides clarity to employees, customers, and other stakeholders
- To the organization and external market
The business services provided and the value propositioned to the partners, customers
- The following key areas
Who the customer is, what the ultimate outcomes are, what products, services, or relationships the organization provides, and how members of the organization work toward achieving the desired results

B. Mission Statement Template:



3. List of Developed Vision-Mission Statements

A. Provided by IQ

Vision	Mission
By 2010, the current capital investment projects are expected to be completed, resulting in a significant increase in our production capacity and the widening of our product range	IQ is committed to increasing the Group's Capital Value for the benefit of our Shareholders in a sustainable manner through Gains in Efficiency and Investment

B. Proposed by EY

Vision	Mission
IQ aims to be a key enabler of Qatar National Vision 2030 Economic Development Pillar by being a dominant player in producing and marketing the highest quality industrial products through its growth-driven portfolio that generates profitable returns and creates value for its shareholders.	IQ is committed to increase production capacity and widen its industrial products range through gains in efficiency and by broadening its business/investment portfolio. This is facilitated by reliable and robust cash flows and financially sound capital investment projects that help sustain profitable growth and enable contribution to the national wealth of the State and satisfy shareholder expectations.
IQ is committed to be globally recognized as a leader and significant player in key steel, petrochemical and agrochemical industries to sustain profitable growth in order to maximize shareholder's return and capital value.	To increase the Group's business portfolio to contribute to the national wealth of the state of Qatar through gains in efficiency and capital investment projects that will result in a significant increase in production capacity and widening of product range.
We will be renowned as a world class provider in the petrochemicals, fertilizers, steel and other complementary industrial development industries or sectors.	Continuously enhance existing products and services, identify high quality investment opportunities and widen business portfolio through reliable cash flow, technical expertise and gains in efficiency to sustain profitable growth.

C. For Adoption by IQ

Vision	Mission
IQ aims to be a leading and recognized player in producing and marketing the highest quality industrial products through its growth-driven portfolio that generates profitable returns and creates value for its shareholders.	IQ is committed to increase production capacity and widen its industrial products range by broadening its business/investment portfolio to help sustain profitable growth and satisfy shareholder expectations.

Industries Qatar



Corporate Governance Framework

Board of Directors and Chief Coordinator's Terms of References

IQ Board of Directors and Chief Coordinator Terms of References

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IQ Board of Directors and Chief Coordinator Terms of References

INTRODUCTION

The Board of Directors of Industries Qatar (hereinafter 'IQ') is responsible for stewardship of the Company and its related entities and providing effective leadership in achieving IQ's strategic goals and objectives to grow value in a profitable and sustainable manner. These Terms of References principally apply to the Board of Directors and Chief Coordinator of IQ. Subsidiaries' Boards may adopt terms of reference similar to those adopted by IQ.

IQ's Board and Chief Coordinator's Terms of References are developed in accordance with the Corporate Governance best practices, Qatar Commercial Companies Law, Qatar Financial Markets Authority Corporate Governance Code for Listed Companies and IQ's Articles of Association. In the event of conflict between the Board and Chief Coordinator's Terms of References with the Articles of Association then the latter shall prevail in line with the spirit of being an Article 68 Company.

General Corporate Governance Philosophy Statement:

The philosophy of IQ shall be to adhere to regulatory requirements. Any non-adherence shall be duly explained in the Annual Corporate Governance Report – such explanations may quote applicability of being an Article 68 Company.

As per QFMA requirements, this charter will be published on IQ's website.

Amendments:

These Terms of References may be amended by a majority vote cast by the members of the Board present at any meeting, on condition that the proposed amendment or amendments should not be in conflict with the Company's Articles of Association and the applicable laws and regulations referred to above.

Abbreviations used in this document:

BOD	Board of Directors	QCCL	Qatar Commercial Companies Law
QE	Qatar Exchange	QFMA	Qatar Financial Markets Authority
QP	Qatar Petroleum		

IQ Board of Directors and Chief Coordinator Terms of References

BOARD MEETINGS	
VENUE	<ul style="list-style-type: none"> ▪ All Board meetings shall be held in Doha, Qatar unless all Directors (or their alternates) have otherwise agreed in writing for it to be held elsewhere. Virtual Board meetings can be held through teleconferences/videoconferences.
FREQUENCY	<ul style="list-style-type: none"> ▪ The Board shall meet at least every three (3) months (and not less than four (4) times a year). A provisional date for the next meeting will be agreed upon at the end of each regular meeting.
BOARD SECRETARY	<ul style="list-style-type: none"> ▪ Board appoints a Board Secretary and determines the Secretary's scope of work and remuneration. The Secretary is responsible for maintaining and safekeeping Board documentation and is responsible for the distribution of Board meeting agendas, invitations, other required documentation, and the distribution of Board meeting minutes and resolutions. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for the new Board members. ▪ In accordance with QFMA requirements, the Board Secretary shall have a legal/ accounting background and will have a minimum of 3 years experience in handling the affairs of a publicly listed company.
INVITATION AND AGENDA	<ul style="list-style-type: none"> ▪ All meetings of the Board (including those for which a provisional date may have been agreed) shall be conveyed by a notice from the Chairman or, in his absence, the Deputy Chairman (if any), or any two Directors or such other Director as is duly authorized by the Chairman. ▪ The Chairman shall further convene a meeting by notice upon request by any two or more Directors. ▪ Any notice shall be given by fax, first class post or e-mail (subject to evidence of receipt satisfactory to the Board), to every Director at his relevant address for service in the Company records, not less than seven (7) days prior to the proposed date of such meeting, stating the date, time and place of the meeting.

IQ Board of Directors and Chief Coordinator Terms of References

<p>QUORUM AND REPRESENTATION</p>	<ul style="list-style-type: none"> ▪ The number of Directors required to constitute a quorum in respect of any matter to be considered and acted upon by the Board shall be three Directors, all of whom will be QP-appointed Directors. ▪ Proxy voting is permissible as long as there is written evidence of the delegation to another member of that member's power to vote in his absence. A member can represent only one other member in the meeting. ▪ For teleconferences/videoconferences, at least 2 BOD members should physically be present at the meeting and they will initiate and facilitate the video/teleconference with other BOD members.
<p>RESOLUTIONS</p>	<ul style="list-style-type: none"> ▪ BOD resolutions are adopted by simple majority of board members who are present and entitled to vote at the meeting under consideration where each member present shall have one vote. ▪ BOD resolutions may be passed: <ul style="list-style-type: none"> ○ During actual Board meetings (teleconference/videoconference inclusive) and approved upon the signing of such resolution by the Board Chairman and Board Secretary. Such resolution shall record the details of how Board members who were present had voted on the resolution. ○ By the circulation to all Board members of a documented proposed Board resolution for evaluation and decision by each. ▪ In case of a tie in the number of votes, the Chairman or his representative who is acting in the Chairman's capacity shall have a casting vote. Objections of members should be recorded in the minutes of the meeting.
<p>MINUTES OF THE MEETING / BOARD DECISIONS</p>	<ul style="list-style-type: none"> ▪ Board meetings are recorded by the Board Secretary in a special register and should be signed at least by the Chairman and Managing Director and Board Secretary.

IQ Board of Directors and Chief Coordinator Terms of References

BOARD COMPOSITION	
NUMBER OF MEMBERS	<ul style="list-style-type: none"> ▪ Unless otherwise approved by the General Assembly, the Board shall consist of up to seven Directors, all of whom may be appointed by QP without the need for approval at the General Assembly (“QP Directors”) and one of whom shall be nominated for appointment by the Board and elected by secret ballot of the General Assembly (“Elected Director”).
MIX	<ul style="list-style-type: none"> ▪ <u>Executive Members</u>: members who perform executive management duties for the Company and/or are full-time employees of the Company. Executive role is secured to the Chairman of the Board of Directors as the Managing Director of the Company. ▪ <u>Non-Executive Members</u>: members who are not employees or hold any executive responsibilities in the Company, as such, not involved in the operations of the Company are non-executive members. <ul style="list-style-type: none"> •

BOARD COMPOSITION

DIRECTOR'S RIGHTS

- The BOD shall enjoy the widest powers necessary to carry out the acts required by the objectives of the Company, and may within its powers delegate to one or more of its members (e.g. Chairman & Managing Director) to do a specific act or acts or to supervise Company activities.
- Board Members shall have full and immediate access to information, documents, and records pertaining to the Company.
- The BOD may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf.
- The BOD may consult at the Company's expense any independent expert or consultant. Consultation requires the approval of the Chairman. However, a majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense.
- The BOD shall also enjoy all other rights vested in it by QCCL, Articles of Association and QFMA Corporate Governance Code not mentioned in this document.

BOARD ROLES AND RESPONSIBILITIES

DELEGATIONS AND AUTHORITIES

The Board is entrusted with widest authority to manage the Company. Following are the key operational responsibilities of the Board:

- Appoint the Chairman, Vice Chairman and Managing Director (Managing Director's role can be combined with other roles e.g. Chairman).
- Appoint the Senior Executive Management of the Company.
- Define the roles, responsibilities and duties of the Chief Coordinator and the reports to be issued by the Chief Coordinator to the Chairman & Managing Director and the Board.
- Appoint advisors to the Board and setting their roles, responsibilities, duties and remuneration.
- Review and approve IQ's organization structure and reporting lines.
- Set the financial authorities of Management and delegate authorities to certain board members.
- Approve financial commitments in excess of delegated authorities.
- Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that Management is addressing the issues appropriately.
- Assess the performance and set the remuneration (as well as attendance fees) of the Chairman and Managing Director, Vice-Chairman and other Board members, Chief Coordinator based on the Company's related policies.
- Create Board committees and set their authorities and duties. Periodically review and approve annually the work of Board committees provided that the legal quorum is achieved.

BOARD ROLES AND RESPONSIBILITIES

STRATEGY AND PLANNING

- Provide the strategic direction to IQ by reviewing the Company's vision and mission periodically which may be modified by the BOD due to change or shift in the Company's strategy.
- Approve and lead the development of the strategic plan and business objectives.
- Approve strategic initiatives including new business initiatives and key industrial investments and divestitures, review and recommend improvements periodically.
- Set and periodically review policies of the Company.
- Provide guidance to Board Representatives in subsidiaries/ affiliates of IQ.
- Review and approve transactions relating to material strategic investments and major capital expenditures with a value of US\$100 Million and above, submitted through the Chief Coordinator by the Chairman of the Board, if any/applicable, of a group subsidiary/affiliate.
- Monitor operations and assess IQ's performance and management of risks via periodic updates provided by the Chief Coordinator.

BOARD ROLES AND RESPONSIBILITIES

FINANCE AND AUDIT

- Approve the Company's annual budget.
- Monitor the financial performance of the Company.
- Review periodically in conjunction with the Audit Committee the arrangements with the External Auditors, in order to ensure their sustainability in accordance with the size and nature of IQ.
- Nominate the External Auditor to the General Assembly and receive Audit Reports from the External Auditor. Review reports and direct the management to improve related aspects accordingly.
- Discuss with the Audit Committee matters related to internal audit and compliance including compliance to QE and QFMA requirements.
- Recommend to the General Assembly proposed dividends and the dividend policy.
- Review and approve direct investments.
- Review and approve IQ's Five (5) Year Business Plan.
- Review and assess IQ's Financial Statements and disclosures prior to announcement to shareholders.

BOARD ROLES AND RESPONSIBILITIES	
GOVERNANCE AND COMPLIANCE	<ul style="list-style-type: none"> ▪ Oversee the overall corporate governance of IQ. ▪ Review and approve Corporate Governance Policies, (including policies on conflict of interest, related party transactions and insider trading) and principles recommended by the Audit Committee, Executive Management and External Consultants. ▪ Review Company's policies periodically to ensure they are adequate, suitable and in line with the internal business changes and the external macro-economic factors. ▪ Supervise and ensure proper internal control systems, mainly through the Audit Committee. ▪ Ensure that IQ is in compliance with its Articles of Association and applicable international and local laws and regulations including QFMA regulations. ▪ Receive and review any legal cases brought against the Company periodically.
RESPONSIBILITY TO STAKEHOLDERS	<ul style="list-style-type: none"> ▪ Provide shareholders with timely information to be able to take decisions in the General Assembly. ▪ Ensure the fair treatment of all shareholders within the same class in accordance with the law. ▪ Ensure that a transparent process of stakeholder relations is in place including procedures for disclosures and communication. ▪ Ensure all relevant Investor Relations activities and responsibilities are fully discharged. ▪ Ensure the required reporting to shareholders in accordance with appropriate regulatory requirements as set by government or regulatory bodies in Qatar (e.g. QFMA and QE).

BOARD ROLES AND RESPONSIBILITIES

GENERAL ASSEMBLY

- Conduct and attend the Annual General Assembly at least once every year (at a date and venue determined by the Board and notified to the Ministry), within four (4) months of the end of the Financial Year (“Annual General Assembly”).
- All meetings of the General Assembly shall be held in Qatar.
- Ensure that the Audit committee members, the Internal Auditor and representatives of the External Auditors attend the General Assembly (QFMA Art. 14.2).
- A General Assembly shall be convened by a notice from (and shall be chaired by) the Chairman or, in his absence, the Deputy Chairman (if any) or such other Director as may have been authorized to do so by the Chairman.
- Such notice shall be distributed (by normal post) to Shareholders and shall be published in two Arabic daily Qatari newspapers not less than fifteen (15) days prior to the proposed date of the General Assembly.

IQ Board of Directors and Chief Coordinator Terms of References

GENERAL ASSEMBLY

- Prepare the agenda for the General Assembly, in coordination with the Chairman, to be issued to two local daily Arabic newspapers before 15 days of the General Assembly date. The Agenda, should include the following items:
 - Board of Directors report on Company activities and financial status;
 - External Auditor's Report and Financial Statement presentation for approval;
 - Nomination of the External Auditor for the period up to the end of the next Financial Year and setting his remuneration;
 - Appointment of the Elected Board Member;
 - Removal of the Elected Board member;
 - Dividend distribution to the shareholders; and
 - Board remuneration.

BOARD ROLES AND RESPONSIBILITIES

EXTRAORDINARY GENERAL ASSEMBLY

- All matters other than those considered at the Annual General Assembly shall be referred to in an Extraordinary General Assembly, including
 - Amending the Memorandum of Association or the Articles of Association of the Company;
 - Increasing or decreasing the Share capital of the Company;
 - Selling all the projects for which the Company was established or disposing it off in any other way
 - Extending the term of the Company; and
 - Any dissolution, liquidation, transfer, reconstruction or merger of the Company.

CHIEF COORDINATOR'S ROLES AND RESPONSIBILITIES

CHIEF COORDINATOR'S ROLES AND RESPONSIBILITIES

- Coordinate the implementation of actions required by Company's Board, taking into account the policies and directions, established by the BOD from time to time according to Company's Statute and to any relevant BOD decisions. There is no limit to this authority except whatever is stipulated by law, the Company's Statute, or the General Assembly resolutions.
- Propose company objectives, policies, plans, and strategies, according to the directions of the BOD, and then submitting them to the BOD to take a decision thereon.
- Assist the office of the Managing Director in fulfilling its roles and responsibilities
- Perform duties/tasks which are listed below as delegated by MD in line with the approved Manual of Authorities (within and outside Qatar, non-exhaustive list);
 1. Approve credit facilities;
 2. Approve investments and expenditures (e.g. employee related, normal operating);
 3. Authorize payments;
 4. Sign financial statements;
 5. Sign contracts on behalf of IQ;
 6. Sign letters, reports...etc. on behalf of IQ addressed to other governmental authorities;
 7. Act on behalf of IQ in relation to communication with media such as press releases and conferences;
 8. Responsible for budgetary controls and budget revisions;
 9. Responsible for leading correspondence with external parties; and
 10. Others (e.g. providing approvals for the changes in IQ's website)

IQ Board of Directors and Chief Coordinator Terms of References

- Coordinate with the interrelated companies for issuance of an annual timetable and coordinate for closure of the financial accounts.
- Oversee the preparation and reporting of the Consolidated Financial Statements of IQ and Subsidiaries and the related explanatory reports to the associated parties in a timely manner.
- Study and analyze the company's financial and operational performance periodically, as well as convey the appropriate recommendations on these performances along with any related financial policies such as profit distribution, financing, and expenditure policies.
- Convey reports to the Company's BOD regularly for the sake of their knowledge of the company's management and business conditions.
- Oversee the Group's and subsidiaries' commitment and adherence to Group policies and procedures, general framework of applicable laws along with the regulations in effect in the State and within the company, in particular QE rules and QFMA Code.
- Oversee the preparation of the Company's Budget and five-year business plan and then submitting both for approval by the Board.
- Oversee the implementation of the decisions of both the Company's BOD and General Assembly.
- Determine the potential material impact on IQ's interests and flag the issues highlighted by the IQ Board representatives pertaining to subsidiary level policy matters relating to Investment Policies, Risk Management Policies, and Corporate Governance Policies...etc.

IQ Board of Directors and Chief Coordinator Terms of References

CHIEF COORDINATOR'S ROLES AND RESPONSIBILITIES

- Coordinate with the Company's secretary on the preparation of the draft agenda and the proposed dates for holding the meetings of both the Company's BOD and the General Assembly. Comply with the provisions of the Companies Act and regulations in effect since the Company is a joint stock company listed on the Qatar.
- Coordinate the assembly of press conferences and press releases among the Company's investors and report all permitted matters on behalf of the company.
- Oversee the preparation of periodic consolidation of financial statements of the group.
- Convene conferences to discuss the financial performance of the company, in line with the regulations in force in that regard.
- Make sure of the Company's fulfilment of all disclosure requirements such as updating the Company's website, printing the annual report...etc.
- Supervise the arrangements for convening the Company General Assembly meeting and make sure that all preparatory, technical, and administrative requirements are met.
- Conclude contracts and agreements, which help the carrying out of the Company's functions, such as printing contracts, profit distribution contract, auditing contracts...etc.
- Coordinate with QFMA and QE as the official Company representative.
- Exercise the powers and authorities delegated to him by the BOD and submit regular reports on responsibilities assigned to him.
- Represent the Board for the decisions to be taken in relation to the subsidiaries. Obtain the approval of the Company BOD in writing on those matters.

BOARD COMMITTEES

GENERAL

- Board Committees are formed in order to assist the Board by providing organized and focused means to achieve Company's goals and to properly address issues. IQ has established an Audit Committee in accordance with leading governance best practices.
- An overview of this committee is provided here, whereas it abides by its own detailed Terms of Reference. Audit Committee regularly reports to the IQ Board on their proceedings and deliberations.

BOARD MEMBERSHIP

QUALIFICATIONS & CONDITIONS

The qualifications below should also be considered based on the Articles of Association of IQ and the QCCL:

- Should comply with QCCL Article (96) provisions (e.g. age of the candidate should be twenty one (21) years or above, number of shares as per Articles of Association...etc.) and with IQ Articles of Association Article (23.1) provisions:
 - Age of the candidate should be twenty one (21) years or above or has not been convicted of a crime in breach of honesty or trust, or any crime referred to in the Law.
 - Not a member of the Board of Directors of more than: (a) two companies undertaking business activities similar to the Company or its Affiliates, or (b) three Qatari Joint Stock Companies (except for QP Directors and those with the approval of the General Assembly)
- The candidate/member should possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategic plan, and to supervise management to ensure maximization of shareholder wealth.
- Expertise in international markets and managing complex businesses 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 of meetings.
- Personal characteristics such as integrity, enthusiasm, strong leadership traits, ability to work as a team member, and also eagerness and commitment to work for the benefit of the Company, in line with IQ's overall vision, and the Board's Code of Conduct.

IQ Board of Directors and Chief Coordinator Terms of References

BOARD MEMBERSHIP	
NOMINATION AND TERM	<ul style="list-style-type: none"> ▪ The Board will establish a transparent appointment process. ▪ The Board will review proposals for re-election/ replacement members for the Elected Directors. The Board will subsequently present the nominated person's curriculum vitae and recommendations to the General Assembly for decision making. ▪ Members of the Board of Directors shall be elected for a renewable term of three years.
MEMBER REPLACEMENT	<ul style="list-style-type: none"> ▪ If any QP Director position becomes vacant with no subsequent and valid substitute representation, then Qatar Petroleum has the right to appoint a replacement by the Board of Directors (for the remaining period) and his appointment shall be effective upon notice of substitution to the Company. ▪ If the Elected Director position becomes vacant with no subsequent and valid substitute representation, then IQ Board shall nominate a replacement. Approval by the General Assembly is required.
RESIGNATION	<ul style="list-style-type: none"> ▪ The Board member can withdraw himself from the Board on condition that appropriate notice period is provided. ▪ If a member is absent for three consecutive Board meetings of the BOD or five non-consecutive meetings (during the period of appointment) without an excuse acceptable to the Board of Directors, he will be considered to have resigned from the position, unless acceptable documented reasons are provided to the Board through the Chairman and to be recorded and filed with the Board Secretary.
REMUNERATION	<ul style="list-style-type: none"> ▪ The Board shall be paid such remuneration as may be determined by a resolution of the General Assembly.

IQ Board of Directors and Chief Coordinator Terms of References

BOARD CODE OF CONDUCT	
ACCOUNTABILITY	<ul style="list-style-type: none"> ▪ 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 Board will be held accountable for the Company's performance and its activities as per the applicable laws and regulations (e.g. QCCL Articles (136), (328) and (329)...etc.) ▪ Board Members acting outside the scope of their authority (e.g. disclosing Company specific confidential information) shall be liable for Company losses suffered as a result of such unauthorized actions.
TRANSPARENCY	<ul style="list-style-type: none"> ▪ Board Members follow IQ's values and act honestly and with integrity in all their dealings. ▪ The Board Members act in good faith and in the shareholders' best interest, not in the personal interest of the Board Members, interest of family member or an organization with which the member is affiliated. The Board Members do not use their position for personal gain and should be free from any influence of conflict of interest when they participate in Board's deliberations and voting. ▪ The Board promotes ethical behavior and encourages an open environment where Board Members and employees are encouraged to report any unethical behavior observed and not permit retaliation for reports of misconduct made in good faith. ▪ Board Members should speak out their views independently.

BOARD CODE OF CONDUCT

TRANSPARENCY

- In addition to complying with the procedures and guidelines concerning Related Party Transactions, to fully discharge their duty of loyalty, all Board Members should refrain from:
 - Directly or indirectly entering into transactions with the Company. This also applies to company/ies where the Board Member or a member of his family, or a business associate or any other party closely affiliated with the Board Member, has a financial interest in such company/ies;
 - Carrying out activities which compete with the financial interests of the Company, including engaging in a competing business. However this paragraph does not prohibit a concerned party from owning less than 10% of a listed company or instances where the conflict is disclosed and expressly approved in accordance with the law, rules or regulations;
 - Usurpation of an opportunity which rightfully belongs to the Company unless the opportunity is first offered to, and rejected by the Company;
 - Apparent, likely, and actual conflict of interests. In the instance of such a conflict of interests involving a Board Member, the concerned Board Member must fully disclose the conflict, and refrain from voting on, or being present, when any matters related to the conflict are brought to a Board vote;
 - Any action which leads to granting a preferential personal loan when similar loans and loan terms are not offered generally or to its employees; and
 - Any action which constitutes an insider trading or otherwise improperly disclosing confidential Company information.
 - Any action or transaction that is not compliant with relevant laws and regulations.

BOARD CODE OF CONDUCT

FAIRNESS

- Board Members always strive to deal fairly with IQ’s management, shareholders, suppliers, competitors, customers, employees and other business partners. Board Members avoid taking unfair advantage of anyone through manipulation, or concealment of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
- The Board Members do not use IQ’s assets, labor and information for personal use unless approved as part of the compensation or reimbursement of expenses.
- Business entertainment and gifts are offered only in a commercial setting to create goodwill and sound working relationships and not to gain unfair advantage. Members of the Board should follow the nominal amount mentioned in the IQ Employee’s Code of Ethics. It should be noted that directors and their relatives (up to the fourth degree) may not accept gifts from individuals or other entities, where such are offered, in order to influence the Board member’s actions related to IQ’s business activities.
- Board Members also should not offer any gift, gratuity or entertainment to any vendor, supplier, agent, partner, customer or other intended party (if not of nominal value) which could reasonably be perceived as intended to influence any business decision.

SUSTAINABILITY

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

BOARD CODE OF CONDUCT

CONFIDENTIALITY

- The Board Members maintain the confidentiality of all proprietary, sensitive or important information of IQ entrusted to them, except when disclosure is authorized or legally mandated.
- All non–public information of IQ is considered confidential information. Board Members who have access to confidential information will not share this information for any purpose.

Industries Qatar



Corporate Governance Framework

Board of Directors Job Descriptions

Version date: 23 December 2011

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INTRODUCTION

Industries Qatar's existing Board of Directors consists of seven (7) members including the Chairman, the Vice Chairman and the Managing Director.

This report provides the descriptions related to the roles of the Board Members in the Board and Board Committee. One member can have multiple roles and the specific member's Job Description can be developed by combining the applicable roles. The roles discussed in this document are:

- A. Board Chairman
- B. Board Vice Chairman
- C. Managing Director
- D. Board Member
 - D1: Executive
 - D2: Non-executive
- E. Audit Committee Member
- F. Board

Secretary

JOB ROLES AND DESCRIPTIONS

ROLE DESCRIPTION: A

ORGANIZATIONAL CONTEXT

Title	Board Chairman, Industries Qatar Board
Job Holder Name	
Reporting to	Industries Qatar's Shareholders

SCOPE

Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Industries Qatar Board
	Indirect:	All Board Members Board Secretary

JOB CONTENT

Role Objective

To be accountable to the shareholders of Industries Qatar, to lead Industries Qatar in achieving its vision, and to provide its shareholders with sustainable gains. To lead the Board and oversee the effectiveness of all aspects of its role and setting its agenda along with the fulfillment of the strategic objectives of the Company. He may delegate specific duties to the Board members and/or Board Committee (s), and the Manager Director or his deputy or one of his assistants as appropriate.

Detailed Roles and Responsibilities

STRATEGIC

- Lead the Board to provide the strategic direction to Industries Qatar.
- Discuss regularly with Managing Director to obtain and retain the necessary financial and human resources to achieve Industries Qatar's goals and objectives. Monitor Industries Qatar's performance and periodic updates provided by the Managing Director and offer recommendations in light of the approved plans.
- Keep the Board focused on Governance, and away from management and operational duties. This responsibility flows from a clear conception of the Board's broad objective, to govern the Company within its defined role. With this definition in mind, the Chairman must make sure that the Board stays focused on the issues falling within its own domain, and not on those properly assigned to the management.
- Develop a thoughtful perspective on what specific issues should come to the Board, and reach agreement with all Board members regarding the same.
- Involve extensively in Long-Term Strategy formulation. Take on some degree of explicit responsibility for the development of a long-term strategic perspective for Industries Qatar, in line with QP's strategies.
- Review and recommend improvements related to strategic initiatives, annual budgets, new business ventures and key investments and divestitures.
- Lead the periodic Board reviews on Industries Qatar's subsidiaries vision, mission and strategy periodically, and guide respective Boards to adopt strategic planning process.
- As permitted by subsidiaries' articles, laws and regulations, the IQ Board will appoint qualified individuals as Directors in the Boards of IQ subsidiaries under the supervision of the Chairman.
- Ensure that IQ subsidiary' transactions relating to material strategic investments and major capital expenditures with a value of US\$100 Million and above are reviewed and approved by the IQ Board.
- Meet with Board Members periodically to discuss governance aspects of Industries Qatar.
- Maintain sufficient contact with major shareholders to understand their issues and concerns and make sure that the same are duly communicated to the Board as a whole.
- Lead the Board in adopting Industries Qatar's organizational structure and defining the tasks, duties, responsibilities, relationships and dependencies.
- Comply with the fiduciary duties of loyalty, care, skill, and diligence.

OPERATIONAL

- Oversee that Industries Qatar maintains positive and productive relationships with media, government ministries, regulators and other organizations. In this capacity, the Chairman serves as a primary spokesperson for the organization. Duties may include:
 - Represent the organization in the media;
 - Represent the organization in dealings with regulatory bodies and industry associations;

- Oversee reporting of financial statements, relevant information and disclosures to the required regulatory bodies in a timely manner; and
- Report Board decisions and actions to members and shareholders.
- Assist the Board Committee(s) for their effective functioning. Board effectiveness will be greatly enhanced through appropriate delegation to, and membership of, Board Committee(s). Requirements arising out of International Financial Reporting Standards (IFRS) and the rules of the stock exchanges set baselines for what the Audit Committee must do. Beyond these requirements, the Chairman must work with Committee chair(s) to ensure that;
 - An appropriate amount of work is allocated to Board Committee(s) so that there is no duplication of effort and all aspects are adequately covered;
 - The Committee(s) is/are functioning effectively;
 - Its/their membership is appropriate; and
 - The full Board is kept properly apprised of actions taken by Committee(s).
- Lead Board discussions. As the bulk of the contributions made by Board Members occur at Board meetings, it is essential that the Chairman leads these meetings to deal with all issues on the agenda, and also in a manner that unlocks the value that each Board Member is capable of contributing.
- Take an active interest in ensuring that the right people are selected as Board Members, that they complement each other and function well as a group, and that there are sound mechanisms for evaluating the performance of individual Board Members, and the Board as a whole, at least annually.
- Communicate concerns about Board Member's performance to the individual in question; but it should be clear that what the Chairman is conveying is the product of a well-designed process, and not his own personal judgment about that individual.
- Supervise that structures, policies and procedures are in place for effective recruitment, training, and evaluation of key management of Industries Qatar.
- Chair the Annual General Assembly and Extraordinary Assemblies. Although the greatest shareholder interest is typically in what Industries Qatar Board and QP Finance have to say about the Company's performance and prospects, the Chairman has the overall responsibility of conducting the meeting.
- Ensure that the Board is properly carrying out the delegated responsibilities in accordance with the Board Terms of Reference.
- Assist the Board Members to continually update their skills and the knowledge required to fulfil their role both on the Board and the Board Committee(s).

ADMINISTRATIONAL

- Shape the Annual Board Calendar and Meeting Agendas. The Chairman should oversee the planning of the Annual Board Calendar, including the scheduling of meetings and the substantive allocation of recurring topics, such as earnings releases and periodic reporting to shareholders, succession planning, detailed strategy discussions, and annual budget and operating plan reviews. Keying off the annual calendar, the Chairman should play a leading role, consulting with the other Board Members, in reviewing and approving the agendas for BOD and committee meeting.
- Approve call for the General Assembly invitations and publications (Newspaper advertisements and invitation sent to Shareholders) and ensure the timely circulation of the same to authorities and shareholders.
- Ensure that the decisions of Extraordinary Meetings are published if they include any amendments to the Company statute.
- Supervise that Board Members receive appropriate and timely information from the management. The reports providing not only historical information but also data about competitor actions, customer reactions, the financial and business plan and forecasts should be circulated in advance.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Members • QP Board • Board Committee(s) • Qatar Petroleum Managing Director • Industries Qatar Management • Related entity representatives 	<ul style="list-style-type: none"> • Government and semi-governmental Institutions and Authorities and other entities • Consultants • External Auditors • Journalists, Media and Press Agencies • Shareholders • Customers and other Stakeholders

CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor's degree and/or graduate from a recognized university or equivalent.
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the

<p>same activity. (except for QP Directors and those with the approval of the General Assembly)</p> <ul style="list-style-type: none"> • Possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategy, and to supervise Board and Industries Qatar's Management to work towards maximization of shareholder wealth. • Ability to commit time and exert effort necessary to fulfil all Board Chairman's responsibilities, including review of required reports, assessment of relevant performance and attendance to meetings. 	
Behavioural Competencies	Technical Competencies
<ul style="list-style-type: none"> • Business Acumen • Communication • Decision Making • Leadership • Managing Interpersonal Conflicts • Resolving Problems • Commitment • Honesty and Integrity 	<ul style="list-style-type: none"> • Advisory & Consultation • Business Planning • Organizational Development • Strategy Development & Articulation

Reviewed By:	Date: /... .. /.....
Approved By:	Date: /... .. /.....
Job Holder:	Date: /... .. /.....

ROLE DESCRIPTION : B

ORGANIZATIONAL CONTEXT	
Title	Vice Chairman, Industries Qatar Board
Job Holder Name	
Reporting to	Industries Qatar's Shareholders Administrative reporting to the Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Not applicable
	Indirect:	Board Secretary

JOB CONTENT
<p>Role Objective</p> <p>Assumes the role of Acting Board Chairman in case of the Chairman's absence.</p> <p>Work closely with the Chairman in developing and overseeing the execution of the Company's strategies.</p> <p>Perform other responsibilities delegated by the Chairman.</p>

Detailed Roles and Responsibilities

In addition to the Board member's responsibilities described in role C, following responsibilities are assumed by the Vice Chairman of the Board:

- Perform the Chairman's responsibilities when the Chairman is not available. This is applicable for Board meetings, and authorizing and signing off documents.
- Involve closely with the Chairman in the development and the implementation of Industries Qatar's strategies and objectives.
- Perform other responsibilities delegated by the Chairman.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman • Board Members • QP Board • Board Committee(s) • Industries Qatar Management • Related entity representatives 	<ul style="list-style-type: none"> • Government and semi-governmental Institutions and Authorities and other entities • Consultants • External Auditors • Journalists, Media and Press Agencies • Shareholders • Customers and other Stakeholders

CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor's degree and/or graduate from a recognized university or equivalent
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the same activity. (except for QP Directors and those with the approval of the General Assembly)
- Possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategy, and to supervise Board and Industries Qatar's Management to work

<p>towards maximization of shareholder wealth.</p> <ul style="list-style-type: none"> Ability to commit time and exert effort necessary to fulfil all Board Vice Chairman's responsibilities, including review of required reports, assessment of relevant performance and attendance to meetings. 	
Behavioural Competencies	Technical Competencies
<ul style="list-style-type: none"> Business Acumen Communication Decision Making Leadership Managing Interpersonal Conflict Resolving Problems Commitment Honesty and Integrity 	<ul style="list-style-type: none"> Advisory & Consultation Business Planning Organizational Development Strategy Development & Articulation

Reviewed By: _____ Date: /... .. /.....

Approved By: _____ Date: /... .. /.....

Job Holder: _____ Date: /... .. /.....

ROLE DESCRIPTION: C

ORGANIZATIONAL CONTEXT	
Title	Managing Director, Industries Qatar Board
Job Holder Name	
Reporting to	Industries Qatar’s Shareholders Administrative reporting to the Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Chief Coordinator
	Indirect:	All Board Members Board Secretary

JOB CONTENT
Role Objective
To oversee the fulfillment of the strategic objectives of the Company, to act as the intermediary between Management and the Board, and to ensure that business processes are aligned with shareholder interests.

Detailed Roles and Responsibilities

- Attend and actively participate in Committee meetings.
- Lead the IQ Chief Coordinator in achieving the organization's vision and objectives.
- Delegate responsibilities & authorities to Chief Coordinator who will assist the Managing Director's office to perform its roles and responsibilities
- Supervise the implementation of the Board resolutions in accordance with Industries Qatar's strategy and objectives.
- Ensure that Industries Qatar operates within the budget approved by the Board.
- Ensure that the Board receives timely, accurate and complete information to enable sound decision making, effective monitoring and advising.
- Sign documents on behalf of Industries Qatar and represent the Company in courts of justice and third parties. The Managing Director is designated by the Board Members and/or approved Manual of Authority Structure as one of the signing officers for certain documents, reports, records, financial commitments ...etc.
- Supervise the implementation of strategic initiatives and investments within delegated authority.
- Approve investments, credit facilities and expenditures within delegated authority by the Board.
- Represent Industries Qatar externally in key initiatives such as efforts to access new markets, or key negotiations on important deals for Industries Qatar.
- Oversee the implementation of key initiatives within Industries Qatar in coordination with the Chief Coordinator.
- Provide the Board and the Board Audit Committee with required reports and disclosures in a timely manner for review and approval.
- Update the Board with periodic reports on Industries Qatar performance and activities.
- Actively provide input to Board activities, as stipulated in the Board of Directors' Terms of Reference.
- Participate in various Board Level Committees.
- Perform any additional responsibility entrusted by the Board/ the Board Chairman.
- Delegate non-exhaustive duties/tasks (within and outside Qatar) to the Chief Coordinator in line with the approved Manual of Authorities.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman and Members • QP Board • Board Committee(s) • Qatar Petroleum Managing Director • Industries Qatar Management • Related entity representatives 	<ul style="list-style-type: none"> • Government and semi-governmental Institutions and Authorities and other entities • Consultants • External Auditors • Internal Auditors • Journalists, Media and Press Agencies

	<ul style="list-style-type: none"> • Shareholders • Customers and other Stakeholders
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CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor's degree and/or graduate from a recognized university or equivalent.
- Must have professional recognitions and/or a member of a recognized body of professional organizations
- Must possess a minimum of 10 years experience serving in a executive or non-executive position
- Should have at least five years experience of serving a public company listed in the market
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the same activity. (except for QP Directors and those with the approval of the General Assembly)
- Possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategy, and to supervise Board and Industries Qatar's Management to work towards maximization of shareholder wealth.
- Ability to commit time and exert effort necessary to fulfil all Board Chairman's responsibilities, including review of required reports, assessment of relevant performance and attendance to meetings.

Behavioural Competencies

- Business Acumen
- Communication
- Decision Making
- Leadership
- Managing Interpersonal Conflicts
- Resolving Problems
- Commitment
- Honesty and Integrity

Technical Competencies

- Advisory & Consultation
- Business Planning
- Organizational Development
- Strategy Development & Articulation



Reviewed By: Date: /... .. /.....

Approved By: Date: /... .. /.....

Job Holder: Date: /... .. /.....

ROLE DESCRIPTION: D1

ORGANIZATIONAL CONTEXT	
Title / Role	Executive Board Member, Industries Qatar Board
Job Holder Name	
Reporting to	Industries Qatar's Shareholders Administrative reporting to Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Chief Coordinator
	Indirect:	Board Secretary

JOB CONTENT
<p>Role Objective</p> <p>To oversee the fulfillment of the Company's mission as it is aligned with the strategic plan. To bring in knowledge and details of the business activities and performance, and to provide detailed information regarding the company's operations to the full Board.</p>

Detailed Roles and Responsibilities

- Attend and actively participate in Board meetings.
- Participate in the implementation of the Board resolutions in accordance with Industries Qatar’s strategy and objectives.
- Evaluate overall performance and operations of Industries Qatar to achieve the goals and objectives developed/ set by the Board.
- Ensure that Industries Qatar operates within the budget approved by the Board.
- Ensure the implementation of a system of internal control framework across Industries Qatar and maintain sound operational and financial practices.
- Direct Industries Qatar to be compliant with all applicable international and local regulations.
- Ensure the integrity of financial information and that financial controls and systems of risk management within the Company are robust and defensible.
- Participate in a Board that receives timely, accurate and complete information to enable sound decision making, effective monitoring and advising.
- Actively provide input to Board activities, as stipulated in the Board of Directors’ Terms of Reference.
- Make sure that all divisions/ departments fully cooperate with the External or Internal Auditors and State Audit Bureau, as applicable.
- Organize and provide administrative support for the Board and the Board Committee(s) activities.
- Perform any additional responsibility entrusted by the Board.
- Comply with the fiduciary duties of loyalty, care, skill, and diligence.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman and Members • Board Committees • QP Board • Industries Qatar Management • Related entity representatives 	<ul style="list-style-type: none"> • Government and semi-governmental Institutions and Authorities and other entities • Consultants • Internal Audit or • External Audit ors • Journalists, Media and Press Agencies • Shareholder(s) • Other Business Partners

CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor’s degree and/or graduate from a recognized university or equivalent.
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the same activity. (except for QP Directors and those with the approval of the General Assembly)
- Possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategy, and to supervise Board and Industries Qatar’s Management to work towards maximization of shareholder wealth.
- Ability to commit time and exert effort necessary to fulfil all Board-member responsibilities (including review of required reports, assessment of relevant performance and attendance to meetings), in addition to the day-to-day management responsibilities.
- Experience in management of organizations in similar industry of similar size and complexity.

Behavioural Competencies

- Business Acumen
- Communication
- Decision Making
- Leadership
- Resolving Problems
- Commitment
- Honesty and Integrity
- Managing Interpersonal Conflicts

Technical Competencies

- Advisory & Consultation
- Business Planning
- Organizational Development
- Strategy Development & Articulation
- Investment Portfolio Management
- Organizational Management
- Operational Excellence

Reviewed By: _____ Date: /... .. /.....

Approved By: _____ Date: /... .. /.....

Job Holder: _____ Date: /... .. /.....

ROLE DESCRIPTION : D2

ORGANIZATIONAL CONTEXT	
Title / Role	Non-Executive Board Member, Industries Qatar Board
Job Holder Name	
Reporting to	Industries Qatar's Shareholders Administrative reporting to Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Not applicable
	Indirect:	Board Secretary

JOB CONTENT
Role Objective
To bring in objectivity and improved governance to the Board, safeguarding Industries Qatar shareholders' interest. To constructively challenge the Company strategies and performance and act as custodians of the governance process.

