ANNUAL
REPORT
2020

صناعات قطر
Industries Qatar

Disclaimer

The Companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this annual report, "IQ" and "the Group" are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

This report may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the Group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the Group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this report.

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Industries Qatar Q.P.S.C.

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“Resilient financial position and sustained operational excellence, with an eye on growth in a challenging market”

Mission:

Industries Qatar (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.

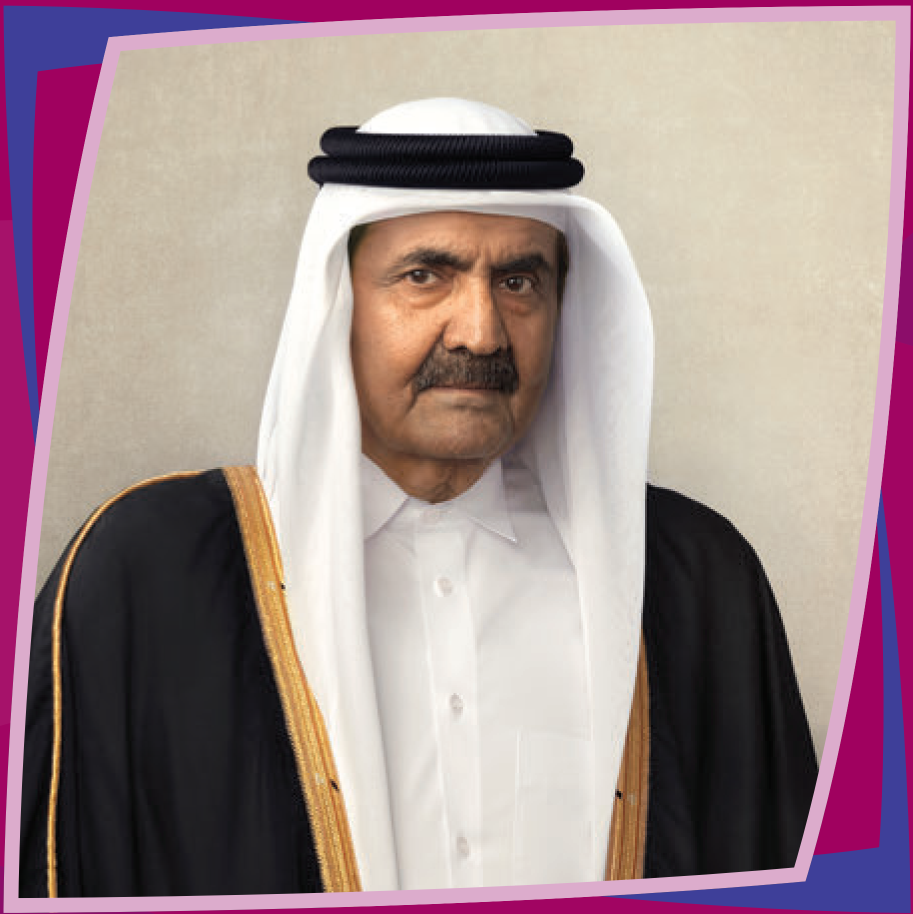
Vision:

IQ aims to be a leading and recognized player in producing the highest quality industrial products through its growth-driven portfolio that generates profitable returns and creates value for its shareholders.

Content

Content

His Highness
Sheikh Tamim bin Hamad Al Thani
The Amir of the State of Qatar



His Highness
Sheikh Hamad bin Khalifa Al Thani
The Father Amir

Board of **Directors**

Board of Directors

His Excellency Mr. Saad Sherida Al-Kaabi
Minister of State for Energy Affairs, Chairman and Managing Director of Industries Qatar

Mr. Abdulaziz Mohammed Al-Mannai
Vice Chairman

Mr. Abdulla Ahmad Al-Hussaini
Board member

Dr. Mohammed Yousef Al-Mulla
Board member

Mr. Mohammed Nasser Al-Hajri
Board member

Mr. Abdulrahman Mohammed Al-Suwaidi
Board member

Mr. Ahmed Abdulqader Al-Ahmed
Board member

Letter from the **Chairman**

"Despite macroeconomic headwinds, we thrived to focus on our strategy, while critically relying on our people, portfolio growth and operational excellence, to ensure sustained shareholder value creation"

Letter from the Chairman

Dear Shareholders,

I am honored to present the 2020 Annual report of Industries Qatar, one of the region's industrial giants and one of the largest and most successful listed entities in the State of Qatar.

I would like to thank and congratulate my fellow Board members and the senior management of our Group companies for their dedication, hard work and commitment. I also like to thank the management team of Muntajat, who is now integrated with Qatar Petroleum, which I believe would create better synergies for the Qatari downstream sector.

Together we have delivered sustained, resilient operational and financial results in a challenging macroeconomic environment. I would also especially thank the Group's shareholders for their continuing trust and support.

Macroeconomic conditions

Global economic uncertainty, marked by stymied demand and weaker global GDP growth, continued to remain evident since the start of the year. During the year, the negative macroeconomic trends were further augmented due to the unprecedented decline in the crude oil prices, together with the outbreak of COVID-19 pandemic. All of this led to an increased pressure on our product prices, which negatively affected our overall financial performance.

There have been some signs of gradual recovery noted in the global macroeconomic climate, specifically in the latter part of the year, with a rebound in the prices of crude oil and downstream products, owing to continuous unprecedented stimulus and lifting of lockdowns in major markets. We are hopeful that this recovery phase would continue to hold and benefit Industries Qatar, and provide better opportunities to the Group. However, the risk of COVID-19 pandemic still prevails and has not been fully eradicated, which may hamper these early signs of recoveries.

Key strategic updates

Despite the obstacles presented by macroeconomic headwinds, we thrived to focus on our strategy, while critically relying on our people, portfolio growth and operational excellence, to ensure sustained shareholder value creation.

The Group continued to focus on ensuring safe, efficient and reliable operations with consistent production levels, supported by momentous efforts on output and cost optimization. At the same time, IQ improved its overall supply chain and marketing activities, especially in the lockdown situations, as we maintained our sustained uninterrupted access to global markets.

During the year, after a careful review of demand and supply dynamics in both the local and international steel markets, the Group decided to mothball part of its steel capacity, in order to predominantly focus on domestic operations. The mothballing decision also assisted us in enhancing our operating cost efficiencies. The mothballed facilities are preserved at a minimal cost and can be put back into operations within a short notice. In addition, starting from September 2020, the sales and marketing responsibilities for Qatar Steel has now been moved from Muntajat to Qatar Steel, due the strategic focus with limited international sales contribution.

Given the current difficult market and macroeconomic outlook, the Group kicked-off new optimization initiatives as an additional layer to the existing optimization strategy, to withstand the Group against the external pressures and reviewed its operating and capital expenditures, across all segments. These measures would enhance the Group's competitiveness, drive better efficiencies and ensure a consistent free cash flows to the Group.

Going forward, the Group's competitive advantages together with our flexibility in operations and diversified portfolios, would remain critical to the Group's response to these external challenges.

Successful completion of acquisition of 25% stake in Qafco

As part of deploying free cash and further consolidate our position in the downstream sector, the Group acquired the remaining 25% stake in Qatar Fertilizer Company (Qafco) for a purchase consideration of USD 1.0 billion. With this acquisition IQ will now fully control Qafco.

The acquisition also allowed the Group to enter into favorable feedstock supply agreement with Qatar Petroleum, which is expected to support Qafco during lower economic cycles and bring additional financial benefits to the Group driven by improved profitability margins.

Financial results[1]

The financial performance of Industries Qatar in 2020 was largely impacted by external macroeconomic factors beyond its control. These factors directly translated into increased pressure on commodity prices for petrochemicals, fertilizers and steel products, impacting the overall profitability of the Group. A decline of 19% in the net profits (normalized) was noted compared with the previous year, to reach QR 2.1 billion, with an earnings per share of QR 0.35.

Robust financial position[1]

The Group's financial position continued to remain robust despite the macroeconomic headwinds, with the liquidity position at the end of 31 December 2020 stood at QR 9.8 billion in form of cash and bank balances, while the Group generated positive operating cash flows of QR 3.4 billion for the year, with free cash flows amounting to QR 2.8 billion.

Creating shareholder value

Since the Group was incorporated in 2003, total dividends of more than QR 53 billion have been distributed to shareholders. A payout ratio of more than 60% is clear evidence of the Board's commitment to adequately reward shareholders, while maintaining liquidity necessary for capital projects, debt obligations and unexpected adversities.

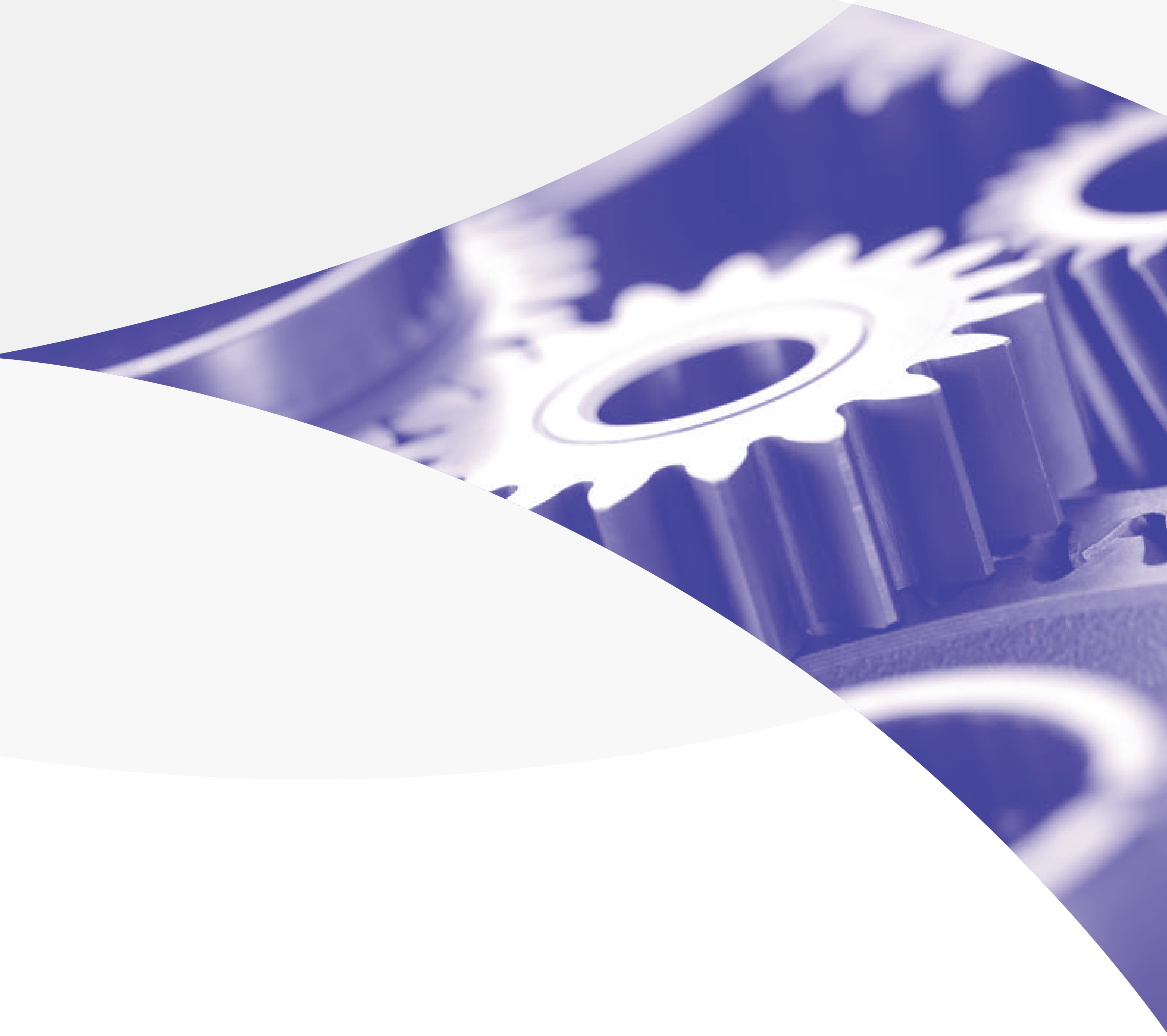
Given these considerations and the current short- and medium-term economic outlooks, the Board of Directors proposes to pay a total annual dividend distribution for the year ended 31 December 2020 of QR 2.0 billion, equivalent to a payout of QR 0.33 per share and a payout ratio of 100%.

1 Figures based on non-IFRS proportionate consolidation

Conclusion

In conclusion, I would like to express my sincere gratitude to His Highness the Amir, Sheikh Tamim bin Hamad Al-Thani, for his vision and wise leadership, with a continued support and guidance in promoting Qatar's oil and gas sector. I would also like to thank my fellow Board members, senior management and dedicated staff of our Group companies for their valuable efforts and support.

I am confident that my fellow Board members and senior management team of the Group and its companies are well prepared for the year ahead. No doubt there will be new opportunities and challenges, and much work will be required towards realizing our strategic targets, but together we look forward to ensuring Industries Qatar remains one of the leading industrial giants in the region.



Board of Directors' Review

"With momentous external pressures, our delivery of sustained and resilient financial and operational performance continued, via persistent focus on our core values of cost optimization, operational excellence and our commitment to HSE"

Board of Directors' Review

The Board of Directors is pleased to present its 2020 annual report on the financial and operational performance of Industries Qatar, a premier industrial group in the region with interests in the production of a wide range of petrochemical, fertilizer and steel products.

Introduction

2020 was one of the most challenging years for the Group in its history, underpinned by the oil price turmoil, global pandemic, customer skepticism, all of which had material adverse impacts on our operational and financial performance. The Group, however, was able to mitigate most of these challenges by adopting emerging strategies to report credible financial and operational performance.

Macroeconomic updates

Global economy experienced one of the greatest shocks of all time, with momentous slowdown across global economies because of geographical lockdowns, along with GDP compression in most of the major economies remained evident throughout the year.

All economic and financial indicators reached to trough levels in the last two decades. Oil prices went below USD 20 per barrel during the early part of 2020, amid outbreak of COVID-19 pandemic which categorically muted the demand for oil and the related petrochemical derivatives, given that most of the countries were in lockdowns and industrial activities were stalled. These headwinds exerted severe pressure on our petrochemical product prices and affected Group's financial performance.

Although, in the latter part of the year, with a rebound in the crude oil prices, amid continuous stimulus announcements in the West and easing out of lockdowns across global economies, there has been early signs of recoveries noted in our businesses. But, the business risk specifically relating to COVID-19 still looms, until the pandemic situation is fully eradicated.

Strategy updates

Exposed to extreme challenges posed from external environment driven by lower prices, weaker demand, stiff competition, shipping and logistic restrictions, the Group adapted several short, medium, and long-term strategies with an intent to maximize value of its business units with a long term outlook. These strategies included:

- *Optimization of operational costs and workforce:* as a continuation of its on-going optimization program, the Group further emphasized the cost efficiency and effectiveness, and to remain a lean producer, the Group identified specific target driven cost reduction measures under the direct guidance of executive leadership. There were also instances, where, costs were deferred to a different periods and which will be reappraised once the economic conditions recover;

- *Mothballing of steel units:* after a careful review of long-term demand and supply for steel in both the domestic and international markets, and the competitive position, the Group decided to reduce its steel mill capacity to approximately to 50% of the name-plate capacity. With this decision to cut the production capacity by half, it is not only expected to improve Group's profitability, but would also help the segment to focus more on domestic market, where margins surpass international markets. With this decision, the Group also expects significant long-term cost savings in utilities, manpower, facility maintenance and other operating costs;

- *Steel marketing migration:* the Group decided to migrate the marketing of steel products back to Qatar Steel, which is more cost efficient and effective, as Qatar Steel will now focus only on domestic sales with limited international sales contribution. Furthermore, there are savings expected in the forms of marketing fees and logistics expenses.

- *Temporary shutting down of MTBE facility:* the Group decided to shut-down its MTBE facility for certain days on two occasions for commercial reasons, when the MTBE prices fell significantly and reached to a level, where the global MTBE producers were unable to recover the cash operating costs. The MTBE facilities is now back in operations, where, the impact to the Group in relation to temporary shutdown of MTBE facilities has remained immaterial, considering its overall contribution to the Group volumes;

- *Acquisition of minority stake in Qafco and QMC and finalization of the new GSPA:* as part of a long-term strategic plan, the Group acquired the 25% stake in Qatar Fertilizer Company (Qafco) and 40% stake in Qatar Melamine Company (QMC) from Qatar Petroleum. These acquisitions are of strategic importance to the Group, as the same have given full control to the Group over operational, investing and financing decisions in the world's largest single-site urea producer. The acquisition also allowed the Group to enter into a more favorable gas price agreement with Qatar Petroleum. The new GSPA is expected to bring additional financial benefits to the Group driven via improved profitability margins.

COVID-19 updates

COVID-19 pandemic continued to pose substantial challenges to Group's operations, sales and marketing, production planning, shipping, logistics, warehousing, credit and cash management capabilities. The lockdowns in many large economies which are a main market to the Group has caused unexpected difficulties in shipping and warehousing, which in turn affected the production planning and operations.

However, our marketing partner Muntajat was able to overcome these challenges swiftly via different business strategies, including arranging for floating storages, extended customer relationship management, while identifying alternate trade flows and product diversion by switching between products, customers, countries and regions.

The Group also established crisis management committees which met periodically to give the most needed direction based on Supreme Committee for Crisis Management's instructions, as well as, operational requirement. The Group operations and production was minimally impacted due to the pandemic, and as a matter of fact the Group did not shut down any of its facilities for COVID-19 demand related reasons other than the MTBE facility and successfully completed all the planned turnarounds within the budgeted timelines.

Competitive advantages

The Group is well positioned in leading as a large diversified conglomerate in the global markets with several competitive advantages it possesses strategically, operationally and financially. These competitive advantages assured the Group's resilience in difficult economic times, while maintaining healthy EBITDA margins and generating stronger free-cash flows even under tough conditions as such experienced during the year 2020.

These competitive advantages are driven by efficient and well maintained asset base, a qualified and highly trained workforce, assured supply of feedstock and competitively priced energy contracts, lower operating costs, a dedicated marketing arm to market the Group's petrochemicals and fertilizer products, and most importantly a well experienced senior management team. These competitive advantages are not only aiding the Group to mitigate the threats enforced by the depressed economic conditions, but also keeps us well ahead of the competition and boosts the confidence of external bodies such as credit rating agencies, lending institutions and investors.

Cost and output optimization

As the Group's financial performance is significantly dependent on externally driven macro-economic factors, the Group has continued to focus on those previously identified cost and operational optimization targets in order to improve financial and operating performance.

In addition to the measures placed since the previous years, another layer of optimization measures were initiated in 2020 to neutralize the adverse operational and financial effects of COVID-19 pandemic. Such measures included right sizing of the work force, adjustment to operating capacity to suit the long-term demand, adjustments to certain raw material mix and strict control on discretionary operating costs. These initiatives and measures would ensure the Group remain profitable, even under difficult market conditions and will continue to deliver sustained margin profiles.

Financial performance

Revenue: Total revenue[2] recorded for the year ended 31 December 2020 amounted to QR 11.4 billion, a decrease of 17% over last year. On the other hand, the reported revenue[3] according to IFRS 11 amounted to QR 7.4 billion, an increase of 45% versus the same period of 2019.

The reduction in revenue (based on non-IFRS proportionate consolidation) in the current year was mainly driven by a number of factors both external and internal. The internal factors were mostly related to strategic realignment, and mostly implemented with an objective of improving the Group's long-term financial and operating performance.

1. Lower crude oil prices, weaker demand following the global pandemic and reduced consumer participation and lower government spending had affected the year-on-year blended product prices.

