

تمت الموافقة في اجتماع مجلس الإدارة
السادس لعام ٢٠٢٠ بتاريخ ١٨/١١/٢٠٢٠

تمت الموافقة في اجتماع مجلس الإدارة
الأول لعام ٢٠١٩ بتاريخ ٢٤/١٢/٢٠١٩

تمت الموافقة في اجتماع مجلس الإدارة
الأول لعام ٢٠١٢ بتاريخ ٣/٣/٢٠١٢

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السادس لعام ٢٠١٥ بتاريخ ١٨/١٢/٢٠١٥

تمت الموافقة في اجتماع مجلس الإدارة
السادس لعام ٢٠١٤ بتاريخ ٨/١٠/٢٠١٤

تمت الموافقة في اجتماع مجلس الإدارة
الأول لعام ٢٠١٧ بتاريخ ١٣/١١/٢٠١٧



شركة الساحل للاستثمار والتنمية والاسم
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P

منذ 1975 Since

COAST INVESTMENT & DEVELOPMENT COMPANY

INVESTMENT DEPARTMENT

POLICES AND PROCEDURES

تمت الموافقة في اجتماع مجلس الإدارة
السادس لعام ٢٠٢٠ بتاريخ ٥/١٠/٢٠٢٠

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Preface

Coast Investment & Development Company, (hereinafter 'Coast'), is an investment Company operating in the State of Kuwait and is engaged in investment activities in the Local and International Markets.

This Investments Department Policies & Procedures Manual details the policies and procedures that are followed in managing the main investment operations of the company.

It is the responsibility of the SVP Asset Management / VP or AVP Investment Department to ensure that the Department functions in accordance with this Manual.

If any company entity within COAST considers that compliance with any of the guidelines, policies, instructions, and procedures set out in this manual is not possible for any reason, it should refer the matter in writing to the CEO for resolution.

The manual is divided into Eleven sections and Three appendices. Each section includes the following headings in the following format:

Policy Code: CIG-...

Policy Name: _____

Purpos

e: xyz

Scope:

Xyz

Contents:

The contents section includes all relevant policy statements and any procedural steps that are required to implement any of the policy statements. This manual is written in MS Office XP.

The final deliverable manual is provided in a loose leaf binder to enable approved updates to be inserted when required.

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

1. abc

1.1 abc

1.1.1 abc

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1.1.1.1 abc

1.1.1.1.1 abc

2. abc

2.1 abc

2.1.1 abc

2.1.1.1 abc

2.1.1.1.1 abc

Distribution of this manual is made against a **Manual Distribution Form** which is sent to each designated resource person with the manual. The resource person should sign and return the form to the CEO. The form is enclosed at the end of this preface.

Any future updates to this manual will be distributed to all resource personnel and it will be their responsibility to ensure that the manual is properly updated in adding new pages or appendices, removing superseded pages or appendices, or making any manual edit changes in form or content.

The manual and its contents are strictly for internal use and are as such treated as highly confidential material.

Changes to the manual are usually made as a result of one – or a combination of – the following reasons:

1. Changes in local and international laws
2. Changes in Capital Market Authority – Kuwait guidelines
3. Changes in functions and activities of the company
4. Changes in business processes
5. Changes in company organizational structures
6. Changes in authority structures
7. Changes in job roles, duties, and descriptions

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If any company entity requires to amend the contents of this manual, it should complete a **Request for Amendment Form** enclosed at the end of this preface.

The request has to be processed according to the following steps:

1. The company entity has to fill out the Request for Amendment Form and addresses it to the CEO.
2. The CEO discusses the need for amendments and agrees with the company entity on a course of action.
3. Once agreed on needed amendments, the form along with proposed changes to the manual are addressed to the Board of Directors for post-facto approval.
4. Upon approval of the Board of Directors, the amendments are addressed to the requesting company entity (resource person) responsible for including the amendments in the manual.
5. The resource person holds responsibility for implementing the amendments to the manual by communicating it to personnel involved in the operations of the company entity.

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Manual Distribution Form

Manual for: _____

Distributed By: _____

Date of Distribution: _____

To the resource person,

When you sign this form, you agree to adhere to all cited policies and procedures included in this manual.

You may be asked to sign additional material and changes thereto to give effect to these policies and procedures currently and in the future.

To acknowledge that you have reviewed and understood all of this material in the manual, please sign and date this form and return it to the CEO within 10 days of receipt of this manual.

I acknowledge that I have read, understood, and am subject to all of the material contained in this manual.

Signature

(Please print name)

Date

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Request for Amendment Form

Name of entity requesting amendments: _____

Manual for: _____

Section/s
Reference: _____

Policy/ies Code: _____

Policy/ies Name: _____

Description of needed amendments (problem):

Proposed amendments (solution):

Proposed by: _____ (requesting entity)

Reviewed by: _____ (CEO review)

Approved by: _____ (Board of Directors' approval)

Implementation Date: _____ (as set by the Board of Directors)

Resource Person's Signature: _____ (upon receipt of approval)

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Policy Code: CIG - 1

Policy Name: Direct Investments Main Investment Policies

Purpose

The company recognizes its responsibility to manage and direct the Direct Investments investment operations by establishing a main investment policy that defines which investments are permissible and appropriate for the company and also establishes guidelines under which Direct Investments, represented in non-quoted fund investments and direct investments, will be managed. The following policy and related procedures is intended to provide steps to be followed and considered in administering the company's Direct Investments' investments to achieve the primary objectives of profitability and liquidity within regulatory and legal constraints. As a result, the Board of Directors has established the following policy to assist Direct Investments personnel in establishing investment policies pertinent to their operations.

Scope

The scope of implementing this policy is within the jurisdiction of the Board of Directors and the Direct Investments Department under direct supervision of the CEO. However, this policy should be performed taking into consideration the delegation of authority structure in establishing and implementing Direct Investments Department's policies.

Contents

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Private Equity & Direct Investments Main Investment Policies policy:

- 1.1 Continuous appraisal of investment risks involved is required from all core function personnel under the direct supervision of senior management represented by the CEO, and the SVP Asset Management / VP or AVP Investment Department.
- 1.2 Risk assessment also includes the role of the legal counsel in providing legal advice related to fund's investments and direct investments whenever required.
- 1.3 Risk management and assessment includes monitoring the performance of private equity and direct investments being held in comparison to relevant indices, averages, and performance standards.
- 1.4 Senior management and the Direct Investments Department should be aware of the risks associated with investing in internationally non-listed funds and direct investments participation including transparency and availability of fundamental information and market available data.

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- 1.5 Senior management and the Direct Investments Department should establish well defined investment intents translated into investment holding periods for particular direct investments and private equity investments to be in line with the company's investment strategy and applicable investment policies.
- 1.6 Senior management and the Direct Investments Department should establish clearly defined performance measures and benchmarks used in assessing the performance of all department investments.
- 1.7 In cases when there is an urgent need to change the investment policies, then the changes should be approved by the CEO.
- 1.8 Only regional and international fund managers with a proven track record are to be dealt with in processing of private equity funds investments.
- 1.9 A main component of the investment policy is the production of an asset allocation which follows a top-down approach by the company, in that different levels of approval are to be followed, by type of planning, resulting in that company and Department asset allocation. These levels, from the most senior to the least senior entity, and their corresponding planning types are as follows:

#	Company Entity	Type of Planning
1	Board of Directors	Mission & vision, high-level strategy, high level policies
2	CEO.	Detailed strategy & detailed policies
3	Senior Management	Business & implementation plans
4	Risk Department	Risk review of investments

- 1.10 Expected returns from each private equity and direct investment activity should be clearly defined and accordingly continuously monitored by the Direct Investments Department.
- 1.11 Investment allocation should consider various variables translated into monitoring concentration limits (such as asset class, type of fund, currency, market geographical area... etc.) and consider the effect of change in variables as a result of a change in the assets under management. However, variables should be non-restrictive, but should guide the investment decision making process and help in maintaining essential controls over unfavorable investment exposures by type of variable.

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1.12 Whenever possible, internationally accredited performance measures should be adopted in the process of selecting benchmarks to assess incoming proposals and to follow-up and monitor existing investments.

1.13 Whenever resources allow, reporting and related investment performance presentation should be in compliance with international standards represented by the Association for Investment Management & Research's Performance Presentation Standards

2. Market Available Ratings, Investment Quality, & Benchmarks

2.1 The SVP Asset Management / VP or AVP Investment Department proposes the appropriate index/ average against which the performance of the department is measured. The market benchmark is discussed with the CEO. for approval. Any change in the benchmark should be approved by the CEO.

2.2 Such indices/ averages used by the department as benchmarks, could include the following:

2.2.1 Venture Economics' US Private Equity Performance Index

2.2.2 Other Private Equity indices

2.3 Another set of ratings, performance measures, benchmarks, ratios, and averages used in the process of comparison of a particular private equity fund investment to market available performance information or to other funds' performance **could include:**

2.3.1 International Exposure.

2.3.1.1 Regional Exposure.

2.3.1.2 Country Exposure.

2.3.2 Investment Returns and Growth Measures.

2.3.2.1 Internal Rates of Return (IRR).

2.3.2.2 Growth of \$10,000.

2.3.2.3 Calendar Year Total Returns.

2.3.2.4 Trailing Total Returns.

2.3.2.5 Historical Quarterly Returns.

2.3.2.6 Returns in light of Tax considerations.

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2.4 Other resources for independent market available information is described in the following policy statements:

2.4.1 The Direct Investments Department could also evaluate and rate each investment on the basis of independent in-house analyses as well as a review of external performance and investment rating reports prepared by other investment companies, brokers, banks, or any other qualified independent analyst on non-quoted equity and particular equity components in a non-quoted investment fund.