Detailed Roles and Responsibilities

- Involve actively and provide input to Board activities stipulated in the Board of Directors' Terms of Reference.
- Lead Board meetings and the General Assembly in absence of both, the Chairman and Vice-Chairman as appointed by the Board members.
- Provide independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards.
- Participate in the Company's Audit Committee;
- Assist in Industries Qatar's strategic planning and business planning process and constructively challenge and develop proposals on strategy.
- Review Industries Qatar's performance periodically and scrutinize the performance of management in achieving agreed goals and objectives.
- Review the integrity of financial information and monitor that financial controls and systems of risk management are robust and defensible.
- Spearhead the development of Industries Qatar's Corporate Governance policies and monitor compliance to the same.
- Assist the Board to properly attend to the External Auditor's report.
- Oversee that Company and Shareholder interests are maintained, especially in conflict of interest situations if the Board members and Executives demonstrate any conflicts.
- Be available to shareholders if they have concerns which have not or cannot be resolved through contact with the Chairman, or if such contact is not appropriate.
- Act as a supplier to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Perform any additional responsibility entrusted by the Board/ Board Chairman.
- Be collectively responsible for the Board decisions and actions.
- Determine appropriate levels of remuneration of executive directors and have a primary role in appointing, and where necessary removing, executive directors and in succession planning.
- Support executives in their leadership of the business while monitoring their conduct.
- Request opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense, as and when needed.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman and Members • Board Committee(s) • QP Board • Industries Qatar Management • Related entity representatives 	<ul style="list-style-type: none"> • Consultants • External Auditors • Government and semi-governmental Institutions • Local Authorities and other entities • Shareholders

CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor’s degree and/or graduate from a recognized university or equivalent.
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the same activity. (except for QP Directors and those with the approval of the General Assembly)
- Possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategy, and to supervise Board and Industries Qatar’s Management to work towards maximization of shareholder wealth.
- Ability to commit time and exert effort necessary to fulfil all Board member responsibilities, including review of required reports, assessment of relevant performance and attendance to meetings.

Behavioural Competencies

- Business Acumen
- Communication
- Leadership
- Work as a team member
- Resolving Problems
- Good Interpersonal skills
- Commitment
- Honesty and Integrity
- Objectivity

Technical Competencies

- Advisory & Consultation
- Business Planning
- Organizational Development
- Strategy Development & Articulation
- Knowledge on Investments

Reviewed By: _____ Date: /... .. /.....

Approved By: _____ Date: /... .. /.....

Job Holder: _____ Date: /... .. /.....

ROLE DESCRIPTION : E

ORGANIZATIONAL CONTEXT	
Title / Role	Audit Committee Member
Job Holder Name	
Reporting to	Industries Qatar's Shareholders Administrative reporting to Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Head of Internal Audit/ Internal Audit Service Provider
	Indirect:	Committee Secretary

JOB CONTENT
<p>Role Objective</p> <p>To assist the Board Audit Committee in providing an independent and objective review regarding the following functions :</p> <ul style="list-style-type: none"> • All control systems; • Compliance with relevant laws and regulations; and • Risk management processes <p>To assist the Board Audit Committee in ensuring the accuracy, completeness and compliance with regulatory requirements of the Company's Financial Statements.</p>

Detailed Roles and Responsibilities

- Attend and actively participate in Committee meetings.
- Review Industries Qatar’s accounting principles, standards and practices. At least annually, review Industries Qatar’s Finance and Accounting policies and provide comments and recommendations.
- Review Industries Qatar’s annual and interim financial statements, and consider whether they are complete and in accordance with the regulatory requirements and standards. Also, assess the subjective aspects and unusual variations in the financial statements for their integrity.
- Coordinate with Board Members to set criteria and measurements to assess financial and operational controls of Industries Qatar.
- Review and approve the Risk Management framework including measures to identify risks, roles and responsibilities of the risk function and reporting / escalating channels related to risks.
- Oversee the development and implementation processes to identify, assess and manage Industries Qatar’s risk exposure under all risk types (e.g. Market, Credit, Operational... etc.)
- Obtain information on operating and financial controls regularly to determine if controls are functioning effectively. Provide assistance and recommendations to the management to improve internal controls and risk mitigation.
- Review and approve plans, activities, staffing, remuneration and organizational structure.
- Review the quarterly reports provided by Internal Auditors/Internal Audit Service Providers and coordinate resolution of any disagreements between management and Internal Auditors.
- Review results of the Audit and issues raised by External Auditors and assist management to resolve and overcome issues. Review and discuss any significant disagreements between the Company’s external Auditors and management regarding financial reporting.
- Ensure coordination between the Internal and External auditors.
- Participate in the development of whistle-blowing procedures and review adherence to professional conduct guidelines across Industries Qatar.
- Take part in inquiries related to non-compliance and fraud, and approve/ recommend a disciplinary and/or litigation action.
- Follow and propose improvements to the established procedures for the receipt, retention and treatment of complaints received by the Board Audit Committee regarding accounting, accounting controls, auditing and financial reporting matters. These include the confidential and anonymous submissions as well as the employee complaints on related concerns.
- Participate in the development and implementation of External Audit policy. Contribute to the assessment of independence and objectivity of external Audit.
- Review and approve the appointment, replacement or dismissal of the Internal Audit staff and propose external Auditors and their wages to the full Board for the presentation to the General Assembly for shareholders’ approval.
- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- Review and discuss reports pertaining to the company’s compliance with regulatory requirements.
- Review management proposals on methods of adopting the required changes to Industries Qatar practices, in case there are changes to accounting standards, principles applicable to Industries Qatar.

- Review and provide recommendations regarding press releases on earnings.
- Ensure IQ subsidiaries are audited on a regular basis.
- Be collectively responsible for the Committee decisions and actions.

In addition to the responsibilities above, the Audit Committee Chairman has the following responsibilities:

- Provide leadership to the Audit Committee and exercise powers on behalf of the Audit Committee.
- Hold meetings as per the Audit Committee Terms of Reference and call for meetings accordingly.
- Provide adequate opportunity to all members to express their concerns, ideas and oversee that members participate in the duties of the Audit Committee.
- Communicate Audit Committee's deliberations, decisions and issues to the full Board.
- Evaluate the quality and competencies of the Audit Committee members.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman and Members • Board Committee(s) • QP Board • Internal Audit/Internal Audit Service Provider Function • Related entity representatives 	<ul style="list-style-type: none"> • Consultants • External Auditors • Government Institutions • Local Authorities • Shareholders

CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- Must possess a bachelor's degree and/or graduate from a recognized university or equivalent.
- Age should be twenty one (21) 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 Article (324) and Article (325) of the QCCL No. 05. If the person has been rehabilitated, this is not applicable.
- A non-executive member of Industries Qatar's Board of Directors..
- Should be a holder of the minimum limit of shares in accordance with the Articles of Association of the Company as a condition to be nominated for Board membership and shares should be assigned as security for the rights of the Company, shareholders, creditors and third parties against the responsibilities assumed by the member in accordance with Article 21 in the Articles of Association.
- Board Member should not be a member in more than 3 Qatari joint-stock Company Boards each having its principal place of business in Qatar or be a board member in two companies with the



<p>same activity. (except for QP Directors and those with the approval of the General Assembly)</p> <ul style="list-style-type: none"> • Knowledge on Accounting Standards and practices, Finance and Risk Management. • Ability to commit time and exert effort necessary to fulfil all Board Audit Committee member's responsibilities including the review of required reports, assessment of relevant performance and attendance to meetings. • Financial audit experience is preferable. 	
Behavioural Competencies	Technical Competencies
<ul style="list-style-type: none"> • Business Acumen • Communication • Leadership • Analytical Skills • Commitment • Honesty and Integrity 	<ul style="list-style-type: none"> • Advisory & Consultation • Business Planning • Organizational Development • Strategy Development & Articulation • Financial and Risk Management

Reviewed By:	Date: /... .. /.....
Approved By:	Date: /... .. /.....
Job Holder:	Date: /... .. /.....

ROLE DESCRIPTION : F

ORGANIZATIONAL CONTEXT	
Title / Role	Board Secretary
Job Holder Name	
Reporting to	Industries Qatar's Shareholders Administrative reporting to Board Chairman

SCOPE		
Supervision: (Number of subordinates reporting to the incumbent)	Direct:	Not applicable
	Indirect:	Not applicable

JOB CONTENT
<p>Role Objective</p> <p>To assist and work directly with the Board of Directors. Responsible for providing comprehensive and confidential administration and support services to the Board of Directors.</p> <p>To ensure that official forms and correspondence are kept secure, that official documents are filed on time and that all other formal requirements are met.</p>

Detailed Roles and Responsibilities

- Ensure accurate minutes of meetings are taken and approved. Sign a copy of the final, approved minutes and ensure that the copy is maintained in the corporate records.
- Ensure that the records of the organization are maintained as required by the Company's Bylaws/Articles of Association and made available when required by authorized persons. These records may include founding documents, (e.g. letters patent, articles of incorporation), lists of directors, director's membership, board and committee meeting minutes financial reports, and other official records.
- Ensure Board meeting records are kept in a special record which will be reviewed for accuracy and efficiency purposes of by the specialized management (as demonstrated by Company's secretary signature).
- Ensure timely access to Board meetings, information, documents and records pertaining to the Company and coordination among the Board Members as well as between the Board and the other stakeholders in the Company including shareholders, management, and employees.
- Ensure that Board Members have access to the services and advice of the Board Secretary.
- Signs the final text of records of Board meetings and the project agenda along with the BOD Chairman.
- Coordinate with the Chief Coordinator and relevant departments on the preparation of the draft agenda for work, the proposed dates for holding the meetings of both the Company's BOD and the General Assembly while at the same time, being in line with the provisions of the Companies Act and regulations in effect as a joint stock Company enlisted in Qatar Stock Exchange.
- Ensure the Company's commitment to holding the BOD meetings in accordance with the Statute.
- Perform the clerical duties of the Committees constituted and any other duties assigned by the Board of Directors.
- Handle regular archiving both electronically and physically.
- Ensure that an up-to-date copy of the bylaws and Articles of Association are available at all meetings. Ensure that proper notification is given to Directors' and members' meetings as specified in the bylaws. Manage the general correspondence of the Board of Directors except for such correspondence assigned to others.
- Assist in preparation of presentations as requested by the respective Chairman of the Board and Board Members.
- Ensure high standards of confidentiality to safeguard sensitive information.

KEY INTERACTIONS

Internal	External
<ul style="list-style-type: none"> • Board Chairman and Members • QP Board • Board Committee(s) • Industries Qatar Chief Coordinator • Related entity representatives 	<ul style="list-style-type: none"> • Consultants • External Auditors • Government Institutions • Local Authorities • Shareholders • All other business entities (as and when

	required)
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CRITERIA, COMPETENCIES, KNOWLEDGE AND EXPERIENCE

(Selection criteria, knowledge, and experience needed for the satisfactory performance of the job)

Qualifications

- A member 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.
- Should have at least three years experience of handling the affairs of a public company listed in the market.

Behavioural Competencies

- Analytical Ability
- Business Acumen
- Communication
- Creativity & Innovation
- Process excellence
- Result Orientation and Execution Excellence
- Customer Orientation
- Planning & Organizing
- Commitment
- Honesty and Integrity
- Time Management

Technical Competencies

- Business Planning
- Organizational Development
- Strategy Development & Articulation

Reviewed By: _____ Date: /... .. /.....

Approved By: _____ Date: /... .. /.....

Job Holder: _____ Date: /... .. /.....

Industries Qatar



Corporate Governance Framework

Board Audit Committee Terms of Reference

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IQ Board Audit Committee Terms of Reference

INTRODUCTION

Board Audit Committee is established to assist the Board of Directors as promulgated by the Corporate Governance best practices.

These Terms of Reference have been prepared taking into consideration leading corporate governance practices (Qatar Financial Markets Authority's Corporate Governance Code for Listed Companies, UK Combined Code, OECD Principles for Corporate Governance, US Conference Boards Governance Best Practices Manual ...etc.), Commercial Companies Law and Industries Qatar's Articles of Association.

General Corporate Governance Philosophy Statement:

The philosophy of IQ shall be to adhere to regulatory requirements. Any non-adherence shall be duly explained in Annual Corporate Governance Report– such explanations may quote applicability of being an Article 68 Company.

Amendments:

These Terms of Reference may be amended by a majority vote cast by the members of the Board present at any meeting, on condition that the proposed amendment or amendments should not be in conflict with the Company's Articles of Association and the applicable laws and regulations referred to above.

Abbreviations used in this document:

QCCL	Qatar Commercial Companies Law	QFMA	Qatar Financial Markets Authority
QP	Qatar Petroleum		

COMMITTEE COMPOSITION

NUMBER OF MEMBERS & MIX

- Composed of at least three Members. Board Members will be non-executive. Members from outside the Board may be appointed to the Board Audit Committee. At least one member will have a financial background.
- The Chairman will be a non-executive member.
- The Chairman of the Board shall not be a member in the Board Audit Committee.

COMPOSITION

- Non-Executive Committee Chairman
- Non-Executive Member
- Non-Executive Member

TERM

- For board members, valid membership to the Board is a pre-requisite to membership to the Board Audit Committee. Membership to the Board Audit Committee will run concurrently with the term spent on the Board and will be for a maximum three year renewable period.
- For non-board members, appointments to the Committee will be for a renewable one year period.

COMMITTEE MEMBERSHIP

QUALIFICATIONS	<ul style="list-style-type: none">▪ At least one member should have financial and audit expertise.▪ All members should be able to read and understand financial statements.▪ At least one member should have relevant industry experience.▪ All members should not be working or should not have worked with the external auditors of the Company during the past two years.
NOMINATION	<ul style="list-style-type: none">▪ The Board should approve appointments of the Committee members.
RESIGNATION	<ul style="list-style-type: none">▪ Three months notice, approved by the Board.
COMPENSATION	<ul style="list-style-type: none">▪ Compensation related to Committee Chairmanship and/or Membership will be as determined and set by the Board from time to time.
SECRETARY	<ul style="list-style-type: none">▪ Appointed by the Audit Committee, the Committee Secretary will be responsible for maintaining all committee documentation, distribution of meeting agendas, and arranging for committee meetings.

COMMITTEE MEETINGS

VENUE	<ul style="list-style-type: none">▪ IQ Head Office or other location approved by the Committee Chairman.
FREQUENCY	<ul style="list-style-type: none">▪ Minimum four times per year
INVITATION & AGENDA	<ul style="list-style-type: none">▪ Agenda for each Board Audit Committee meeting shall be circulated at least five working days prior to the date of the meeting.
QUORUM	<ul style="list-style-type: none">▪ Majority of members including Chairman.▪ No proxy voting or member replacement allowed.
DECISION CONSENSUS	<ul style="list-style-type: none">▪ Majority Consent, the Chairman's vote decides on any ties.
ACCESS TO INFORMATION	<ul style="list-style-type: none">▪ The Committee, in performing its functions, may as appropriate have unrestricted access to company records and any other documents, reports, material or information in the possession of any employee or external advisor of the Company.
MINUTES OF MEETING	<ul style="list-style-type: none">▪ The Committee Secretary keeps records of the meeting discussions and decisions and circulates minutes of each meeting within two working days after the meeting for comments and approval of the minutes.

COMMITTEE RESPONSIBILITIES

FINANCIAL STATEMENTS

- Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional or regulatory pronouncements, and understand their impact on the financial statements of the company including all subsidiaries and related entities falling under any jurisdiction inside or outside Qatar.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with the information known to committee members and reflect appropriate accounting standards and principles.
- Review the company's annual report, notes to the annual report and related regulatory filings before release and consider the accuracy and completeness of the information as applicable.
- Review with management and the external auditors all matters required to be communicated to the Board under generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of internal audit and external audit involvement and coordination.
- Define and regulate the involvement and access of the State Audit Bureau, either directly or indirectly through QP, as regards the Bureau's review and audit of the Company's financial statements and/or operations. State Audit Bureau should approach Managing Director in the first place for any potential audit/review.
- Determine the need and accordingly arrange a request for the State Audit Bureau to conduct review/audit of the Company's financial statements and/or operations.
- Review interim financial reports with management and the external auditors before filing with the applicable regulators, and consider whether they are complete and consistent with the information known to committee members.
- Review any legal matters that could significantly impact the financial statements of the company.

INTERNAL CONTROLS

- Obtain explanation from management and internal auditors and external auditors on whether IQ's financial and operating controls are adequate and functioning effectively.
- Obtain reports from Risk Management Department (or Risk Management service providers, e.g. QP through its service level agreement with IQ) on the assessment of IQ's Internal Control environment risks.
- Consider the effectiveness of IQ's management of risks and internal controls over annual and interim financial reporting, regulatory and other reporting, including information technology security and controls.
- Consider how management is to be held accountable for the security of computer systems and applications and the contingency plans for processing financial information in the event of a systems breakdown.
- Understand the scope of internal and external auditors' review of internal control over financial reports and obtain reports on significant findings and recommendations, together with management's responses.
- Confirm with internal and external auditors on any fraud, illegal acts, deficiencies in internal control or other similar areas.

INTERNAL AUDIT

Throughout this document, any reference to "Internal Audit" or "Internal Auditors" may refer to either in-house IQ Internal Audit/Auditors or contracted Internal Audit service providers which may include QP Internal Audit through its service level agreement with IQ.

- Review and approve internal audit plans, activities, staffing and structure of IQ and related entities.
- Ensure there are no unjustified restrictions or limitations on the functioning of internal auditors, as well as on Internal Audit's access to Company records, documents, personnel as and when required in performance of their functions.
- Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing and other applicable standards and best practices.
- On a regular basis, meet separately with the Internal Audit to discuss any matters that the Committee or Internal Audit believe should be discussed privately.

EXTERNAL AUDIT

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with Internal Audit.
- Coordinate with the State Audit Bureau regarding their scope of work and assistance required.
- Review the performance of the external auditors, and recommend final discharge of the auditors. In case of any conflict with the Board, the decision will be documented.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services.
- Make recommendations to the Board of Directors regarding the appointment/reappointment of the external auditors.
- Review and discuss quarterly reports from external auditors on all critical accounting policies and practices and any significant financial reporting issues and judgment made in connection with the preparation of IQ's financial statements.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately, including management responses to their reports.
- Ensure that the Chief Coordinator reports to the Committee on a periodic basis regarding any non-audit services provided by the auditor; and the level of fees paid for providing such services.

**COMPLIANCE &
RISK
MANAGEMENT**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and standards (including quality and environment requirements) and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance within IQ or its related entities.
- Review the findings of an inspection by any regulatory body as well as auditor observations.
- Review the process for communicating the Code of Conduct to IQ personnel and monitoring compliance.
- Review progress made by IQ in identifying and assessing risks faced by IQ and its related entities.
- Define the risk management roles and responsibilities across the company.
- Review the processes and control framework for the management of risks that IQ is exposed to.
- Investigate any allegations of misconduct that are reported.
- Ensure that the related entities including international entities, comply with relevant local regulations and are covered within the framework of the whole company's compliance policy and those compliance policies of related entities.
- Review reports submitted to the Committee from the Risk Management Department (or Risk Management service providers, e.g. QP through its service level agreement with IQ) with regard to risk management practices in IQ.

GOVERNANCE

- Consider any governance non-compliance matters and recommend to the Board actions to resolve the same as applicable.
- Receive reports with regard to changes in governance practices and compliance within IQ and its related entities' governance policies.

**REPORTING
RELATIONSHIPS**

- Regularly report to the Board of Directors about committee activities, issues and related recommendations.
- Subject to applicable regulatory requirements, report annually to the shareholders describing the committee's composition, role and responsibilities and how they were discharged and any other information required by regulations.
- Review any other reports the company issues that relates to the Board Audit Committee's area of responsibility.
- Report to the Board on issues of integrity of financial statements, legal matters, compliance matters and significant audit issues and recommendations.
- Board Audit Committee liaises with Subsidiaries Audit Committees (if any) and QP Audit Committee as and when required.

**OTHER
RESPONSIBILITIES**

- Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with its Terms of Reference.
- Annually review the Committee's Terms of Reference and recommend to the Board any changes, where applicable.
- Manage the conduct of special investigations as and when needed.
- Obtain independent professional financial and risk management advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Company.
- Perform any additional activities delegated by the Board.

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Corporate Governance Framework

Code of Ethics

Version date: 23 December 2011

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INTRODUCTION

Industries Qatar (hereinafter “IQ” or “the Company”) Code of Ethics is a resource to assist all IQ employees in making decisions and choosing actions with:

- ▶ Confidence that the decision conforms to IQ’s ethical standards;
- ▶ Expectations that IQ’s actions and those of its employees are within the laws and regulations; and
- ▶ Comfort that decisions taken meet the standard of “doing the right thing” not only for IQ but the community at large.

IQ’s Code of Ethics defines the ethical principles of **Integrity, Respect, Objectivity, Accountability, Excellence, Sustainability and Confidentiality** and is illustrated with examples that represent common challenges and issues faced by employees at work.

Additionally this Code defines actions that respectively should and should not be conducted by employees.

- ▶ Each ethical principle is first defined; and
- ▶ The definition is followed with a series of focus area guidelines – a list of actions and decisions that are consistent with the stated principles.

The guidelines are illustrative and are not intended to suggest that they fully define all ways applicable for ethical principles that might apply. In several instances, there are policies and procedures that address more detailed aspects of the issue(s) being discussed.

All employees should refer to **IQ’s Corporate Governance Policies Manual** for additional details.

All employees should be aware that policies, procedures, laws and regulations may change. It is an employee’s responsibility to ascertain, when relying on policies, procedures, laws and regulations that one is using the most updated information.

IQ Code of Ethics

IQ is fully committed to its Code of Ethics and will take action to protect its interest and that of its employees. Violation of the Code may lead to penalties and may even result in termination of employment in cases of serious violations.

The Board of Directors shall review and reassess the adequacy of this Code annually, and make any amendments to the Code that is deemed appropriate.

PRINCIPLE 1: INTEGRITY

Definition:

The principle of integrity imposes an obligation to be straightforward and honest in all business relationships. Integrity also implies fair dealing and truthfulness. Integrity begins with telling the truth, obligates us to be transparent in all of our business dealings, and to operate in good faith – free from any attempt at deception or deceit. Employees are expected to be frank, candid and open in their communications and dealing with others – be they employees, vendors, suppliers, partners, customers or the community. Our commitment to integrity also presumes that employees will be truthful in their dealings with each other even when doing so might be difficult, as when one might disagree with or need to provide constructive criticism to a colleague.

Guidelines:

Truthfulness and Honesty

- All employees of IQ must be honest, open and forthright in all their business dealings and activities.
- An employee must maintain honest and accurate records of:
 - Financial and accounting records;
 - Business performance records; and
 - Time and expense reporting.
- An employee must honor contracts, agreements, promises and company-assigned responsibilities.
- An employee must take honest responsibility for performance of self and others.
- An employee must be honest about his/her qualifications, and other circumstantial data.
- An employee must ensure that all information communicated to others do not include:



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- False or misleading statements;
- Statements or information furnished recklessly; or
- Statements where information required to be included has been omitted/obscured and where such omission or obscurity would be misleading.

Transparency

- It is IQ's principle that our strategic direction, financial performance, corporate governance framework are disclosed to stakeholders for them to assess.
- Employees are expected to provide appropriate encouragement and constructive criticism. Such communication should be clear, constructive and sufficiently detailed as to be useful to the other party. Encouragement and criticism should be 'two-way', freely exchanged among peers and between supervisors and their subordinates.
- All dealings by employees should be done on a candid and open basis. All non-confidential information relevant to a decision by IQ or its stakeholders should be disclosed.

Laws and Regulations

- Employees shall acquire adequate knowledge of and shall comply with all applicable laws, rules and regulations of the respective countries where IQ operates currently as well as in the future.
- Employees shall not knowingly participate in, assist or conceal any acts or violations of any applicable law, rule, or regulation.
- Employees should consult with their immediate supervisor if they have any questions or concerns about conditions of employment and/or corporate policies or procedures.

PRINCIPLE 2: RESPECT

Definition:

Respect calls on us to recognize each individual's inherent worth, and the unique contributions they can make. This includes creating a working environment that embraces diversity and fairness and excludes discrimination and harassment. Employees are entitled to expect fair treatment at IQ and are expected to treat others fairly. This also requires employees to conduct IQ's business as such that its reputation for fair dealings is sustained and enhanced.

Respect does not require that we always agree with others, but it does require that we listen without prejudging. Respect calls for us to encourage others to express their views and to accept those views as legitimate, even when we choose to disagree. Employees are expected to respect their colleagues, customers and others with whom they interact in their professional capacity.

Guidelines:

Embrace Diversity

- IQ employs people from diverse cultural and ethnical backgrounds. Building on each others' diversity, backgrounds and skills can lead to the development of new ideas. As an employee of IQ, one should respect his/her colleagues and customers and treat everyone professionally and fairly.

Discrimination and Harassment

- Employees must treat their customers, colleagues and the public with utmost respect and dignity. Employees are further encouraged to respond courteously to inquiries from others and provide timely and appropriate responses to inquiries/complaints from others.



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- Employees must always be polite and respect others' opinions and should aim to create a friendly and conducive environment. There will be no tolerance for discrimination or harassment by any IQ employee. Any violations will result in penalties or may lead to termination of employment.
- Employees in supervisory roles should distribute work equitably without favoritism or discrimination and ensure that subordinates are provided with the right tools and information to assist them in the completion of their tasks.

Communication

- IQ wishes to maintain an environment conducive to inter-department communications, sharing of ideas and resources for the furtherance of IQ's goals and objectives. IQ desires for its employees to be actively involved and provide suggestions. All employees should respect the ideas of others, listen without prejudice, provide constructive feedback and support in implementing any new ideas.

PRINCIPLE 3: OBJECTIVITY

Definitions:

Objectivity can be understood as situations where employees take actions while avoiding business bias, conflict of interest or undue influence of others. Objectivity could be impaired where a conflict of interest exists whether actual or implied. The principle of objectivity imposes an obligation on all employees not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others and to disclose where potential impairment to objectivity exists.

Conflicts of Interest

- Employees must exercise due caution when making business decisions to ensure that there is no conflict (either real or perceived) between their personal interest and their obligations to and/or the interest of IQ.
- No employee shall be involved in a situation where his/her personal interests might conflict with the interests of the organization. IQ recognizes and respects the right of the individual to invest or participate in outside activities, provided they do not interfere with or restricts the effectiveness of the employee's job performance.
- Although it is impossible to set forth all possible situations which may arise, the following is a non-exhaustive list of examples of conflicts of interest that may occur:
 - An employee involved in the selection of, negotiation with, any person or organization doing or seeking to do business with IQ, shall not own any direct or indirect interest in such person or organization.
 - An employee shall not borrow money from any person or organization doing or seeking to do business with IQ (other than banks or other lending institutions in the ordinary course of business).
 - An employee shall not render service in any capacity (i.e., director, officer, employee, or consultant) to any person or organization doing or seeking to do business with IQ, or to a competitor of IQ. Employees may not accept any form of outside employment without the consent of IQ's Board.
 - Political or social activity which conflicts with IQ business goals is not permitted.



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- As a general rule, an employee should avoid conducting business for IQ with his/her own family members up to the fourth degree (i.e., cousins) or with a business in which a family member is associated with any significant role. If such a transaction is unavoidable, the employee must obtain prior written approval from IQ's Audit Committee/Board of Directors. Any dealings with a related party/affiliate 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.

Gifts, Gratuities Entertainment or Other Solicitations

- The payment of bribes or facilitating payments is not allowed under any circumstances. IQ employees should not accept any bribe or facilitate payment of such.
- Employees of IQ are not allowed to solicit gifts or entertainment from prospective or current customers, vendors or any other individual or business. Accepting a gift may be construed as improperly influencing the employee in the discharge of his/her responsibilities, hence, is not allowed and may lead to disciplinary action.
- 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. Nominal value is defined as anything below QAR 1,000. Gifts and gratuities from external parties, regardless of limit, should be immediately reported to the IQ's Chief Coordinator.
- Employees should also not offer any gift, gratuity or entertainment to any vendor, supplier, agent, partner, customer or other intended party (or which could reasonably be perceived as intended) to influence any business decision.

Bias

- IQ employees should aim to build objective relationships with all internal and external stakeholders.
- Assessments of vendors, supplier, subordinates and other individuals should be based on a fair acknowledgment of their performance and should not include any personal bias.

PRINCIPLE 4: ACCOUNTABILITY

Definitions:

Accountability can be understood as the commitment to accept personal and professional responsibility for one's own actions and decisions as well as to hold others accountable for their actions and decisions. Each employee will be required to conduct his/her duties in accordance with the agreed upon positional roles and responsibilities as stated in their respective job descriptions.

Employees must understand and accept personal accountability, as a necessary precondition for both individual and organizational success.

Guidelines:

Leadership

- In leadership roles, accountability is the acknowledgment and assumption of responsibility for services, properties and products offered, actions and decisions taken, and policies of the Company.
- All employees must take the initiative to lead and utilize all resources under their disposal to enhance IQ's success. As a leader of resources, an employee is accountable for the overall performance of the resources within his delegated authority.

Shared Responsibility

- IQ's Board is accountable to its shareholder(s) and the management is accountable to the Board. Management then delegates its responsibilities to the employees of the Company. As such, the accountability cascades down to all IQ employees to ensure the success of the organization and to increase its value as expected by the shareholder(s). All employees must share the sense of ownership for company performance



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Personal Responsibility

- Employees must admit responsibility for any wrongdoing. Employees should not blame others, without adequate reasons and evidence. In any case, an employee must be forthcoming with taking responsibility for their actions.
- Each employee in a supervisory position should ensure that performance of subordinates is assessed in an honest, fair and objective manner. Credit is provided for exemplary performance of subordinate, as and where needed.
- Employees should be aware of the formal disciplinary process which has defined the penalties for every violation. For this, one should refer to the **Human Resources Policies and Procedures Manual** of the employer.

Use of Company Resources

- Company time, funds and property must be used for IQ business purposes only, unless otherwise approved by the appropriate authority. Use of IQ resources (e.g., company telephones, copiers, fax machines, email and internet access) should only be used for IQ purposes.
- Employees with access to company computers are expected to limit their use to company business purposes only – unless otherwise authorized by their supervisors.
- Personal use of computers, if approved, must be limited to reasonable usage and may not include access to, receipt or transmission of inappropriate material, text, images or files.

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PRINCIPLE 5: EXCELLENCE

Definition:

Excellence is working towards the highest standards of performance. It governs both the outcomes and the processes needed to attain the best possible results. Excellence requires one to make a quality effort, follow all applicable standards and achieve the best results. Employees are expected to do the best they can do, every time, even when no one is watching or when the outcome is not related to a 'critical' or measurable result.

Guidelines:

Technical and Professional Competence:

- All employees of IQ are encouraged to seek and apply new knowledge and skills in ways that improve their ability to perform current duties and aspire to perform additional duties.
- Employees should attend personal and professional development training and other related events as appropriate.
- All employees are encouraged to attain professional certifications related to their area of work.

Work Environment

- Employees will, at all times, set a good example and be role models for commitment, customer focus and team work.
- IQ gives utmost importance to the health and safety of all personnel in all stages of its business operations. Safety is of particular concern and employees are expected to observe all safety practices and perform their work in a safe manner.



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Quality of Work and Service

- Employees must strive to provide customers, colleagues and the public with high quality services in line with best industry standards.
- Employees are encouraged to improve quality, productivity and service by providing ideas and suggestions to improve the ways things have traditionally been done.

PRINCIPLE 6: SUSTAINABILITY

Definition:

Sustainability of IQ means ensuring the long term viability of IQ by optimizing all business needs without having an effect on IQ's strategic goals. Sustainability also includes developing the sustainability of the Qatari economy through investments in the petrochemicals, fertilizers, steel, real estate and property development industries.

Guidelines:

Stakeholder Expectations

- IQ will always exert its fullest effort to maintain activities within the Company's direction taking into consideration political and socially responsible factors, in addition to commercial aspects. Employees are encouraged to take part in socially responsible actions and support IQ in meeting its commitments.
- IQ will follow efficient yet controlled procedure to seek industrial investments that serve the company's objectives and the Qatari economy. IQ employees will strive to be proactive to the effects of macro-economic factor changes in the markets it is operating in, to minimize the risks to its investments and work in good faith and honesty with regard to maintaining healthy commercial, social and political value to its shareholders.
- IQ and its employees are committed to ensuring socially responsible initiatives are in place including environmental and health, education and youth related aspects. IQ's commitment is also to ensure that all people including customers, partners, employees, shareholders and other community members, in all countries that the Company operates in (or might operate in the future), are treated with respect and as key partners to its success.

Accounting and Internal Controls

- IQ recognizes the importance of true and fair recording and disclosure of its financial accounts. Fair and accurate books and records are essential for managing IQ's business and maintaining accuracy and integrity of the Company's financial reporting and disclosure. Any attempt to conceal or misstate information by employees in company records will be considered as a serious offense and may result in disciplinary action and criminal prosecutions. All employees are responsible for reporting any violation of IQ's accounting policies and procedures.
- The internal controls are embedded in the day to day activities of IQ, through policies, procedures and financial and operational authorities of the company. All employees should understand the internal controls relevant to their position and follow the policies and procedures related to these controls.

Audits

- IQ's Internal Audit Department (or Internal Audit service provider, e.g. QP Internal Audit through QP's service level agreement with IQ) and External Auditors help IQ in ensuring compliance to regulations, laws, leading practices and IQ's policies and procedures. Furthermore, audits help identify potential weaknesses and opportunities for improvements so that they may be dealt with and corrected promptly. IQ employees are required to cooperate fully with internal and external auditors, by providing clear and truthful information during the audit process.

PRINCIPLE 7: CONFIDENTIALITY

Definition:

Confidentiality is ensuring that access to information and data is given only to the authorized personnel in the Company. It encompasses the avoidance/prevention of misuse and misappropriation of company data and resources, and protects company rights and proprietary information.

Guidelines:

Proprietary and Insider Information

- The misuse of proprietary information is an offense as serious as stealing tangible company property. This includes confidential information that is generally not known or shared with the public.
- Employees should not provide confidential or proprietary company information to unauthorized persons such as competitors, suppliers, and media or outside contractors without proper authorization. This includes financial information, contractor/vendor lists, contractual clauses, discounts and special rates, computer programs, as well as descriptions of Company processes or operations. Employees should ensure appropriate non-disclosure agreements are in place with external parties, whenever applicable.
- Employees should not discuss potential business relationships, purchases, mergers or acquisitions or other organizational changes either internally or with unauthorized third parties except on a “need to know” basis.
- IQ's information and communication systems, including connections to the Internet, are for business purposes use only. Employees can use them for conducting business or for other incidental purposes authorized by the management or by the applicable IQ guidelines. System security should be considered when sending confidential information.



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- All employees are personally responsible for protecting IQ's property (information and physical) entrusted to him/her. Employees should ensure that all electronic and physical data in their possession is fully secured at all times.
- All employees should be aware of the information falling under proprietary and insider information. Disclosing this information will lead to disciplinary action and possibly criminal prosecution depending on the type and criticality of information shared.

Stakeholder Information

- IQ will take precautions to avoid improper, inappropriate or inadvertent disclosure or leakage of sensitive, confidential or privileged information, records or documents (including financial information) related to its stakeholders. Within IQ, employees will share information only with those who have a "need to know" the relevant information. IQ will maintain and protect business partners' information even after termination of the relationship with the Company.

Employee Information and Privacy

- IQ recognizes the obligation to protect the confidential information of its employees both inside and outside of the Company. Information about employees, such as salary, ID and passport numbers, age, status, banking or other financial information should not be shared with third parties unless required for Company operations and/or required by the legal authorities.
- Personal items, messages or information that is considered private should not be placed or kept anywhere in the workplace. Electronic files stored in IQ and service provider (e.g. QP IT Department through QP's service level agreement with IQ) servers are considered company assets and may be accessed by IT personnel in the performance of their duties. Therefore, employees should refrain from using company computers for any document they wish to keep private. Employees should respect other employee's workspace and data and should not access the same without prior approval from management.
- IQ has established open whistle-blowing channels for employees to raise concerns. The Board is committed to protecting the confidentiality of whistle-blowers and has set mechanisms to ensure whistle-blower identity is not released.

GUIDANCE

Where to Seek Guidance

Employees who:

- Have ethical related questions;
- Would like assistance in addressing ethical issues;
- Would like assistance in interpreting the IQ Code of Ethics and/or;
- Suspect or have observed misconduct in the workplace.

Employees are encouraged to contact any of the following individuals:

_____ Legal Officer (or Legal service provider, if any)
_____ IQ's Chief Coordinator
_____ IQ's Chairman & Managing Director

ACKNOWLEDGEMENT OF UNDERSTANDING

To acknowledge that you have reviewed and understood all of this material in the Code, please sign and date this Code and return it within one week of receipt.

When you sign this Code of Ethics, you agree to adhere to all cited requirements included in this Code and the relevant provisions. You should have an understanding of the following policies and procedures of:

- **IQ's Corporate Governance Policies Manual**
- **Applicable Human Resources Policies and Procedures (HR P&P)** (i.e. either IQ's or QP's HR P&P as enabled by QP's service level agreement – as applicable)

I acknowledge that I have read, understood, and am subject to all of the material contained in this Code of Ethics of IQ and the above mentioned policies and procedures.

Name: _____

Date of Acknowledgement: _____

Signature: _____

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Corporate Governance Framework

Corporate Governance Policy

25 December 2011

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Introduction

1. Purpose and Objectives of the Policy

- 1.1 *This Corporate Governance Policies and Procedures (hereinafter 'Policy')* details the Corporate Governance Policies and Procedures regulating Industries Qatar (hereinafter 'IQ' or 'the Company'). It should form the basis of IQ's governance policies once approved by IQ's Board of Directors (hereinafter 'Board'). This Policy is developed taking into consideration IQ's Articles of Association, relevant laws, regulations and corporate governance leading practices such as the Corporate Governance Code for listed Companies issued by the Qatar Financial Markets Authority (hereinafter 'QFMA').
- 1.2 This policy aims to address all the aspects involved in the corporate governance process. Specifically, the purpose of this policy is to:
 - 1.2.1 Summarize the principles and practices of corporate governance and assist IQ to orient Board members/ management and establish a formal corporate governance structure;
 - 1.2.2 Denote the structure and process established to oversee, direct and manage the business and affairs of IQ with the objective of achieving its financial stability and enhancing value;
 - 1.2.3 Detail the policies adopted by the Board that are to be followed by all IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) without distinction and exception; and
 - 1.2.4 Highlight the direct responsibility of the Chairman & Managing Director and Chief Coordinator in directing IQ to function in accordance with this policy and the responsibility of the Board in overseeing that IQ functions are carried out in accordance with this Policy.
- 1.3 The Board and Chief Coordinator involved in the corporate governance function will be responsible for having comprehensive familiarity with the contents of this Policy as it currently exists and for any subsequent approved updates. Each Board Member and the Chief Coordinator is personally accountable in fulfilling his/ her responsibilities as set in this Policy.
- 1.4 This Policy should serve as the document to ensure a common understanding among Board Members and the Chief Coordinator of IQ regarding the corporate governance structure.

2. Copyright Statement

- 2.1 IQ has proprietary rights over this Corporate Governance Policies and Procedures and its contents. No part of the Policy should be copied nor any of its contents be removed or relocated from the Company's premises for any reason without the express written permission of the Board.

- 2.2 The contents of the Policy are to be treated as confidential and are not to be disclosed or distributed to any unauthorized persons or clients, inside or outside IQ.

3. Compliance

3.1 The regulations set in the State of Qatar are taken into consideration in the development of this Policy. In the event that a conflict exists between this Policy and regulatory pronouncements or the Articles of Association, the latter, will take precedence. Any amendments to the Policy are required to be in compliance with the regulations.

3.2 General Corporate Governance Philosophy Statement:

IQ shall endeavor to adhere to regulatory requirements that are acknowledged to be based on leading practices. Non-adherence, if any, are to be explained in any required regulatory reporting and such explanations may include being an Article 68 Company, as applicable.

4. Format

This Policy is divided into twenty two policy sections and seven appendices. Each policy section includes the following headings in the following format:

- 4.1 **Policy Code:** The Corporate Governance Policy code for the Policy, presented as 'CG-#' (where # is the policy number). A code is allocated to each policy standardizing reference to the Corporate Governance policies across IQ;
- 4.2 **Effective Date:** The date that the policy should be effectively practiced in IQ. In case of revised policies, the effective date should coincide with the date that the revised policy comes into effect;
- 4.3 **Revision Date:** The date the policy has last been revised;
- 4.4 **Resource Person:** The personnel in charge of maintaining the policy and ensuring it is up-to-date;
- 4.5 **Policy Name:** The name of the Corporate Governance policy, presented as 'CG-#, name of the policy;
- 4.6 **Purpose:** The goal achieved from implementing the policy is discussed under this section;
- 4.7 **Scope:** The scope of the policy outlines the personnel responsible for implementing the policy across the Company; and
- 4.8 **Contents:** This section includes policy statements arranged under different sub-sections:
- 4.8.1 **Sub-sections:** The policy statements are grouped under the different sub-sections according to the content of the statement.