2. Lower sales volumes driven by weaker demand and changes to some of the sales agreement for Group's key products. During the year, Qafco entered into a temporary gas processing arrangement for Qafco trains 1-4 until 31 July 2020, when a new gas sale and purchase (GSPA) agreement was finalized. Under this temporary arrangement, Qafco recognized only a processing fee plus margin, without booking the full sales volumes and the related revenue in its books of accounts. Qafco reverted to a new unified gas sales and purchase agreement from 1 August 2020.

3. Sales volumes were also affected by changes in the steel production strategy, where the Group decided to reduce its capacity, with an intent to focus only on the domestic segment. The Group also temporarily adjusted its production capacities of fuel additives during the first half of the year, when the fuel additive prices reached historical lows.

Profits and margins[4]: EBITDA reported for the year ended 31 December 2020 amounted to QR 4.0 billion, a decrease of 5% over last year. This decrease was driven by several factors including weaker product prices driven by tightened market conditions, decline in sales volumes due to weaker demand and changes to operating rates amid lower production.

The results were also impacted due to one-off non-cash impairment provisions relating to steel and melamine facilities, but these impairment losses was partially offset by a one-off credit to the income statement arising from the fair-valuation gain booked in relation to the acquisition of Qafco, with a net positive contribution of QR 31 million to the Group's profitability.

Net profit (normalized) for the year 2020 amounted to QR 2.1 billion, a decline of 19% compared to last year, with the unfavorable year-

2 Total revenue is computed as the revenue of fully owned subsidiaries plus share of revenue in directly and indirectly held joint ventures;

3 Reported revenue = revenue reported in the financial statement representing the revenue of fully owned subsidiaries i.e. Qafco and Qatar Steel.

4 Figures based on non-IFRS proportionate consolidation

on-year variance attributable to the same reasons as the EBITDA variance. Normalized profits for the year 2020 includes the impact of 25% of Qafco's profits for the first nine months of 2020 amounting to QR 113 million, which has been reported as part of Group's retained earnings within the 2020 published financial statements. Bottom line profitability excluding the impact of QR 133 million, i.e. net profits reported in the 2020 financial statements, amounts to QR 2.0 billion, representing an EPS of 0.33 for the year ended 31 December 2020.

Financial position and cash flow generation capabilities

Despite operating in challenging markets, IQ continued to amass significant levels of liquidity. Our balance sheet remained healthy, with robust liquidity registered at year-end and no long-term debt on the Group's balance sheet, which included QR 9.8 billion in cash and bank balances. Our reported total assets and total equity reached QR 36.0 billion and QR 33.8 billion, respectively, as of 31 December 2020.

The Group's financial and liquidity position is a testament to efficient cash flow generation capabilities, which safeguards the Group against unanticipated maintenance shutdowns, provide support in ensuring a sustained and consistent dividend policy, and allows flexibility in opportunistically considering Capex projects to drive shareholder value.

Currently, the liquidity profile of the Group mostly comprised of short- to medium-term placements with a portfolio of A-rated banks within Qatar, which yielded an annualized return of 2.73% per annum for the financial year 2020.

These funds have been placed with various maturity profiles from call deposits to one-year tenor fixed deposits, in line with the Group's liquidity and working capital management strategy and future CAPEX and OPEX plans. Going forward, the Group will continue to maintain an efficient, effective financial position, and liquidity profile, to provide confidence and sustainability in turbulent times.

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, IQ has made an appropriation of 2.5% of its net profit to Sports and Social Contribution fund.

Capital expenditure and investments

Total capital expenditure for the year amounted to QR 0.6 billion, primarily related to maintenance turnaround related capital expenditure across all segments. The Group places significant emphasis on planned maintenance turnaround in order to ensure greater plant reliability and integrity. There were no major capital expenditures related to capacity additions or de-bottlenecking. In addition, the Group also invested QR 3.7 billion in acquiring the 25% stake in Qafco together with QMC.

Proposed dividend distribution

The Board of Directors proposes a total annual dividend distribution for the year ended 31 December 2020 of QR 2.0 billion, equivalent to a payout of QR 0.33 per share, representing a payout ratio of 100%, and a dividend yield of 3.0% on 31st December 2020's closing share price.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al-Thani, the Amir of the State of Qatar, for his guidance and strategic vision. Our gratitude is also extended to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, Chairman of the Board of Directors and Managing Director, for his vision and wise leadership, and to the senior management of the Group companies for their hard work, commitment and dedication.

Board of Directors' Segments Review

Board of Directors' Segments Review

The Board of Directors is pleased to present 2020 segmental review covering the operational and financial performance of Group's operating segments. For the purpose of reporting, the Group's ventures are grouped into three distinct segments namely petrochemicals (Qatar Petrochemicals Company and Qatar Fuel Additive Company), fertilizers (Qatar Fertilizer Company) and steel (Qatar Steel).

Petrochemicals segment

Strategy:

The key strategies within the petrochemicals segment is to maximize the asset utilization, while maintaining acceptable levels of plant reliability and availability. We will also continue to invest in research and development that would improve operational efficiency, lower unit costs and enhance environmental footprints.

Macroeconomic updates:

Petrochemicals segment remained under pressure since last year with continued global economic uncertainty, restrained GDP growth, trade disputes and new capacity additions. The macroeconomic climate was further impacted as a result of materially weaker crude oil prices and the outbreak of COVID-19 pandemic. These additional dual headwinds placed severe constraints on consumer demand and thereby affected the global GDP growth, which led to an increased pressure on petrochemical product prices in various markets, and negatively affected the segment's financial performance for the year 2020.

Output optimization:

Despite a year full of challenges due to uncontrollable external factors, the segment was able to optimize its key operational performance indicators.

- *Production:* production was marginally improved by 4% despite external challenges, and a number of unplanned shutdowns including temporary shutdowns of MTBE facilities due to commercial reasons;
- *Sales volumes:* sales volumes have improved slightly by 3% compared to previous year, although there were notable issues noted with particular concerns over shipping and logistics.
- *Availability and reliability:* the plant availability and reliability indicate that the segment did not have any material unplanned shutdown related to external economic shocks and was able to manage the operating assets to its full potential.

Capital expenditure:

Capital expenditure for 2020 amounted to QR 326 million, primarily related to planned turnaround related expenditures and HSE improvements. The planned turnarounds were essential to ensure the longevity and reliability of the facilities and at the same time quality of the output is optimized.

In terms of capital expenditure over the next five years, the segment is expected to invest QR 1.7 billion in various projects. This will include, but be not limited to operations (HSE, plant reliability and integrity) and maintenance shutdowns. These projects are not only to improve plants' long-term production output and reducing emissions, but also to enhance operating cash flows via added efficiencies.

Financial Results[6]:

Financial performance of the segment remained under pressure, which remained closely correlated to crude oil trends, as the segment's performance was affected by lower product prices and weaker demand associated with lower consumption, due to lockdowns in key markets linked to COVID-19 pandemic, especially in the first half of 2020. The net profits declined by 19% compared to last year and reached QR 1.1 billion.

Blended product prices declined by 12% compared to last year. Sales volumes were marginally up by 3%. On an overall basis segment revenue declined by 9%, to reach QR 4.0 billion for year ended 31 December 2020.

Fertilizer segment

Fertilizer segment remained stable during the year. This was primarily due to robust demand and firm product prices. The segment was the least impacted by the COVID-19 pandemic or the weaker crude price environment.

Strategy:

Like other segments within the Group, the core strategy within the fertilizer segment is also to optimize the value of operating assets, via maximizing the production, minimize the operating costs, and thereby enhancing the free-cash-flows to the segment.

Macroeconomic updates:

Fertilizer segment was least affected by the turbulent macroeconomic conditions which prevailed during 2020. Stable consumer demand and lower production costs allowed most producers to operate their facilities close to nameplate capacity, despite there being logistic issues related to shipping and warehousing.

Nevertheless fertilizer prices have declined year-on-year basis, compared to the previous year on account of lower feedstock costs. Product prices have, however recovered during the second half of the year with the recovery in the overall energy market, and further stability in the demand.

Output optimization:

The segment has very little control over prices of the products, the segment continue to focus on optimizing value of its assets, and rationalizing its operating costs:

- *Production:* production was significantly up on last year by 34%, as a result of additional volumes being added, amid Qafco's acquisition;

- *Sales volumes:* sales volumes have declined on last year by 7%. This decline was mainly attributed to a change in the operating arrangement for Qafco 1-4 trains, whereby, sales volumes relating to Qafco 1 to 4 was sold on behalf of Qatar Petroleum for a processing fee plus a margin. This temporary arrangement was in place for a period from 1 January 2020 till 31 July 2020. During this period no sales and the related volumes were recognized in the books of Qafco. However, as Qafco entered to a new gas sales and purchase agreement (GSPA) from 1 August 2020, all the sales volumes post the new GSPA has been recognized in the books of Qafco.

- *Availability and Reliability:* plant availability and reliability remained within the historical norms, although, the plant reliability has slightly declined due to unplanned shutdowns in the ammonia trains. The higher reliability and availability suggest the segment's assets are operating at higher capacity levels, and

6 Figures based on non-IFRS proportionate consolidation

there was no significant turnaround related to external demand related reasons.

Capital expenditure and investments:

The segment spent QR 135 million in form of capital expenditures during 2020. These spending were primarily related to HSE and turnaround related capital expenditure. The segment did not incur any material capital expenditure related to either adding of new capacity or debottlenecking of any existing capacity.

During the year, the Group successfully completed the acquisition of 25% stake in Qafco at a purchase consideration of USD 1.0 billion. With this acquisition, IQ now controls Qafco with 100% ownership. In addition, and as part of the same transaction, Qafco acquired Qatar Petroleum's 40% stake in QMC, for a purchase consideration of QR 109 million.

In terms of capital expenditure for the future, the segment is expected to invest QR 3.2 billion in various projects over the next five years. The main projects the segment will invest during the next five years will include projects related to HSE, plant reliability, regulatory compliance, infra-structure, productivity, periodic maintenance turnarounds and other PPE additions. These projects are not only intended to improve segment's profitability and cash flows, but also would improve plants' long-term plant life and HSE footprints.

Financial results:

Fertilizer segment reported a net profit (normalized) of QR 897 million, a year-on-year increase of 3% over last year, mainly due to the acquisition of Qafco. The segment profitability was also impacted due to impairment loss amounting to QR 153 million booked in relation to QMC facilities.

Average selling price for the segment were down by 6% versus last year. This reduction was driven partly due to lower weak seasonal demand which outweighed the gradual easing of supply side bottlenecks. Sales volumes declined by 7% compared to the previous year. The segment revenue increased by 3%, as compared to last year, mainly due to accounting for revenues from Qafco at 100%, due to its acquisition. This was slightly offset by decline in selling prices and change in the revenue recognition methodology due to the temporary gas processing arrangement for Qafco trains 1-4 applicable for the first seven months of 2020, which negatively affected the sales volumes.

Steel segment

Strategy:

During the year 2020, the segment has changed its strategy to a "Focus Market" strategy, wherein, Qatar Steel Doha will focus predominantly in selling the product in the domestic market. This is a major shift in the segment's strategy, where the segment was previously selling in wider markets with exposure to greater competition. This strategy change will now allow the segment to focus more on its intended target market, while optimizing its cost structures and focusing on quality and supply chain improvements.

Macroeconomic updates:

The macro-economic impact of COVID-19 was moderate compared to petrochemical segment, and directly linked to State of Qatar's infrastructure expenditure and investments plans. On the global front, the steel segment continued to remain under pressure due to weaker GDP growth, lower infra-structure development investments and budget deficits in many sovereigns.

Going forward, Qatar Steel is expected to move forward strongly due to its domestic focus, rationalized capacity and available infra-structure projects in Qatar within the next few years.

Output optimization:

With the change in market strategy within the segment, steel segment's production, sales, operating costs have been optimized to be in line with the new strategy.

- *Production:* total production down by 54% from last year. This reduction is line with the segment's strategy to focus only on domestic market from its Qatar based facilities;

- *Sales volumes:* sales volumes declined by 45% due to mothballing of certain facilities;

- *Availability and Reliability:* plant availability and reliability affected during the year, due to the mothballing of certain Doha based facilities and planned shutdowns. If adjusted for the effect of the mothballing the availability and reliability remained within the acceptable norms;

- *Optimized marketing function:* the steel marketing is now transferred back to Qatar Steel. While this provides greater coordination opportunities amongst various value chain functions within the steel segment, this also allows to reduce the operating cost for the segment to a greater extent.

Capital expenditure:

The segment incurred a minimal CAPEX amounting QR 97 million. These spendings were primarily related to routine property, plant and equipment additions, HSE spending and maintenance related capital expenditures. There was no material spending related to new capacity or debottlenecking of any existing facilities.

In terms of capital expenditure over the next five years, the segment is expected to spend QR 0.3 billion. The main capital expenditure for the next five years will include replacement expenditures and investing in HSE improvement projects.

Financial results:

Steel segment reported a net loss of QR 1.3 billion, after accounting for a one-off non-cash adjustment relating impairment loss of QR 1.2 billion. The impairment loss was related to the mothballing of certain facilities associated with the segment's decision to rationalize its operating capacity and to focus on domestic sales from its Doha based operations.

The segment reported an adjusted loss of QR 89 million, after removing the effect of the one-off impairment losses with a decline of 346% versus the previous year. The reduction in the reported profits was due to a combine effect of:

- Lower sales volumes due to changes in the production strategy, wherein, the segment decided to moth-ball certain steel segment's capacity in order to focus on domestic market.

- The one-off losses associated with impairment of facilities, which was amounted to QR 1.2 billion.

- The negative impact on profitability due to above factors was partially offset by improved selling prices, reduced raw material, energy costs, coupled with optimization initiatives which helped to reduce manpower and other operating costs including marketing and logistics costs.

IQ Group at a Glance

IQ Group at a Glance

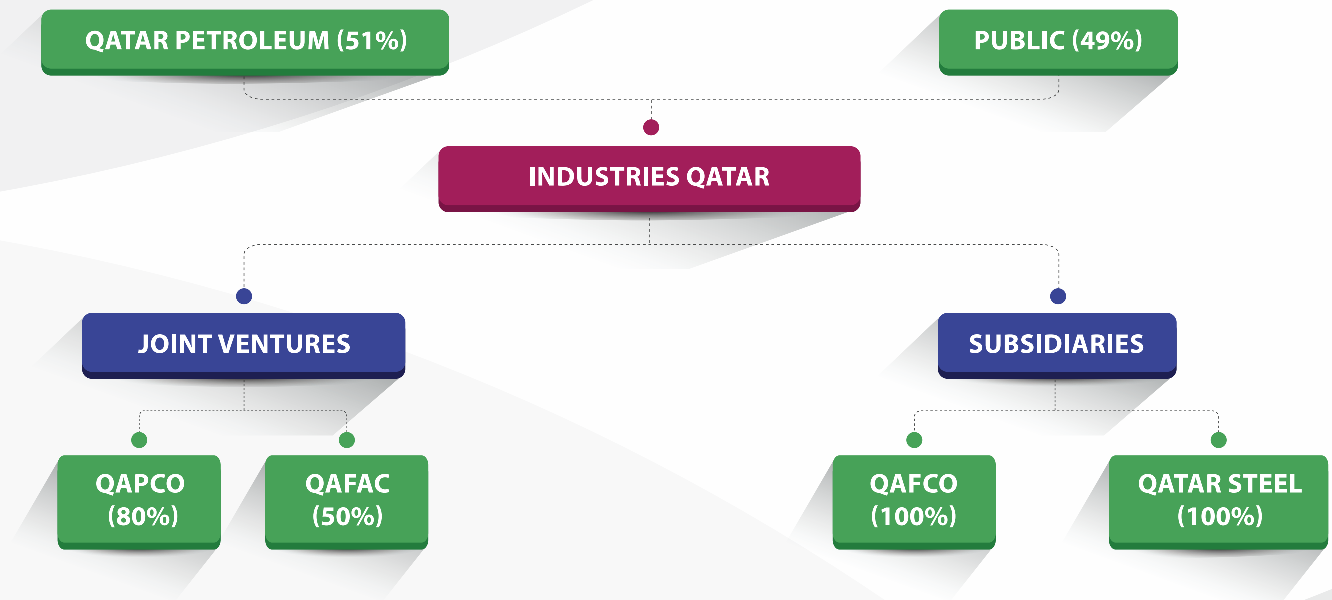
Overview

Industries Qatar Q.P.S.C. (IQ or the Group) was incorporated as a Qatari joint stock company on April 19, 2003. Its registered office is P.O. Box 3212, Doha, State of Qatar. Through its subsidiaries and joint ventures (the Group companies), IQ operates in three distinct segments: Petrochemicals, Fertilizers and Steel.

Head Office Functions and Management Structure

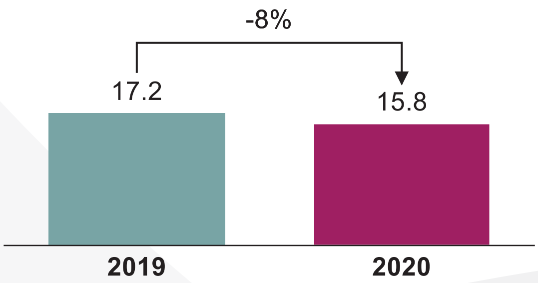
Qatar Petroleum, IQ's largest shareholder, provides head office functions through a comprehensive services agreement. The operations of the Group's subsidiaries and joint ventures remain independently managed by their respective Boards of Directors and senior management teams.

