



**QAMCO**

شركة قطر لصناعة الألمنيوم  
Qatar Aluminium Manufacturing Company

# IPO Prospectus

**18 October 2018**

(This Prospectus was approved by the Qatar Financial Markets Authority in the Arabic language on 18 October 2018 following the approval of the Ministry of Economy and Commerce)

## **QATAR ALUMINIUM MANUFACTURING COMPANY Q.P.S.C.**

(a public joint stock company under incorporation under the laws of the State of Qatar)

Offer of 273,425,880 Shares each at an Offer Price of QAR 10.1 per share (comprising of a nominal value of QAR 10 per share plus Offering and Listing Costs of QAR 0.1 per Share) Shares offered for subscription in this Prospectus represent 49% of the issued share capital of the Company.



Listing Advisor and Offering Manager  
QNB Capital LLC



Qatari Legal Advisors  
Sharq Law Firm



International Legal Advisors  
White & Case LLP



Independent Auditors to the Company  
Ernst & Young (Qatar branch)



Qatar Branch Valuator  
Pricewaterhouse Coopers

### **Receiving Banks**

Qatar National Bank Q.P.S.C.  
(Lead Receiving Bank)

Qatar International Islamic Bank  
Q.P.S.C.

Masraf Al Rayan Q.P.S.C.

The Commercial Bank  
Q.P.S.C.

Al Ahli Bank  
Q.P.S.C.

Doha Bank Q.P.S.C.

Qatar Islamic Bank Q.P.S.C.

Barwa Bank Q.P.S.C.

Arab Bank PLC

Al Khalij Commercial Bank  
(al khaliji) P.Q.S.C.

The Lead Receiving Bank and each of the Receiving Banks listed above is a bank incorporated in Qatar. The Lead Receiving Bank and each of the Receiving Banks listed above is licensed by the Qatar Central Bank to conduct business in Qatar. QNB Capital LLC is a limited liability company incorporated in the QFC and authorised and regulated by the QFCRA.

This is an English translation of the Arabic Prospectus. However, this translation is unofficial and has not been approved by the QFMA and is considered only a draft that is provided as guidance for non-Arabic speakers.

## **QFMA DISCLAIMER**

**The QFMA shall bear no liability for the validity, comprehensiveness and sufficiency of the details and information mentioned in this Prospectus, and the QFMA explicitly declares that it bears no liability for any loss which could be incurred by any person taking decisions according to the whole or some of the aforesaid details or information.**

**The QFMA shall bear no liability to any party for the analysis of the Company's evaluation, its estimated values or assumptions whereon the evaluator relied, as well as any results reached in the light of those estimates and assumptions. QFMA gives no assurance regarding the technical aspects of the analysis or the economic, commercial and investment feasibility study of the estimates and assumptions determined by the results of the analysis and the value of the Offering. The role of QFMA is limited to ensuring the application of Rules of External Auditors and Financial Evaluators issued by QFMA Board of Directors.**

## **MINISTRY OF ECONOMY AND COMMERCE DISCLAIMER**

**The Ministry of Economy and Commerce shall bear no responsibility for the validity, comprehensiveness and sufficiency of the details and information mentioned in this Prospectus, and the Ministry of Economy and Commerce explicitly declares that it bears no responsibility for any loss which could be incurred by any person taking decisions according to the whole or some of the aforesaid details or information. The Ministry of Economy and Commerce also bears no responsibility towards any party in relation to the Company's valuation analysis including the estimated values or assumptions that the Valuator had based his estimate on as well as any results in light of those estimates and assumptions. The Ministry of Economy and Commerce will not provide any ratifications in relation to the technical aspects of the analysis or the economic, commercial and investment feasibility study for the estimates and assumptions which were determined by the analysis results and the value of the Offering, whereas the Ministry of Economy and Commerce role is limited to ensuring the implementation of the provisions of the Commercial Companies Law number 11 of 2015.**

Prior to investing in the Shares, prospective investors should carefully consider the risk factors relating to the Company's business and the relevant sector in Qatar, together with all other information contained in this Prospectus. The designated directors of the Company believe that the following risks are the material risks facing the Company and its business. However, these risks and uncertainties are not the only issues that the Company faces; additional risks not presently known to it or that it currently believes not to be material may also have a material adverse effect on the Company's financial condition or business success. If any combination of these risks actually occurs, the Company's business, financial condition, cash flow and results of operations could be adversely affected. If this occurs, the market price of the Shares may decline and investors could lose part of or all of their investment. Additionally, this Prospectus contains forward-looking statements that are also subject to risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company as described in this Prospectus. It should also be noted that the risks below are to an extent interrelated. The occurrence of one risk may trigger other risks to materialise. For example, if there is a material downturn in the Qatari economy, the Company could incur substantial trading losses and could, in turn, experience an increased need for liquidity and as a result become over-leveraged. Each of these is a separate risk described in this Prospectus but demonstrates the interconnection between these and other risks to which the Company is exposed. For more information on the risks Investors in the Shares must take into consideration, please refer to the risk analysis section set out in this Prospectus on pages 18 to 31.

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This Prospectus does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein.

The Listing Advisor and Offering Manager confirms that, to the best of its knowledge based on the information provided by the designated directors of the Company and having conducted appropriate due diligence, the information disclosed in the Prospectus at the date of this Prospectus is correct and complete and does not include misleading information or omit information.

## **DECLARATION OF RESPONSIBILITY**

**We, the designated members of the Board of Directors of Qatar Aluminium Manufacturing Company Q.P.S.C. (a company under incorporation under the laws of the State of Qatar) and the Executive Management whose names and signatures appear below, assume responsibility, separately and jointly, for the information and details included in the Prospectus. We declare that we have carried out due diligence to ensure that the information and details included in this Prospectus are true and do not omit any information that would make the information less significant, comprehensive and sufficient.**

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## BOARD OF DIRECTORS

Name	Signature	Position
Mr. Abdulrahman Ahmad Al-Shaibi		Chairman and Director
Mr. Ahmad Saeed Al-Amoodi		Vice Chairman and Director
Mr. Abdulaziz Mohammed Al-Obaidli		Director
Mr. Mohammed Essa Al-Mannai		Director
Mr. Mohammed Jaber Al-Sulaiti		Director
Mr. Khalid Mohamed Laram		Director

## EXPECTED KEY DATES FOR OFFERING AND LISTING

IPO Opening Date	30 October 2018
IPO Closing Date	12 November 2018
Allotment of Offer Shares and refund of excess application amounts, if any	25 November 2018
Constitutive General Assembly	29 November 2018
Issuance of the Commercial Registration of the Company	03 December 2018
Completion of the transfer of the Qatar Aluminium (Qatalum) Shares to the Company	03 December 2018
Listing of the Offer Shares on the Qatar Exchange	10 December 2018

## Statement of Risks

In order to obtain information on the risks that investors in the Offer Shares should take into consideration please refer to the risk factors contained in this Prospectus from pages 18 to 31 of this Prospectus.

Qatar Petroleum ("**Qatar Petroleum**" or "**QP**"), as founder, is offering 273,425,880 ordinary shares (the "**Offer Shares**" and each an "**Offer Share**") with a nominal value of QAR 10 each, of Qatar Aluminium Manufacturing Company Q.P.S.C., a public joint stock company under incorporation in the State of Qatar (the "**Company**"), through an Initial Public Offering (the "**Offering**"). The Offer Shares will represent 49% of the total issued share capital of the Company, and are offered to individual Qatari citizens only (the "**Individual Investors**") with the Offer Shares to be offered to a limited number of selected Qatari Institutions (the "**Selected Institutions**"). The Offer Shares are being offered at QAR 10.1 per Offer Share (the "**Offer Price**") comprised of the nominal value of QAR 10 per Offer Share (the "**Offer Share Nominal Value**") plus the offering and listing costs of QAR 0.1 per Offer Share (the "**Offering and Listing Costs**").

The Company is founded by Qatar Petroleum as sole founder under Article 68 of the Companies Law which allows the Qatari Government, public corporations (which include Qatar Petroleum) and public entities, among others, to have less than the required five founding shareholders in a public joint stock company. H.E. the Minister of Economy and Commerce has issued the decision of the establishment of the Company on 15 October 2018.

As at the date of this Prospectus, the Company is under establishment. References in this Prospectus to actions, beliefs and statements of the Company before the date of its incorporation are references to actions, beliefs and statements of the designated directors of the Company during the process of incorporation of the Company, to be ratified by the Company upon incorporation. Qatar Petroleum, both in its own capacity and in its capacity as the Company's founder, has taken the following key actions to enable shares in the Company to be offered to the public so that, as of the date of its incorporation, 51% of the equity in the Company will be held by Qatar Petroleum and the remaining 49% will be held by those Individual Investors and Selected Institutions who have participated in the Offering:

- Qatar Petroleum has undertaken to transfer its entire equity interest in Qatar Aluminium Limited Q.S.C. ("**Qatalum**" or "**Qatar Aluminium (Qatalum)**") (such equity interest is referred to hereinafter as the "**Qatar Aluminium (Qatalum) Shares**") by way of an instrument of transfer with the Company (as a company under incorporation), having effect following the incorporation of the Company and on completion of all required legal formalities (the "**Instrument of Transfer**").
- Qatar Petroleum has authorised the allotment of an initial issued share capital of QAR 5,580,120,000, divided into 558,011,999 ordinary Shares and one (1) Special Share with a nominal value of ten (10) Qatari Riyal each (the "**Shares**"). In respect of the issued share capital of the Company, Qatar Petroleum has further authorised:
  - o the allotment of 284,586,119 ordinary Shares and one (1) Special Share to Qatar Petroleum as a contribution "in kind" for the transfer of the Qatar Aluminium (Qatalum) Shares to the Company pursuant to the Capital Contribution.
  - o the allotment of 273,425,880 ordinary Shares as Offer Shares.

The share capital of the Company will be issued with effect from the date of registration of the Company at the Commercial Registry in Qatar and the issuance of the first commercial registry extract of the Company, which will occur before 03 December 2018.

Immediately following incorporation, the Instrument of Transfer shall be registered before the Ministry of Justice.

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Upon registration of the Instrument of Transfer, the Company will hold 50% of the issued share capital of Qatar Aluminium (Qatalum). The other 50% of the issued share capital of Qatar Aluminium (Qatalum) will be held by Hydro Aluminium Qatalum Holding B.V. (the **"Hydro Shareholder"**). The shares in Qatar Aluminium (Qatalum) held by the Hydro Shareholder will remain held by it – they are not part of this Offering.

Simultaneously, Qatar Petroleum will receive, as consideration for the transfer of the Qatar Aluminium (Qatalum) Shares: (a) 284,586,119 Ordinary Shares and one (1) Special Share (representing 51% of the total issued share capital of the Company), and (b) the proceeds of the Offering (together the **"Capital Contribution"**).

All rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) for the period up to 30 June 2018 (whether or not paid before or after 30 June 2018) will be for Qatar Petroleum's account. With effect from 1 July 2018, all rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) will be paid to the Company.

Also, as at the date of the Prospectus, Qatar Petroleum, in its capacity as the Company's founder, has taken a number of steps to ensure the smooth running of the Company upon incorporation, including appointment of a statutory auditor for the Company and arranging for the provision by Qatar Petroleum of shareholder services to support the business affairs of the Company, with effect from the date of incorporation.

Prior to the Offering, there has been no public market for the Shares. Prior to the IPO Closing Date, the Company will submit an application to the QFMA and to the QE to list the Shares on the QE. It is proposed that allotment of Offer Shares and refunds of excess application amounts, if any, will occur by 25 November 2018. Holders of the Shares after completion of the Offering and incorporation of the Company will be entitled to receive dividends declared by the Company on such Shares in line with the policies and recommendations of the Board and General Assembly approval. See "Dividend Policy".

This public offering is subject to the Company's Constitutional Documents, QFMA rules and regulations, the Companies Law and all other applicable Qatari laws and regulations.

This Prospectus has been prepared in accordance with the requirements of the QFMA and shall be valid for a period of six months from the date of QFMA approval of the Prospectus set out on the front cover of this Prospectus. The date of this Prospectus is 18 October 2018.

The Offering Period opens on 30 October 2018 and ends at close of business (Doha time) on 12 November 2018.

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## IMPORTANT NOTICE

The information in this Prospectus is provided to potential investors to inform their decision whether to invest in the Offer Shares pursuant to the Offering, in accordance with the terms and conditions described in this Prospectus and in accordance with the Company's Constitutional Documents. This Prospectus does not contain misleading information, nor has any material information been intentionally omitted that might affect potential investors' decisions regarding their investment in the Offer Shares.

Potential investors are required to carefully review the entire contents of this Prospectus prior to making an investment decision regarding the Offer Shares, taking into account all facts described therein in light of their own investment considerations.

The QFMA take no responsibility for the contents of this Prospectus or the Arabic Prospectus, makes no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus or the Arabic Prospectus.

The distribution of this Prospectus and the offer of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer to sell or an invitation by or on behalf of Qatar Petroleum, the Company or the Listing Advisor and Offering Manager to purchase any of the Offer Shares in any jurisdiction outside of Qatar or from or within the Qatar Financial Centre. This Prospectus may not be distributed in any jurisdiction where such distribution is, or may be deemed, unlawful. Qatar Petroleum, the Company, the Listing Advisor and Offering Manager and the Receiving Banks require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of Qatar Petroleum, the Company, the Listing Advisor and Offering Manager, or any of the Receiving Banks accepts any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase the Offer Shares by any person, whether or not a prospective purchaser of the Offer Shares is in any jurisdiction outside of Qatar, and whether such offer or solicitation was made orally or in writing, including by electronic mail.

No action has been or will be taken in any jurisdiction other than Qatar that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction other than Qatar where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the Offering and sale of the Offer Shares, including those in the paragraphs below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to buy any of the Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

THE OFFER SHARES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAW OF ANY STATE OR TERRITORY OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW. THE SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT.



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Neither this Prospectus, nor any other document issued in connection with the Offering, may be passed on to any person in the United Kingdom. All applicable provisions of the Financial Services and Markets Act of 2000, as amended, must be complied with in respect of anything done in relation to the Offer Shares in, from, or otherwise involving, the United Kingdom.

No person is or has been authorised to give any information or to make any representations other than the information and those representations contained herein in connection with the Offering. If given or made, such information or representations must not be relied upon as having been authorised by Qatar Petroleum, the Company under incorporation, the Listing Advisor and Offering Manager or any of their respective legal or accounting advisers, or any of the Receiving Banks. Each prospective investor should conduct its own assessment of the Offering and consult its own independent professional advisers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a recommendation to purchase Offer Shares or that the information contained herein is correct as of any time subsequent to its date. The content of this Prospectus may, however, still be subject to change until the completion of the Offering. If required, these changes will be made through an amendment to this Prospectus. The Listing Advisor and Offering Manager are acting for the Company and Qatar Petroleum in connection with the matters described in this document, are not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of the Listing Advisor and Offering Manager or for advising any other person in connection with the matters described in this document.

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## VALUATION APPROACH

Any valuation is subjective and dependent on a number of factors including valuation methodologies used, financial prospects for the Company, market driven factors (such as commodity prices, import tariffs, regulation etc), sentiment of investors in the sector, comparability of peers and key assumptions used.

Potential investors (including their advisers) in the Company must make their own assessment of the valuation of the Company, whether they should invest in the Offering and whether they consider that the Offer Share Nominal Value accurately reflects the value of the Company. It is important to note that the day-to-day trading price of the Shares after the offering may be greater or lesser than the Offer Share Nominal Value, and may or may not necessarily accurately reflect the underlying value of the Company. In particular, potential investors in the Offering must read and understand this Prospectus in its entirety, including the section entitled "Risk Factors".

The valuation has been prepared for the Company in order to comply with the Offering and Listing Rulebook of Securities issued by the QFMA. It was not prepared for investors to rely on or use to make investment decisions. In assessing the valuation of the Company, information including business plans provided by the management team of the Company, as well as public market data and industry research were utilized and certain financial assumptions have been made by the Company. The management team of the Company has provided information and guidance on the historic performance and financial statements of the business, business plans including financial forecasts as well as industry specific insights. The business plan of Qatar Aluminum (Qatalum) has been developed by Qatar Aluminum (Qatalum). Key assumptions in the business plan were based on both third party consultant data and management's views of the market. It is important to note that there may be material differences between the forecast financial information provided and the actual results that the Company may achieve. Accordingly, we express no opinion and provide no assurance as to the achievability of the financial forecasts provided by management.

A number of different valuation methodologies may be used to value the Company. For the purposes of the Valuator's analysis, a number of recognised valuation approaches were considered. 100% of Qatar Aluminum (Qatalum) equity and QP's 50% stake in Qatar Aluminum (Qatalum) were valued as of 30 June 2018, on a marketable controlling basis (before considering any discounts that may be applicable for IPO purposes) based on the business plan provided to the Valuator by the Company's management. The methodologies considered to estimate the value of the Company were primarily based on the income approach using the Discounted Cash Flow (DCF) method cross checked against other valuation approaches including market multiples based on listed peers and the dividend yield approach.

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## **ENFORCEMENT OF JUDGMENTS AND SERVICE OF PROCESS IN QATAR**

Qatari law relating to the enforcement of foreign judgments varies from laws which are prevalent in certain other jurisdictions that investors may be familiar with. In general, as a matter of Qatari law, Qatari Law of Civil and Commercial Procedures No. (13) of 1990 provides for the possibility of enforcing judgments of foreign courts provided that certain formalities shall take place including, but not limited to, (a) translating the award or judgment into the Arabic language, (b) no higher committee or court, as the case may be, can change the judgment or award, (c) the subject matter was not reserved for the exclusive jurisdiction of the Qatari courts, (d) the foreign judgment or arbitral award has been handed down by a court of competent jurisdiction, (e) the parties to the proceedings in which the judgment was rendered were properly served and represented, (f) the judgment or award is *res judicata* pursuant to the law of the court which rendered the judgment, and (g) the foreign judgment does not contradict a decision or order rendered by a Qatari court or violates the public policy or morals of the State of Qatar.

Neither the Government nor any Government-owned entity is immune from suit in the Civil Court in Qatar in respect of its commercial activities. However, pursuant to the State Property Law No. 10 of 1987, the State is immune from sequestration and execution by the Civil Court, unless waived by the Government or the relevant Government-owned entity in respect of its public and private assets invested in financial, commercial or industrial activities or deposited in banks.

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## FINANCIAL INFORMATION

Unless otherwise indicated, the financial information set out in this Prospectus has been derived from the audited financial statements of Qatar Aluminium (Qatalum) for the fiscal years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the revised, unaudited interim condensed financial statements of Qatar Aluminium (Qatalum) for the period ended 30 June 2018 (the “**Qatalum Financial Statements**”).

The audited financial statements of Qatalum for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Companies’ Law No. 11 of 2015. The interim condensed financial statements of Qatalum for the six months ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting” (“IAS 34”).

### Rounding Adjustments

Certain financial data in this Prospectus has been rounded. Consequently, figures shown for the same category pre-sented in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Company intends to present its financial statements in Qatari Riyals. The Qatari Riyal is, and since July 2001 has been, pegged to the US Dollar at a fixed exchange rate of QAR 3.64 per USD 1.00 and, accordingly, translations of amounts from US Dollars to Qatari Riyals have been made at this exchange rate for all periods in this Prospectus. However, please note that these rates may differ from the actual rates used in the preparation of the financial statements of the Company and financial information derived from the financial statements that appear in this Prospectus.

No representation is made that any particular currency referred to in this Prospectus could have been converted into US Dollars or Qatari Riyals, as the case may be, at any particular rate or at all.

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## **MARKET AND INDUSTRY INFORMATION**

This Prospectus contains historical market data and industry forecasts, which have been obtained from market research, publicly available information and industry publications or other sources considered to be generally reliable. Such information has not been independently verified, although the Company and the Listing Advisor and Offering Manager have a reasonable belief that such information contained in this Prospectus is reliable. No representation is made regarding the accuracy, adequacy or completeness of such information.

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## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements that are subject to risks and uncertainties, including statements about Qatar Aluminium (Qatalum)'s management's beliefs and expectations. All statements other than statements of historical or current facts included in this Prospectus are forward-looking statements. Forward-looking statements express the current expectations and projections of the designated directors of the Company relating to the condition, results of operations, plans, objectives, future performance and business of the Company and Qatar Aluminium (Qatalum), as well as their expectations in relation to external conditions and events relating to the Company, Qatar Aluminium (Qatalum) and their respective sectors, operations and future performance. Prospective investors can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The statements may include words such as "anticipate", "estimate", "believe", "project", "plan", "intend", "prospective" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

These forward-looking statements are based on assumptions that the designated directors of the Company have made in light of their experience in the industries in which it operates, as well as its perceptions of historical trends, current conditions, expected future developments and other factors which the designated directors of the Company believe are appropriate under the circumstances. As prospective investors read and consider this Prospectus, they should understand that these statements are not guarantees of future performance or results. They involve risks, uncertainties (some of which are beyond the control of the designated directors of the Company) and assumptions. Although the designated directors of the Company believe that these forward-looking statements are based on reasonable assumptions, prospective investors should be aware that many factors could affect the Company's actual financial condition or results of operations and cause actual results to differ materially from those in the forward-looking statements. These factors include, among other things, those discussed under the heading "Risk Factors" in this Prospectus.

Due to these factors, the designated directors of the Company caution that prospective investors should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time-to-time, and it is impossible to predict these events or how they may affect the Company and/or Qatar Aluminium (Qatalum). Except as required by Qatari law, the rules and regulations of the QFMA or the rules of the QE, neither the designated directors of the Company (prior to its incorporation) nor the management of the Company (as of its incorporation) have any duty to, and they do not intend to, update or revise the forward-looking statements in this Prospectus after the date of this Prospectus.

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## SUMMARY

No civil liability will attach to those persons who are responsible for this summary solely on the basis of this summary, unless it is materially misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole, including the information discussed in “Forward-Looking Statements” and “Risk Factors”, and not solely on this summarised information.

The legal and commercial name of the Company is Qatar Aluminium Manufacturing Company Q.P.S.C. The Company is a public joint stock company under establishment.

Immediately following incorporation, the Instrument of Transfer shall be registered before the Ministry of Justice.

Upon registration of the Instrument of Transfer, the Company will hold 50% of the issued share capital of Qatar Aluminium (Qatalum). The other 50% of the issued share capital of Qatar Aluminium (Qatalum) will be held by the Hydro Shareholder. The shares in Qatar Aluminium (Qatalum) held by the Hydro Shareholder will remain held by it – they are not part of this Offering.

Simultaneously, Qatar Petroleum will receive, as consideration for the transfer of the Qatar Aluminium (Qatalum) Shares: (a) 284,586,119 Ordinary Shares and one (1) Special Share (representing 51% of the total issued share capital of the Company), and (b) the proceeds of the Offering which are payable to QP.

All rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) for the period up to 30 June 2018 (whether or not paid before or after 30 June 2018) will be for Qatar Petroleum’s account. With effect from 1 July 2018, all rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) will be paid to the Company.

As of the date of incorporation of the Company the issued share capital of the Company will be QAR 5,580,120,000, divided into 558,011,999 ordinary Shares and one Special Share. Each Share has a nominal value of QAR 10.

The Company has not been incorporated and has no indebtedness.



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## **Objectives and Activities**

The principal activity of the Company is to operate as a holding company, serving as the immediate legal owner of the Qatar Aluminium (Qatalum) Shares.

The Company will undertake activities in Qatar in respect of the administration and stewardship of its investment in Qatar Aluminium (Qatalum). Qatar Petroleum will hold 51% of QAMCO's share capital including one "Special Share".

## **Competitive Strengths**

The Company believes that its business and that of Qatar Aluminium (Qatalum) are characterised by the competitive strengths that are highlighted below and that these competitive strengths will enable the Company to successfully implement its strategy.

### **Regional producer and exporter of Aluminium**

The formation of the Company through the contribution of Qatar Petroleum's existing equity stake in Qatalum has allowed the creation of a regional producer and exporter in the aluminium sector. The integration and access to infrastructure at Mesaieed Industrial City ("MIC"), at the facilities of Qatar Aluminium (Qatalum), contributes towards efficient production, minimising logistic costs and product wastage in the production chain.

### **Robust global industry sector and product range**

Qatar Aluminium (Qatalum) has an end-customer base that represents a global and diverse market encompassing the manufacturing and consumer sectors. Asia and MENA, North America and Europe markets are currently a major consumer and demand driver for aluminium, driven by the recent rapid expansion in the region's industrial and manufacturing sectors.

### **Profitable businesses with significant cash generation ability**

The combination of competitive input costs, strategic location, efficient operations and long-term Marketing and Offtake Agreement, has allowed Qatar Aluminium (Qatalum) to enjoy profitability throughout global economic cycles and results in strong cash generation.

### **Strong Shareholder support and technology and operational expertise**

Qatar Aluminium (Qatalum) has benefited from the on-going support of its shareholders. It is managed through joint-venture agreements between Qatar Petroleum and Norsk Hydro ASA ("Norsk Hydro") and has benefitted from the participation of a best-in-class strategic international partner. Qatar Petroleum is wholly owned by the State and is responsible for all phases of the oil and gas industry in Qatar. Norsk Hydro has its own strong track record in operating similar production facilities to those of Qatar Aluminium (Qatalum) worldwide.

### **Strategic location, close in proximity to key markets**

The designated directors of the Company believe that demand for aluminium, mainly from Asian markets, is likely to experience growth driven by a combination of non-cyclical factors including wider-scale investments in manufacturing industries, rising income per capita levels and growing populations. The strategic location of Qatar Aluminium (Qatalum) production facilities in Qatar, ensures that Qatar Aluminium (Qatalum) benefits from good global connections, particularly with customers in Korea, Thailand and Taiwan, at competitive regional shipping rates.

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## **Strategy**

The Company's strategy is to maximise shareholder value by capitalising on Qatar Aluminium (Qatalum)'s competitive strengths and positions in Qatar's aluminium production industry, thereby supporting Qatar's National Development Strategy by enabling Qatari nationals to share in Qatar's growth strategy and contributing to the national economy of Qatar. The Company intends to improve the overall value and return to shareholders by:

1. monitoring implementation plans and results of Qatar Aluminium (Qatalum) through discussions and reviews between the Board and the board of directors of Qatar Aluminium (Qatalum); and
2. monitoring the cash management operations of Qatar Aluminium (Qatalum) and providing input on optimal cash allocation and cash utilisation.

## **Risk Factors**

Potential investors in the Offering should take into consideration that any investment in Shares involves a certain degree of risk. Details of the following categories of risk that may have an influence over any investment decision are detailed in the section entitled "Risk Factors" in this Prospectus:

- risks relating to the Company;
- risks relating to Qatar Aluminium (Qatalum) and its business operations;
- risks relating to the Offering, the Offer Shares and the trading market; and
- risks relating to Qatar.

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## **RISK FACTORS**

An investment in the Shares involves a high degree of risk. Prior to investing in the Offer Shares, prospective investors should carefully consider all the information set forth in this Prospectus, particularly the risks described below relating to the Company and the business of Qatar Aluminium (Qatalum). These risks and uncertainties are not the only issues that the Company faces; additional risks and uncertainties not presently known to it or that it currently believes not to be material may also have a material adverse effect on the Company's or Qatar Aluminium (Qatalum)'s financial condition or business success. If any or a combination of these risks actually occurs, the Company's or Qatar Aluminium (Qatalum)'s business, financial condition and operating results could be adversely affected. If this occurs, the price of the Company's Offer Shares may decline and investors could lose part of or all of their investment. In addition, this Prospectus contains forward-looking statements that also involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company as described below.

### **First: Risks relating to the Company and its business operations**

#### **No operating history.**

The financial performance of the Company will be dependent on the financial performance of Qatar Aluminium (Qatalum), which is an established, income-generating business. However, the Company, upon incorporation, will be a newly incorporated company. The impact (if any) of the Capital Contribution has yet to be established. However, the Company's future success will depend in part on its ability to successfully monitor and manage the independent activities and operations of Qatar Aluminium (Qatalum) and successfully implement the long-term strategies set for them as component parts of a holding company.

#### **Risks relating to control and limitations on ownership.**

On completion of the Offering and upon incorporation of the Company, Qatar Petroleum will own 51% of the Shares including one "Special Share" in the Company giving it rights in addition to those held by other shareholders (such as, but not limited to, the ability to block amendments to the Articles, certain other shareholder decisions, and the right to appoint all members of the Board). Accordingly, upon Admission, Qatar Petroleum will have control over Board decisions (including dividend policy, expansion plans, budget approval, and other material issues of the Company) and significant control over shareholder decisions that require either a majority decision of the shareholders or the consent of the holder of the Special Share. Consequently, Qatar Petroleum will retain a significant degree of control over the Company and its operations. Qatar Petroleum will, therefore, be able to influence all matters requiring Shareholder or Board approval. As a result, Qatar Petroleum could exercise its control over the Company in a manner that may not be in the best interests of other shareholders or that could have a material adverse effect on the Company's business, financial condition, results of operations, or prospects. Furthermore, any change in the business strategy and/or policy towards the Company by Qatar Petroleum could result in the interests of Qatar Petroleum and the interests of other shareholders no longer being aligned. Any such divergence of interests could adversely affect the market price of the Shares. In addition, the Articles restrict any person, whether legal or natural, with the exception of Qatar Petroleum (and its affiliates) and the Selected Institutions, from owning more than a specified maximum number of Shares directly or indirectly, as determined by the Board from time to time (shares of nominal value not exceeding 2% of the Company's capital). Such specified maximum number of Shares may be amended by the Board of Directors pursuant to the Articles of Association. See the section of the Prospectus entitled "Description of the Shares".