Policy Administration

1. Update Responsibilities

- 1.1 All amendments and new items must be adequately documented and recorded. Furthermore, a physical “hard” copy should be securely kept by the Board Secretary and Chief Coordinator.
- 1.2 As new policies are introduced or existing policies are amended, the Policy will be updated. Amendments will be evidenced by:
 - 1.2.1 An additional section(s);
 - 1.2.2 Additional parts to an existing section(s); and
 - 1.2.3 An amendment to an existing section(s) (or part(s) thereof).
- 1.3 In the case of new sections (or new parts of existing sections), these will simply be added to the Policy. However, in the case of amendments, the existing chapters will be replaced. The replaced pages should be kept in a separate file, in original content order sequence, for audit trail purposes. In all cases, the Table of Contents of the Policy will be updated as appropriate, to facilitate correct cross referencing.
- 1.4 All amendments to this Policy will require the approval of the Board.

2. Register of Amendments

- 2.1 Where amendments are required, the Chief Coordinator recommends amendments to the Board for approval.
- 2.2 The Chief Coordinator will hold the Master Register of Amendments, in the following format:

Amendment #	Date		Section	Description	Approved by
	Approval	Effective			

- 2.3 The Chief Coordinator will ensure that the Policy is updated with all approved amendments.

3. Update Log

- 3.1 Changes to the Policy are consecutively numbered so that any missing update may be easily detected.
 - 3.1.1 If a change to the Policy is made, the date of the update should be recorded next to the update number.
 - 3.1.2 If an update is missing, the Chief Coordinator should be notified.
 - 3.1.3 The update log of this Policy will be held by the Board Secretary.
- 3.2 The format of the log will be as per the following table:

Section Updated	Update Number	Update Date	Name

- 3.3 All approved updates will be distributed to the individuals as detailed in the Register of Access Holders.

4. Register of Access Holders

- 4.1 The official copy of the Policy will be kept by the Board.
- 4.2 The following individuals or service providers occupying such positions and/or performing such roles will have access to this Policy:
- 4.2.1 The Chairman and Managing Director
- 4.2.2 Members of the Board;
- 4.2.3 Head of Risk Management;
- 4.2.4 Head of Internal Audit; and
- 4.2.5 Any other department/service provider heads as deemed necessary by the Board.
- 4.3 All access holders will be registered as noted below. The Register of Access Holders will be held and updated by the Chief Coordinator.

Date		Access Holder		Department
Approval	Access	Name	Designation	

5. Maintenance and Review Frequency

- 5.1 The Policy should be reviewed and approved at regular intervals to reflect changes in the business activities of IQ.
- 5.2 The review structure is outlined below:

Policies and Procedures	Review Frequency	Exceptional Reviews	Responsibility for Review
Corporate Governance Policies and Procedures	Annual	Change of fundamentals or other major internal or external changes	Chief Coordinator

6. Approvals

6.1 The approval structure is outlined below:

Policies and Procedures	Recommendation of Changes	Review	Approval
Corporate Governance Policies and Procedures	Chief Coordinator	Board Audit Committee	Board

Policy Code: CG-1
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-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 IQ.

Scope:

The scope of implementing this policy is within the jurisdiction of the Board. The Board must ensure that the corporate governance process is implemented in its spirit and the various risks are monitored and controlled at prudent levels. All roles and responsibilities mentioned within this policy should be complied with by the related functions taking into consideration the Manual of authority structure.

Contents:

1. Board Responsibilities

The general roles and responsibilities of the Board of Directors are documented in the Board's Terms of Reference.

2. Information and Professional Development

- 2.1 The Chairman & Managing Director will ensure that new Board members receive a full, formal and tailored induction upon joining the Board.
- 2.2 IQ's Board Secretary will oversee the conduct of the orientation plan by providing relevant company documents, arranging for company tours and introducing new members to management team and staff.
- 2.3 The orientation program will include a background on IQ, its strategic goals, vision and mission, key personnel, subsidiaries and operations in addition to documents relating to the overall operation of the Board.
- 2.4 Board members may also communicate training/ development needs in support of personal development that serves to improve the skills set of the Board in steering IQ operations.

The Board Secretary shall annually compile the development plan for review and approval of the Chairman & Managing Director.

2.5 The Board will ensure that all Board Members have access to independent professional advice at IQ's expense with the approval of the Chairman & Managing Director or full Board (if related to Chairman & Managing Director).

2.5.1 However, a majority of non-executive Board Members may obtain consultative advice without the required Chairman & Managing Director approval.

2.6 Board Audit Committee will be provided with sufficient resources to undertake their duties.

2.7 IQ's Board may receive periodic reviews from third parties, such as auditors, consultants, or legal officer, to assess how well the Board, its Committee (Audit) and Chief Coordinator are addressing IQ's needs.

3. Board Member Responsibilities

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

Chairman & Managing Director

3.1.1 Lead the Board, overseeing its effectiveness on all aspects of its role and setting its agenda;

3.1.2 Supervise the accurate, timely and clear receipt of information by the Board Members;

3.1.3 Ensure effective communication between IQ and its shareholders;

3.1.4 Facilitate the effective contribution of Directors in particular, and ensure constructive relations between Board Members;

3.1.5 Act as a full time Director responsible for monitoring shareholders' interest in day to day operations;

3.1.6 Participate in developing and meeting strategic initiatives approved by the Board;

3.1.7 Approve certain transactions within the delegated authority; and

3.1.8 Update the Board with periodic reports on IQ activities and performance in coordination with the Chief Coordinator.

Non-Executive Directors:

Non-Executive Directors' responsibilities include:

3.1.9 Constructively challenge and develop proposals on strategy;

3.1.10 Scrutinize the performance of the Chief Coordinator in achieving agreed goals and objectives and monitor the reporting of performance;

3.1.11 Review the integrity of financial information and ensure that financial controls and systems of risk management are robust and defensible;

- 3.1.12 Determine appropriate levels of remuneration and appointment of the Chief Coordinator; and
- 3.1.13 Appraise the performance of the Chairman & Managing Director and Chief Coordinator.
- 3.2 All IQ'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 IQ;
 - 3.2.3 Apply independent judgment in the exercise of their powers;
 - 3.2.4 Avoid conflicts between their duties to IQ and their personal interests or their duties to others;
 - 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 IQ's operations and the legal environment in which IQ operates, and provide suggestions and feedback to the Chief Coordinator and Board Audit Committee concerning content and formulation of Board reports;
 - 3.2.8 Uphold and implement decisions and resolutions concluded by the Board to its fullest extent; and
 - 3.2.9 Participate in various activities on behalf of IQ to generate business, serve the community and uphold IQ's image, based on the pre-approval of the Board.
- 3.3 Where Board members have concerns about the operations of IQ or a proposed action which cannot be resolved, they will ensure that their concerns are recorded in the Board minutes. Upon resignation, a Board Member should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.
- 3.4 The Chairman of the Board shall represent the Company in its dealings with third parties and the courts. The Chairman of the Board may delegate some of his powers to another Board member. The Vice Chairman shall replace the Chairman in his absence (Article 102 QCCL).
- 3.5 There shall be a total of seven (7) Board Members, all of whom may be appointed by QP without the need for approval at a General Assembly ("QP Directors").
- 3.6 All Board Members should meet the following minimum requirements:
 - 3.6.1 Should not be less than twenty one years of age;
 - 3.6.2 Good reputation, and not convicted of any criminal act or any crime mentioned in Articles (324) and (325) of QCCL, unless its consideration is expired; and

- 3.6.3 Should not become a member of the Board of Directors of more than; (1) two companies undertaking business activities similar to the Company or its affiliate; or (2) three Qatar Joint Stock Companies.
- 3.7 All Board Members' other significant commitments, including an indication of the expected time commitments, will be disclosed to the Board before their appointment, and will be included in the Governance Report. Any changes to such commitments will be reported to the Board as they arise, and will be included in the next Governance Report.
 - 3.7.1 The letter of appointment ([Appendix 1, Sample Directors' Letter of Appointment](#)) should set out the expected time commitments of each Board member.
 - 3.7.2 Each Board member should undertake that they have sufficient time to meet requirements needed to be on IQ's Board.
- 3.8 IQ shall annually present to the Ministry of Economy and Commerce a Board-approved list of names of the Chairman and members, including their nationalities. The company shall immediately notify the Ministry of any change that occurs to such list (Article 101 QCCL).

4. Election and Re-election

- 4.1 Elected Board Members will be subject to election through the General Assembly Meeting, and to re-election thereafter at intervals of no more than three years. Candidates applying for re-election shall be reviewed by the Board, to determine whether current member performance and Board composition support the re-election of the member.
- 4.2 Recommendations of the Board shall be raised to the General Assembly who will provide the names of the candidates submitted for election or re-election accompanied with sufficient biographical details and any other relevant information to enable an informed decision on the member's election.
- 4.3 When proposing for re-election, following a formal performance evaluation, the Chairman will confirm that the individual's performance continues to be effective and demonstrates commitment to the role.

5. Board Meetings

- 5.1 The Board will meet regularly to discharge its duties effectively.
 - 5.1.1 At a minimum the Board will meet at least every (3) three months (and not less than four (4) times a year).
 - 5.1.2 Official Board meetings shall be conveyed by a notice from the Chairman or, in his absence, the Vice Chairman, or any two Directors or such other Director as is duly authorized by the Chairman.
- 5.2 The Chairman will preside over all Board meetings.
- 5.3 The Board Secretary appointed by the Board will maintain Board minutes of meeting and distribute meeting agendas.

- 5.4 An agenda for the meeting shall be prepared and distributed to all members ([Appendix 2 Sample Board's Meeting Agenda](#)). The agenda should be distributed at least seven working days prior to the set meeting date.
- 5.5 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.
- 5.6 A decision is made based on the majority consent. The Chairman's vote (or the substitutes deputed by the Chairman) will be the deciding voice if a tie occurs.
- 5.7 In case of a tie whereby the Chairman's vote results in a decision, disagreeing Board members may note their objections in the minutes of meetings.

6. Performance Evaluation

- 6.1 A self assessment process will be conducted by the Board of Director's whereby the Board will annually assess itself, Board Audit Committee and individual member's performance.
- 6.2 A self-assessment form will be distributed to each Director for their input, and discussion during the Board Meeting ([Appendix 3, Board Self Assessment Worksheet](#)).
- 6.3 The Board will disclose the process for performance evaluation in the Governance Report.

Policy Code: CG-2
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-2 Board Supervision

Purpose:

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

Scope:

The Board Supervision policy and related guidelines have been established to formalize the Board’s duties in having the ultimate supervision authority over IQ’s direction and operations. Reference should be made to the Board’s ‘Terms of Reference’ and ‘Terms of Reference’ of Board Audit Committee for further details.

Contents:

1. General Policy Statements

The following statements represent the guiding policy, in implementing the Board Supervision policy:

- 1.1 The Board may delegate the responsibility of day-to-day operations to the Chief Coordinator, but the Board remains accountable for making sure that operations are carried out in an effective, safe and sound manner, and in compliance with applicable laws and regulations.
- 1.2 Although the Board cannot guarantee success, it must supervise IQ’s operations to reflect sound planning, enable effective governance of the business through comprehensive policies and procedures, and effective administration of operations by the Chief Coordinator.
- 1.3 The Board must determine if the Chief Coordinator is capable of meeting the new challenges of growth and increased complexity. Board members also must determine the effectiveness of current methods and take steps to change and improve systems when necessary.

- 1.4 The Board will monitor the development of IQ's Vision, Mission, Strategy Plan, Policies & Procedures, Code of Ethics, Internal Control Structure, Manual of Authorities, and Organizational Structure, and will review and approve these.
- 1.5 The Board, in conducting its activities, will delegate some of its authority to Board Audit Committee.
- 1.6 The Board must demand continual and accurate information from the Chief Coordinator and company sources to properly monitor operations.

2. Board Committee Structures

- 2.1 The Board Committee structures of IQ will be based on market regulators (QFMA requirements), IQ's size, business focus, and board composition and expertise levels.
- 2.2 The Board will approve the formation of the Board Audit Committee.
- 2.3 The approved Board Audit Committee will have a formal 'Terms of Reference' documenting the Committee's roles and responsibilities and delegated authority,
- 2.4 The Board Audit Committees will:
 - 2.4.1 Be established through a 'Terms of Reference' 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 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.
- 2.6 All Committee members will meet as per the schedule defined in the Committee's 'Terms of Reference'.
- 2.7 The Board Audit Committee will appoint a Secretary to maintain all meeting minutes and other Committee documentation.
- 2.8 Approvals of Committee decisions are constituted by a majority vote with the Chairman's vote deciding upon ties.
- 2.9 The Board Audit Committee will provide written reports to the Board in line with its minimum reporting period as indicated in its Terms of Reference. .
 - 2.9.1 All Committees will support the Board in maintaining updated information to perform Board's duties.

3. Organizational Structure Development

- 3.1 The Board will oversee the development of an organizational structure that details how IQ is organized. Once developed, the Board will approve the organizational structure.

- 3.1.1 Lines of authority will run from the shareholders through the Board, headed by the Chairman & Managing Director to the Chief Coordinator.
 - 3.1.2 Lines of Authority also flow from the Board to the Board/ Steering Committee of related entities which then flow to the Chief Coordinator and each employee/ service providers or any authorized personnel/staff.
 - 3.1.3 Assignments not related to normal duties will be arranged in a manner such that the employee and/or service providers aware of the immediate supervisor that he/she should report to.
- 3.2 Each position will be designed to give the employee and/or service providers enough authority to fulfill the assigned responsibilities.
- 3.2.1 Each employee/service provider's span of control will be based on the position held, level of training and experience, and the risk exposure related to the responsibilities.
 - 3.2.2 IQ will emphasize manual delegation of authority in conjunction with proper training and effective communication.

4. Evaluation of the Chief Coordinator

- 4.1 The Board will judge and assess the capabilities of the Chief Coordinator to determine if they are able to achieve IQ's strategy, goals, and objectives.
- 4.2 The Board will be responsible for recruiting, extending the contract duration and terminating the services of the Chief Coordinator.
- 4.3 The Chief Coordinator will be particularly evaluated on performance in two major areas:
 - 4.3.1 Execution of strategic plan and achievement of strategic goals;
 - 4.3.2 Compliance and maintenance of sound operations; and
- 4.4 A sample Chief Coordinator evaluation form is included in [\(Appendix 4: Sample Chief Coordinator Evaluation Form\)](#).

Policy Code: CG-3
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-3 Management Supervision

Purpose:

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

Scope:

Management is responsible for the daily operations of IQ. It is the Board's responsibility to establish policies and procedures that provide Management with direction in carrying out its managerial responsibilities. Reference should be made to 'Terms of Reference' of Chief Coordinator for further details.

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 will develop a policy statement that identifies its role and purpose and the role of IQ's Chief Coordinator.
- 1.2 This policy statement should identify the Board's role as one of providing advice and direction to IQ's Management and of evaluating Management's performance in achieving established goals and objectives.
- 1.3 The Board will not interfere with or obstruct the daily management process. The Chief Coordinator is responsible for the daily management of IQ's operations.
- 1.4 The Board will evaluate the performance of IQ's Chief Coordinator.
- 1.5 The Board will establish criteria for Management supervision through policy statements addressing both the major business activities of IQ and the performance of the Chief Coordinator.

2. Board Reporting

- 2.1 The Board will review and pre-approve established goals, objectives, budgets, and strategic plans.
- 2.2 The Chief Coordinator and Managing Director will receive monthly reports comparing IQ's actual performance to the established goals, objectives, budgets, strategic plans and five (5) year business plans.
 - 2.2.1 Any variances between established goals and actual performance will be explained in detail and in writing to the Board during the designated Board meeting.
- 2.3 The Chief Coordinator will report on performance on a quarterly basis to the Board.
 - 2.3.1 The Board will evaluate Chief Coordinator's performance on the basis of its ability to meet the established goals.

3. Service Level Agreements

- 3.1 Service Level Agreements (hereinafter 'SLAs') are formal written agreements signed between two parties within IQ Group (e.g. between QP and IQ, between Service Providers Departments, and among various related IQ entities including subsidiaries) or between IQ and an external service provider.
- 3.2 SLAs provide the mechanism/ process for the provision of the services covered under the agreement. It details the specific roles/ responsibilities and rights/ obligations of the two parties with respect to the services covered by the SLA along with specific performance measurement criteria.
- 3.3 Both the service provider and service receiver will have in place a monitoring mechanism to ensure proper control/ conduct of the functions/activities covered by the SLAs.
- 3.4 Upon reviewing and agreeing on the contents, the SLA will be finalized and signed by the respective authorized signatories of the service provider and the service receiver. For SLAs entered into with an external service provider, the referenced SLA will be reviewed by Legal Officer/Service Provider (e.g. QP through its service level agreement with IQ) to safeguard IQ's interest.
- 3.5 The SLA could include, but not be limited to the following:
 - 3.5.1 Service/ activity description with a clear definition of the objective, scope, expected results, and the turn-around-time (TAT);
 - 3.5.2 Nature of the services to be performed and the time during which the services are to be provided (e.g. hours of service);
 - 3.5.3 Roles/ responsibilities and rights/ obligations of each party to the SLA;
 - 3.5.4 The issue escalation and resolution process along with the related decision making procedures;

- 3.5.5 Risk assessment and mitigation strategy for intellectual property, business continuity/ disaster recovery, confidentiality, security, reliance, external customer impact, ownership of material/reports/brand;
- 3.5.6 Performance level indicators, the monitoring/reporting process and the specific measurement criteria;
- 3.5.7 If applicable, a statement of incentive/penalty provisions for exceeding or falling below the pre-agreed service levels; and
- 3.5.8 The implementation strategy and related accountabilities.

4. Manual of Authorities

- 4.1 IQ's BOD is given the authority to issue delegated financial authorities and set their implementation guidelines. The BOD may restrict or expand the scope of the financial authorities delegated, in accordance with the regulations, to levels below the Chief Coordinator.
- 4.2 It is the policy of IQ to allow only those personnel who have either direct divisional/ department budget responsibility, project budget responsibility or have been identified as a designated financial signatory to hold signature approval authority to commit resources on behalf of IQ.
 - 4.2.1 Identified and designated financial signatories may include service providers (e.g. QP through its service level agreement with IQ).
- 4.3 By their signature, the signatory is certifying that IQ has granted them the authority to do so.
- 4.4 The signatory is also certifying that they have reviewed the transaction and all related documentation and that it conforms to IQ's policy and goals as well as all applicable laws.
- 4.5 By their signature, the signatory is also certifying that the transaction is within budget and both financially prudent and justified.
- 4.6 In no circumstance should a signatory initiate and approve the same transaction nor approve payments of any kind to him.
- 4.7 The IQ Manual of Authorities can extend to service providers
- 4.8 The delegated financial authorities should be practiced subject to the current laws, rules and regulations, in addition to IQ's general policies which are approved by the BOD.

Policy Code: CG-4
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-4 Succession Planning

Purpose:

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

Scope:

This policy is mainly applicable to IQ's Management and the Board in directing the chain of command in cases of emergency succession situations.

Contents:

1. General Policy Statements

- 1.1 The Board (including the Chairman & Managing Director) and Chief Coordinator will coordinate to ensure that there is adequate staffing at all levels of IQ.
- 1.2 The Board should ensure that a Management succession plan is developed so that in case the Chief Coordinator position gets vacant, IQ's operations are not adversely affected.
 - 1.2.1 The Board should ensure that a replacement is found on a timely basis for Chief Coordinator 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 IQ Board on a temporary basis.
- 2.2 With respect to disaster recovery procedures, the individual acting as Chairman will also assume the responsibilities of Disaster Recovery Planning Committee leader.
- 2.3 Should the Chief Coordinator be absent or unable to carry out his or her duties due to an emergency situation, the duties of the Chief Coordinator will be assumed by a designated Director on a temporary basis.
- 2.4 Individuals will continue to serve in the capacity of Acting Chief Coordinator until:
 - 2.4.1 The Chief Coordinator is back, or;
 - 2.4.2 A new Chief Coordinator is appointed by the Board; or
 - 2.4.3 A majority vote by the Board determines that the individual/acting Chief Coordinator cannot adequately perform the necessary duties.

3. Certification of Authority

- 3.1 Any changes to the Board will be reported immediately to the Ministry of Economy and Commerce (Article 101 of QCCL).
- 3.2 Written notification of the change will be forwarded to the appropriate individuals, groups, or companies as determined by the Board.

Policy Code: CG-5
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-5 Remuneration for Board Members and Chief Coordinator

Purpose:

The following policy has been developed to assist in developing remuneration policies and procedures for IQ Board Members and the Chief Coordinator.

Scope:

The scope of implementing this policy is within the jurisdiction of the Board. The Board will ensure that the remuneration process is implemented. Reference should be made to the Board's 'Terms of Reference'.

Contents:

1. General Policy Statements

- 1.1 The Board will make available its 'Terms of Reference', explaining its role and the authority it has to decide on remuneration plans.
- 1.2 The Board is responsible on assessing and determining BOD remuneration and will recommend the same for approval at the Annual General Assembly Meeting (Articles of Association Article 45.1).
- 1.3 The Board is responsible on assessing, determining and approving Chief Coordinator remuneration.
- 1.4 The Board will develop and disclose a remuneration policy statement covering Board Members and Chief Coordinator. Such policy statement will specify the relationship between remuneration and performance, and include measurable standards that emphasize long-term interests.
- 1.5 Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company.

- 1.6 The Board will be responsible for developing a policy for payments to Board Members for extra-Board activities, such as consulting.
- 1.7 The performance-related elements of remuneration will form a significant proportion of the total remuneration package of the Chief Coordinator.
- 1.8 The Board will develop the remuneration framework of the Board of Directors and Chief Coordinator to attract, retain and motivate qualified individuals required to run IQ successfully.
- 1.9 The Board will determine the terms of employment, service contract, and scope of pension arrangements, basis of bonus and bonus awards and terms for cessation of employment for Directors and Chief Coordinator.
- 1.10 The Board may obtain professional advice including the advice of independent remuneration consultants, as deemed necessary in the setting of Director and Chief Coordinator remuneration.
- 1.11 Shareholders should be invited specifically to approve all new long-term incentive schemes and significant changes to existing remuneration schemes of Board Members.

2. Guidelines for Board Remuneration

- 2.1 Board Member levels of remuneration will reflect the time commitment and responsibilities of the role, mainly based on actual attendance to the Board and Committee meetings. Any bonuses paid shall be based on company performance.
- 2.2 Reference should be made to [CG-1 Board Roles and Responsibilities](#) with regard to the self assessment of the Board and its Directors. The Board Job Descriptions further elaborate responsibilities of each Board role.
- 2.3 The Board will carefully consider what compensation commitments (including pension contributions and all other elements) their Directors' terms of appointment would entail in the event of early termination.
- 2.4 No member shall participate in the setting of his/ her own remuneration (e.g. the Chairman does not participate in setting the compensation components to be defined for the Chairman position). In such cases, the concerned Board Member will not participate in the Board meeting or deliberations called for the purpose of setting his/her remuneration.
- 2.5 In accordance with Article 121 of QCCL the following remuneration disclosures should be reported to shareholders prior to the General Assembly meeting:
 - 2.1.1 All the amounts obtained by the Chairman and every member of the Board in the fiscal year including the salaries, wages, allowances, bonuses for attending the meetings and compensation for expenses, employment and consulting services;
 - 2.1.2 Benefits in kind enjoyed by the Chairman and each Board member during the fiscal year;
 - 2.1.3 Bonuses suggested for distribution to the Board members; and

- 2.1.4 Amounts allotted for current and prior Board member as pensions or compensation for termination/expiry of member's service.

3. Guidelines for Chief Coordinator Remuneration

- 3.1 The Board will develop IQ's Chief Coordinator compensation structures, assuring that these programs reward performance that contributes to IQ's growth and profitability, are consistent with the strategy of IQ, and are competitive in the market.
- 3.2 The Board will determine any incentive plans for the Chief Coordinator including incentive and equity based compensation plans.
- 2.1.5 The Board will determine incentive goals to be achieved under incentive and equity compensation plans and review the results and approve the payments required upon attainment of the goals.
- 3.3 The Board will monitor achievement of Chief Coordinator targets and goals and report to the Board on a quarterly basis.
- 3.4 Reference should be made to [CG-2 Board Supervision](#) with regard to Chief Coordinator evaluation.
- 3.5 Based on performance in light of the corporate goals and objectives, the Board will determine the Chief Coordinator's compensation level.
- 3.6 The Board will determine terms of any compensation package in the event of early agreed termination of contracts of the Chief Coordinator.

Policy Code: CG-6
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Mrs. _____
Policy Name:
CG – 6 Risk Management

Purpose:

The purpose of this policy is to set guidelines and standards for IQ to comply with international standards and leading practices on corporate governance structures for risk management activities and manage inter-related risks within an effective Enterprise Risk Management framework.

Scope:

Risk management is part of the corporate governance role that the stakeholders are expecting from the Board. The Board will manage and maintain a sound enterprise wide risk management framework and aggregate key risks. The scope of implementing this policy is within the jurisdiction of all departments and units under the direct supervision of the Chief Coordinator and Board of Directors.

Content

1. General Objectives

- 1.1 IQ is exposed to a variety of risks including:
 - 1.1.1 The routine risks applicable to any commercial concern;
 - 1.1.2 The risk of failure in any of the financial markets in which it participates;
 - 1.1.3 The business risks of IQ's activities;
 - 1.1.4 Economic and political risks; and
 - 1.1.5 The financial and reputational risks associated with the failure to comply with legislation and regulation.
- 1.2 The most common risks that are applicable to IQ are credit risk, market risk, operational risk, legal risk, financial risk, reputational risk ...etc.
- 1.3 Board and Chief Coordinator will develop and maintain a sound enterprise risk management framework and aggregate these risks. Operational Risks will be managed by the respective entity/ies within the IQ group.

2. Enterprise Risk Management Framework

- 2.1 Chief Coordinator and the Board are responsible for developing the Risk Management Framework, since they are the ones who decide the level and types of risk IQ is comfortable accepting and what controls and risk mitigation activities will be employed to ensure that risk exposures stay within the agreed-upon levels.
- 2.2 IQ's Risk Management Framework will have a full understanding of IQ's stakeholder requirements at its core, and be focused on sustaining the creation of shareholder value.
- 2.3 Risk management capability will be embedded in the operations and culture of IQ's operations/ activities, with appropriate capability and performance monitoring.
- 2.4 Business processes will be appropriately supported by risk management functions and by relevant tools and techniques and be regularly and independently assured to make sure that the framework is achieving its objectives in the most effective and efficient manner.
- 2.5 The Board will annually review the operation of the framework in the light of current business performance and future expectations.
- 2.6 The Board's overall assessment will rigorously consider the overall contribution of the Enterprise Risk Management Framework to the effective and efficient operation of the business and ultimately to enhancing shareholder value.
- 2.7 Corporate Governance is one of the elements required for an effective Enterprise Risk Management framework. Although the Board has ultimate responsibility for risk management in IQ, it will delegate day-to-day governance through an Enterprise Risk Management oversight structure.
- 2.8 IQ will also consider undertaking Risk Assessment exercises to identify the relevant risks faced by IQ and identify mitigating controls for the risks identified.
- 2.9 It is recognized that until such time that IQ will itself have establish a Risk Management function, the required resources and activities to enable IQ's Enterprise Risk Management Framework may be rendered by service providers (e.g. QP through its service level agreement with IQ).

Policy Code: CG-7
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG- 7 Compliance

Purpose:

Regulatory compliance is represented in the work steps developed and followed by IQ Management to comply with internal and external rules and regulations in which IQ is operating within or by.

Scope:

This policy applies to all IQ functions including related entities whose actions are subject to regulatory compliance and review.

Contents:

1. General Policy Statements

- 1.1 The following statements represent the guiding policy, as set by the BOD, in implementing the Compliance policy:
 - 1.1.1 The BOD of IQ supports a strong commitment to maintaining compliance with all applicable regulations and must stay informed of staff and community responses to laws and regulations to properly implement required procedures;
 - 1.1.2 A compliance program should enable the review of issues as they emerge on both existing and proposed operations, products, and services; and
 - 1.1.3 An emphasis on compliance with all applicable regulations demonstrates prudent and sound judgment and enhances IQ's reputation with clients and regulatory agencies including Labor Department, QE, QFMA and other applicable regulations.
- 1.2 The adoption of a proactive compliance environment is a requirement to protect IQ on many levels. Such levels include:
 - 1.2.1 Safeguard the financial security of its assets and capital;
 - 1.2.2 Protect interests of its customers, shareholders; and
 - 1.2.3 Uphold the integrity and reputation of IQ.

- 1.3 IQ Chief Coordinator should monitor compliance with relevant regulatory requirements in respective areas of IQ operations.
- 1.4 Legal Officer/Legal Service Provider (e.g. QP through its service level agreement with IQ) should review laws and regulations and update Chief Coordinator on new regulations that may affect IQ's operations.
- 1.5 The Board Audit Committee should support the BOD in maintaining its responsibilities with regard to compliance with all applicable laws and regulations.

2. Authority and Responsibility

The following general rules are the basis for the manual of authority structure to be implemented by IQ:

- 2.1 The BOD is responsible for formulating policies indicating IQ's intentions on compliance matters.
- 2.2 The Board should adopt statements on specific compliance terms.
- 2.3 The day-to-day responsibilities of regulatory compliance should be delegated to Chief Coordinator.

3. Reports Submitted

- 3.1 All reports submitted to the Board Audit Committee related to compliance issues should include and summarize the following:
 - 3.1.1 Scope of the internal compliance with IQ's policies and regulatory requirement;
 - 3.1.2 Intent of regulation(s);
 - 3.1.3 Violations detected;
 - 3.1.4 Correcting action; and
 - 3.1.5 Date of correction.

4. Compliance Risk Considerations

- 4.1 To minimize the amount of risk inherent in the day-to-day operations of IQ, Chief Coordinator should periodically oversee the analysis of each service, and/or event and evaluate its regulatory risk ranking.
- 4.2 Each functional area should maintain updated knowledge of regulatory and legal requirements by liaising with external legal officer where necessary.
- 4.3 Factors to consider when ranking the significance of compliance risk management should include, but are not limited to, the following:
 - 4.3.1 Probability of noncompliance with policy or procedures related to regulatory compliance management;
 - 4.3.2 Result that noncompliance would impact IQ's operations;
 - 4.3.3 Degree of penalty associated with noncompliance;

- 4.3.4 Impact of noncompliance on IQ's market place image or reputation; and
- 4.3.5 IQ's tolerance for such risks.

5. Policy Non-Compliance

- 5.1 It should be the responsibility of Chief Coordinator to report instances of contravention on the items stated in this policy document.
- 5.2 Such non-compliance should be reported to the Board Audit Committee.
- 5.3 Non-compliance should be subject to disciplinary action as decided by the Audit, Committee. The precise action to be taken should however depend upon the gravity of the non-compliance and the penal provisions of the applicable laws should also apply.

Policy Code: CG-8
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG- 8 Governance Compliance

Purpose:

Governance compliance is represented in the work steps developed and followed by IQ Chief Coordinator to comply with rules and regulations and governance best practices.

Scope:

This policy applies to IQ and IQ's subsidiaries.

Contents:

1. General Policy Statements

- 1.1 The Board of IQ supports a strong commitment to maintaining governance compliance with all applicable regulations including QFMA requirements for listed companies. The Board will strive to ensure that a governance structure is implemented which is in accordance to leading practices.
- 1.2 Governance Compliance reviews will be performed to enable the review of governance issues as they emerge.
- 1.3 The adoption of a proactive governance compliance environment is a requirement to ensure that:
 - 1.3.1 Chief Coordinator acts in an ethical manner;
 - 1.3.2 Shareholders are informed of relevant corporate matters;
 - 1.3.3 A strong control environment is in place;
 - 1.3.4 Transparency is maintained by the company;
 - 1.3.5 Interests of stakeholders are maintained; and
 - 1.3.6 The integrity and reputation of IQ is upheld.

- 1.4 The Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will be the focal point of governance compliance for IQ and IQ entities.
- 1.5 The Board Audit Committee will support the Board in maintaining its responsibilities with regard to governance compliance.

2. Governance at IQ

- 2.1 IQ will adopt a governance structure that complies with both leading practices/standards and local regulatory governance requirements.
- 2.2 The Governance structure will be approved by the Board. Governance will be monitored and managed by the Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) which shall promulgate governance requirements within the group.
- 2.3 The Internal Audit function/service provider (e.g. QP through its service level agreement with IQ) will review governance non-compliance matters as part of their assigned roles and duties. Any instance of governance non-compliance shall be raised to the Board Audit Committee. Where deemed material, the non-compliance will be brought to the attention of the full Board for resolution.
- 2.4 Governance non-compliance will be reported as follows:
 - 2.4.1 Scope of the compliance with governance structure, policies and regulatory requirement;
 - 2.4.2 Violations detected;
 - 2.4.3 Responsible party;
 - 2.4.4 Correcting action; and
 - 2.4.5 Date of correction.
- 2.5 The Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will take a leading role in the preparation of the annual Corporate Governance Report.
- 2.6 The Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will continuously monitor changes in governance legislation and leading practices and periodically update the full Board on changes related to governance practices/regulations.
 - 2.6.1 Where changes in regulations and leading practices in corporate governance require IQ to update its governance structure, Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will prepare and propose the governance changes to the Board for approval.

3. Guidelines for Subsidiaries

- 3.1 Relative to the entitlement of its shareholdings or as provided for in the subsidiaries' Articles of Association, IQ will strive to establish or appoint IQ representatives to the Board

of all its subsidiaries; these Board Members shall be the link between IQ Group and the subsidiary.

- 3.2 All appointments to Subsidiary Boards shall be recommended by the Chairman & Managing Director for the approval of the Board. The Board will consider the following when nominating members (for the approval of the Board/ General Assembly of the subsidiary):
 - 3.2.1 Qualifications of candidates;
 - 3.2.2 Relevant experience;
 - 3.2.3 Ability to monitor management and ensure adequate controls are in place; and
 - 3.2.4 Rules and regulations.
- 3.3 Any minority shareholder interest shall be taken into consideration when setting the governance structure.
- 3.4 Where the subsidiary is large enough, a Board shall be established. Each subsidiary's Board shall coordinate with the IQ Board through IQ Representatives to provide updates on the subsidiary's activities.
- 3.5 Each appointed Board Member to the subsidiary will abide by a set of guidelines or terms of reference developed and approved by the Board of IQ which explains his roles and duties. Guidelines/terms of reference in terms of IQ requirements will be provided to each Board Member – these will include governance reporting and control requirements that the subsidiary must comply with. Please refer to 'Roles and Responsibilities of IQ Representatives' for further detail.

4. Guidelines for Associates/ Affiliates/ Investments

This policy applies to associates/ affiliates/ investments where IQ has an appointed Board Member.

- 4.1 Each appointed Board Member will be provided a set of guidelines/terms of reference developed and approved by the IQ Board. The guidelines/terms of references will explain his roles and duties to subsidiary and IQ.
- 4.2 The appointed board member should update the IQ Board on the governance structure of the entity and any governance concerns as and where applicable. Please refer to 'Roles and Responsibilities of IQ Representatives' for further detail.
- 4.3 Board Members are encouraged to promulgate IQ governance standards to associates/ affiliates/ investments, though compliance with IQ standards is not required.

Policy Code: CG-9
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-9 Governance Reporting

Purpose:

Governance reporting is represented in the work steps developed and followed by IQ Chief Coordinator in providing shareholders with governance updates regarding its policies and procedures.

Scope:

This policy applies to IQ.

Contents:

1. Governance Report

- 1.1 On an annual basis in accordance with QFMA Governance Legislation, the Board in coordination with management shall prepare a Governance Report to be included as part of the annual reporting to shareholders.
- 1.2 The Annual Corporate Governance Report including the following:
 - 1.2.1 Procedure followed by the company regarding QFMA governance;
 - 1.2.2 Governance violations committed, remedial and precautionary actions taken;
 - 1.2.3 BOD members details including their education, experience, membership in other boards and designation on the Board (e.g. non-executive);
 - 1.2.4 The remuneration structure and promotion policy of BOD and Chief Coordinator;
 - 1.2.5 The remuneration of each member of the Board and Chief Coordinator;
 - 1.2.6 Internal Control procedures including Investments, Financial Affairs and Risk management;
 - 1.2.7 Compliance with applicable market listing and disclosure rules and requirements;
 - 1.2.8 Compliance with Internal Control systems to manage risks;

- 1.2.9 Performance assessment of BOD and the Chief Coordinator with regard to Internal Controls implementation and resolution of control issues;
 - 1.2.10 Internal Control failures or weaknesses that affected the financial performance and the procedures followed by the company in addressing the same;
 - 1.2.11 Procedures in place for management of significant risks and systems in place to face major changes in the macro-economic conditions;
 - 1.2.12 All relevant information on Company risk management and internal control procedures.
- 1.3 In preparing the report the Risk and Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will liaise with various group functions for support on obtaining details on violations and non-compliance. The report shall be reviewed by the Board prior to submission to QFMA and subsequently release to public.
- 1.4 The annual Corporate Governance report shall be made available to anyone as applicable.

Policy Code: CG-10
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-10 Related Party/ Affiliate Transactions

Purpose:

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

Scope:

It is within the duties of the Board to formulate and monitor this policy in providing a statement regarding the identification of related parties/ affiliates, recognition of common related party/ affiliate transactions, and proper handling and documentation of acceptable related party/ affiliate activities.

Contents:

1. Definition and Nature

- 1.1 As per QFMA, a person/ entity is considered to be a related party to IQ if he/she:
 - 1.1.1 Is a member of the Board of Directors of IQ or an Affiliate Company;
 - 1.1.2 Is a member of the Executive Management of IQ;
 - 1.1.3 Owns 10% or more of the voting shares in IQ or 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; or
 - 1.1.6 Is an affiliated company or Parent Company of IQ.
- 1.2 IQ considers any relation to the fourth degree to constitute a relative relationship.
- 1.3 For accounting purposes, International Accounting Standard (IAS) 24 Related Party Disclosures, defines related party as:

- 1.3.1 Directly, or indirectly through one or more intermediaries, the party:
 - 1.1.1.1 Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - 1.1.1.2 Has an interest in the entity that gives it significant influence over the entity; or
 - 1.1.1.3 Has joint control over the entity.
- 1.3.2 The party is an associate (as defined in IAS 28 Investments in Associates) of the entity;
- 1.3.3 The party is a joint venture in which the entity is a venture (see IAS 31 Interests in Joint Ventures);
- 1.3.4 The party is a member of the key Management personnel of the entity or its parent;
- 1.3.5 The party is a close member of the family of any individual referred to in 1.1.1 or 1.1.4.
- 1.3.6 The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in 1.1.4 or 1.1.5; or
- 1.3.7 The party is a post-employment benefit plan for the benefit of employee and/or service providers or of any entity that is a related party of the entity.
- 1.4 IAS 24 Related Party Disclosures further defines "close members of the family of an individual" as those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include:
 - 1.4.1 The individual's spouse/s and children;
 - 1.4.2 Children of the individual's spouse/s; and
 - 1.4.3 Dependants of the individual or the individual's spouse/s.
- 1.5 Related party/ affiliate transactions may be recurring or infrequent in nature.
- 1.6 Examples of recurring related party/ affiliate transactions might be the sale or purchase of assets/ products from a related party/ affiliate, leasing of property from or to a related party/ affiliate and charges for consulting or administrative services.
- 1.7 Infrequent transactions may include sales or purchases of non-current assets or transactions resulting in abnormal profits or losses.

2. General and Specific Goals

The following summarizes the general and specific goals that pertain to related party transactions:

2.1 General Goals:

- 2.1.1 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 practices as set by the Board.
- 2.1.2 To ensure a transparent process is in place with adequate disclosure of related party transactions to shareholders.
 - 2.1.2.1 To approve guidelines used in defining types of related party transactions, adequacy of documentation, and to decide on appropriate levels of approval authority.
- 2.2 Specific Goals:
 - 2.2.1 Require specific documentation or detailed agreements covering recurring and nonrecurring related party/ affiliate transactions.
 - 2.2.2 Require that all transactions be handled at fair market value, properly collateralized if required, and represent a bookable asset.
 - 2.2.3 Management fees charged to related party/ affiliates will be paid on a timely basis and will be calculated in a consistent and uniform manner, and will be based on:
 - 2.2.3.1 Reimbursement of cost;
 - 2.2.3.2 Cost plus a reasonable profit (limited to certain types of transactions);
 - 2.2.3.3 Fair market value;
 - 2.2.3.4 Overall expense of inter-affiliate services, transactions, etc; and
 - 2.2.3.5 Compliance with regulatory requirements, including laws and regulations.