Ownership Structure

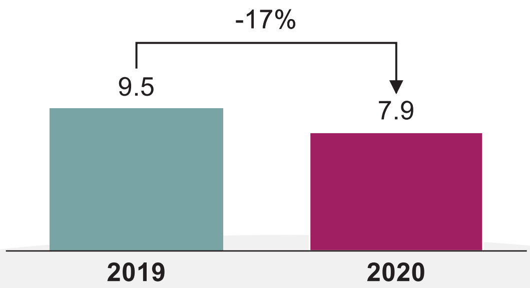


IQ 2020 Performance

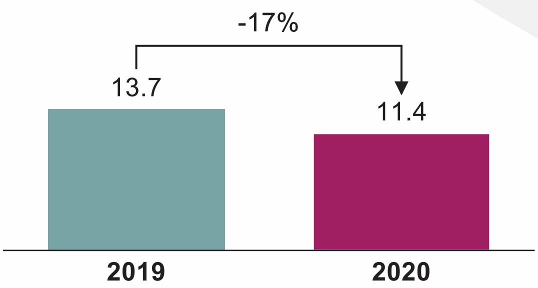
Production (MT' million)



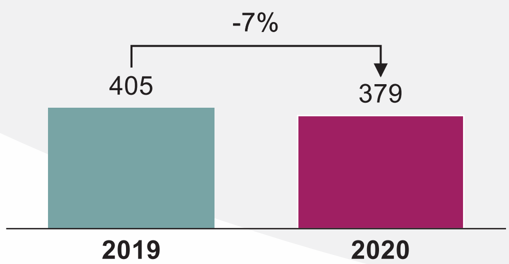
Sales Volumes (MT' million)



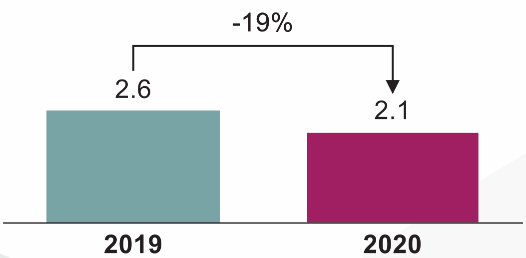
Revenue (QR' billion)



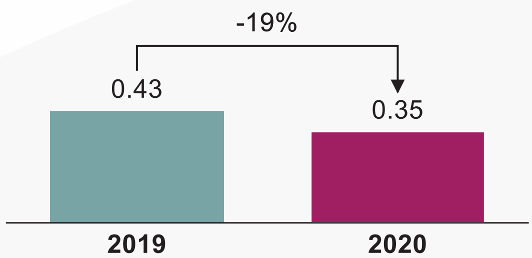
Selling prices ($/MT)



Net profit – normalized (QR' billion)

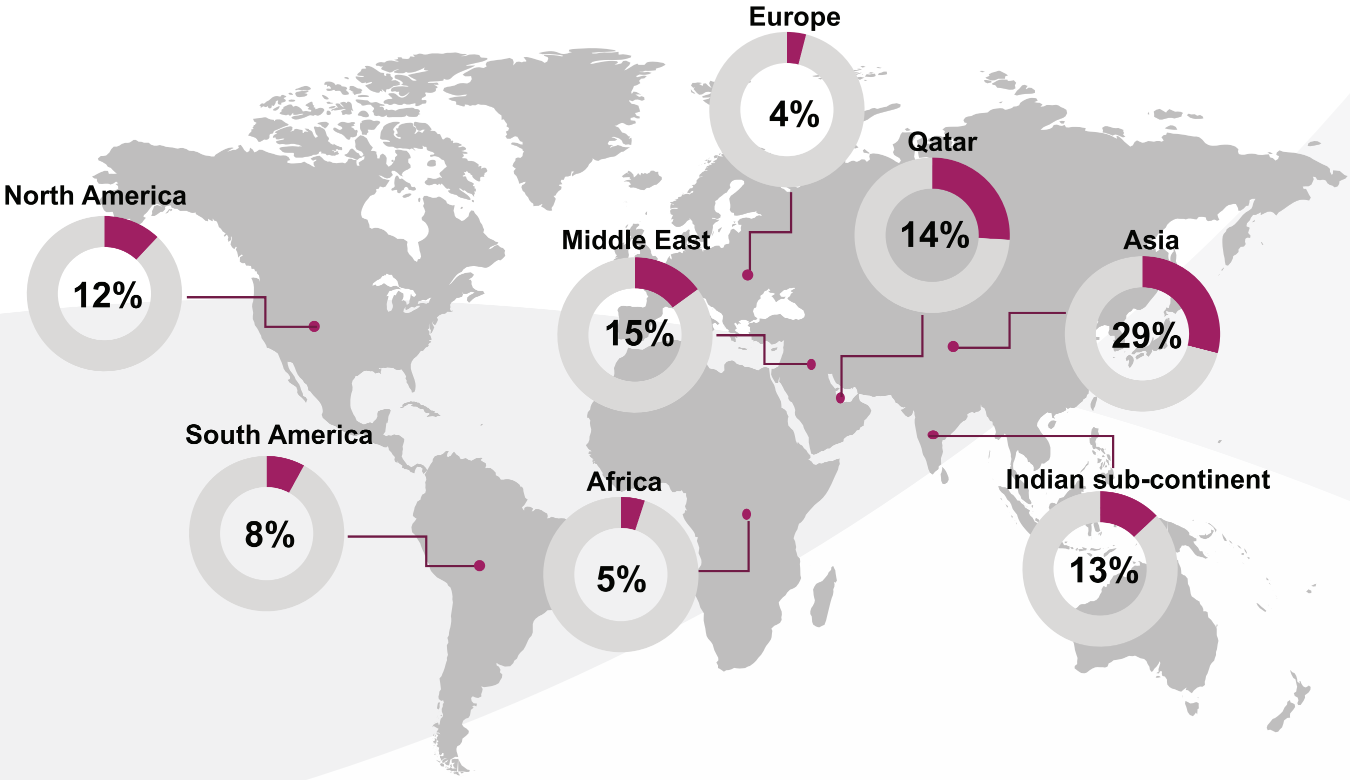


Earnings per share – normalized (QR)



Note: Figures are based on non-IFRS proportionate consolidation

IQ Group Revenue by Geography (%)



IQ Business Segments at a Glance

IQ Business Segments at a Glance

IQ operates in three business segments: Petrochemicals, Fertilizers and Steel. All of the Group's international joint venture partners bring state-of-the-art technical expertise in their respective fields of operation.

Petrochemicals

The petrochemicals business segment comprises two joint ventures: Qatar Petrochemical Company Limited (QAPCO) and Qatar Fuel Additives Company Limited (QAFAC).

Incorporated in 1974 as a joint venture, QAPCO is currently owned by IQ (80%) and Total Petrochemicals (France) (20%). QAPCO has two joint ventures, Qatofin Company Limited and Qatar Vinyl Company Limited, as well as an associate company, Qatar Plastic Products Company.

QAPCO and its group entities are engaged in the production of polyolefins, polyethylene and chlor-alkali products. QAPCO's production capacities of key products are:

	Capacity (000' MT)
Ethylene*	1,150
LDPE	750
LLDPE	551
EDC & VCM	652
Caustic Soda	386

* Excess quantities when available are sold separately; otherwise they are consumed as feedstock.

Note: The capacities reported in the above table represents full production capacities in relation to the producing entities.

Incorporated as a joint venture in 1991, QAFAC is currently owned by IQ (50%), OPIC Middle East Corporation (20%), International Octane L.L.C. (15%) and LCY Middle East Corporation (15%). QAFAC is engaged in the production of methanol and methyl tertiary-butyl ether (also known as methyl tert-butyl ether or MTBE). QAFAC's current production capacities of key products are:

	Capacity (000' MT)
Methanol	1,000
MTBE	610

Note: The capacities reported in the above table represents full production capacities in relation to the producing entities.

Key Products

Ethylene

Ethylene is used as a feedstock for a wide range of petrochemicals. A significant portion is used by QAPCO and Qatofin for production of low density polyethylene (LDPE) and linear low density polyethylene (LLDPE), with the remainder sold to QVC for the production of a range of chlor-alkali products.

Low Density Polyethylene (LDPE), Linear Low Density Polyethylene (LLDPE)

LDPE and LLDPE are thermoplastics produced from ethylene monomer feed through the process of polymerization. Various grades of LDPE and LLDPE are produced which are suitable for a wide range of thermoplastics processing techniques with applications such as films, pipes, cables and wires and other moulded products.

Methanol

A significant portion of methanol produced is used as a feedstock to produce methyl-tertiary-butyl-ether (MTBE), with the remainder sold.

Within the petrochemical industry, methanol is used as a raw material for the manufacture of solvents, formaldehyde, methyl-halide, acetic acid, ethyl-alcohol, acetic anhydride, Dimethyl Ether (DME) and MTBE.

Methyl-Tertiary-Butyl-Ether (MTBE)

MTBE is used as a gasoline additive that provides clean-burning fuel to reduce tail gas pollution generated by motor vehicles, while eliminating the need for tetra-ethyl-lead blending.

Caustic Soda

Caustic soda is a colourless, viscous, corrosive liquid with a neutral odour. It is used in numerous industries including paper-making, water treatment, soaps and detergents, textiles and in the production of alumina.

Ethylene Dichloride ("EDC")

EDC is a colourless to yellowish liquid with a faint chloroform-type odour. It is used primarily in the production of vinyl chloride monomer ("VCM"). The majority of EDC produced is used for captive consumption for the production of VCM, with the remainder exported.

Vinyl Chloride Monomer ("VCM")

VCM is a colourless gas with a faint odour. VCM is used primarily in the production of polyvinyl chloride ("PVC") - a versatile plastic with a wide range of end-uses. Over 80% of global demand for PVC is in long-term durable applications for infrastructure development, such as pipes for water and sewer distribution to wire and cable, home siding, windows, doors and flooring.

Sulphur

High quality sulphur is generated as a byproduct from the ethylene production process which is sold domestically, and subsequently exported by the domestic buyer.

Pyrolysis Gasoline

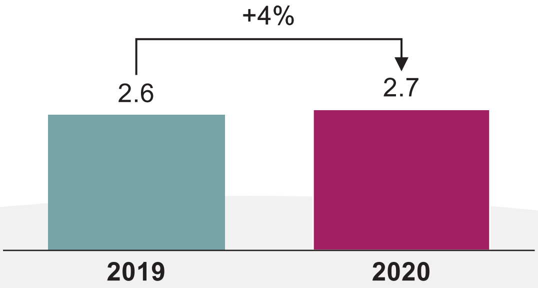
The limited quantities of pyrolysis gasoline produced by QAPCO are used by a local company as a feedstock.

Mixed LPG, C3 / C4

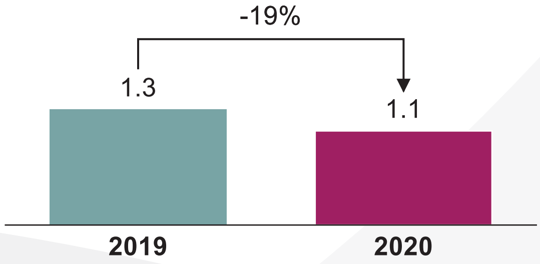
The minimal quantities of mixed LPG generated are supplied to the local NGL plants to produce propane and butane.

Petrochemicals performance for 2020

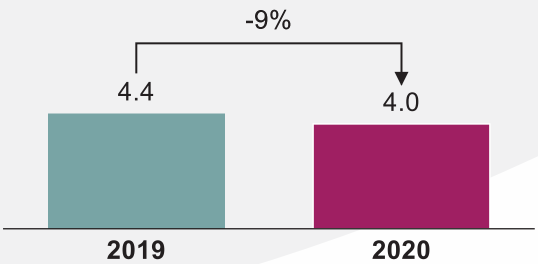
Production (MT' million)



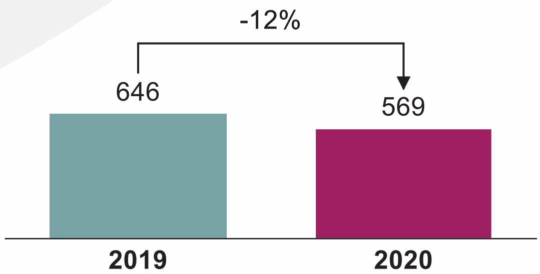
Net profit (QR' billion)



Revenue (QR' billion)



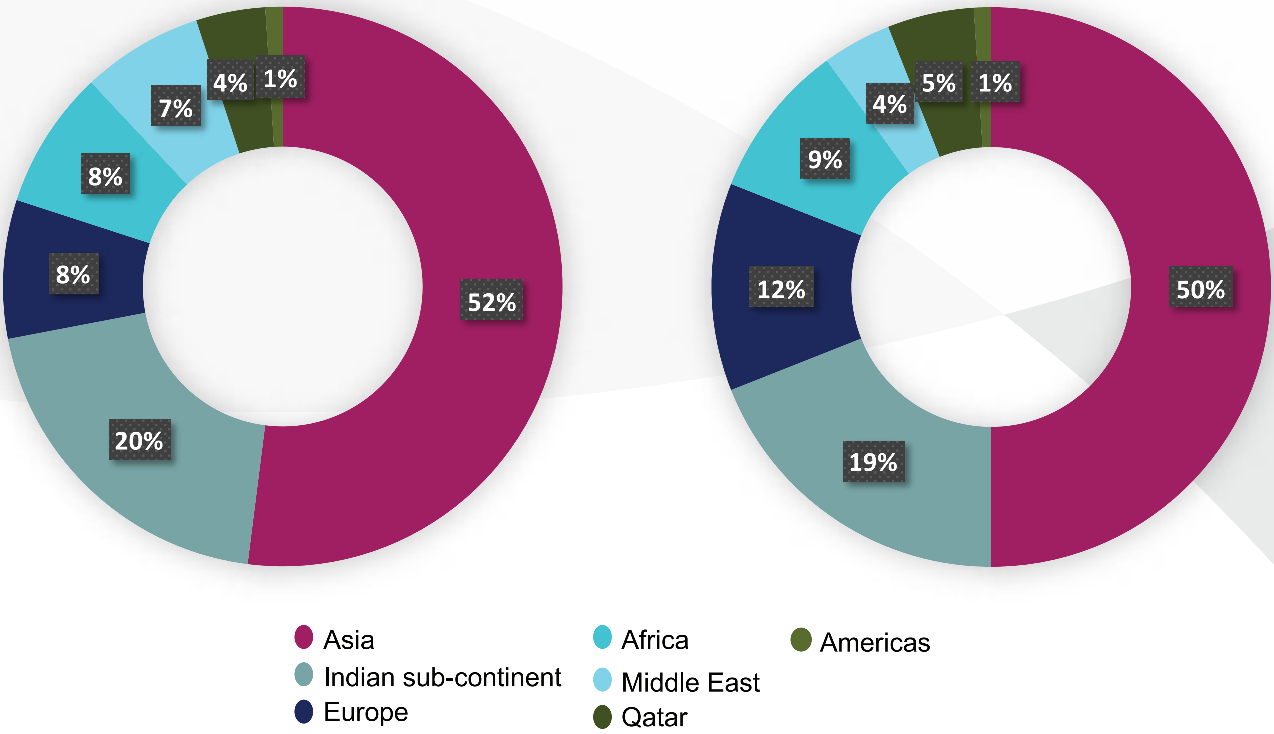
Selling prices ($/MT)



Note: Figures are based on non-IFRS proportionate consolidation

2020 Segment Revenue (%)

2019 Segment Revenue (%)



Fertilizers

The Fertilizers business segment comprises a 100% owned subsidiary, Qatar Fertilizer Company Limited (QAFCO).

QAFCO is currently 100% owned by IQ. QAFCO has two subsidiaries, Gulf Formaldehyde Company and Qatar Melamine Company.

QAFCO together with its subsidiaries is engaged in the production of ammonia, urea, melamine and formaldehyde condensates. QAFCO's production capacities of key products are:

	Capacity (000' MT)
Ammonia*	3,840
Urea	5,957
Melamine	60
Urea Formaldehyde Condensate	65

* Excess quantities when available are sold separately; otherwise they are consumed as feedstock.

Key products

Ammonia

A significant portion of the ammonia produced by QAFCO is used internally as a feedstock for urea production.

Urea

The urea produced by QAFCO is in either prilled or granular form.

Urea Formaldehyde Condensate (UFC-85)

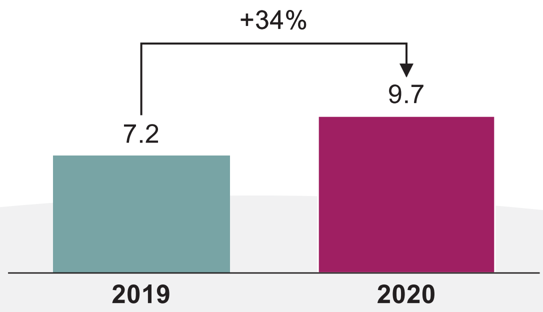
UFC-85 is an anti-caking agent which is added to urea products to improve their strength. All UFC-85 produced is used in QAFCO'S urea plants.

Melamine

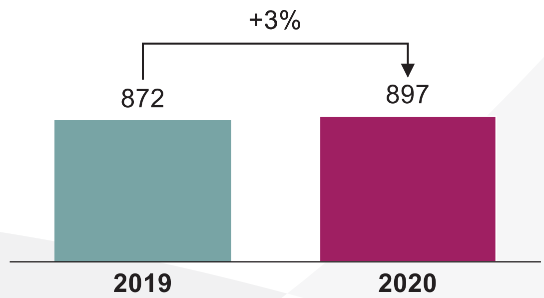
The principal use of melamine is in the construction industry. Melamine is used in the production of high-pressure laminates, which are used for a number of construction related activities. Melamine is also used in the production of kitchen utensils and plates.

Fertilizers performance for 2020

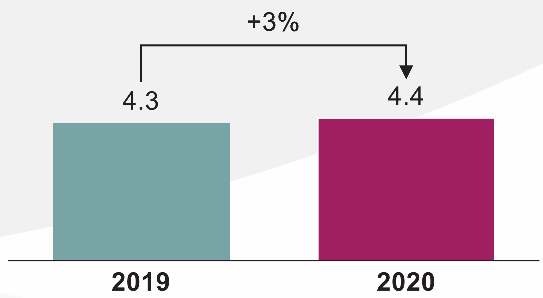
Production (MT' million)



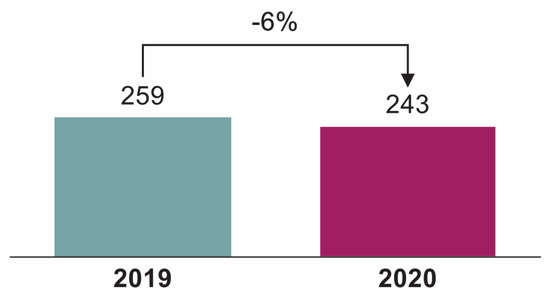
Net profit - normalized (QR' million)



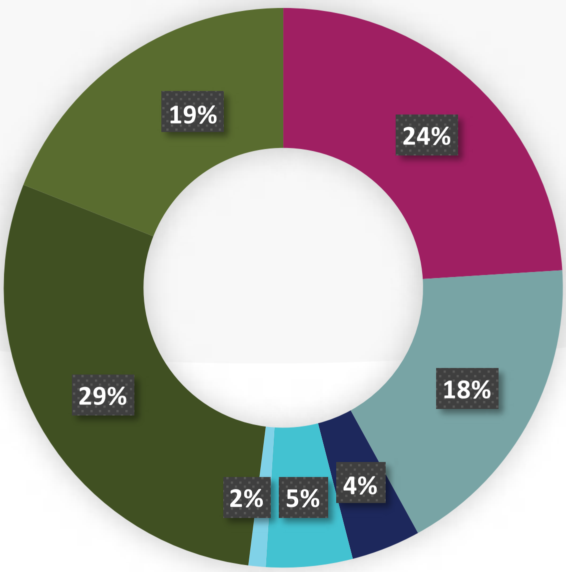
Revenue (QR' billion)



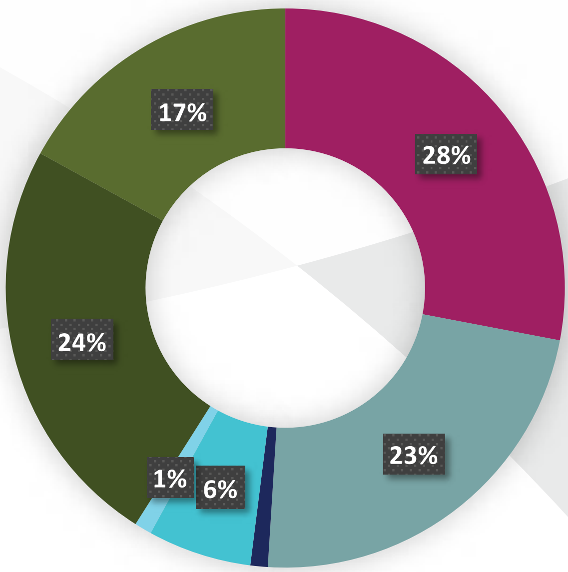
Selling prices ($/MT)



2020 Segment Revenue (%)



2019 Segment Revenue (%)



- Asia
- Indian sub-continent
- Europe
- Africa
- Middle East
- North America
- South America

Steel

Qatar Steel, incorporated in 1974, is wholly owned by IQ. It has several investments in the steel industry, including two subsidiaries - Qatar Steel Company F.Z.E. and Qatar Steel Industrial Investment Company S.P.C., and three associate companies: Foulath Holding B.S.C., Qatar Metals Coating Company W.L.L. and SOLB Steel Company.

Qatar Steel is engaged in the production of intermediary steel products such as direct reduced and hot-briquetted iron (DRI/HBI), steel billets and final steel products such as rebar and coil. Qatar Steel's production capacities of steel products are:

	Capacity (000' MT)
DRI/HBI*	2,300
Billets*	2,520
Rebar	1,800
Coils	240

* Excess quantities when available are sold separately; otherwise they are consumed as feedstock.