2.4.2 The Direct Investments Department could also review the audited financial statements of a target company or fund, and the Analyst Report to assess the quality of the underlying investment.

2.4.3 For primary issues, the SVP Asset Management / VP or AVP Investment Department and department personnel will review the targeted company or fund prospectuses and the financial statements of the issuing company or fund to ensure that the terms and risks of purchased investments are commensurate with those represented by the independent analysis reports.

2.4.4 Initial and ongoing periodic analyses will be conducted on all non-listed equities under focus and interest of the company.

2.4.5 The Direct Investments Department could review investment ratings and performance analyses on a quarterly basis.

2.4.6 Where applicable, investment ratings will be supported by proper research and analysis.

2.4.7 Files will be maintained to support all investment ratings externally acquired or internally produced.

3. Safekeeping and Control

3.1 The department shall keep its certificates of securities with renown and reliable investment and custodian houses, unless it is economically justifiable to keep them with the company in a safe place, which is subject to the approval of the CEO.

3.2 The CEO designates a correspondent bank or an international custodian company to keep the physical securities in custody upon the recommendation of the SVP Asset Management / VP or AVP Investment Department.

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3.3 Custody records for physical securities held outside the company premises will be reconciled by the Direct Investments/Finance Department on a periodic basis (at least quarterly) in coordination with the custodian/s.

3.4 Custody records for physical securities held inside the company premises will be reconciled by the Direct Investments on semi-annual basis.

4. Quarterly Performance Reports

4.1 The CEO will delegate preparation of a quarterly Direct Investments performance report to the SVP Asset Management / VP or AVP Investment Department. The Investment Department is required to submit the completed Investments performance report within 90 days of the end of each quarter.

4.2 The report gets reviewed and approved (CEO) prior to its presentation to the board of directors.

4.3 The report will include at a minimum the following components, and will be presented for each portfolio, and on a consolidated basis:

4.3.1 A summary statement of income, realized gains or loss, changes in unrealized gains or losses, and all related expenses.

4.3.2 A performance report summarizing the performance of the direct investments, comparing such performance with that of the established Benchmark(s), whenever applicable.

4.3.3 A performance report summarizing the performance of fund investments, comparing such performance with that of a fund Benchmark, whenever applicable.

4.3.4 A chart and table detailing the holding of the department in all investments, grouped by economic sectors and other variables to be compared to the initial asset allocation.

4.3.5 A report showing the changes in holding in terms of total amounts and percentage of the total investment. With an explanation of the change in percent holding only if such change is due to the purchase or sale of particular investments.

4.3.6 Investment policy exceptions – this component includes any exceptions to the Direct Investments policy and the justification for such exceptions authorized on the Department level.

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5. Subsequent Interim Review & Approval of Private Equity Investment Policies

- 5.1 Private equity policy components should be reviewed on a periodic basis based on fluctuations in performance of private equity investments.
- 5.2 Such policies are set according to the high-level investment strategy of the company.
- 5.3 Approval on interim changes in investment policies is attained from the CEO, in cases when there is an immediate need for a change in the guidelines due to unforeseen and unexpected changes in the held investments. The periodic quarterly review and approval on the investment policies is attained from the CEO.
- 5.4 After attaining approval from the CEO, and post-facto approval from the board of directors on the private equity policies, they are distributed to the Investments Department personnel.
- 5.5 A copy of the policies should be maintained in the Direct Investments Department files and central files.

6. General Policies

- 6.1 All new investments proposals will be reviewed by Risk Department, prior to CEO/BOD approval of any new investments.
- 6.2 The Investment Department will maintain records for each investment, recording dividends received, shares owned, investments, redemptions, and suitable profitability metrics of each investment.

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Policy Code: CIG - 2

Policy Name: Private Equity Investment Portfolio Management

Purpose

The company recognizes its responsibility to direct the private equity portfolio investment operations of the company through a set of procedures assisting company personnel in managing the investment portfolio. The investment policy of the company defines the practices under which the investment portfolio will be managed. The following policy is intended to provide basic principles to be followed and considered in administering company portfolio accounts to attain the primary objectives of profitability and liquidity within local and international regulatory and legal constraints.

Scope

The scope of implementing this policy is within the jurisdiction of the Board of Directors and the Direct Investments Department, under direct supervision of the CEO. However, this policy should be performed taking into consideration the delegation of authority structure in establishing and implementing policies pertinent to portfolio management.

Contents

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Private Equity Investment Portfolio Management policy:

- 1.1** Continuous appraisal of risks involved is required from all core function personnel, including the Direct Investments Department, under the direct supervision of the CEO, and the SVP Asset Management / VP or AVP Investment Department. Risk assessment also includes the role of the legal counsel in providing legal advice related to funds investments and direct investments whenever required.
- 1.2** All company investment holdings in international non-quoted funds will be treated as a separate portfolio managed by the department.
- 1.3** All company direct investments will be treated as another separate portfolio managed by the department.
- 1.4** Clients willing to participate in such investments will be allocated individual portfolios through the Direct Investment Department.

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1.5 As such, the Direct Investments Department will be applying the basic components of portfolio management principles, notwithstanding the policy statements and components of **CIG-1 Direct Investments Main Investment Policies**.

1.6 The Direct Investments Department should create the most profitable mix of investments within the risk criteria and investment guidelines applicable to each of its portfolio.

1.7 Expected returns from each private equity activity should be clearly defined and accordingly continuously monitored by the Direct Investments Department on behalf of the company and clients in its effect on total portfolio performance of direct investments and investments in non-quoted funds.

1.8 Minimum amount allowed for a client or company investment participation in funds is restricted to the minimum investment value requirement as stated by particular fund articles for an investment fund.

1.9 The Direct Investments Department will adhere to a fee structure to be charged to the client as approved by the CEO through the Direct Investments Department.

1.10 Any long-term changes to the fees or charges associated with managing client accounts should be referred to the CEO.

1.11 If minimal changes in the fees or charges are required, then the CEO's approval is required for such exceptional cases, on condition that the CEO's decision is justified and documented. .

2. Definitions

2.1 Definitions utilized in this policy are consistent with terms and acronyms recognized in the financial services industry.

2.2 Company management must have a familiarity with, and understanding of, the terms and acronyms to successfully manage the Direct Investments' investments functions.

3. Investments Communication

3.1 The CEO will review the company's private equity activities and holdings for the company and for clients at quarter-ends.

3.2 The CEO will oversee the establishment of appropriate systems and internal controls designed to ensure that private equity activities and holdings on behalf of company and client portfolio are consistent with the strategies of the company and with what the client requires.

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3.3 All reviews will be documented in the CEO meeting minutes.

3.4 The CEO will outline investment objectives.

3.5 The CEO will approve guidelines as recommended by the Direct Investments Department and the SVP Asset Management / VP or AVP Investment Department.

3.6 These guidelines could involve:

3.6.1 Quality of private equity to be investing in.

3.6.2 Maximum and minimum allowed investments in each of the categories described earlier.

3.6.3 Maximum acceptable losses as an internal benchmark.

3.6.4 Time frame of investments.

3.6.5 Acceptability of fund managers and advisors.

3.6.6 Acceptability of a unified profile for targeted companies in the context of a direct investment.

3.6.7 Other.

4. Other Applicable Policies

4.1 Deceptive, dishonest, or unfair practices in dealing with company and client accounts are prohibited.

4.2 Materially false or misleading advertisements should be prohibited.

4.3 The company will provide for the disclosures and consents necessary to avoid conflicts of interest when the company assumes the role of both an investment manager to its own funds and an account manager to the client investments.

4.4 Use and distribution of confidential, non-public information is not allowed without written approval from the affected internal and external parties including company senior management and clients.

4.5 Improper use of funds not in the interest of the company or the client is prohibited.

4.6 In addition to the above general applicable policies, the Direct Investments Department should adhere to the **General Company Policies** manual in particular to the following policies:

4.6.1 Code of Ethics and Conduct policy.

4.6.2 Authorized Signatories policy.

4.6.3 Record Retention & Archiving policy.

4.6.4 Related Party Transactions policy.

4.6.5 Affiliate Transactions policy.

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- 4.6.6** Conflict of Interest policy.
- 4.6.7** Customer Satisfaction policy.
- 4.6.8** Internal Audit Controls policy.
- 4.6.9** Business Risk Management policy.

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Policy Code: CIG - 3
Policy Name: Private Equity Funds Investments

Purpose

The following policy has been developed to assist company personnel directly involved in international non-quoted fund investments to establish pertinent policies and procedural steps that could be followed in international non-quoted funds' investments including funds' analysis, selection, and follow up. This policy also includes the company's role in managing and marketing international non-quoted funds.

Scope

The scope of implementing this policy is within the jurisdiction of the Board of Directors, and the Direct Investments Department, under direct supervision of the SVP Asset Management / VP or AVP Investment Department and the CEO. However, this policy should be performed taking into consideration the delegation of authority structure in establishing and implementing policies pertinent to funds investments.

Contents

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Private Equity Funds Investments policy:

- 1.1 It is the policy of the company to comply with all laws and regulations governing international non-quoted funds investments activities including local and international regulatory bodies' guidelines, rules, and regulations and any changes thereto.
- 1.2 Reference should be made to the following policies as a comprehensive set of policies to be referred to as they are applicable to the international non-quoted funds investments as well:

CIG-1 Direct Investments Main Investment Policies.

CIG-2 Private Equity Investment Portfolio Management.

2. Selection of Funds Investments & Preparation of an Investment Recommendation

- 2.1 After producing the Direct Investments asset allocation model, the department prepares a detailed analysis of the options available in the market in the asset

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selection phase (as presented in the following steps particular to funds' investments).