3. Authority

- 3.1 All transactions with related parties require the prior review and approved by the Board.
 - 3.1.1 It is noted that as per QFMA (Article 13.1) requirements, related party transactions that fall within QFMA's definition shall be approved by a majority vote of shareholders, whereby a majority vote is required in the absence of the related party.
- 3.2 The Board is delegated the duties of analyzing related party transactions.
 - 3.2.1 The Board will meet and discuss the status of related party/ affiliate transactions and any related problems.
 - 3.2.2 A summary report will be provided to the General Assembly for review and approval.
- 3.3 In considering the approval of a related party transaction, a legitimate business case must be developed including the arm's length nature of the proposed transaction and the disclosure implications of such a transaction in IQ's financial statements.

4. Risk Management and Compliance

- 4.1 Chief Coordinator, in working with the Board and Risk Management Department/service providers (e.g. QP through its service level agreement with IQ) 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 and long-term.
- 4.3 Identified risks related to related party/ affiliate transactions are associated, but not limited to, compliance risk and reputation risk.

5. Materiality & Types of Transactions

- 5.1 Related party transactions will be material if book or fair market value, whichever is less, exceeds QAR 10,000.
- 5.2 Consolidation/Summation of related party transactions also should be considered when the total of transactions of a similar nature exceeds QAR10,000.
- 5.3 Examples of nonrecurring transactions include:
 - 5.3.1 Sales of equipment between related parties/ affiliates;
 - 5.3.2 Loan participations;
 - 5.3.3 Purchase/ Leases of equipment or real estate between related parties/ affiliates;
 - 5.3.4 Execution of contracted services over a period of time to a related parties/ affiliate; and
 - 5.3.5 Provision of services by one related party/ affiliate to another, without contract.
- 5.4 Recurring transaction examples include contracts or leases between related party/ affiliates for goods and services such as:
 - 5.4.1 Selling/ purchasing products/ services between related parties/ affiliates;
 - 5.4.2 Provision of fund transfers;
 - 5.4.3 Data processing services;
 - 5.4.4 Accounting services;
 - 5.4.5 Supplies, e.g. office or maintenance supplies;
 - 5.4.6 Audit services; and
 - 5.4.7 Management services.

6. Reporting of Related Party Transactions

- 6.1 In the event that a related party transaction is contemplated, all transactions equal to above QAR 10,000 should be immediately be documented according to standards set in Section 10 of this policy. The Related Party Transaction will be raised later on to the Board. Details of the proposed transaction to be discussed include:

- 6.1.1 The identification of the related party and the affiliation to IQ;
 - 6.1.2 The nature of the proposed transaction and the amount of the transaction;
 - 6.1.3 Supporting evidence to support the arm's length nature of the proposed transaction including the terms and manner of settlement had the parties not been related; and
 - 6.1.4 The anticipated impact on IQ's financial statements and disclosure.
- 6.2 In no event should a related party transaction be entered into without prior written consent of the Board.
- 6.3 The Chief Coordinator has the sole responsibility to discuss and attain final approval from the Board on all related party transactions.

7. 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 IQ.
- 7.2 Public contracting works and tenders in which all the competitors are allowed to participate equally are exempted from the above prohibition subject to the relationship or transactions being approved by the Board.
- 7.2.1 The approval needs to be renewed if the relationships are of a recurring nature.
 - 7.2.2 In all cases, the individual who has interest thereof should not participate in the meetings or deliberations of the Board where the referred matter is discussed.

8. Accounting Implications

- 8.1 The existence of related party transactions may have a significant effect on IQ's financial statements. Transactions between or among related parties differ from transactions between unrelated parties in that they are, by definition, not at arm's length.
- 8.2 Not dealing at arm's length may significantly influence the price and terms of transactions, and make it difficult to distinguish between the form and the substance of the transaction.
- 8.3 Except for recurring transactions, the assumption is that it is difficult to substantiate that a related party transaction is at arm's length as it is generally not possible to determine whether such a transaction would have taken place or what the terms and manner of settlement would have been had the parties not been related.
- 8.4 It is required that IQ discloses significant related party relationships and transactions in the Company's financial statements. This disclosure is considered significant because it provides the user of the financial statements with relevant information to interpret IQ's operating results.

9. Management Fees

- 9.1 Management fees paid between subsidiaries/affiliates for services performed generally include management advice, personnel services, data processing, marketing, supply administration, strategic assistance, manufacturing consulting, accounting and financial

services, and audit services. If fees are to be assessed, an affiliate must provide a specific, identifiable service.

- 9.2 A management fee is intended to offset the actual or proportionate expense incurred by the affiliate performing, or paying for, the service. Fees charged should be reasonable and justifiable and should be based on the fair market value of services provided. Where there is no market established for a particular service, management fees are based on the actual cost plus a reasonable profit.
- 9.3 Fees for services should be billed and paid as they are received, just as they would be with an unaffiliated service provider. Prepayments should not be made significantly in advance of services rendered. In general, payments are made when the service is rendered by the affiliate. However, for those services provided on a continually recurring basis, monthly installments of management fees payable by affiliates are based on each entity's estimated annual management fee. Each monthly installment represents one-twelfth of the estimated annual management fee for the year. After actual expenses for the year are determined, the management fee is reallocated and settled in the appropriate fiscal year.
- 9.4 Where an affiliate (such as the parent company) is providing specific services to another affiliate on an ongoing basis, an agreement between the entities should be entered detailing the services provided, fees charged and how they were calculated, and the timing of payments. Management of each entity is responsible for ensuring that basic business principles common to an arm's length transaction are applied and that the actual practice between affiliates and the management fee agreement are consistent.
- 9.5 A management fee agreement should be signed by an authorized representative of each participating affiliate and, at a minimum, should include:
- 9.5.1 A description of the specific services to be performed;
 - 9.5.2 The method of calculating the management fee for each service;
 - 9.5.3 The method and timing of payment for the services performed; and
 - 9.5.4 Provisions for any instances of reimbursement between affiliates.

10. Special Cost Allocation Considerations

- 10.1 In certain instances, costs or expenses for a series of transactions are not readily identifiable for each participating affiliate.
- 10.2 Accordingly, methods for allocating costs should be developed to provide reasonable compensation for respective transactions.
- 10.3 Allocation methods are based on a best estimate of cost per transaction, or on volume or asset size ...etc., which represents a reasonable allocation of expense. Costs cannot be assessed on an unreasonable assignment such as the ability to pay.

11. Documentation

- 11.1 All related party/ affiliate-covered transactions should be documented to provide at least the following:

- 11.1.1 Date of transaction;
- 11.1.2 Description of transaction;
- 11.1.3 Detail of method(s) used to calculate value of transaction;
- 11.1.4 Frequency of charges, if recurring;
- 11.1.5 Date of approvals; and
- 11.1.6 Information regarding cost justifications, appraisals ...etc., used in arriving at the value of the transaction.

11.2 All documentation will be maintained by both participants in the transaction.

12. Compliance

- 12.1 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) should disclose any possible related party transactions as soon as they are made aware of the same. (Refer to [CG-14 Conflict of Interest Policy](#))
- 12.2 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 IQ.

Policy Code: CG-11
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:
CG-11 Internal Audit

Purpose:

This policy defines the process whereby effective internal audit is provided to IQ's Board that the internal controls and risk management processes are operating effectively, in accordance with governance requirements.

Scope:

This policy applies to all activities undertaken within Internal Audits overview. This policy also applies to IQ's Board and Board Audit Committee involved in appointing and coordinating with Internal Auditors. This policy should be read in conjunction with the Board Audit Committee's 'Terms of Reference'. Furthermore, IQ is utilizing Internal Audit Function/service provider (e.g. QP through its service level agreement with IQ) in performing internal audits.

Contents:

1. General Policy Statements

- 1.1 Internal Audit is considered one of the four pillars of corporate governance, the other pillars being the Board of Directors, Executive Management and External Auditors.
- 1.2 Regulatory requirements such as those imposed locally by the QFMA and internationally by the Sarbanes Oxley Act in the United States have made an Internal Audit Department necessary.
- 1.3 Internal Audit's role within IQ is to assist the Board and Chief Coordinator meet goals and objectives by providing reliable and independent opinions on the adequacy and effectiveness of the risk management and internal control processes in operation across IQ.
 - 1.3.1 Internal Audit/service provider (e.g. QP through its service level agreement with IQ) will have the right to audit any IQ subsidiary. In any case, where a subsidiary has its own internal audit function, Internal Audit/service provider (e.g. QP through its service level agreement with IQ) will coordinate with subsidiary audit

to report subsidiary progress, internal audit plans and provide reports to the Board Audit Committee.

- 1.4 The Board should examine company practices relating to the internal audit. Among key issues, the Board should ensure that:
- 1.4.1 IQ will ensure it has an effective Internal Audit Department at the group level and at subsidiaries. These internal audit functions may be performed by company internal auditors and/or an outside audit firm (co-sourcing);
 - 1.4.2 The Board Audit Committee understands and has approved the Annual Internal Audit Plan;
 - 1.4.3 The Board Audit Committee is receiving the requisite information from internal auditors such as key risks facing the Company and its subsidiaries;
 - 1.4.4 The Internal Audit Department/service provider (e.g. QP through its service level agreement with IQ) is structured to promote operational independence;
 - 1.4.5 The Head of Internal Audit/service provider has a direct line of communication with the Board Audit Committee;
 - 1.4.6 Appropriate lines of communication exist between the internal auditors and Management; and

2. Roles in Governance

- 2.1 “International Standards for the Professional Practice of Internal Auditing” as issued by the Institute of Internal Auditors (hereinafter ‘IIA’) address internal audit responsibilities in the corporate governance arena. Internal Audit should make appropriate recommendations for improving the governance process in its pursuit of the following objectives:
- 2.1.1 Promoting appropriate ethics and values within IQ and subsidiaries;
 - 2.1.2 Ensuring effective organizational performance management and accountability;
 - 2.1.3 Effectively communicating risk and control information to appropriate areas of the organization; and
 - 2.1.4 Effectively communicating the activities of and communicating information among the Board, external and internal auditors, and Management.
- 2.2 The QFMA Corporate Governance Code further requires the internal audit function to:
- 2.2.1 Audit the internal control system and ensure its effective implementation;
 - 2.2.2 Perform both operational and financial audits;
 - 2.2.3 Oversee the accuracy and validity of the financial statements with a focus on:
 - 2.2.3.1 Changes to accounting policies and practices;
 - 2.2.3.2 Management estimates;
 - 2.2.3.3 Major amendments resulting from the internal audit;

- 2.2.3.4 Continuation of the company as a going concern;
- 2.2.3.5 Compliance with IFRS;
- 2.2.3.6 Compliance with listing rules; and
- 2.2.3.7 Financial disclosures.

3. Communication with the Board Audit Committee

- 3.1 The Board Audit Committee requires information from the Internal Audit Department/service provider (e.g. QP through its service level agreement with IQ) to gain an overview of the strategic, operational, and financial risks facing IQ and the assessment of the system of internal controls in place to manage these risks.
 - 3.1.1 The Head of Internal Audit/service provider should report to the Board Audit Committee on high risk related internal control matters on a quarterly basis.
 - 3.1.2 Internal Audit Department/service provider will coordinate with operational subsidiary audit functions to update IQ Board Audit Committee of subsidiary audit scope and activities.
- 3.2 The Head of Internal Audit/service provider will raise issues of concern, including any issues involving the internal control environment and the performance of External Auditors at the Board Audit Committee.

4. Independence and Objectivity

- 4.1 Internal Audit is a function, independent of line Management. Independence is established by organizational status, through reporting lines and by members of Internal Audit carrying out their duties freely and objectively.
- 4.2 Members of Internal Audit are required to be objective and constructive in discharging their responsibilities. They will at all times:
 - 4.2.1 Ensure compliance with the Standards for the Professional Practice of Internal Auditing and The Code of Ethics of The Institute of Internal Auditors (IIA).
 - 4.2.2 Observe the following IIA Attribute Standards:
 - 4.2.2.1 Integrity;
 - 4.2.2.2 Honesty;
 - 4.2.2.3 Objectivity; and
 - 4.2.2.4 Professional care.
 - 4.2.3 Demonstrate IQ values.
- 4.3 The Board Audit Committee should review and approve the Internal Audit Department/service provider's Charter and ensure unrestricted access by internal auditors to records, personnel, and physical properties relevant to the performance of the engagements.

- 4.4 In ensuring the independent and effective functioning of the Internal Audit Department/service provider, the Board Audit Committee should:
- 4.4.1 Ensure that the Internal Audit Department/service provider is structured in a manner that achieves organizational independence and permits full and unrestricted access to top Management;
 - 4.4.2 Review and approve the annual internal audit budget and assess the appropriateness of the resources allocated to internal auditing;
 - 4.4.3 Through the Board Audit Committee Chairman, perform an evaluation of the services provided by Internal Audit Department/service provider to IQ; and
 - 4.4.4 Consider developing a rotation policy for internal audit staff to promote independence.

5. Rights of Access

- 5.1 The Internal Audit Department, for the purpose of performing its duties, has the right of access to:
- 5.1.1 Any and all information, accounting and transaction records in whatever media and wherever maintained or stored;
 - 5.1.2 All assets, including property held in custody and supporting records;
 - 5.1.3 All contracts and agreements in effect or expired;
 - 5.1.4 All premises and property owned, loaned or rented;
 - 5.1.5 All systems, procedures and practices;
 - 5.1.6 All contracted third parties;
 - 5.1.7 Minutes of all Board and Board / Board Audit Committee meetings throughout IQ;
 - 5.1.8 All third party reports relating to the affairs of IQ and its subsidiaries including regulatory reports;
 - 5.1.9 The right to be informed, on a timely basis, of any significant control failures identified by Chief Coordinator or the External Auditors;
 - 5.1.10 The right of access to all correspondence with regulators of IQ and applicable subsidiaries; and
 - 5.1.11 The right of attendance at all Board Audit Committees across IQ subsidiaries.

6. Reporting

- 6.1 The Head of Internal Audit/service provider (e.g. QP through its service level agreement with IQ) is responsible for reporting any material assurance issues to Chief Coordinator, the Board Audit Committee and the Board, and for providing an update on previously reported issues.

- 6.2 Material issues arising in subsidiaries should be reported by the Chief Coordinator and Internal audit/service provider to IQ in accordance with the established issue escalation and reporting procedures.
- 6.3 Copies of all subsidiary Board Audit Committee papers and minutes will be forwarded to IQ's Internal Audit function (where applicable) in a timely manner in order to facilitate company-wide Board Audit Committee reporting.
- 6.4 Regular internal audit reports will be prepared quarterly.

Policy Code: CG-12

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr./Ms. _____

Policy Name:

CG-12 External Audit

Purpose:

The purpose of this policy is to set out the approach to be adopted when using the services of External Auditors, so as to effectively manage the relationship in accordance with regulatory requirements and governance best practices.

Scope:

This policy applies to all IQ entities. This policy should be read in conjunction with the Board Audit Committee's 'Terms of Reference'.

Contents:

1. General Policy Statement

- 1.1 An External Auditor who is independent and qualified will undertake an annual and semi-annual independent audit of the company, the purpose of which is to provide objective assurance to the Board and shareholders that the financial statements are prepared in accordance with regulatory requirements, international financial reporting standards and statements accurately represent the financial position of the company.
- 1.2 IQ is committed to establishing and operating clear 'rules of engagement' to be followed which will manage the relationship with External Auditor in accordance with regulatory and governance requirement.

- 1.3 IQ also recognizes that the relationship with the External Auditor must be managed in a consistent and transparent manner and is committed to clear roles, responsibilities and processes to achieve this.
- 1.4 This policy sets the following IQ objectives:
 - 1.4.1 To avoid situations of potential conflict of interest, real or perceived, arising from the employment of the External Auditor;
 - 1.4.2 To safeguard and support the independence of view of External Auditor;
 - 1.4.3 To ensure competent External Auditors are appointed; and
 - 1.4.4 To be able to demonstrate a robust and transparent policy and process for the management of the External Auditor and its activities, that supports the above objectives and complies with relevant regulation and legislation.

2. Roles and Services to be Provided by External Auditors

- 2.1 The role of the External Auditor as per Article 145 of QCCL is as follows:
 - 2.1.1 Review controls on the business of IQ;
 - 2.1.2 Verify accounts in accordance with approved auditing principles, professional requirement, and scientific and technical principles;
 - 2.1.3 Inspect the balance sheet and profit and loss accounts;
 - 2.1.4 Verify the application of the law and statutes of IQ;
 - 2.1.5 Inspect the financial and administrative systems of IQ and the internal financial control systems, confirming the suitability of systems for the smooth running of IQ and the maintenance of its properties;
 - 2.1.6 Verify the assets of IQ and its ownership and confirm the legality and authenticity of the liabilities on IQ;
 - 2.1.7 Review the decisions of the Board and the instructions issued by the IQ; and
 - 2.1.8 Any other duties to be performed by the External Auditor under the Commercial Law, Auditing Laws, other related regulations and the principles followed in auditing.
- 2.2 The External Auditor shall attend the General Assembly to deliver annual financials and answer any shareholder queries.
- 2.3 External Auditors are not allowed to:
 - 2.3.1 Participate in the establishment of the company;
 - 2.3.2 Participate on the Board; or
 - 2.3.3 Undertake any technical or administrative or consultative duty in the company. (Article 143 of QCCL).

- 2.4 QFMA further states that the External Auditor may not be contracted to provide advice or other services other than carrying out the audit of the company (Article 19 of QFMA). However, IQ also recognizes that in a small number of situations the theoretical risk of conflict of interest may be outweighed by the value to IQ of the External Auditor undertaking certain activities. Where such situations arise IQ is committed to a clear approval process and to documenting such decisions in a defined and auditable manner.
- 2.4.1 It is IQ's policy that consultancy and non-audit services are not awarded to External Auditor except under strict controls and approval of the Board Audit Committee.
- 2.5 An External Auditor is not allowed to be a partner or agent or employee with any of IQ's founders or any Board member or their relatives up to fourth grade (Article 143 of QCCL).
- 2.6 The External Auditor cannot render audit services to a company if a member of Executive Management (e.g. Chief Coordinator) was previously employed by the auditor or participated in the audit of the company in any capacity during the year prior to the date of the initiation of the audit.
- 2.7 The External Auditor is responsible for notifying QFMA and other regulatory authority should the Board fail to take propose action concerning suspicious raised or identified by the External Auditor (Article 19 of QFMA).

3. Appointment and Rotation Policy

- 3.1 Appointment of the External Auditor will be reviewed by the Board Audit Committee. The Board Audit Committee will then recommend to the Board its view on the External Auditor taking into consideration aspects discussed in Section 12 of this policy.
- 3.2 The Board will then propose the External Auditor appointment for the shareholders' approval.
- 3.3 The primary emphasis in choosing an audit firm should be the demonstrated experience, quality, and depth of knowledge of all audit personnel to be assigned to the audit, specific industry expertise, the scope of work to be performed, and any inspection reports available about the audit firm.
- 3.3.1 Appointment of an External Auditor, of a subsidiary, which is different than the external auditor of the Group will need to be reviewed by the Board Audit Committee. It is IQ's policy to maintain the same External Auditor within the Group, where possible, for cost minimization purposes.
- 3.4 Any conflicts between the Board Audit Committee and Board on the appointment/reappointment of the External Auditor will be noted in the Annual Corporate Governance Report.
- 3.5 In accordance with QFMA (Section 5, Article 19.5) requirements, IQ will rotate its External Auditors every three years at a maximum.
- 3.6 IQ will rotate its External Auditor every three years in line with the QFMA Code.

- 3.6.1 It should be noted that as per the QFMA Corporate Governance Code for Listed Companies, External Auditors are allowed to be retained only for a maximum of three (3) years. In case a decision is made to maintain the same External Auditor beyond the prescribed QFMA maximum, the non-compliance should be explained in the Corporate Governance Report with the adequate reasons why the decision to keep the Auditor was maintained.

4. Board Audit Committee and External Audit Responsibilities

- 4.1 The External Auditor will report directly to the Board Audit Committee.
- 4.2 The Board Audit Committee will examine its policies and practices with regard to the external audit process, to ensure compliance with relevant legislation and governance best practices.
- 4.2.1 The Board Audit Committee will annually review the independence and objectivity of the External Auditor.
- 4.2.2 The Board Audit Committee will establish clear hiring policies for current and former employees of the External Auditor to safeguard independence and to consider all relationships between the External Auditor and IQ when deciding whether the audit firm should be reappointed.
- 4.3 The Board Audit Committee is responsible for making recommendations on the appointment, compensation, retention, and oversight of IQ's External Auditors to the Board. Any recommendations on the above, particularly as regards appointment and remuneration, will be approved by the General Assembly (Article 141 of QCCL).
- 4.4 Additionally the Board Audit Committee is responsible for the resolution of any disagreement between Management and the Auditor regarding financial reporting that might arise in the conduct of issuing an audit report or related work.
- 4.5 The Board Audit Committee should discuss the audited annual financial statements and quarterly financial statements with Management and the External Auditor.
- 4.6 The Board Audit Committee should regularly review potential "red flags" with the External Auditors, including:
- 4.6.1 Accounting adjustments noted by the Auditor;
- 4.6.2 Communications between the audit team and the audit firm's national office related to audit and accounting issues presented by the engagement; and
- 4.6.3 Reportable deficiencies in the design or operation of internal controls over financial reporting.
- 4.7 The Board Audit Committee will ensure that the External Auditor participates in session of the Committee to build trust and provide a forum for issues of concern to be raised.

- 4.7.1 Meetings with External Auditor should be held as a matter of course and should include, at a minimum, the engagement partner and other key members of the audit engagement team.
- 4.7.2 Discussions with the External Auditor may include concerns about Management and the internal auditors and other matters that the External Auditors may wish to discuss.

Policy Code: CG-13
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:
CG-13 Confidentiality

Purpose:

The purpose of this policy is to define the principles and guidelines required in order to maintain confidentiality of IQ's information and that of its relationships.

Scope:

This policy applies to all employees of IQ and its subsidiaries and/or Outsourced service providers (e.g. QP through its service level agreement with IQ).

Contents:

1. General Policy Statement

- 1.1 IQ prohibits the public disclosure of confidential organization information. This policy applies to IQ and its subsidiaries without any exception.
- 1.2 This policy prohibits confidential information from being accessed, disclosed or released in any format to or by any person/ business that does not have a "need to know" without the proper consent of the individual/ stakeholder involved and/or IQ. As the range of services and products IQ offers continues to expand, it is essential to keep business partners', customers', and vendors' need for privacy and confidentiality as IQ's foremost priority.

2. Overview

- 2.1 IQ's confidential and proprietary information is one of the key assets and includes but is not limited to techniques, names and lists of business partners, customers, strategic and marketing plans, source codes, employee information and financial information.
 - 2.1.1 The above information is IQ's property and is protected by copyright and trade-secret laws and sometimes by patents. Every IQ employee and/or outsourced service provider (e.g. QP through its service level agreement with IQ) has the

responsibility to safeguard it, and to never disclose it intentionally or inadvertently.

2.2 Confidential information could include any of the following:

2.2.1 Expected financial results/ forecasts and projections;

2.2.2 Technical data not published previously;

2.2.3 New announcements of significant investments, projects, divestures, restructuring etc.;

2.2.4 Marketing strategies/ campaigns;

2.2.5 New or extensions to key contracts;

2.2.6 Personnel information/ salaries;

2.2.7 Changes in dividend policy;

2.2.8 Significant litigation exposure;

2.2.9 New equity or debt offerings; and

2.2.10 Material pricing changes.

2.3 On the other extreme, information which is regarded as non-confidential is that which is – and accepted to be – openly discussed with outsiders within the context of “publicly disclosed” material and information. Accordingly, information not falling under any of the classification of confidential information as defined hereafter will be covered in this category.

3. Classification of Confidential Information

3.1 To guide employees/service provider in the handling of confidential information, including that contained in e-mails, IQ has established the following classifications:

3.1.1 “IQ Confidential: Internal Use Only”

Information with this classification is not highly sensitive and can be distributed within IQ without restrictions. Examples of information included in this category are internal telephone listings, e-mail address listings, and policy.

3.1.2 “IQ Confidential: Need-to-Know”

This information is more sensitive and valuable than “Internal Use Only” documents. Its dissemination is limited to employee and/or service providers who need the information to do their jobs. Information in this category might include new project details and personnel information.

3.1.3 “IQ Confidential: Registered”

This is the most sensitive type of information. Registered documents must be numbered and each copy assigned to a specific recipient. These documents must be kept in a secure place at all times and should not be duplicated, except

by their originator. Information in this category may include financial information, financial forecasts, expansion plans, acquisitions, mergers, and other contracts.

4. Conduct of Personnel

- 4.1 All IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) are expected to act in a professional manner and maintain confidentiality at all times, whether dealing with actual records, projects, or conversations, and abide by the obligations of contractual confidentiality agreements. The violations of this policy include, but are not limited to the following situations:
- 4.1.1 Allowing unauthorized access on IQ's computers to confidential IQ information, customer information, financial data, contract details, confidential research data, or employee personal information;
 - 4.1.2 Sharing information acquired by persons in the course of their work with others who do not have a need to have the information;
 - 4.1.3 Accessing information that the individual does not have the authority to access in the course of his/ her work, or does not have a need to know to carry out his/ her job duties;
 - 4.1.4 Sharing of information related to confidential Human Resource matters;
 - 4.1.5 Breach of confidentiality obligations regarding the disclosure of confidential information that is subject to a duly signed confidentiality agreement/ statement; and
 - 4.1.6 Discarding confidential documents in an unsecure manner.
- 4.2 All IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) should protect and maintain business partner, customer and vendor privacy and confidentiality and as such should adhere to the following:
- 4.2.1 All information related to IQ's business should be kept in the strictest confidence;
 - 4.2.2 All written information, whether in the form of records or to be used for publicity, must protect the anonymity of individuals and groups;
 - 4.2.3 Customer/ vendor/ business partner information (including the name and address of their business) should never be sold or made available to any other firms;
 - 4.2.4 Customers/ vendors / business partner have the right to exercise control over how IQ uses the information obtained pertaining to customer/ vendor business; and
 - 4.2.5 Employee and/or service providers must at all times respect customer/ vendor/ business partner privacy when marketing IQ's products and services.

5. Requests for Confidential Information

- 5.1 Written Requests: All written requests for additional information concerning details of litigation progress, expansion projects, investments, and acquisitions etc. shall be handled

by the Chief Coordinator. He will then decide whether such information should be disclosed to the requesting party.

5.2 Verbal Requests: All verbal requests are received by the Chief Coordinator. If the Chief Coordinator is not present, such requests will be forwarded for follow-up on a later date.

5.2.1 If the Chief Coordinator is unavailable, the requester should be asked to provide their name, company, telephone number and address, if possible.

5.2.2 Additionally the requester should be asked the reason for the request and a brief description of the information desired. This information should be recorded by the Public Relations function.

6. Electronic Mail (E-mail)

6.1 As a policy, employee and/or service providers should be discouraged to forward or send e-mails containing confidential information outside of IQ's network.

6.2 If there is a business need to communicate any sensitive information with someone outside IQ, employee and/or service providers should confirm with their immediate supervisor that an appropriate non-disclosure agreement has been signed prior to e-mailing information outside the network.

7. Communication with Vendors and Customers

7.1 Employee and/or service providers must also use caution and discretion when communicating with vendors and clients. Before disclosing information, employee and/or service providers should consider the following:

7.1.1 Check to ensure that appropriate non-disclosure agreements are in place whenever applicable;

7.1.2 Disclose only the information necessary to complete the project or the contract;

7.1.3 Remind the vendor/ customer of the importance of keeping IQ's information confidential; and

7.1.4 Consult with the immediate supervisor before providing access to information to any non- IQ individuals.

Policy Code: CG-14
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____

Policy Name:

CG-14 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 Board Members, Chief Coordinator, IQ employees and/or Outsourced service providers (e.g. QP through its service level agreement with IQ). 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 employee and/or service providers, directors, and principal shareholders, IQ 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 IQ and its subsidiaries, outsourced service providers (e.g. QP through its service level agreement with IQ) and members of the Board.

Contents:

1. General Policy Statement

- 1.1 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) have a responsibility to IQ, its shareholders, and to each other. Although this duty does not prevent employee and/or service providers from engaging in personal transactions and investments, it does demand that employee and/or service providers avoid situations where a conflict of interest might occur or appear to occur.
- 1.2 Individuals associated with IQ have a primary responsibility to uphold its ethical standards.
- 1.3 IQ is subject to scrutiny from many different individuals and organizations. Employee and/or service providers 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.** Employee and/or service providers should disclose any business, or consulting outside of IQ for another for-profit organization in conflict of

interest situations. IQ's policies prohibit any employee and/or service providers from accepting simultaneous employment with an IQ 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 IQ or its subsidiaries having similar businesses in Qatar (Article 97 of QCCL). Although an employee and/or service providers may serve as a Director of IQ supplier, customer, or contractor, IQ's policy requires that an employee and/or service provider first obtain written approval from IQ's Board before accepting a Directorship position, and any remuneration an employee and/or service providers receives should be of an amount equal to his/ her responsibilities.
- 1.3.3 **Business Interests.** If an employee and/or service provider is considering investing in the business interests of clients, suppliers, vendors, and competitors, the employee and/or service providers must first take great care to ensure that these investments do not compromise his/ her responsibilities to IQ. Many factors should be considered in determining whether a conflict situation exists, including the size and nature of the investment; the employee and/or service provider's ability to influence IQ decisions; the employee and/or service provider's access to confidential information of IQ or of the other organization; and the nature of the relationship between IQ 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 and/or service provider should avoid conducting IQ business with a family member (to the fourth degree) or with a business in which a family member is associated in any significant role. If such a transaction is unavoidable, the employee and/or service providers must disclose the relationship and obtain prior written approval from IQ's Board. 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 and/or service providers unable to disclose the related party details, which come to the notice of the Management or the Board at a later date, the Board 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 and/or service provider's mind, it should be referred to the manager, relevant Head, or the Chief Coordinator before taking up a role in the transaction/ activity or entering into the relationship or situation in question.
- 1.4 All IQ employee and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) and representatives of IQ 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 IQ customers or with IQ itself.

- 1.5 Each employee and/or service providers must disclose and avoid any interests or activities involving another organization or individual that may result in a conflict of interest between IQ and that organization or individual.
- 1.6 Employees and/or service providers 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 Chief Coordinator.
- 1.7 While this policy does not intend to interfere with the personal lives of employee and/or service providers 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. employee and/or service providers 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 and/or service providers should remove himself or herself from any compromising situations.

2. Authority

- 2.1 The Board is ultimately responsible for establishing specific policies to address potential conflicts of interest for the Chief Coordinator, Directors, and IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ).
- 2.2 Any action taken regarding inappropriate insider activities or a breach of IQ's Code of Ethics will ultimately be reviewed and acted upon by the Board Audit Committee, after considering the facts, the seriousness of the conduct, and any potential breach of trust.

3. Confidential Information

- 3.1 All IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) and Board Members must acknowledge that all information concerning IQ, its subsidiaries, customers, and personal information is considered confidential and is to be used for IQ's purposes only. The use of such information for personal, familial, or other gain is unethical and illegal under IQ's policy.
- 3.2 Use of confidential information for other than IQ's business purposes may result in disclosure of insider information. Insider information is considered as one situation where conflict of interest should be avoided (**CG-13: Confidentiality Policy**).
- 3.3 In addition, all published information (both for internal and external use), developed programs, manuals, equipment ...etc. are the property of IQ and are reserved for use by employee and/or service providers. Use of this material for any other purpose may constitute copyright infringement and theft.

4. Solicitation

- 4.1 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) are not to solicit gifts from prospective or current customers, vendors or any other individual or business.
- 4.2 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) 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.
- 4.3 Nominal value is considered to be anything below QAR 1,000. Gifts and gratuities, regardless of amount, should be immediately reported to Chief Coordinator.
- 4.4 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) may be expected to participate in entertainment and amenities at reasonable cost to facilitate business. Payment by anyone other than IQ 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 and/or service providers to his/her immediate supervisor.

5. External Involvement

- 5.1 While IQ encourages its employees and/or outsourced service provider (e.g. QP through its service level agreement with IQ) to be involved in civic activities, including charitable and social functions, IQ's policy prohibits IQ from making political contributions. At no time will employee and/or service providers solicit other employees for political contributions or coerce others into contributing to any organization. Conduct must not give the perception that benefit to IQ or connections are sought or desired.
- 5.2 Additionally, offers of directorship in/from any outside organization that has or desires a business relationship with IQ, must be reported to the Board prior to acceptance.
- 5.3 Capitalizing on opportunities for personal gain or compensation outside of that provided by IQ for the performance of services for IQ is strictly prohibited.

6. Conduct of Insiders

- 6.1 "Insiders" is defined as Board Members, 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 IQ for personal profit or influence over IQ operations for their business or personal interests.
- 6.2 Decisions regarding the sale, purchase or leasing of IQ's assets and services must be made in the best interests of IQ, with no influence on insiders resulting from gifts, entertainment, or gratuities. All conduct of such business must be at "arm's length."

7. Compliance and 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 Chief Coordinator.

Policy Code: CG-15
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-15 Disclosure

Purpose:

The purpose of this policy is to define the principles and guidelines for disclosing confidential information, conflict of interest and compliance information as they related to IQ.

Scope:

This policy applies to all employees of IQ, outsourced service providers (e.g. QP through its service level agreement with IQ) and members of the Board.

Contents:

1. Disclosures and Reporting of Conflict of Interest

- 1.1 A form has been included for which IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) are encouraged to use to report any and all instances of Conflicts of Interest, including receipt of material gifts ([Appendix 5: Sample Conflict of Interest Disclosure Form](#)).
- 1.2 Employee and/or service providers should immediately consult with their supervisor in cases of conflicts of interest or solicitation as to the required action needed. Employee and/or service providers are also encouraged to contact the Legal Officer/Legal Service Provider (e.g. QP through its service level agreement with IQ).
- 1.3 Conflicts of Interest of Management/Directors should be reported to the Board. All matters resulting in conflicts of interest of managers/ directors of IQ should be reported at the General Assembly meeting to shareholders (Article 121 of QCCL) and comprise part of the Governance Report by the Board.
 - 1.3.1 Further, “a director, who to his knowledge is in any way beneficially interested in a contract, arrangement, transaction, or proposal with the Company.....shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered. Such a Director shall declare the full extent of his said interest to the

Board at the first meeting, if he knows his interest then exists, or in any other case that he is or has become interested.

2. Disclosure of Confidential Information

- 2.1 IQ should prepare standard nondisclosure agreements suitable for most disclosures in coordination with the Secretariat function.
- 2.2 No article or speech by IQ is published without submitting it to the Chief Coordinator for approval by the Board.
- 2.3 It is required that IQ discloses significant related party relationships and transactions in IQ's financial statements. This disclosure is considered significant because it provides the user of the financial statements with relevant information to interpret IQ's operating results.
- 2.4 To further IQ's business, from time to time proprietary information must be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If IQ determines in consultation with an employee and/or service provider's manager and other appropriate IQ Management that disclosure of confidential information is necessary, the employee and/or service providers must then contact the Chief Coordinator and Secretariat before any disclosure takes place. Additionally, no financial information other than that required by statutory-reporting requirements may be disclosed without the prior approval of the Board.

3. Compliance

- 3.1 All IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) should disclose any possible related party transactions as soon as they are made aware of the same. (Refer to [CG-14 Conflict of Interest Policy](#))
- 3.2 Non-compliance to related party requirements of the QFMA will be disclosed in the Company's Corporate Governance Report. Decision for non-compliance vests with the full Board of IQ.

Policy Code: CG-16
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-16 Whistle-blowing

Purpose:

The purpose of this policy is to encourage all IQ employees and/or outsourced service provider (e.g. QP through its service level agreement with IQ) 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 IQ and/or outsourced service provider (e.g. QP through its service level agreement with IQ). The policy will also apply to IQ's subsidiaries.

Contents:

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 IQ or a subsidiary) and criminal offense;
 - 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. General Policy Statements

- 2.1 Support for the establishment of whistle-blower provisions and protections have been rendered by a raft of various legislations and guidelines in the world. In line with leading governance practice, IQ as a listed organization, should have a program for receiving confidential, anonymous submissions of concerns regarding questionable practices.

- 2.2 IQ will assign a member of the Board Audit Committee to address employees and/or outsourced service providers' whistle-blowing concerns which cannot be resolved internally. IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) are encouraged to report any wrong doing to the superiors as appropriate. The assigned Committee member will ensure that issues raised through whistle-blowing are raised and reported to the Board Audit Committee according to the materiality of the issue.
- 2.3 Establishing a Whistle-blowing Policy could potentially lead to the detection of:
- 2.3.1 Accounting irregularities (non-compliance with regulatory requirements, fraudulent accounting entries, and misstatement of accounts ...etc.);
 - 2.3.2 Violations of governmental regulations/ breach of statutory laws;
 - 2.3.3 Harassment;
 - 2.3.4 Conflicts of interest;
 - 2.3.5 Corruption;
 - 2.3.6 Falsification/destruction of Company records;
 - 2.3.7 Workplace violence;
 - 2.3.8 Discrimination;
 - 2.3.9 Release of proprietary information;
 - 2.3.10 Covering up deficiencies in internal controls;
 - 2.3.11 Embezzlement and fraud;
 - 2.3.12 Privacy violations;
 - 2.3.13 Unacceptable practices;
 - 2.3.14 Misrepresentation of facts;
 - 2.3.15 Health and safety risk, including risk to public as well as to other employees;
 - 2.3.16 Damage to environment (non-compliance with environmental regulations);
 - 2.3.17 Abuse of power or powers and authority for any unauthorized user or personal gain; and
 - 2.3.18 Misuse of assets.
- 2.4 Whistle-blowers are also a key defense against Management override of internal controls and thus can help improve corporate governance.

3. Safeguards:

- 3.1 **Harassment or Victimization:** IQ 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. IQ 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.

- 3.2 **Confidentiality:** IQ 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.
- 3.3 **Anonymous Allegations:** IQ encourages the whistle-blower to disclose his/ her name in reporting the allegation. Concerns expressed anonymously are much less powerful but are nevertheless considered at the discretion of the Board Audit Committee. In exercising the discretion, the factors to be taken into account would include:
- 3.3.1 The seriousness of the issues raised;
 - 3.3.2 The credibility of the concern; and
 - 3.3.3 The likelihood of confirming the allegation from other sources.
- 3.4 **Untrue Allegations:** If a whistle-blower makes an allegation in good faith, which is not confirmed/ proven by the ensuing investigation, no action will be taken. If, however, the whistle-blower makes malicious or vexatious allegations, appropriate disciplinary action will be initiated against the concerned person.
- 3.5 **Whistle-blower Protection**
- 3.5.1 Any employee and/or service providers 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 and/or service providers 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.
 - 3.5.2 Consistent with the policies of IQ, the Board Audit Committee 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 Board Audit Committee, Management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an accounting allegation.
 - 3.5.2.1 The Board Audit Committee 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. The Board 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.

4. Management Response

In determining whether Management or the Audit Committee should investigate an allegation of misconduct, and the procedure to be followed in this regard, the following shall be considered/ taken cognizance of:

4.1 Who is the alleged wrongdoer?

4.1.1 If an executive manager, senior/ other high level Management official is alleged to have engaged in a wrongdoing, that factor alone may give weight in favor of the Board Audit Committee in conducting the investigation.

4.2 How serious is the alleged wrongdoing?

4.2.1 The more serious the alleged wrongdoing, the more appropriate it is for the Board Audit Committee to undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Company, that factor alone may give weight in favor of the Board Audit Committee in conducting the investigation.

4.3 How credible is the allegation of wrongdoing?

4.3.1 The more credible the allegation, the more appropriate it is for the Board Audit Committee to undertake the investigation. In assessing credibility, the Board Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in the press.

4.4 The action to be taken by IQ will depend on the nature of the concern raised. The matters raised may:

4.4.1 Be investigated internally;

4.4.2 Be referred to the local police forces;

4.4.3 Be referred to the External Auditor (expert opinion); or

4.4.4 Form the subject of an independent inquiry, like a Board Audit Committee ...etc.

4.5 In order to protect employees, outsourced service provider (e.g. QP through its service level agreement with IQ) and IQ, initial enquiries will be made to decide whether an investigation is appropriate.