Note: Based on the recent decision to mothball certain facilities of Qatar Steel, wef 01 April 2020, the name plate capacities have resized to; DRI/HBI: 600k MT; Billets: 900k MT; Rebars: 800k MT per annum.

Key products

Direct Reduced Iron (DRI) and Hot Briquetted Iron (HBI)

Significant portions of DRI and HBI produced are used internally for the production of intermediate products, and the balance is sold.

Steel Billets

Most steel billets produced are converted into steel re-bars by Qatar Steel, with the remainder, if any, exported to countries in the Gulf region and non-GCC countries (predominantly in ASEAN countries).

Re-bars

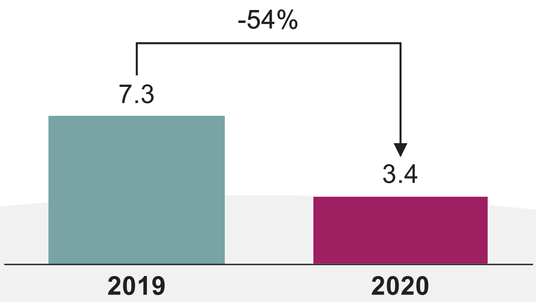
Hot-rolled deformed steel reinforced bars ("re-bars") are used extensively in the construction industry.

Steel Coils

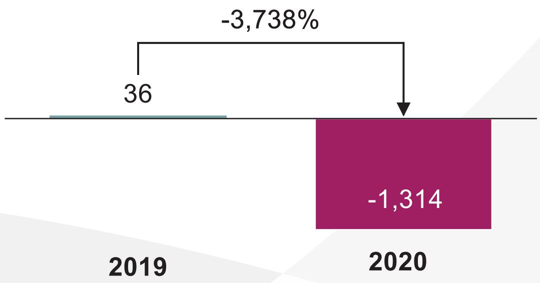
Re-bars in coils and wire rod in coils are used extensively in the construction industry as refabricated re-bars, binding wires, welded wire mesh and in the pre-cast industry. Wire rod in coil is also used in downstream industries for various applications such as nails, hangers, screws, wire nets, fencing, armored cables and barbed wires. The facility is in the UAE and the majority of production is marketed in the UAE and the region.

Steel performance for 2020

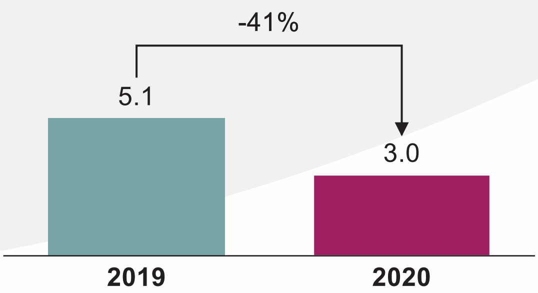
Production (MT' million)



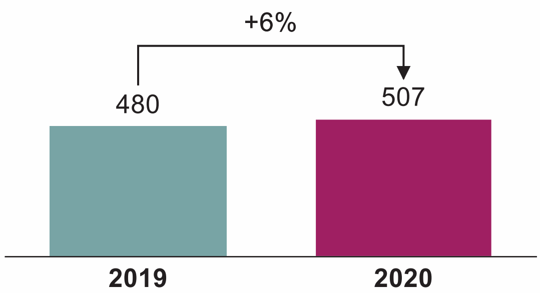
Net profit (QR' million)



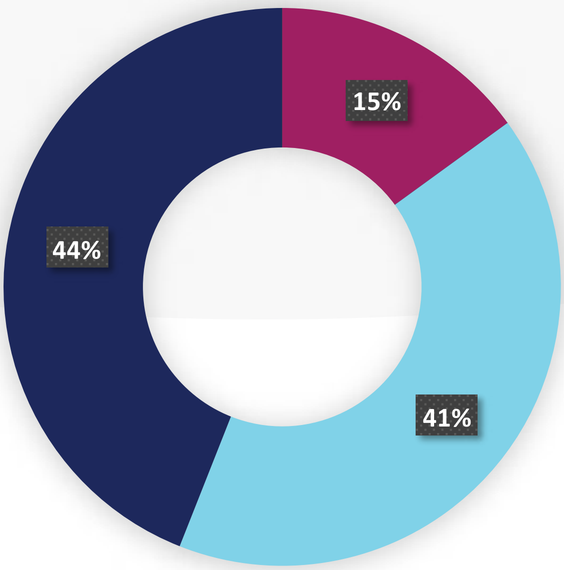
Revenue (QR' billion)



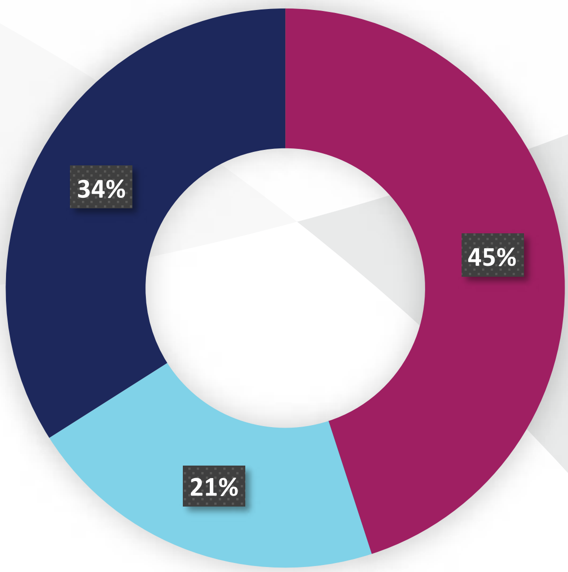
Selling prices ($/MT)



2020 Segment Revenue (%)



2019 Segment Revenue (%)



Asia Middle East Qatar

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of
Industries Qatar Q.P.S.C.
Doha
Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Industries Qatar Q.P.S.C. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Re-porting Standards ('IFRSs').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition Total revenue recognized by the Group during the year amounted to QR. 7,399 million. International Standards on Auditing require us to consider the risk of fraud in revenue recognition. There is an inherent risk of fraud given the high value of transactions and price fluctuations of the products affecting the revenue recognized for the year. As disclosed in note 9, the Group's share of the combined results from the joint ventures (QAPCO and QAFAC) of QR. 1,065 million for the year ended December 31, 2020 represents 53% of profit for the year of the Group. The results of operations of these joint ventures of QR 364 million for the year ended December 31, 2020 represent 8% of the sales revenue generated by these joint ventures. The majority of the subsidiaries' and joint ventures' sales are made to one customer "Qatar Chemical and Petrochemical Marketing and Distribution Company" ("Muntajat"). According to the revenue recognition policy, revenue from sale of products is recognized when the Group companies have transferred the control of the products to the customer at the point of delivery, where terms of delivery are specified in the contracts. We identified the recognition of revenue as a key audit matter, because of the high values of individual shipments. The potential errors in the timing and accuracy of revenue recognition at the Group, subsidiary and joint venture company level could result in material misstatements in the financial statements of the Group when it recognises revenue and its share of each joint venture's net income under the equity method of accounting.	Our procedures in relation to revenue recognition from sales made by the subsidiary and individual joint ventures are as follows: • Understanding and evaluating the design and implementation of the internal controls over revenue recognition of the Group and joint venture companies. • Understanding, evaluating and testing the Group and joint venture companies' revenue accounting policies against the requirements of IFRSs, our understanding of the business and related industry practice. • Reviewing the terms of the revenue contracts of the Group and joint venture companies with their customers. • Performing test of details to verify occurrence and accuracy of revenue transactions on a sample basis. • Performing substantive analytical procedure for each of the revenue streams and identify any significant deviations from the expectations based on the understanding of each of the revenue streams business process and procedures. • Obtaining and inspecting, on a sample basis, a confirmation including the statements of the major customer of the Group and joint venture companies, and agreeing them to the accounting records. • Evaluating the disclosures relating to revenue to determine if they are in compliance with the requirements of IFRSs.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition (continued) The following notes to the consolidated financial statements contain the relevant information related to the above discussed matters. Note 3 – Significant Accounting Policies Note 4 – Critical Judgments and Keys Sources of Estimation Uncertainty Note 9 – Investments in Joint Ventures Note 26 – Revenue	
Acquisition of Qatar Fertiliser Company P.S.C. ("QAFCO") During the year, the Group obtained control of QAFCO, which was previously classified as an investment in an equity accounted joint venture. Control was assumed through the expiry of the previous joint venture agreement. Consequently, the Group assumed the power to appoint and remove the majority of the board of directors of the entity. The relevant activities are determined by the board of directors based on simple majority votes. There was no change in the relative shareholding at that point and no consideration was paid. As a result of obtaining control, IFRS 3 Business Combinations requires acquisition accounting to be applied which includes the need to determine the fair value of deemed consideration and the fair value of the acquired assets and liabilities at the acquisition date. Management engaged a third-party specialist to provide an independent valuation of the deemed consideration and assets and liabilities acquired. The accounting for this acquisition is complex and involves judgement. Given the complexity, there is a risk of inappropriate accounting and therefore misleading presentation in the consolidated financial statements.	Our audit procedures relating to this acquisition included the following: • We evaluated the controls over the accounting for the acquisition to determine if they had been appropriately designed and implemented. • We challenged the Group's conclusion that they had obtained control, as defined by IFRS 10 Consolidated Financial Statements, of QAFCO. We assessed the Group's ability to direct the relevant activities of the entity through review of the relevant legal documentation, discussion with the Group's executive management, observation of the interaction between the Group and management of the entity and consulted with our internal IFRS specialists. • We engaged our internal valuation specialists to perform an independent assessment of the fair values of the deemed consideration and identifiable assets acquired and liabilities assumed on the acquisition date, specifically relating to the valuation and identification of any intangible assets and the resultant goodwill which was recognised.

Key audit matter	How our audit addressed the Key audit matter
Acquisition of Qatar Fertiliser Company P.S.C. ("QAFCO") (continued) In addition, the acquisition involves significant judgements and estimates in relation to the fair value of the deemed consideration and particularly the allocation of the purchase consideration to goodwill and separately identified intangible assets. Any misstatement made in the valuation of the deemed consideration and acquired assets and liabilities gives rise to an equal misstatement in goodwill. Consequently, as a result of the details mentioned in the three preceding paragraphs, we have identified this as a key audit matter. The following notes to the consolidated financial statements contain the relevant information related to the above discussed matter: Note 3 – Significant Accounting Policies Note 4 – Critical Judgments and Keys Sources of Estimation Uncertainty Note 10 – Business combination Note 19 – Acquisition non-controlling interest of a subsidiary	Our audit procedures relating to this acquisition included the following: • We assessed the competence, capabilities, independence and objectivity of management's independent specialist and verified their qualifications. • We discussed the scope of work with management's independent specialist to determine if there were any matters affecting their independence and objectivity and to confirm if any scope limitations were imposed upon them. • We determined if the valuation techniques used were consistent with industry norms. • We determined if the deemed consideration and identifiable assets acquired and liabilities assumed were appropriately valued, in all material respects. • We evaluated the presentation and disclosure of this transactions in the Group consolidated financial statements against the requirements of IFRSs.

Key audit matter	How our audit addressed the Key audit matter
Recently published Executive Regulations (the "New ERs") to the Income Tax Law No 24 of 2018 As discussed in note 4, on December 11, 2019, the Tax Authority published the Executive Regulations to the Income Tax Law No 24 of 2018 (the "New Tax Law") in the official Gazette, revoking the previous executive regulations. Consequently, the following changes have been made affecting listed companies: -The tax exemptions do not apply to the share of profits attributable to companies that are owned wholly or partly by the State, whether directly or indirectly, and that are engaged in Petroleum Operations or operating in the Petrochemical Industry. The tax exemption available to companies listed on the capital markets is not applicable to their components. Management received a signed Memorandum of Understanding ("MOU") between Qatar Petroleum, General Tax Authority and Ministry of Finance. The MOU details the tax reporting and payment implications applicable to the components of certain companies listed on Qatar Exchange. We identified the change in Tax Laws and related MOU as a key audit matter as the calculation and accounting for the Group's tax position under these regulations is complex, involves judgement and is subject to challenge by the tax authorities. The following notes to the consolidated financial statements contain the relevant information related to the above discussed matters. Note 3 – Significant Accounting Policies Note 4 – Critical Judgments and Keys Sources of Estimation Uncertainty Note 25 – Income Tax Note 32 – Contingent liabilities	Our audit procedures included the following: • We assessed the design and implementation of controls over accounting for taxation • We reviewed the New ER's and agreements in principle and obtained an understanding of the Group's accounting policies in addressing the tax, legal and regulatory requirements. • We considered the accounting treatment of the tax expense, liabilities, settlements, and contingent liabilities and disclosures of Group companies and joint ventures in the Group consolidated financial statements against the requirements of IFRSs and consulted with our internal IFRS specialists where necessary. • We discussed open matters with the Group's tax and regulatory teams. • We read legal opinions and other relevant documents supporting management's conclusions on these matters, where available. • We involved our internal tax specialists to assess the liabilities recorded in respect of items under discussion with tax authorities by reviewing the Group's current year correspondence and assessing management's judgements on any provisions. • We assessed the related disclosures in the consolidated financial statements against the requirements of IFRSs.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we report the following:

- We are of the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the director's report is in agreement with the Company's consolidated financial statements.

- We obtained all the information and explanations which we considered necessary for our audit.

- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Associations were committed during the year which would materially affect the Company's financial position or its financial performance.

Doha - Qatar
February 8, 2021

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Independent Assurance Report, to the Shareholders of Industries Qatar Q.P.S.C., on the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over The Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the "Directors' ICFR Report") as of 31 December 2020.

Responsibilities of the directors and those charged with governance

The Board of Directors of Industries Qatar Q.P.S.C. (the "Company") is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgements that are reasonable in the circumstances.

The Company operates and conducts its activities through the Company and its subsidiaries, associates and joint ventures ("Components") (together the "Group") in the State of Qatar and overseas. Management has communicated with the QFMA to clarify the scope of application of the Code. The QFMA has confirmed that the Code requirements address Companies & Legal Entities Listed on the Main Market. Therefore, the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting is limited to the controls of the Company, as its Components are not listed on the Main Market.

The Company has assessed the design, implementation and operating effectiveness of its internal control system as at 31 December 2020, based on the criteria established in the Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework").

The Company's assessment of its internal control system is presented by Management to the Board of Directors in the form of the Directors' ICFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2020.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the Directors' ICFR Report presented in section 4 of the Company's 2020 corporate governance report, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2020.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Directors' ICFR Report is fairly presented. The COSO Framework comprises the criteria by which the Company›s Internal Control over Financial Reporting is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Directors' ICFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Directors' ICFR Report included:

- Obtaining an understanding of the Company's components of internal control as defined by the COSO Framework and comparing this to the Directors' ICFR Report;

- Obtaining an understanding of the Company's scoping of significant processes and material entities, and comparing this to the Directors' ICFR Report;

- Performing a risk assessment for all material Account Balances, Classes of Transactions and Disclosures within the Company for significant processes and material entities and comparing this to the Directors' ICFR Report;

- Obtaining Management's testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by management and the accuracy of management's conclusions reached for each internal control tested;

- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management's testing for normal risks of material misstatement.

- Assessing of the severity of deficiencies in internal control which are not remediated at 31 December 2020, and comparing this to the assessment included in the Directors' ICFR Report, as applicable.

The components of internal control as defined by the COSO Framework are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

We performed procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosure.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity Level Controls, Accrued interest, Cash and Cash Equivalents, Dividend Income, Dividend Payable, Income from Investment, Investments in Financial Assets at Fair Value through Profit and Loss, Investments in Fixed Deposits, Investments in Subsidiaries and Joint Ventures, Related Parties, Tax Exemption income, Financial reporting, Consolidation and disclosures and Information Technology Controls.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Directors' ICFR Report.

Meaning of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion the Directors' ICFR Report in Management Assessment of Internal Control over Financial Reporting, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2020.

Emphasis of matter

We draw attention to the fact that this assurance report relates to Industries Qatar Q.P.S.C on a stand-alone basis and not to its subsidiaries and operations of Joint Ventures and Associates (the "Group") as a whole, based on the exceptions as provided by the QFMA. Our report is not modified in this respect.

Doha – Qatar
February 8, 2021

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Independent Assurance Report, to the Shareholders of Industries Qatar Q.P.S.C. on the Board of Directors' Report on Compliance with the applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out:

- a limited assurance engagement over the Board of Directors' Annual Corporate Governance Report ('Directors' CG Report') on compliance of the Company with the applicable QFMA Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (the " Code") as at December 31, 2020.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Company is also responsible for preparing the accompanying Annual Corporate Governance Report that covers, at the minimum, the requirements of Article 4 of the Code. In Sections 4-3 and 5-1 of the Annual Corporate Governance Report, the Board of Directors provides its statement on compliance with the applicable QFMA Laws and relevant legislations including the Code.

Our Responsibilities

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Annual Corporate Governance Report on compliance with the applicable QFMA Laws and relevant legislations including the Code" stated in Sections 4-3 and 5-1 does not present fairly, in all material respects, the Company's compliance with the QFMA Law and relevant legislations including the Code.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' Annual Corporate Governance Report, taken as a whole, is not prepared in all material respects in accordance with the applicable QFMA Laws and relevant legislations including the Code. The applicable QFMA Laws and relevant legislations including the Code comprises the criteria by which the Company›s compliance is to be evaluated for purposes of our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management and inspection of supporting policies, procedures, and other documents to obtain an understanding of the processes followed to identify the requirements of the applicable QFMA Laws and relevant legislations including the Code (the 'requirements'); the procedures adopted by management to comply with these requirements; and the methodology adopted by management to assess compliance with these requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the requirements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA Laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Corporate Governance Report (but does not include the Directors' Report on compliance with applicable QFMA Laws and relevant legislations including the Code presented in Sections 4-3 and 5-1 (the "Directors' Statement"), which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Report on compliance with applicable QFMA Laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our engagement of the Directors' Report on compliance with applicable QFMA Laws and relevant legislations including the Code, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Statements or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusions

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Board of Directors' statement in Sections 4-3 and 5-1 of the Annual Corporate Governance Report on compliance with the applicable QFMA Laws and relevant legislations including the Code, is not, in all material respects, fairly stated as at December 31, 2020.

Emphasis of matter

We draw your attention to Sections 3-1, 3-2, 3-9-1, and 3-9-3 of the Annual Corporate Governance Report the following matters:

- The Articles of Association of the Company do not define the minimum number of shares a candidate must own in order to run for the board membership (Article no. 5 paragraph 3 of QFMA Governance Code), and the Board Charter does not include requirements related to the required number of Independent and Non-executive members, nor reference to a succession plan for Board members. In accordance with the Company's amended Articles of Association, the Board of Directors shall consist of up to eight (8) Directors, all of whom may be appointed by the special shareholder (Qatar Petroleum).

- A Nomination Committee was not established (contrary to Article no. 18 of QFMA Governance Code), as IQ Board of Directors, in accordance with the Company's Articles of Association, shall consist of up to eight (8) Directors, all of whom may be appointed by the special shareholder (Qatar Petroleum). This show how closely the Company's financial and operational performance is connected to Qatar Petroleum.

- The Board of Directors provided their commitment in maintaining full compliance with the applicable QFMA relevant legislations and are currently in the process of reviewing and documenting their process, procedures and controls to ensure compliance with these laws and regulations.

- According to the definition of an "independent member" in QFMA Governance Code, the composition of the Board Audit Committee does not include independent members (contrary to Article no. 18 of QFMA Governance Code), as they are members of the Board of Directors appointed by the special and majority shareholder (owning 51%).

Our opinion is not modified in respect to the above matters.