- 2.2 The Department can actively go and search for potential funds. Alternatively, it is possible that the fund manager will approach the Department to market the fund.
- 2.3 The Department receives prospectuses that it selects to analyze based on the Department's needs, which should be in line with the asset allocation model as set by senior management.
- 2.4 In particular to the funds investments selection process of the asset selection phase, the department follows a bottom-up approach as follows:
 - 2.4.1 This asset selection phase is represented by matching the selected assets (international funds proposals) to the following:
 - 2.4.1.1 Global economic scenario.
 - 2.4.1.2 Investment criteria and company policies.
 - 2.4.1.3 Fund manager screening and due diligence (for fund investments).
 - 2.4.1.4 A global benchmark (as described in section 7 of **CIG-1 Direct Investments Main Investment Policies**).
 - 2.4.2 The department performs the funds selection process by taking into consideration also the particulars of a fund to produce a due diligence upon the receipt of a proposal to invest.
 - 2.4.3 At the discretion of the department head, once a suitable proposal/prospectus is received, the analysts begin the due diligence process. The end result will be in the form of an Investment Memorandum.
 - 2.4.4 The due diligence review includes both quantitative and qualitative analysis components, which are:
 - 2.4.4.1 Possible Qualitative Components:
 - 2.4.4.1.1 Fund manager track record.
 - 2.4.4.1.2 Fund management team caliber.
 - 2.4.4.1.3 Fund strategic direction.
 - 2.4.4.1.4 Fund purpose and objectives in comparison to market conditions and other similar purpose funds.
 - 2.4.4.1.5 Fund competition.
 - 2.4.4.1.6 Fund legal structure.

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2.4.4.1.7 Fund sector breakdown.

2.4.4.1.8 Fund main holdings in particular securities (at the date of preparing the due diligence).

2.4.4.1.9 Fund managers' own participation in the fund.

2.4.4.1.10 Other.

2.4.4.2 Possible Quantitative Components:

2.4.4.2.1 Fund basic financial results represented by financial ratio analysis for the past three years (particular importance to the last financial reporting period).

2.4.4.2.2 Fund unit value.

2.4.4.2.3 Current and expected cost of funding.

2.4.4.2.4 IRR.

2.4.4.2.5 IRR – adjusted.

2.4.4.2.6 Payback period (nominal cash flows).

2.4.4.2.7 Adjusted payback period (discounted cash flows).

2.4.4.2.8 Tax considerations, if any.

2.4.4.2.9 Ease and timing of access and exit options.

2.4.4.2.10 Other.

2.4.5 Following the quantitative and qualitative analysis, the analysts will write the Investment Memorandum. The Investment Memorandum would consist of the following:

2.4.5.1 Cover page including the overall recommendations.

2.4.5.2 Background of the fund manager, track record, the investment strategy, qualitative and quantitative analysis as described above.

2.4.5.3 Executive summary of terms, the analysts own comments and opinion and conclusions.

2.4.5.4 Appropriate supporting documentation for the analysis, including any necessary tables and charts.

2.4.6 In computing the benchmarks of a targeted fund investment, its results get compared to the internally acceptable benchmarks. In establishing the

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acceptable benchmarks, the company could retrieve such information from various independent sources including the following:

- 2.4.6.1 Research reports.
- 2.4.6.2 Financial publications.
- 2.4.6.3 Trade and investment journals.
- 2.4.6.4 On-line research sites.
- 2.4.6.5 Investment houses publications and ratings.
- 2.4.6.6 Industry specific benchmarks.
- 2.4.6.7 Other.

2.4.7 The Investment Memorandum includes a proposal to invest in an amount to be in line with the Direct Investments asset allocation model.

2.4.8 After preparation and review of the Investment Memorandum by the department Analysts and the SVP Asset Management / VP or AVP Investment Department, it is presented to the CEO.

2.4.9 The CEO reviews and approves the Investment Memorandum and informs the department to initiate implementation of a particular fund Investment Memorandum.

2.4.10 Initiating the new investment, the Direct Investments Department will send a memo to the Finance Department for the necessary capital calls and the details of the new investment in order to create a new account.

3. Evaluation & Monitoring of Existing Funds Investments

- 3.1 A quarterly evaluation of funds investments is performed by the Direct Investments Department, by evaluating and reviewing existing investments.
- 3.2 The evaluation and updating of the existing investments is performed by the Analysts under the supervision of the SVP Asset Management / VP or AVP Investment Department.
- 3.3 Evaluations are partly based on audited financial statements and other available material of the companies under evaluation as well as business plans and other material issued and any results that affect the investment being evaluated.
- 3.4 The evaluation also includes an analysis of any changing qualitative and quantitative components (as described in the initial due diligence review and the preparation of the respective Investment Memorandum).

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- 3.5** It should be highlighted that any changes in the selected benchmarks for subsequent evaluation of funds investments need to be approved by senior management and agreed upon to be the benchmark used by the department for measuring performance and evaluating the investment options and resulting decisions. This authority is strictly allocated to the CEO, and the SVP Asset Management / VP or AVP Investment Department.
- 3.6** The department Analysts will also read daily, weekly, and monthly investment publications, newspapers, and magazines to monitor industry trends.
- 3.7** Mail from brokers, investment counter-parties, and publications from investment publishing houses for new developments in the international funds area and new services provided by financial intermediaries and brokers will be screened for particular fund performance related information.
- 3.8** On a periodic basis, the SVP Asset Management / VP or AVP Investment Department should monitor various variables that have an effect on the overall performance of the investment.
- 3.9** On a continuous periodic basis, the SVP Asset Management / VP or AVP Investment Department should monitor the securities in a particular fund that have an effect on the overall performance of the fund.
- 3.10** Particular attention should be taken by the department when either one or a combination of the following factors is observed in a particular fund investment. The result of observing such factors is to update the recommended asset allocation for a particular fund investment. The factors include:
- 3.10.1** The fundamentals of the main securities in a fund have changed, resulting in a change in the outlook of the security, thus, the fund fundamentals itself.
- 3.10.2** General international market economic conditions have changed (i.e. interest rates, commodity prices, government expenditures, economic activities, fiscal policy, monetary policy, direct competition) favorably of unfavorably toward certain sectors influencing the fund performance.
- 3.10.3** The price of the fund unit/ share has increased substantially to a level that exceeds the target price.
- 3.10.4** The price of the fund unit/ share has decreased to an unfavorable level.
- 3.10.5** Fund management related events (change in fund manager, legal structure, etc.) that would affect the target price of the fund's unit share.
- 3.10.6** Declaration of profit distributions other interim distributions, and the resulting effect on the value of the fund investment.

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- 3.10.7** Market events that could influence the value of the fund unit/ share.
 - 3.10.8** Changes in international benchmarks that have a particular effect on the value of a fund.
 - 3.10.9** An updated research report indicating a change in the intrinsic value of the fund unit/ share.
- 3.11** Based on the assessment of the above factors, a new recommended asset allocation is prepared by the SVP Asset Management / VP or AVP Investment Department, which is then reviewed to make sure that it complies with the policies, and sent to the CEO to be finally approved, which will become the new benchmark for the department. The latter concerns the company's Direct Investments.

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Policy Code: CIG - 4

Policy Name: Private Equity Direct Investments

Purpose

The following policy has been developed to assist company personnel directly involved in international direct investments to establish pertinent policies and procedural steps that could be followed in international direct investments including analysis, selection, and follow up on such investments.

Scope

The scope of implementing this policy is within the jurisdiction of the Board of Directors and the Direct Investments Department under direct supervision of the SVP Asset Management / VP or AVP Investment Department and the CEO. However, this policy should be performed taking into consideration the delegation of authority structure in establishing and implementing Direct Investments Department's policies.

Contents

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Private Equity Direct Investments policy:

- 1.1** It is the policy of the company to comply with all laws and regulations governing international direct investments activities including local and international regulatory bodies' guidelines, rules, and regulations and any changes thereto.
- 1.2** Continuous appraisal of direct investments by the Direct Investments Department management is essential to the direct investments the company is participating in.
- 1.3** Such investments should be in line with the general investment private equity policies cited in **CIG1 Direct Investments Main Investment Policies** as approved and reviewed periodically by senior management.
- 1.4** Investment policies entail that all investments are analyzed thoroughly to manage foreseen risks and achieve constant returns in the long run.
- 1.5** A main classification of direct investments that could be used by COAST is in relation to the time frame of the investment in terms of the intended holding periods:
 - 1.5.1** Long-term holding periods, i.e. more than 5 years.

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1.6 Another classification of direct investments is based on the percentage of ownership and degree of control in a direct investment in another company. Such investments are categorized by COAST under one of the following:

1.6.1 Other investment.

1.6.2 Affiliate company direct investment.

1.6.3 Subsidiary company direct investment.

1.7 As also indicated in **CIG-1**, such investments are categorized by type of growth of the company that COAST has or considering investing in, under one of the following categories:

1.7.1 Companies in start-up operations.

1.7.2 Companies in early-to-mid stages of growth.

1.7.3 Companies in mid-to-late stages of growth.

1.8 In addition to the preceding policy statements and the policy statements to follow, reference should be made to the following policies as a comprehensive set of policies to be referred to as they are applicable to this policy as well:

CIG-1 Direct Investments Main Investment Policies.

CIG-2 Private Equity Investment Portfolio Management.

CIG-6 Regulatory Compliance.

CIG-7 Business Risk Management.

2. Terms and Definitions

2.1 Definitions utilized in this policy are consistent with terms and acronyms recognized in the financial services industry.

2.2 Company management must have a familiarity with, and understanding of, the terms and acronyms to successfully manage the Direct Investments direct investment's function.