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**The Company may not pay dividends or may pay smaller dividends than expected.**

Subject to the Memorandum of Association and Articles of Association, any decision to pay dividends to Shareholders and the amount of such dividends will be at the discretion and upon the recommendation of the Board. The amount of any dividends may vary from year to year. The distribution of dividends will be dependent upon a number of factors, including the future profit of Qatar Aluminium (Qatalum), financial position, capital requirements of Qatar Aluminium (Qatalum), legal reserve requirements, distributable reserves, available credit of the Company, general economic conditions, and other factors that the directors deem significant from time to time.

The Debt Finance Documents contain detailed accounts provisions which control when Qatar Aluminium (Qatalum) can make distributions of dividends. This includes dividend blockers if certain default or potential default scenarios exist or where there is any dispute in relation to debt coverage ratios. In accordance with the Debt Finance Documents Qatar Aluminium (Qatalum) is also obligated to pay various operating and capital expenses, interest and principal under the Debt Facility Agreements and to fund debt service reserve accounts to cover certain liabilities falling due before it can make any dividend distribution. Any limit on dividends from Qatar Aluminium (Qatalum) will limit the amount available for the Company to distribute as dividends.

In addition, the Company's ability to declare and pay cash dividends on the Shares may be restricted by, among other things, the recovery of any accumulated losses in the future, and the provisions of Qatari law. Therefore, there can be no assurance that any dividend will ever be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year.

**Inability of Qatar Aluminium (Qatalum) to develop new business.**

There inevitably can be no assurance that development and growth at the level of Qatar Aluminium (Qatalum) will occur. Since the value of the Company principally derives from the financial results of Qatar Aluminium (Qatalum), the inability of Qatar Aluminium (Qatalum) to develop new business is likely to have an effect on the value of the Shares and the ability of the Company to pay dividends.

**Future changes in corporate tax regulations.**

Pursuant to Qatari Tax Law No. 21 of 2009, the Company, upon incorporation, will be exempt from corporate taxation in Qatar, other than certain duties on its profits, as a result of its entire issued share capital being wholly owned by Qatar Petroleum, which is a Qatari legal person domiciled in Qatar. However, although the Offering is only open to Eligible Investors, being Qatari Individual Investors and certain selected Qatari Institutions, it is likely that, subject to the foreign ownership limits imposed by Qatari law and the Company's constitutional documents, foreign (i.e. non-GCC) nationals will become Shareholders in the Company – principally by acquiring Shares on the secondary market. Accordingly, the Company would ordinarily become subject to Qatari corporate income tax computed on the proportion of its issued share capital that is held by foreign Shareholders. However, Qatari Law No. 20 of 2008 grants an exemption in the case of companies whose shares are admitted to trading on the Qatar Exchange. Therefore, it is anticipated that, notwithstanding the Offering, the Company's profits will remain exempt from corporate income tax in Qatar. However, there can be no assurance that the State of Qatar will not in the future introduce additional taxes, charges or levies on the Company or Qatar Aluminium (Qatalum) and/or their operations, or that the current tax laws and regulations in Qatar will not be amended. In accordance with Qatari Law No. 13 of 2008 (as amended) on the Contribution of Shareholding Companies to Social and Sports Activities, the Company is required to pay an amount equal to 2.5% of its net annual profits. This amount is payable to a fund to support sports, cultural, social and charitable activities. See further the section of the Prospectus entitled "Taxation", which also addresses certain tax implications for Individual Investors.

**The expiry of the tax holiday will result in the Qatar Aluminium (Qatalum) becoming liable to pay income tax.**

Qatar Aluminium (Qatalum) currently benefits from a tax holiday and does not pay income tax. This holiday is due to expire on 19 September 2020 and the Qatar Aluminium (Qatalum) will become liable to pay income tax while the Company's stake in Qatar Aluminium will remain exempted pursuant to Law No. (21) of 2009. The first tax payment occurs to Qatar Aluminium in the first half of 2021 (with respect to the period not covered

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by the tax holiday of 2020) and will have to be factored into the Qatar Aluminium (Qatalum)'s cash flow and profitability accordingly. Under the Debt Finance Documents the Qatar Aluminium (Qatalum) is required to maintain a tax account which shall be funded with amounts sufficient to meet the expected tax liability at the next tax payment date.

**The Company's management information systems, accounting systems and internal controls may be inadequate or may fail.**

The information technology and accounting systems to be used by or on behalf of the Company are designed to enable the Company to use its resources as efficiently as possible and monitor and control all aspects of the Company's operations. The Company cannot guarantee that the information technology and accounting systems currently employed by Qatar Aluminium (Qatalum) (and which will be employed by the Company upon incorporation) will continue to be adequate or appropriate (in whole or in part) for any future operations, or that they will not need replacement, amendment or upgrading, any of which could have a material adverse effect on the Company's businesses, financial condition and results of operations. Notwithstanding the above, the Company believes that the Company's contemplated financial reporting systems are sufficient to ensure compliance with the requirements of the QFMA and the Qatar Exchange as a listed company.

**Risks relating to dependency on Qatar Petroleum: the Services Agreement.**

Because the Company, upon incorporation, will act as a holding company without employees or human resources of its own, all of its administrative functions shall be performed on its behalf by employees of Qatar Petroleum or its affiliates. These include certain administrative, legal, HR, IT, record-keeping, marketing, public relations, secretarial, reporting, securities exchange compliance and other day-to-day back office functions on behalf of the Company. The Company and Qatar Petroleum will enter into a Services Agreement formalising the basis upon which such functions are to be performed by Qatar Petroleum on request for the benefit of the Company. In consideration of those services set out in the Services Agreement, the Company will pay Qatar Petroleum certain fees and expenses. Because the Company will lack its own administrative resources, it is highly dependent on Qatar Petroleum and the continued performance by Qatar Petroleum of the relevant functions, as itemised in the Services Agreement. In the event the Services Agreement were to be terminated or Qatar Petroleum were otherwise to fail to provide the relevant services, the Company may not be in a position to immediately replace the lost administrative support or develop its own resources, and this could have a material adverse effect on the Company's ability to promptly discharge its regulatory obligations and upon its business, financial condition, results of operations, or prospects.

**Risks Related to the Joint Venture Agreement**

**Assumption of Obligations under the JVA.**

Upon the accession of the Company to the JVA, the Company will assume certain rights and obligations as if it were a shareholder under that agreement. The Company will be required to partake in decisions in relation to the Qatar Aluminium (Qatalum) and will appoint representatives to the board of directors to vote on matters including budgets, major capital expenditure, borrowing, granting security over Qatar Aluminium (Qatalum) assets, creating and modifying business policies, significant disposals or acquisitions, litigation matters and various other matters relating to the operation of the Qatar Aluminium (Qatalum). The risk that the Company may not have the necessary background and expertise to make these decisions is mitigated as the Company and QP will enter into the Services Agreement under which QP will provide that such functions are performed by Qatar Petroleum for the benefit and on behalf of the Company.

QP is required under the JVA to retain either directly or indirectly substantially all of the shareholder and board voting rights in the Project Company. Immediately following the Offering, assuming full take-up of the Offering, and upon incorporation of the Company, QP will hold 51% of the issued share capital of the Company and the

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Special Share. This will enable QP to indirectly exercise control over the Project Company, its management, strategy, policies and operations. Pursuant to the JVA, QP shall also remain obligated under any operational agreements that it is party to as detailed further in the section entitled "Related Party Transaction".

#### **Risks relating to the Joint Venture Agreement – Laws of Specific Application.**

Pursuant to the Joint Venture Agreement of Qatar Aluminium (Qatalum), once the Deed of Accession becomes effective, if the State of Qatar enacts any new laws or amends any existing laws which are discriminatory and applicable to Hydro, its affiliates or Qatar Aluminium (Qatalum) and such laws result or are likely to result in an economic benefits loss to Hydro or its affiliates, then QAMCO would be under an obligation to restore those economic or fiscal benefits lost by Hydro or its affiliates. This may have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

#### **Risks relating to reductions in the share capital of Qatar Aluminium (Qatalum) and the Company.**

In line with its Constitutional Documents and the Joint Venture Agreement, Qatalum has in the past paid dividends to its shareholders that were higher than its net profit. The surplus was funded by Qatalum's Distributable Free Cash from its operations as defined in the Joint Venture Agreement. Accordingly, the share capital of Qatalum declined during FY 2015, FY 2016, FY 2017 and H1 2018. Qatalum and the Company, may in accordance with the Joint Venture Agreement of Qatalum and their Constitutional Documents, continue to distribute to shareholders Distributable Free Cash in excess of their retained earnings, and may, as a result reduce their share capital. There is a risk that Qatalum and the Company may, in the future, limit the distribution of dividends to the distributable net profit.

### **Second: Risks relating to Qatar Aluminium (Qatalum) and its business operations**

#### **The aluminium industry is cyclical.**

The aluminium industry is cyclical, and typically operates with overcapacity. Prices for Qatar Aluminium (Qatalum)'s products and the raw materials used in the production process are difficult to forecast. An unfavourable change in the price of aluminium has had, and could continue to have, a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations and future prospects. A sustained fall in the price of aluminium could also adversely affect Qatar Aluminium (Qatalum)'s ability to meet certain targets and financial covenants under its financing agreements and could, moreover, make its operations unprofitable.

#### **Qatar Aluminium (Qatalum) has no control over a number of factors that affect the price of aluminium.**

Qatar Aluminium (Qatalum) does not control a number of factors affecting aluminium prices, such as:

- global and regional economic and political conditions;
- global supply of and demand for bauxite, alumina, and aluminium and expectations of future supply and demand;
- decisions by competitors to reactivate idle capacity and build new capacity, particularly within the MENA region and China;
- volatility of gas and, in general, energy costs and supply;
- inventories maintained by Qatar Aluminium (Qatalum)'s competitors and other aluminium manufacturers;
- demand for key products for which aluminium is used, such as cars, building products, aircraft, infrastructure and food packaging materials;
- speculative trading in aluminium as a commodity;
- the release of built-up reserves of aluminium commodities that can be used as a substitute for

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new production of aluminium;

- variations in freight and transport costs with respect to raw materials and finished products;
- the use of new technologies, including technologies that enable commodity substitution or the use of scrap commodities; and
- government regulations and regulatory actions, including tariffs, quotas, customs duties and taxation.

An unfavourable change in any of these factors could have a material adverse effect on Qatar Aluminium (Qatalum)'s operations. Continued financial weakness among substantial consumers of aluminium products, such as automobile and aircraft manufacturers and building materials suppliers, and persistent weakness in demand for their products, could further exacerbate any negative trend in the market conditions experienced by the aluminium industry.

#### **Increases in raw material costs or decreases in the availability of raw material.**

The operations of Qatar Aluminium (Qatalum) depend on receiving sufficient quantities of high quality raw materials (such as alumina, coke, pitch) in a timely manner. The availability of such raw materials involves risks typically connected with commercial arrangements which can include political and economic instability, regulatory uncertainties and risks due to local production and/or delivery conditions. Supply may also be affected by material delays, suspension, or refusal by key suppliers in supplying raw materials to Qatar Aluminium (Qatalum), or by any other third party supplier in supplying raw materials or utilities to its relevant production facility, particularly if it is not possible, on short notice, to shift to alternative sources of supply.

Even if Qatar Aluminium (Qatalum) is able to obtain sufficient quantities of high quality raw materials, there is no assurance that the prices for such materials will be sustained at levels which will enable Qatar Aluminium (Qatalum) to operate profitably.

The price of various raw materials could be affected by a number of factors outside of Qatar Aluminium (Qatalum)'s control, including changes in economic conditions in the countries from which Qatar Aluminium (Qatalum) receives raw materials, the economic policies of the governments of such countries, global and/or regional economic conditions, and international treaties or other similar commitments to which such countries are or become a party.

In the event that Qatar Aluminium (Qatalum) does not receive raw materials or utilities as contracted for, or the prices of such utilities increases significantly, then this could have a material adverse effect on the Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

If there is a disruption in the supply of Qatar Aluminium (Qatalum)'s raw materials, or if the Company is unable to renew any of its supply contracts, then it might have to acquire these raw materials from other suppliers or from the spot markets at less favourable prices, which could adversely affect Qatar Aluminium (Qatalum)'s business, financial condition, results of operations and future prospects.

#### **Risks relating to Norsk Hydro and Hydro Aluminium.**

Qatar Aluminium (Qatalum) is a joint venture between the Hydro Shareholder and QP. The Hydro Shareholder relies in many material aspects on Hydro Aluminium who is the (i) marketer and off-taker of 100% of the Project's production pursuant to the Marketing and Offtake Agreement; (ii) major supplier of alumina from multiple global sources pursuant to the Hydro Aluminium Primary Alumina Supply Agreement; and (iii) provider of technology, including state-of-the-art proprietary reduction technology and operating know-how pursuant to the Hydro Technology License Agreement.

The Hydro Shareholder is a 50% shareholder in Qatar Aluminium (Qatalum) as of the date of this Prospectus and has a right under the Joint Venture Agreement to participate and vote on all matters and decisions through the directors it has appointed to the board of Qatar Aluminium (Qatalum). The affirmative vote of the Hydro Shareholder is required in respect of customary significant matters related to Qatar Aluminium (Qatalum) such as capital increase, borrowing, providing guarantees related to Qatar Aluminium (Qatalum) assets and



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amending dividend policy. A deterioration in the relationship with the Hydro Shareholder, or a materially adverse change in the business operations of Hydro Aluminium or Norsk Hydro could have a materially adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, and results of operations which in turn could materially impact the Company.

**Risks relating to dependency on Qatar Petroleum: Land Lease Agreement and Facility Land Lease Agreement.**

The Project is built on land leased by Qatar Aluminium (Qatalum) from QP. The Land Lease Agreement was signed in 2007 and is valid for a period of 40 years and automatically extends upon any extension of the Joint Venture Agreement for the duration of such extension. In the event of termination of the Land Lease Agreement, this would have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, and results of operation or prospects. In addition, the Land Lease Agreement grants QP limited termination rights and sets out the default which, if not remedied, may lead to suspension of the licence granted and any and all operations and work on the premises. However, the Land Lease Agreement and the Land Lease direct agreement grant Qatar Aluminium (Qatalum) and the Debt Finance lenders (respectively) the opportunity to cure the relevant events or defaults that could lead to termination of the agreement or suspension of the licence.

A relining facility at MIC is built on land leased by Qatar Aluminium (Qatalum) from QP. The Facility Land Lease Agreement was signed in 2013 and is valid for a period of 35 years and is renewable 120 days prior to the expiry of the lease period upon Qatar Aluminium (Qatalum)'s request and subject to QP's agreement. In the event of termination of the Facility Land Lease Agreement, this would have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, and results of operation or prospects. Furthermore, the Facility Land Lease Agreement grants QP limited termination rights and sets out the defaults which, if not remedied, may lead to suspension of the licence granted and any and all operations and work on the premises. Notwithstanding this, the Facility Land Lease Agreement also grants Qatar Aluminium (Qatalum) an opportunity to cure the relevant termination events or defaults that could lead to termination of the agreement or suspension of the licence.

**Potential loss of key customers and/or suppliers.**

Qatar Aluminium (Qatalum) has, over several years in operation, built strategic relationships with various customers and suppliers. Should these relationships breakdown, cease to exist, or there is any material modification to the contractual terms under which Qatar Aluminium (Qatalum) provides or receives products or services which are not favourable to it, this could have a materially adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

**Developments in technology could result in Qatar Aluminium (Qatalum)'s operations becoming uncompetitive.**

Technologies and processes are being continuously developed in the aluminium sector world-wide. Significant developments in technology could result in existing technologies and processes utilised by Qatar Aluminium (Qatalum) becoming uncompetitive, adversely impacting the competitiveness of Qatar Aluminium (Qatalum), which may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations or prospects.

**Qatar Aluminium (Qatalum) is subject to operational risk such as shutdown, breakdown, failure, or malfunctioning of equipment or machinery.**

The smooth and uninterrupted operation of the plants owned by Qatar Aluminium (Qatalum) is largely dependent on the performance and reliability of the equipment and machinery of the plant. Any unforeseen shutdown, breakdown, failure or malfunctioning of the equipment/machinery, or any part of the production process, may result in the loss of plant efficiency and production delays, which could have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations or prospects.

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In addition, the performance achieved by the production facilities could drop below expected levels of output or efficiency because of issues such as those relating to their design or specifications. If the production facility fails to achieve the required level of performance, then this could adversely affect the output of Qatar Aluminium (Qatalum), which may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations or prospects.

**Qatar Aluminium (Qatalum)'s workforce is exposed to hazards.**

The Company's operations rely on the workforce of Qatar Aluminium (Qatalum), which is exposed to a range of operational hazards typical for the aluminium industry. These hazards arise from working on production sites, operating large-scale machinery and performing other hazardous activities. Qatar Aluminium (Qatalum) provides its workforce with occupational health and safety training and believes that its safety standards and procedures are adequate, however, accidents at its production sites or facilities may occur as a result of unexpected circumstances, failure of employees to follow proper safety procedures, human error, equipment failure or otherwise. If any of these circumstances were to occur, they could result in personal injury, business interruption, possible legal liability, damage to the Company's business reputation and corporate image and, in severe cases, fatalities. Any of these risks could, if it were to materialise, materially and adversely affect the Company's business, financial condition, results of operations, or prospects.

**The loss of skilled and key personnel.**

The business and operations of Qatar Aluminium (Qatalum) is dependent upon its ability to recruit and retain skilled personnel. If Qatar Aluminium (Qatalum) is unable to retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or fails to recruit skilled professional and technical staff, Qatar Aluminium (Qatalum)'s operations may be adversely affected. Experienced and capable personnel with engineering and other relevant technical backgrounds remain in high demand in Qatar due to the limited number of qualified individuals and there is significant competition for their talents. Consequently, when talented employees leave, Qatar Aluminium (Qatalum) may have difficulty replacing them and may incur additional costs and expenses in securing such replacements.

The loss of any member of the senior executive team or the loss of any other key employees from Qatar Aluminium (Qatalum) may result in a loss of organisational focus, poor execution of operations, or an inability to identify and execute potential strategic initiatives such as expansion of capacity. The occurrence of any of these events may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

**The global demand for Qatar Aluminium (Qatalum)'s products are cyclical Qatar Aluminium (Qatalum) has no control over the factors that may have an effect on the demand for its products and the factors that would influence the market price for its products.**

Qatar Aluminium (Qatalum) is dependent on the conditions and growth of the economy in the markets that they currently have, and in future intend to have, customers in. These markets are global commodity markets in nature that are driven by global supply and demand. Qatar Aluminium (Qatalum) has no control over the supply and demand of its products. Historically, the markets for Qatar Aluminium (Qatalum)'s products has experienced alternating periods of supply and demand resulting in subsequent price and margin volatility. Such cyclical changes in demand has a direct impact over the demand for the products of Qatar Aluminium (Qatalum). The reduction in demand and/or an oversupply in the market place of Qatar Aluminium (Qatalum)'s products could result in lower margins or a material reduction in sales of Qatar Aluminium (Qatalum)'s product leading to a material adverse effect on Qatar Aluminium (Qatalum)'s financial condition, results of operations or prospects.

**Qatar Aluminium (Qatalum) is subject to the risks associated with export sale.**

The imposition of new legal or regulatory requirements, import quotas, tariffs or duties, sanctions, boycotts and other measures, whether adopted by individual governments or addressed by regional trade blocks, may impact the competitive position of the products manufactured by Qatar Aluminium (Qatalum) or preclude

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the sale of such products into certain countries, which could have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

**Qatar Aluminium (Qatalum) may not be able to maintain sufficient insurance coverage for the risks associated with the operation of its business.**

The operations of Qatar Aluminium (Qatalum) may be affected by a number of risks, including terrorist acts and war related events for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions, or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose Qatar Aluminium (Qatalum) to liabilities in excess of its insurance coverage or significantly impair its reputation. Qatar Aluminium (Qatalum)'s insurance coverage may not be sufficient to cover losses arising from any, or all of such events, and it may not be able to renew existing insurance cover on commercially reasonable terms.

Should an incident occur in relation to which Qatar Aluminium (Qatalum) has no insurance coverage or inadequate insurance coverage, Qatar Aluminium (Qatalum) could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, Qatar Aluminium (Qatalum) may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against Qatar Aluminium (Qatalum) in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects. In addition, Qatar Aluminium (Qatalum)'s financings require assignments of insurance proceeds in favour of the relevant lenders. Thus, any claim that Qatar Aluminium (Qatalum) may have in respect of such insurance proceeds will be a residual claim for the proceeds not taken by such lenders.

**Qatar Aluminium (Qatalum) may be subject to liabilities as a result of any violation of applicable environmental and safety standards and regulations.**

The operations of Qatar Aluminium (Qatalum) are subject to a range of environmental laws and regulations in Qatar including those governing, for example, compliance with waste and waste water treatment and disposal, emissions and discharge requirements, the general use, storage, transportation, treatment and disposal of hazardous chemicals and wastes, and employee health and safety matters (See further the sections in this Prospectus titled "Business of the Company – Health, Safety and Environment").

Compliance with such laws and regulations can be costly and Qatar Aluminium (Qatalum) incurs costs, and will continue to incur costs, to comply with such requirements. Although Qatar Aluminium (Qatalum) has initiated and maintains various safety and monitoring procedures at the production site, should it fail to comply with such laws and regulations, it may be liable for significant penalties, even where such failure to comply is caused by, or attributable to, a third party. In addition, the contravention of any such environmental law or regulations could result in the potential damage or harm to, destruction or death (as the case may be) of, properties, production facilities, people and/or the environment. Any occurrence of environmental damage may result in a disruption of Qatar Aluminium (Qatalum)'s services or cause reputational harm and significant liability could be imposed on Qatar Aluminium (Qatalum) for damages, clean-up costs or penalties, which may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects. In addition, there is no assurance that governmental authorities in Qatar will not enforce existing environmental laws and regulations more strictly than they have done in the past or in the future impose stricter environmental standards, or higher levels of fines and penalties for violations, than those which are in effect at present. Accordingly, Qatar Aluminium (Qatalum) is unable to estimate the future financial impact of compliance with or the cost of a violation of any applicable environmental laws or regulations.

The occurrence of any of these events may cause disruption to Qatar Aluminium (Qatalum)'s projects and operations and result in additional costs to Qatar Aluminium (Qatalum), which may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

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**Qatar Aluminium (Qatalum) has interest rate swaps.**

Since Qatar Aluminium (Qatalum) has entered into certain interest rate swaps, changes in interest rates could have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, prospects or results of operations.

**Credit risk and interest rate changes.**

Please review the sections of the "Management Discussion and Analysis" section concerned with the management of financial risks.

**Qatar Aluminium (Qatalum) depends upon its Shareholders and their respective affiliates for its operations and is involved in numerous related party transactions that could create conflicts of interest.**

Qatar Aluminium (Qatalum) is involved in and, in certain circumstances, is dependent upon numerous related party transactions with its shareholders and with other companies controlled by its shareholders. See further the section of this Prospectus entitled "Related Party Transactions".

There can be no assurance that these arrangements provide, or will provide, terms to Qatar Aluminium (Qatalum) that are substantially similar to those that might have been obtained by it from unaffiliated third parties, or that these arrangements may be replaceable with arrangements with third parties on similar terms, should replacement become necessary. In addition, there can be no assurance that Qatar Aluminium (Qatalum) will pursue any claims under these arrangements as vigorously as it might if such arrangements were with unaffiliated third parties, should it suffer from non-performance by a related party.

There can also be no assurance that Qatar Aluminium (Qatalum) may not take or refrain from taking certain actions, or act in a certain way, in relation to any agreement which it has with a related party, which might not be the case were the agreement to be with an unrelated counterparty. Accordingly, dependence by Qatar Aluminium (Qatalum) on numerous related party transactions could in certain circumstances result in a material diminution in Qatar Aluminium (Qatalum)'s financial condition, results of operations, or prospects.

**Qatar Aluminium (Qatalum) is exposed to disruption of international maritime trade, including piracy.**

Maritime piracy remains a serious and costly issue. The possibility of a pirate or terrorist attack being carried out on a vessel or port which Qatar Aluminium (Qatalum) uses may result in a decrease in revenue due to an increase in security costs and delays in operations. In the event that pirate or terrorist attacks occur in the same region over a period of time, such a region may be seen as an unsafe and unstable region and a significant amount of international shipping traffic may be diverted from the region and economic growth may be negatively affected. Such occurrences may adversely affect the business, financial condition, results of operations or prospects of Qatar Aluminium (Qatalum). It is not possible to predict the occurrence of such or similar events in advance or the impact of such occurrences.

**Qatar Aluminium (Qatalum) is highly dependent on the international maritime freight distribution network to transport its products to market.**

Qatar Aluminium (Qatalum) is highly dependent on the international maritime freight distribution network to distribute its products to its customers. In the event that Qatar Aluminium (Qatalum)'s freight costs increase, such an increase may have an adverse material impact on Qatar Aluminium (Qatalum)'s margins and consequently have an adverse material impact on Qatar Aluminium (Qatalum)'s business, financial condition, results of operation, or prospects.

**Qatar Aluminium (Qatalum) currently has commercial debt financing in place which benefits from security.**

Qatar Aluminium (Qatalum) currently has significant amounts of outstanding interest bearing indebtedness consisting of commercial financing arrangements with a consortium of commercial banks. While Qatar Aluminium (Qatalum)'s management believes that it will be able to continue servicing this debt, there can be no assurance that Qatar Aluminium (Qatalum) will be in a financial position to continue servicing its current indebtedness.

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It should be noted that, in Qatar Aluminium (Qatalum)'s contractual cash waterfall which governs the application of proceeds of Qatar Aluminium (Qatalum)'s sales of products, the right of the lenders under the Debt Finance Documents to be repaid has a higher order of priority to the rights of Qatar Aluminium (Qatalum)'s shareholders. Accordingly, the availability of funds to be distributed to the Company (as a shareholder in Qatar Aluminium (Qatalum)) and ultimately to Investors (as shareholders in the Company) is subject to the repayment of amounts owed to lenders.

Furthermore, there can be no guarantee that certain events will not occur that would result in an acceleration of debt repayment obligations. If the debt owed by Qatar Aluminium (Qatalum) is accelerated, it may not be able to refinance the indebtedness on commercially reasonable terms or repay the indebtedness. It should also be noted that the lenders under the Debt Finance Documents benefit from an offshore security package over Qatar Aluminium (Qatalum)'s accounts, key operating contracts and insurance/reinsurance. There is also provision under the Debt Finance Documents to grant security over Qatari assets of Qatar Aluminium (Qatalum) if there is a change in Qatari security law permitting effective security over such assets. Any acceleration, and particularly any enforcement action over the security package, may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, results of operations and overall financial condition and prospects.

Please review the sections of the "Management Discussion and Analysis" section concerned with the management of financial risks.

**Qatar Aluminium (Qatalum)'s results of operations may be affected by a reduction of global demand for aluminium.**

Any reduction in global demand for aluminium, may have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition and results of operations or prospects.

**Risks relating to the aluminium tariffs.**

On 8 March 2018, the United States Government announced that it would begin imposing an additional tariff of 10 percent on imports of aluminum from most countries, including China and Russia, based on a determination under Section 232 of the U.S. Trade Expansion Act that imports of aluminum threaten to impair U.S. national security. The additional tariff has been in place since 23 March 2018 and up to the date of this Prospectus, and currently applies to aluminum imports from all countries except for Argentina and Australia. In addition, the U.S. Department of Commerce is currently conducting anti-dumping and countervailing duty investigations of common alloy aluminum sheet from China, the final results of which are due in the fourth quarter of 2018. The U.S. Department of the Treasury also announced on 6 April 2018 that it would begin imposing sanctions on a major Russian aluminum producer and exporter, United Company Rusal, Plc., though the Treasury Department has delayed full implementation of those sanctions until 12 November 2018 while the company petitions for relief. The imposition of similar additional tariffs and sanctions may impact the competitive position of the products manufactured by Qatar Aluminium (Qatalum) or preclude the sale of such products into certain countries, which could have a material adverse effect on Qatar Aluminium (Qatalum)'s business, financial condition, results of operations, or prospects.

**Third: Risks relating to the Offering, the Offer Shares and the trading market**

**After the Offer and upon incorporation, Qatar Petroleum will be able to exercise significant influence over the Company, its management, strategy and operations through its ownership of 51% of the issued share capital of the Company and the Special Share.**

Immediately following the Offering, assuming full take-up of the Offering, and upon incorporation of the Company, Qatar Petroleum will hold 51% of the issued share capital of the Company including the Special Share. This will enable Qatar Petroleum to exercise control over the Company, its management, strategy, policies and operations, granted to the holder of 51% of the issued share capital of the Company in addition to special rights granted to Qatar Petroleum as the holder of the Special Share including the right to appoint, renew and revoke Directors and the right to approve, reject or revoke any decision taken by the Company

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whether by the ordinary general assembly, the extraordinary general assembly or the Board on matters such as, the approval of dividends and budgets, the issuance of securities, significant disposals or acquisitions, changes to share capital, and amendments to the Company's constitutional documents. There can be no guarantee that the interests of Qatar Petroleum will coincide with new investors' interests or the interests of the Company as a whole.

**Absence of prior trading market and potential volatility of share price.**

The Company is under establishment. Therefore, prior to the Offering, there has been no public market for the Shares. Furthermore, there can be no assurance that an active trading market for the Shares will develop or be sustained after the Offering. If no active trading market for the Shares develops, the liquidity of the Shares will be affected, and this may negatively affect the market price of the Shares. Investors may in this case find it difficult or impossible to exit from their investment in the Offer Shares.