Doha – Qatar
February 8, 2021

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Consolidated Financial Statements

INDUSTRIES QATAR Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	As at 31 December	
	2020	2019
	QR.'000s	QR.'000s
ASSETS		
Non-current assets		
Property, plant and equipment	**13,881,968**	3,336,020
Investments in associates	**1,475,079**	1,475,914
Investments in joint ventures	**6,915,500**	16,732,460
Rights-of-use assets	**224,847**	134,588
Intangible asset – license fee	**1,845**	--
Total non-current assets	**22,499,239**	21,678,982
Current assets		
Inventories	**1,944,820**	1,851,492
Trade and other receivables	**2,455,695**	1,297,246
Financial assets at fair value through profit or loss	**348,367**	324,581
Cash and bank balances	**1,855,294**	1,959,597
Fixed deposits	**6,945,965**	8,758,419
Total current assets	**13,550,141**	14,191,335
Total assets	**36,049,380**	35,870,317
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**6,050,000**	6,050,000
Legal reserve	**176,913**	158,148
Hedging reserve	**(6,713)**	(4,080)
Other reserve	**(10,773)**	6,057
Retained earnings	**27,550,929**	28,019,701
Equity attributable to equity holders of the parent	**33,760,356**	34,229,826
Non-controlling interest	**17,072**	--
Total equity	**33,777,428**	34,229,826
LIABILITIES		
Non-current liabilities		
Lease liabilities	**324,908**	167,778
Employees' end of service benefits	**419,852**	200,684
Total non-current liabilities	**744,760**	368,462
Current liabilities		
Trade and other payables	**1,403,029**	1,239,003
Lease liabilities	**75,178**	33,026
Employees' end of service benefits	**10,641**	--
Income tax payable	**1,747**	--
Bank borrowings	**36,597**	--
Total current liabilities	**1,527,192**	1,272,029
Total liabilities	**2,271,952**	1,640,491
Total equity and liabilities	**36,049,380**	35,870,317

These consolidated financial statements were prepared by the Company and approved and authorized for issue by the Board of Directors on February 08, 2021 and signed on their behalf by:

Saad Sherida Al-Kaabi
Chairman and Managing Director

Abdulaziz Mohammed Al-Mannai
Vice Chairman

INDUSTRIES QATAR Q.P.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ending 31 December 2020

	Year ended 31 December	
	2020	2019
	QR. '000s	QR. '000s
Revenues	**7,399,718**	5,095,823
Cost of sales	**(6,301,744)**	(5,091,571)
Gross profit	**1,097,974**	4,252
General and administrative expenses	**(480,855)**	(139,743)
Selling and distribution expenses	**(35,019)**	(82,606)
Share of net results of investment in joint ventures	**1,065,305**	2,180,755
Share of net results of investment in associates	**14,347**	75,328
Reversal of impairment losses of investment in associates	**--**	100,000
Income from investments	**267,924**	381,302
Finance cost	**(37,354)**	(11,497)
Fair value gain and bargain purchase gain on business combination	**1,408,934**	--
Impairment loss on property, plant and equipment and intangibles	**(1,377,894)**	--
Other income/expenses – net	**86,709**	66,822
Profit before tax	**2,010,071**	2,574,613
Income tax	**(1,868)**	--
Profit for the year	**2,008,203**	2,574,613
Attributable to:		
Equity holders of the parent	**1,974,870**	2,574,613
Non-controlling interest	**33,333**	--
	2,008,203	2,574,613
Earnings per share		
Basic and diluted earnings per share (QR per share)	**0.33**	0.43

INDUSTRIES QATAR Q.P.S.C.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ending 31 December 2020

	Year ended 31 December	
	2020	2019
	QR. '000s	QR. '000s
Profit for the year	**2,008,203**	2,574,613
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of investment in subsidiary		
Net unrealised loss on defined benefit obligation	**2,034**	--
Share of other comprehensive income of investment in joint ventures		
Net unrealised loss on defined benefit obligation	**(18,864)**	(9,848)
Share of other comprehensive income of investment in associates		
Movement in cash flow hedges	**(2,633)**	(4,682)
Other comprehensive loss for the year	**(19,463)**	(14,530)
Total comprehensive income for the year	**1,988,740**	2,560,083

INDUSTRIES QATAR Q.P.S.C.

CONSOLIDATED STATEMENT OF OF CHANGES IN EQUITY

For the year ending 31 December 2020

	Share capital	Legal reserve	Hedging reserve
	QR. '000s	QR. '000s	QR. '000s
Balance at January 1, 2019 as previously presented	6,050,000	126,824	602
Adoption of new accounting policy	--	--	--
Balance at January 1, 2019 as restated	6,050,000	126,824	602
Share of derecognition of exempted tax reserve	--	--	--
Profit for the year	--	--	--
Other comprehensive (loss) / income for the year	--	--	(4,682)
Total comprehensive income for the year	--	--	(4,682)
Dividends declared for 2018	--	--	--
Social fund contribution	--	--	--
Transfer to legal reserve	--	31,324	--
Balance at December 31, 2019	6,050,000	158,148	(4,080)
Balance at January 1, 2020	**6,050,000**	**158,148**	**(4,080)**
Non-controlling interest arising from business combination	**--**	**--**	**--**
Acquisition of non-controlling interest	**--**	**--**	**--**
Profit for the year	**--**	**--**	**--**
Other comprehensive income / (loss) for the year	**--**	**--**	**(2,633)**
Total comprehensive income for the year	**6,050,000**	**158,148**	**(6,713)**
Dividends declared for 2019	**--**	**--**	**--**
Social fund contribution	**--**	**--**	**--**
Transfer to legal reserve	**--**	**18,765**	**--**
Balance at December 31, 2020	**6,050,000**	**176,913**	**(6,713)**

Other reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
QR. '000s	QR. '000s	QR. '000s	QR. '000s	QR. '000s
15,905	29,297,132	35,490,463	--	35,490,463
--	(146,943)	(146,943)	--	(146,943)
15,905	29,150,189	35,343,520	--	35,343,520
--	15,795	15,795	--	15,795
--	2,574,613	2,574,613	--	2,574,613
(9,848)	--	(14,530)	--	(14,530)
(9,848)	2,590,408	2,575,878	--	2,575,878
--	(3,630,000)	(3,630,000)	--	(3,630,000)
--	(59,572)	(59,572)	--	(59,572)
--	(31,324)	--	--	--
6,057	28,019,701	34,229,826	--	34,229,826
6,057	**28,019,701**	**34,229,826**	**--**	**34,229,826**
--	**--**	**--**	**3,780,508**	**3,780,508**
--	**43,978**	**43,978**	**(3,792,959)**	**(3,748,981)**
--	**1,974,870**	**1,974,870**	**33,333**	**2,008,203**
(16,830)	**--**	**(19,463)**	**--**	**(19,463)**
(10,773)	**30,038,549**	**36,229,211**	**20,882**	**36,250,093**
--	**(2,420,000)**	**(2,420,000)**	**(3,810)**	**(2,423,810)**
--	**(48,855)**	**(48,855)**	**--**	**(48,855)**
--	**(18,765)**	**--**	**--**	**--**
(10,773)	**27,550,929**	**33,760,356**	**17,072**	**33,777,428**

INDUSTRIES QATAR Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ending 31 December 2020

	Year ended 31 December	
	2020	2019
	QR. '000s	QR. '000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year	**2,010,071**	2,574,613
Adjustments for:		
Depreciation of property, plant and equipment and amortization of intangible assets	**1,392,904**	244,828
Amortisation of right-of-use assets	**52,593**	32,445
Provision for employees' end of service benefits	**66,068**	35,579
Fair value gain on business combination	**(1,408,934)**	--
Impairment loss on property, plant and equipment	**1,369,811**	--
Impairment loss on intangible asset	**8,083**	--
Share of net results from investment in joint ventures	**(1,065,305)**	(2,180,755)
Share of net results from investment in associates	**(14,347)**	(75,328)
Loss on disposal of property, plant and equipment	**2,412**	8,506
Dividend income from financial assets at fair value through profit or loss	**(16,096)**	(15,455)
Provision for expected credit losses	**2,931**	
Fair value loss / (gains) from financial assets at fair value through profit or loss	**(38,996)**	39,446
Gain on disposal of financial assets at fair value through profit or loss	**(3,501)**	--
Finance costs	**37,354**	11,497
Reversal of provision for inventory write down	**(573)**	(193)
Provision for obsolete and slow-moving inventories	**30,702**	--
Interest income	**(251,828)**	(365,847)
Impairment loss / (Reversal of impairment loss) of investment in associate	**10,000**	(100,000)
Operating cash flows before changes in working capital	**2,183,349**	209,336
Changes in working capital		
Inventories	**650,812**	(134,221)
Trade and other receivables	**(285,440)**	267,712
Trade and other payables	**(317,510)**	(67,233)
Cash generated from operations	**2,231,211**	275,594
Payments of end of service benefits	**(126,499)**	(39,919)
Payments of income tax	**(111,346)**	--
Payments of social and sports fund	**(59,572)**	(124,919)
Net cash generated from operating activities	**1,933,794**	110,756

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ending 31 December 2020

	Year ended 31 December	
	2020	2019
	QR.'000s	QR.'000s
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant and equipment	**1,681**	4,435
Additions to property, plant and equipment and catalysts	**(231,860)**	(155,873)
Dividends received from investment in associate	**2,549**	3,500
Proceeds from disposal of financial assets at fair value through profit or loss	**18,711**	--
Dividends received from financial assets at fair value through profit or loss	**16,096**	15,455
Dividends received from investment in joint ventures	**1,015,527**	3,259,772
Proceeds from loans from an associate	**--**	98,321
Movement in fixed deposits	**1,812,454**	(177,329)
Net cash addition from business combination	**1,223,752**	--
Acquisition of additional shares of subsidiaries	**(3,748,981)**	--
Interest income received	**318,441**	470,061
Net cash generated from investing activities	**428,370**	3,518,342
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in trust receipt borrowings	**26,715**	--
Interest paid related to lease liability	**(16,915)**	(11,143)
Repayment of principal related to lease liability	**(43,059)**	(32,999)
Finance costs paid	**(26,189)**	(354)
Dividends paid	**(2,423,810)**	(3,630,000)
Net cash used in financing activities	**(2,483,258)**	(3,674,496)
Net decrease in cash and cash equivalents	**(121,094)**	(45,398)
Cash and cash equivalents at beginning of year	**1,838,317**	1,883,715
Cash and cash equivalents at end of year	**1,717,223**	1,838,317

Notes to cash flow statement:

The following non-cash activities are entered into by the Group and are not reflected in the consolidated statement of cash flows:

- During the year 2020, the Group recognized additional right of use assets and lease liabilities amounting to QR 17.75 million (2019: QR 6.97 million).
- During the year 2020, the Group recognized lease modifications resulting reduction right of use assets and lease liabilities amounting to QR 11.98 million and QR 11.85 million respectively.

Notes to the consolidated financial statements are an integral part of the consolidated financial statements. For more information, please visit IQ's website: www.iq.com.qa

2020 Corporate Governance Report

2020 Corporate Governance Report

1. Introduction

Industries Qatar (hereinafter referred to as "IQ" or "the Company"), a Qatari public shareholding company listed on the Qatar Stock Exchange, was incorporated on 19th of April 2003 in accordance with the provisions of its Articles of Association and Law no. 5 of 2002, promulgating the Commercial Companies Law, especially Article 68 thereof. Subsequently, the Company settled its status and brought its Articles of Association into conformity with the provisions of Law no. 11 of 2015, promulgating the Commercial Companies Law, and in line with the specific nature of its incorporation.

Qatar Petroleum, the founder, Special Shareholder and 51% majority shareholder, provides Industries Qatar with all the financial and head office services under a service-level agreement. IQ therefore applies some of QP's established rules and procedures. As part of its Board of Directors' efforts aimed at complying with the principles of corporate governance and applying industry-standard best practices, IQ management had made an agreement with a consultant to develop a Corporate Governance Framework, which was approved by the Board of Directors at its fourth meeting of 2011 held on 26th of December 2011.

2. Scope of implementation of the governance and compliance with its principles

Out of a firm belief in the importance and need for establishing the principles of good governance to enhance the value added to shareholders, IQ Board of Directors is firmly committed to implementing the principles of governance set out in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company's AoA. IQ Board of Directors attaches greater importance to achieving justice and equality among shareholders, enhancing transparency and disclosure and providing timely information to shareholders in a way that enables them to make their decisions and properly conduct their business. The Board is also committed to upholding the values of corporate social responsibility, putting the interest of the Company and its stakeholders ahead of any other interest, performing roles and responsibilities in good faith, integrity, honor and sincerity and taking the arising responsibility to the stakeholders and community.

The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementations, as and when required. The Board is also committed to updating the Company's Code of Ethics in a way that reflects the values held by the Company.

Taking into account the provisions of Article no. 2 of QFMA Governance Code, the Company strictly observes the provisions of QFMA Governance Code and endeavors to maintain its official documents in conformity with such Code to ensure full and proper application of the provisions thereof.

3. Board of Directors

3-1 Board Structure

Industries Qatar was established by Qatar Petroleum, a Qatari state-owned public corporation established by Decree Law no. 10 of 1974, as a parent company of a group of companies that have been operating for decades in the petrochemical, fertilizers and steel industries. Industries Qatar went public by Qatar Petroleum in 2003 to serve as a mechanism for the distribution of wealth to Qatari nationals. This was primarily achieved via the discounted IPO price. All shareholders receive generous dividends in proportion to their shareholdings.

Recognizing the specific nature of IQ's activities and its strategic position as one of the main pillars of Qatar's economy and taking into account the public interest, the Board shall, in accordance with the Company's Articles of Associations, consist (contrary to some provisions of Article no. 5 of QFMA Governance Code) of up to eight (8) Directors, all of whom may be appointed by the Special Shareholder (Qatar Petroleum) for the following reasons that show how closely the Company's financial and operational performance is connected to Qatar Petroleum, making it vital to maintain aligned strategy and vision:

- Qatar Petroleum is the founder, Special Shareholder and 51% majority shareholder.

- Industries Qatar and its subsidiaries depend on Qatar Petroleum for supply of feedstock and infrastructure.

- Industries Qatar and its subsidiaries depend on Qatar Petroleum for technical and technological support.

- Qatar Petroleum provides all financial and head office services to the Company under a service-level agreement. These services are provided as and when requested to ensure that the operations of Industries Qatar are fully supported.

Except for those matters that are decided by shareholders as provided for in the Company's Articles of Association, the Board of Directors has the widest powers to give full effect to the objects of the Company. The Board may delegate any such power to any one or more of the Directors.

In compliance with the instructions issued by the State of Qatar as part of its efforts to contain the spread of Covid-19 pandemic, the Company convened an Extraordinary General Assembly meeting electronically, using Zoom application platform, on Sunday, 13th of September 2020, to discuss and approve the proposed amendments to the Company's Articles of Association concerning the composition of the Company's Board of Directors. The proposed amendment to Article no. 22-1, which was approved by the Extraordinary General Assembly, reads as follows: "The Board shall consist of eight (8) Directors, seven (7) of whom are appointed by the Special Shareholder, provided that the Chairman and the Vice Chairman are amongst them. One (1) Director shall be appointed by the General Retirement and Social Insurance Authority."

The new composition of the Board of Directors shall come into effect from the upcoming term of the Board that will start from the date of holding the General Assembly meeting to approve the financial statements of the financial year ending 31st of December 2020.

Moreover, the Extraordinary General Assembly approved to add Article no. 22-3 which reads as follows: "In the event that the total ownership percentage of the Civil Pension Fund and Military Pension Fund (of the General Retirement and Social Insurance Authority) in the Company's share capital falls below 15% (without prior approval of the Special Shareholder), the seat of the General Retirement and Social Insurance Authority on the Board and the right to appoint a Director to occupy such a seat shall be vested to the Special Shareholder."

3-2 Board Composition

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). Pursuant to Qatar Petroleum's decision no. 6 of 2018 passed on 8th of March 2018, IQ Board of Directors was reconstituted in accordance with Article no. 22 of the Company's Articles of Association (contrary to some provisions of Article no. 6 of QFMA Governance Code). Accordingly, seven (7) Directors were appointed by Qatar Petroleum with effect from 5th of March 2018. According to the definition of the independent Director in QFMA Governance Code, IQ Non-Executive Directors are Non-Independents, as they are representatives of a legal person that owns more than 5% of the Company's share capital. The Board is composed of one (1) Executive Director and six (6) Non-Executive Directors as described in the Appendix on the Board of Directors Bios.

In accordance with the composition of the Board and its roles and responsibilities provided for in the Board Charter, Manual of Authority and Company's Articles of Association, no one or more of Directors may have control over passing resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

Qatar Petroleum appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. Qatar Petroleum ensures that all of its representatives in the group companies attend appropriate training and awareness programs so that group companies' boards of directors can achieve the highest levels of performance and adopt the best governance practices.

On 27th of October 2020, Industries Qatar disclosed the appointments of Mr. Ahmed Abdulqader Ahmed Al-Ahmed as the CEO of Qatar Fuel Additives Company Limited (QAFAC) with effect from 1st of November 2020, and Mr. Abdulrahman Ali Al-Abdulla as the CEO of Qatar Steel with effect from 1st of January 2021. In addition, Qatar Petroleum appointed Mr. Al-Ahmed and Mr. Al-Abdulla as members of IQ Board of Directors to replace Mr. Khalid Sultan Al-Kuwari and Mr. Mohammad Nasser Al-Hajri respectively, with effect from the date of their appointment at the subsidiaries.

Qatar Petroleum makes timely disclosure of any and all decisions on the composition of the Board of Directors or any change thereto (Directors' bios are attached).

3-3 Key roles and responsibilities of the Board

As one of the most important pillars upon which the implementation of the governance at Company level rests, the Board of Directors is accountable to shareholders for exercising due care and diligence in managing the Company in an effective manner, as well as establishing the principles of good governance at all levels to serve the interests of the Company, its shareholders and stakeholders for the greater good. Accordingly, the Board developed a Board Charter within the Corporate Governance Framework in accordance with the industry-standard best corporate governance practices. The roles and responsibilities of the Board and the duties which must be fully performed by Directors are specifically identified in the Charter, which is reviewed and amended following any relevant new changes made by regulators. In addition, the Governance Framework developed by the Board contains the job descriptions of all Board members according to their classification and the positions they may have in any Board Committee. The Framework also contains the job description of the Board Secretary.

According to Board Charter, which is available on the Company's website, the Board, among other responsibilities, provides strategic guidance in line with the Company's vision and mission. This is achieved through approving and supervising the implementation of the Company's strategic directions, main objectives and business plans. The Board develops and supervises proper internal control systems and risk management, ensuring that an effective executive management is in place and in succession to achieve IQ's goals and objectives in order to maximize value in a profitable and sustainable manner.

The Board of Directors oversees all aspects of IQ corporate governance, monitors its effectiveness and makes amendments as required. The Board also reviews the Company's policies and procedures to ensure compliance with the relevant laws, regulations, IQ's Memorandum of Association and Articles of Association.

The Board may delegate some of its functions or authorities to Board Committees or Special Committees. Special Committees are constituted to undertake specific tasks under written and clear instructions. In accordance with the Company's Manual of Authority, the Board shall determine the authorities it may delegate to the executive management and the procedures for decision-making. The Board may also determine the matters that it retains the right to decide on. In any event, the Board remains liable for all of its functions or authorities so delegated.

In accordance with the Company's AoA, all Directors shall be jointly and individually liable for any fraudulent act, abuse of power, negligent errors in management or violations of the Articles or Law.

3-4 Board Chairman

The Chairman is primarily responsible for the proper management of the Company in an effective and productive manner, making available for Board Directors all data and information in a timely manner. The Corporate Governance Framework includes the Chairman's job description (roles and responsibilities). As described in detail within the Governance Framework, these roles and responsibilities, whether strategic, operational or administrative, are well aligned with the Chairman's main objective of protecting shareholders' rights and achieving the Company's vision and strategic objectives profitably and sustainably.