2.3 Direct investments should be viewed by COAST as the company's intent to buy stock in various non-quoted companies for long-term ranges of time.

3. Direct Investment Appraisal & Selection

The company and the Direct Investments Department follow a bottom-up approach in selecting direct investments. This is following the selection of the asset allocation model which follows a top down approach. The top-down asset allocation approach is represented by the following steps:

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- 3.1.1** The company investment management team represented by line management proposes the private equity guidelines.
- 3.1.2** The proposal for such guidelines is discussed within the management level (CEO, SVP Asset Management / VP or AVP Investment Department, and head of department).
- 3.1.3** During such deliberations and team level discussions, a global economic scenario and financial markets analysis is defined and projected.
- 3.2** In particular to the direct investment's selection process of the asset selection phase, the department follows a bottom-up approach as follows:
- 3.2.1** This asset selection phase is represented by matching the selected assets (direct investments) to the following:
- 3.2.1.1** Global economic scenario.
- 3.2.1.2** Investment criteria and company policies.
- 3.2.1.3** Proposal or opportunity screening and due diligence (for direct investments).
- 3.2.1.4** A global benchmark (represented by targeted company performance and its related expected rates of return, among other factors).
- 3.2.2** The department performs the direct investments selection process by taking into consideration also the particulars of an investment to produce a due diligence on a targeted company.
- 3.2.3** At the discretion of the department head, once a suitable proposal/prospectus is received, the analysts begin the due diligence process. The end result will be in the form of an Investment Memorandum.
- 3.2.4** The Investment Memorandum will be based on the initial meeting with management of the target company, as well as on the thorough analysis of the Private Placement Memorandum.
- 3.2.5** The due diligence review includes both quantitative and qualitative analysis components, which are:
- 3.2.5.1** Possible Qualitative Components:

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3.2.5.1.1 Company management caliber.

3.2.5.1.2 Company strategic direction.

3.2.5.1.3 Company objectives in comparison to market conditions and to other similar purpose companies.

3.2.5.1.4 Company competition.

3.2.5.1.5 Company legal structure.

3.2.5.1.6 Other.

3.2.5.2 Possible Quantitative Components:

3.2.5.2.1 Company basic financial results represented by financial ratio analysis for the past three years (particular importance to the last financial reporting period).

3.2.5.2.2 Current and expected cost of funding.

3.2.5.2.3 IRR.

3.2.5.2.4 IRR – adjusted.

3.2.5.2.5 Payback period (nominal cash flows).

3.2.5.2.6 Adjusted payback period (discounted cash flows).

3.2.5.2.7 Tax considerations.

3.2.5.2.8 Ease and timing of access and exit options.

3.2.5.2.9 Other.

3.2.6 Following the quantitative and qualitative analysis, the analysts will write the Investment Memorandum. The Investment Memorandum would consist of the following:

3.2.6.1 Cover page including the overall recommendations.

3.2.6.2 Background of the fund manager, track record, the investment strategy, qualitative and quantitative analysis as described above.

3.2.6.3 Executive summary of terms, the analysts own comments and opinion and conclusions.

3.2.6.4 Appropriate supporting documentation for the analysis, including any necessary tables and charts.

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3.2.7 In computing the financial benchmarks of a targeted direct investment, its results get compared to the internally acceptable benchmarks. In establishing the acceptable benchmarks, the company could retrieve such information from various independent sources including the following:

3.2.7.1 Research reports.

3.2.7.2 Financial publications.

3.2.7.3 Trade and investment journals.

3.2.7.4 On-line research sites.

3.2.7.5 Investment houses publications and ratings.

3.2.7.6 Industry specific benchmarks.

3.2.7.7 Other.

3.2.8 The Investment Memorandum includes a proposal to invest in an amount to be in line with the Direct Investments asset allocation model and established internally acceptable benchmarks.

3.2.9 After preparation and review of the Investment Memorandum by the department analysts and the SVP Asset Management / VP or AVP Investment Department, it presented to the CEO.

3.2.10 The CEO reviews and approves the Investment Memorandum and authorizes the department to initiate implementation.

3.2.11 After initiation of the direct investments, the department will be utilizing the following classifications with respect to classification of direct investment accounts. This internal financial classification to be used by the department and that which is compliant with the International Accounting Standards would be as follows:

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#	Classification	Interpretation	
1	Other Investment	Less than 20% of ownership in a targeted company	
2	Affiliate/ Company Investment	Associate Direct	20%-50% of ownership in a targeted company whether directly or indirectly with partial representation and control in company operations
3	Subsidiary Company Direct Investment	51%-100% of ownership in a targeted company with significant representation and control in all company operations	

3.2.12 Upon the approval of the new investment, the Direct Investment Department will send a memo to the Finance Department for the necessary transfer of funds and the details of the new investment in order to create a new account.

4. Evaluation of Existing Investments

- 4.1** A quarterly evaluation of direct investments is performed by the Direct Investments Department, by evaluating and reviewing existing investments.
- 4.2** The evaluation and updating of the existing investments is performed by the department analysts under the supervision of the SVP Asset Management / VP or AVP Investment Department.
- 4.3** Evaluations are partly based on audited financial statements and other available material of the companies under evaluation as well as business plans and other material issued and any results that affect the investment being evaluated.
- 4.4** The evaluation also includes an analysis of any changing qualitative and quantitative components (as described in the initial due diligence review and the preparation of the Investment Memorandum).
- 4.5** It should be highlighted that any changes in the selected benchmarks for subsequent evaluation of investments need to be approved by senior management and agreed upon to be the benchmark used by the department for measuring performance and evaluating the investment options and resulting decisions. This authority is strictly allocated to the CEO and the SVP Asset Management / VP or AVP Investment Department.

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- 4.6** The department will also read daily, weekly, and monthly investment publications, newspapers, and magazines to monitor industry trends.
- 4.7** On a periodic basis, the SVP Asset Management / VP or AVP Investment Department should monitor various variables that have an effect on the overall performance of the investment.
- 4.8** Particular attention should be taken by the department when either one or a combination of the following factors is observed in a particular direct investment. The factors include:
- 4.8.1** The fundamentals of the company stock have changed, resulting in a change in the outlook of the stock, thus, the fund fundamentals itself. A new target price should be set for sale or purchase of the investment.
- 4.8.2** General international market economic conditions have changed (i.e. interest rates, commodity prices, government expenditures, economic activities, fiscal policy, monetary policy, direct competition) favorably or unfavorably toward certain sectors having an effect on the direct investment performance.
- 4.8.3** The price of the company stock has increased substantially to a level that exceeds the target price.
- 4.8.4** The price of the company stock has decreased to an unfavorable level.
- 4.8.5** Company management related events (change in company management, legal structure, etc.) that would affect the target price of the company's stock.
- 4.8.6** Declaration of dividends, liquidation proceeds, capital returns, & other interim distributions and the resulting effect on the value of a direct investment.
- 4.8.7** Market events that could have an effect on the value of the direct investment.
- 4.8.8** Changes in international benchmarks that have a particular effect on the value of a direct investment.
- 4.9** Based on the assessment of the above factors, a new recommended asset allocation is prepared by the SVP Asset Management / VP or AVP Investment Department, which is then reviewed to make sure that it complies with the policies and sent to the CEO to be finally approved which will become the new benchmark for the department. The latter concerns the company's Direct Investments.

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5. Receiving of Dividends, Liquidation Proceeds, Capital Returns, & Interim Distributions

- 5.1** As a result of such direct investments, the company could be notified of the receipt of dividends, liquidation proceeds of the direct investment, capital returns, or interim distributions received.
- 5.2** The underlying policy in this procedure is to produce a clear guideline in respect of receipt dividends, proceeds, returns and distribution from counter-parties in relation to direct investments by the company taking into consideration all associated risks (such as transaction risk and financial risk).
- 5.3** The policy implementation in all cases of sales of investments, increase or decrease in investments, and capital reductions, is to notify the Finance Department of any fund transfers and the changes in the value of an investment as a result.
- 5.4** In addition to notifying other company entities, the Direct Investments Department has the highest level of responsibility in acknowledging such transactions in its effect on the value of a particular direct investment and the direct investments portfolio as a whole.
- 5.5** Faxes or letters are received by the Direct Investments Department informing the company of the value date and amounts to be received as a result of one or a combination of the following:
- 5.5.1** receipt of dividends,
 - 5.5.2** liquidation proceeds from the investment,
 - 5.5.3** capital returns,
 - 5.5.4** Interim distributions.
- 5.6** The fax or letter is referred to the analysts in the department.
- 5.7** The analysts will communicate with the Finance & Accounting department through a memo informing them of the expected funds.
- 5.8** After the Finance Department receives the funds, a remittance advice is sent to the Direct Investments Department for filing.
- 5.9** In addition to filing, the Direct Investments Department adjusts the position of the direct investment account to reflect such receipt of funds and its effect on the overall value of the investment.

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5.10 A shares position record is also adjusted to reflect changes in the quantity and custody of shares in such direct investments as a result of receipt of stock dividends, liquidation proceeds from the investment, capital returns, and interim distributions that might have an effect on the number and location of shares held in a direct investment.

6. Appointment & Duties of a Company Representative

6.1 In certain cases of control represented in the company having a major share of ownership and/or control over investee company operations, COAST should adopt a clear policy of representing itself in such investments to achieve, enforce, and maintain rightful control.

6.2 Rightful control varies between different countries and geographical areas, but the company should, at a minimum, seek its rightful representation in investee companies when condition **6.1** is prevailing.