4.6 Some concerns may be resolved by agreed action without the need for investigation.

4.7 All whistle-blowing concerns should be addressed to the designated Committee.

4.8 Within a reasonable time frame, the Committee will write to the whistle-blower:

4.8.1 Acknowledging that the concern has been received;

4.8.2 Proposing how the matter will be dealt with;

4.8.3 Giving an estimate of how long it will take to provide a final response;

4.8.4 Stating whether any initial enquiries have been made; and

4.8.5 Stating whether further investigations will take place, and if not, why not.

- 4.9 The amount of contact between the persons considering the issues and the whistle-blower will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the whistle-blower.
- 4.10 When any meeting is arranged, the whistle-blower can be supported by a manager who is not involved in the area of work to which the concerned issue relates.
- 4.11 IQ will take steps to minimize any difficulties which the whistle-blower may experience as a result of raising a concern. For instance, if the whistle-blower is required to give evidence in criminal or disciplinary proceedings, the Legal Officer/Legal Service Provider (e.g. QP through its service level agreement with IQ) will provide advice on the procedure.
- 4.12 IQ accepts that whistle-blowers need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the whistle-blower will receive information/updates about the outcome of any investigation.

5. Creating Whistle-blowing Channels

- 5.1 IQ will establish various communication lines for whistle-blowing. Such communication lines could include:
 - 5.1.1 Establishing a telephone hotline;
 - 5.1.2 Disclosing an e-mail address to employee and/or service providers; and
 - 5.1.3 Placing a mailbox.
- 5.2 A sample form has been included in [Appendix 6 Whistle-Blowing Form](#) to be used by employee and/or service providers for whistle-blowing concerns.

Policy Code: CG-17
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-17 Shareholder Relations

Purpose:

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

Scope:

This policy applies to IQ's Board of Directors.

Contents:

1. General Policy Statements

- 1.1 The Board should foster constructive relationships with shareholders that encourage them to engage with IQ.
- 1.2 The Chief Coordinator specializes in information and disclosure management for IQ as they communicate with the investor/ shareholder community at large.
- 1.3 The Chief Coordinator shall develop and maintain a strong partnership with newspapers and other media communications and ensure that all relevant investor information is released on a timely basis to promote transparency in dealing with the investment community.
 - 1.3.1 All such news releases should be performed in line with applicable laws/ regulations.
- 1.4 The Chief Coordinator shall oversee/ direct conferences, seminars, events and other functions organized by IQ for the shareholders.
- 1.5 The Chief Coordinator will maintain the updated list of shareholders provided by QE in accordance with QE Bylaws, Article 170.
- 1.6 The Chief Coordinator will coordinate the timely invitation of shareholders in events/ conferences, and assist in the overall success of these activities.

2. Shareholder Communications

- 2.1 IQ's BOD shall have the primary responsibility towards the shareholders of the Company for communicating its work performance and results.
- 2.2 The BOD shall assume responsibility in front of the Company's shareholders for any case of violation and negligence.
- 2.3 Shareholder communications shall be done through press releases, newsletters and IQ's official website. Such communications could include:
 - 2.3.1 Corporate and business developments;
 - 2.3.2 Financial results;
 - 2.3.3 Annual reports;
 - 2.3.4 Corporate Governance related disclosures*;
 - 2.3.5 Social responsibility updates;
 - 2.3.6 IQ's market data and other statistical data; and
 - 2.3.7 Qatar Exchange (QE) trading information.
- 2.4 Additionally a copy of all media releases should be provided to the QE
 - 2.4.1 Disclaimers/ disclosures in press releases should be provided if and when required by the applicable regulatory authority.

3. 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. Non-Executive Directors should be offered the opportunity to attend meetings with major shareholders and should be expected to attend them if requested by major shareholders.
- 3.3 The Board should state in the Annual Corporate Governance Report the steps they have taken to ensure that members of the Board and the Non-Executive Directors in particular, develop an understanding of the views of major shareholders about IQ such as direct face-to-face contact and surveys of shareholder opinion.
- 3.4 The Chairman should arrange for the members of Board Audit Committees, External Auditors and the Directors to be available to answer questions at the Annual General Assembly Meeting (AGAM).

4. General Assembly Meetings

- 4.1 Agenda of the AGAM should be enclosed in the notice form.
- 4.2 The Board Secretary will manage the timely gathering of updated list of shareholders and relevant addresses and will coordinate for the timely preparation of general assembly letters and agenda with the Board Secretary.
- 4.3 The Board Secretary should ensure the gathering of the AGAM during the first six months after the end of the financial year.
- 4.4 The Board Secretary should submit a report on the agenda, time and venue of the ordinary/extraordinary general assembly to the QE two weeks before convening the assembly (QE, Article 48, section 2).
- 4.5 The Board Secretary should arrange the circulation of notice form to all shareholders. The invitation with the agenda should be sent at least 15 days prior to the proposed date of the General Assembly and should be published in two Arabic Daily Qatari newspapers.
- 4.6 The Board Secretary, in coordination with the Chief Coordinator, will ensure the timely preparation of the Annual Corporate Governance Report and inclusion of financial statements for the General Assembly Meeting. The Annual Corporate Governance Report will include the following with regard to the Board:
 - 4.6.1 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;
 - 4.6.2 Profiles of the Chairman, Board Members and the Chief Coordinator; and
 - 4.6.3 Number of meetings of the Board and Board Audit Committee and the individual attendance by Board members to those meetings.
- 4.7 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:
 - 4.7.1 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;
 - 4.7.2 Shareholders should have the opportunity to ask questions from the Board, including but not limited to questions relating to the annual external audit, place items on the agenda of general meetings, and propose resolutions, subject to reasonable limitations;
 - 4.7.3 Effective shareholder participation in key corporate governance decisions, such as the nomination and election of Board Members, should be facilitated by providing proposed Board Member CVs. Shareholders should be able to make their views known on the remuneration policy for Board Members and key Executives. The equity component of compensation schemes (if any) for the Board Members and

employees and/or service providers should be subject to shareholder approval; and

- 4.7.4 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.

5. Equitable Treatment of Shareholders

5.1 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 Minority shareholder's Tag Along Rights is provided where applicable (all shareholders provided equivalent terms to share offers). QFMA defines Tag Along Rights as follows: "The minority shareholders' right to participate in a major sale of shares or a public offering and to sell their shares on the same terms and conditions".

5.1.4 The protection of minority shareholders rights in cases where major transactions are approved where the said minority shareholders have voted against such major transactions 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.

6. Shareholders' Feedback

6.1 The Chief Coordinator should identify leading institutional shareholders and ensure that they have regular contact with the Management.

6.2 It is IQ's policy to ensure that its investors/ shareholders gain a good understanding of its business through appropriate informative media communications.

6.3 The Chief Coordinator will ensure that feedback is received from shareholders on the General Assembly, conferences and other shareholder/ investor contacts.

6.4 Feedback on IQ's performance shall be accumulated, maintained and reported to the Board on a periodic basis by the Management.

6.5 The report to the Board shall also include shareholder suggestions in order to obtain appropriate response.

7. Shareholder Queries and Access to Information

- 7.1 The Chief Coordinator will coordinate with the Information Technology Department/service provider (e.g. QP through its service level agreement with IQ) to ensure the timely update to IQ's website to 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 the Chief Coordinator should ensure that a direct line is provided (and included on IQ'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/ e-mail or any other medium of communication, queries should reflect publicly known information. The Chief Coordinator is responsible in assisting in the provision of released information and receiving feedback from shareholders.
- 7.5 Chief Coordinator 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 the shareholders are given access to following information at the QFMA prescribed charges:
 - 7.6.1 Copies of shareholder registers;
 - 7.6.2 Board Member's register;
 - 7.6.3 Articles of Association and by-laws of the Company;
 - 7.6.4 Board Member candidates' information; and
 - 7.6.5 Any other document the QFMA may decide upon.
- 7.7 IQ will not provide copies of contracts that may result in an asset or liability as required by Article 23 as these contracts are confidential in nature and difficult to provide on a case by case basis. However, IQ will disclose all assets and liabilities (including loans) as part of its financials which have been approved by the External Auditor.

8. Coordination with Qatar Exchange

- 8.1 The Chief Coordinator should maintain a proactive relationship with the QE.
- 8.2 Where QE has any clarifications with regard to press releases, the Chief Coordinator should timely provide the required information.
- 8.3 Any information that may affect the share price of IQ should be disclosed to QE prior to public release. If information has been leaked/ released to the press without QE's approval, the Chief Coordinator should immediately provide clarification to the QE.

- 8.3.1 An investigation as to how the information may have been released and the person(s) responsible should be conducted to prevent future occurrences.

9. Dividends

- 9.1 IQ shall ensure a consistent growth trend for its dividends to its shareholders on an annual basis.
- 9.2 IQ shareholders shall approve the proposed dividend during the annual general meeting (AGAM). IQ's annual dividend is subject to board of directors and general assembly final approval.
- 9.3 IQ shall build cash reserve to support bonus share to shareholders (if any) taking into consideration the dividend payout ratio.
- 9.4 The target payout/dividend shall be declared as a percentage of net profit available to IQ.
- 9.5 IQ shall consider the following factors before presenting dividend payout plan to the BOD:
- 9.5.1 **Cash flow constraints:** It is not obligatory on IQ to distribute full profit to the shareholders. IQ shall keep sufficient cash for its operational requirements before dividend distribution.
- 9.5.2 **Lenders Constraints:** IQ shall satisfy the financial requirement of lenders, if any.
- 9.5.3 **Legal constraints:** Any legal reserves required under the law shall be reserved before distributing the dividend.
- 9.5.4 **Future Investment Plan:** investment plans of IQ shall be considered and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.

Policy Code: CG-18
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-18 Insider Trading

Purpose:

To outline guidelines and policies as it relates to insider trading activities as IQ is listed on the QE. This policy is an extension of the [CG-13 Confidentiality Policy](#).

Scope:

This policy applies to all IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) and their immediate families (first degree) and Board Members who are privy to undisclosed Company information.

Contents:

1. Insider Trading Issues

- 1.1 An "insider" may be an officer, director, employee, or beneficial owner of IQ's stock who is in possession of material information regarding the Company that has not been fully disclosed to the public.
- 1.2 From time to time, employee and/or service providers may have access to information about IQ's business which has not been disclosed to shareholders and the investing public.
- 1.3 Material undisclosed information about IQ'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 IQ.
- 1.4 Trading stock on the basis of inside information, regardless of how small or large the trade, is a serious violation of the Company's ethical standards and policies.
- 1.5 If an employee and/or service providers has material inside information about IQ, the employee/service provider may not trade in the Company's stock from the moment the employee/service provider receives that information until after the close of the second trading day following public disclosure of the information.

- 1.6 Additionally, the employee/service provider must not assist anyone else to trade in the stock by improperly disclosing inside information to them.
- 1.7 All IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) 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 the Company's 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 and people who are exposed to Company's financial results and obtain remuneration from the Company are prohibited from trading in IQ stock (QE Bylaws Article 173) and the following practices more specifically apply to IQ:
 - 1.8.1 1st and 3rd Quarter – One week prior to closing the quarter until disclosure date of the financials
 - 1.8.2 2nd Quarter and Year-end– Between the period of calling the Board Meeting and date of disclosure which is usually the date the Board Meeting is convened
- 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 IQ'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 IQ stock based on insider information.

3. Personal Account Transactions

- 3.1 IQ may restrict certain employees/service providers (investment, finance...etc) from trading in the Company's stock or in stocks owned by IQ to prevent personnel from using the Company's information for personal gain. The list of employees/service providers covered by this policy will be determined by the Management/service provider (e.g. QP through its service level agreement with IQ) and approved by the Board.

- 3.2 IQ may at any time, and without giving any reason:
 - 3.2.1 Restrict employee/service provider dealings by any employee/service provider;
 - 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, IQ will place controls on personal account transaction on employees/service providers involved in investments (liquid publicly traded investments)/ treasury activities only.
- 3.4 Such employees/service providers will be requested to open accounts with an approved broker.
- 3.5 Additionally, IQ will ensure that restrictions with regard to personal account transactions are included in the terms of contract of the relevant employees/service providers.
- 3.6 IQ will, by writing, inform employees/service providers on restrictions on personal account transactions, and any general permission to execute personal account transactions.
- 3.7 IQ will maintain a list of relevant investments in relation to which IQ and its staff may have inside information and ensuring that only relevant employees/service providers have access to this list.
- 3.8 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) may not undertake personal account transactions in relation to investments on the restricted list unless:
 - 3.8.1 The transaction is for the purposes of realizing the cash value of a holding or position not related to IQ's business; and
 - 3.8.2 The firm has given its express written permission for the transaction.

4. Board Disclosures

- 4.1 In accordance with transparency requirements, all IQ Board Members' holdings (executive,, non-executive) will be made available to the public on the Company's website. Any changes to Board Members' ownership will also be disclosed on the website.
- 4.2 For this purpose, the Risk Compliance Officer/service provider (e.g. QP through its service level agreement with IQ) will have access to Board Member accounts used to trade in IQ's stock and notify Board Secretary of any changes in holdings for publication on the Company's website.

5. Disciplinary Action

- 5.1 Insiders may be subject to internal penal prosecution for trading (purchase or sale) in IQ stock when they know material information concerning the Company that has not been fully disclosed to the public, in accordance with Article 172 of QE Bylaws.
- 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/service provider.

Policy Code: CG-19
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-19 Corporate Social Responsibility (CSR)

Purpose:

The purpose of this policy is to delineate guidelines and standards for IQ that promotes corporate social responsibility.

Scope:

This policy applies to all employees and directors of IQ and/or outsourced service provider (e.g. QP through its service level agreement with IQ).

Contents:

1. Corporate Social Responsibility

1.1 Corporate Social Responsibility (hereinafter ‘CSR’) is a concept whereby IQ considers the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees/service provider, shareholders, communities and other stakeholders, as well as the environment.

1.1.1 In this sense, CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains and decision-making processes throughout the organization that includes accountability and responsibility for current and past actions as well as future impacts.

1.2 In its broadest sense, CSR includes issues related to business ethics, community investment, environment, governance, human rights, marketplace and the workplace.

1.3 CSR is an essential tool in communicating with the community that IQ operates in and in building IQ’s brand.

1.4 CSR is an important aspect of IQ’s continual efforts to build up global trust in its corporate brand.

1.5 IQ’s objectives are to utilize CSR to achieve the following:

- 1.5.1 Build Reputation: a coordinated CSR strategy can improve the public and stakeholder view of IQ.
- 1.5.2 Improve Employee Engagement: a meaningful CSR strategy can increase employee/service provider engagement, loyalty and in turn employee/service provider retention.
- 1.5.3 Increase Market Share: a coherent CSR strategy can highlight the attractiveness of doing business with IQ.
- 1.5.4 Leverage Resources: a focused CSR strategy would allow IQ to use limited resources effectively to meet targeted business and community needs.
- 1.5.5 Private Resources for Public Good; a genuine desire to make meaningful societal contribution.
- 1.6 IQ should establish standards and guidelines for Corporate Social Responsibility which include sponsorships and/or donations and support to social, cultural, medical, educational, environmental, sports and events and develop a proactive CSR strategy that should reaffirm IQ's position in the community and importance in developing Qatar's economy.
- 1.7 IQ should formulate a clear strategy for CSR in line with the existing brand positioning. IQ should implement its CSR strategy through the following channels:
 - 1.7.1 Sponsorships;
 - 1.7.2 Events;
 - 1.7.3 Partnering with charitable organizations;
 - 1.7.4 Donations for worthwhile social causes; and
- 1.8 The annual CSR Budget should be assigned by the BOD as part of the annual business planning & budgeting cycle.

Policy Code: CG - 20

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr./Ms. _____

Policy Name:

CG-20 Internal Control System

Purpose:

The purpose of this policy is to establish a dependable system of internal controls. These controls will ensure that IQ's accounts and records are accurate and reliable, transactions are properly authorized, and assets are adequately safeguarded. The Board recognizes that errors may occur; the purpose of this policy is to detect any risks to IQ's condition or compliance with regulations to make the appropriate corrections.

Scope:

Adequate controls must be established and maintained to prevent errors or irregularities. Although the possibility for error always exists, a sound system of internal controls can help to uncover errors as soon as possible and allow for their timely correction. The Board acknowledges that effective management of IQ depends on the receipt of accurate and timely information. Management can use this policy to make its decisions and determine the best course of action for IQ and its related entities.

For operational subsidiaries, the subsidiary internal control system policy, where available, shall be reviewed by the IQ Representatives and a determination made whether their policy is in line with that of IQ. Amendments will be recommended or the group policy will be applied as and where applicable. Establishment of this policy at Joint Ventures is preferred; however partner approval is required, where management control is not exercised by IQ.

Content:

1. General Objectives

- 1.1 The general objective of the internal controls policy is to safeguard IQ's assets and capital and to ensure the reliability of IQ's financial recordkeeping.
- 1.2 The policy establishes a system that will allow Management to detect any errors in procedures or financial recordkeeping.

- 1.3 The receipt of accurate and timely information should facilitate appropriate decision-making and allow for the timely correction of any problems.

2. Major Policy Elements

- 3.1 IQ should follow and implement the following basic control concepts:
 - 3.1.1 A systematic approach to safeguard assets and the reliability of financial records;
 - 3.1.2 Identification and segregation of responsibilities and duties of groups/ functions and personnel;
 - 3.1.3 Provide adequate controls to oversee employee/service provider absence from duties;
 - 3.1.4 A system for establishing, amending, and communicating approved policies and procedures; and
 - 3.1.5 A system of authorization limits and recording procedures that ensures reasonable control of assets, liabilities, income, and expenses.

3. Written Policies

- 3.2 The Board will establish, communicate, and enforce a specific direction of the company through the adoption of written policies that cover every aspect of operation and management. These policies will establish the guidelines within which management must operate.
- 3.3 Policies and procedures should be reviewed on an annual basis by the relevant Department Head.
 - 3.3.1 All material changes to policy should be approved by the Board.
 - 3.3.2 Approval of procedures will be done by the Board.
 - 3.3.3 Additionally, the Board will periodically review each existing policy at least every three years and determine whether any amendments or changes need to be made.

4. Job Descriptions & Segregation of Duties

- 4.1. All job positions will have comprehensive written job descriptions.
- 4.2. Specific responsibilities and reporting lines will be detailed in an organization chart and in the job descriptions of employees/service providers with financial responsibilities that can influence the accuracy of accounting and financial records or employees/service providers with access to assets.
- 4.3. The Board will approve the organizational chart, which will be distributed to all employees/service providers. Any major amendments in reporting lines must receive the approval of the Board.
- 4.4. Proper control mechanisms will govern each position that can influence the accuracy of accounting and financial records.

- 4.5. Effective control mechanisms prevent errors that could affect the recording of transactions or result in material irregularities from going undetected.

5. Internal Auditing

- 5.1. Internal Audit reports will be submitted to the Board Audit Committee and/ or Board for review. These reports will include suggested corrective actions for all problems noted during the audit.
- 5.2. All problems noted will require a follow-up audit to determine whether adequate corrections have been made.

6. Regulatory Risk Issues

- 6.1. Management is responsible for ensuring that recordkeeping is reliable and accurate and that its activities are conducted in a safe and sound manner and in compliance with regulations.
- 6.2. Weaknesses in internal controls could make it difficult for Management to determine the true condition of the Company and jeopardize Management's ability to make appropriate decisions. A lack of internal controls may also make it impossible for Management to accurately detect errors in procedures; this could ultimately affect Management's ability to comply with regulations and its ability to maintain the safety and soundness of its assets.
- 6.3. The Board should, at least annually, conduct a review of the effectiveness of system of internal controls and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls and risk management systems.

Policy Code: CG – 21
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Mrs. _____

Policy Name:

CG – 21 Policy and Procedure Development and Tracking

Purpose:

This Policy establishes standardized requirements for managing IQ’s Policies and Procedures. It applies to all stages of a Policy or Procedure’s lifecycle including; its development, approval, implementation, retention, review, revision, and retirement.

Scope:

This policy applies to all IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) involved in the development, planning, implementation and update of policies and procedures.

Content

1. Definitions

- 1.4 A “policy” is defined as “a definite course or method of action, in view of given conditions, to guide, and determine present and future decisions.”
- 1.5 A “procedure” is defined as “a particular way of accomplishing something or a way of acting; a series of steps in a regular definitive order.”

2. General Policies Statements

- 2.10 Policies help define the business practices and level/ type of risks that IQ is willing to undertake. They also help communicate goals and objectives as envisioned by the Board. Establishment of sound policies is critical to ensuring the success of IQ’s long-term future. Absence of clearly defined and comprehensive policies could result in organizational failure, fraud, penalties/ fines, inadequate controls over activities and poor strategic/ investment decisions.
- 2.11 Policies should establish a specific direction, they should be in written form, detail clear standards, and provide management with sufficient guidance to do its job. Policies should not be overly rigid and should establish the parameters within which management operate.

- 2.12 All major activities must be covered by policies, prior to the implementation of any new activity, appropriate policies and procedures should be developed.
- 2.12.1 IQ may develop procedures to implement new policies or to expand upon existing ones.
- 2.13 Senior Management will ensure that all policies are communicated and understood clearly by all IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ).
- 2.13.1 IQ's Policies and Procedures must be actionable. IQ should not adopt any Policy or Procedure without a plan to make the Policy or Procedure effective. Policy and Procedure Owners must develop an implementation plan for each Policy or Procedure prior to approval and adoption of the Policy or Procedure.
- 2.13.2 IQ's policies should garner the support of its staff. Management should "sell" developed policies and procedures to IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ).
- 2.14 To ensure that employees/service providers, management, and the Board support a policy, policy developers must take all of the following into account in writing the policy:
- 2.14.1 Readability;
- 2.14.2 Functionality;
- 2.14.3 Usability;
- 2.14.4 Practicality;
- 2.14.5 Applicability; and
- 2.14.6 Legality.
- 2.15 Certain minimum standards have been developed and should be complied with in relation to the contents of policy and procedure documents so as to ensure completeness and facilitate consistency across policies.
- 2.16 Apart from the factors mentioned above for advocating standards for policies, regulatory bodies also have certain expectations regarding policy contents. In general, the following matters should be considered while developing/ formulating IQ policies:
- 2.16.1 Purpose and general objectives of the subject area covered by the policy;
- 2.16.2 Organizational activities in the referenced subject area;
- 2.16.3 Transitional and educational activities for the staff to undertake with respect to the subject governed by the policy; and
- 2.16.4 Directions for future management decisions, and, if appropriate, ideas for addressing future challenges.

3. Development

- 3.1 Before development of any Policy or Procedure, consideration should be given to IQ's underlying philosophy for Policies and Procedures as set out below:
- 3.1.1 **Focus on purpose:** the purpose of the Policy or Procedure should be clearly defined and a disciplined focus on the purpose should be applied in writing these documents;
 - 3.1.2 **Fewer is better:** the number of Policies and Procedures and supporting documents should be kept to the minimum required to ensure that all directives are complied with;
 - 3.1.3 **Less is more:** All Policies and Procedures should be succinct, and refer to existing documents whenever possible rather than duplicating content;
 - 3.1.4 **Balanced details:** Policies and Procedures should be written at the level necessary to be clearly executed and not at an overly granular level;
 - 3.1.5 **Linkage:** Policies and Procedures and supporting documents should be related and "linked" or "mapped" to each other, minimizing overlap and duplication between documents; and
 - 3.1.6 **Consistency:** Policies and Procedures should be developed and implemented in a consistent manner across IQ.
- 3.2 Policy and Procedure Owners must consider the following questions and prepare the documentation specified below in order to properly develop a Policy or Procedure.

Why is the Policy necessary?

- 3.2.1 Before developing a Policy, the Policy Owner must identify the purpose of the Policy which may include:
- 3.2.1.1 Ensuring compliance with laws, regulations, and requirements imposed either directly or indirectly on IQ;
 - 3.2.1.2 Mitigation of any form of risk, including operational risk, legal risk and mitigation of compliance risks; or
 - 3.2.1.3 Setting standards defining how the Board wants IQ to do business.

How does the Policy satisfy the Statement of Purpose?

- 3.2.2 The Policy Owner must specify within a Policy what must be done to comply with the Policy's Statement of Purpose.
- 3.2.3 For some Policies, it may be necessary to specifically identify and document the requirement for Control points in Procedures implementing the Policy. Control points are specific processes, activities, or other measures, designed to ensure compliance with the Policy, e.g. sign-off, reporting or other operational Controls and Procedures.

How does the Policy relate to other Policies?

3.2.4 Before drafting a Policy, a Policy Owner must determine whether any pre-existing Policies satisfy the Statement of Purpose and whether the proposed Policy would conflict with any existing Policies. If an existing Policy satisfies the Statement of Purpose, then a new Policy is not required. If a proposed Policy conflicts with an existing Policy, the Policy Owner of the proposed Policy must resolve the conflicts in cooperation with the Policy Owner of the existing Policy.

How does the Procedure implement relevant Policies?

3.2.5 Before developing a Procedure, the Procedure Owner must identify any Policy (ies) which are relevant to the Procedure and how the Procedure will implement the requirements of the Policy (ies). Directly applicable Policies that govern the Procedure must be named within the Statement of Purpose section of the Procedure. Additionally, the Procedure Owner must ensure that the instructions and statements provided in the Procedure do not violate any applicable Policies. The Applicability and Scope section should describe any boundaries associated with the Procedure.

Where will the Procedure fit into the business process?

3.2.6 Before developing a Procedure, the Procedure Owner must:

3.2.6.1 Identify the business process to which the Procedure applies, along with the risks, and Control points for that process; and

3.2.6.2 Ensure that the Procedure does not conflict with other Procedures within the performing Department or with other Departments.

3.2.7 It is important that a business process map (or flow diagram) be developed. A business process is a set of related business Procedures, tasks, or actions that transform input(s) into output(s) and/or produce a desired outcome that is of value to the organization. A process map is a graphical representation of the steps that comprise a process from start to finish. Process maps reflect activities, inputs, outputs, decision points, roles, Controls, and often mechanisms. Process maps can be created at a high level and then further described at lower levels of detail linked to the higher levels.

3.2.8 In order to identify risks, the Procedure Owner may consult the Group Risk Department to determine risk types and risk descriptions that describe the risks associated with the Procedure. The requirement for Control points, designed to mitigate these risks, should be inherited from the Policy (ies) that govern the Procedure, where such a Policy exists. If the Procedure Owner determines that Control points are required, and no applicable Policy (ies) clearly identifies the requirement for Control points, the Procedure Owner should consult Group Risk Management.

3.2.9 To determine whether conflicts may exist, the Procedure Owner should enlist the assistance of interested parties from other Departments and/or review “related” Procedures in the Policy Repository.

- 3.3 Development of Policies or Procedure should not be initiated without consultation with the Chief Coordinator and other interested parties.
- 3.3.1 Chief Coordinator's role in this context is to identify any existing Policies or Procedures that may address or otherwise affect the issue in question, and thus to ensure that the proposed Policy or Procedure fits into IQ's overall policy framework. Any concerns should be raised to the respective approval authority.
- 3.3.2 Risk will also be involved in the review of policies and procedures from a risk perspective.
- 3.4 The Policy or Procedure Owner is responsible for drafting the Policy or Procedure. The Chief Coordinator is responsible for providing oversight and support, as required, to the Policy or Procedure Owner, as appropriate, during the drafting of the Policy or Procedure.
- 3.5 There is no prescribed order for writing Policy or Procedure drafts or versions and the supporting documentation. However, communication with interested parties should be performed early in the process and repeatedly as the Policy or Procedure is being developed and until the Policy or Procedure is approved.
- 3.6 For Policies or Procedures, the Statement of Purpose the Policy or Procedure must be identified before the Policy or Procedure is drafted. For Procedures, applicable Policies and any existing applicable process maps and process narratives should be reviewed and understood prior to writing the Procedure.
- 3.7 When developing a Policy or Procedure, all mandatory elements must be included ([Appendix 7 Policy or Procedure Elements](#) section of this document). If for any reason a required element is not addressed in the Policy or Procedure, "N/A" for not applicable should be included ([CG-21 Policy and Procedure on Development and Tracking](#)).

4. Approval and Consultation

- 4.1 The Board will review and approve all policies developed by IQ.
- 4.2 In case of subsidiaries, only important policies and procedures such as Investment Policies, Risk Management Policies, Corporate Governance Policies...etc. will be referred to the IQ Board by CC, which might have material impact on IQ business.
- 4.3 Policies will be approved by the Board in accordance with the Manual of Authority Structure.
- 4.4 To ensure that the Policy or Procedure is developed appropriately, the Policy or Procedure Owner must consult with interested parties who will be affected by the Policy or Procedure or whose requirements are driving the development of the Policy or Procedure. Such interested parties must be identified by the Policy or Procedure Owner and should include:
- 4.4.1 Individuals who will be required to develop and implement the Policies or Procedures;
- 4.4.2 Individuals who issued or are most familiar with the drivers of the Statement of Purpose of the Policy or Procedure;
- 4.4.3 Risk Management Department/service provider (e.g. QP through its service level agreement with IQ); and

4.4.4 A sample of individuals who will be required to comply with the Policy or Procedure.

5. Retention

- 5.1 Once a Policy or Procedure has been approved and adopted with an effective date, it must be maintained by Chief Coordinator where it is readily accessible. All required supporting documentation (including the implementation plan, exceptions granted, interpretations issued, etc.) must be maintained in the Policy Repository and related to the Policy or Procedure with the exception of Procedure evidence, i.e. evidence of Control point performance, monitoring, inputs and outputs, e-mails associated with “issues,” and other documents that result from the performance of a Procedure that are retained as evidence.
- 5.2 For each Policy and Procedure, a single directory that logs all documents related to that Policy or Procedure will need to be created and maintained in the Policy Repository. This should contain the identifier, document details, document description and links to other relevant documents.
- 5.3 The Policy Repository should be considered the only authoritative source for Policies and Procedures. Departments may choose to maintain separate Policy repositories, but if they do, they should be accountable for synchronizing the Department repository with the Policy Repository.

6. Implementation and Training

- 6.1 Once a Policy or Procedure has been approved, it must be implemented using an implementation plan. The implementation plan must specify the resources (i.e. people, systems, costs), tasks (e.g. communications and training events), responsibilities, and schedule necessary to implement a Policy or Procedure. In addition, the implementation plan should identify any follow-on impact of the implementation of the new Policy or Procedure on existing Policies and Procedures. The implementation plan must be documented separately from the Policy or Procedure and maintained permanently in the Policy Repository.
- 6.2 The breadth of the implementation plan may vary, depending on whether the Policy or Procedure is new or a revision. If the Policy or Procedure is already in place, the implementation plan might reference only refresher training. If the Policy or Procedure is new, the implementation plan is expected to be more extensive.
- 6.3 It is the Policy or Procedure Owner’s responsibility to communicate the adoption of a new Policy or Procedure, as well as any changes to the Policy or Procedure to Chief Coordinator and to obtain approval prior to utilizing the policy or procedure.
- 6.4 Internal Audit/service provider (e.g. QP through its service level agreement with IQ) should be notified of the adoption of all new Policies and Procedures and may periodically review policies/ procedures from a control perspective.
- 6.5 From time to time, Policies and Procedures may be formally interpreted in response to questions, requests for clarification, requests for exceptions that are not granted, or unanticipated circumstances. The Policy or Procedure Owner may issue Policy and Procedure interpretations. Policy and Procedure interpretations must be communicated promptly to Chief Coordinator and all individuals governed by the Policy or Procedure. All

interpretations of a Policy or Procedure must be documented and maintained permanently as supporting documentation in the Policy Repository.

7. Review, Retirement and Update

- 7.1 The Chief Coordinator will maintain a chart of the date the policy was adopted, the date it was last reviewed or revised, and other pertinent data to timely inform Policy or Procedure Owner of the review requirement.
- 7.2 Policy and Procedure Owners must review Policies and Procedures at least annually, as specified by the Policy or Procedure expiry date, to assess whether or not they are still effective in satisfying the associated Policy or Procedure requirements and objectives. In the event that the Policy or Procedure Approver has been unable to approve a new Policy or Procedure before the expiry date, the document will continue to be applicable after the expiry date until a review is conducted and a new Policy or Procedure issued. The review must be documented, acknowledged by the Policy or Procedure Approver, and retained as supporting documentation in the Policy Repository.
- 7.3 The policy and procedures contain content that are of a dynamic nature that should be periodically reviewed and updated to reflect any changes in the following areas:
 - 7.3.1 Changes in rules and regulations and any other laws that IQ must abide by;
 - 7.3.2 Changes in the function or activities of IQ;
 - 7.3.3 Changes in the organizational structure; and
 - 7.3.4 Other changes deemed necessary by the Board and Management to streamline or add controls to the decision making process.
- 7.4 In case a policy or procedure is no longer required due to organization change, then the appropriate approval authority shall approve the retirement of the policy. Retired Policies and Procedures should be archived for control purposes and a notice to applicable Policy and Procedure Users should be made of the retirement of the Policy/ Procedure.
- 7.5 Changes of a minor change can be approved directly by the Chief Coordinator. Major changes will be approved by the Board that approved the policy/ procedure initially.

Policy Code: CG-22
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr./Ms. _____
Policy Name:
CG-22 Code of Ethics

Purpose:

The purpose of this policy is to formalize the guidelines under which IQ operates in terms of its ethical and moral business practices as well as expected standards of professional conduct of IQ directors and employees/service providers.

Scope:

The scope of implementing this policy is within the jurisdiction of IQ directors and group employees/service providers.

Content:

1. General Policy Statements

- 1.1 IQ encourages all the employees/service providers and directors to carry out their official duties for the benefit of the Company, and the public/ society at large.
- 1.2 It is the duty of the directors/employees/service providers to serve colleagues and the public in a selfless manner, and not use offices, titles, or official influence for any other purpose.

2. Adherence to the Code of Ethics

- 2.1 It is an obligation for every director and employee/service provider to understand the Code of Ethics. No excuses should be granted for the failure to comply with the code.

3. Compliance with Laws and Regulations

- 3.1 Directors and employees/service providers should acquire adequate knowledge of and should comply with all applicable laws, rules and regulations of State of Qatar.
- 3.2 Directors and employees/service providers should not knowingly participate in, assist or conceal any acts or violations of any applicable law, rule, or regulation that governs the business or the Code of Ethics.

- 3.3 Directors and employees/service providers should at all times comply with the regulations of confidentiality. They should not provide information relating to a customer or the Company to third parties without obtaining appropriate approvals.

4. Code of Ethics

- 4.1 IQ directors should refer to Board of Directors Terms of Reference for further details.
- 4.2 IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) should refer to the Company's Code of Ethics document for further details.

Appendix 1: Director's Letter of Appointment

DIRECTOR LETTER OF APPOINTMENT

[] 200X
[Name of Director]
[Address]
[Address]

Dear [Name of Director],

Appointment to IQ's Board of Directors

IQ is proud to have appointed you as part of its Board of Directors in the Annual General Assembly Meeting, in the position of _____ as of __/__/20.

This letter sets out the key terms of your appointment.

Term of appointment

Your initial appointment to the Board is for a renewable period of 3 years. Once your term as a Board member of IQ is concluded, re-election will have to be approved through the Annual General Assembly Meeting.

Board Composition

Under IQ's Articles of Association, the Board will consist of 7 members including a Chairman and Vice Chairman.

The Board will have not less than four (4) scheduled meetings a year. The Board occasionally has additional meetings, usually to deal with a particular issue which requires immediate Board attention. Meetings will be held in Doha or an alternative location in Qatar provided all Board members are present/ represented at the meeting.

The Board will meet in private sessions.

The total time commitment for the IQ Board member for the Board and Board related matters is estimated to be approximately ___ days per year though this can vary according to the needs of the Company.

Board Role and Responsibility

The roles and responsibilities of the Board are set out in IQ's Board 'Terms of Reference'. The Terms of Reference are attached for your review and signature, indicating that you have understood the roles and responsibilities and the ethical conduct requirements that should be abided by.

Expectations of Board Members

Board members are expected to exercise their duties and responsibilities with:

- Reasonable care and diligence;
- Act in good faith in the best interests of IQ;
- Apply independent judgment in the exercise of their powers and avoid conflicts between their duties to IQ and their personal interests; and
- Observe standards of good corporate governance.

It is also expected that Board members will prepare for and attend all meetings, except in exceptional circumstances and with the approval of the Chairman.

Board Committees

Currently, there is one standing Board Committee; i.e. the Board Audit Committee

The Board Audit Committee, will meet according to the frequency set out in the Board Audit Committee Terms of Reference. However it may occasionally be necessary to call additional Committee meetings.

You will be appointed as a member of the _____ Committee/s upon your commencement as a Director as of __/__/20__. The composition of the Board Audit Committee is reviewed on a regular basis. Board Audit Committee appointment is for a 3 year renewable period.

Remuneration

Directors shall be paid such remuneration as may be determined by a resolution of the General Assembly.

Board member levels of remuneration will be based on the following:

Remuneration will reflect the time commitment and responsibilities of the role, remuneration is based on actual attendance to Board meetings.

- Board Member remuneration per Board meeting: QAR 300 per meeting
- Additional fees for acting as Chairman & Managing Director of the Board: QAR 450 to be ratified by the Board annually
- Additional fees for acting as Vice Chairman of the Board: QAR 350 to be ratified by the Policy, Development and Board annually
- Board Audit Committee Membership: QAR 300 per meeting
- The Chairperson of the Board Audit Committee receive an additional fee of QAR 300

Additional remuneration can be paid based on incentive/ bonuses schemes recommended by the Board and approved by the General Assembly.

Expenses

Board members are entitled to reimbursement for all reasonable out of pocket expenses incurred in carrying out their duties as a Director of IQ.

Disclosure of Interests

Please complete the following sections and return within 5 working days:

Family Members (first degree):

Name	Relationship

Note: A first-degree relative is a family member who shares about 50 percent of their genes with a particular individual in a family. First degree relatives include parents, offspring, and siblings.

Ownership/ Control Details in IQ:

Ownership Type	Name of Entity/ Person	Number of Shares
Direct Ownership		
Ownership of first degree family members		
Indirect ownership through companies controlled by the Board Member		
Any proxies from other shareholders granted to the Member		

Other Non-IQ Commitments:

Please disclose details of employment positions held, ownership in other companies, and board membership in other companies held both in the state of Qatar and Outside Qatar:

Outside Employment:

Employer	Title	Date of Joining	Brief about the roles of the job

Ownership Details in Other Companies: (Companies where a 10% or more ownership of capital exists)

Company Name	Number of Shares	Percentage Controlled	Owned/

Positions on Other Boards:

Company Name	Position on Board	Date of Appointment on Board

Do any of your relatives to the fourth degree (cousins) have a significant relationship with IQ? If yes, please explain the relationship of the relative with IQ.

Yes No

Do any of your companies or companies you are employed with have a significant relationship with IQ? If yes, please explain the relationship of the company with IQ.

Yes No

Do you have any other interest disclosures that would be of importance to IQ? If so please describe your other interests

Yes No

Please attach an updated CV detailing your experience, qualifications and education.

Access to Information and Advice

The Board members have unrestricted access (subject to conflicts of interest) to company records and information and receive regular detailed financial and operational reports from the Chief Coordinator.

Independent professional advice is available to the Board members at IQ's cost to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and in the Chairman's absence, Board approval may be sought.

Review of Board Performance

The Board undertakes ongoing self-assessment and an annual review of the Board as a whole, Board Audit Committee and individual Board members. The annual performance review process is facilitated by an independent person.

Board Member Liability Insurance

Directors' and officers' liability insurance coverage of QAR ___ is in place, for each Board member.

Induction Training and Continuing Education

New members will receive induction upon joining the Board, to ensure you and other Board members are updated with adequate skills and knowledge necessary to efficiently and effectively oversee IQ.

I very much look forward to welcoming you to IQ's Board.

Yours sincerely,

[]
Chairman

Appendix 2: Sample Board's Meeting Agenda

Sample Board's Meeting Agenda

Board Meeting

IQ (Date)

1. Call to Order

- 1.1 Attendance
- 1.2 Review/Approval of Minutes of Last Meeting; Corrections Noted
- 1.3 Additions/Deletions to Today's Agenda

2. Executive Management Summary

- 2.1 Key Performance and Activity Summary

3. Strategy & Expansion Plan

- 3.1 Strategic Initiatives
- 3.2 Balance Score Card Update
- 3.3 Progress Reports

4. Investments and Projects

- 4.1 Investment Reports/ Issues
- 4.2 Project Status Report

5. Operations

- 5.1 Subsidiary Operation Reports

6. Financial

- 6.1 Financial reports
- 6.2 Budgets

7. Business Support

- 7.1 Human Capital issues
- 7.2 Media and Public Relations Update
- 7.3 IT system implementations

8. Committee Reports

- 8.1 Board Audit Committee Reports

9. Periodic / Interim Reports

10. Special Reports

- 10.1 Litigation Update (Legal Officer)

11. Chairperson's Conclusion

- 11.1 Call for Open Discussion
- 11.2 Agenda for Next Meeting

12. Additions to the Board Meeting Agenda (Additional Items to be incorporated accordingly)

Please note the following additional items on our agenda:

12.1 Quarterly

- 12.1.1 Calendar of Board Reporting Requirements and Activities

12.2 Annually

- 12.2.1 Declaration of Distribution of Profits
- 12.2.2 Strategic Plan, Budget
- 12.2.3 External Audit
- 12.2.4 Internal Audit Plan
- 12.2.5 Regulatory Examination
- 12.2.6 Insurance Coverage
- 12.2.7 Review of Existing Policies / Applicability / Compliance
- 12.2.8 Disaster Recovery and Contingency Plan

Appendix 3: Board Self- Assessment Worksheet

Self-Assessment Worksheet

In evaluating your individual performance as a member of IQ’s Board, and the performance of the Board as a whole, you and the Board should examine factors such as independence, experience, judgment and knowledge, time commitment, and teamwork.