In accordance with the Company's Articles of Association, the Chairman shall represent the Company towards Third Parties. The Vice Chairman shall substitute for the Chairman in his absence.

The Chairman is not a member of any Board Committee referred to in QFMA Governance Code. IQ Chairman also serves (contrary to Article no. 7 of QFMA Governance Code) as the Company's Managing Director. Industries Qatar is the parent of a group of companies that operate in distinctive industries and its activities are not of an executive nature, thus the reasons to separate between the positions of the Chairman and the Managing Director cease to exist. However, the main purpose of separating the two positions is taken into consideration as follows:

- No one person in the Company should have unfettered powers of decision at the time of developing the Company's Manual of Authority and the relevant regulations.
- The Chairman in his capacity as the Chairman or as the Managing Director is not a member in any of the Board Committees or Special Committees.
- The roles and responsibilities of the Chairman are separated from those of the rest of Board Directors and members of the Company's executive management.

3-5 Board Directors

Board Directors are committed to exercising due care and making full use of their diverse skills and experience in managing the Company and complying with the relevant regulations and laws, including Board Charter and the Code of Ethics, and to work in accordance with the ethical principles of integrity, respect, objectivity, accountability, excellence, sustainability and confidentiality to ensure upholding the interests of the Company, its shareholders and other stakeholders to be priority before any other interest. In accordance with Company's Articles of Association and Conflict of Interest Policy, Directors shall declare any financial and commercial transactions and judicial proceedings that may adversely affect the performance of their assigned duties.

3-6 Board meetings

The Board of Directors convenes for the conduct of business, adjourn and otherwise regulates its meetings as it thinks fit. The Board shall meet at least six (6) times during the Company's fiscal year, and a three-month period may not lapse without a meeting of Board. Board meeting shall not be valid unless attended by the majority of Directors thereof, provided that the Chairman or the Vice Chairman is amongst them. In accordance with Article no. 31-1 of the amended Articles, the Board has met for the required number of times during 2020.

In accordance with Board Charter and the Company's Articles of Association, all Board meetings are convened by a notice from the

Chairman or, in his absence, the Vice Chairman (if any), or any two Directors or such other Director as is duly authorized by the Chairman. Meeting agenda and invitations are given to every Director not less than seven (7) days prior to the date set for the meeting. A meeting of the Board shall, with a notice of less than seven (7) days, be deemed to have been appropriately convened in the absence of any objection by Directors and as agreed by those Directors to attend.

In accordance with the Company's Articles of Association, an absent Director may appoint in writing a Director to represent him in attendance and voting, provided that no Director may represent more than one Director. The office of a Director shall be vacated by such Director if he absents himself from three (3) consecutive or four (4) non-consecutive Board meetings without an excuse being accepted by the Board.

To ensure full participation of all Directors in Board meetings, Director has the right to use any secure technological means of communications to enable him to hear and actively participate in discussing Board agenda items and passing resolutions. A participating Director in such a manner shall be considered as personally present at the meeting and counted in the quorum and shall be entitled to vote.

3-7 Board resolutions

In accordance with the Company's Articles of Association and bylaws, resolutions of the Board shall be passed by a simple majority of those Directors present and entitled to vote at the relevant meeting of the Board, each Director present having one vote. In the event of a tie, the Chairman shall have a casting vote. The Board shall keep minutes of all resolutions and proceedings of Board meetings and those absent from and attending such meetings. The Chairman, Secretary and all attendants shall sign on the minutes. Any objecting Director shall enter his objection in the minutes of meeting.

As for resolutions in writing by circulation, the Board of Directors may, in case of necessity and on urgency grounds, pass resolutions in writing by circulation subject to written approval on such resolutions by all Directors. The resolution shall be deemed in force and effective for all purposes as if it was adopted at a duly called meeting of the Board. In all cases, the written resolution shall be submitted at the next meeting of the Board, to be included in the minutes of the meeting.

3-8 Board Secretary

In accordance with the Company's Articles of Association, the Board or the Special Shareholder may take a decision to appoint a Board Secretary for such period and on such terms as it may decide and may revoke such appointment. The Board shall decide on the duties of the Company's Secretary and on the scope of his/her authority and his/her annual remuneration.

The detailed roles and responsibilities of the Board Secretary are included in the Board of Directors Job Descriptions within the Corporate Governance Framework. These roles and responsibilities meet the main role objective of providing comprehensive and confidential administration and support services to the Board of Directors. The Secretary keeps safe Board documents and coordinates among Board Directors in a timely and appropriate manner.

The Secretary ensures that Board documents are safely maintained and Board meeting agendas, invitations, other required documents, meeting minutes and resolutions are distributed and safely maintained. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for the new Board Directors.

The current Board Secretary has a legal experience that spans more than 14 years. In addition, the Secretary has long experience in handling the affairs of listed companies.

The Secretary may, as he/she deems appropriate and upon approval of the Chairman, delegate to a representative any of his/her duties, powers or discretionary authorities. However, the representative shall not have the right to delegate such duties, powers and authorities to another person.

3- 9 Board Committees

As part of implementing governance, the Board of Directors established some Board Committees and Special Committees delegated with some powers and authorities to carry out specific tasks and conduct Company's business. The Board of Directors remains liable for all the powers and authorities so delegated. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

3-9-1 Audit Committee

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 7 of the fourth meeting of IQ Board of Directors of 2011. The current BAC was formed by virtue of resolutions nos. 3 and 5 of 2018 following Board reconstitution. The BAC currently consists of 3 members, including a Board Director as Chairman, all of whom have the required experience necessary to effectively perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

According to the definition of the independent member in QFMA Governance Code, the composition of the BAC does not include independent members (contrary to Article no. 18 of QFMA Governance Code), as they are members of the Board of Directors appointed by the special and majority shareholder (owning 51%). No one of the current members has directly or indirectly conducted external audit for the Company during the two years prior to their membership in the Committee.

The Corporate Governance Framework, which was developed in line with QFMA Governance Code and industry-standard best governance practices, contains BAC Terms of Reference. Committee responsibilities include financial aspects, external and internal audits, internal controls, compliance, risk management and any other aspect within the competence and mandate of the Committee.

BAC reports periodically to the Board of Directors on its activities, issues and raises recommendations, particularly with regard to the review and endorsement of the quarterly, half-year and year-end financial statements, as well as internal and external audit reports, internal control system and risk management.

Committee meeting agendas for 2020 covered the following:

1. Approve the External Auditor's report on the consolidated and standalone financial statements for the financial year ended 31st of December 2019.
2. Review and endorse the consolidated and standalone financial statements for the financial year ended 31st of December 2019 and present the executive summary report.
3. Endorse the appointment of the External Auditor for the financial year ending 31st of December 2020.
4. Endorse 2019 Corporate Governance Report.
5. Endorse the Company's General Assembly meetings' materials and related regulatory filings prior to release, and consider the accuracy and completeness of the information.
6. Endorse the consolidated financial statements for the financial period ended 31st of March 2020 and present the executive summary report.
7. Review and endorse the consolidated financial statements for the financial period ended 30th of June 2020.
8. Review and endorse the consolidated financial statements for the financial period ended 30th of September 2020 and present the executive summary report.
9. Periodic review of internal audit activities, including risk assessment update, audit

plan, conclusions and related corrective actions.

10. Review update on the implementation of COSO Framework requirements /ICoFR test of design.

11. Conduct annual self-assessment of Committee performance.

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Committee Chairman and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. In accordance with the Committee's amended Terms of Reference. Committee holds at least (6) meetings during the financial year. During 2020, Committee met for the required number of times.

The Board Audit Committee currently consists of three members. The table below shows the current members of the Board Audit Committee:

Name	Position
Mr. Abdulaziz Mohammed Al-Mannai	Chairman
Mr. Abdulla Ahmad Al-Hussaini	Member
Mr. Ayoob Olia	Member

All BAC members are IQ Board Directors, excluding Mr. Ayoob Olia who serves as QP Corporate manager - Internal Audit. Mr. Olia has long and extensive experience required to properly perform his duties and effectively exercise all authorities and powers vested in or exercisable by the Committee.

3-9-2 Remuneration Committee

The Company had established a Remuneration Committee pursuant to Board resolution no. 1 of 2018. Committee was reconstituted on 10th of February 2019 pursuant to resolution no. 1 of 2019. Committee currently consists of three members, including a Board Director as Chairman, all of whom have the required experience to efficiently perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of any other Board Committee, and the BAC Chairman is not a member of the Remuneration Committee.

Committee's Terms of Reference were prepared in line with QFMA Governance Code and the industry-standard best corporate governance practices. The responsibilities of the Committee include setting the foundations for granting remunerations for Board Chairman and Board Directors, and for any remunerations, allowances or incentives to be paid to the senior executive management, taking into consideration the requirements of relevant regulators.

In determining the proposed remuneration, Committee takes into account the duties and responsibilities of Board Directors and members of the senior executive management, the Company's performance and benchmarks with the best practices of the similar companies listed on the Qatar Stock Exchange. In addition, Committee reviews the self-assessment of Board Directors, taking into account many factors that best serve the long-term interests of the Company's shareholders and meet their expectations. Committee reports to the Board of Directors on its activities, issues and raises recommendations.

Committee meeting agenda for 2020 covered the following:

1. Review self-assessment of Board Directors and the proposed improvements to Board performance.

2. Propose the remuneration of Board Directors for the financial year ended 31st of December 2019.

In accordance with Committee's Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Chairman of the Committee and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. In accordance with the Committee's Terms of Reference, Committee shall meet as and when necessary. Prior to the Board meeting for reviewing the year-end financial statements, Committee shall meet to make recommendation on the proposed remuneration of Board Directors that should be presented to and approved by the Annual General Assembly meeting.

Remuneration of Board of Directors

The Company developed a periodically revisited remuneration policy for Board Directors. The policy has fixed component for Board Directorship and attending meetings and a Company performance-related variable component (remuneration) with a determined ceiling. The main principles of this policy are included in the Corporate Governance Framework. In accordance with the Company's Articles of Association, the proposed remuneration of Directors shall be presented to and approved by the General Assembly.

In its remuneration policy, the Company complies with the limits provided for in Article no. 119 of Law no. 11 of 2015, promulgating the Commercial Companies Law that such remuneration does not exceed (5%) of the net profit after deducting reserves, legal deductions and distributing a profit of not less than (5%) of the Company's paid up capital among its shareholders.

Remuneration of senior management

All financial, administrative and head office services are provided by resources from Qatar Petroleum under a service-level agreement. Accordingly, the salary of the Company's Managing Director, who represents the executive management of Industries Qatar, is determined and approved by the Company's Board of Directors. IQ Managing Director is not entitled to receive remuneration in his capacity.

Committee currently consists of three members. A meeting was held on 3rd of February 2020 to consider the proposed remuneration of the Board of Directors for the financial year ended 31st of December 2019. Board remuneration was approved by the General Assembly held on 1st of March 2020 with a total amount of QR 7,750,000 for all Board Directors. As for Board Committees, no remuneration or allowance is paid for membership or attending meetings. The table below shows the current members of the Committee:

Name	Position
Mr. Abdulla Ahmad Al-Hussaini	Chairman
Mr. Abdulrahman Al-Suwaidi	Member
Mr. Mohammed Jaber Al-Sulaiti	Member

All Committee members are IQ Board Directors, excluding Mr. Mohammed Jaber Al-Sulaiti who serves as the Manager of the Privatized Companies Affairs Department, Qatar Petroleum. Mr. Al-Sulaiti has long and extensive experience required to properly perform his duties and effectively exercise all authorities and powers vested in or exercisable by the Committee.

3-9-3 Nomination Committee

No Nomination Committee was established at the Company level (contrary to Article no. 18 of QFMA Governance Code), as IQ Board of Directors, in accordance with the Company's Articles of Association, consists of up to eight (8) Directors, all of whom may be appointed by the Special Shareholder (Qatar Petroleum) for the previously mentioned reasons which show how closely the Company's financial and operational performance is connected to Qatar Petroleum.

3-10 Assessment of Board Performance

The Board of Directors conducts an annual self-assessment to ensure that Directors are efficient, honor their commitments, make the most efforts possible and exchange experiences. The assessment takes into account several factors that best serve the long-term interests of the shareholders and meet their expectations as follows:

1. Independence and impartiality in presenting views and ideas while avoiding conflicts of interest.

2. Directors' knowledge and experience that are relevant to the Company's activity.

3. Commitment, participation and team working at the Board and its committees.

4. The role of the Board and the extent to which it achieves the objectives set, including the outcome of the business and the achievement of the Company's strategy.

5. Communication between the Board on the one side and its committees and the executive management of the Company on the other side.

6. Decision-making mechanisms and the accuracy and adequacy of the required information

7. Providing constructive opinions, suggestions and recommendations and ideas in the best interest of the Company.

In its meeting for 2020, the Remuneration Committee will review Board self-assessment and make its recommendations in this regard as part of its report to the meeting of the Board of Directors.

During 2020, the Board performed the tasks and dispensed business decisions within its authorities as provided for in the Board Charter. Directors had no grievances or complaints. All proposals were discussed during Board meetings and necessary relevant actions were taken, whether corrective or reinforcing. The Board is satisfied that it and the senior executive management have effectively discharged all of their duties and obligations.

4. Company's control system

The primary purpose of internal controls is to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. To achieve this, the Company adopted an internal control system that includes the development of internal controls over financial reporting, policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.

The internal control system is overseen by the senior executive management, the Audit Committee and the Board of Directors to discuss observations on the internal controls. The Internal Auditor periodically makes and submits reports in this regard.

To ensure that best standards are applied in developing internal control systems and in accordance with the decision of the Board Audit Committee, the Internal Auditor conducted a benchmarking study of the components of the Company's current internal control system against the internationally recognized COSO Internal Control – Integrated Framework (2013) to adopt it as a benchmark framework. COSO Internal Control – Integrated Framework (2013) consists of inter-related components, including control environment, risk assessment, control activities, information, communications and monitoring.

Internal control is an integral part of IQ's corporate governance, which involves the Board, Board Audit Committee, senior executive management and employees at all organizational levels. It is a process which includes methods and processes to:

1. Safeguard IQ's assets.

2. Ensure the reliability and correctness of financial reporting.

3. Secure compliance with applicable legislation and guidelines.

4. Ensure that objectives are met and continuous improvement of operational efficiency.

The objective for IQ's financial reporting is to be in line with the highest professional standards and to be full, fair, accurate, punctual and understandable.

Moreover, the benchmark framework will enable the management to establish and maintain an internal control system. Company's auditors can also refer it as benchmark framework to perform their duties in accordance with Article no. 24, in particular with regard to the assessment of the appropriateness and effectiveness of the applicable control systems.

To comply with the provisions of Article no. 4 of QFMA Governance Code, Industries Qatar should:

1. Establish and maintain adequate and effective internal controls over financial reporting to mitigate the risk of significant misstatements.

2. Evaluate and assess the adequacy and effectiveness of the internal controls over financial reporting to mitigate the risk of significant misstatements.

To achieve this, the Company requested the Internal Auditor to assess the Company's internal controls over financial reporting as a management support. The requested assessment was made by the Internal Auditor during 2019 based on the Company' standalone financial statements of 2018. A top down approach was used in designing and testing of the Company's framework wherein it begins at the financial statement level and with the understanding of the overall risks to internal controls over financial reporting.

Business risks were assessed using the Company's standalone financial statements of 2019. The risk assessment, which involved application of "Materiality" on IQ' standalone financial statements of 2019 (considering the qualitative and quantitative factors) based on the inputs of the External Auditor and the best practices, was made to determine the significant accounts, disclosures, their relevant assertions and applicable business processes within the Company for controls identification, evaluation and testing.

This approach directs attention to accounts, disclosures, and assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures. The next activity involves understanding of the risks in the Company's processes relevant to the identified significant accounts, disclosures and assertions based on risk assessment and testing those controls that sufficiently address the assessed risk of misstatement to each relevant assertion. This process can be detailed as follows:

Risk assessment:

1. Identifying and assessing the risks of material misstatement in the financial statements.

2. Determining materiality (considering the qualitative and quantitative factors), external audit input, and other factors relating to the determination of material weaknesses.
3. Identifying classes of transactions, significant account balances, disclosures, their relevant assertions and applicable business processes based on determined materiality. The financial statement assertions include existence or occurrence, completeness, valuation or allocation, rights and obligations and disclosures.

Perform walkthrough:

Following the risk assessment, the relevant internal controls which mitigate the risk of material misstatements for applicable business processes are identified through walkthroughs by reviewing the established policies and procedures, enquiries with management and process owners and understanding the flow of transactions.

These internal controls are grouped as follows:

1. Entity Level Controls (ELCs) – present across the Company and include measures taken by management to equip staff to adequately manage risks through

raising awareness, providing appropriate knowledge and tools as well as developing skills.

2. Information Technology General Controls (ITGCs) - The ITGC (applicable IT applications and infrastructure relevant to identified business process) on Company's general IT infrastructure and systems.

3. Business Process Controls - both manual and automated, are embedded in business processes applicable to financial transactions. These controls may change over time due to changes in the Company's business processes.

A walkthrough involves following a transaction from origination through the Company's processes, including information systems, until it is reflected in the Company's financial records, using the same documents and information technology that Company personnel use.

Walkthrough procedures usually include a combination of inquiry, observation, inspection of relevant documentation.

Test of internal controls:

Following the risk assessment and controls identification, the Internal Auditor conducts control testing on each of the identified controls to assess if they are designed adequately and operating effectively. Control testing encompasses three components: test of design effectiveness, test of operating effectiveness, and ongoing monitoring.

Test of Design Effectiveness:

Testing the design effectiveness of controls involves determining whether the Company's controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the Company's control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements. This will conclude if the Company has an adequate system of internal controls over financial reporting.

Testing the design includes a mix of inquiry of appropriate personnel, observation of the Company's operations, and inspection of relevant documentation.

Test of Operating effectiveness

Testing the operating effectiveness of controls involves obtaining evidence about whether the control is operating as designed throughout the relevant financial reporting period. For each control selected for testing operating effectiveness, the evidence necessary to conclude that the control is effective depends upon the risk associated with the control which is assessed based on factors such as nature and materiality of misstatement the control is intended to prevent, history of errors, frequency with which control operates, effectiveness of entity level controls, competency of personnel performing the control, nature of control i.e., automated or manual.

Evaluating identified deficiencies:

A 'deficiency' in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Evaluation of the severity of each control deficiency should be made to determine whether the deficiencies, individually or in combination, are significant deficiencies or material weaknesses as of the balance sheet date.

The Company's management recognizes that a significant deficiency or weakness in internal controls over financial reporting increases the possibility that a misstatement in the Company's annual or interim financial statements will not be prevented or detected on a timely basis, which is important enough to merit attention of those charged with management and governance.

A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operating effectiveness exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Remediation Testing:

The Company ensures that any issues or deficiencies either relating to design or operative effectiveness of specific controls are remediated. Once a new control is in place or remediated, it should be given enough time for its operations to validate the control's operating effectiveness. The amount of time that a control should be in place and operating effectively depends on the nature of the control and how frequently it operates.

Based on its assessment of the Company's current internal controls over financial reporting and Testing of Design and Operating Effectiveness, the management believes that the Company has developed an appropriate internal control framework that meets the requirements of the internal control over financial reporting. Moreover, the management considers the developed framework as appropriate to form the basis for compliance with the requirements of Qatar Financial Markets Authority in this regard.

The following are the main elements of the Company's internal control framework:

4-1 Risk management

As a service provider under a service-level agreement, Qatar Petroleum' established risk management rules and regulations are applied. However, the Board of Directors endeavors to maintain an appropriate risk management framework at Company level, as risk management is an integral part of company governance, which the shareholders expect from the Board of Directors.