**The market price of the Shares may fluctuate widely in response to different factors.**

Following Admission, the market price of the Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Shares or securities similar to them or in response to various factors and events, including any regulatory changes affecting the Company's or Qatar Aluminium (Qatalum)'s operations, variations in its quarter, half yearly or yearly operating results and its business developments or those of its competitors, as well as macro-economic and geopolitical events affecting the countries and territories in which the Company operates. The market price of the Shares may also be affected by market rumours and media speculation (even if such rumours and speculation are unfounded or inaccurate).

In addition, stock markets have from time to time experienced extreme price and volume volatility, which in addition to general economic and political conditions, could adversely affect the market price for the Shares. To optimise returns, investors may need to hold the Shares on a long-term basis and they may not be suitable for short-term investment. The value of the Shares may go down as well as up and the market price of the Shares may not reflect the fair value of the Company's investments. Investors could lose the whole or a substantial part of their investment.

**Substantial future sales of Shares by Qatar Petroleum may adversely impact the share price.**

Sales of substantial amounts of the Shares in the Qatar Exchange following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares. The sale of a substantial number of Shares by Qatar Petroleum or generally by any other significant shareholder could have an adverse effect on the market for the Shares and result in a lower market price of the Shares.

**Shareholdings in the Company may be diluted in the future through the issuance of new Shares.**

The Company does not currently intend to issue additional Shares immediately following the Offering. If and when the Company issues Shares in the future, the percentage holding of a Shareholder in the Company (and, therefore, the economic investment made by the Shareholder) will be diluted if such Shareholder does not acquire its proportional entitlement of additional new Shares.

**The Qatar Exchange is a relatively new market and there can be no assurance to investors as to the level of liquidity that will develop.**

The Qatar Exchange is substantially smaller in size and trading volume than international securities markets, such as those in the United States and the United Kingdom. The Qatar Exchange has been open for trading since 1997 but its future success and liquidity in the market for the Shares cannot be guaranteed. Brokerage commissions and other transaction costs on the Qatar Exchange can be higher than those in other stock exchanges. Such factors could generally decrease the liquidity and increase the volatility of the price of the Shares and impair the ability of a holder of Shares to sell any Shares in the amount and at the price and time the holder wishes to do so.



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## **Fourth: Risks relating to Qatar in general**

### **Investing in securities involving emerging markets, generally involves a higher degree of risk.**

Investing in securities involving emerging markets, such as Qatar, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. Investors should also note that emerging markets such as Qatar are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar and adversely affect its economy.

### **These higher risks include, but are not limited to:**

- regional political instability;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the Middle East and North Africa region;
- governmental intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- an increase in inflation and the cost of living;
- a slowing global and regional economic environment;
- cancellation of contractual rights and/or expropriation of assets;
- increased governmental regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies, land and water use, and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition or increase of taxes in tax-favourable jurisdictions such as Qatar;
- difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones;
- the inability to repatriate profits or dividends and restrictions on the right to convert or repatriate currency or export assets;
- potential adverse changes in laws and regulatory practices, including legal structures and tax laws and enforcement of foreign judgments;
- macro-economic policies designed for developed countries affecting emerging markets such as Qatar, in particular due to the peg of the Qatari Riyal to the U.S. Dollar; and
- international investors reacting to events in an emerging market country or region which creates a contagion effect and affects an entire region or class of investments.

In any event, there can be no assurance that the market for securities bearing emerging market risk, such as the Shares, will not be affected negatively by events elsewhere, especially in emerging markets.



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**Qatar is located in a region that is subject to ongoing geopolitical, political and security concerns.**

Although Qatar has historically enjoyed domestic political stability and good international relations, Qatar is located in a region that is strategically important and parts of this region are experiencing or have, at times, experienced political instability, geopolitical and diplomatic tensions. On 5 June 2017, four Arab countries took steps to cut trade, transport and diplomatic ties with Qatar (the “**Quartet Blockade**”). Further escalation of these political instabilities, which may or may not directly involve Qatar, could have a material adverse effect on Qatar’s economy, including an effect on Qatar’s ability to engage in international trade, and could also indirectly have a material adverse effect on the Company’s business, financial condition, results of operations, or prospects.

Additionally, Qatar is dependent on an expatriate workforce, ranging from unskilled labourers to highly skilled professionals in several industry sectors. Should regional instability increase, this could materially decrease the availability of expatriate labour with appropriate skills, which could negatively impact Qatar’s economy as a whole as the continued availability of skilled labour is an important aspect in realizing Qatar National Vision 2030.

In recent years, there have been instances of political unrest in the region which is still witnessing tensions that could give rise to the risk of restricting or even stopping marine traffic to or from Qatar, this might impact Qatar Aluminium (Qatalum)’s ability to import raw materials and export finished products as it represents the main channel for the shipping of Qatar Aluminium (Qatalum)’s products.

**Prior to 2009, Qatar had a high rate of inflation.**

Prior to 2009, Qatar had high levels of inflation and the overall annual inflation rate was 15.2%, 13.6% and 11.8% in 2008, 2007 and 2006, respectively. The high levels of inflation prior to 2009 were primarily accounted for by the rapid and sustained increase in real estate prices, as well as an increase in international food and raw material prices. In 2009 and 2010, inflation rates were negative as a result of the decrease in housing costs. In 2011, Qatar made an exit from the deflation phase of the previous two years by recording positive inflation of 1.9%. In 2012, 2013 and 2014, consumer price indicator continued to increase, with the general index increasing by 2.3%, 3.2% and 3.3%, respectively and this was in contrast to global trends where inflation pressures eased considerably, especially in advanced economies. While in 2015 and 2016 consumer price indicator moderated compared to 2014, to 1.8% and 2.7%, respectively, there can be no assurance that Qatar will not be subject to much higher inflation rates in the future. In 2017, the consumer price indicator was 0.4%.

Although the Government and the Qatar Central Bank (“**QCB**”) can use various monetary instruments to address price stability, including moving interest rates independently of the U.S. Federal Reserve despite the currency peg, there can be no guarantee that the Government or the QCB will be able to achieve or maintain price stability and thus control inflation. If Qatar were to face high rates of inflation in the future, this could adversely affect its economy which could also indirectly have a material adverse effect on the Company’s business, financial condition, results of operations, or prospects.

**Any alteration to, or abolition of, the foreign exchange “peg” of the Qatari Riyal or other regional currencies at a fixed exchange rate to the U.S. Dollar could lead to a devaluation of the Qatari Riyal against the U.S. Dollar and could adversely impact the banking system in Qatar.**

Since 1980, the peg has been effectively set at a fixed exchange rate of 3.64 Qatari Riyals per U.S. Dollar and this rate was officially adopted in 2001. The following oil producing GCC countries also have their currencies pegged to the U.S. Dollar as at the date of this Prospectus: the UAE; Saudi Arabia; the Sultanate of Oman; and Bahrain. In response to the ongoing volatility of oil price internationally, oil producing countries with currencies

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that have been traditionally pegged to the U.S. Dollar have faced pressure to de-peg and, in certain cases, have de-pegged their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the U.S. Dollar on August 20, 2015, which was followed on December 21, 2015 by the removal of the U.S. Dollar peg against the Azerbaijani manat. There is a risk that, in response to the developments in the oil price or for other reasons, additional countries may choose to unwind their existing currency peg to the U.S. Dollar, both in the GCC and the wider region. Any future de-pegging could adversely affect Qatar's economy which could also indirectly have a material adverse effect on the Company's business, financial condition, results of operations, or prospects.

**Risk of removal or reduction of government subsidies.**

The government of Qatar provides subsidies and financial incentives that are important to the economy of Qatar. There is no guarantee such subsidies and financial incentives will not be removed, reduced or their implementation will not be substantially changed. Any such changes could materially influence the economy of Qatar, and the business, financial condition, prospects and results of operations of the Company.

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## THE OFFERING

<b>The Company</b>	<p>The Company is a Qatari public shareholding company under incorporation in the State of Qatar. The Company is founded by Qatar Petroleum as the sole founder under Article 68 of the Companies Law. H.E. the Minister of Economy &amp; Commerce has issued a decision of establishment of the Company, as a Qatari public shareholding company, on 15 October 2018 in accordance with the applicable laws.</p>
<b>Share capital and total Shares of the Company</b>	<p>As at the date of this Prospectus, the Company is under incorporation.</p> <p>Upon incorporation, the Company's issued share capital shall consist of QAR 5,580,120,000, divided into 558,011,999 ordinary Shares and one Special Share. Each Share has a nominal value of QAR 10. All Shares shall be fully paid up.</p> <p>The Company's Shares are subject to applicable provisions of Qatari legislation and the Company's constitutional documents, being the Memorandum of Association and Articles of Association of the Company (together, the "<b>Constitutional Documents</b>" or the "<b>Articles</b>"), and have the rights described in "Description of the Shares".</p> <p>Qatar Petroleum will have the Special Share in the capital of the Company in accordance with the Articles. In addition to the rights as a holder of Shares, the Special Share confers its holder certain special rights (as described in "Description of the Shares" of this Prospectus under the heading "Rights attached to the Special Share").</p>
<b>Number of Offer Shares</b>	<p>273,425,880 Offer Shares representing 49% of the Shares. The remaining 284,586,119 ordinary Shares together with the one Special Share, representing 51% of the Shares, will be held by Qatar Petroleum.</p>
<b>Founder</b>	<p>Following the successful completion of the Offering, it is intended that Qatar Petroleum will own 51% of the Shares, with the balance thereof (49%) intended to be owned by the new shareholders.</p>
<b>Offer Price</b>	<p>The Offer Shares are offered at an Offer Price of QAR 10.1 per Offer Share (comprising of a nominal value of QAR 10 per Offer Share plus Offering and Listing Costs of QAR 0.1 per Offer Share).</p>

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<b>Offering Split</b>	<p>Subject to the allocation strategy set out below, the Offer Shares are offered to the following:</p> <p><b>Individual Investors:</b> 245,525,280 Shares (representing 44% of the Shares), are offered solely to, and are only capable of acceptance by, Individual Investors, subject to the terms of the Offering as set out in this Prospectus.</p> <p><b>Selected Institutions:</b> Up to 27,900,600 of the Shares (representing 5% of the Shares) will be offered to Selected Institutions consisting of the Qatari Government, governmental institutions, public corporations and other entities. Selection of the Selected Institutions will be made at the discretion of QP.</p> <p>After the Listing Date, all institutions and individuals will be allowed to purchase Shares from Qatar Exchange in accordance with applicable laws and the regulations of the QFMA, the QE and the Articles.</p>
<b>Applications by Individual Investors</b>	<p>The minimum application by an Individual Investor is set at 50 Offer Shares ("<b>Minimum Application</b>"). No application by an Individual Investor for less than 50 Offer Shares (the "<b>Minimum Amount</b>") shall be accepted. Any application exceeding the Minimum Application shall be in multiples of 50 Offer Shares.</p> <p>The maximum application by an Individual Investor is set at 11,160,200 Offer Shares ("<b>Maximum Application</b>"). Any Application received from an Individual Investor exceeding the Maximum Application will be scaled back and treated as an Application for 11,160,200 Offer Shares (the "<b>Maximum Amount</b>") only.</p> <p>Moreover, the Articles restrict any person, whether legal or natural, with the exception of Qatar Petroleum (and its affiliates) and any organisations Qatar Petroleum informs the Company of, from owning more than 2% of the Shares, directly or indirectly. Furthermore, non-Qatari shareholders may be allowed to own up to a maximum of 49% of the Shares listed on the Qatar Exchange or any other regulated market. (The Board of Directors of the Company may amend such percentage pursuant to the Articles of Association).</p> <p>Multiple subscription applications in the name of the same Individual Investor are prohibited. In the event of multiple applications being received in the name of the same Individual Investor, only one application will be processed (at the absolute discretion of the relevant Receiving Bank or Lead Receiving Bank), and any other applications will be rejected in their entirety. Notwithstanding the above, an application by (i) a parent or legal guardian on behalf of a Minor; or (ii) a duly authorised Applicant on behalf of a third party, does not prevent such person from also submitting an application in his or her own name under a separate Application Form.</p>
<b>Applications by Selected Institutions</b>	<p>Applications by Selected Institutions to subscribe for Offer Shares in the Offering will be handled by Qatar Petroleum and the Listing Advisor and Offering Manager separately to applications received from Individual Investors.</p>

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**Allocation Strategy**

The allocation of Offer Shares to Individual Investors will be made in whole numbers of Shares only. Offer Shares will be allocated to Individual Investors in tranches, as follows:

- In the “**First Allocation Tranche**”, subscriptions of between 50 and 750 Offer Shares (inclusive) will be allotted in full.
- In the “**Second Allocation Tranche**”, subscriptions above 750 Offer Shares will be allotted in multiples of 50 Offer Shares, provided and to the extent that the number of remaining Offer Shares available for subscription is sufficient to satisfy all such subscriptions in full and equally.
- In the event that, following the First Allocation Tranche and the Second Allocation Tranche, there remains available a number of Offer Shares not divisible by 50 shares or multiples thereof to satisfy subscriptions in full and equally, then such remaining Offer Shares may be allocated to investors at the direction of the Board in its absolute discretion (the “**Third Allocation Tranche**”). It is intended that any such Offer Shares remaining be allocated equally (or as reasonably practicable) among subscribers who, following completion of the First Allocation Tranche and the Second Allocation Tranche, have not yet received the total number of Offer Shares for which they applied in the Offering.

It should be noted that up to 5% of the Shares will be allocated to the Selected Institutions.

It is proposed that allotment of Offer Shares and refunds of excess application amounts, if any, will occur by 25 November 2018.

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**Listing and Trading**

Prior to the Closing Date, the Company will submit an application to the QFMA and the Qatar Exchange to list all of the Shares on the Qatar Exchange in accordance with the requirements of the QFMA and the Qatar Exchange. Trading in the Shares will be effected on an electronic basis, through the Company's share registry maintained by the Qatar Central Securities Depository.

Prior to the Offering, there has been no market for the Shares. This Prospectus has been prepared in connection with the application for the admission of the Shares to the QE (“**Admission**”) and the public offering of the Shares in Qatar. It is anticipated that Admission will occur during December 2018.

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**Use of Offering Proceeds**

The proceeds of the Offering will be received by Qatar Petroleum. For more details see “Use of Offering Proceeds”.

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**Taxation**

For details of Qatari tax consequences of purchasing and holding the Offer Shares, see “Taxation”.

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**Dividend Policy**

For details of the Company's dividend policy see “Dividend Policy”.

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**Voting Rights**

For details of the voting rights attributable to the Shares please see the “Description of the Shares” section of this Prospectus.

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<b>Transfer and Selling Restrictions</b>	The Shares will be subject to certain restrictions as described under “Transfer and Selling Restrictions”.
<b>Payment and Transfer</b>	<p>In order to purchase Shares through the Receiving Banks, investors must pay for the Shares in same-day funds, in Qatari Riyals, on or prior to the Closing Date.</p> <p>The Shares are being offered subject to receipt and acceptance by the Company and subject to the right of the Company to reject any order in whole or in part prior to Admission. The Company and/or Qatar Petroleum and/ or the Receiving Banks reserve the right to reject any Application Form which is not duly or fully completed, and/or if any documents which are required to be attached (as stated in this Prospectus and/or the Application Form itself) are missing. This could include, without limitation, an Application Form that is illegible, has been completed by or on behalf of an applicant who is not an Eligible Investor, has been completed by a Minor, is incomplete, contains erroneous or contradictory information or which is otherwise defective or not compatible with applicable law and regulations, or which fails to attach appropriate supporting documentation.</p>
<b>Shares trading symbol on the QE</b>	“QAMC”

## Offering procedures for Individual Investors

### Offer Period

The Offering will be open during the Offering Period, which starts on 30 October 2018 (the “**Opening Date**”) and ends at close of business (Doha time) on 12 November 2018 (the “**Closing Date**”) (inclusive). During the Offer Period, Individual Investors may apply for Offer Shares by completing and submitting a special application form (the “**Application Form**”).

### The Receiving Banks

The only persons authorised to distribute Application Forms to Individual Investors on behalf of Qatar Petroleum are the Receiving Banks. Distribution and collection of all Application Forms and orders and collection of proceeds during the Offering Period shall be solely performed by and processed through the Receiving Banks. Notification of final allocation of Offer Shares and refunds of proceeds for unallocated Offer Shares (if any) shall be solely performed by, and processed through, the Lead Receiving Bank.

**The Receiving Banks are the following banking and financial institutions as listed below:**

<b>Bank Name</b>
Qatar National Bank Q.P.S.C. (Lead Receiving Bank)
Qatar International Islamic Bank Q.P.S.C.
Masraf Al Rayan Q.P.S.C.
The Commercial Bank Q.P.S.C.
Al Ahli Bank Q.P.S.C.
Doha Bank Q.P.S.C.
Qatar Islamic Bank Q.P.S.C.
Barwa Bank Q.P.S.C.
Arab Bank PLC
Al Khalij Commercial Bank (al khaliji) P.Q.S.C.

### **Application for Offer Shares**

During the Offer Period, Individual Investors may apply for Offer Shares by completing the Application Form and complying with the instructions set out in the Application Form and this Prospectus. Any Application Form in connection with Offer Shares that is completed without fully complying with the requirements indicated in such Application Form may be rejected without any right to damages or any other recourse. Each Individual Investor waives any right to take any action against any of Qatar Petroleum, the Company, the Listing Advisor and Offering Manager or any of the Receiving Banks.

Multiple Applications in the name of the same Individual Investor are prohibited. In the event of multiple applications being received in the name of the same Individual Investor, only one application will be processed (at the absolute discretion of the relevant Receiving Bank), and any other applications will be rejected in their entirety. Notwithstanding the above, an application by (i) a parent or legal guardian on behalf of a Minor; or (ii) a duly authorised Applicant on behalf of a third party, does not prevent such person from also submitting an application in his or her own name under a separate Application Form. It is the sole responsibility of each Individual Investor to ensure that their Application Form is duly completed in all respects and submitted to any designated branch of any of the Receiving Banks before the Closing Date. The Receiving Banks will not accept any Application Forms submitted to them after the normal working hours on the Closing Date.

Full payment for Offer Shares (plus Offering and Listing Costs) will be required upon submission of Application Forms. Payment may be made by debit from funds held on account with any one of the Receiving Banks. Each Individual Investor shall be required to attach a copy of his/her passport or identity card to the Application Form. The Company and/or Qatar Petroleum and/ or the Receiving Banks reserve the right to reject any Application Form which is not duly or fully completed, and/or if any documents which are required to be attached (as stated in this Prospectus and/or the Application Form itself) are missing. This could include, without limitation, an Application Form that is illegible, has been completed by or on behalf of an applicant who is not an Eligible Investor, has been completed by a Minor, is incomplete, contains erroneous or contradictory information or which is otherwise defective or not compatible with applicable law and regulations, or which fails to attach appropriate supporting documentation.

With regard to a Minor, the guardian of such Minor shall apply for Offer Shares on behalf of the Minor. In this case, the guardian will be required to enclose the document evidencing his/her appointment as the guardian



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of the relevant Minor with the Application Form, together with copies of the identity card of the guardian and the relevant Minor (or, in the case of the Minor, an original birth certificate or Qatari identification). An application by a guardian on behalf of a Minor does not prevent the guardian from subscribing in the Offer Shares in his/her own name.

Application Forms submitted on behalf of third parties must be accompanied by a duly certified power of attorney. In all cases, applicants should ensure that where copies of documents are to be annexed to an Application Form, the original of each document is available for inspection by the Receiving Bank to which the Application Form is being presented. By subscribing or seeking to subscribe in the Offer Shares, each Individual Investor undertakes to indemnify Qatar Petroleum, the Company, the Receiving Banks and their respective advisors against all and any losses which result or which may result from any non-compliance with the terms of the Application Form and/or any failure or omission on the part of an Individual Investor to fulfil the requirements set out in the Application Form and/or this Prospectus.

Any additional Shares issued or transferred to an Eligible Investor at the direction of QP, the Company or a Receiving Bank in order to rectify or remedy any defect or error in the allocation process shall be treated for all purposes as Offer Shares.

It should be noted that an Application Form may be used by the Receiving Banks and/or the Qatar Exchange and/or Qatar Central Securities Depository to update the details (including as to payments of dividends) as may currently be held in connection with any other securities traded on the Qatar Exchange that are currently owned by such or by the person on whose behalf the applicant submitting such Application Form.

#### **Obtaining a Copy of the Prospectus:**

Copies of this Prospectus, Application Forms and the Memorandum of Association and Articles of Association of the Company are available at the designated branches of the Receiving Banks and on the Company's website.

It should be noted that individual participating branches of the Receiving Banks in Qatar have their own opening hours. Individual Investors are advised to check the opening hours of their local participating Receiving Bank branch to ensure they do not miss out on their opportunity to take part in the IPO.

#### **National Investor Number**

It is not necessary for an applicant to have a National Investor Number (NIN) as part of the application process..

#### **Trading Account**

It is not a requirement that an applicant have a trading account. However, if the applicant wishes to be able to trade his or her Shares after the Offering, he or she must have a trading account established with a QE-licensed broker. An applicant who does not have a trading account will not be able to trade his or her Shares on the QE after the Offering. Guidance on opening a trading account may be obtained from the website of the QE in Doha or through the authorised financial service company.

The financial service companies licensed by QFMA are: The Group Securities, Dlala Brokerage, Qatar Securities Company, Islamic Broker, International Financial Securities, Gulf Investment Group, QNB Financial Services, Commercial Bank Financial Services, and Ahli Brokerage Company.

#### **Allocation of Offer Shares and refund of any excess application amounts**

Individual Investors who have duly completed and submitted their Application Forms and deposited the corresponding funds (Offer Price multiplied by the number of Offer Shares applied for) with the Receiving Banks during the Offer Period are expected to obtain information with regard to their allocations and refund of excess application, if any, within two weeks of the Closing Date.

Any additional funds in respect of Offer Shares not allocated (if any) will be refunded following the Closing Date

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by credit of account, that allotment of Offer Shares and refunds of excess application amounts, if any, will occur within a maximum of two weeks from the IPO Closing Date.

### **Listing and trading of the Shares**

Prior to the Closing Date, the Company will submit an application to the QFMA and to the QE to list all of the Shares on the QE, in accordance, with the requirements of the QFMA and the QE treatment rules. Trading in the Shares will be effected through the trading system used by QE. It is anticipated that Admission will occur by 10 December 2018.

### **Indicative timetable of key events**

The dates set out below are indicative only of the expected timing of certain key events relating to the Offering. Qatar Petroleum and the Company reserve the right to change any of the dates or times and/or shorten or extend the time periods (in accordance with rules and regulations applicable in the State of Qatar).

<b>EVENT</b>	<b>DATE</b>
Opening Date	30 October 2018
Closing Date	12 November 2018
Allotment of Offer Shares and refund of excess application amounts, if any	25 November 2018
Constitutive General Assembly	29 November 2018
Issuance of the Commercial Registration of the Company	03 December 2018
Completion of the transfer of the Qatar Aluminium (Qatalum) Shares to the Company	03 December 2018
Listing and start of trading of the Shares on the Qatar Exchange	10 December 2018

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## USE OF PROCEEDS

### Use of Proceeds

It is expected that the net offering proceeds (the expected proceeds of the Offering of QAR 2,761,601,388 less the expected Offering and Listing Costs of QAR 27,342,588) from the Offering will amount to QAR 2,734,258,800.

In consideration for the Capital Contribution of Qatar Petroleum, Qatar Petroleum will own 51% of the share capital of the Company and will receive all the proceeds of the Offering.

Upon registration of the Instrument of Transfer at the Ministry of Justice effecting the transfer of the Qatar Aluminium (Qatalum) Shares to the Company, all the proceeds of the Offering will be transferred from the account of the Company to Qatar Petroleum constituting the cash portion of the consideration for the Capital Contribution.

### Listing Costs

The Offer Price of QAR 10.1 per Offer Share is comprised of the nominal value of QAR 10 per Offer Share plus the Offering and Listing Costs in the amount of QAR 0.1 per Offer Share. The Offering and Listing Costs of QAR 0.10 will be payable by Individual Investors and Selected Institutions. The Offering and Listing Costs charged in connection with the Offering will cover, among other things:

- the costs and fees associated with the solicitation, distribution and processing of Offer Shares by, and the opening and maintaining of bank accounts with, the Receiving Banks in connection with the Offering;
- the settlements of the costs of professional advisers relating to the structuring and preparation of the Offering (including, without limitation, the Listing Advisor and Offering Manager, the International Legal Advisors, the Qatari Legal Advisors and the Auditors);
- the regulatory costs and fees of listing the Shares on the QE; and
- other costs associated with the Offering (including, but not limited to, public relations, Offering launch events, advertising, printing and publishing costs).

QP will bear any additional costs where the Offering and Listing Costs are insufficient. In case of an excess in the Offering and Listing Costs, the excess amount will be transferred to the Company's legal reserve.

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## BUSINESS OF THE COMPANY

The Company, upon incorporation, will act as a holding company. It is set up in connection with the Offering and has no business other than owning a stake in Qatar Aluminium (Qatalum).

### Objectives and Activities

The general objects of the Company are to establish, manage, own and/or hold shares, assets and interests in companies (and their subsidiaries and/or associated undertakings), engaged in all manner of processing and/or manufacturing of metal products including aluminium, practicing and implementing various aspects and stages of activities related to minerals and mining, including the development of supply chains and products. All industries and services that are directly and / or indirectly related to its business and activities or to obtain such services for the purposes of the Company inside or outside the State of Qatar, either alone or together with any other company or undertaking which the Company deems beneficial to its business, diversification or expansion from time to time, including the following:

1. to establish, own, hold, buy, sell, subscribe for, transfer and allot or redeem shares, loan notes, bonds and any interests in itself, any Affiliate and / or any company or undertaking;
2. to invest any of the Company's assets, bonds and financial instruments;
3. to participate in the management, co-ordination, operation and financing of the Company, any Affiliate, and/or any company or person in which it holds shares or has an interest or commitment;
4. to provide support for Affiliates;
5. to own patents, commercial businesses, franchises and any other rights, and the exploitation and lease thereof to or for Affiliates or otherwise;
6. to own moveable assets, personal and real property necessary or conducive for the furtherance of its objects;
7. to enter into contracts, agreements and arrangements with any person which the Company deems beneficial to its business or to be in furtherance of its objects;
8. to establish, acquire, undertake, manage and carry on the whole or any part of the business, property and liabilities of any person carrying on any business, which may in the opinion of the Directors be capable of being conveniently carried on, or calculated directly or indirectly to enhance the value of or make profitable any of the Company's or any Affiliate's property or rights, or any property suitable for the purposes of the Company or any Affiliate;
9. to borrow, mortgage, guarantee, incur liability, raise and secure the payment of money in any way the Directors think fit, including, without limitation, by the issue of debentures and other securities (including derivatives), perpetual or otherwise, charged on all or any of the Company's property (present and future) or any of its uncalled capital, and to purchase, redeem and pay off those securities;
10. to do all things that are in the opinion of the Directors incidental or conducive to the attainment of all or any of the Company's objects, or the exercise of all or any of its powers. The Board may enter into financing agreements and transactions, and issue or acquire bonds, Islamic bonds, sukuks, securities (other than shares) and other financial instruments, and may sell or mortgage Company's assets, or release creditors of the Company from their liabilities;
11. to carry on any other business or activities that are usual to, or may be carried on, by holding companies involved in a business similar to that of the Company and/or its Affiliates;
12. to carry any business or investment activities that would, in the opinion of the Directors, achieve a benefit to the Company and its shareholders; and
13. to do any other act as if a natural person.

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The Company will undertake activities in Qatar in respect of the administration and stewardship of its investment in Qatar Aluminium (Qatalum). Qatar Petroleum will hold 51% of QAMCO's share capital including one "Special Share". The Special Share provides such rights as are necessary and prudent to preserve QP's existing governance and operating rights and obligations in Qatar Aluminium (Qatalum). According to the Articles the Special Share must be owned by Qatar Petroleum, the Government of the State of Qatar, any Qatari Government Corporation or any affiliate of Qatar Petroleum.

## **Joint Venture Agreement**

### **General**

On 23 March 2006, QP and Hydro Aluminium entered into the Joint Venture Agreement, as amended by the amendment letter dated 11 June 2006, the deed of novation dated 25 July 2007, the amendment letter dated 26 July 2007, and as further amended by the amendment letter dated 18 September 2007.

The Joint Venture Agreement sets out the terms and condition upon which QP and Hydro Aluminium agreed to establish the joint venture between them through the establishment of a joint stock company under the laws of the SOQ to construct and implement the Project.

Pursuant to the deed of novation, Hydro Aluminium assigned its rights and obligation under the Joint Venture Agreement to the Hydro Shareholder.

### **Term**

The agreement is valid for a term of forty (40) years (the "JV Term").

No later than the beginning of the 10th year before the end of the JV Term, QP and the Hydro Shareholder shall meet to negotiate in good faith the terms and conditions of the extension of the Joint Venture Agreement and any required extension of the Project agreements (the "**Extension Period**"). If by the beginning of the 7th year, before the end of the Term, the Parties have not been able to agree the terms and conditions for the Extension Period, the parties shall not be obliged to negotiate any extension.

If the Parties agree upon terms and conditions for the Extension Period they shall use reasonable endeavours to procure extensions to the Project agreements (if applicable) for the purpose of facilitating the continued operation of the Project.

On the expiry of the JV Term, the Hydro Shareholder shall transfer its shares to QP. Such transfer shall include a transfer from the Hydro Shareholder (and its affiliates) to QP as its nominee of title to all of its shares in Qatar Aluminium (Qatalum), upon receipt by the Hydro Shareholder (and if applicable, its affiliates) from QP of an amount equal to the book value of the assets of Qatar Aluminium (Qatalum) determined in accordance with IFRS in proportion to its ownership percentage interest in Qatar Aluminium (Qatalum) at the end of the JV Term. In addition, if there are any outstanding loans advanced by the Hydro Shareholder (and if applicable, its affiliates) to Qatar Aluminium (Qatalum) or QP such loans shall be repaid in their entirety to the Hydro Shareholder as a pre-condition of transfer.