In assessing your performance as a member of IQ’s Board, and in preparation for discussions with the Chairman of the Board, please describe yourself in response to the questions below.

For each of the questions covering your activities and performance, please identify areas that you consider to be your relative strengths and weaknesses. Add additional sheets if the comments space is insufficient.

Please return the completed form to _____ prior to the Board meeting to be held on __/__/20XX.

Board member’s name: _____

1. Board Member Independence, Objectivity, and Oversight:

A Board member’s participation in Board deliberations should be objective, fair, and forthright, and be based on independence of judgment.

A Board member should constructively test and challenge Chief Coordinator’s plans and recommendations and should provide advice, counsel, and direction in fulfilling the Board’s oversight role. How do you evaluate yourself with respect to these attributes and responsibilities?

Comments:

2. Knowledge and Expertise:

A Board member should be able to draw on his or her past experience relevant to significant issues that IQ is facing, such as technology, international operations, investments and finance.

A Board member should have the ability to assess IQ’s strategy, business plans, and key issues and to evaluate the performance of Chief Coordinator. How do you evaluate yourself in using your experience as an aid and a tool in addressing IQ’s plans, operations, and Management?

Comments:

3. Board Teamwork:

Board members should be team players as well as team leaders. A Board member must be able to work with fellow members, while not necessarily always agreeing with them. What are the roles you play on the Board, and are those your best positions?

Comments:

4. Board Leadership:

How effective is the Board’s leadership, both at the Board and the Board Audit Committee level?
How effective is the Committee?

Comments:

Please rate leadership of the Board and Committee on a scale of 1 to 5 (1 being the highest rating), as and where applicable:

Board Leadership: _____
Board Audit Committee Leadership: _____

5. Board Goals:

Are the Board’s goals, expectations, and concerns honestly and effectively communicated to the Chief Coordinator? What is your role in setting and expressing these goals and concerns?

Comments:

6. Board Contact with Employees/Service Providers:

Is the contact between the Board and Chief Coordinator adequate and appropriate?

Comments:

7. Information to the Board:

Are the quality, quantity, and timing of information sent to and presented to Directors adequate?

Are scheduled Board meetings sufficiently frequent to allow Directors to discuss the company's performance and major issues that could affect its future?

Is enough time devoted to reviewing strategic issues? What additional data input do you want to receive?

Comments:

Please rate the quality of information being received by the Board (use a scale of 1-10, 1 being the highest rating):___

8. My Board Contributions:

Overall, I believe that my areas of greatest and least likely contributions to the Board are:

9. Participation and Input:

For the coming year, I plan to increase my participation and contribution to Board activities through:

Appendix 4: Sample Chief Coordinator Evaluation Form

Sample Chief Coordinator Evaluation Form

Process:

1. Evaluation sheet will be distributed to all Board members by __/__/20XX
2. Completed evaluation sheets must be returned by __/__/20XX
3. The Board will summarize input and pass its assessment to the General Assembly for discussion.

Evaluation:

Please return to the Board Secretary in the sealed envelope provided with this form, prior to __/__/20XX.

For confidentiality purposes you may keep your name anonymous. The Secretary will not disclose the person providing each comment when presented to the Board.

Primary Responsibilities of the Chief Coordinator

Consider the factors listed below when forming your evaluation. Provide relevant examples when possible.

1. Development of the primary strategy and objectives of IQ:
 - Appropriateness considering the external environment;
 - Clarity & consistency of the strategy; and
 - Process that encourages effective strategic planning.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

2. Tone and structure of how IQ operates:
 - Appropriateness of organizational structure to the primary strategy;
 - Alignment of Management with the strategy;
 - Clear communications with a process for identifying and measuring progress towards the strategy;
 - Timely adjustments in strategy when necessary; and

- Fosters a culture of ethical behavior that includes effective compliance programs, strong auditing, and financial controls.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

3. Leadership and development of the Management:

- Succession planning in place at higher levels that includes an effective plan for developing candidates for the long term;
- Turnover of Management;
- Energy of Management;
- Motivates and inspires employees/service providers to realize IQ's vision; and
- Effective role model for the organization.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

4. Relationship with the Board:

- Keeps the Board fully informed of important aspects of IQ;
- Practices and encourages open, honest, and timely communication;
- Effective presentations;
- Ability to raise and explain key issues; and
- Ability to draw on past experiences in issues facing IQ.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

Living IQ's Values

The Chief Coordinator should set the tone by role modeling IQ's values. Please consider the Chief Coordinator's strengths, areas for development as well as the factors listed below. Provide relevant examples when possible.

1. Results Oriented:

- Sets challenging and competitive goals;
- Focuses on output;
- Assumes responsibility;
- Constructively confronts and solves problems; and
- Executes flawlessly.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

2. Risk Taking:

- Fosters innovation and creative thinking;
- Embraces change and challenges the status quo; and
- Listens to all ideas and viewpoints.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

3. Discipline:

- Conducts business with uncompromising integrity and professionalism;
- Makes and meets commitments;
- Properly plans, funds, and staffs operations and projects; and
- Learns from successes and mistakes.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

4. Quality

- Strives to achieve the highest standards of excellence;
- Does the right things in the right way; and
- Continuously learns, develops, and improves.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

5. Stakeholder Focused

- Listens and responds to our customers, suppliers, and business partners;
- Clearly communicates mutual intentions and expectations; and
- Delivers innovative and competitive products and services.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

6. Setting the company environment

- Shows openness and honesty;
- Works as member of a team with respect and trust for each other;
- Recognizes and rewards accomplishments;
- Manages performance fairly and firmly; and
- Makes IQ an asset to our stakeholders.

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

Section C: Overall Summary

1. Greatest strength as a Chief Coordinator

Comments/examples:

2. Major highlights and lowlights of the past 12 months

Comments/examples:

3. Words of advice to the Chief Coordinator

Comments/examples:

4. Overall Performance

Grade (check one) Outstanding Good Average Needs Improvement

Comments/examples:

Appendix 5: Sample Conflict of Interest Disclosure Form

Conflict of Interest Disclosure

The following form should be completed by all employees/service providers, in any instances of Conflicts / Potential Conflicts of Interest with person(s) or organization doing or seeking to do business with IQ as detailed in **CG-14 Conflicts of Interests**. This form should be provided to the Human Resources function/service provider (e.g. QP through its service level agreement with IQ).

Employee/Service Provider's Name _____

Group/ Department and Location _____

Person or Organization _____

IQ Relationship with the Entity:

Personal Business Conducted/ Conflict of Interest/ Solicitation Provided:

Date: _____

Signature _____

Appendix 6: Whistle-Blowing Form

Whistle-Blowing Form

The following form should be completed by employees/service providers, and submit it to _____ by the following means:

E-mail: _____

Mailbox: _____

IQ employees and/or Outsourced Service Providers (e.g. QP through its service level agreement with IQ) are encouraged to contact Human Resources function/service provider on the following number _____. While IQ encourages employees/service providers to disclose their identity when raising whistle-blowing allegations, anonymous allegations will nevertheless be considered. Employees/services are encouraged to read our Whistle-blowing Policy ([CG-16 Whistle-blowing](#))

Employee/Service Provider's Name (Optional)

Group/ Department and Location _____

Whistle-blowing Concern:

Date: _____

Signature (Optional) _____

Appendix 7: Policy and Procedures Elements

Table 1: Policy elements

Section	Section name	Subsection	Section description
1	Statement of purpose		Context for the Policy and an explanation of the purpose of the Policy
2	Applicability and scope		Description of the scope of people or business activities/processes to which the Policy applies
3	Policy statements		Policy statements that describe <u>what</u> needs to be done to achieve the purpose of the document including: A brief description of each statement or its objective The individual(s) responsible for implementing the statements (usually listed by title)
4	Conflict resolution and escalations		The roles to which an issue should be escalated should a conflict or other Policy issue be raised
5	Policy exceptions		Description of whether and how exceptions to the Policy's requirements will be granted and a list of individuals authorised to grant exceptions
6	Roles and responsibilities		Individuals or groups (by name and/or position) who are accountable for the implementation of the Policy
7	Relevant documents		Any related documents, including (a) higher-level Policies that "motivate" the Policy, (b) other Policies that cover related matters, and (c) Procedures that implement aspects of the Policy
8	Key terms		Definitions of key terms and acronyms
9	Documentation	Title	Title of the document including a reference to the document being a Policy (and as succinct as possible)
		Version number	A control number that clearly indicates that the current version supersedes prior versions of the document (to avoid potential confusion and the accidental use of out of date Policies)

Section	Section name	Subsection	Section description
		Identifier	Unique identifier for the document, incorporating title reference and version number issued by the L&CD
		Superseded Policies	Reference to Policies that have been retired by the commencement of this document or to Policies where, if there is a conflict, this document takes precedence
		Date approved	Date upon which the Policy was approved
		Date effective	Date upon which the Policy becomes effective
		Expiry date	Date by which the Policy must be reviewed
		Policy Author	Name, title and Department of the person who drafted the Policy
		Policy Owner	Name, title and Department of the person responsible for the Policy including its review and updating
		Policy Approver	Authority upon which the Policy was approved
		Document availability	To whom the document should be issued and in what format Where the document will be stored and conditions on its accessibility
10	Document change control log		A log that provides basic information about each Policy document revision including the Effective Date, Version Number, Nature of Revision, Policy Author, and Policy Approver
11	Contacts		A list of individuals to contact regarding Policy-related queries including name and contact telephone/ email details

Table 2: Procedure elements

Section	Section name	Subsection	Section description
1	Statement of purpose		Context for the Procedure and an explanation of the purpose of the Procedure Includes a description of the Policy(ies) that necessitate or govern the Procedure
2	Applicability and scope		Description of the scope of the business activities/process(es) to which the Procedure applies May include a process definition
3	Procedure overview		An overview of the process and introduce relevant concepts and methodology used in the process steps descriptions
4	Process steps		Includes a graphical business process map at the beginning and lists all process steps and sub-steps or tasks for performing the Procedure including: <ul style="list-style-type: none"> ▪ a brief description of each step or its objective; ▪ the individual(s) responsible for executing each step (usually listed by title); ▪ references to the Control points (i.e. activities designed to mitigate risks identified); ▪ the routing for advancement to the next step, which may be the last task or sub-step (e.g., If condition x, go to Step 4; If condition y, go to Step 5); and ▪ Provisions for handling failures or unanticipated issues.

Section	Section name	Subsection	Section description
5	Inputs and outputs		<p>A list of the inputs to the process being performed within the Procedure and outputs that are produced by the Procedure</p> <p>Inputs and outputs may be reports, transactions, modified data sets, journal entries, etc.</p> <p>May include expected results</p> <p>For each input and output, the following information should be specified:</p> <ul style="list-style-type: none"> ▪ step (or task, if more applicable) in which input or output is referenced; ▪ automated system, if applicable, that generates or produces the input or output; ▪ delivery or receipt method (e.g., via e-mail, system report printed locally); and ▪ The location where input and output evidence is maintained.
6	Procedure risks		The risks inherited from applicable Policies (as they apply to the Procedure) and risks to the execution of the Procedure or its expected outcome
7	Procedure control points		Control points designed to mitigate risks identified in Section 3.8.1
8	Procedure monitoring		The requirements for monitoring of Procedures as part of normal business operations and identification of responsibilities for monitoring
9	Conflict resolution and escalations		The roles to which an issue should be escalated should a conflict or other Procedure issue be raised
10	Procedure exceptions		Description of whether and how exceptions to the Procedure's requirements will be granted and a list of individuals authorised to grant exceptions
11	Roles and responsibilities		The individuals (by name and/or position) who act as Procedure and Control performers, supervisors/managers, overseers, and technical or other resource support roles for the Procedure

Section	Section name	Subsection	Section description
12	Relevant documents		Any related documents, including (a) Policies that “motivate” this Procedure, (b) other Policies and Procedures that cover related matters. (c) other referenced Procedure documents
13	Key terms		Definitions of key terms and acronyms
14	Documentation	Title	Title of the document including a reference to the document being a Procedure (and as succinct as possible)
		Version number	A control number that clearly indicates that the current version supersedes prior versions of the document (to avoid potential confusion and the accidental use of out of date Procedures)
		Identifier	Unique identifier for the document, incorporating title reference and version number
		Superseded Procedures	Reference to Procedures that have been retired by the commencement of this document or to Procedures where, if there is a conflict, this document takes precedence
		Date approved	Date upon which the Procedure was approved
		Date effective	Date upon which the Procedure becomes effective
		Expiry date	Date by which the Procedure must be reviewed
		Procedure Author	Name, title and Department of the person who drafted the Procedure
		Procedure Owner	Name, title and Department of the person responsible for the Procedure including its review and updating
		Procedure Approver	Authority upon which the Procedure was approved
Document availability	To whom the document should be issued and in what format Where the document will be stored and conditions on its accessibility		

Section	Section name	Subsection	Section description
15	Document change control log		A log that provides basic information about each Procedure document revision including the Effective Date, Version Number, Nature of Revision, Procedure Author, and Procedure Approver
16	Contacts		A list of individuals to contact regarding Procedure-related queries including name and contact telephone/ email details

Industries Qatar



Corporate Governance Framework

Risk Management Policy

23 December 2011

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I. INTRODUCTION

1. Purpose and Objective of the Policy

- 1.1 Internationally, Risk Management is increasingly becoming a part of the corporate governance role that stakeholders are expecting from Board of Directors (hereinafter 'BOD'). This has been the clear message from a number of governance committees, such as the Cadbury Committee in the UK, and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) report in the USA.
- 1.2 As such, this Policy defines the basis and the overall frame of reference for understanding and implementing a comprehensive risk management framework in Industries Qatar.
- 1.3 This Policy details roles and responsibilities of the BOD and its committee, Risk Management Department/Risk Management Service Provider (hereinafter 'RMD'), Internal Audit Department/Internal Audit Service Provider (hereinafter 'Internal Audit'), Legal Officer/Legal Service Provider (hereinafter 'Legal Officer'), and Risk-Compliance Officer/Risk-Compliance Service Provider for IQ (hereinafter 'RCO').
- 1.4 Each staff member is personally accountable for fulfilling his/her responsibilities covered within this Policy.
- 1.5 It is essential that a strong and sound Risk Management culture is established in order to succeed in implementing this Policy.
- 1.6 The Policy should be a dynamic document and will change to accommodate market changes. Each staff member involved in the RMD and RCO will be responsible for having complete familiarity with the contents of this Policy as it currently exists and for any subsequent approved updates. The employee must ensure that all his/her actions conform to the Policy.
- 1.7 This document is a core instrument for the internal and external communication of Industries Qatar's risk philosophy and Risk Management policies and practices.

2. Copyright Statement

- 2.1 Industries Qatar has proprietary rights over this Policy and its contents. No part of the Policy should be copied nor is the Policy to be removed or relocated from Industries Qatar premises for any reason without the express written permission of the BOD or Chief Coordinator.
- 2.2 The contents of the Policy are to be treated as confidential and are not to be disclosed or distributed to any unauthorized persons or clients, inside or outside Industries Qatar.

3. Compliance

- 3.1 This Policy is prepared while taking into consideration regulations set in the State of Qatar. In the event that a conflict exists between this policy and regulatory pronouncements, the latter, will take precedence. Amendments will then be required to ensure compliance.
- 3.2 While subsidiaries may be guided by their own policies, the same should not be in conflict with the stipulations contained in this Policy.
- 3.3 Related laws and regulations of the countries where the company could operate other than Qatar which is in conflict with the provisions of this policy shall take precedence to

the extent the reporting requirements of such countries with respect to this policy statement are concerned.

4. Format

4.1 This Policy is divided into three sections namely Introduction, Policy Administration and Risk Management Policies. The Risk Management Policies section includes eight policies. Each policy presented in this Policy includes the following headings in the following format:

Policy Code: RMD - 1

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 1 (Name of Policy)

Purpose:

xyz

Scope:

xyz

Contents:

The contents section includes all relevant policy statements and any procedural steps that are required to implement any of the policy statements.

All text within each section is ordered by outline numbers as shown in the following example:

1. abc (e.g. Policy Statements)

1.1 abc

1.1.1 abc

1.1.1.1 abc

1.1.1.1.1 abc

2. abc (e.g. Contents)

2.1 abc

2.1.1 abc

2.1.1.1 abc

2.1.1.1.1 abc

3. abc (e.g. Procedural Steps)

3.1 abc

3.1.1 abc

3.1.1.1 abc

3.1.1.1.1 abc

II. POLICY ADMINISTRATION

1. Update Responsibilities

- 1.1 All amendments and new items must be adequately documented and recorded. Furthermore, a signed “hard” copy should be safely kept with the Board Secretary and Chief Coordinator
- 1.2 As new policies/procedures are introduced or existing policies/procedures are amended, the Policy will be updated. Amendments will be evidenced by:
 - 1.2.1 An additional section(s);
 - 1.2.2 Additional parts to an existing section(s); and
 - 1.2.3 An amendment to an existing section(s) (or part(s) thereof).
- 1.3 In the case of new sections (or new parts of existing sections), these will simply be added to the Policy. However, in the case of amendments, the existing chapters will be replaced. The replaced pages should be kept in a separate file, in original content order sequence, for audit trail purposes. In all cases, the table of contents of the Policy will need to be updated as appropriate, to ensure correct cross referencing.
- 1.4 All amendments to the Policy will require the approval of the BOD.

2. Register of Amendments

- 2.1 Where amendments are required, the Chief Coordinator submits amendments to the BOD for approval.
- 2.2 The Chief Coordinator will hold the Master Register of Amendments, as under:

Amendment #	Date		Section	Description	Approved by
	Approval	Effective			

- 2.3 The Chief Coordinator will ensure that the Policy is updated periodically.

3. Update Log

- 3.1 Changes to the Policy are consecutively numbered so that any missing update may be easily detected.
- 3.2 If a change to the Policy is made, the date of the update should be recorded next to the update number.
- 3.3 If an update is missing, the Chief Coordinator should be notified immediately.
- 3.4 The update log of this Policy will be held by the Chief Coordinator as per the following format:

Section Updated	Update Number	Update Date	Name

3.5 All approved updates will be distributed to the individuals as detailed below in the Register of Access Holder section.

4. Register of Access Holders

4.1 The official/original copy of the Policy will be kept with the Board Secretary and Chief Coordinator

4.2 The following individuals or service providers occupying such positions and/or performing such roles will have access to this Policy:

4.2.1 Board Chairman/Managing Director

4.2.2 Board Members

4.2.3 Risk-Compliance Officer

4.2.4 Head of Risk Management, and

4.2.5 Head of Internal Audit

4.3 All access holders will be registered as noted below. The Master Register of Access Holders will be held and updated by the Chief Coordinator, as per the following format:

Date		Access Holder		Department
Approval	Access	Name	Designation	

5. Maintenance and Review Frequency

5.1 The Policy should be reviewed and approved at regular intervals to reflect changes in the business activities of Industries Qatar.

5.2 The review structure is outlined below:

Policies and Procedures	Review Frequency	Exceptional Reviews	Responsibility for Review
Risk Management Policies and Procedures	Annually	Change of fundamentals or other major internal or external changes	Chief Coordinator

6. Approval

6.1 The approval structure is outlined below:

Policy	Recommendation of Changes	Review	Approval
Risk Management Policy	Chief Coordinator	Board Audit Committee	Board

III. RISK MANAGEMENT POLICIES

Policy Code: RMD - 1
Effective Date: ___/___/201__
Revision Date: ___/___/201__
Resource Person: Mr. / Ms. _____
Policy Name:
RMD - 1 Roles and Responsibilities

Purpose:

The following policy has been developed to assist in developing general roles and responsibilities for all functions that are involved in risk management process.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD. It is the responsibility of the BOD to ensure that the risk policy and strategies are implemented in its spirit and the various risks are monitored and controlled at prudent levels.

Contents:

1. BOD

1.1 Role

- 1.1.1 The Risk Management activities of Industries Qatar require active oversight by the Board Audit Committee and Chief Coordinator. The BOD shall approve the risk management objectives, strategies, policies and procedures that are consistent with Industries Qatar's financial condition, risk profile and risk tolerance.
- 1.1.2 The BOD shall ensure the existence of an effective Risk Management structure for conducting Industries Qatar's activities, including adequate systems for measuring, monitoring, reporting and controlling risk exposures.
- 1.1.3 The role of the BOD, and Audit Committee formed by the Board, is to oversee the management of Industries Qatar, safeguarding the shareholdings of investors in Industries Qatar, and providing direction to the Chief Coordinator of Industries Qatar in discharging the responsibilities.

1.2 Responsibility for Risk Management

- 1.2.1 The BOD is ultimately responsible for ensuring that adequate and effective system of risk management is established and maintained. The key elements in achieving this are:
 - 1.2.1.1 Approving risk management strategies and policies, and periodically reviewing implementation;

IQ Risk Management Policy

- 1.2.1.2 Ensuring that management takes the steps necessary to identify, measure, monitor and control risk;
- 1.2.1.3 Ensuring that management is monitoring the effectiveness of the risk management system; and
- 1.2.1.4 Establishing and documenting all company operational policies and procedures.

1.2.2 In fulfilling its responsibilities, the BOD could choose to delegate some of these responsibilities to its committee.

2. Board Audit Committee

- 2.1 The Audit Committee acts as the governing body for all risk management matters in Industries Qatar.
- 2.2 The Audit Committee advises the BOD on all risk management issues facing Industries Qatar.
- 2.3 The Audit Committee will assess the overall investment risk of Industries Qatar.
- 2.4 The Audit Committee monitors Industries Qatar's investments and ensure compliance with set limits in accordance with Industries Qatar's risk profile.

3. Chief Coordinator (CC)

- 3.1 CC has a number of key responsibilities. These are
 - 3.1.1 Implementing risk management strategies and policies approved by the BOD;
 - 3.1.2 Developing processes that identify, measure, monitor and control risks being incurred by the organization;
 - 3.1.3 Maintaining an organizational structure that clearly assigns responsibility, authority and reporting relationships and avoids conflict of interest situations;
 - 3.1.4 Ensuring that delegated responsibilities are effectively carried out;
 - 3.1.5 Monitoring the adequacy and effectiveness of the internal control system;
- 3.2 The CC, while ultimately responsible to the BOD, executes its responsibilities by appointing competent and efficient personnel to the various types of risk functions and delegating appropriate responsibilities. Monitoring the performance of these nominated individuals is a key part of the success of Risk Management.

4. Risk Management Department (RMD)

4.1 Role

- 4.1.1 The Head of RMD main function is to monitor Industries Qatar's entire risk profile, identify major risks, and assist in the development of risk mitigation strategies.
- 4.1.2 The Head of RMD will report administratively to the Audit Committee

4.2 Responsibilities of RMD

- 4.2.1 The main responsibility of the RMD, in coordination with RCO, is identifying, measuring, managing, monitoring, and reporting on the overall level of risk in Industries Qatar.
- 4.2.2 The Head of RMD, in coordination with RCO, is responsible for working with Industries Qatar's risk profile, monitoring and mitigation strategies on a day to day basis.

IQ Risk Management Policy

- 4.2.3 The Head of RMD, in coordination with RCO, will report to the Board Audit Committee regarding the progression of enterprise risk management and implementation, identified significant and material risk exposures and recommendations across the organization, and consolidated enterprise Risk Management plan encompassing analysis and recommendations.
- 4.2.4 The Head of RMD, in coordination with RCO, will communicate and manage the establishment and ongoing maintenance of enterprise risk management efforts of Industries Qatar.
- 4.2.5 The Head of RMD in coordination with the CC will ensure proper risk management ownership and effective oversight by the corporate level executives.
- 4.2.6 The RMD, in coordination with RCO, will ensure a risk management capability is developed and maintained. The Department will be responsible for updating the procedures to identify and report major risks.
- 4.2.7 The Head of RMD, in coordination with RCO, will transfer knowledge and information about the efficient management of risk and help maintain an appropriate risk culture. She/he will also ensure that all necessary risk management trainings are provided to related staff in coordination with the Human Resource Department/service provider (e.g. QP through its service level agreement with IQ).
- 4.2.8 The Department, in coordination with RCO, will review and monitor risk management plans, activities, results, and exposure reports to ensure compliance within limits and tolerances. Specifically, this includes ensuring appropriate risk identification and monitoring processes are in place for the major exposures of each department.

5. Internal Audit

- 5.1 The Internal Audit function will provide, periodically, through internal audit reports an assessment on the adequacy and effectiveness of the risk management process for controlling its major activities and managing the risks across Industries Qatar.
- 5.2 The Internal Audit function should assist the organization by identifying and evaluating significant risk exposures and contributing to the improvement of the Risk Management processes.
- 5.3 The Internal Audit function will report significant issues related to the processes for controlling the activities of the RMD, including potential improvements, and to provide information concerning such issues through to resolution.

6. Legal Officer

- 6.1 Legal Officer will be responsible for updating Industries Qatar's Chief Coordinator on pertinent legal risks and managing legal risk across Industries Qatar.
- 6.2 Legal Officer will be responsible to prepare all templates for contracts to be used by Industries Qatar. Legal Officer will also be responsible to ensure that all contracts prepared protect the interest of Industries Qatar and are legally binding.

Policy Code: RMD - 2

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 2 General Risk Policy

Purpose:

The purpose of this policy is to outline the general risk approach to be implemented by Industries Qatar in its course of identifying and managing its risk exposure. The policy will address the general approach to mitigate risks arising from Industries Qatar's business and key activities, Industries Qatar's risk appetite and risk strategy, its overall basic Risk Management principles.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management Policies and Procedures.

Contents:

1. Business Activities of Industries Qatar

1.1 Fundamentals of Business Activities

- 1.1.1 Industries Qatar must conduct all its business according to applicable laws and regulations.
- 1.1.2 Industries Qatar must ensure adherence to all standards established by the regulatory authorities of the State of Qatar and other applicable jurisdictions where Industries Qatar may operate in the future.
- 1.1.3 All activities of Industries Qatar must be governed through approved policies and procedures and guidelines issued by the BOD, and management.

1.2 Applicable Laws and Regulations

The scope of the business activities of Industries Qatar will be regulated by:

- 1.2.1 Industries Qatar's Articles of Association;
- 1.2.2 Other local and international laws and regulations applicable to Industries Qatar's business operations.
- 1.2.3 In the event that additional laws or regulations become applicable to Industries Qatar in the future, the RMD, in coordination with service provider-designated Risk-Compliance Officer for IQ (hereinafter 'RCO'), will ensure that all appropriate policies and procedures are updated to reflect the same.

2. Company's Risk Appetite and Strategy

- 2.1 Industries Qatar's success depends largely on whether Industries Qatar takes the right risks.
- 2.2 The BOD will set the overall risk appetite and strategy of Industries Qatar. The strategy will be communicated to the RMD, in order to implement risk management techniques that are aligned with the communicated risk strategy.
- 2.3 The RMD, in coordination with RCO, should inform all Industries Qatar employees about its risk appetite in accordance with Industries Qatar's strategic objectives.
- 2.4 It is the responsibility of the BOD to ensure that Industries Qatar puts in place adequate risk management policies and procedures in line with the business strategies and risk appetite.

3. Overall Basic Risk Management Principles

3.1 Risk Management Principles

- 3.1.1 The management of risks in Industries Qatar is the responsibility of all members of staff and management.
- 3.1.2 Industries Qatar only engages in business activities where it can ensure sound and effective Risk Management. This requires adequate structure, processes, instruments, personnel and technical resources.
- 3.1.3 Subsidiaries' five (5) year strategic business plans and their budgets will be submitted to Industries Qatar for consolidation and presentation to the Board. Industries Qatar Board will make sure that subsidiaries strategic business plans are not conflicting with the Group's strategic plans.
- 3.1.4 Industries Qatar accepts risk, if the risk is affordable and is in line with Industries Qatar's risk appetite and strategy; and risk is integral to a profitable business activity and sufficiently remunerated.
- 3.1.5 Industries Qatar avoids risk, if risk is avoidable and is not in line with Industries Qatar's risk appetite and strategy; and risk avoidance is less costly than risk management.
- 3.1.6 All members of staff must be made aware of the policies of Industries Qatar with regard to the management of risk.
- 3.1.7 All staff must be assigned roles and responsibilities with regard to their technical expertise and/or experience relevant to that role.
- 3.1.8 A management structure needs to be established to execute the Risk management strategy of Industries Qatar. Responsibility for managing overall risk vests with the RMD in coordination with RCO.
- 3.1.9 All key personnel must ensure that they perform their duties within the stated objectives of the risk management policies.
- 3.1.10 The key technical resources available to Industries Qatar for Risk Management are its staff and any software packages (if any) used by the RMD for the execution of their duties.
- 3.1.11 All technical resources must be utilized with due skill and care. Any problems or issues must be reported to the Head of RMD immediately in coordination with RCO.

3.2 Communication of Risk Management Principles

- 3.2.1 Employees at all levels in departments where risk positions are taken by Industries Qatar should be adequately familiar with the risk concept and the nature of risks encountered within their daily working routine.
- 3.2.2 In addition to this Policy, the Risk Management process is communicated by other mediums, such as management culture and actions, verbal communications and on-the-job training.

Policy Code: RMD – 3

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD – 3 Enterprise Wide Risk Management

Purpose:

The purpose of this policy is to set out Industries Qatar’s Enterprise Wide Risk Management.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD, Chief Coordinator and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management Policies and Procedures.

Contents:

1. General Policy Statements

- 1.1 Industries Qatar is exposed to a variety of risks including:
 - 1.1.1 The routine risks applicable to any commercial concern;
 - 1.1.2 The business risks of Industries Qatar's business activities;
 - 1.1.3 Economic and political risks; and
 - 1.1.4 The financial and reputational risks associated with the failure to comply with applicable legislations and regulations.
- 1.2 The most common risks that are applicable to Industries Qatar are IT risk, credit risk, liquidity risk, operational risk and market risk.
- 1.3 Industries Qatar will manage and maintain a sound enterprise wide risk management framework and aggregate these risks.

2. Risk Management Framework Overview

- 2.1 Industries Qatar’s Risk Management Framework is:
 - 2.1.1 A process, ongoing and flowing throughout;
 - 2.1.2 Affected by employees at every level of Industries Qatar;
 - 2.1.3 Applied in strategy setting;
 - 2.1.4 Applied across Industries Qatar, at every level and unit;
 - 2.1.5 Designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite;
 - 2.1.6 Able to provide reasonable assurance to Chief Coordinator and the BOD; and
 - 2.1.7 Geared to achievement of objectives in one or more separate but overlapping categories.

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- 2.2 Chief Coordinator and the BOD are responsible for developing the Risk Management framework, since they are the ones who decide the level and types of risk Industries Qatar is comfortable with accepting and what controls and risk mitigants will be employed to ensure that risk exposures stay within the agreed-upon levels.
- 2.3 Industries Qatar's Risk Management framework will have a full understanding of Industries Qatar's stakeholder requirements as its core, and be focused on sustaining the creation of shareholder value.
- 2.4 Risk management capability should be embedded in the operations and culture of Industries Qatar's operations/activities, with appropriate capability and performance monitoring.
- 2.5 Business processes will be appropriately supported by RMD and by relevant tools and techniques and regularly and independently assured to make sure that the framework is achieving its objectives in the most effective and efficient manner.
- 2.6 The BOD will annually review the operation of the framework in the light of current business performance and future expectations.
 - 2.6.1 The BOD's overall assessment will rigorously consider the overall contribution of the Risk Management Framework to the effective and efficient operation of the business and ultimately to enhancing shareholder value.
- 2.7 The following are the critical elements of Industries Qatar's Risk Management framework:
 - 2.7.1 The risk strategy;
 - 2.7.2 The governance requirements;
 - 2.7.3 The risk management processes;
 - 2.7.4 Technological capabilities and systems;
 - 2.7.5 The risk management functions
 - 2.7.6 The culture and capability across Industries Qatar.

3. Risk Strategy

- 3.1 Industries Qatar's risk strategy consists of the following:
 - 3.1.1 A common framework for managing risk across Industries Qatar is essential. Industries Qatar must be able to approach risk from a common standpoint to effectively manage its business. The BOD and Chief Coordinator decide on the enterprise-wide risk appetite.
 - 3.1.2 The Head of RMD in coordination with RCO and in consultation with the Board Audit Committee will ensure that the enterprise-wide risk management process is consistently applied. Commonly, this process will involve setting strategy, assessing risk, treating risk, monitoring and providing assurance on performance.
 - 3.1.3 A risk classification system will be established by Head of RMD in coordination with RCO and in consultation with the Board Audit Committee to identify, categorize, and register all types of risk.
 - 3.1.4 To create the link between risk and stakeholder Industries Qatar will:
 - 3.1.4.1 Establish what its stakeholders view as value from Industries Qatar;
 - 3.1.4.2 Determine what the risks to that value are;

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- 3.1.4.3 Implement what the best courses of treatments for those risks are; and
- 3.1.4.4 Communicate its efforts back to its stakeholders.
- 3.1.5 A clear strategic plan will ensure a well-designed Risk Management framework. Elements of an effective risk management strategic plan will include:
 - 3.1.5.1 A future state vision of enterprise wide management;
 - 3.1.5.2 Definitions of goals and objectives;
 - 3.1.5.3 Critical success factors and key performance indicators;
 - 3.1.5.4 Roles and responsibilities;
 - 3.1.5.5 Implementation sponsors;
 - 3.1.5.6 Timetables and milestones;
 - 3.1.5.7 Resources and budgets;
 - 3.1.5.8 Progress review procedures; and
 - 3.1.5.9 Endorsement from the BOD and Chief Coordinator to ensure its success.

4. Risk Management Process

- 4.1 Industries Qatar will ensure that a risk management process is established, both discrete and integrated, to continually manage risks. The Risk Management Process will consist of:
 - 4.1.1 Risk Identification and Assessment;
 - 4.1.2 Risk Measurement;
 - 4.1.3 Risk Management; and
 - 4.1.4 Risk Monitoring.



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Risk Identification and Assessment	Risk Measurement	Risk Management	Risk Monitoring
<ul style="list-style-type: none"> Risks and sources of risks to which Industries Qatar is exposed should be identified and assessed. Industries Qatar’s “appetite” for risk should be described based on Industries Qatar’s business objectives. 	<ul style="list-style-type: none"> Measurement process should be comprehensive enough to cover all significant sources of risk exposure. Measurement process should be responsive to the needs of the users of the information. 	<ul style="list-style-type: none"> Risk limits should be consistent with Industries Qatar’s policies and authorized exposures. RMD through RCO should ensure that operational activities do not expose Industries Qatar to losses that could threaten its viability. 	<ul style="list-style-type: none"> Reports should provide relevant, accurate and timely information about risk exposures to management. Individuals monitoring risks should be independent of those taking positions (incurring risks).

- 4.2 Risk Identification and Assessment will consist of identification and evaluation of risks facing all areas of Industries Qatar. Each identified risk will have an owner; an individual who will be responsible for ensuring that the risk is effectively treated, and a set of indicators, to continually monitor changes in the risk profile and broader risk landscape.
- 4.2.1 In addition, Industries Qatar will assess and understand the interrelationships of risks and their associated correlated impact. RMD, in coordination with RCO, will simulate risk manifestation in several scenarios in order to correlate risk interdependencies, assess their cumulative impact on shareholder value, and compare portfolios of risk treatments. Specific simulation and scenario analysis requirements will be detailed in each relevant risk policy section.
- 4.3 Industries Qatar will measure risks, based on the impact and probability of occurrence.
- 4.4 Risks will be managed with a view as a strategic portfolio with the potential to increase, decrease, or maintain the level of risk and uncertainty consistent with Industries Qatar’s defined risk appetite. Industries Qatar will consider that risks have a lifecycle – before, during, and after a risk occurrence during risk treatments. Industries Qatar will ensure adequate prevention and control (e.g. through contingency planning).
- 4.5 Risks should be monitored to ensure business issues are readily identified and addressed by the appropriate level of management. Risk monitoring will form part of the integrated processes operated by Industries Qatar.
- 4.6 The various monitoring mechanisms for the risks that matter and the key business processes will be identified. These will include the following:
- 4.6.1 Key Control Indicators (hereinafter ‘KCI’s’);
- 4.6.2 Key Risk Indicators (hereinafter ‘KRI’s’); and
- 4.7 The BOD will ensure independent assurance processes are in place. Strategically aligned assurance functions such as external auditors, internal audit function...etc, will provide real time, and, if possible, independent assurance of risk management activities.

- 4.8 The BOD will receive regular reports that consider the key risks and how these were assessed, the effectiveness of the treatment framework, the timeliness and appropriateness of remedial actions, and the overall effectiveness of the related system of risk management and internal control.
- 4.8.1 Within this internal control system, risk ownership and accountability will also be assessed and its performance assured.
- 4.8.2 Integration and alignment of the various risk management functions with the risks that matter is considered as a key priority.

5. Risk Functions

- 5.1 The elements of the risk function's system of Enterprise Risk Management framework include existing management functions that have a role in or an input to the management of risks. These functions can take many forms; they can be embedded; non-embedded or outsourced.
- 5.2 Embedded functions are typically part of ongoing department/unit management activities - in assessing risk functions within Industries Qatar, it is important to consider the activities that are part of department/unit management.
- 5.3 Risk functions will be aligned with and primarily focused on:
- 5.3.1 The corporate strategies/objectives; and
- 5.3.2 The risks that matter to shareholder value.
- 5.4 Gaps and overlaps will be identified and minimized/eliminated. Furthermore, clearer structure and role definition will allow risk owners, business process owners, and RMD (through RCO) not only to communicate more effectively but also to maintain their focus on increasing and sustaining shareholder value for Industries Qatar.
- 5.4.1 Capabilities and training will be monitored and improved and processes fully mapped, documented, and understood by all involved.
- 5.5 Industries Qatar will leverage technology to achieve the most from its risk management efforts. Industries Qatar will establish "early warning systems" to continuously alert risk management issues. A common database will contain risk management information accessible to all, and the intranet will facilitate company-wide risk communications, leading practices, and training.
- 5.5.1 Industries Qatar's early warning system will utilize key risk indicators to identify and track potential risks rather than the more traditional analysis and extrapolations of historical and actuarial data.
- 5.5.2 This continuous risk intelligence system will warn of impending risk occurrence and will be linked to Industries Qatar's escalation and management processes so that risks can be dealt with early in their lifecycle and exploited to Industries Qatar's advantage.
- 5.6 Industries Qatar will establish a database that will be a source of risk-based data for modeling, decision-making, and reporting purposes.
- 5.6.1 RMD, in coordination with RCO, will employ risk management systems to monitor, control and maintain a database of risks facing Industries Qatar.

Policy Code: RMD - 4

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 4 Credit Risk Management Policies and Procedures

Purpose:

The RMD recognizes its responsibility is identifying and managing the overall Industries Qatar's credit risk exposure. The purpose of this policy is to outline the specific risk management approach to be implemented by Industries Qatar in its course of identifying and managing its credit risk exposure. The policy will address the specific approach to mitigate credit risks arising from Industries Qatar's financing activities.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management Policies and Procedures.

Contents:

1. Definitions

- 1.1 Credit Risk is the risk of loss due to the failure of counterparty (individual or corporate) to meet its credit obligations in accordance with agreed contract terms.
- 1.2 Credit risk may arise out of all products and services offered where third parties have or might have a payment obligation towards Industries Qatar (cash and non cash obligations, on and off balance sheet transactions).
- 1.3 Possible causes for credit losses are:
 - 1.3.1 Lack of integrity of third parties;
 - 1.3.2 Diminished repayment ability of third parties;
 - 1.3.3 Deteriorating economic situation; and
- 1.4 Credit risk may have the following results:
 - 1.4.1 Delayed fulfillment of a payment obligation;
 - 1.4.2 Partial loss of the credit exposure; and
 - 1.4.3 Complete loss of the credit exposure.

2. General Policy Statements

- 2.1 Industries Qatar's credit policy must be established by the CC and Service Provider acting on behalf of Management and approved by the BOD. The credit policy must be reviewed on an annual basis or as and when required. Any changes to the credit policy must be approved by the BOD.

- 2.1.1 CC and Service Provider acting on behalf of Management must establish a business strategy that will direct Industries Qatar's credit policy.
- 2.2 Industries Qatar must monitor the overall composition and quality of the credit portfolio on a periodic basis.
- 2.3 Communication of credit culture, philosophy, guidelines, and approach should be continuous.
- 2.4 Wherever possible, consistent measurement methods must be adopted for all types of credit risk.