6.3 As an internal policy, and on condition that such a policy does not contradict with rules and regulations of the country in which an investee company is operating, COAST should seek for proper and adequate representation in investee companies, at least when the investee company is categorized under one of two categories:

6.3.1 Affiliate/ associate investee company.

6.3.2 Subsidiary investee company.

6.4 The decision for the appointment of a company representative (represented in a board member, management level representative, legal counsel, or agent representing the company) is done through the Company's Board of Directors, based on a recommendation memorandum prepared by the CEO.

6.5 The CEO, before that point in time, would have relied on the recommendation of the SVP Asset Management / VP or AVP Investment Department.

6.6 The Board has to be informed in case of resignation or disqualification of the company representative. A copy of the resignation should be sent to the Board.

6.7 If the period of representation is over, the Board also has to be informed to appoint another company representative.

6.8 In all cases, the company representative has to fulfil certain responsibilities to COAST. These responsibilities are represented in two main aspects:

6.8.1 Monitoring performance of an investee company:

This is represented by the role of the company representative in monitoring and comparing the implementation of its strategic direction against the preset

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COAST requirements and investment policies. This also includes the responsibility of the company representative in rallying internal investee information (which is not necessarily documented) to the Direct Investments Department pertinent to any decision to be made by COAST.

6.8.2 Reporting on the performance of an investee company:

This duty is represented in providing COAST with pertinent documentation to the Direct Investments Department that could be represented in the following:

- 6.8.2.1** Company non-audited and audited quarterly and year-end financial statements.
- 6.8.2.2** Internal financial and accounting interim reports.
- 6.8.2.3** Business plans.
- 6.8.2.4** Particular project feasibility studies.
- 6.8.2.5** Changes to company vision, mission, and strategy.
- 6.8.2.6** Changes to documented policies and procedures.
- 6.8.2.7** Changes to company articles.
- 6.8.2.8** Board meeting minutes.
- 6.8.2.9** General assembly meeting minutes.
- 6.8.2.10** Other meeting minutes.
- 6.8.2.11** Changes in information systems in the context of an Enterprise-Wide Resource Planning (ERP) system.
- 6.8.2.12** Other major developments and changes that bear a material effect on the operations of the investee company.

7. Call for Annual Shareholders Meeting

- 7.1** If the company holds a major share in an investee company, and has a representative in that company, the company will have to be notified of the annual shareholders meetings.
- 7.2** The underlying policy is to maintain a high level of relationship with the investee by managing associated risks such as strategic and reputation risks.
- 7.3** In that regard, the company receives an invitation from the investee company with relevant information pertinent to the date of a shareholders meeting along with other relevant information from the investee.

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- 7.4** The receiving entity within COAST or in any other company entity forwards the invitation letter detailing information from the investee company to the SVP Asset Management / VP or AVP Investment Department who in turn will forward it to the CEO after retaining a copy for record keeping purposes.
- 7.5** The CEO is to notify the company representative of the meeting at least two weeks in advance.
- 7.6** Travel and related procedures are arranged by the Administration Department.
- 7.7** As stated earlier, the company representative will report back to the SVP Asset Management / VP or AVP Investment Department after attending the meeting to provide the company with relevant information on the direct investment.
- 7.8** All reports prepared by the company representative are retained in the Direct Investments Department and copies are sent to central files.
- 7.9** After the meeting, the follow-up duty is allocated to the Direct Investments Department in relation to any action or decision to be taken as a result of the meeting results. The SVP Asset Management / VP or AVP Investment Department will coordinate efforts with CEO for such action or decisions to be taken.

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Policy Code: CIG - 5
Policy Name: Real Estate Investments

Purpose

The following policy has been developed to assist company personnel directly involved in international direct investments to establish pertinent policies and procedural steps that could be followed in real estate investments including analysis, selection, and follow up on such investments.

Scope

The scope of implementing this policy is within the jurisdiction of the Board of Directors and the Direct Investments Department under direct supervision of the SVP Asset Management / VP or AVP Investment Department and the CEO. However, this policy should be performed taking into consideration the delegation of authority structure in establishing and implementing Direct Investments Department's policies.

Contents

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Real Estate Investments policy:

- 1.1 It is the policy of the company to comply with all laws and regulations governing real estate investments activities including local and international regulatory bodies' guidelines, rules, and regulations and any changes thereto.
- 1.2 Continuous appraisal of real estate investments by the Direct Investments Department management is essential to the real estate investments the company is participating in.
- 1.3 Such investments should be in line with the general investment private equity policies cited in **CIG1 Direct Investments Main Investment Policies** as approved and reviewed periodically by senior management.
- 1.4 Investment policies entail that all investments are analyzed thoroughly to manage foreseen risks and achieve constant returns in the long run.
- 1.5 A main classification of real estate investments that could be used by COAST is in relation to the time frame of the investment in terms of the intended holding periods:
 - 1.5.1 Long-term holding periods, i.e. more than 5 years.

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1.6 Another classification of real estate investments is based on the percentage of ownership and degree of control in a real estate investment in another company. Such investments are categorized by COAST under one of the following:

1.6.1 Other real estate investment.

1.6.2 Affiliate company real estate investment.

1.6.3 Subsidiary company real estate investment.

1.7 As also indicated in **CIG-1**, such investments are categorized by type of growth of the company that COAST has or considering to invest in, under one of the following categories:

1.7.1 Real estate companies in start-up operations.

1.7.2 Real estate companies in early-to-mid stages of growth.

1.7.3 Real estate companies in mid-to-late stages of growth.

1.8 In addition to the preceding policy statements and the policy statements to follow, reference should be made to the following policies as a comprehensive set of policies to be referred to as they are applicable to this policy as well:

CIG-1 Direct Investments Main Investment Policies.

CIG-2 Private Equity Investment Portfolio Management.

CIG-6 Regulatory Compliance.

CIG-7 Business Risk Management.

2. Terms and Definitions

2.1 Definitions utilized in this policy are consistent with terms and acronyms recognized in the financial services industry.

2.2 Company management must have a familiarity with, and understanding of, the terms and acronyms to successfully manage the Direct Investments real estate investment's function.

2.3 Real estate investments should be viewed by COAST as the company's intent to buy stock in various real estate companies for long-term ranges of time.

3. Asset Allocation & Real Estate Investment Appraisal & Selection

3.1 The company and the Direct Investments Department follow a bottom-up approach in selecting real estate investments. This is following the selection of the asset

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allocation model which follows a top-down approach. The top-down asset allocation approach is represented by the following steps:

- 3.1.1 The company investment management team represented by line management proposes the private equity guidelines.
- 3.1.2 The proposal for such guidelines is discussed within the management level (CEO, SVP Asset Management / VP or AVP Investment Department, and head of department).
- 3.1.3 During such deliberations and team level discussions, a global economic scenario and financial markets analysis is defined and projected.
- 3.1.4 The proposed asset allocation is then discussed and approved on the CEO level.
- 3.1.5 Upon the approval of the CEO, the Direct Investments Department is now ready to produce a more detailed asset allocation particular to the department activities including funds, real estate investments, and direct investments.
- 3.1.6 Such a department asset allocation model takes into consideration the **CIG-1 Direct Investments Main Investment Policies** policy components. Particular attention is given to the following main components of the asset allocation model to produce a detailed Real Estate Investments asset allocation derived from the high-level asset allocation of the company:
 - 3.1.6.1 Geographical weights.
 - 3.1.6.2 Currency weights.
 - 3.1.6.3 Desirable growth stage of investment.
 - 3.1.6.4 Asset classes.
- 3.1.7 After producing the Real Estate Investments asset allocation model, the department prepares a detailed analysis of the options available in the market in the asset selection phase (as presented in the following steps particular to real estate investments).
- 3.2 In particular to the real estate investments selection process of the asset selection phase, the department follows a bottom-up approach as follows:
 - 3.2.1 This asset selection phase is represented by matching the selected assets (real estate investments) to the following:
 - 3.2.1.1 Global economic scenario.

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3.2.1.2 Investment criteria and company policies.

3.2.1.3 Proposal or opportunity screening and due diligence (for real estate investments).

3.2.1.4 A global benchmark (represented by targeted company performance and its related expected rates of return, among other factors).

3.2.2 The department performs the real estate investments selection process by taking into consideration also the particulars of an investment to produce a due diligence on a targeted company.

3.2.3 At the discretion of the department head, once a suitable proposal/prospectus is received, the analysts begin the due diligence process. The end result will be in the form of an Investment Memorandum.

3.2.4 The Investment Memorandum will be based on the initial meeting with management of the target company, as well as on the thorough analysis of the Private Placement Memorandum.

3.2.5 The due diligence review includes both quantitative and qualitative analysis components, which are:

3.2.5.1 Possible Qualitative Components:

3.2.5.1.1 Company management caliber.

3.2.5.1.2 Company strategic direction.

3.2.5.1.3 Company objectives in comparison to market conditions and to other similar purpose companies.

3.2.5.1.4 Company competition.

3.2.5.1.5 Company legal structure.

3.2.5.1.6 Other.

3.2.5.2 Possible Quantitative Components:

3.2.5.2.1 Company basic financial results represented by financial ratio analysis for the past three years (particular importance to the last financial reporting period).

3.2.5.2.2 Current and expected cost of funding.

3.2.5.2.3 IRR.

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3.2.5.2.4 IRR – adjusted.

3.2.5.2.5 Payback period (nominal cash flows).

3.2.5.2.6 Adjusted payback period (discounted cash flows).

3.2.5.2.7 Tax considerations.

3.2.5.2.8 Ease and timing of access and exit options.

3.2.5.2.9 Other.

3.2.6 Following the quantitative and qualitative analysis, the analysts will write the Investment Memorandum. The Investment Memorandum would consist of the following:

3.2.6.1 Cover page including the overall recommendations.

3.2.6.2 Background of the fund manager, track record, the investment strategy, qualitative and quantitative analysis as described above.