Upon payment and transfer of the Shares, QP shall assume all obligations of Hydro arising out of or existing in respect of such Shares.

### **Transfer of the Qatar Aluminium (Qatalum) Shares to the Company**

Under the Joint Venture Agreement, Qatar Petroleum may transfer all or part of its shares in Qatar Aluminium (Qatalum) to a public joint stock company to be listed pursuant to a public offering of shares in Qatar (in this case, the Company) provided that:

- i. Until the expiration of the Term, Qatar Petroleum shall retain control (whether directly or indirectly) of substantially all of the shareholder and board voting rights attaching to the shares so as to ensure Qatar Petroleum's continuing participation in the governance of the Company;

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- ii. If the Company fails to make payment (in whole or in part) of a cash call under the Joint Venture Agreement within fifteen (15) days after the due date, Qatar Petroleum shall remedy the default, which obligation shall cease if the Company is able to demonstrate (to the reasonable satisfaction of the Hydro Shareholder) that it has sufficient financial capacity to support its obligations under the Joint Venture Agreement;
  - iii. Qatar Petroleum shall remain obligated under any Project agreements and finance documents to the extent it is a party to any such agreements unless Qatar Petroleum shall have made alternative arrangements satisfactory to the counterparties to such agreements;
  - iv. No less than fifty-one per cent (51%) of the shares in the Company shall be owned by Qatar Petroleum during the JV Term of the Joint Venture Agreement; and
  - v. the Company becomes a party to the Joint Venture Agreement by executing a Deed of Accession.

#### **Deed of Accession**

Any transferee under the Joint Venture Agreement (including the Company following completion of the Offering, incorporation of the Company and registration of the Instrument of Transfer) must execute a Deed of Accession. The Company shall execute the Deed of Accession immediately following incorporation. Pursuant to the Deed of Accession, the Company shall undertake to be bound by the Joint Venture Agreement in all respects as if the Company was a party to the Joint Venture Agreement as QP and to observe and perform all the provisions and obligations of the Joint Venture Agreement applicable to or binding on QP under the Joint Venture Agreement.

#### **Issuance of New Shares; Right of First Refusal**

If an issue of shares is made by Qatar Aluminium (Qatalum) at any time pursuant to a special resolution of the general assembly of Qatar Aluminium (Qatalum) (requiring the consent of both Qatar Petroleum and the Hydro Shareholder), such shares shall first be offered to the shareholders in proportion to the shares held by them at the time of the offer.

#### **Dividend Distribution**

Cash generated by Qatar Aluminium (Qatalum) will be distributed as follows: (i) to the payment of operating costs; (ii) to the payment of taxes; (iii) to payment of debt service of senior debt; (iv) approved capital expenditures; and (v) as cash required for or released from any reserves or required for project financing purposes, included in the annual budget, or as increases in working capital or otherwise as the board of Qatar Aluminium (Qatalum) may agree by special resolution.

Any remaining cash may be distributed to the shareholders of Qatar Aluminium (Qatalum) quarterly on such terms as the board of Qatar Aluminium (Qatalum) may agree by special resolution.

It should be noted that all rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) for the period up to 30 June 2018 (whether or not paid before or after 30 June 2018) will be for Qatar Petroleum's account. With effect from 1 July 2018, all rights to dividends and other economic rights attaching to the Qatar Aluminium (Qatalum) Shares and any other amounts payable to shareholders by Qatar Aluminium (Qatalum) will be paid to the Company.

#### **Governing Law**

The Joint Venture Agreement is governed by and interpreted in accordance with the laws of the State of Qatar.

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## Business strategy

The Company's strategy is to maximise shareholder value by capitalising on Qatar Aluminium (Qatalum)'s competitive strengths and positions in Qatar's aluminium production industry, thereby supporting Qatar's National Development Strategy by enabling Qatari nationals to share in Qatar's growth strategy and contributing to the national economy of Qatar. The Company intends to improve the overall value and return to shareholders by:

1. monitoring implementation plans and results of Qatar Aluminium (Qatalum) through discussions and reviews between the Board and the board of directors of Qatar Aluminium (Qatalum); and
2. monitoring the cash management operations of Qatar Aluminium (Qatalum) and providing input on optimal cash allocation and cash utilisation.

## Employees

The Company will operate primarily as a holding company for Qatar Aluminium (Qatalum) and, accordingly, the majority of the Group's employees will remain employed directly by Qatar Aluminium (Qatalum). Administrative support for the Company is provided by employees of Qatar Petroleum or its affiliates. The Company and Qatar Petroleum will enter into a Services Agreement formalising the basis upon which such functions are performed by Qatar Petroleum for the benefit of the Company, to enter into force as of the date of incorporation of the Company. See "Services Agreement" below.

## Litigation

The Company is under establishment and has therefore not been involved in any governmental, legal or arbitration proceedings.

## Services Agreement

Because the Company will be primarily a holding company without a significant number of employees or human resources of its own, the majority of its administrative functions are performed on its behalf by employees of Qatar Petroleum or its affiliates. These include certain administrative, legal, HR, IT, record-keeping, marketing, public relations, secretarial, reporting, compliance with the requirements of QFMA and securities exchange market and other day-to-day back office functions on behalf of the Company. The Company and Qatar Petroleum will enter into a Services Agreement (the "**Services Agreement**") – effective as of the date of incorporation of the Company – which formalises the basis upon which such functions are performed by Qatar Petroleum on request for the benefit of the Company. The Services Agreement is expressed to be governed by the laws of the State of Qatar. In consideration of those services set out in the Services Agreement, the Company will pay Qatar Petroleum certain fees and expenses.

## Independent Auditors

In its capacity as Founder, Qatar Petroleum has appointed Ernst & Young (Qatar Branch) as the first Independent Auditors to the Company.



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## **BUSINESS OF QATAR ALUMINIUM (QATALUM)**

Qatar Aluminium (Qatalum) is one of the largest regional producers of primary aluminium. Located in Qatar, the company benefits from access to one of the world's largest and most competitively priced sources of energy which allows it to maintain a first quartile cost position, one of the industry's highest profit margins and strong cash flow generation.

Qatar Aluminium (Qatalum) was created to build and operate a world class aluminium smelter project in Qatar. Since its successful construction, the Project produces a variety of aluminium products that are sold around the globe.

Qatar Aluminium (Qatalum) is an equal joint venture originally between QP and Hydro Aluminium but Hydro Aluminium transferred its holding to the Hydro Shareholder. Qatar Aluminium (Qatalum) was incorporated under the Old Companies Law as a Qatari joint stock company. Qatar Aluminium (Qatalum) is an "Article 68 Company", having been incorporated under Article 68 of the Old Companies Law. As set forth in the provisions of the Old Companies Law, Article 68 Company status is only reserved for those companies with a certain form of ultimate State of Qatar ownership. An Article 68 Company only complies with the provisions of the Old Companies Law to the extent that such provisions do not contradict the circumstances and treaties related to that company nor its articles of association. Article 68 Companies are able to effectively contract out of the provisions of the Qatar Commercial Companies Law No 11 of 2015 through its Articles allowing greater flexibility. The Old Companies Law was repealed by the New Companies Law. The New Companies Law contains Article 207, which is substantially similar to Article 68 of the Old Companies Law, albeit applying only to private joint stock companies. Qatar Aluminium (Qatalum) is in the process of amending its articles of association to reflect the provisions of the New Companies Law.

Following the Decision of H.E. the Minister of Economy and Commerce No. 170 of 2007, Qatar Aluminium (Qatalum) was registered and incorporated in Qatar on 26 July 2007 with commercial registration number 36539. The Parties entered into the JVA for an initial period of 40 years from the Phase 1 Production Date (20 September 2010) or such longer period as extended in accordance with the JVA.

Qatar Aluminium (Qatalum) was incorporated with an initial share capital of USD 1,000,000 made up of 100,000 shares of capital stock with a par value of USD 10. The shares were issued and allotted to QP (50,000 shares) and the Hydro Shareholder (50,000 shares). The authorised share capital is USD 4,000,000,000 made up of 400,000,000 shares of capital stock. As at the date of this Prospectus, Qatar Aluminium (Qatalum)'s issued share capital is USD 2,509,309,000 divided into 250,930,900 shares of capital stock. All Shares are fully paid up and as of the date of this Prospectus QP and Hydro Shareholder each own and hold 50% of the issued shares. Hydro Shareholder intends to continue to hold its shares in Qatar Aluminium (Qatalum) following the Offering.

The legal name of Qatar Aluminium (Qatalum) is Qatar Aluminium Limited Q.S.C. (tradenname: Qatalum) and its registered office is located at Qatalum Administration Building, Mesaieed Industrial City, Qatar. The main site of the Project is located in the north-eastern quadrant of the MIC. The MIC Industrial Area is located in a natural bay on the south-eastern coast of Qatar, approximately 40 kilometres south of the capital, Doha, within the region of Umm Sa'id (Mesaieed). MIC occupies an area of approximately 117 km<sup>2</sup> and consists of an Industrial Area and a Community Area. The Industrial Area occupies an area of approximately 43 km<sup>2</sup>, which accommodates a variety of industrial plants and well-established port facilities.

Qatar Aluminium (Qatalum) had design nameplate capacity of 575,000 tpy but now produces more than 650,000 tpy of high-quality primary aluminium products, including standard ingots and Casthouse value-added products comprising extrusion ingots or billets (capacity of 350,000 tpy) and primary foundry alloys (capacity of 275,000 tpy). The Project includes a captive Power Plant (with capacity of approximately 1350 MW) and the Aluminium Plant (comprising the Reduction Plant, Carbon Plant, Anode Service Plant, Reduction Plant and the Casthouse) as well as fume treatment, port and storage facilities.

Pursuant to the Marketing and Offtake Agreement, Hydro Aluminium is responsible for the offtake and marketing of 100% of Qatar Aluminium (Qatalum)'s production for 25 years (commencing 18 December 2009). The Marketing and Offtake Agreement gives Qatar Aluminium (Qatalum) access to Hydro Aluminium's worldwide sales network on no less favourable treatment than other Hydro Aluminium smelters and Hydro

Aluminium is obliged to undertake sales with the objective of maximising Qatar Aluminium (Qatalum)'s net premium revenue. Qatar Aluminium (Qatalum) acts as Hydro Aluminium's representative for marketing aluminium products in Qatar.

The price of Qatar Aluminium (Qatalum)'s products largely depends on the primary aluminium price set on the London Metal Exchange and product premiums which are negotiated with individual customers. Qatar Aluminium (Qatalum)'s first million tons of metal was distributed by September 2012.

Qatar Aluminium (Qatalum)'s products have been delivered to more than 378 different customers in over 45 countries worldwide. Below is a table showing, for the periods ended 30 June 2017 and 30 June 2018 the geographical markets to which the aluminium products were sold.

Geographical markets	Revenue in (USD, thousands) for the period ended 30 June 2018	Revenue in (USD, thousands) for the period ended 30 June 2017
Asia and MENA	417,485	383,533
North America	151,440	150,856
Europe	144,610	114,444
Qatar	25,369	18,528
<b>Total</b>	<b>738,904</b>	<b>667,381</b>

Any metal that cannot be sold to customers can as a default option be sold to the London Metal Exchange.

### Objectives and Activities of Qatar Aluminium (Qatalum)

The objectives of Qatar Aluminium (Qatalum) are:

1. carrying out technical and commercial studies and evaluations;
2. designing, engineering, procuring, constructing, owning, managing, operating and maintaining the Aluminium Plant;
3. securing all necessary financing for the Project;
4. purchasing gas for use by the Power Plant and the Aluminium Plant;
5. purchasing raw materials to be used in the production of Aluminium Plant products;
6. procuring the necessary licenses to use the Hydro Technology and other technologies required for the Project;
7. producing, storing, transporting, selling and otherwise disposing of the Aluminium Plant products; and
8. carrying out all other actions necessary for the implementation of the Project.

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## **Relationship with Qatar Petroleum**

The relationship between QP and Qatar Aluminium (Qatalum) has been integral to the history and development of both the Project and Qatar Aluminium (Qatalum). QP supplies the Project with all its natural gas requirements and supported the Project both financially, through equity contributions and had issued a completion guarantee for the Project during construction. QP also provides support technically through the provision of construction management services and secondment of personnel.

QP is rated AA- by Standard & Poor's and Aa3 by Moody's. The Company will continue to have a close relationship with QP in its businesses.

## **Relationship with Norsk Hydro**

Norsk Hydro is a global, integrated aluminium and hydroelectric power company having its headquarters in Oslo, Norway. Norsk Hydro supported the Project financially through guaranteeing Hydro Aluminium's equity contributions and had issued a completion guarantee for the Project. Norsk Hydro is currently rated Baa2 by Moody's and BBB by Standard & Poor's.

Hydro Aluminium is a fully owned subsidiary of Norsk Hydro. Hydro Aluminium is the company that holds substantially all of the aluminium assets within Norsk Hydro.

Hydro Aluminium is one of the top three integrated aluminium companies worldwide, with activities all along the aluminium industry value chain (alumina refining, aluminium smelting, casthouse products and downstream activities) and with a focus on casthouse value-added products such as the Casthouse Products to be produced by the Qatar Aluminium (Qatalum). Hydro Aluminium's operations are supported by its extensive, global marketing network capable of handling approximately twice Hydro Aluminium's primary metal production volumes.

Hydro Aluminium's roles in the Project are many: (i) marketer and off-taker of 100% of the Project's production pursuant to the Marketing and Offtake Agreement; (ii) a major supplier of alumina from multiple global sources including its joint venture Alunorte in Brazil pursuant to the Hydro Aluminium Primary Alumina Supply Agreement; (iii) provider of technology, including state-of-the-art proprietary reduction technology and operating know-how pursuant to the Hydro Technology License Agreement; and (iv) responsible for involvement of "Hydro Projects" the entity that assisted with project management and procurement services before completion of the Project.

The Hydro Shareholder is a wholly-owned subsidiary of Hydro Aluminium which in turn is wholly-owned by Norsk Hydro. The Hydro Shareholder is the direct holder of 50% of the shares of Qatar Aluminium (Qatalum).

## **Business strategy**

Qatar Aluminium (Qatalum)'s strategy is to maximise shareholder value by capitalising on its competitive strengths and position. Qatar Aluminium (Qatalum) has identified the following key initiatives in order to achieve its strategic vision to be a world-class producer of high quality aluminium products made in Qatar for customers around the world:

### **Maximise shareholder returns**

Qatar Aluminium (Qatalum)'s first strategic objective is to maximise shareholder returns by increasing financial returns. Qatar Aluminium (Qatalum)'s board of directors focuses on three areas to grow financial returns through 2022. First, increasing sales revenues. Qatar Aluminium (Qatalum) intends to focus on selling value-added products, both optimising its existing product portfolio by concentrating on the most profitable product ranges and moving towards new more demanding and profitable products. Second, optimising its 'cash cost' metric. Qatar Aluminium (Qatalum) tracks 'cash cost' in USD per metric ton as a key performance indicator of efficiency. The Qatalum Improvement Program is aimed at improving cash cost. See "Qatalum Improvement Program". Third, optimising working capital. Qatar Aluminium (Qatalum) has made efforts to optimise working capital with respect to spare parts, consumables and raw materials and tracks working capital in its management reports.

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### **Improve costs to be one of the most efficient smelters in the world**

Qatar Aluminium (Qatalum)'s operations have been ranked among the most efficient smelters in terms of cash cost in USD per metric ton. It aims to continue to improve processes throughout the organisation to optimise costs. Qatar Aluminium (Qatalum) benchmarks 'cash cost' to track its progress as it implements best practices.

Qatar Aluminium (Qatalum) utilises benchmarks to measure its performance and evaluate results. Through the implementation of the Qatalum Improvement Program (QIP), Qatalum seeks to continuously optimise processes throughout the organisation resulting in reduced business costs.

### **Maintain world-class health and safety performance**

Qatar Aluminium (Qatalum) has a strategic focus on responsible corporate citizenship, which includes a commitment to health and safety. Qatar Aluminium (Qatalum) aims to maintain excellent health and safety performance by focusing on areas such as traffic safety, behavioural safety and heat stress. The focus on employees' health and wellbeing at work also extends to the continued monitoring of and support for contractor compliance to health, safety and environment rules and sufficient worker welfare. Qatar Aluminium (Qatalum) is also implementing a "5S" campaign to promote a clean, safe workspace, including the continuous improvement of housekeeping inside the plant.

### **Maintain excellent environmental standards and CSR**

Qatar Aluminium (Qatalum) is committed to minimising the environmental risks related to its operations and to operating in an ethical manner. Qatar Aluminium (Qatalum) implements environmental techniques and practices to decrease its impact on the environment and recycles many by-products from its operations. For instance, Qatalum aims to recycle all scrap steel generated by its operations via a strategic partnership with Qatar Steel. Qatalum also aims to pack and ship reusable waste carbon products to other industries to use as feedstock in their own processes. It will continue and optimise the usage of spent potlining, a by-product in the relining of its pots, by, for instance, delivering spent potlining to the Qatar National Cement Company. Qatar Aluminium (Qatalum) minimises generation of unrecyclable by-products, such as the unrecyclable electrolytic bath mix and ships what non-hazardous waste it does produce to the Mesaieed Industrial City treatment centre. With regard to CSR, Qatar Aluminium (Qatalum) remains focused on standardisation of internal conflict, fraud prevention and governance protocols.

### **Attract the best Qatari talent and developing them in the aluminium industry**

Qatar Aluminium (Qatalum)'s ambition is to become an attractive employer for Qatari nationals and meet the Qatar National Vision 2030, which aims to drive progress in Qatar by providing better opportunities and a better way of life for the country's citizens. Qatar Aluminium (Qatalum) intends to continue implementing five-year rolling 'Strategic Qatarisation Plans' to recruit and develop suitably qualified Qatari nationals to meet existing and emerging organizational needs. The overall 'Quality Qatarisation Plan' aims to achieve the State's target of 50% of the workforce in the 'industry and energy' sector. To ensure a pipeline of quality recruits, Qatar Aluminium (Qatalum) intends to perform awareness campaigns in the community about the aluminium industry, targeting secondary schools and universities through periodic initiatives such as career fairs, graduation days, etc. Qatar Aluminium (Qatalum) intends to continue its sponsorship of a faculty chair in the College of Engineering at the Qatar University and will co-ordinate and execute research programs. Overall, Qatalum will contribute to the Qatar National Vision 2030 and the Human Development pillar to develop "a capable and motivated workforce". Qatar Aluminium (Qatalum) will focus on acquisition, development and engagement of a Qatari national workforce.

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## **Secure a robust and competent sustainable organisation**

Qatar Aluminium (Qatalum) is dedicated to building a sustainable organisation by retaining and developing key personnel as well as by planning for transitions in critical positions. The board recognises the importance of succession planning in ensuring stability. Qatalum operates succession planning procedures to ensure the company continues to operate effectively when individuals occupying key positions depart. Qatalum aims to develop appropriate employees to fill key roles that become vacant, for instance to replace employees already identified as due for retirement over the next five years. Qatalum aims to continuously develop employees' competency and skills, including transferring its owners' knowledge and retaining key personnel through competitive packages and/or career progression plans. Qatalum aims to implement a leader development program to develop and grow leadership at all level of the organisation and develop the skills and competencies needed to support future organisational needs.

## **Achieve operational excellence in all areas of the company through compliance to Qatalum Production**

### **System principles**

Qatar Aluminium (Qatalum) aims to continue rigorous implementation of the Qatalum Production System ("QPS") in all areas of the company. QPS is a lean operating philosophy designed to add value and reduce waste in the organisation and its processes. To further the impact of QPS, Qatar Aluminium (Qatalum) plans to implement QPS awareness training to all areas and shifts as well as deploy a QPS road map involving systematic self assessments and gap closing. The QPS approach to business cases provides "on the job training" and deployment of the QPS principles and tools. In addition, Qatar Aluminium (Qatalum) intends to maintain and improve its quality management system to satisfy customers' expectations.

## **Maintain an effective 'business resilience' management system**

One of Qatalum's principles is 'business resilience', meaning to create a stable operation that manages risk effectively and adapts quickly to disruptions, prioritising the safety of people, the environment and its reputation. Qatar Aluminium (Qatalum) aims to live up to the principle of business resilience by maintaining effective emergency preparedness, equipment and competence, continuing to embed enterprise risk management and business continuity processes throughout the organisation and continuing to enhance the risk management process based on new policies in line with international standards.

## **Enhance Qatalum's brand and become a strategic aluminium product supplier globally**

Qatar Aluminium (Qatalum) aims to meet its customers' expectations through excellence in timely delivery, quality compliance and customer service. Qatar Aluminium (Qatalum) envisions several methods to enhance good relations with customers, including (i) through the exchange of visits, (ii) high profile representation in market events in cooperation with Norsk Hydro (e.g., at trade shows, exhibitions, etc.) to reach both existing and new customers, (iii) sponsorship of local and international events (e.g., conferences, sports, national events, etc.) and (iv) increasing brand awareness through efficient advertising campaigns, implemented from time to time with appropriate media channels.

## **Support the development and growth of local aluminium down-stream industry**

Qatalum is the cornerstone for the development of the Qatar aluminium industry and aims to proactively support the development of a downstream industry. To accomplish this goal, Qatalum plans to undertake activities to increase local awareness of the aluminium downstream industry, reflecting Qatalum's commitment to Qatar's economic diversification, and coordinate with supportive downstream activities.

## **Enhance production capacity and profitability**

Qatar Aluminium (Qatalum) intends to assist and propose plans to, where possible, improve production capacity through enhancements to existing facilities or source additional feedstock for production. Qatar Aluminium (Qatalum) will pursue cost-efficient opportunities to increase output, enhance efficiency and reduce production cost, including, where possible, changes to the configuration of existing production processes.

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## **Ongoing capital projects**

Ongoing capital projects include the PT alloy project and the swing rectifier. The PT alloy project involves building an extra furnace to produce specialised alloy products. This project started in the first quarter of 2017 with a duration of 18 months. The project has now been commissioned, tested, and accepted. It is expected to receive the final documents by the end of November 2018 for final close-out. Moreover, the project is expected to increase value added production and have a positive impact on the revenue of Qatalum after commencement of production.

The swing rectifier is a risk minimisation project. The objective is to provide additional security by providing a power supply to the reduction area. The project started in 2017 and is expected to be completed by mid-2020.

## **Qatalum Improvement Program**

The “Qatalum Improvement Program” began in 2013 and is aimed at continuously improving working standards and practices to make them more effective while maintaining safety and quality. In 2013 departments within Qatar Aluminium (Qatalum) collectively implemented over 140 new initiatives as a result of the Qatalum Improvement Program.

The “Qatalum Improvement Program” is also aimed at improving Qatalum’s cash cost by USD 150 per metric tonne within 5 years. Qatalum achieved its result a year ahead of schedule. At the start of 2017, Qatalum kicked-off its Phase 2 of the improvement program with the objective of further improving its cash cost by USD 120 per metric tonne by 2021.

## **Expansion**

The Joint Venture Agreement provides an option to expand the Project. As at the date of this Prospectus, there are no specific plans for expansion.

## **Competitive Strengths**

Qatar Aluminium (Qatalum) believes that its business is characterised by the following competitive strengths and that these competitive strengths will allow Qatar Aluminium (Qatalum) to successfully implement its strategy:

### **Supply of feed stock**

Qatar Aluminium (Qatalum) secured a 25 year supply for their gas requirements, pursuant to the Fuel Supply Agreement with QP commencing 23 August 2007 with provision to extend for 15 years.

Qatar Aluminium (Qatalum) further benefits from the Hydro Aluminium Primary Alumina Supply Agreement for long-term supply of Alumina. Qatalum has another Alumina supply contract with Glencore that runs until 2019. The tender process to replace the Alumina Supply contract that expires at the end of 2019 is underway. Just over forty percent (40%) of the total amount of alumina required has already been secured. The Qatalum raw materials team is working on securing the balance. Qatar Aluminium (Qatalum) also has sale and purchase agreements for Calcined Petroleum Coke in place with Rain CII Carbon (VIZAG) Limited and Petroleum Coke Industries Co. (KSCC). In respect of Liquid Pitch there are two main long term supplier agreements with JFE Chemical and OCI Company Ltd. Another agreement with Koppers is due to end this year.

### **Profitable businesses with significant cash generation ability**

The combination of reliable feedstock and efficient and integrated operations has allowed Qatar Aluminium (Qatalum) to enjoy a competitive advantage. With proven operating histories, Qatar Aluminium (Qatalum) has significant cash generation capabilities which in turn may potentially enable Qatar Aluminium (Qatalum) to pay attractive levels of dividends.



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## **Operational synergies**

Qatar Aluminium (Qatalum) benefits from the significant infrastructure at MIC. The integration and access to infrastructure at Mesaieed Industrial City at the facilities of Qatar Aluminium (Qatalum) contributes towards efficient production, minimising logistic costs and product wastage in the production chain. The location at MIC also allows it to take advantage of access to good quality port facilities for fast and reliable distribution of its products to market.

## **Strategic location in close proximity to key markets**

Aluminium is the second most widely used metal in the world economy after steel in both value and tonnage terms. Over the past half-century its uses have expanded from specialized aviation applications into a broad range of construction and industrial uses. Three end-use sectors account for about 60% of total demand on a worldwide basis. They are construction, transportation and packaging. Qatar Aluminium (Qatalum)'s management believes that demand for aluminium is likely to experience growth driven by a combination of non-cyclical factors including wider-scale investments in manufacturing industries, rising income per capita levels and growing populations. The strategic location of Qatar Aluminium (Qatalum)'s production facilities in Qatar allows it to export its products with comparative ease compared to some of their other global competitors. The strategic location of Qatar Aluminium (Qatalum)'s production facilities is a key competitive advantage over other global producers who are located further away from key markets in the US, Europe and Asia.

## **Strong shareholder support**

Qatar Aluminium (Qatalum) benefits from having shareholders who have extensive knowledge and experience in the aluminium industry bringing with it proven technology and substantial operating experience. Norsk Hydro has over 50 years of experience in aluminium operations all around the world. QP has shown its strong support for Qatar Aluminium (Qatalum) to allow it to compete internationally. This shareholder support and efficient technologies results in Qatar Aluminium (Qatalum) being among the lowest-cost producers supplying its target markets.

## **Robust global industry sector and product range**

Qatar Aluminium (Qatalum) has a customer base that represents a global and diverse market encompassing the manufacturing and consumer sectors. The U.S. and Asian markets are currently a major consumer and demand driver for aluminium, driven by the recent rapid expansion in the region's industrial and manufacturing sectors.

## **Management**

Full details of the Board of Directors of the Company and Qatar Aluminium (Qatalum) are set out in the section entitled "Management and Corporate Governance".

## **Competition**

The global aluminium industry is a relatively consolidated and highly competitive one, characterised by a set of large, well-established producers seeking to achieve economies of scale by extending the geographical reach of their sales efforts as broadly as possible. Major barriers to entry into the aluminium business include substantial capital expenditure requirements, time required to construct aluminium smelters and the need to secure access to competitively priced energy supplies, technology and raw materials.

The Middle East has emerged as a major aluminium production centre primarily due to the reliability of, and easy access to, its main sources of energy. The region is also in a favourable position in terms of a stable supply of fuel and its geographical proximity to large export markets. Qatar Aluminium (Qatalum)'s principal competitors are the other major international aluminium producers, particularly those active in or operating from GCC countries.

International competitors include ALCOA Corporation with a capacity of over 2.3 million tpy, RUSAL with a capacity of over 3.2 million tpy, Rio Tinto with a capacity of over 3.3 million tpy, Hongqiao Group with a capacity of over 6.5 million tpy and EGA with a capacity of over 2.6 million tpy.



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In the GCC competitors include Dubal in Dubai with a capacity of over 1 million tpy, Emirates Aluminium in Abu Dhabi, with a capacity of approximately 1.3 million tpy (Emirates Aluminium and Dubal act together as Emirates Global Aluminium), Aluminium Bahrain B.S.C. with a capacity of over 860,000 tpy, Sohar Aluminium in Oman with a capacity of approximately 375,000 tpy and Ma'aden in Saudi Arabia with capacity of 720,000 tpy, according to the Gulf Aluminium Council. Further increase in competition for Middle Eastern customers may result from increases in planned production for new smelters in the region, including Emirates Aluminium and Aluminium Bahrain B.S.C.

## **Products**

As one of the largest individual aluminium producers in the world, Qatar Aluminium (Qatalum) offers a variety of products to meet its customers' changing needs with an increasing focus on higher value-added products. The scale of Qatar Aluminium (Qatalum)'s operations has allowed it to diversify its line of products over the years. Currently, the following three products account for the majority of Qatar Aluminium (Qatalum)'s sales in order of highest-to-lowest product premium:

### **Extrusion Billets**

Extrusion Billets are often used in manufacturing components in residential and commercial buildings, such as windows, door panels, shower enclosures, computer heat sinks and decorative trims. An Extrusion Billet is a cylindrical log of cast aluminium that is produced by vertical direct casting, for which Qatar Aluminium (Qatalum) currently has a total production capacity of approximately 350,000 tpy; this is Qatar Aluminium (Qatalum)'s highest value-added product and it has represented no less than half of its total production in terms of volume since 2015.