3. Credit Risk Management Framework

- 3.1 Sound credit risk management involves prudently managing the risk/reward relationship and controlling and minimizing credit risks across a variety of dimensions.
- 3.2 Credit risk must be identified at a single counterparty level. It is important for Industries Qatar to profile all business activities in order to identify all credit risks inherent in the activities in which Industries Qatar is engaged. Such identification comes from a careful review of the credit risk characteristics of the activity or client.
- 3.3 Industries Qatar must profile business activities in terms of what factors create credit risk, as explained below:
 - 3.3.1 Different clients, industry sectors and geographical regions present different risks. Therefore, it is important for Industries Qatar to identify the risks associated with different client types, industry sectors (government, education, health...etc), and geographical regions.
 - 3.3.2 This risk can be mitigated by determining particular arrangements for settlement.
- 3.4 The correct measurement of credit risk is highly important to Industries Qatar's credit risk management. Wherever possible, consistent measurement methods must be adopted for all types of credit risk.
- 3.5 Credit risk can be measured by evaluating the expected loss on an asset. Expected loss is the loss Industries Qatar is likely to incur and the difference between the contracted amount and what the obligor will eventually pay if the counterparty defaults.

4. Risk Management

- 4.1 Fundamental to credit risk management is the design and implementation of written policies and procedures related to identifying, measuring, management and monitoring credit risk. Credit policies should be clearly defined, and adequate for the nature and complexity of Industries Qatar's activities. Such a policy may include the following:
 - 4.1.1 Guidelines for establishing credit limits and allocating credit to counterparties.
 - 4.1.2 Guidelines regarding when and how to request credit.
 - 4.1.3 Guidelines on specific types and tenor of transactions allowed.
 - 4.1.4 Industries Qatar Credit Policy must be established by the CC and Service Provider acting on behalf of Management and approved by the BOD. The Credit Policy must be reviewed on an annual basis or as and when required. Any changes to the Credit policy must be approved by the BOD.

4.2 Limit Structure Policies

4.2.1 The following limits will be in place for credit exposures:

- 4.2.1.1 Creditor Limits;
- 4.2.1.2 Sector Limits;
- 4.2.1.3 Counterparty Limits.

4.2.2 Limits will be reviewed periodically (at least annually) by the RMD in coordination with RCO and in consultation with the heads of the respective departments. The reviewed limits will be forwarded to the Board Audit Committee for review.

4.2.3 Any alterations in the limits will be subject to approval from the BOD.

5. Risk Monitoring

5.1 Credit risk must be monitored at a single counterparty level.

5.1.1 Once Industries Qatar has delivered the product/service, it must be managed actively to ensure that it is repaid. Credit monitoring is one of the most important responsibilities of Industries Qatar's management. Credit monitoring includes procedures to:

- 5.1.1.1 Ensure that Industries Qatar understands the current financial condition of the client;
- 5.1.1.2 Ensure that payments are made on time, and timely action is taken for non or partial payments;
- 5.1.1.3 Ensure that projected cash flows on projects, product/services will meet Industries Qatar's cash flow requirements; and
- 5.1.1.4 Identify and classify potential problem credits on a timely basis.

5.1.2 Credit monitoring function may use following sources of information to monitor the client:

- 5.1.2.1 Other departments within Industries Qatar who have transactions with the client;
- 5.1.2.2 Public information about the client;
- 5.1.2.3 Other companies; and
- 5.1.2.4 The client itself.

Policy Code: RMD - 5

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 5 Liquidity Risk Management Policies and Procedures

Purpose:

The purpose of this policy is to outline the specific risk approach to be implemented by Industries Qatar in its course of identifying and managing its liquidity risk exposure. The policy will address the general approach to mitigate risks arising from Industries Qatar’s business and key activities.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD, Chief Coordinator and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management policy.

Contents:

1. Definitions

- 1.1 Liquidity Risk is the risk that Industries Qatar will be unable to meet its cash flow obligations as they become due, because of an inability to liquidate assets, or to obtain adequate funding.
- 1.2 There are two types of liquidity risk that can impact firms. These relate to failure in:
 - 1.2.1 Maintaining sufficient cash and marketable securities to meet short-term cash requirements; and
 - 1.2.2 Access to the capital markets to raise funds.
- 1.3 The goal of liquidity management is to protect the financial strength of Industries Qatar.
- 1.4 Examples of how the liquidity of Industries Qatar may be under threat are as follows:
 - 1.4.1 Concentration of credit facilities from one source.
 - 1.4.2 Operating in different countries with different currencies, which create a funding requirement and liquidity risk in each currency.

2. Liquidity Risk Management Strategy

- 2.1 Industries Qatar’s strategy towards liquidity risk management includes the following guiding principles:
 - 2.1.1 Cash Management
 - Short-term projected cash flows for each project should be measured and monitored in order to anticipate future cash flow requirements.

2.1.2 Setting limits

To minimize concentration of sources of funding, investments, and/or currency, limits need to be set in each of the above that are required to be constantly monitored.

2.1.3 Holding liquid reserves

Industries Qatar must hold liquid reserves in the form of cash and marketable securities to cover for potential crises. Whilst Industries Qatar can reduce liquidity risk by holding a high level of liquid reserves, these assets typically yield lower income for Industries Qatar than if they were invested for longer terms in a less-liquid form.

2.1.4 Maintaining liquidity in different currencies

Recognize foreign currencies in which Industries Qatar is active and monitor and manage liquidity separately for each currency.

3. General Policy Statements

- 3.1 The BOD shall approve the strategy for liquidity management. The BOD shall also ensure that Chief Coordinator takes the steps necessary to monitor and control liquidity risk. The BOD should be informed regularly through CC, of the liquidity situation of Industries Qatar and immediately if there are any material changes in Industries Qatar's current or prospective liquidity position.
- 3.2 The importance of identification of potential liquidity risks must be communicated within the organization.
- 3.3 The RMD, in coordination with RCO, will be responsible to communicate the liquidity risk policies throughout Industries Qatar.
- 3.4 All liquidity risk measurement techniques must be approved by RMD before usage.
- 3.5 Industries Qatar must have adequate management information systems for measuring, monitoring, controlling and reporting liquidity risk.
- 3.6 RMD must prescribe the limits for acceptable liquidity ratios for Industries Qatar. This must be calculated and presented to the BOD on an annual basis.
- 3.7 Reports should be provided on a timely basis by the Head of RMD, in coordination with RCO, who is responsible to distribute to the Chief Coordinator.
- 3.8 The RMD, in coordination with Board Audit Committee, will review frequently the assumptions utilized in measuring liquidity risk to determine that they continue to be valid.
- 3.9 Industries Qatar should have a contingency plan in place that addresses the strategy for handling a liquidity crisis and include procedures for making up cash flow shortfalls in emergency situations.

4. Risk Identification

4.1 Policies

- 4.1.1 The importance of identification of potential liquidity risks must be communicated within the organization.

4.2 Procedures

- 4.2.1 The RMD, in coordination with RCO, will be responsible to communicate the following factors throughout Industries Qatar. Any occurrence of the following

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factors shall be reported promptly to the Board Audit Committee who will raise these issues at their meetings:

- 4.2.1.1 Continuing operating losses.
- 4.2.1.2 Significant changes in Industries Qatar's cash management system have occurred.
- 4.2.1.3 Change in relationships with financial institutions.
- 4.2.1.4 Changes in the physical custody of cash and securities, including reconciliation of balances.
- 4.2.1.5 A change in expected rate of return has occurred which could have a significant impact on Industries Qatar's operating results or its ability to maintain ongoing compliance with funding covenants.
- 4.2.1.6 Industries Qatar has made significant modifications (e.g., amendment, restructuring, conversion...etc.) to its existing financing arrangements.
- 4.2.1.7 Funds received are used to replenish working capital rather than support future growth.
- 4.2.1.8 Additional funding is raised in order to repay existing funding commitments.
- 4.2.1.9 Substantial funding from unusual sources or with unusual terms. For example, funds from known related parties or with unusual terms could be indicative of an inability to obtain funds from usual sources.
- 4.2.1.10 Insufficient cash flow to meet Industries Qatar's projected requirements.
- 4.2.1.11 Chief Coordinator has made a substantial change to Industries Qatar's established method of financing (e.g., financing methods with which Chief Coordinator has no prior experience).
- 4.2.1.12 Chief Coordinator does not have a clear strategy for managing financial leverage and liquidity.

5. Risk Measurement

5.1 Policies

- 5.1.1 Liquidity risk measurement will help to ensure that Industries Qatar has an appropriate amount of internal cash available.
- 5.1.2 All liquidity risk measurement techniques must be approved by RMD before implementation.
- 5.1.3 Industries Qatar must have adequate management information systems for measuring, monitoring, controlling and reporting liquidity risk.
- 5.1.4 Reports should be provided on a timely basis by the Head of RMD, in coordination with RCO, who is responsible to distribute to the Chief Coordinator. In case of issues, the Head of RMD will escalate matters to the Board Audit Committee.
- 5.1.5 RMD must prescribe the limits for acceptable liquidity ratios for Industries Qatar. This must be calculated and presented to the BOD on an annual basis.
- 5.1.6 These benchmarks may be revised on a quarterly basis or if need be, on ad-hoc basis.

- 5.1.7 Maturity Ladder report showing the actual liquidity status and the future in and outflows must be regularly established and reported.
- 5.1.8 RMD and the BOD must jointly approve any changes or revisions in the benchmarks.

5.2 Procedures

Industries Qatar will have established processes for the cash management purposes. These must include, but not be limited to, regular liquidity ratio analysis and maturity ladder approach.

5.2.1 Liquidity Ratio

- 5.2.1.1 Liquidity ratio is the most basic measure of Industries Qatar's liquidity risk. Industries Qatar's liquidity risk should be measured by comparing its need for liquidity to its sources of liquidity over an appropriate time frame. A simple ratio called the liquidity risk ratio calculates the current sources of liquidity as percentage of expected liquidity needs.
- 5.2.1.2 This ratio is used to determine Industries Qatar's overall level of liquidity risk. Higher the liquidity risk ratio, lower the liquidity risk carried by Industries Qatar. The RMD, in coordination with RCO, will set the minimum liquidity ratio limit. If this ratio is greater than the target number (>1), then Industries Qatar can feel fairly confident that its exposure to liquidity risk is acceptable.
- 5.2.1.3 Liquidity ratios should be examined over time (3, 6, 9 and 12-month points), as well as under various scenarios. The forecast should be done over a number of time periods such as one month, three months, and one year.
- 5.2.1.4 Some ratios that measure liquidity include the following:
- Current ratio;
 - Liquid assets to total assets;
 - Liquid assets to total liabilities;
 - Net Liquid assets to total assets; and
 - Liquid reserve ratio.

5.2.2 Maturity Ladder

- 5.2.2.1 Liquidity measurement involves assessing Industries Qatar's cash inflows against its outflows, based on the anticipated timing of the cash flow. Maturity represents the remaining term until repayment in accordance with underlying contractual agreements and terms of issuance. In practice, the actual maturity of monetary assets and liabilities may differ from the contractual terms based on both verbal agreements between the parties and addenda to the contracts that may exist.
- 5.2.2.2 The mismatch approach measures liquidity through the difference or mismatch between inflows and cash outflows in various time bands.
- 5.2.2.3 Maturity ladder is used to identify mismatches (an excess of cash outflows over cash inflows) within future time periods. Industries Qatar's assets and liabilities are reported in the Maturity Ladder by

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which the net position between asset and liability cash flows is calculated, whether this net difference is a surplus or a shortfall. The net difference is called mismatch of asset and liability maturities.

5.2.3 Maintaining the capacity to sell assets

In determining the marketability of assets, the assets must be segregated into four categories in order of relative liquidity. Limits must be set as to their acceptable levels and these should be measured for the purpose of monitoring:

- 5.2.3.1 First (most liquid) category includes liquid cash held in Industries Qatar;
- 5.2.3.2 Second category, includes placements with other banks, government securities and investment securities;
- 5.2.3.3 Third category, includes assets which may be possible to sell over a period of negotiation, such as equity investments; and
- 5.2.3.4 Fourth category (least liquid), includes assets considered unmarketable, such as some fixed assets.

5.2.4 Setting Limits

Limits that are set to minimize the risk of concentrating sources of funds, investments and currency must be measured regularly, which are required to be constantly monitored.

6. Risk Management

6.1 Policies

- 6.1.1 Industries Qatar's liquidity will be mainly managed through the adherence of limits on:
 - 6.1.1.1 Liquidity ratios;
 - 6.1.1.2 Maturity ladder; and
 - 6.1.1.3 Funding concentration, deposit concentration and geographical concentration limits.
- 6.1.2 Industries Qatar will have an agreed strategy for the day-to-day and intermediate cash flow management. This strategy should be communicated throughout the organization. Short-term funding requirements should be monitored on a daily basis through analysis of cash flows occurring within an appropriate short-term horizon (e.g. up to one month).
- 6.1.3 The Board Audit Committee and RMD shall approve the strategy for liquidity management. The BOD shall also ensure that Chief Coordinator takes the steps necessary to monitor and control liquidity risk.
- 6.1.4 Industries Qatar must have adequate management information systems for measuring, monitoring, controlling and reporting liquidity risk.
- 6.1.5 Industries Qatar shall periodically review its efforts to establish and maintain relationships with creditors, to maintain the diversification of liabilities, and aim to ensure its capacity to sell assets.
- 6.1.6 Industries Qatar should have a contingency plan in place that addresses the strategy for handling a liquidity crisis. The contingency plan must specify immediate actions necessary for obtaining replacement funding and alternative

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funding sources, as well as taking actions to change client behavior causing the drain on liquidity. The contingency plan should address:

- 6.1.6.1 Management coordination and clear division of responsibilities in a crisis.
- 6.1.6.2 Maintaining relationships with liability-holders. Strong ongoing links with large counter-parties and liability-holders should be built to ensure Industries Qatar has secure source of funds under adverse conditions.
- 6.1.6.3 Procedures for making up cash shortfalls through unused credit facilities. The plan should state the amount of funds expected to be available under these facilities, and under what circumstances they should be used.
- 6.1.6.4 How often and by whom the contingency plan is to be reviewed. The RMD, in coordination with RCO, should ensure that the contingency plan is updated as necessary on a periodic basis.

6.2 Procedures

Effective liquidity management relies heavily on good operational procedures and controls. The major operational procedures include:

- 6.2.1 Daily involvement to ensure funding gaps and funding surpluses are identified and resolved on a timely basis.
- 6.2.2 Consolidation of financing relationships so as to maintain financing flexibility and efficient cash management services.
- 6.2.3 Payables procedures which allow Industries Qatar to maximize the time value of money (e.g., take advantage of available discounts).
- 6.2.4 Effective collection procedures, including procedures for follow-up and compensation for delays.
- 6.2.5 Establishment of policies and procedures for a contingency plan.

7. Risk Monitoring

7.1 Policies

- 7.1.1 The Head of RMD has the overall responsibility of monitoring the status of liquidity in Industries Qatar.
- 7.1.2 The Head of RMD, in coordination with RCO, will report any exceptions to the limits established for immediate corrective action to the Board Audit Committee.
- 7.1.3 Industries Qatar shall deploy appropriate management information systems for monitoring, controlling and reporting liquidity risk.

7.2 Procedures

- 7.2.1 Liquidity reports will be generated as per the frequency established by the Head of RMD, in coordination with RCO.
- 7.2.2 Head of RMD, in coordination with RCO, will review the liquidity status reports and any exceptions shall be communicated to the Board Audit Committee so that corrective action and approvals can be taken.

Policy Code: RMD - 6

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 6 IT and Business Continuity Risk Management Policies and Procedures

Purpose:

The purpose of this policy is to ensure that controls are implemented to protect the interests of Industries Qatar's shareholders, employees, and customers from any harm resulting from failures of IT security; and that IT security failures that occur are rare, isolated, of minimum business impact and are resolved rapidly and permanently and exploits IT security techniques to deliver consistent, efficient and profitable products/ services to maximize and retain customer, investor and market confidence.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD, Chief Coordinator and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management policy

Contents:

1. General Policy Statements

- 1.1 It is the policy of Industries Qatar to direct its efforts to ensure the safe delivery of products and services by managing information security as an on-going process. IT Department will aim at the protection of information assets to ensure:
 - 1.1.1 Confidentiality: Protecting sensitive information from unauthorized access.
 - 1.1.2 Integrity: Safeguarding data and computer software from unauthorized/unintended modification.
 - 1.1.3 Availability: Protecting and recovering vital services from failures or damage to equipment or facilities.
 - 1.1.4 In addition, there will be adequate authentication facilities to provide confirmation of the identity of the communicating party (user/system).

2. IT Risk Management

- 2.1 IT Risk Management is the process of identifying vulnerabilities and threats to the information resources used by Industries Qatar in achieving the business objectives; and deciding what countermeasures will be taken to reduce risks to an acceptable level; considering the value of the respective information asset to Industries Qatar.
- 2.2 Effective IT risk management will begin with the establishment of an IT Risk Management framework. The framework will include the agreed level of IT risks, preferred mitigation strategies and risks which are acceptable to Industries Qatar's management.

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- 2.3 The framework will establish the extent to which IT assets are to be protected and the level of assurance required by Industries Qatar's Chief Coordinator.
- 2.4 The Risk Management framework will encompass the processes for identifying, analyzing, evaluating, treating, monitoring and communicating the impact of security risks on IT processes and information assets to the respective stakeholders.
- 2.5 The Risk Management framework will further address the establishment and maintenance of an Information Security Risk Profile for Industries Qatar's information assets.
- 2.6 The Risk Profile will follow a companywide exercise to identify key information assets, their criticality to business operations and identification of related risks through an IT Risk Assessment.
- 2.7 The Risk Profile will include the information asset description, owner of the information asset, possible threat agents, identified security threats, vulnerabilities, related risks, and strategies for managing the risks, the acceptable level of risk and the current level of risk.
- 2.8 The Risk Profile will be presented to Industries Qatar's Chief Coordinator on a periodic basis. The Chief Coordinator will review and approve the risk profiles including the strategies for managing the risks, the acceptable level of risks and the current level of risk for Industries Qatar.
- 2.9 Once the acceptable level of risk has been defined and approved by the management, strategies and responsibilities for managing the risks will be identified and communicated.
- 2.10 Depending on the type of risk, its impact on the IT processes and significance to business, senior management may decide to:
 - 2.10.1 Avoid - where feasible, choosing not to implement certain activities or processes that would incur greater risk;
 - 2.10.2 Mitigate - define and implement controls to protect the IT infrastructure;
 - 2.10.3 Transfer - transfer through an insurance coverage;
 - 2.10.4 Accept - formally acknowledge the existence of risk and monitor it;
 - 2.10.5 Eliminate - where possible, remove the source of risk.
- 2.11 The remaining level of risk, once controls have been applied, is called residual risk. Identified residual risks will be used by IT Department/service provider (e.g. QP through its service level agreement with IQ) to determine those areas in which more controls are required to further reduce risk.
 - 2.11.1 An acceptable level of risk (appetite for risk) will be established and risks in excess will be reduced by the implementation of more stringent controls.
 - 2.11.2 On the other hand, risks identified to be below the appetite level will be evaluated to determine if excessive level of control is being applied and if cost can be reduced by removing the excessive controls.
 - 2.11.3 Expenditure of resources on implementing IT security controls will be balanced against the business value of the information assets at risk and the business harm that will result from a security breach.
- 2.12 IT risk security management will operate at multiple levels:
 - 2.12.1 The operational level - at the operation level, Industries Qatar is concerned with risks that could compromise the effectiveness of IT systems and

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supporting infrastructure, the ability to bypass security controls, and the possibility of loss or unavailability of key resources and the consequences of failure to comply with laws and regulations.

- 2.12.2 The project level - at the project level, risk management needs to focus on the ability to understand and manage project complexity and the consequent risks that a project objective will not be met.
- 2.12.3 The strategic level - at the strategic level, risk management focus should be shifted to considerations such as how well the IT capability is aligned with the business strategy and the threats posed by technological changes.
- 2.13 In order to implement IT security controls that are effective and efficient, the IT Department/service provider (e.g. QP through its service level agreement with IQ) will:
 - 2.13.1 Deploy a consistent and balanced set of preventive, detective and corrective controls;
 - 2.13.2 Deploy complementary and mutually re-enforcing controls across inter-related systems and business processes;
 - 2.13.3 Automate controls wherever practical and cost justified;
 - 2.13.4 Simplify controls to minimize the variety and complexity of security tools wherever possible.
 - 2.13.5 Periodically evaluate the effectiveness of the implemented security controls through independent reviews.

3. IT Risk Assessment

- 3.1 The objective of the IT risk assessment will be to identify and prioritize IT security risks from a business perspective, and to plan the strategies and actions necessary to reduce these to a level that is acceptable to the business management.
- 3.2 A risk assessment will be executed whenever IT security risks are not known, not prioritized; or a significant change occurs within the IT environment; or a significant event occurs within Industries Qatar or in the technology, legal, regulatory and/or business environments Industries Qatar operates in.
- 3.3 A risk assessment will be executed in order to clarify IT security control requirements and to establish management priorities.
- 3.4 Expenditure of money and resources on IT security controls will be balanced against, and be appropriate to:
 - 3.4.1 The potential business damage likely to result from a significant breach of IT security;
 - 3.4.2 The realistic likelihood of such a breach occurring, taking account of prevailing threats and existing complementary business and technical controls.
- 3.5 The risk assessment process will take into account the:
 - 3.5.1 Business importance of information, equipment, software and other information system assets in question;
 - 3.5.2 Business activities, products and services supported by the information systems in question;
 - 3.5.3 Business harm to Industries Qatar, its customers and business partners, that is likely to result from a significant breach of the information security;

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- 3.5.4 Potential business impacts including financial loss, damage to Industries Qatar 's reputation with investors and customers, bad publicity, and potential breach of contract, regulation or law;
 - 3.5.5 Realistic likelihood of such a breach occurring while taking account of the existing controls and prevailing threats, the environment in which the systems are used and operated, and the effective useful life of the information in question;
 - 3.5.6 Additional controls required to reduce business risks to an acceptable level;
 - 3.5.7 Actions necessary to install and operate suitable additional controls.
- 3.6 If IT Department/service provider (e.g. QP through its service level agreement with IQ) or Industries Qatar's Chief Coordinator considers the business risks identified by the risk assessment to be unacceptable in business terms, and risks cannot satisfactorily be avoided or reduced through more effective controls, then IT security improvements will be planned and implemented to achieve the acceptable levels of risk.

4. Computer and Communications Management

- 4.1 The secure operation of Industries Qatar's business information systems is fundamental for the protection of Industries Qatar's assets and for business success. IT Department/service provider (e.g. QP through its service level agreement with IQ) will ensure that the use of equipment and software is correct and only applied to authorized business processes. This standard applies to all types of system and applications including data, servers, PCs and other workstations.
- 4.2 Automated audit trails will be kept of all of significant business events, identified on the basis of a risk assessment. Audit trails will:
- 4.2.1 Include as appropriate user identities, activity dates and times and relevant business data;
 - 4.2.2 Include system date and time where each system clock has been synchronized to a standard master clock or a time server;
 - 4.2.3 Be protected against unauthorized access and manipulation;
 - 4.2.4 Be retained for minimum periods determined based on business risks, and taking into consideration the regulatory, contractual or other external control requirements;
 - 4.2.5 Be reviewed on a regular basis and as a part of the daily business operations of designated personnel.
- 4.3 A security incident is any failure of information confidentiality, integrity or availability that has caused, or is likely to cause, material financial, reputation or other damage to Industries Qatar and its entities. In the event of a significant IT security failure, the management will:
- 4.3.1 Record and document all pertinent facts relating to the failure;
 - 4.3.2 Document in detail all emergency and business recovery actions taken;
 - 4.3.3 Promptly review and strengthen IT security controls to prevent a recurrence of the failure;
 - 4.3.4 Secure relevant audit trails and other documentation required for internal problem analysis, compensation negotiations with external parties or use as evidence for legal proceedings;

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- 4.3.5 If necessary, escalate to Chief Coordinator attention and initiate business contingency plans to minimize business impact.
- 4.4 All material technical faults on computer and communication systems will be documented. Fault logs will be:
- 4.4.1 Reviewed by management to ensure that all faults are satisfactorily diagnosed and resolved;
 - 4.4.2 Retained as evidence for negotiation for compensation and similar purposes with equipment vendors.
 - 4.4.3 Corrective measures will be reviewed to ensure that security controls have not been compromised and action taken was authorized.
- 4.5 Use of Cryptographic Controls - Management will ensure that cryptographic controls are carefully designed, implemented, operated, administered and maintained to ensure that the desired reduction in business risk is effectively and efficiently achieved. All use of cryptographic controls will be justified on the basis of a risk assessment, and will take account of the processing costs associated with these controls. Management will consider the use of:
- 4.5.1 Message authentication codes (Hash Codes), wherever unauthorized modification of automated business data would expose Industries Qatar to unacceptable business risk;
 - 4.5.2 Data encryption, wherever unauthorized disclosure of data in electronic form would expose Industries Qatar to unacceptable business risks;
 - 4.5.3 Digital signatures, wherever inability to prove the authenticity of the recipient or the dispatcher of data exchanged in electronic form, would expose Industries Qatar to unacceptable business risks.
- 4.6 Encryption systems and key management - Automated encryption key management and distribution methods will be used whenever possible. Management will ensure that:
- 4.6.1 Wherever practical, cryptographic processing will be carried out in such a way that key values are not disclosed or shared in clear text;
 - 4.6.2 The use of software based encryption processing will be avoided wherever possible;
 - 4.6.3 Manual handling procedures for encryption keys will be diligently documented;
 - 4.6.4 Data encryption keys will be generated, recorded, stored, handled and entered into encryption devices under dual control conditions where a single individual will only have access to a portion of the complete key;
 - 4.6.5 Obsolete key values are destroyed promptly by secure methods;
 - 4.6.6 Encryption will be implemented using the relevant public or financial services standard algorithms and techniques;
 - 4.6.7 No encryption key will be used to support more than one cryptographic purpose;
 - 4.6.8 Key values will be changed periodically using secure methods;
 - 4.6.9 Each and every temporary or permanent disablement of cryptographic controls will be authorized by management;
 - 4.6.10 Temporary disablement of cryptographic controls will be monitored and controls resumed as soon as possible.

5. Computer System Access Controls

- 5.1 Access to important systems and business information will be restricted to authorized personnel, justified based on business requirements, and will be traceable through user identities.
- 5.2 System access will be controlled by user identities and secret passwords assigned to authorized users. Shared passwords will be exceptional, and authorized by IT Department/service provider (e.g. QP through its service level agreement with IQ) on a case by case basis.
- 5.3 The security of software will be adequately protected against unauthorized access or modification. This standard applies to all types of system and application including data and voice telecommunication equipment, servers, PCs and other workstations.
- 5.4 IT Department/service provider (e.g. QP through its service level agreement with IQ) will ensure that:
 - 5.4.1 Responsibilities for administering system access controls will be separated from incompatible duties where this would unacceptably weaken security controls. Examples of such duties include system operation, system administration, systems development, and business use;
 - 5.4.2 All requests for the creation, change and deletion of system user access rights will be documented, and authorized by the respective user's management, and if necessary by other business functions responsible for the business information or systems concerned. Such records will be retained for a minimum period of 12 months after which time they would be appropriately archived;
 - 5.4.3 Procedures will enforce additional controls for high risk requirements such as for equipment maintenance, production/development system troubleshooting and remote access;
 - 5.4.4 Details of user identities and passwords will be distributed to system users through secure means;
 - 5.4.5 System access rights will be reviewed regularly and cancelled when no longer required by the assignee;
 - 5.4.6 Specific responsibilities will be assigned for the close review and maintenance of shared passwords;
 - 5.4.7 Administrative procedures will be monitored to ensure that controls are adequate in relation to business risk, and operated correctly and consistently.
- 5.5 User identities will:
 - 5.5.1 Uniquely identify an individual user;
 - 5.5.2 Not identify the specific system access rights granted to a user, or provide any information about the user's password or the systems concerned.
- 5.6 Exceptionally, generic identities may be authorized by management to identify well defined groups of users or application services used for specific business purposes.
- 5.7 Passwords will consist of a minimum of six non-blank mixed alphabetic and numeric characters. Passwords will not be easily predicted or guessed, and in particular will not be easily associated with the user.
- 5.8 Access Control Systems - Wherever practical, access control systems will:

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- 5.8.1 Automatically enforce a minimum password length of six non-blank mixed alphabetic and numeric characters, and to the extent practical, check compliance with the password standard;
 - 5.8.2 Store passwords in computers in one-way encrypted form to prevent easy disclosure;
 - 5.8.3 Enable users to change their own passwords. They will be required to do so immediately following receipt of their initial passwords, and then no less frequently than every 90 elapsed days;
 - 5.8.4 More frequent password change, including "one time only passwords", will be considered for sensitive applications, such as payment systems and troubleshooting access to production/ development systems;
 - 5.8.5 Prevent users from reselecting recently used passwords to ensure a reasonable degree of regular password change;
 - 5.8.6 Display a warning notice ("log-on banner") that systems will only be accessed by authorized users, and that unauthorized access to system can be considered a criminal act;
 - 5.8.7 Not display previous user IDs and passwords or other user specific information which might assist unauthorized access to computer systems, telecommunication equipment or printers/photocopiers;
 - 5.8.8 Lock user accounts after three consecutive unsuccessful log-on attempts;
 - 5.8.9 Log-off and suspend user's access if successful logon is not achieved within a maximum time, or if a terminal is inactive for a predetermined period of time;
 - 5.8.10 Lock user accounts that have not been used for a period of 90 consecutive days;
 - 5.8.11 Record an audit trail of all unsuccessful log-on attempts to critical systems identified on the basis of a risk assessment;
 - 5.8.12 Log-off terminals if the terminal is inactive for more than a predetermined period of time.
- 5.9 IT Risk Security management/service provider (e.g. QP through its service level agreement with IQ) will monitor system access audit trails to identify evidence of potential security failures. The scope and frequency of access control audit trail monitoring will be determined through a documented risk assessment.

6. Business Continuity Management (BCM)

6.1 Policies

- 6.1.1 The BCM Policy and Plan will be formally approved and endorsed by the BOD.
- 6.1.2 The Head of RMD, in coordination with RCO, together with the respective department heads or Service Provider acting on behalf of Management will establish business resumption and contingency plans to cover against severe events outside Industries Qatar's control.
- 6.1.3 Industries Qatar should establish a BCM that take into account different types of plausible scenarios to which Industries Qatar may be vulnerable, commensurate with the size and complexity of Industries Qatar's operations.
- 6.1.4 Industries Qatar should conduct periodic tests to assess the operational readiness and effectiveness of the BCM.

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- 6.1.5 Industries Qatar should identify alternative mechanisms for resuming service, including restoring electronic or physical records, in the event of an outage.
- 6.1.6 Industries Qatar should have suitable back-up systems in place to ensure continuity of operations in the event of an emergency.
- 6.1.7 The Head of RMD, in coordination with RCO, together with the respective business department heads will identify critical business processes for which rapid resumption of service would be essential, and identify the mechanisms for resuming service in the event of an outage.
- 6.1.8 IT Department/service provider (e.g. QP through its service level agreement with IQ) should provide the lead role to assure that Industries Qatar's information and the information processing resources under its control are properly protected.
- 6.1.9 All staff should be familiar with the relevant BCM for their business department.

6.2 Procedures

- 6.2.1 The BCM should satisfy the following:
 - 6.2.1.1 The BCM will cover incidents related to IT, communication and premises.
 - 6.2.1.2 BCM testing will include all critical business processes.
 - 6.2.1.3 BCM testing will cover critical types of plausible scenarios to which Industries Qatar may be vulnerable.
 - 6.2.1.4 The IT Recovery Plan should be established as an integral part of the BCM with a recovery site in place.
- 6.2.2 Industries Qatar must undertake a risk assessment at least annually and more frequently if there have been significant operational changes at Industries Qatar or new or changed external factors that would alter Industries Qatar's business continuity risk profile.
- 6.2.3 The worst case scenario considered by Industries Qatar will include, but not be limited to:
 - 6.2.3.1 Loss of building;
 - 6.2.3.2 Denial of access to building for a limited time;
 - 6.2.3.3 Loss of IT (data);
 - 6.2.3.4 Loss of vital (non-electronic) records;
 - 6.2.3.5 Loss of key staff and
 - 6.2.3.6 Loss of key dependencies.
- 6.2.4 Industries Qatar must develop a communication plan which should incorporate a list of contact names and numbers. This plan should be reviewed regularly to ensure that it is up-to-date.
- 6.2.5 Business continuity should be considered as part of any proposed outsourcing agreement with a critical service provider. Industries Qatar should conduct due diligence in this regard as part of the decision making process when assessing service providers.
- 6.2.6 Industries Qatar should recognise that outsourcing a business function does not transfer the associated business continuity risk to the service provider.

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Industries Qatar should not place undue reliance on the service provider's BCM and should consider alternative contingency arrangements in the event that the service provider is unable to provide the agreed services.

- 6.2.7 Industries Qatar's testing program should include a range of test approaches from individual component testing (e.g. IT equipment) to fully integrated tests covering the whole Industries Qatar and including third party service providers. The minimum testing requirements should include, but not be limited to:
 - 6.2.7.1 Staff evacuation procedures;
 - 6.2.7.2 Communication plans;
 - 6.2.7.3 Alternate site activation;
 - 6.2.7.4 Data Backup and recovery;
 - 6.2.7.5 Physical and computer security; and
 - 6.2.7.6 Recovery of critical business functions.
- 6.2.8 Industries Qatar should implement a training program to build the knowledge and awareness of the BCM program amongst staff.

Policy Code: RMD - 7

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 7 Market Risk Management Policies and Procedures

Purpose:

The purpose of this policy is to set guidelines for Industries Qatar to identify, analyze, report, monitor and control all relevant market risks i.e. the risks resulting from changes in market prices and market parameters such as interest rates, inflations, exchange rates ...etc.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management policy.

Contents:

1. Definition

- 1.1 Market Risk: It is the risk of loss due to adverse movements in market rates or prices, such as foreign exchange rates, cost of funding, and equity prices. Market risk results from a change in market conditions and market volatility.
- 1.2 Interest Rate Risk: Risk borne by an interest bearing asset such as, loans, bonds, investments ...etc. due to variability of interest rates.
- 1.3 Inflation Risk: The possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency.
- 1.4 Foreign Exchange Risk: The risk of an investment's value changing due to changes in currency exchange rates.
- 1.5 Equity Risk: Equity risk relates to the sensitivity of financial products to the changes in equity prices. Equity market risk has two factors. The first is risk associated with the overall market. The second is risk associated with a specific company.
- 1.6 Commodity Risk: Products may have an inherent risk as a result of sensitivity to changes in commodity prices. Since prices in these markets are determined by fundamental factors (i.e. supply and demand of the underlying commodity) these markets may be strongly correlated within particular sectors and less correlated across sectors.
- 1.7 Counterparty Risk or Default Risk: It is discussed in RMD-4 Credit Risk Management Policy.

2. Market Risk Management Strategy

Industries Qatar's strategy on market risk management should follow the following guiding principles:

- 2.1 Industries Qatar's strategic plan will direct the extent of investing activities.

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- 2.2 Industries Qatar's risk appetite will guide the policy regarding the types of financial instruments that Industries Qatar is permitted to invest. General risk can be mitigated by diversifying Industries Qatar investment holdings within an asset class.
- 2.3 Specific risk is distinct from market-wide price fluctuations and can be mitigated by diversification across other equity instruments.
- 2.4 By assembling a portfolio with a sufficiently large number of different securities, specific risk can be greatly reduced because the unique fluctuations in the price of any single equity will tend to be canceled out by fluctuations in the opposite direction of prices of other securities, leaving only general-investment risk.

3. General Policy Statements

- 3.1 Industries Qatar's investment policy must be revisited regularly to take into consideration the latest market conditions.
- 3.2 Chief Coordinator must establish limits based on the market risk appetite of Industries Qatar to mitigate foreign exchange and equity risk. Market risk limit excesses should be reported to the Head of RMD, in coordination with RCO.
- 3.3 Industries Qatar should have an adequate contingency plan in place due to sudden adverse market movements.
- 3.4 Market risk must be calculated daily and established limits must be adhered to.
- 3.5 Market risk limits must be monitored on a regular basis to ensure that no limit breaches are occurring.
- 3.6 Industries Qatar must have an adequate system of internal controls over its market risk management process. A fundamental component of the internal control system involves regular independent reviews and evaluations of the effectiveness of the system and, where necessary, ensuring that appropriate revisions or enhancements to internal controls are made.
- 3.7 Internal Audit is responsible for checking adherence to the market risk management policy through "post facto" testing of controls.

4. Market Risk Management Framework

The Market Risk Management framework is described below under the following headings; Risk Identification, Risk Measurement, Risk Management and Risk Monitoring and Risk Reporting.

5. Risk Identification

5.1 Policies

- 5.1.1 The identification of market risks must be assured by a continuous survey of the markets. Macro-economic developments as well as the political situation of business related countries (where Industries Qatar could operate) should also be taken into consideration.
- 5.1.2 Stress tests must be performed on a regular basis in order to identify specific market situations and to assess the maximum loss that could occur in such situations.

5.2 Procedures

The Head of RMD, in coordination with RCO, will be responsible to communicate critical factors throughout Industries Qatar. Any occurrence of the following factors shall be reported promptly to the Board

- 5.2.1 When Industries Qatar significantly changes the major financial instruments it uses to invest funds and manage financial risks, the new instruments may increase market risk.
- 5.2.2 Market conditions exists which causes the market values of an asset to be significantly lower than its carrying amount.
- 5.2.3 Comparison of quoted market values shows that the carrying amounts significantly lower than the market values.
- 5.2.4 Industries Qatar's intent and ability to carry the asset subject to market risk.
- 5.2.5 Industries Qatar is engaging in highly complex transactions involving assets that are subject to market risk.

6. Risk Measurement

6.1 Policies

- 6.1.1 A market risk measurement framework should be put in place which enables management, and particularly Chief Coordinator, to understand the risks being taken on by the organization using a comprehensive, but yet comprehensible methodology.
- 6.1.2 The respective functions must accurately measure Industries Qatar exposure to the market, interest, foreign exchange, and equity exposures must be marked to market on a periodic and frequent basis.
- 6.1.3 Stress testing should be performed to determine the effect of abnormal market moves on the market value of the Industries Qatar's portfolios and the quantum of events lying outside the bounds of value at risk models.

6.2 Procedures

The building blocks of market risk framework should comprise of the following methodologies to measure the firm's overall exposure to market risk:

6.2.1 Foreign Exchange Monitoring System

This system must measure and monitor two aspects of foreign exchange risk – adherence to limits and analysis of future trends.

- 6.2.1.1 All functions responsible for dealing with foreign exchange within Industries Qatar must measure and report on foreign exchange risk on a periodic basis to check its adherence to limits.
- 6.2.1.2 Reports must be reviewed by the pertinent heads of the departments.
- 6.2.1.3 If limits are not adhered to then it is reported to the Head of RMD, in coordination with RCO.
- 6.2.1.4 Sensitivity of exposure to foreign exchange risk should also be calculated to provide an increased level of control.

6.2.2 Equity Monitoring System

This system must measure and monitor two aspects of equity risk, adherence to limits and analysis of future trends.

- 6.2.2.1 All functions responsible for trading and equity investments within Industries Qatar must measure and report on equity risk on a periodic basis to check its adherence to limits.
- 6.2.2.2 Reports must be reviewed by the pertinent heads of the departments.

- 6.2.2.3 If limits are not adhered to then it is reported to the Head of RMD, in coordination with RCO.
- 6.2.2.4 Sensitivity of exposure to equity risk should be calculated to provide an increased level of control.

6.2.3 Stress Testing

- 6.2.3.1 Stress simulations should be performed regularly to evaluate potential losses resulting from extreme market movements. This should be a dynamic process in order to accommodate the specific types of risk being run by the firm.
- 6.2.3.2 To perform stress testing, the Head of RMD, in coordination with RCO, should first identify extreme market events and scenarios that could give rise to extreme market exposures for the equity investments, if any.
- 6.2.3.3 Contingency plans must be developed for scenarios resulting in adverse impact on Industries Qatar's ability as a going concern.
- 6.2.3.4 While these extreme scenarios may have a very small probability of occurrence, the intent of stress testing is to identify their impact if they do occur and confirm the survivability of Industries Qatar in the event of such rare occurrences.

7. Risk Monitoring

8.1 Policies

- 8.1.1 Market risk limits must be monitored on a regular basis to ensure that no limit breaches are occurring.
- 8.1.2 RMD, in coordination with RCO, has the primary responsibility to monitor market risk on a day-to-day basis.
- 8.1.3 Market risk reports will be generated as per the frequency established by the Head of RMD.
- 8.1.4 RMD, in coordination with RCO, will review the market risk status reports and any exceptions shall be communicated to the Board so that corrective action and approvals can be taken.
- 8.1.5 Internal Audit function must always be kept informed about important changes in the market risk management process. In order to be able to carry out their function, they should be fully supported by the responsible management.