3.2.6.3 Executive summary of terms, the analysts own comments and opinion and conclusions.

3.2.6.4 Appropriate supporting documentation for the analysis, including any necessary tables and charts.

3.2.7 In computing the financial benchmarks of a targeted real estate investment, its results get compared to the internally acceptable benchmarks. In establishing the acceptable benchmarks, the company could retrieve such information from various independent sources including the following:

3.2.7.1 Research reports.

3.2.7.2 Financial publications.

3.2.7.3 Trade and investment journals.

3.2.7.4 On-line research sites.

3.2.7.5 Investment houses publications and ratings.

3.2.7.6 Industry specific benchmarks.

3.2.7.7 Other.

3.2.8 The Investment Memorandum includes a proposal to invest in an amount to be in line with the Real Estate Investments asset allocation model and established internally acceptable benchmarks.

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3.2.9 After preparation and review of the Investment Memorandum by the department analysts, and the SVP Asset Management / VP or AVP Investment Department, it is presented to the CEO, along with the report of the Risk Department.

3.2.10 The CEO reviews and approves/rejects the Investment Memorandum and if approved authorizes the department to initiate implementation.

3.2.11 After initiation of the real estate investments, the department will be utilizing the following classifications with respect to classification of real estate investment accounts. This internal financial classification to be used by the department and that which is compliant with the International Accounting Standards would be as follows:

#	Classification	Interpretation
1	Other Investment	Less than 20% of ownership in a targeted company
2	Affiliate/ Associate Company Real Estate Investment	20%-50% of ownership in a targeted company whether directly or indirectly with partial representation and control in company operations
3	Subsidiary Company Real Estate Investment	51%-100% of ownership in a targeted company with significant representation and control in all company operations

3.2.12 Upon the approval of the new investment, the Direct Investment Department will send a memo to the Finance Department for the necessary transfer of funds and the details of the new investment in order to create a new account.

3.2.13 The Investment Department will maintain records for each investment, recording dividends received, shares owned, investments, redemptions, and suitable profitability metrics of each investment.

4. Evaluation of Existing Investments

4.1 A quarterly evaluation of real estate investments is performed by the Direct Investments Department, by evaluating and reviewing existing investments.

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- 4.2** The evaluation and updating of the existing investments is performed by the department analysts under the supervision of the SVP Asset Management / VP or AVP Investment Department.
- 4.3** Evaluations are partly based on audited financial statements and other available material of the companies under evaluation as well as business plans and other material issued and any results that affect the investment being evaluated.
- 4.4** The evaluation also includes an analysis of any changing qualitative and quantitative components (as described in the initial due diligence review and the preparation of the Investment Memorandum).
- 4.5** It should be highlighted that any changes in the selected benchmarks for subsequent evaluation of investments need to be approved by senior management and agreed upon to be the benchmark used by the department for measuring performance and evaluating the investment options and resulting decisions. This authority is strictly allocated to the CEO and the SVP Asset Management / VP or AVP Investment Department.
- 4.6** The department will also read daily, weekly, and monthly investment publications, newspapers, and magazines to monitor industry trends.
- 4.7** On an ongoing basis, the department will ensure compliance with the senior management's investment policies particularly related to the Department asset allocation in relation to real estate investments.
- 4.8** On a periodic basis, the SVP Asset Management / VP or AVP Investment Department should monitor various variables that influence the overall performance of the investment, and its effect on the recommended internal asset allocation.
- 4.9** Particular attention should be taken by the department when either one or a combination of the following factors is observed in a particular real estate investment. The result of observing such factors is to update the recommended asset allocation for a particular investment. The factors include:
- 4.9.1** The fundamentals of the company stock have changed, resulting in a change in the outlook of the stock, thus, the fund fundamentals itself. A new target price should be set for sale or purchase of the investment.
- General international market economic conditions have changed (i.e. interest rates, commodity prices, government expenditures, economic activities, fiscal policy, monetary policy, direct competition) favorably or unfavorably toward certain sectors having an effect on the real estate investment performance.

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4.9.2 The price of the company stock has increased substantially to a level that exceeds the target price.

4.9.3 The price of the company stock has decreased to an unfavorable level.

4.9.4 Company management related events (change in company management, legal structure, etc.) that would affect the target price of the company's stock.

4.9.5 Declaration of dividends, liquidation proceeds, capital returns, & other interim distributions and the resulting effect on the value of a real estate investment.

4.9.6 Market events that could influence the value of the real estate investment.

4.9.7 Changes in international benchmarks that have a particular effect on the value of a real estate investment.

4.9.8 Material changes in credit ratings, significant negative reports by research houses, enforcement action by regulators, to be immediately reported to the Risk Department and CEO.

4.10 Based on the assessment of the above factors, a new recommended asset allocation is prepared by the SVP Asset Management / VP or AVP Investment Department, which is then reviewed to make sure that it complies with the policies, and sent to the CEO to be finally approved, which will become the new benchmark for the department. The latter concerns the company's Real Estate Investments.

5. Receiving of Dividends, Liquidation Proceeds, Capital Returns, & Interim Distributions

5.1 As a result of such real estate investments, the company could be notified of the receipt of dividends, liquidation proceeds of the real estate investment, capital returns, or interim distributions received.

5.2 The underlying policy in this procedure is to produce a clear guideline in respect of receipt dividends, proceeds, returns and distribution from counter-parties in relation to real estate investments by the company taking into consideration all associated risks (such as transaction risk and financial risk).

5.3 The policy implementation in all cases of sale of investments, increase or decrease in investments, and capital reductions, is to notify the Finance Department of any fund transfers and the changes in the value of an investment as a result.

5.4 In addition to notifying other company entities, the Direct Investments Department has the highest level of responsibility in acknowledging such transactions in its

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effect on the value of a particular real estate investment and the real estate investments portfolio as a whole.

5.5 Emails or letters are received by the Direct Investments Department informing the company of the value date and amounts to be received as a result of one or a combination of the following:

5.5.1 receipt of dividends.

5.5.2 liquidation proceeds from the investment.

5.5.3 capital returns.

5.5.4 Interim distributions.

5.6 The email or letter is referred to the analysts in the department.

5.7 The analysts will communicate with the Finance & Accounting through a memo informing them of the expected funds.

5.8 After the Finance Department receives the funds, a remittance advice is sent to the Direct Investments Department for filing.

5.9 In addition to filing, the Direct Investments Department adjusts the position of the real estate investment account to reflect such receipt of funds and its effect on the overall value of the investment.

5.10 A shares position record is also adjusted to reflect changes in the quantity and custody of shares in such real estate investments as a result of receipt of stock dividends, liquidation proceeds from the investment, capital returns, and interim distributions that might have an effect on the number and location of shares held in a real estate investment.

6. Appointment & Duties of a Company Representative

6.1 In certain cases of control represented in the company having a major share of ownership and/or control over Investee Company operations, COAST should adopt a clear policy of representing itself in such investments to achieve, enforce, and maintain rightful control.

6.2 Rightful control varies between different countries and geographical areas, but the company should, at a minimum, seek its rightful representation in investee companies when condition **6.1** is prevailing.

6.3 As an internal policy, and on condition that such a policy does not contradict with rules and regulations of the country in which an investee company is operating,

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COAST should seek for proper and adequate representation in investee companies, at least when the investee company is categorized under one of two categories:

- 6.3.1** Affiliate/ associate investee company.
- 6.3.2** Subsidiary Investee Company.
- 6.4** The decision for the appointment of a company representative (represented in a board member, management level representative, legal counsel, or agent representing the company) is done through the Company's Board of Directors, based on a recommendation memorandum prepared by the CEO.
- 6.5** The CEO, before that point in time, would have relied on the recommendation of the SVP Asset Management / VP or AVP Investment Department.
- 6.6** The Board must be informed in case of resignation or disqualification of the company representative. A copy of the resignation should be sent to the Board.
- 6.7** If the period of representation is over, the Board also must be informed to appoint another company representative.
- 6.8** In all cases, the company representative must fulfil certain responsibilities to COAST. These responsibilities are represented in two main aspects:
 - 6.8.1** Monitoring performance of an investee company:

This is represented by the role of the company representative in monitoring and comparing the implementation of its strategic direction against the preset COAST requirements and investment policies. This also includes the responsibility of the company representative in transferring internal investee information (which is not necessarily documented) to the Direct Investments Department pertinent to any decision to be made by COAST.
 - 6.8.2** Reporting on the performance of an investee company by the BOD representative:

This duty of the BOD member who is represented in an investee company is to provide COAST with pertinent documentation to the Investments Department for analysis and filing of such documents, that could be represented in the following:
 - 6.8.2.1** Company non-audited and audited quarterly and year-end financial statements.
 - 6.8.2.2** Internal financial and accounting interim reports.
 - 6.8.2.3** Business plans.

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6.8.2.4 Particular project feasibility studies.