Extrusion Billets are cast in a vertical direct chilled casting machine, consisting of water-cooled casting moulds suitable for casting extrusion ingots up to 7.3m long. As the metal is being cast, the casting table is slowly lowered and the ingots are solidified by the continuous spraying of direct contact cooling water. After casting, the Extrusion Billets are treated in gas fired homogenizing furnaces and sawed to the required length, weighed and transferred to the storage area.

### **Primary Foundry Alloys**

This product has a number of uses including by the automotive industry for the manufacture of items such as automotive wheels, truck hubs and gas pump nozzles. The foundry alloys created by Qatar Aluminium (Qatalum) are of a high quality with a minimal amount of iron content. The production of foundry alloys is undertaken to the ISO/TS 16949 certification. Alloys for which Qatar Aluminium (Qatalum) currently has a total production capacity of approximately 275,000 tpy; this product represented over 40% of its total production in terms of volume since 2015.

The mould ingot casting machine consists of a continuous moving chain of moulds to produce ingots of aluminium foundry alloys. The molten metal is cooled as the chain of moulds moves along a water-quenching chamber. When solid, the ingot is removed from the mould and conveyed through a water spray chamber, to cool it further. The mould ingots are then automatically stacked into bundles, weighed and packed for storage and shipment.

### **Standard Ingots**

A standard form of aluminium product, for which Qatar Aluminium (Qatalum) currently has a total production capacity of approximately 325,000 tpy; this product represented 2%, 5% and 6% of its total production in terms of volume in 2015, 2016 and 2017, respectively, and 3% of its production for the first half of 2018. Standard Ingots are sold to downstream users that require the metal for re-melting in their own furnaces. Qatar Aluminium (Qatalum) currently sells a standard form 23 kg ingot.

Standard Ingots of 99.7% aluminium are cast from molten aluminium in the standard form. These ingot moulds are usually moving on a continuous belt or chain and the ingots are allowed to solidify by air-cooling in the atmosphere, often supplemented by a water spray on the moulds, as the chain moves around.

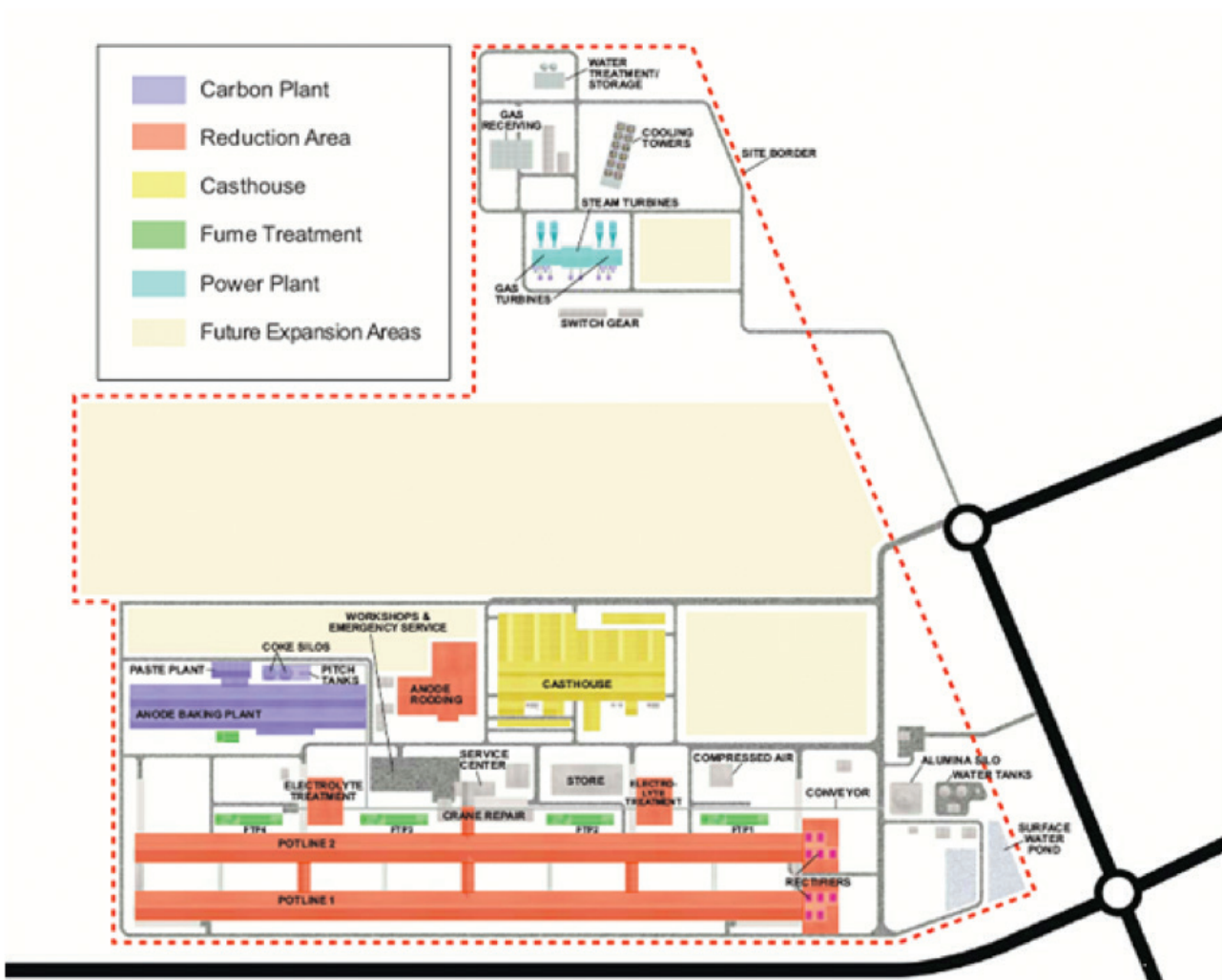
## Production Facilities

The production facilities include the Aluminium Plant with design nameplate capacity of 585,000 tpy, but now produces more than 650,000 tpy. The operational facilities are made up of the:

- Reduction Plant;
- Carbon Plant, including the Anode Service Plant;
- Casthouse; and
- Power Plant.

The use of these facilities is detailed in the section entitled “Production Process” below. The operational facilities are integrated with the following infrastructure:

- a port area with a dedicated berth for raw material import with associated storage silos and transport facilities (Berth 8) and a second shared berth for products export and handling general cargo (Berth 7); and
- utility and auxiliary services including: gas distribution, cooling water systems, compressed air, warehouses and storage buildings.

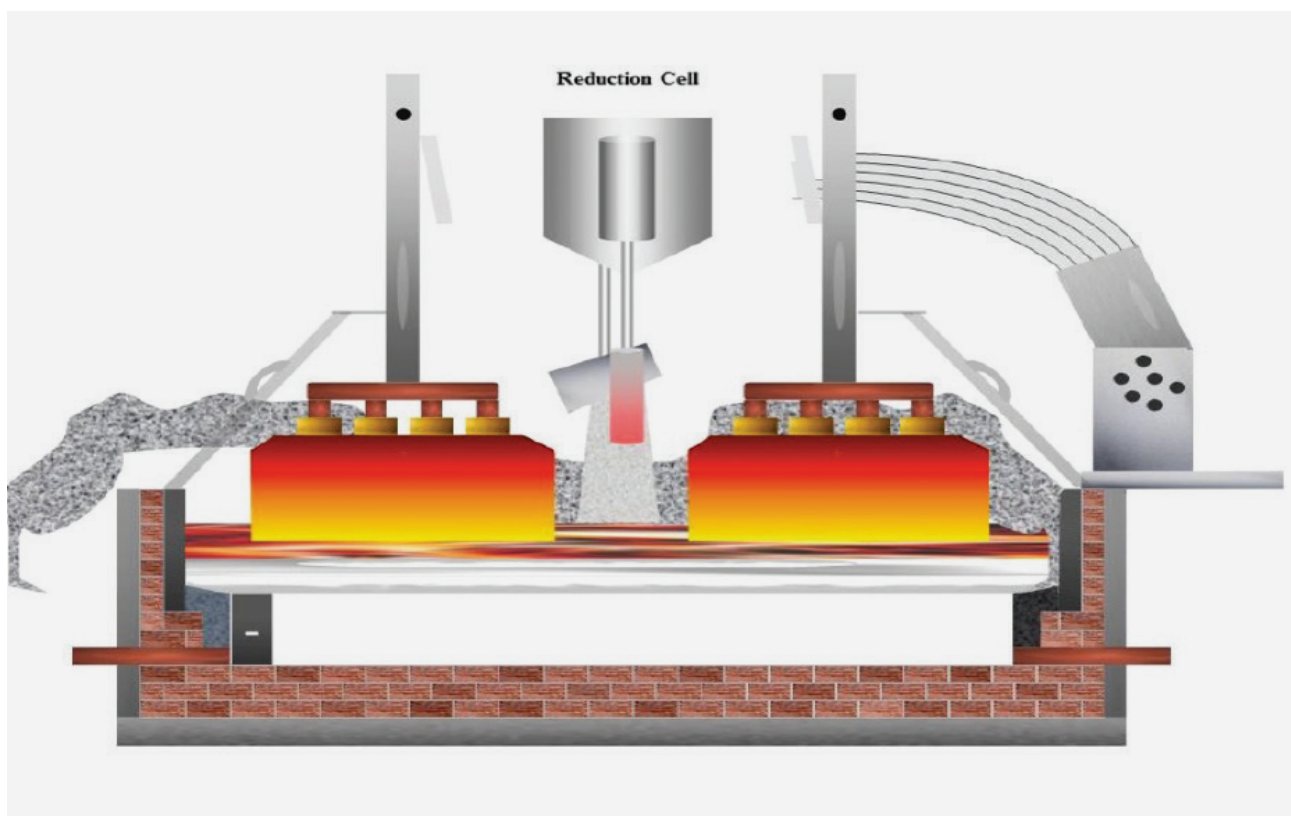
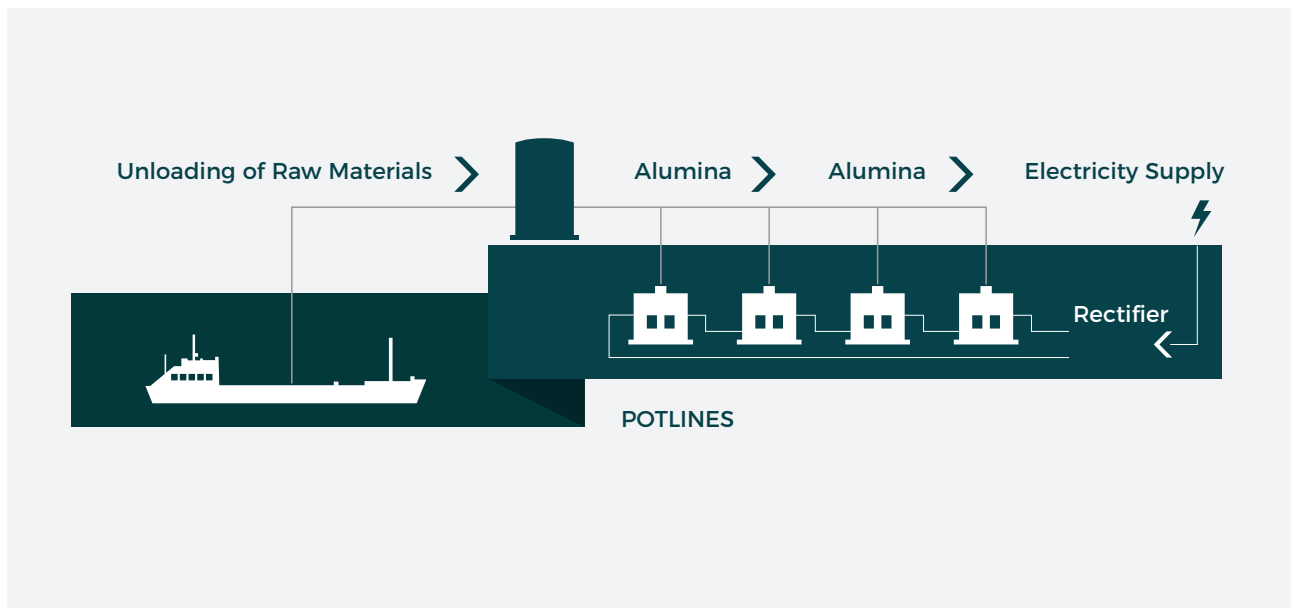


## Production Process

### Reduction Plant

Aluminium is produced by the Hall-Héroult electrolysis process using HAL275 technology operating at 300kA. This process occurs in large steel containers called pots or cells. The Reduction Plant is housed in two long buildings (approximately 1,150 m in length), called potrooms. The two potroom buildings are located adjacent and parallel to each other. Each potroom houses one reduction line of two rows of reduction pots, with a total of 352 pots in each potroom.

Each pot consists of a steel shell lined with refractory bricks, and carbon blocks serving as the cathode. The pot is fitted with a super-structure that supports the carbon anodes, and which stores and feeds alumina into the pots.

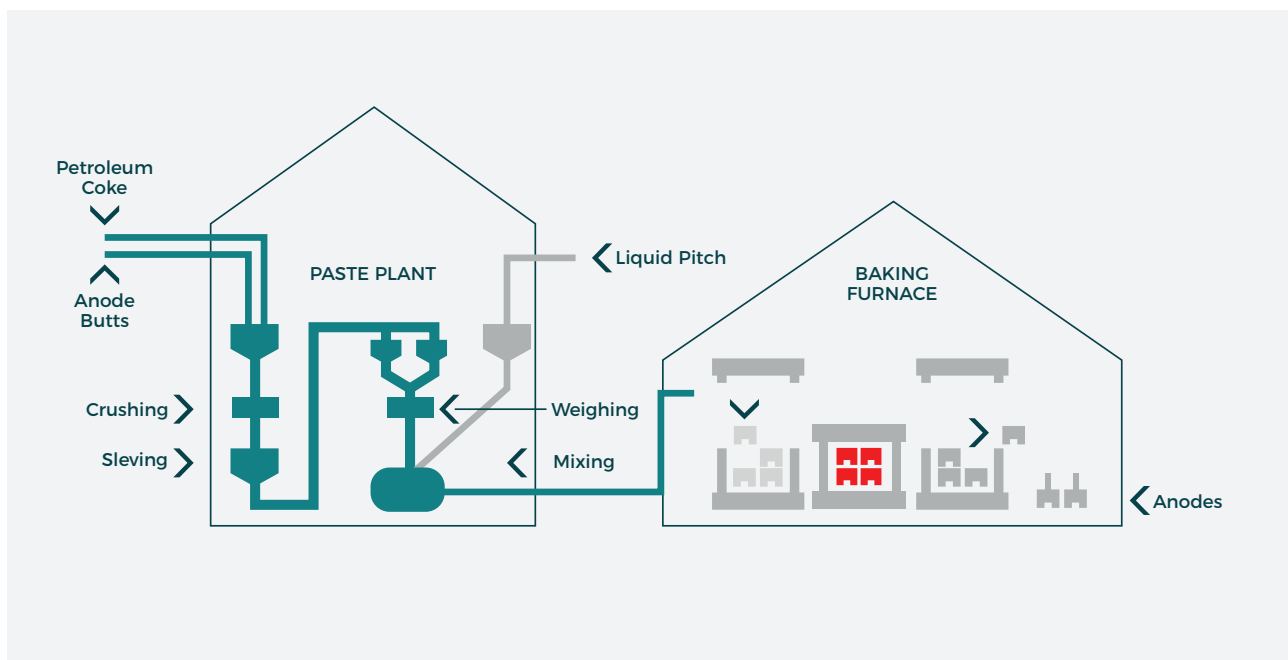


## Carbon Plant

Carbon anodes are required for electrolytic reduction of aluminium oxide to aluminium in the potlines. During this process the anodes are consumed; the net consumption of anodes is approximately 0.4 tonnes per tonne of aluminium produced. The top portion of the anode (butts) is not consumed (this is recycled in the process), thus, gross production of anodes is in the order of 0.5 tonnes per tonne of aluminium.

The Carbon Plant comprise two main sections: the paste plant for the production of “green anodes” and the anode baking plant.

As well as the main production lines, the Carbon Plant area houses a number of ancillary buildings and storage facilities including: a control room, offices, maintenance shop, spare part store, cleaning station, green and baked anode storage, pitch storage tanks, storage silos for coke and butts, and silo for green scrap for recycling.



## Anode Service Plant

The Anode Service Plant, consisting of the bath cleaning plant and the anode rodding plant, will meet the demand of rodded anodes and crushed electrolyte for the reduction plant.

The Anode Service Plant has two main functions:

- cooling of spent anodes and bath/electrolyte handling; and
- anode rodding.

The main operational interface between the Anode Service Plant and the Reduction Plant is the bath cleaning plant, located close to the potlines. This consists of two buildings, which receive the spent anodes with bath covering, bath material from the potrooms and bath from the pot relining process.

The anode butts are cleaned to remove the bath and thereafter sent to the rodding plant. Recovered bath material from the spent anodes and the reduction plant is crushed, screened and stored in a silo prior to being returned as insulating cover material for the anodes in the potlines.

The main operational interface between the Anode Service Plant and the Carbon Plant is the rodding plant, which consists of one building. In the rodding plant, butts and iron thimbles are removed from the hangers.

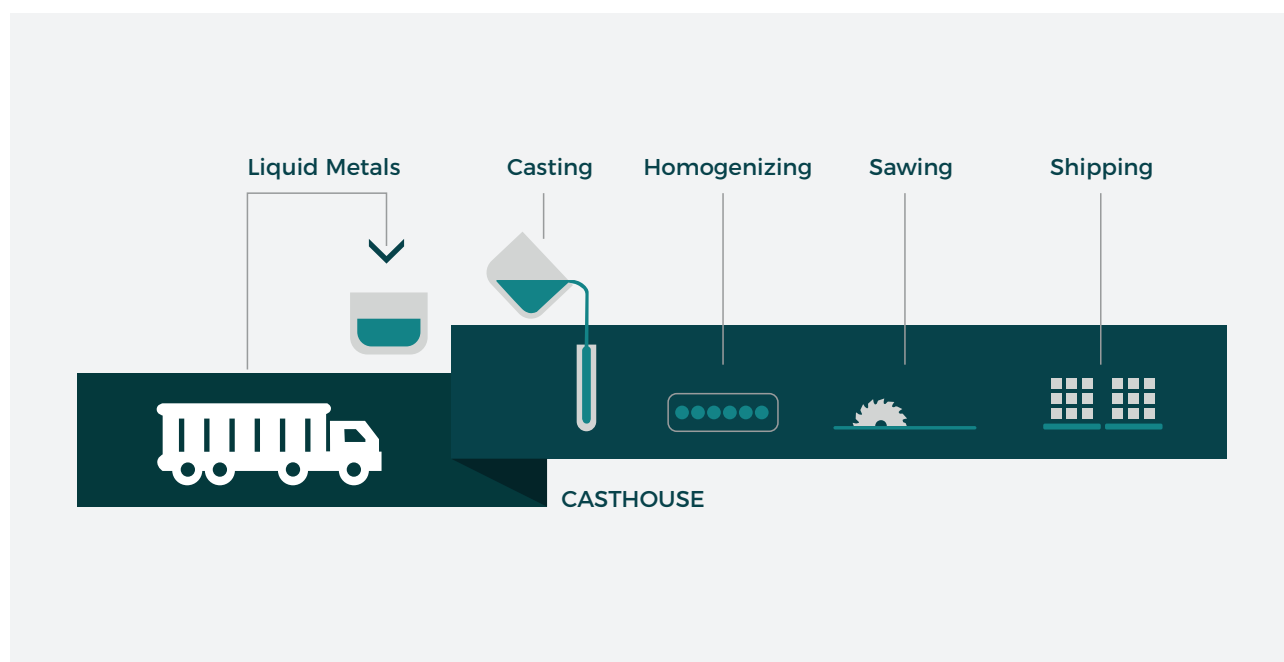
The hanger (rod) is cleaned prior to reuse in the rodding shop; the thimbles are also recycled. The clean carbon butt is transferred to the crushing unit in the Carbon Plant for reuse in the paste plant. The cleaned and new hangers are “rodded” with fresh baked anodes from the Carbon Plant. All freshly rodded anodes (and empty electrolyte pallets) are collected from the Anode Service Plant for use in the reduction plant.

## Casthouse

The Casthouse facility converts molten aluminium from the potlines into different products.

Liquid aluminium is removed from the pots by tapping vehicles and transport to the Casthouse. Prior to casting, the molten aluminium, from the potlines, is treated in fluxing stations to remove impurities.

Casting takes place in the casting lines, which consist of casting furnaces and casting machines. Cold aluminium and alloying materials are fed to the casting furnaces and preheated (with gas-fired burners) to ensure moisture removal. The furnaces are then charged with the molten aluminium from the fluxing area. The surface of the metal is then skimmed to remove further dross. After dross removal, the molten metal product is poured into moulds and cast into final product forms as detailed above in section entitled “Products”.



## Feedstock

The sections entitled “Supply of Feedstock” and “Related Party Transaction” detail the main long and short term sale and purchase agreements for the primary feedstock for the Project.

### Natural Gas

The principal source of energy for Qatar Aluminium (Qatalum)’s operations is the electricity generated by the Power Plant which is fuelled by natural gas. Qatar Aluminium (Qatalum) meets all of its gas requirements through its long-term gas supply contract with QP.

### Alumina

Alumina, the principal raw material required in the aluminium production process, is a white granular material properly called aluminium oxide. It is produced from bauxite ores (iron alumina silicate) and extracted from mines in various locations around the world. Qatar Aluminium (Qatalum) uses the Hall-Héroult electrolysis process using HAL275 technology in its production of primary aluminium, which is used to separate alumina

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by electrolytic reduction into its component parts of aluminium metal and oxygen gas.

### **Calcined Coke and Liquid Pitch**

Calcined coke, together with liquid pitch, is used to produce the anodes Qatar Aluminium (Qatalum) uses in the aluminium smelting process. Liquid pitch is a derivative of coal tar, and it is one of the core ingredients in the anodes Qatar Aluminium (Qatalum) produces and uses in its aluminium smelter.

### **Aluminium Fluoride**

Aluminium fluoride serves as a solvent in the aluminium smelting industry and, while representing a small proportion of the inputs in Qatar Aluminium (Qatalum)'s smelting process, it is of critical importance to managing efficient levels of electricity consumption. It is a chemical used in aluminium fluxes, as an electrolyte for the reduction of aluminium oxide to aluminium metal in the Hall-Héroult manufacturing process.

### **Alloys**

Alloys are mixed in with the liquid metal at the Casthouse which is produced at the Reduction Plant. Adding alloys gives the desired physical and chemical properties to the finished products sought by customers. The world's main producer of alloying materials, notably silicon and magnesium, are China based. Any legislation or change of law (e.g. export/import restrictions) can impact the rest of the world's supply. Alternatively, silicon prices may increase if silicon's use in other industries increases, such as in the chemical (solar) sector. The prices for other alloying materials are available with their cost dependent on the price of metals from which those alloys are produced.

## **Health and Safety and Environment**

Qatar Aluminium (Qatalum)'s vision is to be a world class producer of high quality aluminium products, which includes an unwavering commitment to health and safety. Its HSSE policy advocates great commitment in sustaining the core elements of its business. Qatar Aluminium (Qatalum) values safe operations, resulting in less downtime and a more reliable and productive operation, contributing to stronger financial performance.

Excellence in HSSE is pursued through continuous improvement of awareness, understanding and performance. Qatar Aluminium (Qatalum) seeks to meet the highest international standards in order to ensure the safety of its employees, contractors and stakeholders. Like with many large scale industrial plants, Qatar Aluminium (Qatalum)'s emergency centre is well-equipped with world class and up-to-date equipment including advanced first aid, fire, rescue and hazardous materials response teams and services.

Below is a table showing, for the periods ended 31 December 2015, 2016 and 2017, the number of recordable injuries and the recordable injury rate (RIR), an industry standard safety indicator for industrials, based on United States Department of Labor, Occupational Safety & Health Administration (OSHA) standards:

<b>Period ended 31 December</b>	<b>Number of recordable injuries</b>	<b>Recordable injury rate (RIR)</b>
2015	3	0.84
2016	4	1.23
2017	7	2.71

A recordable injury is generally defined as an occupational injury or illness that is sustained on-site illness that requires medical treatment that is considered more than simple first-aid. Qatar Aluminium (Qatalum) note that the majority of its recorded injuries have been minor in nature and that the number of recordable injuries is low when compared to those of companies operating in similar industries within the GCC. The management team has taken various steps to limit further incidents, and as of June 2018 there has only been one recorded injury.

Qatar's environmental authorities stipulated a number of conditions when the Environmental Impact Assessment for the Project was approved. Primary aluminium production was a new industry in Qatar, and handling the environmental issues for the project meant breaking new ground and establishing new standards.

In cooperation with the SCENR, the regulatory authority responsible for environmental protection, Qatar Aluminium (Qatalum) has made the entire Environmental and Social Impact Assessment available to the general public.

WS Atkins International Ltd (Atkins) was commissioned to undertake the Environmental and Social Impact Assessment for the Project. Atkins' assessment as set out in its report dated 4 December 2006, found the majority of impacts to be only negligible or of minor significance. This is largely due to Qatar Aluminium (Qatalum) adopting the design, and vast knowledge and experience gained from existing Hydro Aluminium smelter operations.

The following impacts were rated as having moderate to minor significance for the operation of the Project:

- Particulate (PM10) emissions are only considered to have a moderate significance due to existing high background concentrations (dust storms). The contribution from the Project alone is assessed as negligible.
- High concentrations of particulate fractions are not atypical of an arid environment like the MIC and the Qatar peninsula. No further mitigation/ control measures can be applied.
- The Project will not directly emit ozone to the atmosphere. It will, however, generate ozone precursors. The main potential ozone precursors associated with the Project have been minimised at source through the application of best available technology.
- Although the Project has minimized compounds with the potential of ground level ozone creation, current ambient air quality data show that SCENR standards are exceeded at times within the MIC.

However, any impact arising from the potential increase in ozone concentrations has been rated as having a moderate significance.

- Qatar Aluminium (Qatalum) is following the QP/Total regional ozone monitoring study. Results here may give a better indication of how best to manage and adopt ozone control measures on a local, national and regional scale.
- Through the application of best available technology, emissions of sulphur dioxide (SO<sub>2</sub>) have been reduced by a minimum 80% through the use of seawater scrubbers. The highest modelled ground level concentrations of SO<sub>2</sub> occur close to the site boundary.



- In these localised areas, ground level concentrations will be well below the SCENR 24-hour air quality standard and the shorter term MIC guidelines, as well as the WHO and World Bank 24-hour criteria. In residential areas ground level concentrations will be well below the WHO and World Bank 24-hour criteria.
- Emissions of hydrogen fluoride, mainly from the potroom ventilation, may cause minor damage to sensitive vegetation in the close vicinity of the plant. However, much of the impacted area is within the industrial area, with sparse natural vegetation, and this impact is considered to be of minor significance.
- The ornamental plants and trees already there are mainly of a resistant species, and more sensitive species could be replaced by more fluoride-resistant species, should the emissions cause visible damage.
- All other impacts identified for construction, commissioning and operation were deemed to have only negligible or minor significance.

The overall conclusion of the Atkins assessment of the Project is that impacts have been minimised, and that they will be managed as far as is reasonably possible. None of the impacts identified are so severe that they should affect the overall implementation of the Project.

There are three particular areas where the implementation of the Project will cause an increase in the generation of Qatalum's most significant environmental releases, where these releases are proscribed by the CTO. The areas are:

- atmospheric emissions of HF and particulate fluoride;
- atmospheric emissions of Nox from the Power Station gas turbines; and
- cooling water / scrubbing water discharge via the MIC channel.

However, despite the increases, it is concluded that the implementation of the Project will not cause the Qatalum plant to exceed the operational/environmental impact "envelope" defined by the 2006 EIA.

## Employees

As of 30 June 2018, Qatar Aluminium (Qatalum) has 1,161 full time employees. The following table sets out the aggregate number of people employed by each of its departments.

Department	Qatari Nationals	Expatriates	Total
Senior Management	3	5	8
Operations	21	973	994
Business Support	51	108	159
<b>Total</b>	<b>75</b>	<b>1,086</b>	<b>1,161</b>

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In addition to the employees listed in the table above, Qatar Aluminium (Qatalum) employs a number of contractors. Currently, Qatar Aluminium (Qatalum) is employing approximately 326 contractors.

In accordance with the Qatar National Vision 2030 policy to support employment opportunities for the domestic workforce by developing diversified industries based on abundant gas reserves, 6.46% of Qatar Aluminium (Qatalum)'s employees are citizens of Qatar. However, the Qatalum Qatarisation target is to achieve and maintain 50% or greater nationals in established positions. There exists a yearly intake plan to recruit national university and high school graduates to the preparation program for technicians and operator positions in the plant. In addition to the yearly plan Q&D is aiming to Qatarise established positions by recruiting experienced nationals. The target is proving difficult to achieve with graduates reluctant to travel to Mesaieed and due to other opportunities from companies all trying to attract nationals.

Through its own Qatarisation programs, (Graduate Development Program, Professional Development Program, National Scholarship Program and Summer Training Program), Qatar Aluminium (Qatalum) has been a consistent partner in implementing the Government's labour reform programme aimed at improving the skills and competitiveness of the local workforce. Qatar Aluminium (Qatalum)'s current annual turnover rate is below 2.4%.

Qatar Aluminium (Qatalum) bases its remuneration policies on each individual employee's qualifications and performance, as well as the complexity of his or her job. Wages for each employee are generally reviewed annually and revised in accordance with a performance assessment and local labour market conditions.