8.2 Procedures

- 8.2.1 Foreign exchange positions are to be reported to the Chief Coordinator for subsequent reporting to the Board.
- 8.2.2 Any corrective action will be the responsibility of RMD, in coordination with RCO.

Policy Code: RMD - 8

Effective Date: ___/___/201__

Revision Date: ___/___/201__

Resource Person: Mr. / Ms. _____

Policy Name:

RMD - 8 Operational Risk Management Policies and Procedures

Purpose:

The purpose of this policy is to outline the specific risk approach to be implemented by Industries Qatar in its course of identifying and managing its operational risk exposure. The policy will address the specific approach to mitigate operational risks arising from Industries Qatar's business and key activities.

Scope:

The scope of implementing this policy is within the jurisdiction of the BOD and RMD. This policy should be complied with taking into consideration the Manual of Authorities in establishing and implementing Risk Management policy.

Contents:

1. Definition

- 1.1 Operational Risk is the risk of loss due to deficiencies such as inadequate information systems, operational problems, and breach in internal controls, fraud, or unforeseen catastrophes. Operational Risk includes:
 - 1.1.1 Process Risk: The risk of direct or indirect loss resulting from inadequate or failed internal processes.
 - 1.1.2 Reputational Risk: The potential that adverse publicity regarding Industries Qatar's business practices, associations and customers (e.g. customer complaints), whether accurate or not, will cause a loss of confidence in the integrity of the company.
 - 1.1.3 Legal Risk: It includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.
 - 1.1.4 People Risk: The differing background, education, skills, personal expectations/ambitions, ethical standards are unique to each individual. Lack of understanding, skill gaps and above all inadequate training may lead to people risk.
 - 1.1.5 Contractual Risk: This is the risk of potential failure on agreed terms by the partners, joint ventures and key contractors.
 - 1.1.6 Event Risk: Certain uncontrollable events may lead to operational risks such as natural disasters and terrorist attacks.

2. Operational Risk Management Strategy

- 2.1 A system of internal control is important to ensure the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations.
- 2.2 The key to having an effective operational risk management is to have documented and approved operational policies and procedures that cover major functions such as data processing, financial control, management reporting, application systems, payroll, product/service development, liquidity and borrowed funds .etc...

2.2.1 Internal Control Environment

No internal control structure can completely prevent errors, illegal acts or fraudulent activities. Nevertheless, it is important that Industries Qatar identifies areas of its operations which are susceptible to these risks and ensures that sufficient and effective control mechanisms are in place to safeguard the assets of Industries Qatar.

2.2.2 Internal Control Techniques

- 2.2.2.1 Separating functions is the most basic tool for designing internal control systems. It establishes levels and lines of authority, the appropriate delegation of duties, and fixed responsibilities.
 - 2.2.2.2 Transactions may be reviewed before or after they have occurred. Prior review helps prevent improper and unauthorized transactions, as long as the reviewer is aware of the transaction. Review after the fact cannot prevent unauthorized transactions, but it can uncover them.
 - 2.2.2.3 Maintaining transaction records is essential for sound internal control. Records facilitate reviewing transactions, support the work of internal and external auditors, and form the basis of information reports within Industries Qatar.
 - 2.2.2.4 Training enhances internal control by ensuring that staff members know their duties and responsibilities.
 - 2.2.2.5 Providing protective devices such as locked cash drawers, vaults, secured doors, and cameras. Such devices inhibit unauthorized entry and transactions and should be used whenever and wherever feasible.
- 2.3 The reliability, integrity and availability of critical electronic data are of extreme importance in Industries Qatar's daily functioning. Industries Qatar recognizes the need to develop objectives and strategies specifically related to the Information Technology function.
 - 2.4 Within these IT strategies, the following matters should be emphasized due to the important impact they have on operational risk management:
 - 2.4.1 User manuals and training documentation are important to help ensure that users properly understand the systems they are using, decreasing the risk of errors.
 - 2.4.2 Documented policies and procedures for IT security administration and management covering key requirements such as: authentication and identification, access control, confidentiality, encryption, security management and virus control.

- 2.4.3 A Business Continuity Management (hereinafter 'BCM') Plan should be established that states the policies and detailed procedures for recovery in the event of business disruption or disaster.

2.5 Human Resources

- 2.5.1 To encourage employees to work in a manner that is in the best interests of Industries Qatar, it is important for the Human Resources Department/service provider (e.g. QP through its service level agreement with IQ) to establish a positive work environment and accountability by employees.
- 2.5.2 Industries Qatar will ensure that adequate staffing levels are in place to minimize the occurrence of People Risk.
- 2.5.3 Adequate internal controls as described in the previous section will be established to ensure effective monitoring and control of staff.
- 2.5.4 The following Human Resource Policies should be taken into consideration in order to mitigate Operational Risk caused by the Human Resource Department/service provider (e.g. QP through its service level agreement with IQ):
- 2.5.4.1 The remuneration structure should be consistent with Industries Qatar's goals. Remuneration policies that reward unacceptable behavior, such as generating short-term profits while deviating from stated policies or exceeding established limits, can weaken the integrity of Industries Qatar's business processes and should not be permitted;
- 2.5.5 Clear work targets and effective performance evaluation;
- 2.5.6 Effective procedures for appointment, penalizing, rewarding, promoting and dismissing;
- 2.5.7 Policies related to employee career, welfare and education and skills;
- 2.5.8 A healthy professional working relationship of mutual respect among employees;
- 2.5.9 Effective communication between Industries Qatar and its employees; and
- 2.5.10 Well-structured and fair handling of employee problems, in compliance with operating countries employment regulations.

3. Other Operational Risk Considerations

Contractual Risk

- 3.1 Industries Qatar uses key partners, joint ventures and third party to perform activities on a continuing basis.
- 3.2 Industries Qatar should ensure that all material contracting/ outsourcing contracts are identified, and that the risks associated with such contracts are adequately controlled.
- 3.3 A contract is considered material where, if it failed in any way, it would pose significant risks to the ongoing operations of Industries Qatar, its reputation, or the quality of service provided to its customers.
- 3.4 Before a department/unit enters into a contracting/outsourcing arrangement, risk assessment will be carried out by the respective department/unit, to ensure that the risk management practices of the contracted/ outsourced party meet the Operational Risk management practices of Industries Qatar.

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- 3.5 In negotiating a contract with a contractor or in assessing an existing agreement, Industries Qatar will give consideration to matters relevant to risk management, including the following:
- 3.5.1 The setting and monitoring of authority limits and referral requirements;
 - 3.5.2 The identification and assessment of performance targets;
 - 3.5.3 The procedures for evaluation of performance against targets;
 - 3.5.4 The provisions for remedial action;
 - 3.5.5 The reporting requirements imposed on the contractors (including both content and frequency of reports);
 - 3.5.6 The ability of Industries Qatar, Head of RMD and its external auditors to obtain access to the contractors and their records;
 - 3.5.7 The protection of intellectual property rights;
 - 3.5.8 The protection of customer and firm confidentiality;
 - 3.5.9 The adequacy of any guarantees, indemnities or insurance cover that the outsource contractor agrees to put in place;
 - 3.5.10 The ability of the contractor to provide continuity of business; and
 - 3.5.11 The arrangements for change to the contract or termination of the contract.
- 3.6 Industries Qatar must retain ultimate responsibility for contracted/ outsourced services.

Legal Risk

- 3.7 Legal risk refers to the possibility of Industries Qatar being exposed to loss, penalties or reputational damage through legal matters such as breaches of laws or regulatory obligations, inadequate contracts, or by changes in law affecting Industries Qatar.
- 3.7.1 Legal risk includes, but is not limited to, exposure to fines or penalties or punitive damages resulting from supervisory actions, as well as ordinary damages in civil litigation, related legal costs and private settlements.
- 3.8 Industries Qatar will use the services of internal and external legal counsel to evaluate the legal risks associated with new and existing products or services and all contractual relationships prior.
- 3.9 Legal Officer is required to be informed of all changes in the legal system that affect Industries Qatar and communicate them to Industries Qatar management.
- 3.10 Legal Officer must identify and document all legal risks in Industries Qatar's transactions.
- 3.11 Legal Officer must review all legal contracts, ensuring such contracts are in Industries Qatar's best interests.
- 3.12 Legal Officer should regularly update the database as and when new risks are identified or new laws are enacted.

Reputational Risk

- 3.13 Reputational Risk is the risk that an event or situation could adversely or beneficially affect the ability of Industries Qatar in:
- 3.13.1 Achieving its objectives;
 - 3.13.2 Maintain a good reputation; and

- 3.13.3 Meeting stakeholder expectations.
- 3.14 Reputational Risk management is focused on early identification of potential risk events, as well as having an appropriate action plan in place should an event occur that has a potentially negative impact on Industries Qatar's reputation.
- 3.15 Key sources of Reputational Risk include:
 - 3.15.1 Communications and crisis management;
 - 3.15.2 Corporate governance and leadership;
 - 3.15.3 Corporate social responsibility;
 - 3.15.4 Failing to deliver on promises to customers;
 - 3.15.5 Financial performance;
 - 3.15.6 Regulatory compliance; and
 - 3.15.7 Rumors of illiquidity.
- 3.16 The strategy for the management of Reputational Risk will be determined by the BOD following recommendation from the Board Audit Committee. The strategy should be reviewed periodically to ensure that risks arising from changes in the market and other external factors are adequately considered.
- 3.17 Reputational Risk management is delegated by the BOD to the Board Audit Committee, who will have a comprehensive overview of the potential and actual risk profile of Industries Qatar. However, the responsibility for regular assessment and measurement of reputation risk will be delegated to the Head of RMD, in coordination with RCO.
- 3.18 Industries Qatar will identify and assess the potential sources, severities and frequencies of Reputational Risk events. Identification and assessment of Reputational Risk is most effectively completed through the setting of KRIs and through scenario analysis.
- 3.19 Industries Qatar will undertake an evaluation of KRIs that most accurately measures the impact of a change in its reputation.
- 3.20 Management will ensure that the risk indicators are:
 - 3.20.1 Risk sensitive – measurement is a true indicator of loss;
 - 3.20.2 Provide insight into the risk of one business area or process relative to another; and
 - 3.20.3 Apply across business lines and locations.
- 3.21 The responsibility for assessing the potential impact of Reputational Risk will be delegated to Head of RMD, in coordination with RCO. The management of this risk will include:
 - 3.21.1 Consideration and assessment of the risks and their potential impact on key stakeholders; and
 - 3.21.2 Ensuring that a crisis management plan is in place should any of the risk events occur.
- 3.22 Any events which have the potential to have a negative impact on Industries Qatar's reputation will be monitored on an ongoing basis by Head of RMD, in coordination with RCO, and reported to the Board Audit Committee and the BOD on an ad hoc basis.

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- 3.23 Industries Qatar will have predetermined action plans in the event of any identified impacting events taking place, including remedial action to be taken within Industries Qatar.
- 3.24 Each department/unit is responsible for understanding and identifying any areas of Reputational Risk, and ensuring that Chief Coordinator is alerted to its existence in a timely manner.

Stakeholders Satisfaction

- 3.25 Building the reputation of Industries Qatar is one of the main challenges for the Chief Coordinator, and ensuring stakeholder's satisfaction will protect Industries Qatar's good reputation.
- 3.26 Describing Industries Qatar and Industries Qatar Services
 - 3.26.1 When Industries Qatar and Industries Qatar services are described in materials such as proposals, marketing materials, project letters, web sites, press releases, e-mails, and other external communications, employees should exercise care so that these descriptions do not unnecessarily or inadvertently increase the standards to which Industries Qatar will have to perform, or make promises that it need not, or cannot, deliver. The use of inappropriate language can affect Industries Qatar's credibility, legal obligations and compliance with legal and professional requirements.
 - 3.26.2 When materials are prepared for internal use, such as methodologies, policies, and getting started guides, sections of these internal materials may be incorporated into proposals and other materials for external use. Therefore, the same standards apply when developing internal communications as applied to external communications.
- 3.27 Development of Expectations
 - 3.27.1 Developing expectations is viewed as a cornerstone of the Industries Qatar service delivery approach and is performed on each project for each core business unit.
 - 3.27.2 The development of expectations meeting should be held because it allows stakeholders to develop a mutual understanding of the scope of the services with key client stakeholders, as well as an understanding of the manner in which results of the work will be communicated and measured, including the relationship objectives and protocols, including measuring and communicating the benefits of the services, for example, frequency of communications, resolving issues...etc.
- 3.28 Communicating Disagreements
 - 3.28.1 Most stakeholder differences are resolved through discussions with the appropriate level of management. If, however, agreement cannot be reached with the stakeholder, the project team should communicate the issue to the concerned head, and Chief Coordinator as and when necessary.
- 3.29 The RMD, in coordination with RCO, and Internal Audit Department will review number of complaints, average amount of response time, pending issues...etc. during their reviews and report results of their review to the heads of the core business units for corrective action.

Project Management Risk

- 3.30 Project management risk is the risk that projects will not achieve the desired objectives or will have a negative impact on resource levels of Industries Qatar.

- 3.31 In relation to project management risk Industries Qatar should adhere to the following elements:
- 3.31.1 A formal project methodology for the promulgation of project initiatives including:
 - 3.31.2 Setting a business case for the project;
 - 3.31.3 Cost/benefit analysis;
 - 3.31.4 Risk identification and assessment; and
 - 3.31.5 Stakeholder sign-offs;
 - 3.31.6 Clearly defined and appropriate levels of delegations of authority;
 - 3.31.7 Ongoing monitoring of project objectives and timeframes; and
 - 3.31.8 Post-implementation review.

4. General Policy Statement

- 4.1 Industries Qatar engages in activities only with an established control infrastructure and where an adequate level of expertise exists.
- 4.2 Industries Qatar shall only approve new products, transactions and markets where it possesses the expertise and ability to facilitate effective and proactive risk management.
- 4.3 Industries Qatar shall continually evaluate and improve its policies and procedures to effectively support operations and undertake Risk Management across each product/service line.
- 4.4 All business critical systems must be covered by full business continuity procedures and have access to disaster recovery facilities/plans.
- 4.5 Industries Qatar establishes a clear segregation of duties to ensure objectivity, security and avoid conflicts of interests.
- 4.6 Industries Qatar does not have an appetite for regulatory infringements of any sort.
- 4.7 Operational Risk measurement must not be a static process that is completed at set times during the year. It must be conducted based on continuous risk and control assessments of the processes of Industries Qatar.
- 4.8 Chief Coordinator should be encouraged to transfer risk to third parties wherever possible through indemnity, exclusion and limitation clauses.
- 4.9 Chief Coordinator must work closely with business and middle management both to understand the aims and organization of the business and to get agreement on all aspects of risk management and control.
- 4.10 The Head of RMD, in coordination with RCO, will establish threshold levels for the collection of loss data. Accordingly on a regular basis, all process owners will collect and record operational loss event data exceeding these thresholds. Data will be captured as and when loss events occur.
- 4.11 It is the responsibility of process owners to ensure that loss events are minimized and that RMD, in coordination with RCO, is made aware of any breakdown in controls.
- 4.12 Legal Officer must evaluate the legal risks associated with Industries Qatar's business operations. The legal officer is required to be informed of all changes in the

legal system that affect Industries Qatar and communicate them to Industries Qatar's management.

- 4.13 Legal Officer must identify and document all legal risks in Industries Qatar's transactions. She/he is also required to regularly update the database as and when new risks are identified or new corporate laws are enacted.

5. Operational Risk Management Framework

- 5.1 The Operational Risk Management framework in Industries Qatar will be based on 'Operational Risk Assessment' format. The key steps in this process are:
- 5.1.1 Identifying potential risks;
 - 5.1.2 Identifying current controls;
 - 5.1.3 Assessing the likelihood and impact of the risk;
 - 5.1.4 Assessing the performance and design of the control system;
 - 5.1.5 Analyzing the situation and determining the action plan to mitigate high risks;
 - 5.1.6 Identifying individuals that are responsible for the action plan; and
 - 5.1.7 Determining key risk indicators (KRIs).
- 5.2 Chief Coordinator at the enterprise level must participate in Operational Risk Assessment along with the heads of business departments.

6. Risk Identification

- 6.1 Industries Qatar will identify the Operational Risk inherent in all material products, activities, processes and systems. Industries Qatar will also ensure that before new activities, processes and systems are introduced or undertaken, the Operational Risk inherent in them is subject to adequate assessment procedures.
- 6.2 The objective of Operational Risk identification is to ensure that Operational Risk is identified, contained, managed and coordinated effectively on a day-to-day basis.
- 6.2.1 Effective risk identification considers both internal factors (such as Industries Qatar's structure, the nature of Industries Qatar's activities, Industries Qatar's human resources, organizational changes and employee turnover) and external factors (such as changes in the industry and technological advances) that could adversely affect the achievement of Industries Qatar's objectives.
- 6.3 Operational Risk identification requires active participation of departments/ units.
- 6.3.1 Industries Qatar must have a focal point at which all non-business risks are managed. This can either be accomplished by direct reporting lines or through regular meetings or facilitated workshops.
- 6.4 The first step in the risk identification process is to identify the main functions in each department/unit. Each function, in a department/unit, (e.g. human resources) must be broken down into various processes (e.g. recruitment, training, employee relations ...etc.).
- 6.5 Resources linked to these processes must also be identified. Resources should include, but not be limited to, employees, equipment, information technology and physical custody.
- 6.6 The processes identified must then be mapped and documented.

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- 6.7 Once all key processes have been identified and mapped, process owners must be assigned to these processes. Process owners would generally be employees that own or manage a process.
- 6.8 Due to their close proximity to the operational performance of the process, the process owners along with their team must identify the potential risks affecting the process, clearly identifying possible operational failures under three categories, people, process and system.
- 6.9 It is the responsibility of process owners to ensure that loss events are minimized and that Risk Management is made aware of any breakdown in controls.

Identifying New Risk Areas

- 6.10 For all new processes, system/application implementations, relevant units along with the Risk Management function are required to address the inherent Operational Risks and document relevant controls to mitigate/minimize this risk.
- 6.11 In rare cases, if the inherent risks are not controllable, a decision will have to be taken to proceed with the product/process launch based on risk appetite of Industries Qatar. However, the risks undertaken in such cases are to be clearly documented to enable a well thought out business decision.
- 6.12 As Operational Risk appears to be prevalent where an organization has engaged in a new activity/system, special attention must be paid by heads of departments in ensuring full internal control activities and those procedures are in place before going live.
- 6.13 Requirements for new systems prior to launch include:
 - 6.13.1 Detailed program/detailed process map and description;
 - 6.13.2 Detailed process risk profile;
 - 6.13.3 Profitability projections/cost benefit analysis;
 - 6.13.4 List of inherent and residual risks and required controls for managing the risks; and
 - 6.13.5 Use of risk mitigants, their requirements, specifications...etc.
- 6.14 Accounting and Finance Requirements:

The following accounting/financial considerations should be taken when Industries Qatar conducts new business activities:

 - 6.14.1 Determination on how the new process will be accounted for in the books of Industries Qatar clearly detailing the linkages to accounting and transaction processing policies in place.
 - 6.14.2 Accounts, lines and categories that will be utilized to capture the various processes.
 - 6.14.3 Control requirements on these accounts/categories to identify errors or suspect transactions.
 - 6.14.4 The delegation of authority for the new process.
- 6.15 Compliance Requirements:

The following compliance considerations should be taken when Industries Qatar conducts new business activities:

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- 6.15.1 Determination of applicable laws and regulations which have an impact on the process documented;
 - 6.15.2 Development of controls to ensure compliance;
 - 6.15.3 Development of internal policies and procedures which have an impact on the process documented;
 - 6.15.4 Determine reporting requirements that would be mandated internally (for product management and independent oversight) and externally (to comply with regulatory requirements); and
 - 6.15.5 Highlight of the specific processes/data sources that would be utilized to comply with the reporting requirements.
- 6.16 Human Resource Requirements:
- The following human resource considerations should be taken when Industries Qatar conducts new business activities:
- 6.16.1 Determination of resources required for service delivery, control and monitoring functions; and
 - 6.16.2 Highlight scope for key main risks, if any, and the plans to develop adequate back-up pool for continued process delivery over the long term.
- 6.17 Planning and Budgeting Requirements:
- 6.17.1 Impact of the proposed product/service process on the budgets for current and subsequent years; and
 - 6.17.2 Determination of changes in budgets/plans such as changes in funding costs...etc.
- 6.18 All process owners are required to ensure compliance to above for all new processes and automation projects. Further, it is the responsibility of the process owners to ensure review of new proposals by Head of RMD, in coordination with RCO, to confirm compliance to above requirements.
- 6.19 Head of RMD, in coordination with RCO, should ensure the following:
- 6.19.1 Review of new process procedures and process flows;
 - 6.19.2 Ensure that all risks and controls are captured as a part of the documentation requirement adhered to by business/support units.

7. Operational Risk Assessment

- 7.1 Industries Qatar should use tools to identify strengths and weaknesses of operational risk assessments.
 - 7.1.1 The Operational Risk Assessment process is internally driven and often incorporates checklists and/or workshops to identify the strengths and weaknesses of the Operational Risk environment.
 - 7.1.2 Scorecards provide a means of translating qualitative assessments into quantitative metrics that give a relative ranking of different types of Operational Risk exposures. Some scores may relate to risks unique to a specific business activity while others may rank risks that cut across business activities. Scores may address inherent risks, as well as the controls to mitigate them.
 - 7.1.3 In addition, scorecards may be used by Industries Qatar to allocate economic capital to business lines in relation to performance in managing and controlling various aspects of Operational Risk.

7.2 Industries Qatar should assess its vulnerability to identified risks.

7.2.1 Effective risk assessment allows Industries Qatar to better understand its risk profile and most effectively target risk management resources.

7.3 Industries Qatar will conduct Operational Risk Assessment in line with leading practices pronouncements. Such assessments should consider, but not restricted to, the following factors:

7.3.1 From a risk assessment and measurement point of view, Operational Risk must always be assessed at the level of events.

7.3.1.1 It is an event that may be analyzed in terms of its likelihood (i.e. the probability that an event may occur) and its impact (i.e. the consequences or effects if an event does occur).

7.3.2 Whether Industries Qatar's employees are formally trained in dealing with Industries Qatar's customers. The training program will include specific courses on customer service.

7.3.3 Whether Industries Qatar's employees are formally trained in software development, solution architecting, project management and other program related activities.

7.3.4 Whether Industries Qatar has policies, processes and procedures to control and/or mitigate material Operational Risks.

7.3.4.1 Industries Qatar will periodically review its risk limitation and control strategies and adjust its Operational Risk profile accordingly using appropriate strategies, in light of its overall risk appetite and profile.

7.3.5 Whether record retention policies have been developed/ approved which detail guidelines on the periods for which records/documents will be retained as well as penalties for non-compliance.

7.3.6 Whether adequate information systems/analytical techniques/processes have been implemented to regularly monitor Operational Risk profiles and material exposures to losses. There should be regular reporting of pertinent information to Chief Coordinator and the BOD that supports the proactive management of Operational Risk.

7.3.7 Whether in addition to segregation of duties, other internal practices/ physical controls are in place as appropriate to control Operational Risk. Examples of these include maintaining safeguards for access to, and use of, Industries Qatar assets and records.

7.3.8 Whether Industries Qatar assesses the Operational Risk inherent in all material products, services, activities, processes and systems. In this regard, Industries Qatar will ensure that before new products, activities, processes and systems are introduced or undertaken, the Operational Risk inherent in them is subject to adequate assessment procedures.

7.3.9 Whether documented and approved policies and procedures for valuation of investments/other assets exists.

7.3.10 Whether control activities are an integral part of the daily activities of Industries Qatar. An effective internal control system requires that an appropriate control structure is set up, with control activities defined at every business level.

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7.4 The risk assessment process should be conducted in a workshop where everyone involved in the process has an opportunity to voice their concerns about risks related to the particular business processes and should be facilitated by Head of Risk Management.

7.4.1 Departmental Heads are responsible for undertaking the assessments for their respective units as instructed by Head of RMD, in coordination with RCO,.

7.5 The risk assessment exercise must be conducted on a regular basis, i.e. at least annually for key processes and less frequently for the other processes of Industries Qatar. Key processes will be identified by the head of each department.

Process Assessment

7.6 Head of RMD, in coordination with RCO, as and when required, will assess the adequacy and effectiveness of processes and procedures submitted for review/comment by the respective business heads of Industries Qatar and evaluate them to highlight improvements which will consequently help increase external customer satisfaction by way of improved process flows, reduced processing times and reinforcing the corporate view of 'the way things should be done'. Head of RMD, in coordination with RCO, will ensure that:

7.6.1 Industries Qatar will maintain robust processes and procedures for the activities conducted by Industries Qatar's constituents to enhance internal controls; and thereby minimize the possibility of errors/ misappropriations with the consequent impact on financial/operation/ reputation risk; and

7.6.2 Industries Qatar will meet minimum standards of control and management disciplines whenever transactions are processed/services are performed by a constituent.

8. Operational Risk Measurement

8.1 Operational Risk measurement must not be a static process that is completed at set times during the year. It must be conducted based on continuous risk and control assessments of the processes of Industries Qatar.

8.1.1 Head of RMD, in coordination with RCO, is responsible for maintaining a comprehensive loss events database and adopting more complex tools and procedures, as and when required.

8.2 Operational Risk measurement will be conducted based on continuous risk and control assessments of Industries Qatar's processes/sub-processes and activities.

8.3 To obtain a measure of Operational Risk, both the likelihood/frequency of risk occurrences and impact or severity of loss must be adequately assessed. To facilitate the measurement of Operational Risk, Industries Qatar will use a variety of tools as discussed in the following sections.

Risk Event Measurement

8.4 Risk event measurement will be used to identify and report risks/losses arising from the Operational Risk Events in order to develop appropriate action plans to manage Operational Risks consistently and to ensure operational losses are approved appropriately.

8.5 Risk event measurement will include:

8.5.1 Tracking of individual internal event data;

8.5.2 Internal loss data linked to current business activities;

- 8.5.3 Frequency and size of loss event; and
- 8.5.4 Analysis of loss event data by business.
- 8.6 Head of RMD, in coordination with RCO, will establish threshold levels for the collection of loss data. Accordingly on a regular basis, all process owners will collect and record operational loss event data exceeding these thresholds, using the format provided by Head of RMD.
- 8.7 Operational Risk/Loss events and Near Loss Events above the defined threshold must be sent to Head of RMD, in coordination with RCO, within 3 business days from the date of the loss event becoming known or reported.
- 8.8 Head of RMD, in coordination with RCO, is responsible for maintaining a comprehensive loss events database.
- 8.9 Periodically, information relating to deviations of risks and controls from their thresholds and operating losses are to be reported to Head of RMD, in coordination with RCO. These statistics and/or metrics will provide insight into the unit's risk exposure and provide early warnings of near miss events and possible operational losses that will be communicated to the management for their resolution and remedy in case of similar future events.

Risk Likelihood and Impact

- 8.10 To obtain a measure of Operational Risk, both the Likelihood or frequency of risk occurrences and the Impact or severity of loss must be adequately assessed. The likelihood and impact is rated on a scale of 1 to 5, 1 being the lowest, and 5 being the highest. The product of the two gives a measure of the severity of risks faced by Industries Qatar.
- 8.11 Operational Risk must be evaluated based on residual risk. Residual risk is the risk that remains in a process after the inherent risk is mitigated by a control system. Thus, if there is a control system in place to mitigate a particular risk, then the likelihood of risk will be adjusted based on the effectiveness of the control system.

8.12 Control Design rates how well the control works and Control Performance rates how well the control operates. The Design and Performance is also rated on a scale of 1 to 5, 1 being the lowest and 5 being the highest in both Design and Performance (as seen in the adjacent control rating legend). The product of the two will give a measure of Control Effectiveness, or how well the control mitigates and manages the risk.

CONTROL RATING

Performance	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5

Design

Legend for Control Effectiveness

	Very Low
	Low
	Medium
	High
	Very High

- 8.13 The risk and control ratings must be further assessed and moderated as part of the consolidation process by the risk monitoring function.
- 8.14 These ratings can be used by Head of RMD, in coordination with RCO, to develop a view of the overall Operational Risk exposure of Industries Qatar.

Key Risk Indicators (KRIs) and Key Control Indicators (KCI)

- 8.15 Head of RMD, in coordination with RCO, together with each unit head will agree on appropriate risk events/indicators together with appropriate threshold values

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representing risk tolerances and limits for their respective groups. Tolerances and limits will be reviewed annually by Head of RMD, in coordination with RCO, and approved by the Board Audit Committee.

- 8.16 Key Risk Indicators is an Operational Risk Management tool based on data which indicates the Operational Risk profile of particular activity/activities. KRIs will act as an early warning mechanism and will track risks at high risk points.
- 8.16.1 Head of RMD, in coordination with RCO, is responsible for the creation of KRIs for each critical department/unit in coordination with the concerned head.
- 8.16.2 Head of RMD, in coordination with RCO, will ensure that the established KRIs are clearly defined and understood, measurable and relevant.
- 8.16.3 Once KRIs are agreed with the critical departments/units, these will be submitted to the Audit Committee for approval.
- 8.16.4 Head of RMD, in coordination with RCO, may decide to focus formally on only a few of the identified risks, depending upon the level of priority attached to each risk.
- 8.16.5 For such risks, a formal log could be maintained by designated risk owner which will be updated periodically.
- 8.17 Industries Qatar may not normally monitor KRIs for those activities which are determined to have low likelihood and low severity. However, Industries Qatar should monitor the KCIs associated with such activities as the low likelihoods are based on the assumption of effective controls.
- 8.17.1 Control failures could result in an amendment of the risk likelihood or severity, and lead to an amended assessment of whether KRIs will also be measured.
- 8.17.2 Controls are preventive in nature; there will be two standard KCIs.
- 8.17.2.1 Firstly, an occurrence of a risk event will also represent an instance of that control failing, i.e. the KRI is also the KCI.
- 8.17.2.2 In addition, there may also be cases where the control has failed but has not necessarily resulted in a risk event.
- 8.18 The below detail provides examples of risks and their related KRIs and KCIs.

Risk	Control	KRI	KCI
Internal Financial Crime	Authority limits, access controls, internal audits	Near misses, average size of incidents	Limits exceeded, access breaches, number of audit findings
Inappropriate handling of complaints	Complaints handling procedures	Number of complaints	Average time to resolve complaints
Failure of service providers to deliver service levels	Service Level Agreements (SLAs), authorization of new contracts, review of service	Number of 3 rd parties used, average size of 3 rd party contracts	Number of 3 rd party reviews not carried out, SLA breaches

9. Operational Risk Management and Monitoring Guidelines

- 9.1 Industries Qatar must ensure that Operational Risk is mitigated and managed on a continuous basis using the guidance of the Operational Risk Management Strategy.
- 9.2 It is the responsibility of Head of RMD, in coordination with RCO, to ensure that steps are undertaken to mitigate Operational Risk at an Industries Qatar-wide level.
- 9.3 The scope and time horizon for Operational Risk is wide and therefore it is important to prioritize the key risks causing most exposure to Industries Qatar, identify which risks should be managed continuously, and those risks to be transferred to third parties.
- 9.4 Head of RMD, in coordination with RCO, should identify the key risks facing Industries Qatar based on the risk and control ratings and the results of the risk assessment process.
- 9.5 The key identified Operational Risks must be managed by corrective action stemming from the risk identification and measurement processes.
 - 9.5.1 Each identified risk must have an action plan and must be assigned to a process owner with a specified timeline for completion.
- 9.6 Progress of action plans will be monitored by the Head of RMD, in coordination with RCO.
 - 9.6.1 The progress of the action plans must be reported to the Board Audit Committee.
- 9.7 Head of RMD, in coordination with RCO, will continually evaluate and improve its policies and procedures to effectively support operations and undertake risk management and compliance across each activity/ process.
- 9.8 Industries Qatar's Operational Risk monitoring systems must ensure that both controls and information gathering and reporting are effective and adequate.
- 9.9 It is the responsibility of Head of RMD, in coordination with RCO, to ensure that regular and adequate monitoring of Operational Risk is conducted on an Industries Qatar-wide level.
- 9.10 It is the responsibility of the respective departments/units to ensure that loss events are minimized and that RMD, in coordination with RCO, is made aware of any breakdown in controls.
- 9.11 RMD, in coordination with RCO, will be responsible to review all Operational Risk Reports and in case of any concerns will escalate such matters to the Board Audit Committee, as and when required.

10. Operational Risk Reporting

- 10.1 Operational Risk reporting will be an essential part of the internal reporting system and would support the proactive management of Operational Risk.
- 10.2 Regular, objective and independent reporting on the status and magnitude of Operational Risks faced by Industries Qatar is crucial in supporting adequate management oversight of Industries Qatar's Operational Risk.
- 10.3 Reporting on Operational Risk is intended to provide management with regular feedback on the effectiveness of procedures implemented and enable comparison against thresholds of acceptable performance. Examples include:

- 10.3.1 Results of Risk Assessment Process;
- 10.3.2 Results of Project Quality Reviews;
- 10.3.3 Reports on findings from internal control reviews, conducted by internal auditors and IQ's external auditors;
- 10.3.4 IT processing error rates based on volume and turnover of transactions;
- 10.3.5 Downtime of the IT system (or a sub-system) during a month;
- 10.3.6 System breaches per year against money spent on IT security;
- 10.3.7 Customer complaints;
- 10.3.8 Project failures;
- 10.3.9 Reports of testing on, or updates made to the disaster recovery plan and business continuity management plan
- 10.3.10 Staff turnover.
- 10.4 The Head of RMD, in coordination with RCO, will receive regular reports from Industries Qatar departments. The reports will contain internal financial, operational and compliance data, as well as external market information about events and conditions that are relevant to decision making.
- 10.5 The frequency of reporting to Head of RMD, in coordination with RCO, will be on a quarterly basis or as decided by Industries Qatar for each division/ department.
 - 10.5.1 Operational Loss and Near Loss Events above a predetermined threshold will be reported within 3 days from occurrence to Head of RMD, in coordination with RCO. All events below the established threshold will be reported to Head of RMD, in coordination with RCO, through regular reporting lines on a quarterly basis.
- 10.6 The scope of information reported to Head of RMD, in coordination with RCO, from departments/ units will include the following:
 - 10.6.1 Changes in the business environment, business practices, and internal control factors;
 - 10.6.2 Risk reduction and risk transfer strategies (e.g., the effect of any expected loss deductions, mitigation and corrective actions on the business line/ event type exposure and/ or losses, cost-benefit analysis of the mitigation actions);
 - 10.6.3 Operational Risk exposures:
 - 10.6.3.1 Description of key Operational Risk events and drivers;
 - 10.6.3.2 Distribution, trend, and migration of the Operational Risk exposure across business lines; and
 - 10.6.3.3 Identification and assessment of vulnerability areas (e.g., KCIs, KRIs); and
 - 10.6.3.4 Quality improvements in Operational Risk Management and measurement processes and systems.
- 10.7 Head of RMD, in coordination with RCO, will report periodically to the Audit Committee. Reporting to the Audit Committee will be as follows:
 - 10.7.1 Operational Loss Events and Near Loss Events will be reported on a quarterly basis, highlighting the Operational Risk/ loss event name, description, type of event, and actions taken.

IQ Risk Management Policy

10.7.1.1 For significant Operational Loss Events Head of RMD, in coordination with RCO, should report the event immediately to the Board Audit Committee, the Board Audit Committee should meet as and when such loss event(s) arise.

10.7.2 Reporting risk assessment results will be on an annual basis for Board Audit Committee which will highlight the gaps revealed through the risk assessment process, action plans to address the same and the implementation status of the agreed plan.

10.7.3 KRIs and KCIs reporting will be performed on a quarterly basis and addressed to Board Audit Committee for review.

11. Project Quality Reviews

11.1 The RMD in coordination with Internal Audit Department will be responsible for overseeing the core business units' compliance with Industries Qatar's standards through quality assurance reviews. Projects will be reviewed by examining the reports or work products and the underlying project documents, and by conducting in-depth discussions with the appropriate members of the project team.

11.2 The RMD, in coordination with RCO, will;

11.2.1 Determine the scope of the reviews to ensure that all projects are reviewed at least once a year.

11.2.2 Participate in field reviews and assist Internal Audit Department in execution of the reviews.

11.2.3 Determine the project team's compliance with the applicable Industries Qatar's policies and procedures, service methodologies, and the relevant professional standards.

11.2.4 Analyze and report the results of the reviews to the Chief Coordinator and heads of the core business units.

11.2.5 Assist in the development and implementation of comprehensive project quality improvement plans.

11.3 A critical element of the Quality Review (QR) program is effectively acting on the results of the review. Results of project-level reviews may indicate that remedial actions to improve quality are required.

11.4 At the completion of each project QR, a Quality Improvement Plan (QIP) is prepared on the overall results of the project review. The QIP describes any practice-level actions that are needed, the people responsible and the deadlines established.

11.5 As part of encouraging continuous improvement, those responsible for preparing and reviewing the QIPs and overseeing the implementation process evaluate the effectiveness of the planned actions by raising the following questions:

11.5.1 Do the QIPs address all issues in the QR reports needing improvement or corrective action?

11.5.2 Will the planned action actually achieve its objective? Does the planned action address only a symptom or the underlying root cause? Will the planned action be effective in creating the necessary change?

11.5.3 When recurring issues are noted in the current year's QR results, why was the prior year's planned actions not effective in resolving the issues? Will this year's planned actions be more effective?

11.5.4 When the current year's QR results compare poorly with the prior year's results, why did this happen and will the planned actions reverse the slippage before more serious problems occur?

Industries Qatar



Corporate Governance Framework Roles and Responsibilities of IQ Representatives

December 2011

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INTRODUCTION

The Board of Directors of Industries Qatar (hereinafter 'IQ') is responsible for providing stewardship to its related entities and providing effective leadership in achieving IQ's strategic goals and objectives to grow value in a profitable and sustainable manner. For this purpose, IQ will appoint Representatives to the related entities. This document principally applies to the IQ Representatives on related entities' Boards.

This document is developed in accordance with the Corporate Governance best practices, Qatar Commercial Companies Law, Qatar Financial Markets Authority, Corporate Governance Code for Listed Companies and IQ's Articles of Association. In the event of conflict between this document and the Articles of Association then the latter shall prevail in line with the spirit of being an Article 68 Company.

Amendments:

This document may be amended by a majority vote cast by the members of the Board present at any meeting, on condition that the proposed amendment or amendments should not be in conflict with the Company's Articles of Association and the applicable laws and regulations referred to above.

IQ REPRESENTATIVES ROLES AND RESPONSIBILITIES

ROLES AND RESPONSIBILITIES

Following are the key responsibilities of the IQ Representatives;

- Present to the Chief Coordinator the Company's Budget and five-year strategic business plan
- Convey reports to the Chief Coordinator regularly for the sake of his knowledge of the Company's management and business conditions.
- Exercise the powers and authorities delegated to him by IQ Board
- Highlight any issues of concern pertaining to subsidiary level policy matters policies such as Investment Policies, Risk Management Policies , Corporate Governance Policies...etc. to the Chief Coordinator for him to determine whether there is any potential material impact on IQ's interests. In turn, the Chief Coordinator will have the responsibility to flag the same concerns to IQ's Board for their review and assessment after consulting with the MD's office.
- Represent the interests of IQ by overseeing management performance
- Review the Company's vision and mission periodically, adopt strategic planning process and at least annually, approve the strategic plan and business plans. Assess the alignment of the entity's direction to IQ's overall strategy, vision and risk appetite.
- Report to, provide analysis and seek guidance from CC on key organizational and business changes (e.g. key new initiatives, major investments, changes in organization structure etc.)
- Review strategic initiatives, recommend improvements and participate in the approval of annual budgets including new business ventures, key project plans, investments and divestitures. And, report to CC all transactions relating to strategic investments and major capital expenditures with a value of US\$100 Million and above, for him to onward report to the IQ Board for review and approval;

ROLES AND RESPONSIBILITIES

- Report to Chief Coordinator;
 - Major problems that come to the Company's Board's attention
 - All major changes to the Company's organization structure and reporting lines
- Monitor company performance and periodic updates provided by management, in light of the approved plans, and offer recommendations. Report the same to CC.
- Oversee all governance aspects of the company, including the Board and Board Committees' Terms of References, Code of Conduct, and position descriptions of CEO and other key Executives. Report to CC any non-compliance to Group policies and procedures.
- Supervise that the proper internal controls are in place. If the Board member also takes part in the Audit Committee, then review internal and external audit report and report any concerns to the IQ management. In case there is no IQ representative in the entity's Audit Committee, the Board member should analyze audit reports and communicate the concerns to IQ management.
- Conduct periodic reviews and assessments to see if the company is in compliance with international and local laws and regulations applicable to the entity and operates in accordance to its Article of Association (AoA). If there are changes in laws and regulations affecting IQ, communicate the same to CC.
- Participate in meetings organized for shareholders of the entity (General Assembly, etc). If other personnel from IQ participate to these meetings, update them beforehand, in order to facilitate an effective meeting.