This framework takes into consideration pursuing an integrated process for continuous risk management, starting from risk identification, assessment, measurement, management to monitoring as follows:

- Risk identification and assessment involve identifying and assessing all risks facing the Company. Risks are classified into four main categories: strategic, operational, financial and compliance related. For each risk, there must be measures to address it effectively, as well as a set of indicators to monitor changes in the overall risk structure and landscape. Risks are simulated in several scenarios in order to develop proper remedies and assess their cumulative impact on the performance of the Company.

- Risks are then measured based on the impact and possibility of their occurrence.

- Risks are managed with the possibility that their level is increased, decreased or maintained in a manner consistent with the determined level of risk accepted by the Company. During treatment, the Company takes into consideration that risks have a life cycle, i.e., before, during and after the occurrence. The Company ensures protection and that regulations, operational procedures and controls are developed in accordance with the best practices to minimize and mitigate related risks.

- Risks are then monitored to ensure that any related problems are quickly identified and properly addressed.

4-2 Audit

4-2-1 Internal Audit

With the end of the agreement for providing the internal audit services, Industries Qatar floated a new tender for the engagement of an independent consultant to provide it with internal audit services according to the tendering procedures. Offers were received by an established Tender Committee. Based on its evaluation of the technical and commercial offers, the Tender Committee made its recommendations to the Board Audit Committee on the selection of the appropriate consultant. An Internal Auditor was appointed on 29th of March 2020 for five years to provide the Company and its subsidiaries, as instructed by the BAC and in accordance with the audit plan, with internal audit services as a "service provider".

The appointed auditor makes a risk assessment at the Company, subsidiaries and joint ventures levels, then they draw up an appropriate audit plan and follow up on the implementation of the outstanding observations and related corrective management plans.

The Internal Auditor has access to all business functions and all data are provided as and when requested. The Internal Auditor verifies control systems, financial oversight and risk management. The Internal Auditor also verifies the extent to which the Company is committed to applying internal control systems and complying with the relevant laws and regulations, including Company's compliance with the rules and provisions that govern listing and disclosure to the stock market.

Internal audit reports are prepared by the Internal Auditor in accordance with the international auditing standards. All reports and recommendations are quarterly presented by the Internal Auditor to the BAC and subsequently submitted to the Company's Board of Directors as part of the BAC periodic report on audit results, follow up and current status of the executive management' plans of the corrective actions to address any weaknesses in the internal controls, risk assessment results and the applied systems. The executive management receives a copy of the report to take the necessary corrective actions as instructed by the Board Audit Committee.

Since the commencement of the agreement, the Internal Auditor has completed the risk assessments, developed internal audit plans for 16 entities (Industries Qatar and its subsidiaries / joint ventures) and submitted these plans to the Board Audit Committee for review and approval. Currently, the Internal Auditor conducts audits according to the approved plans.

The approved internal audit plans, which were based on risk assessment, covered many areas across these entities, such as main operations (production, maintenance, inventory, industrial control systems, etc.) and support functions (finance and accounts, human resources, information technology, HSE, administration, supply chain, corporate governance, etc.)

4-2-2 External Audit

The Board Audit Committee examines and evaluates offers received from external auditors registered in QFMA external auditors' list. Accordingly, the Committee makes its recommendation to the Board on the appointment of the External Auditor. Once approved by the Board, the recommendation shall be included in the agenda of the Company's General Assembly. The General Assembly shall appoint an External Auditor for one year, renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no re-appointment shall be made before two consecutive years are passed. The agreement between the Company and the External Auditor provides that the External Auditor's employees are required to strictly maintain confidentiality. Under relevant regulations and laws, the External Auditor is prohibited from combining between their assigned business, functions and duties and any other business in the Company, and from working at the Company before at least one year from the date of relations end with such Company.

The Company floated a tender for the appointment of an External Auditor for a period of five years starting 2019, provided that the appointment recommendation made by the formed committee shall be annually presented to the Company's General Assembly meeting for approval. The recommendation made by the committee on the appointment of the External Auditor for 2020 was presented at the annual meeting of the Ordinary General Assembly held on 1st of March 2020. The Assembly approved the appointment of Deloitte as the Company's External Auditor for 2020 for an annual fee of QR 306,800.

Taking into account the requirements of Article no. 24 of QFMA Governance Code, the scope of work of the External Auditor included internal control and assessment of the Company performance, particularly with regard to appropriateness and effectiveness of the applied internal control systems and internal controls over financial reporting and the Company's adherence to its Articles of Associations and compliance with the provisions of the Law and QFMA's relevant legislations, including the provisions of QFMA Governance Code.

The External Auditor provides assurance that the financial statements were properly and fairly prepared in accordance with the international accounting and auditing standards. The External Auditor reports on observations made on significant financial issues and applied financial controls. The External Auditor attended and submitted their report to the General Assembly for 2019 held on 1st of March 2020.

Deloitte Qatar, the External Auditor, submitted their report for the financial year ended 31st of December 2019 to the Company's Board of Directors on key accounting and auditing matters. They also submitted their independent assurance report on the Board of Directors 's report on the design, implementation and operating effectiveness of internal control over financial reporting. The External Auditor concluded that the Directors' ICFR report in management assessment of internal control over financial reporting, is fairly stated, in all material respects, based on the criteria established in the COSO framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of internal control over financial reporting.

In addition, the External Auditor submitted their independent report on the Board of Directors' report on compliance with the applicable Qatar Financial Markets Authority laws and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market. The External Auditor concluded that nothing came to their attention, based on their limited assurance procedure performed and evidence obtained, that caused them to believe that the Board of Directors' statement in sections 1, 3-9-2 , 4 , 4-2-2, 4-3, and 5-2 of the annual corporate governance report on compliance with the applicable QFMA laws and relevant legislations, including the Code, was not, in all material aspects, fairly stated as at 31st of December 2019.

4-3 Compliance

IQ Board of Directors is strongly committed to maintaining full compliance with all applicable regulations, including QFMA requirements for listed companies. The Board makes every effort to ensure that a governance structure based on best practices, standards and regulatory governance requirements is developed and implemented.

Areas of non-compliance with particular provisions of QFMA Code, including the reasons for any such non-compliance, were highlighted in this report. The Company confirms that there is no material non-compliance with the provisions of the applicable QFMA laws and relevant legislations including the Code.

The main responsibility of the Compliance Section is to assist the Board of Directors, Board Audit Committee and the Company's management to comply with governance rules, and to manage and monitor risks by ensuring that relevant policies and procedures are in place to protect the Company, as a listed entity, against exposure to non-compliance risks.

The Compliance Section continuously monitors changes to governance regulations and best practices, and periodically updates the Board on any changes to governance practices / regulations.

As and when the Company is required to update its governance structure due to new changes to corporate governance regulations and leading practices, Compliance Officers are required to prepare and submit proposals on governance changes to the Board for approval.

To this end, a mechanism was developed to review, monitor and ensure that the Company is compliant with applicable laws, rules and regulations, and to enhance the Company's self-revision of risk management. The mechanism, which will be applied, generally aims to:

- Provide a reasonable assurance of the Company's compliance with the relevant applicable laws and regulations;
- Detect cases of non-compliance, whether accidental or intentional;
- Take the necessary disciplinary actions in accordance with the Company's regulations in cases of noncompliant behavior;
- Take the necessary corrective actions to address the consequences of noncompliance;
- Develop proposals to avoid non-compliance in the future.

Each and every company of IQ group companies, which are not the main focus of this report, is independently managed, in accordance with the agreements under which it was established with other partners, by a Board of Directors having the necessary powers to manage and exercise its duties in full accordance with its fiduciary responsibility, guaranteeing the protection of all shareholder rights of different classes. Each company also has its own systems and internal controls, including risk management systems, which are overseen by the group company's Board of Directors, Board committees and other relevant executive committees, such as audit committees, institutional risk management committees, governance and compliance committees, process safety management (PSM) committees, social responsibility committees, health, safety, security and environment (HSSE) committees, tender committees, strategic Qatarization committees, information technology (IT) & cyber security committees and project steering committees, contributing positively to creating a control environment in line with the best standards and practices.

Moreover, Industries Qatar appoints only qualified and eligible Directors – its representatives to group companies – who are sufficiently experienced to perform their duties effectively in the best interest of the group company and dedicated to achieving its goals and objectives. Upon appointment, a Director shall be fully responsible to the group company, in which he holds a seat on its Board, and shall be held accountable for his decisions to Industries Qatar as a shareholder in the meeting of the General Assembly, thereby increasing the level of independence from the appointee and non-interference in the management.

5. Disclosure and Transparency

5-1 Disclosure

The Company complies with disclosure requirements, including A) financial reports and notes thereto as disclosed to the regulators, published in the local newspapers and posted on the Company's website (www.iq.com.qa), B) number of shares owned by the Chairman, Board Directors and members of the senior executive management, and C) major shareholders. The Company also complies with the requirements of disclosing information on the Chairman, Directors, Board Committees, Chairman and Directors' qualifications and experience as noted from their bios, and whether any of them is a member of the Board of Directors of other listed company, a member of its senior executive management or its Board committees.

On the other hand, the Company has not been subject to any sanctions or financial penalties imposed by QFMA in 2020 for non-compliance with any provisions of the applicable QFMA laws and relevant legislations including the Code. No legal case was filed by or against the Company.

Disclosure is made in accordance with specific procedures approved by the Company's management. These procedures include ways of dealing with rumors by proving false or true, and how to clearly disclose in writing in a manner that is consistent with QFMA relevant legislations.

The Board takes appropriate measures to ensure that all disclosures are made in accordance with the instructions and rules of the relevant regulatory authorities, and that accurate and non-misleading information with the required quality and quantity is provided to all shareholders in an equitable manner to enable them to take informed decisions.

5-2 Conflict of Interest

The Board complies with QFMA Governance Code principals for the disclosure of any dealing and transaction the Company enters into with any "Related Party", in which such Related Party has an interest that may conflict with the Company's interest. In all cases, any transaction with Related Parties is disclosed in the notes to the Company's financial statements, which are published in the local newspapers and posted on the Company's website.

The Company also seeks the approval of the General Assembly before entering into a major deal or transaction, as defined by QFMA, with a Related Party. Such deal or transaction must be put on the agenda of the next General Assembly to complete it.

Moreover, the Company developed a policy on Related Party transactions in its Corporate Governance Framework. This policy takes into consideration the following:

- Review of these transactions, if any, by the Board Audit Committee and the Board of Directors to ensure compliance with relevant regulations.

- 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 and fulfil the adequacy condition of the required documents and the appropriate levels of the approving authority.
- Ensure that a transparent process, when applicable, is in place with adequate disclosure of related party transactions to shareholders.
- Price in a manner consistent with the recognized market practices, or on an appropriate basis, being arms-length.

- Adequate documentation, and such documentation may take the form of, for example, a services agreement, sale and purchase agreement, loan agreement etc., as appropriate, and that the terms and conditions contained therein are consistent with market practices.

During 2020, Industries Qatar notified Qatar Financial Markets Authority of its desire to purchase the shares owned by Qatar Petroleum, according to special contractual terms, in QAFCO and its subsidiary, making QAFCO a wholly owned subsidiary of Industries Qatar. Taking into consideration the relationship between the two parties to the deal, as Industries Qatar is a 51% owned by Qatar Petroleum and its Board of Directors consists of seven Directors, all of whom are appointed by Qatar Petroleum in its capacity as the Special Shareholder and parent entity of Industries Qatar, the following steps were taken:

1. In accordance with Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction, the Company appointed one of the financial evaluators registered with Qatar Financial Markets Authority ("QFMA") for the purpose of preparing evaluation studies based on which the Company's Board of Directors could take a decision.

2. According to the relevant regulations, a meeting of the Company's Board of Directors was held on 23rd of August 2020 to consider the final evaluation report submitted by the financial evaluator. Accordingly, a press release on the Board of Directors' approval of purchasing Qatar Petroleum's 25% stake in Qatar Fertiliser Company was issued. The relevant press release covered all

disclosure requirements in accordance with QFMA Merger and Acquisition Rules, including the main elements of the proposed deal, the relationship between the two parties to the deal, sources of financing, deal timetable, analysis of strengths, weaknesses, opportunities and threats related to QAFCO, the advantages, opportunities, disadvantages and threats that may arise from the transaction and to which Industries Qatar and its shareholders could be exposed.

3. QFMA was provided with a copy of the evaluation report issued and approved by the evaluator.

4. In accordance with the relevant regulations, the presentation of the Extraordinary General Assembly was posted on 27th of August 2020 on the Company's website. An Extraordinary General Assembly meeting was held on 13th of September 2020, during which the purchase of Qatar Petroleum's 25% share in Qatar Fertiliser Company (QAFCO) for USD 1 billion was approved.

5. Upon closing the deal, QFMA and QE were notified of the detailed results of the deal, including the actual percentage that was purchased. In addition, QFMA was also provided with the final copy of the contracts concluded and signed between the two parties to the deal.

As part of managing cash and working capital needs at the subsidiaries level, a number of foreign exchange transactions were made between Industries Qatar and its subsidiaries at the official exchange rates and at arm's length. The details of these transactions were included in the notes to the Company's financial statements.

Moreover, in order to provide a stable and reliable business model for IQ, which is able to meet the expectations of the shareholders, the Extraordinary General Assembly held on 13th of September 2020 approved to delegate IQ Board of Directors to negotiate, approve, sign and take all actions necessary to finalize a long-term strategic agreement regulating the relationship between Qatar Petroleum and IQ. All related details were disclosed in the Company's press release of 23rd of August 2020.

5-3 Transparency and upholding the interest of the Company

The Board of Directors recognizes that the risk of conflict of interest may arise from the fact that a Director or a member of the executive management is a "Related Party", or access to Company's information by employees, service providers and any other stakeholder. In order to avoid this, the Company adopted a conflict of interest policy within its Corporate Governance Framework to identify, as far as possible, conflict of interest situations, and to prevent losing objectivity by adhering to the appropriate professional conduct and establishing the principles of transparency, fairness and disclosure.

In accordance with the Company's bylaws and Conflict of Interest policy, if a Related Party is in a conflict of interest situation, it shall not be entitled to attend the discussion, cast vote, or pass a resolution in this respect.

In general, a Related Party shall avoid any situation that may involve or result in actual or potential conflict of interest. In all cases, all related decisions must serve the interests of the Company.

Moreover, Directors and employees / service providers understand that all information related to Industries Qatar, its subsidiaries and customers is confidential for internal purposes only. Using this information for personal, family or any other purpose is considered unethical and illegal conduct.

5-4 Disclosure of share trading

The Company adopted procedures and rules that govern insider trading. These procedures and rules take into account the definition of the insider, whether permanently due to holding a position in the Company, or temporarily as a result of carrying out specific tasks for the Company. This insider has access to material information about the Company that could have a positive or negative impact on the investment decisions that can be taken by those who trade Company's share at Qatar Stock Exchange.

The Company updates Qatar Central Securities Depository (QCSD) with the details of the insiders, Directors and members of the Company's executive management so that Qatar Stock Exchange could ban their trading on the Company's shares according to the applicable rules, and to disclose these tradings on a daily basis.

In general, insiders are not allowed to benefit directly or indirectly from the use of inside information that has not yet been disclosed. Trading Company's shares on the basis of inside information, regardless of trade size, is a serious violation of the Company's ethical standards and policies. In addition, the insider may not assist others to trade the Company's shares by improperly disclosing inside information.

6. Stakeholder rights

6-1 Equal rights of shareholders

Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions.

The Company's Articles of Associations and bylaws provide for the procedures and guarantees needed for all shareholders to exercise their rights, particularly the rights to receive the determined dividends, attend the General Assembly and participate in its deliberations and vote on decisions, as well as the right to access information and request it with no harm to the Company's interests.

The Company amended its Articles of Association, as approved by the Extraordinary General Assembly meeting held on 4th of March 2018, by adding a provision on shareholder's right to sell shares as follows:

"Should a Shareholder or a group of shareholders reach an agreement to sell Shares in the Company equal to or exceeding fifty percent (50%) of the Company's market capitalization, such agreement shall not be enforceable unless an offer is extended to the remaining shareholders to exercise, at such shareholders' discretion, their Tag-Along Right."

6-2 Register of shareholders

The register of shareholders is managed in accordance with QE applicable rules and procedures. The register of shareholders is kept and updated by Qatar Central Securities Depository (QCSD). Under the agreement between Industries Qatar and QCSD, the latter undertakes the tasks of registering, maintaining and depositing of securities, clearing and settlement, entering dealings in securities, whether purchase, sale, transfer of ownership, registration or pledging in the respective registers.

6-3 Shareholder rights to access information

The Company's Articles of Association and bylaws provide for the procedures to be followed by shareholders for accessing information permitted to be disclosed to enable them to exercise full rights without prejudice to other shareholders' rights or adversely affect the interests of the Company.

The Board of Directors and the Company's employees are making efforts to establish constructive relationship and maintain communication with shareholders and investors so that they can make sound investment decisions by:

a. Ensuring fair and transparent disclosure of the Company's information both in quality and quantity in accordance with applicable laws and regulations;

b. Publishing a presentation and holding a quarterly earning call;

c. Dedicating a professional team to meet shareholders and discuss their inquiries regarding the company's financial and operating performance;

d. Attending events and conferences;

e. Updating the Company's website (www.iq.com.qa) in line with the modern display techniques to better serve the shareholders of the Company and all related parties. The website contains a dedicated section for investor relations through which all information subject to regular and immediate release, including, financial reports, press releases and corporate governance reports and their requirements.

f. Making and maintaining strong partnerships with newspapers and other media.

Qatar Stock Exchange and Qatar Financial Markets Authority are provided with the details of contact person. Further, an email account (iq@qp.com.qa) was created to receive any inquiries or questions from the Company's shareholders. The Company also seeks views and consider assessments and suggestions from the institutional and individual shareholders, with whom it maintains regular communication.

The representatives of the Company ensure that all information provided to shareholders / investors is of the type that is allowed to be disclosed to the public. Providing confidential information or favoring a shareholder more than another is strictly prohibited.

6-4 Shareholder rights to General Assembly

6-4-1 Attendance and invitation

In accordance with QFMA instructions, each shareholder, whose name is entered in the shareholders' register at the close of the business on the same day of the Company's General Assembly is entitled to attend the General Assembly meeting. Each share he/she holds is entitled to one vote. In accordance with the Company's Articles of Association, Company's shareholders have all of the relevant rights, including:

- The right of the registered shareholder to attend the General Assembly meeting, in person or by a proxy or legal deputy, at the end of trading session on the day on which the General Assembly is convened.
- The right to participate in deliberations and vote on such matters on the meeting agenda.
- The right of the shareholder to appoint by a proxy executed in writing another shareholder who is not a Director to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's share capital.
- The right of the shareholder (s) who owns at least (10%) of the Company's share capital, for serious grounds, to request an invitation to convene General Assembly. The right of the shareholders representing at least (25%) of the Company's share capital to invite Extraordinary General Assembly to convene pursuant to the procedures prescribed by the Law and the regulations in this regard.

6-4-2 Effective Participation

The Company saves no effort to ensure that shareholders have the opportunity to participate effectively, vote in General Assembly meetings and be well informed of the rules, including voting procedures, which govern general shareholder meetings. In achieving this, the Company:

- Provides the shareholders with sufficient information in quality and quantity on the date, location and agenda of the general meetings, as well as complete and timely information regarding the matters to be discussed at the meeting to enable them to make a decision. This is achieved through announcing the meeting agenda in the local newspapers and posting it on the Company's own website. It also communicates the agenda to Qatar Stock Exchange for announcement on its website.

- Enables shareholders to directly pose questions to the Board Directors, place items (if any) on the agenda of the meeting, and to propose or object to resolutions, subject to the procedures established by law and applicable regulations in this regard.