For the year ended 31 December 2017, the aggregate compensation, including cash, that Qatar Aluminium (Qatalum) paid to the members of its board of directors and to its executive management was USD 398 thousand and USD 5,940 thousand respectively, while it paid all of its employees, including executive management, USD 139,531 thousand. For the same period, the total amount that Qatar Aluminium (Qatalum) set aside or accrued to provide retirement or similar benefits, such as leaving indemnities, was USD 21,059 thousand.

Qatar Aluminium (Qatalum)'s personnel policy governs its relationship with its staff. Qatar Aluminium (Qatalum) has invested resources to create a safe and respectful work environment that provides many different benefits to its employees, including access to on-site social and health facilities, pension plans, children education assistance, travel assistance, medical and life insurance, bachelor incentives, transport assistance, location incentives, maternity leave, cultural events and subsidised meals. Qatar Aluminium (Qatalum) also assists its employees with career development, further training, study leave and on the job training.

## **Litigation**

Qatar Aluminium (Qatalum) was joined as a defendant in a lawsuit filed on 29 May 2017 by HSBC (Oman) in the Sohar Court of First Instance (Oman) against Salzburger Aluminium Sohar Co. (Salzburger) together with eight other defendants. For Qatar Aluminium (Qatalum) the lawsuit was in relation to which account Qatar Aluminium (Qatalum) was obligated to make payments for the aluminium supply. On 20 December 2017, Salzburger was ordered by the Court to pay HSBC (Oman) RO 1,449,633.983 plus expenses of RO 500. HSBC (Oman)'s claim against Qatar Aluminium (Qatalum) was rejected by the Court. HSBC (Oman) has appealed the judgement on 15 January 2018. The case is pending before the Court of Appeal.

Qatar Aluminium (Qatalum)'s insurers have instructed legal advisors on 21 September 2017 to bring a claim against General Electric Company with respect to the failure of one of Qatar Aluminium (Qatalum)'s gas turbines. This is a recovery action under subrogation and for uninsured losses. Qatar Aluminium (Qatalum) is one of three stakeholders who would benefit equally from a successful outcome. The legal advisors have taken the case on a contingency basis and the potential value of the whole claim is around USD 30,000,000.

Except for the proceedings set out above, Qatar Aluminium (Qatalum) has not been involved, in the twelve months prior to the date of this Prospectus, and is not currently involved in any governmental, legal or arbitration proceedings which may have or have had in the recent past significant effects on Qatar Aluminium (Qatalum)'s financial position or profitability nor, so far as Qatar Aluminium (Qatalum) is aware, are any such proceedings pending or threatened against Qatar Aluminium (Qatalum).

# THE ALUMINIUM INDUSTRY

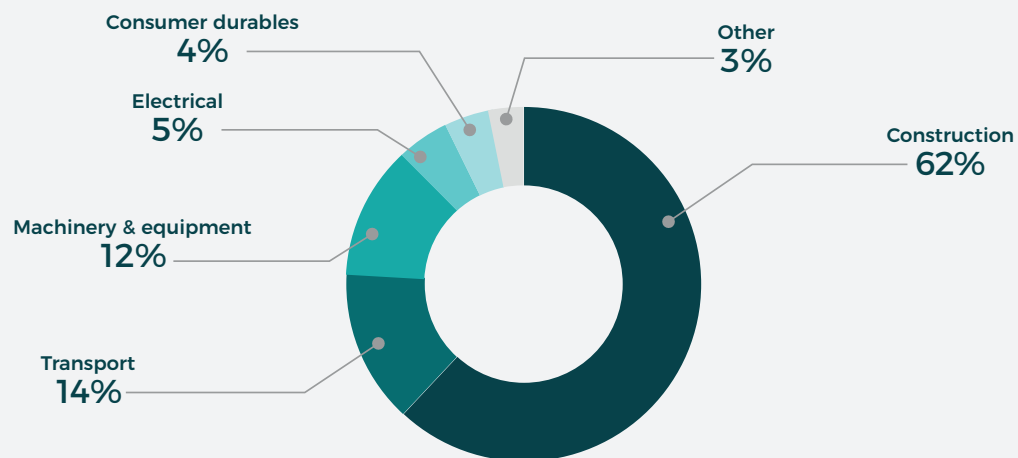
## Aluminium industry overview

### Global overview

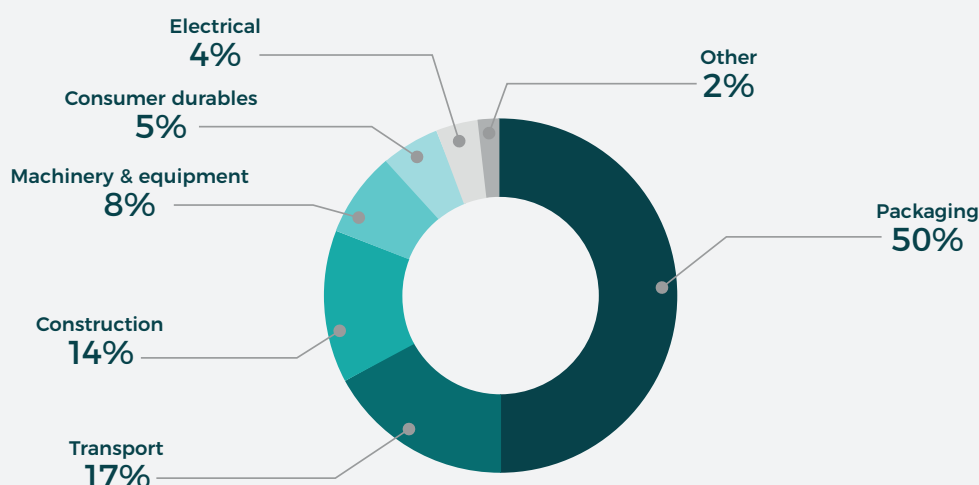
The aluminium industry is the world's second largest metals industry, after steel. The global consumption of primary aluminium in 2017 was c.59 million tonnes. The main applications for aluminium are in:

- Transport – cars, aircraft, marine use
- Packaging – drink cans, aluminium foil
- Construction – window and door frames, external and internal cladding
- Electrical – cable and wire
- Consumer goods and general engineering
- In many applications, aluminium can act as a substitute for steel, plastics and copper.

Global aluminium segment composition, extrusion (2017)



### Global aluminium segment composition, rolled products (2017)



Source: Norsk Hydro market research.

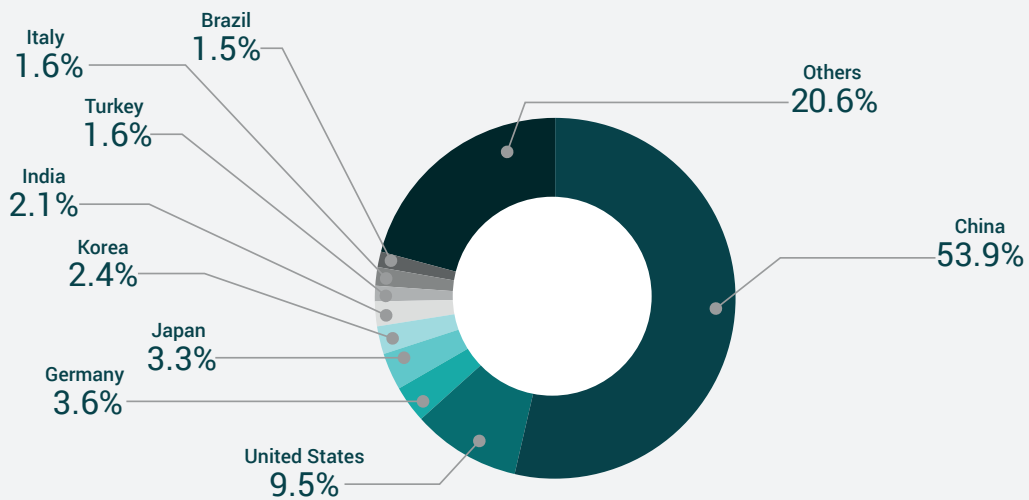
Aluminium is derived from bauxite ore. The main global reserves of bauxites are in Australia, Brazil, Guinea, India and Jamaica. Bauxite is processed into aluminium in a two-stage process, normally carried out at different locations. In the first stage, bauxite is processed in an alumina refinery into alumina ( $\text{Al}_2\text{O}_3$ ). In the second stage, alumina is further processed into aluminium in an electrolytic smelter. The main cost elements for converting bauxite into alumina are energy (in the form of steam and fuel), labour and caustic soda. For the process of converting alumina into aluminium, the key cost component is electricity. The cost of production relative to the cost of freight favours the processing of alumina near the source of bauxite; whereas the processing of aluminium close to a source of low-cost electric power.

### Aluminium demand

Global consumption of aluminium has increased significantly in the last decade, from c.32 mtpa in 2005 to c.59 mtpa in 2017, implying an average annual growth of 5-6%. The industrialisation and urbanisation of China and other South East Asian economies have played a significant role in the fast growth of the aluminium market, along with the increasing use aluminium alloys (instead of steel and copper) in a wide range of applications.

The demand for aluminium is expected to grow at c.2-3% annual growth from 2017 to 2027, and will be largely driven by: the development of Asian economies, especially China and India; a political willingness to reduce CO<sub>2</sub> emissions, incentivising car manufacturers to reduce vehicles weight that will be sometimes achieved by replacing materials with aluminium; and expected increase of electric vehicles, requiring charging and distribution networks infrastructure.

### Aluminium consumption by country (2017)



Source: World Bank.

### Global industry snapshot

China has been the largest producer of aluminium in 2017, accounting for more than 50% of the global aluminium consumption. This local production has been historically driven by the construction sector. As the country is developing and transitioning part of its economy to a consumption-oriented model, the average aluminium demand is likely to decline over the next few years. However, China will continue to have a significant role and importance in the global aluminium market despite this expected slowdown.

Apart from China, the US and India will play a key role as well. Both economies will drive the aluminium demand by their infrastructure and construction sectors. Demand in India will be supported by a significant deficit in infrastructure that is currently being tackled politically by implementing favourable policies for public and private investment in the sector.

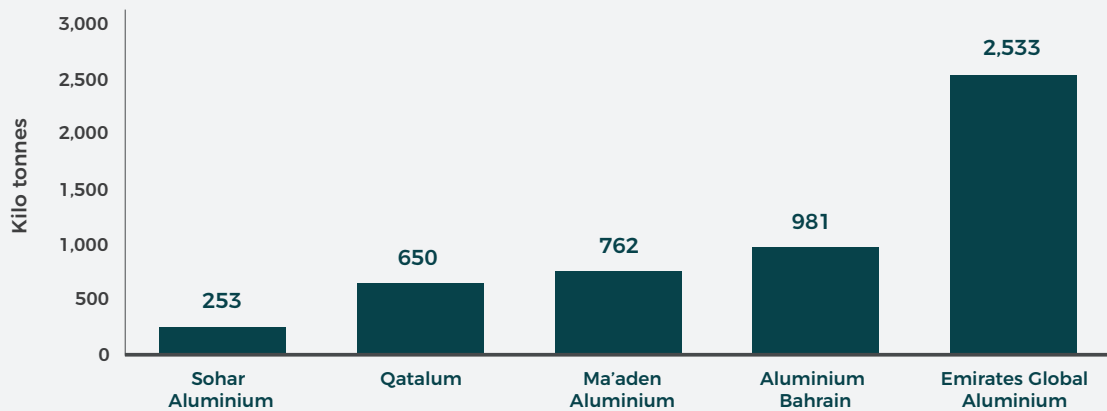
### Aluminium production in GCC

GCC aluminium production has been increasing over the past years. From a modest level in the 70s, the local production now represents c.10% of the world primary aluminium production, with 4 of the top global producers located in the GCC.

The production of aluminium in the region is part of a broader strategy to diversify the economies away from oil exports presents several advantages to develop the local aluminium industry in the medium to long term. First, GCC countries have access to cheap energy. Second, they have financial capabilities to invest in this industry and finally, local demand for aluminium has increased significantly.

In the current macro-environment, with Chinese products oversupply putting pressure on the industry, and GCC currencies pegged to U.S. Dollars, aluminium producers aim at improving their cost structure and their productivity.

### GCC primary aluminium production (2017)



Source: Gulf Aluminium Council.

## Major market players and regional players

### Alcoa

Alcoa is a global industry leader in the production of bauxite, alumina, and aluminum, with 40 operating locations across 10 countries. Its assets include a premier low cost, bauxite mining portfolio; a large, low cost, globally diverse alumina refining system; and an optimised aluminum products portfolio.

It operates 15 smelters for aluminium, and produced 2.3mt of aluminium in 2017.

### Rusal

Rusal is a low cost, vertically integrated aluminium producer with core smelting operations located in Siberia, Russia. In 2017, it remained among the largest producers of primary aluminium and alloys globally.

Rusal's production chain includes bauxite and nepheline ore mines, alumina refineries, aluminium smelters and casting houses, foil mills, packaging and wheels production centers.

It produced 3.2mt of aluminium in 2017, representing c.5.8% of the world's aluminium output. Also, it produced c.6.3% of the world's alumina production.

Rusal operates 10 aluminium smelters, of which 9 are in Russia and 1 is in Sweden.

The US Government sanctioned Rusal in April 2018. The long-term effects of the sanctions and the threat of additional future ones are still difficult to determine. However, since April, the impact on aluminium and alumina prices have been significant, mainly because of the importance Rusal has in the global manufacturing process for aluminium.

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## **Hongqiao**

Hongqiao has 6.5mtpa of operating production capacity and remains the largest primary aluminum player in China and in the world, despite shutting down 2.7mtpa in 2017 due to China's supply reform. The company accounts for 15% of China capacity, and 8% of global capacity.

Hongqiao produced 7.5mt of aluminium in 2017, and operates 9 smelters.

## **Chalco (China Aluminium Company)**

Chalco and its subsidiaries is the only large manufacturer and operator in aluminum industry in China with integration of exploration and mining of bauxite, coal and other resources; production, sales and technology research of alumina, primary aluminum and aluminum alloy products; international trade; logistics business; thermal and new energy power generation.

Chalco produced 3.7mt of aluminium in 2017, and operates 8 smelters.

## **Norsk Hydro**

Hydro is a fully integrated aluminium company with operations in all major activities along the aluminium industry's value chain. Operations include one of the world's largest bauxite mines and the world's largest alumina refinery, both located in Brazil. It operates primary metal production facilities in Europe, Canada, Australia, Brazil and Qatar.

Hydro produced 2.1mt of aluminium in 2017, and operates 10 smelters worldwide.

## **EGA**

EGA was ranked as the world's largest 'premium aluminium', or value added products, producer in 2017. It produced 2.6mt of aluminium in 2017, and operates 2 smelters located in the UAE. It employs more than 8,000 people and supplies customers in more than 60 countries.

EGA is currently building an alumina refinery, the second in the Middle East. This plant, aimed at refining bauxite into alumina, will reduce the UAE's dependence on imported alumina.

EGA is owned equally by Mubadala Investment Company of Abu Dhabi and Investment Corporation of Dubai.

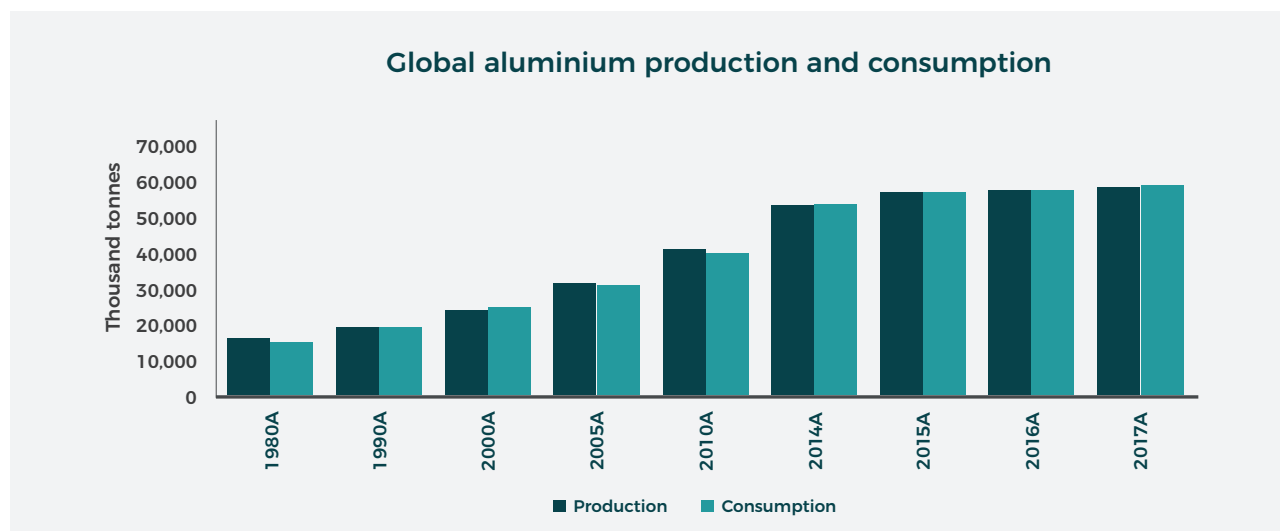
## **Alba**

Aluminium Bahrain ("Alba") is a state-backed aluminium smelter in Bahrain. The company produced 981kt of aluminium in 2017, but will grow to become the world's largest single-site smelter, at over 1.5mtpa capacity, by 2019 upon delivery of its 540ktpa Line 6 expansion project.

Apart from pure players in the aluminium industry, a number of diversified mining companies are also engaged in the production of aluminium. Some of the most important are: Rio Tinto, BHP Billiton, South32, and Vedanta.

## Aluminium production and consumption

Aluminium production at a global level is relatively balanced, but many imbalances exist at regional level. Europe and North America run a structural deficit, whereas China is producing slightly more than its own consumption. The main exporting regions or countries are Russia, Australia and New Zealand, and the Middle East.



Source: World Bank.

Production is expected to grow relatively in line with global consumption, with potentially a small deficit of -2 mt. Markets expect that this deficit will allow for the reduction of stocks of primary aluminium that were built in the aftermath of the crisis in 2008.

Country	Production (mt) 2017	% of world
China	32.27	54.94%
Russia	3.88	6.60%
Canada	3.21	5.47%
United Arab Emirates	2.68	4.56%
India	2.03	3.45%
Australia	1.49	2.53%
Norway	1.25	2.12%
Bahrain	0.98	1.67%
Saudi Arabia	0.91	1.56%
Iceland	0.86	1.47%
Brazil	0.80	1.36%
United States	0.74	1.26%
South Africa	0.72	1.22%
Others	6.92	11.79%
<b>Total</b>	<b>58.74</b>	<b>100.0%</b>

Source: World Bank.

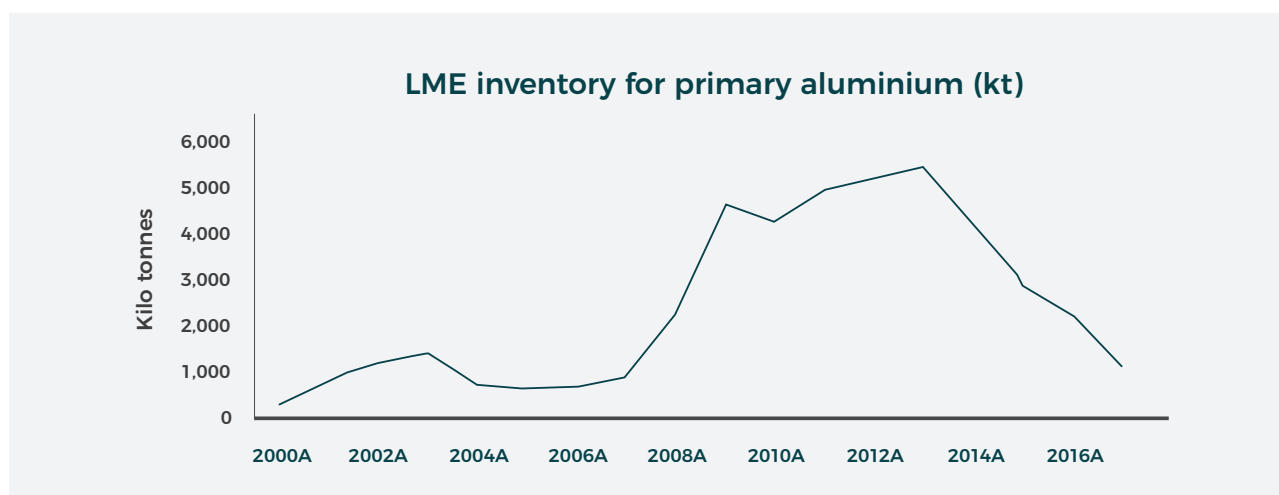


China remains the largest consumer by far of aluminium globally, with a primary demand annual growth of c.7%. India is expected to gain more importance over the coming years, with a demand growth rate of currently c.10%.

Country	Consumption (mt) 2017	% of world
China	31.91	53.85%
United States	5.62	9.48%
Germany	2.16	3.64%
Japan	1.95	3.29%
Korea	1.42	2.40%
India	1.22	2.06%
Turkey	0.96	1.62%
Italy	0.92	1.56%
Brazil	0.87	1.46%
Others	12.23	20.64%
<b>World</b>	<b>59.26</b>	<b>100.0%</b>

Source: World Bank.

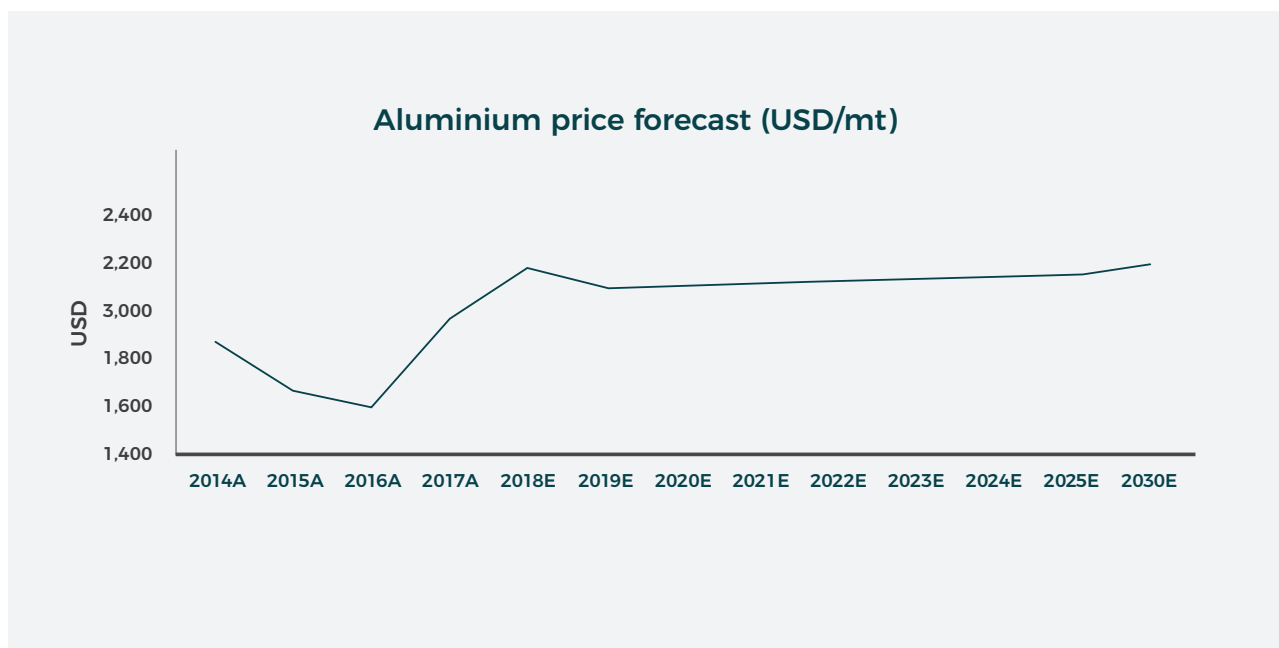
This trend of a potential deficit in the coming years is consistent with LME inventory warehouse levels for primary aluminium that have been declining significantly over the past years:



Source: Bloomberg.

## Prices

Aluminium prices surged in April following U.S. sanctions on Rusal, the world's second largest aluminum producing company.



Source: World Bank.

## Recent developments

### US import tariffs

In March 2018, the U.S. announced that it would start to collect a 10% tariff on aluminium imports. In May 2018, it imposed a 25% tax on steel and 10% tax on aluminium from the EU, Mexico and Canada. Other exporters such as South Korea, Brazil and Argentina agreed to cap their exports to the US in order to avoid tariffs. This could potentially impact aluminium prices in the U.S. as the country remains a net importer of aluminium.

### US sanctions against Rusal

In April 2018, the U.S. imposed sanction on Rusal, the world's 2nd biggest producer of aluminium. The sanctions were a result of the designation of Oleg Deripaska, Rusal's majority shareholder (64%), in the List of Specially Designated Nationals and Blocked Persons. Later that month, the U.S. decided to ease sanctions and recently announced that it was looking into lifting sanctions altogether.

### China's winter supply cap

China is seeking to cap its aluminium output in an effort to curb increasing pollution. In late 2017, it imposed "winter restrictions" on 28 northern cities where smelters were ordered to cut output by at least 30% to limit air pollution. These restrictions were kept in place until March 2018 and Chinese production has since increased, driven by higher aluminium price.

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## THE ECONOMY OF QATAR

### General

Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of QAR231,092 (USD 63,487) as of 2017. For most of the past two decades, Qatar was one of the fastest growing economies in the world and its growth was driven by the development of its large natural gas reserves. Following the completion of its LNG projects, in 2011, the rate of economic growth has slowed with lower revenues from hydrocarbon exports due to lower hydrocarbon production and prices. However, in 2017, Qatar's nominal GDP was QAR 610,083 million (USD 167,605 million), representing a 9.9% increase compared to 2016. This increase in nominal GDP is mainly attributable to the oil and gas sector's nominal GDP growth of 18.7%, with the main driver being higher hydrocarbon prices.

Virtually all of Qatar's proven reserves of natural gas and condensate are located in the North Field, which is estimated by the U.S. Energy Information Administration to be part of the largest non-associated gas field in the world as at January 2015. According to the U.S. Energy Information Administration, Qatar had the third largest natural gas deposits after Iran and Russia and owned 14% of the total gas reserves of the world in 2015. Furthermore, The U.S. Energy Information Administration estimated Qatar to have been the 13th largest global producer of petroleum and other liquids (crude oil, gasoline, heating oil, diesel, propane and other liquids including biofuels and natural gas liquids) in 2017.

QP, which is wholly owned by the State and is the State's primary source of hydrocarbon revenues, is responsible for all phases of the oil and gas industry in Qatar. In 2017, the oil and gas sector contributed 32.7% to Qatar's total nominal GDP. In addition, QP is the majority shareholder in a number of industrial companies located primarily at Ras Laffan Industrial City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as refined products, petrochemicals, fertiliser, steel and aluminium, both for domestic consumption and for export. Qatar has also invested in exploiting various Gas-to-Liquid ("GTL") technologies, and has two joint venture projects currently in operation to generate GTL products such as distillates.

In recent years, Qatar has focused on diversifying its economy, through increased spending on infrastructure, social programs, healthcare and education, in an effort to reduce its historical dependence on oil and gas revenues. This approach is outlined in the Qatar National Vision 2030 which was launched in 2008 and the National Development Strategy 2011-2016 that establishes targets to achieve the goals set out in the Qatar National Vision 2030. The State's long-term economic objectives include developing Qatar's infrastructure and strengthening its private sector. Qatar views its upcoming hosting of the 2022 World Cup as an opportunity to further invest in its infrastructure and develop the non-oil and gas sector of its economy. In addition, the 2022 World Cup presents new opportunities for the country. Public-private partnerships may benefit some projects and may be considered within wider public investment decisions.

As a result of these developments, together with a decrease in hydrocarbon production and prices prior to 2017, the non-oil and gas sector accounted for 47.5% of total nominal GDP for the year ended December 31, 2014 compared with 61.4% of total nominal GDP in the year ended December 31, 2015. The non oil and gas sector accounted for 69.7% of total nominal GDP for the year ended December 31, 2016, and 67.3% of total nominal GDP for the year ended December 31, 2017.

Throughout this period, Qatar has aimed to demonstrate fiscal responsibility by managing its budget and public finances prudently. The country has an organised set of institutions supporting the growth in trade and commerce, both internally and externally, including the Qatar Financial Centre Authority, the Qatar Exchange (the "QE") and regulators, namely the QCB, the Qatar Financial Markets Authority (the "QFMA") and the Qatar Financial Centre Regulatory Authority (the "QFCRA").

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Qatar has historically had good relations with other members of the GCC and the wider Middle East in general, although recently relations between Qatar and certain neighbouring countries in the Middle East and North Africa region have become more strained. See “Risk Factors—Qatar is located in a region that is subject to ongoing, geopolitical, political and security concerns, and Qatar has recently been subject to a blockade by four countries”. Qatar has significant trade and investment ties with the major Asian countries and Qatar also has strong ties with the West, notably the United States, which maintains a significant military presence in the country. Qatar is a member of, among other international organizations, the UN, the WTO and OPEC. Qatar has low levels of corruption and has established a National Committee for Integrity and Transparency in relation to implementing its obligations as a member of the UN. The 2017 Corruption Perceptions Index published by Transparency International ranks Qatar 29 out of 180 countries with a score of 63%.

Qatar is also a signatory to the GATT and a number of other conventions and protocols. In addition to its membership in international organisations, Qatar has hosted numerous economic, political and financial summits and conferences over the past several years.

As of the date of this prospectus, Qatar’s long term credit rating by Moody’s is Aa3 with a stable outlook, AA- by S&P with a negative outlook and AA- by Fitch with a stable outlook.