6.8.2.5 Changes to company vision, mission, and strategy.

6.8.2.6 Changes to documented policies and procedures.

6.8.2.7 Changes to company articles.

6.8.2.8 Board meeting minutes.

6.8.2.9 General assembly meeting minutes.

6.8.2.10 Other meeting minutes.

6.8.2.11 Changes in information systems in the context of an Enterprise-Wide Resource Planning (ERP) systems.

6.8.2.12 Other major developments and changes have a material effect on the operations of the investee company.

7. Call for Annual Shareholders Meeting

- 7.1** If the company holds a major share in an investee company, and has a representative in that company, the company will have to be notified of the annual shareholders meetings.
- 7.2** The underlying policy is to maintain a high level of relationship with the investee by managing associated risks such as strategic and reputation risks.
- 7.3** In that regard, the company receives an invitation from the investee company with relevant information pertinent to the date of a shareholders meeting along with other relevant information from the investee.
- 7.4** The receiving entity within COAST or in any other company entity forwards the invitation letter detailing information from the investee company to the SVP Asset Management / VP or AVP Investment Department who in turn will forward it to the CEO after retaining a copy for record keeping purposes.
- 7.5** The CEO is to notify the company representative of the meeting at least two weeks in advance.
- 7.6** Travel and related procedures are arranged by the Administration Department.
- 7.7** As stated earlier, the company representative will report back to the SVP Asset Management / VP or AVP Investment Department after attending the meeting to provide the company with relevant information on the real estate investment (refer to **policy section 6**).

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- 7.8** All reports prepared by the company representative are retained in the Direct Investments Department and copies are sent to central files.
- 7.9** After the meeting, the follow-up duty is allocated to the Direct Investments Department in relation to any action or decision to be taken as a result of the meetings' results. The SVP Asset Management / VP or AVP Investment Department will coordinate efforts with the CEO for such action or decisions to be taken.

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Policy Code: CIG - 6

Policy Name: Department & Inter-Department Advisory Policy

Purpose

This policy pertains to the work steps required in effecting Department and inter-Department investment advice to company entities needed in their investment operations.

Scope

The scope of implementing this policy is within the jurisdiction of the CEO, the SVP Asset Management / VP or AVP Investment Department in coordination with other Departments.

Contents

1. Policy Statements

- 1.1. It is the policy of Coast's Board of Directors to adopt an efficient and effective procedure for the sharing of information amongst company entities.
- 1.2. The Investment Department personnel should observe the company's code of conduct and code of ethics in their handling of confidential and classified information and the utilization of such information during their trading activities.
- 1.3. It is the responsibility of the Investment Department to inquire from the Research and Analysis function, if any, regarding information deemed necessary for the accomplishment of his departments' objectives.
- 1.4. It is the responsibility of the Investment Department to ensure the safeguarding of information disseminated to the Department personnel.
- 1.5. Personnel shall make reasonable efforts to achieve public dissemination of material non-public information disclosed in breach of duty.
- 1.6. It is the duty of the Department personnel to ensure a fair equal dissemination of information to their discretionary and non-discretionary clients upon the availability of such information from the Research and Analysis functions.
- 1.7. The Investment Department personnel should exert every effort to make available to their clients upon their request information available in the form an investment advice from Research and Analysis function.

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2. Procedural Work Steps

- 2.1. Upon the receipt of an investment analysis and recommendation from the Research and Analysis function the SVP Asset Management / VP or AVP Investment Department performs a thorough review of the details.
- 2.2. Upon the completion of the review the SVP Asset Management / VP or AVP Investment Department will determine the usefulness of the information and will determine the appropriate recipients of this information internally and externally.
- 2.3. The SVP Asset Management / VP or AVP Investment Department will distribute the information internally in his Group either through email or through direct delivery of hardcopies.
- 2.4. External information will be communicated to company clients either informally (telephone, direct communication) or formally through a letter sent by the SVP Asset Management / VP or AVP Investment Department.
- 2.5. The SVP Asset Management / VP or AVP Investment Department has to ensure a fair and equal sharing of information with all of the clients through keeping track of information distributed.
- 2.6. The SVP Asset Management / VP or AVP Investment Department should contact the Research and Analysis function for any information that he deems necessary for an investment decision.
- 2.7. Communication with the Research and Analysis function is done on an informal basis over the telephone or through direct communication.

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Policy Code: CIG - 7

Policy Name: Investment Advisor - Client Advisory Policy

Purpose

This policy pertains to the regulatory requirements surrounding the activity of the Investment Advisor and the Investment Advisor's dealing with Clients.

Scope

The scope of implementing this policy is within the jurisdiction of the Investment Advisor, in coordination with the Compliance Officer.

Contents

1. Policy Statements

- 1.1. It is the policy of Coast's Board of Directors to fully adhere to the Capital Market Authority rules and regulations.
- 1.2. The Investment Group personnel should observe the company's code of conduct and code of ethics in their handling of confidential and classified information and the utilization of such information during their activities.

2. Regulatory Framework

- 2.1 The Investment Advisor must not trade in securities that are subject to a provided advisory service.
- 2.2 The Investment advisor may not benefit from those with material interest.
- 2.3 The Investment advisor cannot make any promises to issue research that furthers the objective of a client.
- 2.4 The Client (or anyone else) is not allowed to review a draft of the investment report before its publication.
- 2.5 The investment research must clearly mention that the research is conducted for a specific purpose.
- 2.6 International standards of asset valuation must be followed when providing advisory services.
- 2.7 The Investment Advisor must clearly disclose any conflicts of interest when providing advisory services.
- 2.8 In case the investment research is carried out for marketing purposes:

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- i. The research must clearly mention that it was commissioned for marketing purposes
- ii. The research must also carry a statement about the independence of the investment research and any conflicts of interest.
- iii. The research must be clear, fair, accurate, and impartial, and may not exaggerate results or valuations.

2.9 While conducting advisory research, the Investment Advisor must exercise the care of a prudent person in providing clear and fair valuations and recommendations.

- i. Facts must be clearly distinguished from assumptions.
- ii. The methodology and applied standards must be clearly stated.
- iii. Sources of the recommendation must be clearly referenced.
- iv. Projections or price targets are to be in line with international standards and to be clearly labelled.
- v. A clear recommendation such as ('buy', 'hold', 'sell') should also include an explanation of the evaluation, along with associated risks.

3. Record Keeping and Archiving

The Capital Market Authority requires the Investment Advisor to maintain reports on all the advisory services offered to Clients including:

- 3.1** Client name and basic information.
- 3.2** Contract date and termination.
- 3.3** The name of the person(s) that worked on the report.
- 3.4** The type of security evaluated.
- 3.5** The type of contracted service, and details of Client's requirements.

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3.6 The recommendations and the systems, standards, and methodology used in the services.

3.7 Statement of conflict of interest.

3.8 Reason for termination before the specified date in the contract.

3.9 Any other remarks or information deemed important to clarify.

3.10 The Capital Market Authority may request these at any time.

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Policy Code: CIG - 8
Policy Name: Training & Education

Purpose

Training and education policy represent the need in the company to establish training and education directed towards running a comprehensive training and education program for all employees. That includes training planning, new employee orientation, current employee training, and the necessary record keeping of any training received by employees of the company.

Scope

This policy and related procedures are applicable to all company personnel. Implementation of the policy is the responsibility of the HR Department under the direct supervision of the CEO and the SVP Asset Management / VP or AVP Investment Department.

Contents:

1. Policy

- 1.1. It is the policy of the company to continuously develop the technical and professional abilities of all its employees through planned training and educational programs.
- 1.2. It is the policy of the company to provide new employees with orientation training to help introduce them to company policies, procedures, regulations, and applicable decrees.
- 1.3. All employees of the company are eligible for the training and education programs.
- 1.4. The Investment Department will coordinate and facilitate with the HR Department for investment related training and development programs.

2. Employee Training

2.1. New Employee Training

2.1.1. Orientation Training Program

- 2.1.1.1. Each new employee will go through the company's general orientation program delivered by the HR Department in cooperation with other senior entities in core and non-core functional departments. As part of this program, they will be given an orientation package. This package could include the following items:

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- 2.1.1.1.1. Organization description — Company organizational chart and department/unit organizational chart.
- 2.1.1.1.2. Job Roles and Duties of Personnel — this could include pertinent job descriptions of the new employees as well as other employees they will be working with and reporting to.
- 2.1.1.1.3. Delegation of Authority Structure — distributed to senior positions only who retain monetary and non-monetary decision making authority.
- 2.1.1.1.4. Penal Code — to provide all employees with a summary of pertinent articles in relation to penal action taken in case of breaking the articles of the Penal Code.
- 2.1.1.1.5. Equipment listing — listing of equipment and facilities, including any restricted areas, and personnel authorized to use such equipment.
- 2.1.1.1.6. Telephone listing — up-to-date telephone directory of the Company personnel.
- 2.1.1.1.7. Forms listing — listing of all important forms for business and personal operations with the name and control number of the form, its source and type of destination, purpose, and any other important pertinent information.
- 2.1.1.1.8. Operations schedule — schedule of operations, including working hours, pay days, holidays, and regular meetings.
- 2.1.1.1.9. Policies and Procedures listing — listing of all policy and procedures manuals and their locations and the departments and units in concern.
- 2.1.1.1.10. Disaster recovery & emergency plans — listing of all disaster recovery plans in different company entities.

2.1.2. Investment Department Training

2.1.2.1. After completing the orientation program run by the HR Department, a more technically and investment-oriented training should be delivered to new employees by the Investment Department. As a result, a written training plan will be developed. This training could include:

- 2.1.2.1.1. Company investment policy.
- 2.1.2.1.2. Portfolio management theory and practice.
- 2.1.2.1.3. International trading.
- 2.1.2.1.4. Direct Investments.
- 2.1.2.1.5. Funds.
- 2.1.2.1.6. Real Estate Investments.

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2.1.2.1.7. Back-office operations.

2.1.2.1.8. Asset allocation, budgeting, and profit planning.

2.1.2.1.9. Business risk management.

2.1.2.1.10. Other programs.

2.2. Current Employee Training

2.2.1. Obtaining Information for Needed Training

2.2.1.1. The HR Department Manager is responsible for directing the development of information for needed training in the company in coordination with other company entity heads.