- Provides shareholders with a mechanism to attend and vote in person or in proxy. Equal effect should be given to votes whether cast in person or in proxy.

In accordance with the Company's Articles of Association, shareholder may object to any resolution deemed for the interest or harm of a certain group of shareholders; or brings personal benefits for Directors or others without regard to the Company's interests. Shareholder is entitled to enter such objection into the record of the meeting and to invalidate the objected resolution without prejudice to the provisions of the Articles of Association in this regard.

For 2020, the agenda of the Ordinary General Assembly meeting included the following:

1. Chairman's message for the financial year ended 31st of December 2019.

2. Present and approve Board of Directors' Report on IQ's operations and financial performance for the financial year ended 31st of December 2019, and Company plans.

3. Present and approve External Auditor's Report on IQ's consolidated financial statements for the financial year ended 31st of December 2019.

4. Approve IQ' financial statements for the financial year ended 31st of December 2019.

5. Approve 2019 Corporate Governance Report.

6. Approve the Board's recommendation for a dividend payment of QR 0.4 per share for 2019, representing 40% of the nominal share value.

7. Absolve the Directors of the Board from liability for the year ended 31st of December 2019 and approve their remuneration.

8. Appoint Deloitte & Touche as the Company's External Auditor for the financial year ending 31st of December 2020 and approve their fees.

During the Company's Extraordinary General Assembly meeting, which was held on 13th of September 2020, the following agenda items were discussed and approved by the Company's shareholders:

1. Approve the purchase of the 25% stake in Qatar Fertiliser Company (QAFCO) from Qatar Petroleum for a purchase consideration of USD 1.0 billion.

2. Approve the proposed amendments to the Company's Articles of Association concerning the composition of the Company's Board of Directors. The new composition of the Board of Directors shall come into effect from the upcoming term of the Board that will start from the date of holding the General Assembly meeting to approve the financial statements of the financial year ending 31st of December 2020.

3. Delegate IQ's Board of Directors to negotiate, approve, sign and take all actions necessary to finalize a long-term strategic agreement regulating the relationship between Qatar Petroleum and IQ.

6-4-3 Election of Board Directors

IQ Board of Directors, in accordance with the Company's existing Articles of Association, consists of up to eight (8) Directors, all of whom may be appointed by the special shareholder (Qatar Petroleum). Accordingly, the Company's AoA make no explicit provisions on the election of Directors and the procedures for nomination, voting and appointment.

However, as previously indicated, the Company convened an Extraordinary General Assembly meeting electronically, using Zoom application platform, on Sunday, 13th of September 2020 to discuss and approve the proposed amendments to the Company's Articles of Association concerning the composition of the Company's Board of Directors. The proposed amendment to Article no. (22-1) which was approved by the Extraordinary General Assembly, reads as follows: "The Board shall consist of eight (8) Directors, seven (7) of whom are appointed by the Special Shareholder, provided that the Chairman and the Vice Chairman are amongst them. One (1) Director shall be appointed by the General Retirement and Social Insurance Authority."

The new composition of the Board of Directors shall come into effect from the upcoming term of the Board that will start from the date of holding the General Assembly meeting to approve the financial statements of the financial year ending 31st of December 2020.

Qatar Petroleum appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. Qatar Petroleum makes timely disclosure of any and all decisions on the composition of the Board of Directors or any change thereto.

6-4-4 Dividend distribution

In accordance with the provisions of the Company's Articles of Association amended by the resolution of the Extraordinary General Assembly held on 28th of February 2017, pursuant to the resolution of the Extraordinary General Assembly held on 4th of March 2018 and without prejudice to the Company's ability to fulfill its obligations towards third parties and pursuant to a resolution by the General Assembly, dividends of not less than five (5) percent of the net profits of the Company after deducting legal deductions shall be distributed to registered shareholders at the end of trading session on the day on which the General Assembly is convened, provided that the dividend shall not exceed the amount recommended by the Board.

The main lines of the dividend distribution policy included in the Company's Corporate Governance Framework are explained in the attachments to the meeting agenda of the Company's General Assembly.

In general, the dividend policy requires the Company to balance shareholders' expectations with its operational and investment needs. This is achieved through investigating the following factors before a recommendation on the dividend distribution could be presented to the General Assembly:

- 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.

- Lenders Constraints: IQ shall satisfy the financial requirement of lenders, if any

- Legal constraints: Any legal reserves shall be reserved before distributing the dividend.

- 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.

The proposed annual dividend distribution is subject to the final approval of the General Assembly. The Company, through its agreement with a local bank, Qatar National Bank, makes it easier for the entitled shareholders to claim dividends for the current year and previous years. Shareholders can visit any of the bank branches to receive their dividends in cash, transfer these dividends to their accounts or receive dividend cheques. The Company's website is updated with the required documents and all related details to claim dividends.

As for the resolution of the General Assembly made in 2020 for the financial year ended 31st of December 2019, the Assembly approved the Board's recommendation for a dividend of QR 0.4 per share for 2019, representing 40% of the nominal share value.

6-5 Conducting Major Transactions

The Company is committed to treat all shareholders equitably. Shareholders of each class of shares are equal and have all the rights arising from the share ownership in accordance with the provisions of the relevant law, regulations and decisions. The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

Therefore, the Company ensures that all shareholders are equitably treated at the General Assembly meeting, and that voting process is facilitated without prejudice to the provisions of its AoA.

In accordance with the Company's Articles of Associations, shareholders in general and Minorities in particular may, in the event that the Company conducts Major Transactions that might harm their interests or prejudice the ownership of the Company's share capital, object and enter such objection into the record of the meeting and to invalidate the objected transaction without prejudice to the provisions of the Articles in this regard.

The Company's capital structure is disclosed in the financial statements and herein. Additionally, Qatar Stock Exchange discloses the Company's major shareholders on its website.

With the exception of some selected entities identified in the Company's Articles of Association, no person or entity, shall hold either directly or indirectly (or be beneficially entitled to) shares of a nominal value exceeding 2% of the Company's share capital. The maximum ownership of the company's share capital is 2%. Qatar Central Securities Depository (QCSD), the entity entrusted with managing the register of the Company's shareholders, ensures that this maximum ownership limit is maintained.

Moreover, the Company convened an Extraordinary General Assembly meeting on 4th of March 2018 to amend its Articles of Association by adding an article on the mechanism for determining the Non-Qatari ownership percentage to a maximum of forty- nine percent (49%) of the portion of the shares listed on the Qatar Stock Exchange.

Details of shareholdings in IQ's share capital could be obtained from Qatar Central Securities Depository as per the register of shareholders. Details of major shareholdings as of 31st of December 2020 are as follows:

Shareholder	Percentage of Shares (%)
Qatar Petroleum	51.00%
Pension Fund - General Retirement and Social Insurance Authority	16.18%
Military Pension Fund	5.00%
Qatar Investment Authority	2.20%
Qatar Electricity and Water Company	1.78%
Other Shareholders	23.84%
Total	100%

IQ relies on QCSD to obtain valid up-to-date record of shareholdings. As per the information obtained from QCSD as at 31st of December 2020, no shareholder has exceeded the limit specified in the Company's Articles of Association, except as expressly provided therein.

6-6 Stakeholder rights (non-shareholders)

Industries Qatar safeguards and respects its stakeholders' rights. Each stakeholder may request the information related to his interest upon submitting a proof of identity. The Company is committed to provide the requested information in a timely manner and in a way that does not threaten others' interests or prejudice its interests.

A whistleblowing policy and related procedures were adopted within the Company's Corporate Governance Framework to disclose any wrongdoing that may adversely impact the Company, its customers, shareholders, employees or the public at large. Under the policy, IQ assigns a member of the Board Audit Committee to address whistleblowing concerns. The assigned Committee member ensures that issues raised through whistleblowing are raised and reported to the Board Audit Committee according to the materiality of the issue.

A whistleblowing hotline (+974) 4013-2801 was established and provided on the Company's website (www.iq.com.qa) to report malpractice, unlawful or unethical behaviour.

These procedures are also a key defense against management override of internal controls and thus can help improve corporate governance.

Industries Qatar 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.

6-7 Community right

Industries Qatar, as one of the largest industrial conglomerates in the region and listed on the Qatar Stock Exchange, works towards achieving economic and operational integration among its group companies in support of the State's strategy of national economic development. Through its group companies, IQ contributes significantly to the comprehensive economic development, social welfare, environmental protection, job creation, and more importantly, enriching the lives of Qataris through initiatives in areas such as:

1. Health, Safety and Environment: Establish and promote safety culture and measures, emergency preparedness, occupational health, HSE training, operational excellence, energy efficiency, environment management and environmental compliance through emission reduction, water management, waste management, and continuous investment in environmental projects to rationalize and make efficient use of the natural resources.

2. People: Qatarization programs in line with QNV 2030 (partnership with educational institutions, internships, career fairs), diversified workforce, employee retention, training and development, promoting health and fitness and sports activities etc., and

3. Society: Support local procurement (approximately 63% of the total spending on procurements by group companies went for local procurement), sponsorship, community awareness activities such as fitness campaigns, donations, partnerships with non-profit and charitable societies.

Qatar Petroleum, the founder and special shareholder, ensures, through the technical and head office support provided to IQ and its group companies, that only appropriate investment opportunities which could add financial, economic, social and environmental value are explored in support of the country's pursuit of economic diversification.

From its incorporation to-date, the Company has invested approximately QR 31 billion in various investment projects, resulted in a total dividend of QR 53.4 billion or QR 8.82 per share (taking into consideration the amended nominal value of the share to become one (1) Qatari Riyal), with an average payout ratio of approximately 65%. Moreover, 10% bonus shares were issued on two occasions, resulted in an increase of the share capital from 5 billion to 6.05 billion shares.

The Social and Sport Contribution Fund

Pursuant to Law no. 13 of 2008 amended by Law no. 8 of 2011, a 2.5% of the Company's annual net profit is allocated to support sports, cultural, social and charitable activities. For the financial year ended 31st of December 2019, the 2.5% amounted to QR 59.6 million (2018: QR 124.9 million). The deducted amount was credited in full to the account of the Social and Sport Contribution Fund on 23rd of March 2020.

For the financial year ended 31st of December 2020, the Company has allocated QR 48.8 million, representing 2.5% of its 2020 net profits, to support these activities.

Conclusion

Through its Board of Directors, Industries Qatar is committed to implementing corporate governance principles and best practices, maintaining by-laws and internal procedures to achieve the highest levels of governance and create anticipatory (proactive) compliance environment aimed at safeguarding its assets and capital, protecting the interests of its customers and shareholders and preserving the Company's integrity and image.

The Board is satisfied that it has effectively discharged all of its duties and obligations and fulfilled its mandate during 2020 as set out in its Charter and relevant legislation. The Board exercises due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, all shareholders and stakeholders in a balanced manner.

Saad Sherida Al-Kaabi

Minister of State for Energy Affairs,
Chairman and Managing Director

Appendix:
Board of Directors Bios

His Excellency Mr. Saad Sherida Al-Kaabi
Chairman and Managing Director

Qualifications and Experience:

Mr. Saad Sherida Al-Kaabi joined Qatar Petroleum in 1986 as a student studying Petroleum & Natural Gas Engineering at Pennsylvania State University in the USA, from which he graduated in 1991 with a Bachelor of Science degree in Petroleum & Natural Gas Engineering.

In 2006, he was appointed as the Director of Qatar Petroleum's Oil & Gas Ventures Directorate, where he was overseeing all of Qatar's oil and gas fields' developments as well as all the exploration activities in Qatar.

In September 2014, Mr. Al-Kaabi was appointed as Qatar Petroleum's President and Chief Executive Officer, where he oversaw Qatar Petroleum's gas, oil and petrochemical developments in Qatar and internationally.

On November 4, 2018, His Excellency Mr. Saad Sherida Al-Kaabi was appointed Minister of State for Energy Affairs and Cabinet member of the State of Qatar, and Deputy Chairman of Qatar Petroleum, in addition to his position as President & CEO.

Other positions*:

Chairman, Qatar Electricity & Water Co.

Number of shares in IQ:

Nil

Mr. Abdulaziz Mohammed Al-Mannai

Vice Chairman
Chairman of the Board Audit Committee
Non-Executive member / Non-Independent

Qualifications and Experience:

Mr. Abdulaziz Mohammed Al-Mannai holds the position of Executive Vice President – Human Capital at Qatar Petroleum (QP) since 2014. He is also a board member of Mesaieed Petrochemical Holding Company and Qatargas. His current role in QP focuses on all People-related aspects, in addition to providing oversight over Information Technology.

He graduated as an Aeronautical Engineer and prior to joining QP, Mr. Al-Mannai worked for Qatargas as Human Resources Manager for 5 years and filled various leadership roles in the LNG expansion projects. During his time at Qatargas, he also represented the industry and Qatar as a member and Vice Chairman of the International Gas Union (IGU) Human Capital Development Committee between 2011 and 2014. He was also a member of a number of working committees and groups locally and internationally that focused on Human Capital Development in the Oil and Gas sector.

Other positions*:

MPHC Board Director

Number of shares in IQ:

Nil

Mr. Abdulla Ahmad Al-Hussaini

Member of the Board Audit Committee
Chairman of the Remuneration Committee
Non-Executive member / Non-Independent

Qualifications and Experience:

Mr. Abdulla Al-Hussaini earned his Bachelor's degree in Business Studies from the University of Texas at Arlington in 2004.

Mr. Al-Hussaini currently holds the position of Qatar Petroleum's Executive Vice President – Marketing. Prior to joining QP in September 2016, he worked for Qatargas where he held several LNG Marketing roles, including Marketing Director from 2011 to 2016.

Mr. Al-Hussaini was a member of the International Gas Union Executive Committee and the State of Qatar representative to Organization of the Petroleum Exporting Countries (OPEC).

In addition to his current role, Mr. Al-Hussaini is the Chairman of QP Trading and the Chairman of Muntajat Audit Committee. He is also a Board Member of both Qatar Petroleum for the Sale of Petroleum Products and Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat). He previously served as a Board Member of Nebras Power, based in Doha.

Other positions*:

Nil

Number of shares in IQ:

Nil

Dr. Mohammed Yousef Al-Mulla

Non-Executive member / Non-Independent

Qualifications and Experience:

Dr. Mohammed Yousef Al-Mulla graduated with a Bachelor's Degree in Electrical Engineering from Pennsylvania State University, United States, in 1988. He earned a Master's degree in Business Administration in 1997 and a Ph. D. in Engineering in 2007 from Leicester University in the United Kingdom.

Dr. Al-Mulla joined QAPCO in 1988 and held many strategic positions. He was appointed CEO in 2007. Under his leadership, the company achieved major milestones in the fields of production, Qatarization process, sustainable development and research, propelling QAPCO from a local petrochemical producer to a leading petrochemical powerhouse recognized in global markets.

Other positions*:

Nil

Number of shares in IQ:

Nil

Mr. Abdulrahman Al-Suwaidi

Member of the Remuneration Committee
Non-Executive member / Non-Independent

Qualifications and Experience:

Mr. Abdulrahman M. Al-Suwaidi holds a Bachelors' degree in Chemistry from Qatar University as well as a Higher National Diploma in Mechanical Engineering from Bradford University in England.

Mr. Al-Suwaidi has been the Managing Director and CEO of Qatar Fertiliser Company (QAFCO) since joining in 2016. Prior to QAFCO, Mr. Al-Suwaidi was with ORYX GTL, operating the world's largest LTFT GTL plant, from 2007 until 2016. He joined ORYX GTL as the Deputy General Manager seconded from Qatar Petroleum and was appointed CEO in 2009. Mr. Al-Suwaidi started his career with Qatar Petroleum in 1987 and held a variety of technical and operational posts in Qatar Petroleum's onshore operations.

Between 1998 and 2007, Mr. Al-Suwaidi held two managerial positions responsible for QP's gas processing & gas distribution facilities in Mesaieed and subsequently gas production and reinjection facilities located offshore and in Dukhan. His responsibilities during this period included production and maintenance operations, inspection and engineering.

Mr. Al-Suwaidi also serves as the Chairman of Qatar Chemical Group Companies Ltd. and a member of QAFCO Board of Directors.

Other positions*:

Nil

Number of shares in IQ:

1210 shares

Mr. Khalid Sultan Al-Kuwari

Non-Executive member / Non-Independent

"Mr. Khalid Sultan Al-Kuwari served as a member of IQ Board of Directors until 31st of October 2020."

Qualifications and Experience:

Mr. Khalid Sultan Al-Kuwari has a B.Sc. in Natural Gas Engineering from Texas A&M University-Kingsville in 1997, and an EMBA from HEC-Paris in Doha in 2014.

Mr. Al-Kuwari has been appointed as CEO of Qatar Chemical Company Ltd. (Q-Chem) and Qatar Chemical Company II Ltd. (Q-Chem II) in November 2020.

Before joining Q-Chem, Mr. Al-Kuwari was the CEO of Qatar Fuel Additives Company (QAFAC). Prior to joining QAFAC in 2017, Khalid spent 20 years with RasGas where he led marketing and shipping group responsible for RasGas' global LNG marketing activities, production planning, and shipping. Khalid joined RasGas in 1997 as a Petroleum Engineer and worked in Reservoir Engineering, Petroleum Operations and Technical Planning departments.

Mr. Al-Kuwari is a board director of Q-Chem/Q-Chem II and the Vice Chairman of Gulf Drilling International.

Other positions*:

Nil

Number of shares in IQ:

Nil

Mr. Mohammed Nasser Al-Hajri

Non-Executive member / Non-Independent

Qualifications and Experience:

Mr. Mohammed Nasser Al-Hajri holds a Master's degree in Gas Engineering from University of Salford in the United Kingdom and Bachelors' degree in Chemical Engineering from Qatar University.

He joined Qatar Petroleum in 1991 and brings a wealth of business and operational experience of more than 28 years of upstream and downstream oil & gas and manufacturing industries.

Mr. Al- Hajri held different leadership roles in Qatar Petroleum (QP) since 1991 and his last position was Executive Vice President of Downstream Development Directorate

He is currently the Managing Director and General Manager of Qatar Electricity & Water Company (QEWC), the Chairman of Umm Al-Houl Power, Nebras Power and Qatar Fuel Additives Company (QAFAC).

Other positions*:

Managing Director and General Manager, Qatar Electricity and Water Company

Number of shares in IQ:

60770 shares

Mr. Ahmed Abdulqader Al-Ahmed

Non-Executive member / Non-Independent

"Mr. Ahmed Abdulqader Al-Ahmed was appointed as a member of IQ Board of Directors w.e.f. 1st of November 2020."

Qualifications and Experience:

Ahmed Abdulqader Al-Ahmed has recently been appointed as the CEO of Qatar Fuel Additives Company (QAFAC). Holding a B. Sc. in Petroleum Engineering (with Honors) from King Fahad University of Petroleum and Minerals, Saudi Arabia. He has almost 28 years of diversified experience in the oil and gas industry including exploration, field development, project management, strategic planning, and E&P investment and acquisition.

He joined Qatar petroleum in 1992, during his time, he had undertaken a range of key positions in QP and its subsidiaries. He oversaw surveillance and well operations of the QP offshore-operated fields. He was then assigned as Deputy General Manager in Occidental Petroleum of Qatar Ltd (OPQL) before leading the Upstream International growth activities with Qatar Petroleum International (QPI). Then, and after QP/QPI integration, Ahmed returned to Qatar Petroleum in 2015 to lead/manage existing QP's International Upstream assets/ventures and continued to build the international upstream portfolio through organic/inorganic growth as well as leading the Domestic Exploration projects.

Other positions*:

Nil

Number of shares in IQ:

90386 shares

*Positions on the Boards of other public shareholding companies. IQ Directors may also have positions in other entities / companies.