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## **INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

### **Qatar Petroleum as founder**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Qatar Aluminium Manufacturing Company Q.P.S.C. (a company under incorporation under the laws of the State of Qatar) (the "**Company**" or "**QAMCO**") by the management of Qatar Petroleum ("**QP**"), as founder of the Company. The pro forma financial information consists of the pro forma statement of financial position as at 30 June 2018, the pro forma statements of comprehensive income for the year ended 31 December 2017 and for the six-month period ended 30 June 2018, and related notes as set out on pages 72 to 78 of the prospectus issued by the Company. The applicable criteria on the basis of which the management has compiled the pro forma financial information as mentioned in our report are specified in Annexure 1, Article 19.4 (b) of the Offering and Listing of Securities Rulebook issued by the Qatar Financial Market Authority and described in Note 2.

The pro forma financial information has been compiled by the management of QP to illustrate the impact of the acquisition of investment in a joint venture ("Transaction") as set out in the Note 2 to the pro forma financial information on the Company's financial position as at 30 June 2018 as if the Transaction had taken place on 30 June 2018 and its financial performance for the six month period ended 30 June 2018 and the year ended 31 December 2017 as if the transaction had taken place on 1 January 2017. As part of this process, information about the Company's financial position and financial performance has been extracted by the management of QP from the joint venture financial statements for the year ended 31 December 2017 and for the period ended 30 June 2018, on which an audit report and review report have been issued respectively.

### **QP's Responsibility for the pro forma financial information**

Management of QP is responsible for compiling the pro forma financial information on the basis described in Note 2 to the pro forma financial information and in accordance with the requirement of Annexure 1, Article 19.4 (b) of the Offering and Listing of Securities Rulebook issued by the Qatar Financial Market Authority.

### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS (CONTINUED)**

### **Report on the compilation of pro forma financial information (continued)**

#### **Practitioner's responsibilities**

Our responsibility is to express an opinion, as required by Annexure 1, Article 19.4 (b) of the Offering and Listing of Securities Rulebook issued by the Qatar Financial Market Authority about whether the pro forma financial information has been compiled, in all material respects, by the management of QP on the basis described in Note 2 to the pro forma financial information and in accordance with the requirement of Annexure 1, Article 19.4 (b) of the Offering and Listing of Securities Rulebook issued by the Qatar Financial Market Authority.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the pro forma financial information on the basis described in Note 2 to the pro forma financial information and in accordance with the requirement of Annexure 1, Article 19.4 (b) of the Offering and Listing of Securities Rulebook issued by the Qatar Financial Market Authority.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at an earlier date would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis described in Note 2 to the pro forma financial information.



**Ziad Nader of Ernst & Young**  
**Auditor's Registration No. 258**

**Date: 15 October 2018**  
Doha

## PRO FORMA FINANCIAL INFORMATION

### UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION as at 30 June 2018

		30 June 2018	30 June 2018
	Note	QAR Million	US\$ Million
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in a joint venture	2.1	5,580	1,533
		5,580	1,533
<b>Current asset</b>			
Bank balance		-	-
<b>TOTAL ASSETS</b>		<b>5,580</b>	<b>1,533</b>
<b>EQUITY</b>			
Share capital	2.1	5,580	1,533
<b>TOTAL EQUITY</b>		<b>5,580</b>	<b>1,533</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,580</b>	<b>1,533</b>

**Note:**

Figures in US Dollars have been converted using an exchange rate of 1 US Dollar = QAR 3.64 and have been rounded off to the nearest thousand except where otherwise indicated.

**UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2017**

		<b>For the year ended 31 December 2017</b>	For the year ended 31 December 2017
	Note	<b>QAR Million</b>	US\$ Million
Share of results of a joint venture	2.6	<b>329</b>	91
<b>PROFIT FOR THE YEAR</b>		<b>329</b>	91
Other comprehensive income		<b>43</b>	12
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>372</b>	103

**Note:**

Figures in US Dollars have been converted using an exchange rate of 1 US Dollar = QAR 3.64 and have been rounded off to the nearest thousand except where otherwise indicated.



**UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2018**

		<b>For the six months ended 30 June 2018</b>	For the six months ended 30 June 2018
	Note	<b>QAR Million</b>	US\$ Million
Share of results of a joint venture	2.6	<b>224</b>	62
<b>PROFIT FOR THE PERIOD</b>		<b>224</b>	62
Other comprehensive income		<b>23</b>	6
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>247</b>	68

**Note:**

Figures in US Dollars have been converted using an exchange rate of 1 US Dollar = QAR 3.64 and have been rounded off to the nearest thousand except where otherwise indicated.

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## NOTES TO THE PRO FORMA FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

On 15 October 2018, Qatar Petroleum (QP) received the Ministerial Decision pursuant to Article 66 of the Qatar Companies Law No 11 of 2015 to establish Qatar Aluminium Manufacturing Company Q.P.S.C. (the “Company” or “QAMCO”) as a Qatari Public Joint Stock Company pursuant to Article 68 of Qatar Commercial Companies Law No. 11 of 2015.

As at the date of this pro forma financial information, the Company is under establishment. QP, as the Company’s founder, has taken the following key actions to enable the Company to be incorporated with 51% of the equity to be held by QP and the remaining 49% to be offered to Qatari individual investors and selected institutions to be listed on the Qatar Exchange:

- authorising the transfer of QP’s ownership in its joint venture, Qatar Aluminum Limited Q.S.C. (“**Qatalum**”);
- authorising the allotment of 284,586,119 ordinary shares and 1 special share to QP;
- authorising the allotment of 273,425,880 ordinary shares in an initial public offering (IPO).

QAMCO will issue 51% of its ordinary shares and pay all the proceeds from IPO to QP in exchange of investment in Qatalum. The share capital will be allotted with effect from the date of the Commercial registration, which will occur following completion of the IPO.

### 2. BASIS OF PREPARATION

The unaudited pro forma statement of financial position of QAMCO as at 30 June 2018 set out below has been prepared to illustrate the effect as if the contribution of investment in a joint venture (Qatalum) by QP to QAMCO, related share issue to the public and settlement of QP liability had taken place on 30 June 2018.

At incorporation						
		Investment in Qatalum	Issuance of shares to QP	Proceeds from issuance of shares to public	Settlement to QP	Pro forma statement of financial position
	Note	QAR Million	QAR Million	QAR Million	QAR Million	QAR Million
<b>ASSETS</b>						
<b>Non-current asset</b>						
Investment in a joint venture	2.1.1	5,580	-	-	-	5,580
<b>Current assets</b>						
Bank balance	2.1.3 & 2.1.4	-	-	2,734	(2,734)	-
<b>TOTAL ASSETS</b>		5,580	-	2,734	(2,734)	5,580
<b>EQUITY</b>						
Share capital	2.1.2 & 2.1.3	-	2,846	2,734	-	5,580
<b>TOTAL LIABILITIES</b>	2.1.1	5,580	(2,846)	-	(2,734)	-
<b>TOTAL EQUITY AND LIABILITIES</b>		5,580	-	2,734	(2,734)	5,580

The unaudited pro forma statement of financial position and the unaudited pro forma statements of comprehensive income have been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and, therefore, does not reflect QAMCO's actual financial position or annual financial performance. The unaudited pro forma statement of financial position and the unaudited pro forma statements of comprehensive income have been prepared on the basis set out in the notes below and in accordance with the requirements of Annexure 1, Article 19 of Offering and Listing Rulebook of Securities issued by Qatar Financial Market Authority (QFMA).

The pro forma financial information of the Company has been prepared to illustrate the significant effects of the transfer of investment in a joint venture from QP to QAMCO on the statement of financial position of the Company as at 30 June 2018, had the acquisition been effected on such date. The pro forma statement of financial position is neither representative of the actual financial position that could have been observed had the acquisition been undertaken as of such date nor take into account the effects of expected synergies as a result of the acquisition. The pro forma financial information gives no indication of the future financial position of the Company.

All pro forma adjustments made in the preparation of the pro forma financial information are in accordance with the basis of preparation described below. The future statement of financial position or financial results of the Company after the actual completion of the acquisition and the proposed IPO and considering all the necessary adjustments in accordance with International Financial Reporting Standards (IFRS) and requirements of Qatar Companies Law No. 11 of 2015, may significantly differ from the pro forma financial information of the Company.

- 2.1.1 Transfer of QP's entire equity interest in Qatalum, which represents 50% equity interest in Qatalum, to the Company at an agreed amount of QAR 5,580 million. This transfer is effected against a consideration includes (a) 284,586,119 Ordinary Shares and 1 Special Share (representing 51% of the total issued share capital of the Company, and (b) the proceeds of the Offering. The consideration was derived based on an assumed price of QAR 10 per share".
- 2.1.1 Allotment of 284,586,119 ordinary shares and 1 special shares of nominal value of QAR 10 each, to QP as partial consideration for transfer of ownership interest in Qatalum.
- 2.1.2.1 Allotment and receipt of proceeds from issuance of 273,425,880 ordinary shares to the public amounting to QAR 2,734 million (excluding the amounts recovered for offering and listing costs, which the Company expects to incur as IPO costs).
- 2.1.3 Transfer of all proceeds from IPO to QP amounting to QAR 2,734 million as settlement for transfer of investment in Qatalum.
- 2.2 This pro forma financial information does not constitute the financial statements of the Company.
- 2.3 The table below shows the share of net assets attributable to QAMCO as at 30 June 2018. The net assets as at 30 June 2018 were extracted from the interim condensed audited financial statements of the investee company, which are denominated in US Dollars. Figures in US Dollars have been converted using an exchange rate of 1 US Dollar = QAR 3.64 and have been rounded off to the nearest thousand:

	QAR Millions
Net assets as at 30 June 2018	9,766
QAMCO shareholding (%)	50%
Share of net assets as at 30 June 2018	<b>4,883</b>

- 2.5 The initial accounting for the investment in a joint venture as stated above is only provisional at the period end. The Company may recognise any adjustments to those provisional values within the measurement period, which shall not exceed one year from the acquisition date.
- 2.6 The table below shows the share of net profits attributable to QAMCO for the year ended 31 December 2017 and for the period ended 30 June 2018 had the investment in Qatalum taken place on 1 January 2017. The net profit for the year ended 31 December 2017 and for the period ended 30 June 2018 were extracted from the audited financial statements for the year ended 31 December 2017 and unaudited interim condensed financial statements for the period ended 30 June 2018 of Qatalum respectively, which are denominated in US Dollars. Figures in US Dollars have been converted using an exchange rate of 1 US Dollar = QAR 3.64 and have been rounded off to the nearest thousand:

	<b>For the year ended 31 December 2017</b>	<b>For the six months ended 30 June 2018</b>
	<b>QAR Million</b>	<b>QAR Million</b>
Total profit reported by QATALUM	<b>659</b>	<b>448</b>
QAMCO shareholding (%)	<b>50%</b>	<b>50%</b>
<b>Share of results</b>	<b>329</b>	<b>224</b>

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## COMPLIANCE WITH SHARIA

Professor Sheikh Yusef Al Qaradawi, Professor Sheikh Ali Mohy Addin Al Qerra Daghi, and Professor Waleed Hadi issued Fatwa on 5 Muharram 1440H (15 September 2018G) showing that there are no Sharia objection on the ownership of shares in the Company, as indicated in the below text of Fatwa:

**In the name of Allah, the most Merciful, the most Compassionate**

**Islamic advisory opinion related to contributing to the Qatar Aluminium Manufacturing Company**

**Praise be to Allah, and prayers and peace be upon His Messenger, his family, his companions, and those who follow him,**

We have reviewed the Articles of Registration and the Statute of the Qatar Aluminium Manufacturing Company and the financial statements attached thereto. We have also held discussions with the responsible officials over several meetings. We have found that the nature of the enterprise is categorized under mixed companies, a category which the Shari'a Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as well as most Muslim scholars have approved under the common rules. These findings were established and adopted by the Fatwa and Shari'a Supervisory Boards in Islamic financial institutions. We published a lengthy statement in the local newspapers, dated 12/01/2014 (10/3/1435 H), in which we explained the permissibility of mixed companies. We stated the jurisprudential and doctrinal rules, as well as legitimate purposes.

Based on the above, the aforementioned company complies with the rules allowing for the right to contribute and subscribe to it. The mentioned Special Shares in Article 9-9 of the Articles of Association is Sharia permissible, administrative privilege only, per the decision of the International Islamic Fiqh Academy ((Decree No. 63) 7/1). It is not a financial privilege, nor does it provide priority of liquidation, which was prohibited by the previous resolution.

Based on the above, there is no Sharia objection to invest in the company, and we will, at the start of work and the adoption of the budget, declare the cleansing percentage, if God is willing.

May Allah have mercy on all of us. May Allah's blessings and peace be upon our Prophet, Muhammad, his family, and all of his companions.

(Signed)

**Prof. Yusuf al-Qaradawi**

(Signed)

**Dr. Walid bin Hadi**

(Signed)

**Prof. Ali Mohieddin Karra Daghi**

بسم الله الرحمن الرحيم

### حكم المساهمة في شركة قطر لصناعة الألومنيوم

الحمد لله رب العالمين والصلاة والسلام على رسوله الأمين ، وعلى آله وصحبه ومن والاه ، وبعد فقد اطلعنا على النظام الأساسي ، وعقد التأسيس لشركة قطر لصناعة الألومنيوم ، والقوائم المالية المرفقة بهما، وناقشنا المسؤولين القائمين عليها في عدة اجتماعات ، وتبين لنا أنها تؤول إلى الشركات المختلطة التي ذهب المجلس الشرعي لهيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية (أبوي) وأكثر الفقهاء المعاصرين إلى جوازها بالشروط المعروفة ، واستقر العمل عليه بين هيئات الفتوى والرقابة الشرعية في المؤسسات المالية الإسلامية، وقد نشرنا بياناً مطولاً في الصحف المحلية بتاريخ 10-03-1435هـ وضحنا فيه جواز الشركات المختلطة ، وذكرنا المآخذ الفقهية والقواعد المرعية ، والمقاصد الشرعية .

وبناء على ما تقدم فإن الشركة المذكورة أعلاه تتوافر فيها الضوابط التي اشترطت لجواز الإسهام والاشتراك فيها ، وأن ما ذكر من أسهم الامتياز في المادة 9-9 من النظام الأساسي هو امتياز إداري فقط مباح شرعاً كما صدر بذلك قرار مجمع الفقه الإسلامي الدولي (قرار رقم 63/71) وليست امتيازاً مالياً، أو بأولوية التصفية الذي حرّمه القرار السابق .

وبناء على ما سبق فلا مانع شرعاً من المساهمة في الشركة ، كما سنبين عند بدء العمل واعتماد الميزانية نسبة التطهير بإذن الله تعالى .

وفق الله الجميع لما يحبه ويرضاه، وصلى الله على سيدنا محمد وعلى آله وصحبه أجمعين

سيرة الشهد

أ.د. يوسف القرضاوي

د. وليد بن هادي

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الدوحة 5 محرم 1440هـ = 15 سبتمبر 2018م



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## MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of the operating and financial results of Qatar Aluminium (Qatalum) is based on, and should be read in conjunction with the Pro Forma Financial Information. Prospective investors should read the following discussion together with the whole of this Prospectus, including the sections entitled “Risk Factors” and “Pro Forma Financial Information”, and should not rely solely on the information set out in this section. The following discussion includes certain forward-looking statements that, although based on assumptions that the designated directors of the Company consider to be reasonable, are subject to risks and uncertainties that could cause actual events or conditions to differ materially from those expressed or implied in this Prospectus. Among the important factors that could cause the Company’s or Qatar Aluminium (Qatalum)’s actual results, performance or achievements to differ materially from those expressed in such forward-looking statements are those factors that are discussed in “Forward-Looking Statements” and “Risk Factors” in this Prospectus. All statements other than statements of historical fact, such as statements regarding the future financial position and risks and uncertainties related to the Company’s or Qatar Aluminium (Qatalum)’s business, plans and objectives for future operations, are forward-looking statements.

### Overview

Qatar Aluminium (Qatalum) was registered on 24 July 2007 as a Qatari Joint Stock Company in accordance with formerly Article 68 of the Qatar Commercial Companies Law No.5 of 2002 (replaced by Article 207 of Law No. 11 of 2015 which applies to private joint stock companies) and the terms of its Articles of Association under commercial registration number 36539.

Qatalum is a joint venture between Qatar Petroleum and Hydro Shareholder, and is managed through the Joint Venture Agreement that shall be in existence for forty years from the Phase 1 Production Date (i.e. 19 September 2010, being nine months from the date the Smelter first produced liquid metal) or such longer period as may result from an extension of the agreement. The equity shares of Qatalum are equally held by Qatar Petroleum and Hydro Aluminium Qatalum Holding B.V.

The principal activities of Qatalum are to produce and sell the aluminium products produced by the smelter located in Mesaieed with a name plate capacity of 585,000 metric ton of liquid metal per annum. Qatalum’s plant commenced its commercial production on 1 January 2010.

Qatalum is managed on the basis of certain financial and non-financial key performance indicators, including, but not limited to, revenue and EBITDA. The following table presents these key figures for each of the years ended 31 December 2017, 2016 and 2015 and the six months ended 30 June 2018 and 2017:

	For the six months ended 30 June (unaudited)		For the year ended 31 December		
	2018	2017	2017	2016	2015
in USD '000s					
Revenue	738,904	667,381	1,401,989	1,140,305	1,378,326
EBITDA <sup>(2)(3)</sup>	284,822	248,605	514,939	350,747	440,920 <sup>(3)</sup>
EBITDA margin <sup>(1)</sup>	39%	37%	37%	31%	32%

(1) EBITDA margin is calculated as EBITDA as a percent of Revenue.

(2) EBITDA refers to earnings before interest, tax, depreciation and amortisation and consists of Qatalum's profit for the period/year, net finance costs, and depreciation and amortisation. EBITDA is not a measurement of performance under IFRS or generally accepted accounting principles. The following is a reconciliation of the profit for the period/year to EBITDA for the periods below:

	For the six months ended 30 June		For the year ended 31 December		
	2018	2017	2017	2016	2015
USD '000s					
Profit for the period/year	123,034	80,277	181,122	20,239	101,330
Net finance costs <sup>(3)</sup>	29,330	28,041	56,772	58,536	59,683 <sup>(3)</sup>
Depreciation and amortisation	132,458	140,287	277,045	271,972	279,907
EBITDA <sup>(3)</sup>	284,822	248,605	514,939	350,747	440,920 <sup>(3)</sup>

(3) 'Net finance costs' and, as a result, 'EBITDA' for the financial year 31 December 2015 are not comparable with other periods due to a revision in the accounting treatment of 'Net finance costs'. See "—Factors Affecting Comparability of Periods Under Review".

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## Factors Affecting Comparability of Periods Under Review

For the financial year ended 31 December 2017, Qatalum reclassified bank charges from 'Net finance costs' to 'Other expenses' and reclassified the financial information for the financial year ended 31 December 2016 to reflect the same. Financial information presented in this section for the financial year ended 31 December 2015 remain unadjusted and classify bank charges as 'Net finance costs' instead of 'Other expenses' and as such 'Net finance charges', 'Other expenses', and as a result, 'EBITDA' are not comparable with the other periods presented.

For the financial year ended 31 December 2017, Qatalum also reclassified certain items that affect its cash flow statement for the periods under review and reclassified the financial information for the year ended 31 December 2016 to reflect the same. Financial information presented in this section for the financial year ended 31 December 2015 remain unadjusted and as such 'working capital changes', 'net cash generated from operating activities' and 'net cash used in financing activities' are not comparable with other periods presented.

Qatalum's policy is to rotate its appointed auditor periodically. As a result of Qatalum's policy, at the annual general meeting on 22 February 2017 PriceWaterhouseCoopers – Qatar Branch ("**PwC**"), Qatalum's auditor for the financial year ended 31 December 2015 and 2016 were replaced by Ernst & Young (Qatar Branch) as Qatalum's auditor for the year ending 31 December 2017 as proposed by Qatalum's board of directors.

## Key Factors Affecting Qatalum's Results of Operations

### Plant availability and maintenance

Qatalum's facilities are designed to operate 24 hours per day save for any scheduled and unscheduled downtime.

The Reduction Plant has a design production capacity of 585,000 mt/year of liquid metal. Current production in 2018 is approximately 630,000 mt/year. Current production has surpassed design production capacity thanks to efficiency improvements. Reduction cells (a.k.a. pots) in the Reduction Plant are scheduled to turnaround every five to six years for relining. The average turnaround time to reline a pot is between three and four days. Qatalum recently completed relining all of its 704 first generation pots, a process that began in July 2014, escalated over the course of 2015 and continued through 2016 and 2017.

The Casthouse has a design production capacity of 625,000 mt/year of solid metal. Current production in 2018 is approximately 656,000 mt/year. Furnaces in the Casthouse are scheduled to turnaround every six years for relining. The average turnaround time to reline a furnace is one month.

The Carbon Plant has a design production capacity of 343,000 mt/year of rodded anode. Current production in 2018 is approximately 327,000 mt/year. The fluewalls in the Carbon Plant are scheduled to turnaround every five years. The average turnaround time to replace one fluewall is between eight and twelve hours.

The Power Plant has a design production capacity of 1,340 Mwh of electricity. Current capacity usage in 2018 is approximately 1,080 Mwh. The gas turbines in the Power Plant are scheduled by agreement with OEM. The average turnaround time for a major inspection is 32 days.

### Freight Cost

Qatalum depends on the international maritime freight network to ship its products to customers located around the globe. Changes in the rates charged to transport Qatalum's products to Qatalum's customers affect Qatalum's operations.

Global and regional macroeconomic and political events can impact freight costs. An increase in freight rates between 2016 and 2018 increased Qatalum's overall freight costs following the blockade, linked in part with higher costs of feeder shipping between Mesaieed and the Middle East Hubs ("feeder shipping" involves transport between a destination or origin port and an intermediary hub port). For instance, between 2016 and 2017, Qatalum's average freight rates for containerized shipments bound for Asia increased by approximately USD 8 per metric ton or 62.0%, affecting the majority of containerized volume shipped by Qatalum. In 2018

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freight rates have continued to trend upward.

Qatalum's overall volume of containerized shipments was 23,664 containers in 2017 and increased by approximately 4.8% compared to 2016. Break bulk shipments, by contrast, did not vary significantly in freight rates or quantities between 2016 and 2017, though the quantity of break bulk shipments to Baltimore in particular has increased significantly in 2018 as have freight rates for break bulk shipments to Baltimore.

## **Commodity Prices**

Qatalum relies on several commodities as raw materials. The availability and price of these commodities are a key factor affecting Qatalum's operations.

### **a. Gas**

Qatalum relies on gas to operate its power plant. Qatalum purchases gas resources from Qatar Petroleum under a Gas Sale and Purchase Agreement. The agreement is valid for 25 years from 1 May 2009 and, unless the agreement is terminated after the initial 25 year term, may be extended for an additional term of 15 years. According to the agreement, gas prices are revised monthly to adjust for inflation according to the US consumer price index.

### **b. Coke**

Calcined Petroleum Coke (CPC) is the key raw material used in the Carbon Plant to manufacture anodes, which the Reduction Plant uses to produce liquid metal. CPC is a by-product in the refining of crude oil and as such, the market for crude oil affects CPC's price and availability. Significant changes in the market for crude oil make availability of usable CPC more challenging than in previous decades. Global demand growth for refined products may slow as the market turns to new energy sources and alternative fuels. Moreover, not all CPC is sufficient to manufacture anodes. The physical and chemical properties of the CPC (sponge structure, sulfur, metal contents, reactivity, etc.) vary. Availability of traditional anode-grade coke (lower sulfur and impurities) has been declining as oil refiners process heavier, more sour crude oils. For instance, development of shale oil fields rather than traditional production leads to lower CPC production and poorer quality CPC. Overall, crude market changes and slowing of global demand for refined products may mean fewer new refineries will be built and cost competition suggests they are less likely to have a coker, which is extremely capital intensive and costly to run.

### **c. Pitch**

Coal Tar Pitch (CTP) is the key raw material used to manufacture anodes in the Carbon Plant. CTP is produced from coal tar, a by-product of metallurgical coke ovens in the steel industry. Generally, worldwide CTP production grows or shrinks with the growth or decline of the steel industry. Curtailment of steel production globally significantly effects the economics of coal tar distillation. The reduction in supply of crude coal tar reduces availability of CTP and may put upward pressure on price particularly with regard to higher quality softening point pitch.

### **d. Alumina**

Alumina is the key raw material used to create liquid metal in the Reduction Plant. Alumina is converted to liquid metal through the process of electrolysis. Qatalum uses more alumina than any other raw material. The production of every metric ton of liquid metal consumes 1.925 metric tons of alumina. Alumina is in turn produced from Bauxite. Generally, the worldwide alumina market has stable supply, absent any severe weather or unexpected break-downs at key alumina refineries that may cause disruptions. Qatalum today benefits from alumina supply agreements at prices that are favourable compared to the market, but upon expiry and renegotiation of contracts in 2020 and 2022, alumina prices are expected to increase.

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#### **e. Fluoride**

Aluminium Fluoride (AlF<sub>3</sub>) is another raw material used as part of the electrolysis process in the Reduction Plant. The prices of AlF<sub>3</sub> are mainly driven by the prices of the raw materials used in its production, especially Fluorspar, as producers need 1.5 MT of Fluorspar, 1.0 MT of Alumina hydrate and 1.8 MT of Sulphuric acid to produce 1 MT of AlF<sub>3</sub>.

#### **f. Alloys**

Alloys are mixed in Casthouse with liquid metal from the Reduction Plant ahead of casting finished products. Adding alloys gives the desired physical and chemical properties to the finished products sought by customers. The world's main producer of alloying materials, notably silicon and magnesium, is China. Any legislation or change of law (e.g. export/import restrictions) can impact rest of the world's supply. Alternatively, silicon prices may increase if silicon's use in other industries increases, such as in the chemical (solar) sector. The prices of other alloying materials are available but prices depend on the prices of the metals from which they are produced.

#### **Foreign exchange**

Qatalum's functional and presentation currency is the United States Dollar and the majority of its business transactions are denominated in United States Dollars. Qatalum does not hedge its currency exposure and has no active plans to do so in future. The Qatari Riyal is pegged to the United States Dollar and the balances denominated in Qatari Riyal are not very significant.

### **Principal Components of Results of Operations**

#### **Revenue**

Includes revenue from the sale of goods in the course of ordinary activities, measured at the fair value of the consideration received or receivable. Qatalum derives its revenues from the sale of finished goods produced in its Casthouse, which consist mainly of value added products such as Extrusion Ingots and Foundry Alloys and a small quantity of Standard Ingots. Goods are priced at the LME's '3-month' average, set as of the month prior to the month of delivery, plus an additional product premium.

#### **Other income**

Includes transactions resulting in income from activities other than normal production and sales operations. Other income is primarily generated from three sources: the sale of scrap and by-products, a processing fee charged to local customers to convert their scrap aluminium back into finished products, and the sale of raw materials, if any.

#### **Raw materials and energy consumption**

Includes expenses relating to the consumption of raw materials, energy and spare parts and consumables along with changes in inventory. Key raw materials include Coke and Pitch used to manufacture anodes in the Carbon Plant, Alumina and Aluminium fluoride used during electrolysis in the Reduction plant, the various alloys and additives that are mixed with liquid metals ahead of casting in the Casthouse and gas used to produce electricity in the Power Plant.

#### **Salaries and related costs**

Includes personnel costs from salaries, wages and bonuses, housing benefits, employees' end of service benefit, among others.

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### **Depreciation and amortisation**

Depreciation is calculated to expense the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in the statement of income, unless the amount is included in the carrying amount of another asset.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Items of property, plant and equipment are depreciated from the 1st day of the month subsequent to the date they are available for use or, in respect of self-constructed assets, from the 1st day of the month subsequent to the date that the asset is completed and ready for use.

### **Loss on disposal of Property, Plant and Equipment ("PPE")**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income in the year the asset is derecognised.

### **Technical service costs**

Technical service cost represents the cost of hired contractors and the staff on deputation from the owners.

### **Other expenses**

Includes various costs, such as marketing fees and sales freight charges, as well as maintenance services, insurance cost and other items that can generally be considered as administrative overhead.

### **Net finance costs**

Includes the interest on borrowings, interest rate swap costs and amortisation of loan transaction cost, net of interest income on bank deposits.

### **Other comprehensive income**

Net gains on the interest rate swap hedges are booked under other comprehensive income, which have remained largely constant over the years.

## Results of Operations

The following table sets out Qatalum's statement of income and comprehensive income for the periods indicated:

	For the six months ended 30 June		For the year ended 31 December		
	2018	2017	2017	2016	2015
in USD '000s					
Revenue	738,904	667,381	1,401,989	1,140,305	1,378,326
Other income	2,275	1,592	2,644	14,262	4,077
Insurance claim <sup>(2)</sup>	-	-	-	-	12,747
<b>Total income</b>	<b>741,179</b>	<b>668,973</b>	<b>1,404,633</b>	<b>1,154,567</b>	<b>1,395,150</b>
Raw materials and energy consumption	327,843	288,303	624,732	531,848	659,404
Salaries and related costs	69,632	69,645	139,133	144,155	145,505
Depreciation and amortization	132,458	140,287	277,045	271,972	279,907
Loss on disposal of PPE	600	3,639	4,239	10,089	8,367
Technical service costs	6,763	5,878	12,226	14,049	15,458
Other expenses <sup>(1)</sup>	51,519	52,903	109,364	103,679	125,496 <sup>(1)</sup>
<b>Total operating expenses<sup>(1)</sup></b>	<b>588,815</b>	<b>560,655</b>	<b>1,166,739</b>	<b>1,075,792</b>	<b>1,234,137<sup>(1)</sup></b>
Operating profit	152,364	108,318	237,894	78,775	161,013
Net finance costs	29,330	28,041	56,772	58,536	59,683 <sup>(1)</sup>
<b>Profit for the year</b>	<b>123,034</b>	<b>80,277</b>	<b>181,122</b>	<b>20,239</b>	<b>101,330</b>
Other comprehensive income: Net gain cash flow hedges	12,701	9,652	23,695	25,628	21,792
<b>Total comprehensive income for the period/year</b>	<b>135,735</b>	<b>89,929</b>	<b>204,817</b>	<b>45,867</b>	<b>123,122</b>

<sup>(1)</sup> 'Net finance costs', 'Other expenses' and 'Total operating expenses' for the financial year ended 31 December 2015 are not comparable with other periods due to a revision in the accounting treatment of 'Net finance costs'. See "—Factors Affecting Comparability of Periods Under Review".