2.2.1.2. The HR Department Manager directs Department Managers to collect information from their department on the needed training as to identify the critical areas of business operations.

2.2.1.3. The Department Managers identify such weaknesses and/ or needs by doing the following:

2.2.1.3.1. Interview senior management and supervisory personnel to accumulate information about business operating and computer related systems.

2.2.1.3.2. Observe the Department/ unit for poor personnel relationships, lack of understanding, production inefficiencies, poor work methods, excessive absenteeism, or abnormal employee turnover.

2.2.1.3.3. Compare performance analyses of good and poor performing employees.

2.2.1.3.4. Define areas where investment training is needed.

2.2.1.3.5. Seek special requests for training from employees regarding special concerns in relation to specific operations related to operating the company's business transactions.

2.2.2. Obtaining Information on Training Programs

2.2.2.1. Upon collecting relevant information, the Administration Department Manager embarks on collecting relevant information from local and

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international training agencies, centers, and professional organizations (through the Internet or direct contacts).

2.2.2.2. Based on the information collected by the Administration Department Manager, meetings will be held with each company entity to decide on the most appropriate training programs, seminars, conferences on the local and international level.

2.2.2.3. The Administration Department will coordinate efforts with the Investment Department to collect investments related training information from the market, especially when professional and technical advice is required.

2.3. Announcement for Training

2.3.1. After consulting with the Department Managers, a selection of employees who require training is performed in cooperation with the Administration Department.

2.3.2. The selection (in the form of a memo dually signed by the area in concern and the Administration Department Manager addressed to the CEO) is then transferred to the CEO for approval.

2.3.3. Based on the selection memorandum, a memorandum will be sent to all employees undergoing training to set a time frame and to specify the scope of the training program.

2.3.4. This memorandum will be prepared by the Administration Department and is signed by Administration Manager.

2.3.5. Following up on the training administrative needs is done in cooperation with the Administration Department if the training is performed within company premises.

2.3.6. Both Heads in Human Resource & Administration (as a facilitator) and the Units in concern (as a provider) will run the in-house training plan.

2.3.7. If training is abroad, then reference has to be made to the Human Resources Policy.

2.3.8. Copies of the training plan, selection and notification memoranda, and the participants' company identification papers will be filed in the Administration Department's files.

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2.3.9. Upon return of participants from training (International), they are required to provide the Administration Department with an evaluation of the training attended.

2.3.10. The above will be filed in both the Administration Department files and the Investment Department files for future reference.

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Policy Code: CIG - 9

Policy Name: Filing

Purpose

This policy pertains to the work steps followed by all company entities in the process of transfer, filing, mail, record keeping of company documents, references, internal and external correspondences, and other written communication material. This is defined by the company's role in implementing a filing function.

Scope

The scope of implementing this policy and related [procedures is within the jurisdiction of the Administration department under the direct supervision of the SVP Asset Management / VP or AVP Investment Department in cooperation with the Investments Department.

1. General Policy Statements

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Filing policy:

- 1.1. All Company entities should adopt a filing system that will assist in the retention and retrieval of documents in an efficient and effective manner.
- 1.2. All Company entities are responsible for maintaining a fully secured environment for all transactions resulting in documentary evidence.
- 1.3. All Company entities are responsible to safeguard documents, references, internal and external correspondence against theft, loss, unauthorized access.
- 1.4. In case of theft, loss, misuse, or deliberate disregard to company documents, references, correspondence, and other material, all employees are subject to punitive consequences as directed by the articles of the penal code.
- 1.5. After processing of transactions, original documents are kept in the company entity, which has processed the transaction.
- 1.6. The 'document retention policy' included in the General Company Policies manual is applicable to all documents filed in the Company's entities.
- 1.7. All pertinent documentation and analysis will be saved on the Investment Department's shared server folder, for each investment.

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2. General Overview

2.1. The function for the Direct Investments and Real Estate Investments has established its filing policy and procedures that divide the filing administration into four main file types:

2.1.1. Master file

2.1.1.1. The file contains the copies of all outgoing faxes, memos and letters.

2.1.1.2. The file is arranged in accordance to the date of the documents.

2.1.2. Memo file

2.1.2.1. Contains copies of all outgoing as well as incoming memos.

2.1.2.2. The file is divided and arranged in accordance to the department structure of the company.

2.1.3. Subject file

2.1.3.1. The subject file is the main investment file and in its typical form can contain the following categories:

2.1.3.1.1. Accounts (memos).

2.1.3.1.2. Investment approvals.

2.1.3.1.3. Correspondence.

2.1.3.1.4. Financial statements.

2.1.3.1.5. Investment profiles.

2.1.3.1.6. Internal reporting.

2.1.3.1.7. Agreements.

2.1.3.2. All original incoming memos, faxes and letters concerning the investments are kept in the subject file. In this case, no other copies will be taken to the master or memo files.

2.1.4. Miscellaneous file

2.1.4.1. The file contains all incoming and outgoing faxes, letters, invitations and any other unrelated subjects to the department investments.

2.1.4.2. The file is structured in alphabetical order.

2.2. Additionally, the department utilizes two outgoing reference number books:

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2.2.1. Outgoing faxes, memos, and letters

2.2.1.1. All outgoing faxes, memos, and letters are recorded following a series of reference numbers reverting to 1 at the start of each year, such as DID/001/KAU.

2.2.2. Memo book

2.2.2.1. The concerned person the Direct Investments Department, has sent the memo to signs the memo book.

2.3. Files that are not part of the main filing system are created when deemed necessary and the filing purpose is carefully and properly documented. These files could include the following:

2.3.1. Mail management file

2.3.1.1. The file consists of the monthly printouts of all incoming emails registered in the secretary's email account.

2.3.2. New offers reports file

2.3.2.1. The file contains the analytical reports of all the new offers for the Direct Investments Department.

2.3.3. Circulars file

2.3.3.1. The file includes all circulars as received by the Administration Department, the Central Bank, Chamber of Commerce, and others.

2.3.4. Business trips file

2.3.4.1. The file contains all bills and forms of the department employees' related business trips.

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Policy Code: CIG - 10

Policy Name: Appointed Positions Policy

Purpose

Investment Department employees may have various appointments to represent the company in different capacities during their tenure at Coast. These inhouse representations aid the workflow and enhance Coast's external controls over investments. Therefore, it is imperative that there is a smooth transition of representation when a representative resigns from the Company.

Scope

The scope of implementing this policy and related procedures is within the jurisdiction of the Investment Department under the direct supervision of the SVP Asset Management / VP or AVP Investment Department.

Contents

1. General Policy Statement

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Appointed Positions Policy:

- 1.1 It is the policy of the Company to ensure work continuity in the event any employee leaves the company.
- 1.2 It is the policy of the Department to ask any departing employee to relinquish any appointed positions, in writing, for each appointed position.
- 1.3 The Department shall ensure that any vacant appointments are promptly filled with new representatives in consultation with the CEO.

2. Procedural Work Steps

- 2.1 Upon receipt of notice that an employee is leaving the company, the SVP Asset Management / VP or AVP Investment Department performs a thorough review of the employee's current appointments.

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2.2 In case the employee has any current appointments, a resignation letter will be prepared for each appointment.

2.2.1 The employee must clearly indicate that he/she is resigning a specific post, at a specific date.

2.3 Upon receiving the representative resignation(s), the SVP Asset Management / VP or AVP Investment Department shall consult with the CEO on appointing new representation on behalf of the Company.

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Policy Code: CIG -11
Policy Name: Discretionary Exit Authorization Policy

Purpose

The Investment Department maintains a mix of assets under management. While many investments, particularly in private equity, have a predetermined nondiscretionary exit, other investments may allow for discretionary exits. The Investment Department must seek authorization before exiting or disposing of any investment in a discretionary manner. This ensures and maintains the balanced division of authority within the company.

Scope

The scope of implementing this policy and related procedures is within the jurisdiction of the Investment Department under the direct supervision of the SVP Asset Management / VP or AVP Investment Department.

Contents

1. General Policy Statement

The following statements represent the guiding policy, as set by the Board of Directors, in implementing the Appointed Positions Policy:

- 1.1 It is the policy of the Company to ensure a balanced approach to the division of authority.
- 1.2 It is the policy of the Department to ensure proper authorization requirements are fulfilled.
- 1.3 The Department shall not enter into a discretionary exit or disposition without proper authorization, commensurate with the authority limits outlined in the approved Authority Matrix of the company.

2. Procedural Work Steps

- 2.1 In the event the Department, Management, or the Board recommends an exit from an investment, proper authorization must be obtained.
- 2.2 the Authority Matrix shall outline the authority limits of Management and the Board.
- 2.3 The authorization is based on the authority limits outlined in the Authority Matrix.
- 2.4 The authorization must:
 - 2.4.1 Be written, dated, and signed.
 - 2.4.2 Include the authorized sale price.

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2.5 Upon receiving the proper authorization, the Department may discretionarily exit an investment or dispose of an asset.

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Appendix 2 – Evaluation of Available for Sale Assets

Investments	% Currency	Op. Book Value	Partners capital / Value per share	Evaluation	Fair value	Capital calls after fair valuation	Distribution after fair value	Adjusted FMV	Date of valuation
Investment in EURO									
Investment in USD									
Investment in KD									
						Total			



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		2	4/3/2013	No changes	
		3	4/3/2014	g c	
		4	28/12/2015	BOD	
		5	4/3/2016	No changes	
		6	23/1/2017	BOD	
		7	4/3/2018	No changes	
		8	4/3/2019	r	
		9	8/11/2020	BOD	
		10	20/5/2021	No changes	
		11	4/3/2022	g c	
		12	28/3/2023	BOD	
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		14	29/5/2025	BOD	