<sup>(2)</sup> Qatalum received and recognized income of US\$12.7 million during the year ended 31 December 2015 for final settlement of an insurance claim related to a gas turbine.

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## **Comparison of the six-month periods ended 30 June 2018 and 2017**

### **Revenue**

Revenue increased by USD 71.5 million, or 10.7%, to USD 738.9 million for the six months ended 30 June 2018 from USD 667.4 million for the six months ended 30 June 2017. This increase was primarily due to an increase in the price of goods sold. Average realised LME price per metric ton increased by over 18.0% for the six months ended 30 June 2018 compared to the six months ended 30 June 2017 and the average realised premium increased by over 2.7% for the same period.

### **Other income**

Other income increased by USD 0.7 million, or 42.9%, to USD 2.3 million for the six months ended 30 June 2018 from USD 1.6 million for the six months ended 30 June 2017. This increase was primarily due to the sale of USD 1.5 million of scrap generated in the Casthouse during the six months ended 30 June 2018.

### **Raw materials and energy consumption**

Raw materials and energy consumption increased by USD 39.5 million, or 13.7%, to USD 327.8 million for the six months ended 30 June 2018 from USD 288.3 million for the six months ended 30 June 2017. This increase was primarily due to a rise in global commodity prices. The cost of raw material consumption during the six months ended 30 June 2018 totalled USD 304.9 million compared with USD 230.7 million for the six months ended 30 June 2017.

Energy consumption cost incurred due to consumption of Gas for the Power Plant did not vary significantly between the six months ended 30 June 2018 and the six months ended 30 June 2017.

### **Salaries and related costs**

Salaries and related cost for the six months ended 30 June 2018 did not change significantly compared to the six months ended 30 June 2017, remaining at USD 69.6 million across the two periods. An increase in basic salaries was offset by a decrease in head count.

### **Depreciation and amortisation**

Depreciation and amortisation decreased by USD 7.8 million, or 5.6%, to USD 132.5 million for the six months ended 30 June 2018 from USD 140.3 million for the six months ended 30 June 2017. This decrease was primarily due to: (i) a retrospective depreciation capitalized over 2017 of USD 4.2 million charged on capital spares, and (ii) reduced asset-base for depreciation as some assets reached the end of their useful life prior to 1 January 2018 and hence no depreciation was accounted for these assets for the six months ended 30 June 2018.

### **Loss on disposal of PPE**

Loss on disposal of PPE decreased by USD 3.0 million, or 83.5%, to USD 0.6 million for the six months ended 30 June 2018 from USD 3.6 million for the six months ended 30 June 2017. The decrease was due to the substantial completion of pot relining in the Reduction Plant in 2017 and decapitalisation of an asset, a 'PTM simulator', during the six months ended 30 June 2017.

### **Technical service costs**

Technical service costs increased by USD 0.9 million, or 15.1%, to USD 6.8 million for the six months ended 30 June 2018 from USD 5.9 million for the six months ended 30 June 2017. This increase was primarily due to an increase in the cost of hired operational manpower by USD 0.3 million and the cost of hired manpower for anode stem repair services by USD 0.4 million related to anode system repair works in 2017.

### **Other expenses**

Other expenses decreased by USD 1.4 million, or 2.6%, to USD 51.5 million for the six months ended 30 June 2018 from USD 52.9 million for the six months ended 30 June 2017. This decrease was primarily due to a decrease in maintenance services costs by USD 2.7 million and a decrease in insurance costs by USD 1.4 million, and a decrease in marketing fees by USD 0.9 million, which were partially offset by an increase in sales freight charges by USD 4.1 million.



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### **Operating profit**

Operating profit increased by USD 44.0 million, or 40.7%, to USD 152.4 million for the six months ended 30 June 2018 from USD 108.3 million for the six months ended 30 June 2017. This increase was primarily due to higher revenue driven by higher prices (both LME and premium).

### **Net finance costs**

Net finance costs increased by USD 1.3 million, or 4.6%, to USD 29.3 million for the six months ended 30 June 2018 from USD 28.0 million for the six months ended 30 June 2017. This increase was primarily due to increased interest on loans and borrowings of USD 5.6 million and increased interest income on bank deposits of USD 0.7 million, both attributable to rises in LIBOR. The increases in interest were offset by a corresponding decrease in interest rate swap costs of USD 3.5 million.

### **Other comprehensive income**

Net gain cash flow hedges increased by USD 3.0 million, or 31.6%, to USD 12.7 million for the six months ended 30 June 2018 from USD 9.7 million for the six months ended 30 June 2017. This increase was primarily due to increasing expected LIBOR resulting in a decrease in unrealised loss on the hedging instrument.

## **Comparison of the years ended 31 December 2017 and 2016**

### **Revenue**

Revenue increased by USD 261.7 million, or 22.9%, to USD 1.4 billion for the year ended 31 December 2017 from USD 1.1 billion for the year ended 31 December 2016. For the 2017 fiscal year, revenue increased by USD 261.7 million compared to fiscal year 2016 due to higher quantity sold and higher realised prices. Quantity sold for 2017 increased to 649,000 metric tons from 619,000 metric tons in 2016 and the average realised LME price in 2017 increased to USD 1,909 per metric ton from USD 1,567 per metric ton in 2016.

### **Other income**

Other income decreased by USD 11.7 million, or 81.5%, to USD 2.6 million for the year ended 31 December 2017 from USD 14.3 million for the year ended 31 December 2016. This decrease was due to a sale of alumina in 2016 totalling USD 10.1 million, whereas no such transaction transpired in 2017.

### **Raw materials and energy consumption**

Costs of raw materials and energy consumption increased by USD 92.9 million, or 17.5%, to USD 624.7 million for the year ended 31 December 2017 from USD 531.8 million for the year ended 31 December 2016. This increase was primarily due to a USD 60.2 million increase in the cost of alumina.

### **Salaries and related costs**

Total salaries and related costs decreased by USD 5.1 million, or 3.5%, to USD 139.1 million for the year ended 31 December 2017 from USD 144.2 million for the year ended 31 December 2016. This decrease was primarily due to the retrospective accrual of USD 4.0 million in 2016 related to the end of service benefit payable to Qatari employees and a corresponding decrease in headcount in 2017.

### **Depreciation and amortisation**

Depreciation and amortisation increased by USD 5.0 million, or 1.9% to USD 277.0 million for the year ended 31 December 2017 from USD 272.0 million for the year ended 31 December 2016. This increase was due to: (i) a retrospective depreciation of USD 4.2 million charged on capital spares capitalized in 2017, and (ii) increased depreciation from other assets capitalized in 2017.

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### **Loss on disposal of PPE**

Loss on disposal of PPE decreased by USD 5.9 million, or 58.0%, to USD 4.2 million for the year ended 31 December 2017 from USD 10.1 million for the year ended 31 December 2016. This decrease was due to the derecognition of disposed PPE items, most notably related to the relining of pots.

### **Technical service costs**

Technical service costs decreased by USD 1.8 million, or 13.0% to USD 12.2 million for the year ended 31 December 2017 from USD 14.0 million for the year ended 31 December 2016. This decrease was primarily due to the cost reduction initiatives taken during 2017 as part of the Qatalum Improvement Programme.

### **Other expenses**

Other expenses increased by USD 5.7 million, or 5.5%, to USD 109.4 million for the year ended 31 December 2017 from USD 103.7 million for the year ended 31 December 2016. This increase was primarily due to an increase in sales freight charges.

### **Operating profit**

Operating profit increased by USD 159.1 million, or 202.0%, to USD 237.9 million for the year ended 31 December 2017 from USD 78.8 million for the year ended 31 December 2016. This increase was primarily due to a significant increase in revenue driven by higher LME prices and higher quantity sold.

### **Net finance costs**

Net finance costs decreased by USD 1.8 million, or 3.0%, to USD 56.8 million for the year ended 31 December 2017 from USD 58.5 million for the year ended 31 December 2016. This decrease was primarily due to an increase in LIBOR resulting in increases in interest on borrowing and interest income on banking deposits and a decrease in interest rate swap costs.

### **Other comprehensive income**

Net gain cash flow hedges decreased by USD 1.9 million, or 7.5%, to USD 23.7 million for the year ended 31 December 2017 from USD 25.6 million for the year ended 31 December 2016. This decrease was primarily due to the partial expiration of some swap contracts during 2016; the total notional value of such contracts was USD 800 million.

## **Comparison of the years ended 31 December 2016 and 2015**

### **Revenue**

Revenue decreased by USD 238.0 million, or 17.3%, to USD 1.1 billion for the year ended 31 December 2016 from USD 1.4 billion for the year ended 31 December 2015. This decrease was primarily due to lower quantity sold and lower prices. Quantity sold for 2016 decreased by approximately 3.1% for year ended 31 December 2016 compared to the year ended 31 December 2015. Average realised LME price per metric ton decreased by over 9.5% and the average realised premium decreased by over 42.4% for the same period.

### **Other income**

Other income increased by USD 10.2 million, or 249.8%, to USD 14.3 million for the year ended 31 December 2016 from USD 4.1 million for the year ended 31 December 2015. This increase was primarily due to a sale of alumina in 2016 totalling USD 10.0 million, whereas no such transaction transpired in 2015.

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### **Raw materials and energy consumption**

Raw materials and energy consumption decreased by USD 127.6 million, or 19.3%, to USD 531.8 million for the year ended 31 December 2016 from USD 659.4 million for the year ended 31 December 2015. This increase was primarily due to lower global commodity prices. Between 2015 and 2016 cost of alumina decreased by USD 44.0 million, cost of petroleum coke decreased by USD 13.0 million and the cost of alloys decreased by USD 16.0 million.

### **Salaries and related costs**

Salaries and related costs decreased by USD 1.4 million or 0.9%, to USD 144.2 million for the year ended 31 December 2016 from USD 145.5 million for the year ended 31 December 2015. This decrease was primarily due to decreases in costs of performance bonuses and costs of other allowances and benefits, together decreasing by USD 4.9 million, partially offset by an increase in accrual of USD 4.2 million related to the end of service benefit payable to Qatari employees.

### **Depreciation and amortisation**

Depreciation and amortisation decreased by USD 7.9 million, or 2.8%, to USD 272.0 million for the year ended 31 December 2016 from USD 279.9 million for the year ended 31 December 2015. This decrease was primarily due to some assets reaching the end of their useful life prior to 1 January 2016 and thus reducing the asset-base for depreciation in 2016, which accounts for a decrease in depreciation charges of USD 11.6 million for 2016 compared to 2015. The decreased asset base was partially offset by a change in useful life of some assets leading to an increase in depreciation charges of USD 4 million for 2016.

### **Loss on disposal of PPE**

Loss on disposal of PPE increased by USD 1.7 million, or 20.6%, to USD 10.1 million for the year ended 31 December 2016 from USD 8.4 million for the year ended 31 December 2015. This increase was primarily due to loss on derecognition of some of the assets refurbished and overhauled during 2016 of USD 2.8 million partially offset by decrease in loss on derecognition of pots relined during 2016 compared to pots relined during 2015 by USD 1.0 million.

### **Technical service costs**

Technical service costs decreased by USD 1.4 million, or 9.1%, to USD 14.0 million for the year ended 31 December 2016 from USD 15.5 million for the year ended 31 December 2015. This decrease was primarily due to cost reduction initiatives taken during 2016 as part of the Qatalum Improvement Programme.

### **Other expenses**

Other expenses decreased to USD 103.7 million for the year ended 31 December 2016. Due to a reclassification as of the year ended 31 December 2016, this figure is not comparable with that for the same period of 2015. See “—Factors Affecting Comparability of Periods Under Review”.

### **Operating profit**

Operating profit decreased by USD 82.2 million or 51.1 %, to USD 78.8 million for the year ended 31 December 2016 from USD 161.0 million for the year ended 31 December 2015. This decrease was primarily due to lower revenues from sales as the result of lower prices (both LME and premiums).

### **Net finance costs**

Net finance costs decreased to USD 58.5 million for the year ended 31 December 2016. Due to a reclassification as of the year ended 31 December 2016, this figure is not comparable with that for the same period of 2015. See “—Factors Affecting Comparability of Periods Under Review”.

## Other comprehensive income

Net gain cash flow hedges increased by USD 3.8 million, or 17.6%, to USD 25.6 million for the year ended 31 December 2016 from USD 21.8 million for the year ended 31 December 2015. This increase was primarily due to increase in LIBOR and some of the swap contracts partially expired during 2016, the total notional value of such contracts was USD 800.0 million.

## Liquidity and Capital Resources

### Overview

Qatalum was initially financed by a long term loan and a contribution from owners in the form of equity share capital. Since attaining full production, Qatalum has financed all its operational and capital cash requirements from internally generated cash.

### Cash Flow

The following table summarises Qatalum's cash flow for the periods indicated:

	For the six months ended 30 June		For the year ended 31 December		
	2018	2017	2017	2016	2015
USD '000s					
Net cash generated from operating activities <sup>(1)</sup>	220,449	234,574	452,851	384,004	459,225 <sup>(1)</sup>
Net cash used in investing activities	(30,062)	(39,487)	(64,288)	(88,175)	(80,939)
Net cash used in financing activities <sup>(1)</sup>	(265,909)	(107,144)	(361,351)	(333,922)	(433,005) <sup>(1)</sup>
Net increase (decrease) in cash and bank balances	(75,522)	87,943	27,212	(38,093)	(54,719)
Cash and bank balances at end of term	303,469	439,722	378,991	351,779	389,872

<sup>(1)</sup> 'Net cash generated from operating activities' and 'Net cash used in financing activities' for the financial year ended 31 December 2015 are not comparable with other periods due to a reclassification. See "— Factors Affecting Comparability of Periods Under Review".

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### **Net cash generated from operating activities**

Net cash generated from operating activities decreased by USD 14.1 million, or 6.0%, to USD 220.4 million for the six months ended 30 June 2018 from USD 234.6 million for the six months ended 30 June 2017. This decrease was primarily due to an increase in cash used for financing working capital, such as inventories, which increased by USD 54.9 million and trade receivables, which increased by USD 33.9 million.

Net cash generated from operating activities increased by USD 68.8 million, or 17.9%, to USD 452.9 million for the year ended 31 December 2017 from USD 384.0 million for the year ended 31 December 2016. This increase was primarily due to increased revenues from higher LME prices and quantity sold.

Net cash generated from operating activities decreased by USD 75.2 million, or 16.4% to USD 384.0 million for the year ended 31 December 2016 from USD 459.2 million for the year ended 31 December 2015. This decrease was primarily due to decreased revenues due to lower quantity sold and lower prices realised for 2016.

### **Net cash used in investing activities**

Net cash used in investing activities decreased by USD 9.4 million, or 23.9%, to USD 30.1 million for the six months ended 30 June 2018 from USD 39.5 million for the six months ended 30 June 2017. This decrease was primarily due to the substantial completion of the investment in relining pots in 2017.

Net cash used in investing activities decreased by USD 23.9 million, or 27.1%, to USD 64.3 million for the year ended 31 December 2017 from USD 88.2 million for the year ended 31 December 2016. This decrease was primarily due to decreased investment in relining pots realised in 2016 (USD 36.7 million).

Net cash used in investing activities increased by USD 7.3 million, or 8.9% to USD 88.2 million for the year ended 31 December 2016 from USD 80.9 million for the year ended 31 December 2015. This increase was primarily due to increased investment in relining pots in 2016 (USD 60 million).

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### **Payment of dividend**

Qatalum is subject to Article 207 of the Qatar Commercial Companies' Law that exempts it from provisions of the law that contradict the Company's Articles of Association. By virtue of this legal framework, Qatalum is allowed to pay dividends up to the amount of Distributable Free Cash as defined in the Joint Venture Agreement.

On quarterly basis the Board of Directors can authorise interim dividend payments in accordance with the Joint Venture Agreement and subject to certain constraints of the accounts agreement. Once a year, the General Assembly will declare the final dividend for the previous year.

Qatalum paid total cash dividends of USD 260.0 million for 2015, USD 200.0 million for 2016, USD 180.0 million for 2017 and USD 155.2 million for the six months ended 30 June 2018. Changes in dividend payments are due to the cash available for distribution in a particular period as a result of the company's performance.

### **Net cash used in financing activities**

Net cash used in financing activities increased by USD 158.8 million, or 148.2%, to USD 265.9 million for the six months ended 30 June 2018 from USD 107.1 million for the six months ended 30 June 2017. This increase was primarily due to increases in payment of dividend, scheduled repayment of long term instalments, interest on term loans and interest rate swap cost incurred.

Net cash used in financing activities increased by USD 27.4 million, or 8.2%, to USD 361.4 million for the year ended 31 December 2017 from USD 333.9 million for the year ended 31 December 2016. This increase was primarily due to scheduled repayment of long term instalments, partially offset by a decrease in payment of dividend.

Net cash used in financing activities decreased by USD 99.1 million, or 22.9% to USD 333.9 million for the year ended 31 December 2016 from USD 433.0 million for the year ended 31 December 2015. This decrease was primarily due to decreases in payment of dividend, scheduled repayment of long term loan instalments, interest on term loans and interest rate swap cost incurred.

## Working Capital Changes

Working capital increased by USD 77.2 million during 2017, compared to a decrease of USD 3.7 million during 2016. The increase in 2017 was primarily due to: (i) an increase in inventory of USD 32.6 million, specifically an increase in raw material inventory as a contingency plan due to the blockade in June 2017, (ii) a decrease in accounts due to related parties of USD 20.1 million, and a decrease in trade and other payables of USD 39.4 million and (iii) a decrease in other non-current assets by USD 13.3 million, primarily related to a reduction in the balance of make-up gas due to utilisation during the year and receivable from contractor which as partly classified as non-current was fully classified as current in 2017.

The working capital during the six months ended 30 June 2018 increased by USD 72.3 million compared to an increase of USD 22.5 million during the six months ended 30 June 2017. The increase was primarily due to: (i) an increase in inventory by USD 54.9 million during the six months ended 30 June 2018, specifically from excess finished goods sent to inventories, an increase in inventory of semi-finished goods and an increase in raw material inventory resulting from rising commodity prices, (ii) an increase in trade receivables by USD 33.9 million during the six months ended 30 June 2018 due to a longer credit period from April 2018 onwards and higher sales volume in the month of May 2018, and (iii) an increase in accounts due to related parties by USD 20.2 million during the six months ended 30 June 2018 due to the raw material invoices that were posted but not paid.

Working capital decreased by USD 3.7 million during 2016. The decrease in 2016 was primarily due to: (i) an increase in inventory of USD 19.9 million, specifically an increase in finished goods inventory due to lower sales volume, (ii) an increase in accounts due to related parties of USD 23.7 million and increase in trade and other payables of USD 3.9 million (iii) a decrease in other non-current assets by USD 10.3 million, primarily related to a reduction in the balance of make-up gas due to utilisation during the year and receivable from contractor in 2016.

Due to reclassifications not reflected in the figures for the year ended 31 December 2015, Working Capital Changes are not comparable with other periods. See “—Factors Affecting Comparability of Periods Under Review”.

## Capital Expenditure

	For the six months ended 30 June		For the year ended 31 December		
	2018	2017	2017	2016	2015
USD '000s					
Actual capital expenditure <sup>(1)</sup>	30,062	38,765	63,535	84,997	78,244

<sup>(1)</sup> Capital Expenditure is equal to 'Purchase of PPE'.

## Financial Risk Management

Qatalum's financial liabilities comprise loans and borrowings, amounts due to related parties, derivative financial liabilities, trade payables, retention payables, accrued expenses and other payables. Financial assets of Qatalum include trade receivables including those due from related parties, refundable deposits and receivable from sale of scrap and bank balances and cash, which arise directly from its operations.

The main risks arising from Qatalum's financial instruments are:

- Credit risk
- Liquidity risk and
- Market risk

### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Most of the Qatalum's credit risk arises from trade receivables including due from related parties, refundable deposits, staff loans and bank balances.

Qatalum seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers the exposure is very limited as the majority of its receivables are from the related parties.

With respect to credit risk arising from the financial assets of the Qatalum, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows.

	As at 30 June		As at 31 December		
	2018	2017	2017	2016	2015
USD '000s					
Trade receivables including due from related parties	167,542	113,676	134,003	134,350	130,840
Bank balances	303,456	439,711	378,981	351,767	389,859
Staff loan	3,199	3,554	3,366	3,781	3,890
Refundable deposits	719	719	719	724	1,674
Receivable from sale of scrap	204	377	70	302	682
	475,120	558,037	517,139	490,924	526,945

Trade and other receivables and amounts due from related parties are shown net of provision for doubtful receivables.



## Liquidity Risk

Liquidity risk, is the risk that Qatalum will not be able to settle its financial obligations as they fall due to cash and liquidity concerns. Liquidity risk arises from the inability to collect amounts from its customers as and when they become due. Management confirms that cash and liquidity sources are sufficiently available to cover future obligations of Qatalum. Qatalum's approach is to manage liquidity risk to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Qatalum's reputation.

Qatalum limits its liquidity risk by ensuring sufficient liquid funds are retained in the Qatalum and bank facilities are available. Qatalum's terms of sales normally require amounts to be paid within 30-90 days of the date of sale. Trade payables are normally settled within 30 – 60 days of the date of purchase. The table below summarizes the maturities of the Qatalum's undiscounted financial liabilities based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
USD '000s					
<b>30 June 2018</b>					
Loans and borrowings	125,499	157,077	737,376	914,642	1,934,594
Derivative financial liabilities	3,217	7,677	406	-	11,300
Due to related parties	42,102	-	-	-	42,082
Trade and other payables	82,095	21,245	-	-	103,360
	252,913	185,999	737,782	914,642	2,091,336
<b>31 December 2017</b>					
Loans and borrowings	64,672	169,737	730,178	968,095	1,932,682
Derivative financial liabilities	4,576	11,873	7,552	-	24,001
Due to related parties	21,848	-	-	-	21,848
Trade and other payables	73,460	17,757	-	-	91,217
	164,556	199,367	737,730	968,095	2,069,748
<b>31 December 2016</b>					
Loans and borrowings	49,275	120,395	913,233	1,089,583	2,172,486
Derivative financial liabilities	6,084	15,874	25,738	-	47,696
Due to related parties	41,930	-	-	-	41,930
Trade and other payables	101,984	17,700	-	-	119,684
	199,273	153,969	938,971	1,089,583	2,381,796

## Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## Interest rate risk

Qatalum is exposed to interest rate risk on cash at bank and loans and borrowings at floating interest rates. The risk on the funds borrowed is managed by the Company by the use of interest rate swap contracts. Qatalum uses interest rate swap instruments to effectively fix the interest cost of a portion of the loans borrowings. The difference between the fixed rate interest cost (payment) and the variable-rate interest cost (receipt) is settled periodically.

As at 30 June 2018, term loans amounting to USD 800 million (as at 31 December 2017: USD 800 million) are hedged by interest rate swap contracts. The remaining portion of Qatalum's assets and liabilities as of 30 June 2018 is exposed to interest rate fluctuations. Qatalum's exposure to interest rate risk and the effective interest rates on its financial assets and liabilities are summarized below as at 30 June 2018, unless otherwise indicated:

	Fixed interest rate	Floating interest rate	Non- interest bearing	30 June 2018	31 December 2017	31 December 2016
USD '000s						
<b>Financial assets:</b>						
Due from related parties and trade receivables	-	-	167,542	167,542	134,003	134,350
Bank balance	-	303,456	13	303,469	378,991	351,779
		303,456	167,555	471,011	512,994	486,129
<b>Financial liabilities:</b>						
Loans and borrowings	-	1,686,872	(15,852)	1,671,020	1,764,249	1,898,979
Due to related parties	-	-	42,082	42,082	21,848	41,930
Trade payables and accruals	-	-	92,245	92,245	91,217	119,684
		1,686,872	118,475	1,805,347	1,877,314	2,060,593
Interest rate swap	800,000	(800,000)	-	-	-	-
Effective interest rate swap	3.92%	LIBOR	-	-	-	-
Net financial assets (liabilities)	<b>(800,000)</b>	<b>(583,416)</b>	<b>49,080</b>	<b>(1,334,336)</b>	<b>(1,364,320)</b>	<b>(1,574,464)</b>

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the financial instruments at the financial reporting date. For floating rate, financial assets and liabilities, the analysis is prepared assuming the amount of asset or liability as at the financial reporting date remained the same for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher or lower and all other variables were held constant, the net profit (loss) as at 30 June 2018 would be an increase or decrease by a total USD 2.9 million (2017: USD 6.0 million, 2016: USD 7.7 million), as applicable.

### Interest rate swaps contracts

Under interest rate swap contracts, Qatalum agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable Qatalum to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as the reporting date:

Derivatives designated as cash flow hedges:

	30 June 2018	31 December 2017	31 December 2016
USD '000s			
<b>Interest rate swaps:</b>			
Notional amount	800,000	800,000	800,000
Fair value of the derivative instruments	(11,300)	(24,001)	(47,696)
	30 June 2018	31 December 2017	31 December 2016
One to two years	800,000	800,000	-
Two to five years	-	-	800,000

The interest rate swaps are settled on a quarterly basis up to 15 July 2019. The floating rate on interest rate swaps is LIBOR. The company will settle the difference between the fixed and floating rate on net basis.

The interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce Qatalum's cash flow exposure resulting from variable interest rates on borrowings.

### Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The company does not hedge its currency exposure. The company's functional currency is the United States Dollar and major payment of payables, other liabilities and receivables from sale of finished goods are denominated in USD. As the Qatari Riyal, is pegged to the United States Dollar and the balances denominated in Qatari Riyal are not very significant, balances in Qatari Riyals are not considered to represent a significant currency risk.

## Equity risk

The company is not exposed to equity risk as it does not hold any equity instruments.

## Capital management

Qatalum's objectives when managing capital are to safeguard the Qatalum's ability to continue as going concern in order to provide returns for shareholders, and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes during period ended 30 June 2018 and the years ended 31 December 2017 and 2016. Capital includes share capital and retained earnings (accumulated losses) and is measured at USD 2,631,569 thousand at 30 June 2018 (31 December 2017: USD 2,664,464 thousand, 31 December 2016: USD 2,681,455 thousand).

## Gearing ratio

The Qatalum's management reviews the capital structure on regular basis. As part of this review, management considers the cost of capital and risks associated with each class of capital.

The gearing ratio at the year-end is as follows:

	30 June 2018	31 December 2017	31 December 2016
USD '000s			
<b>Notional amount by term to maturity:</b>			
Debt*	1,671,020	1,764,249	1,898,979
Bank balances and cash	(303,469)	(378,991)	(351,779)
Net Debt ***	1,367,551	1,385,258	1,547,200
Equity**	2,509,309	2,631,455	2,863,240
Net debt to equity ratio ****	54.5	52.6	54

\* Debt is defined as Loans and borrowings (including current and non-current).

\*\* Equity represents share capital only.

\*\*\* Net Debt is Debt net of bank balances and cash.

\*\*\*\* Net debt to equity ratio is net debt divided by equity.

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## **Critical Accounting Policies**

Qatalum's reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis for its financial statements. Qatalum's critical accounting policies, the judgments it makes in the creation and application of these policies, and the sensitivities of reported results to changes in accounting policies, assumptions and estimates are factors to be considered along with Qatalum's financial statements.

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## **DIVIDEND AND DISTRIBUTION POLICY**

The Company's Constitutional Documents set out the policy objective of the Company to maximize distributions to shareholders taking into account the Company's earnings, financial condition, conditions of the markets, general economic climate and all other relevant factors that may impact or have an effect on the Company's investments and Business, and subject to the Company holding sufficient cash reserves in respect of its requirements, any statutory obligations and other voluntary or legal reserves considered by the Board to be necessary or appropriate.

All dividends and distributions of the Company shall be distributed in Qatari Riyals. No dividend or distribution shall exceed the amount recommended by the Board and the Board shall not be obliged to recommend an amount of dividend or distribution. Shares acquired by Investors in the Offering will be eligible for dividends and distributions in line with the Constitutional Documents of the Company, policies and recommendations of the Board, and requisite General Assembly approvals.

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## MANAGEMENT AND CORPORATE GOVERNANCE

As at the date of this Prospectus, the Company is under establishment. Following the completion of the Offering and with effect from the date of incorporation of the Company, management structure and internal business divisions will be as described in this section:

### Board of Directors

Abdulrahman Ahmad Al-Shaibi	Chairman of the Board of Directors
Ahmad Saeed Al-Amoodi	Vice Chairman and Director
Abdulaziz Mohammed Al-Obaidli	Director
Mohammed Essa Al-Mannai	Director
Mohammed Jaber Al-Sulaiti	Director
Khalid Mohamed Laram	Director

The section below entitled “Board of Directors” contains brief descriptions of the qualifications and experience of the individuals who will serve on the Board of Directors of the Company. References below to “members of the Board” or to an individual being a Director of the Company are a reference to that person being nominated to serve as a Director and Member of the Board subsequent to the Offering.

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## **General Assembly**

The General Assembly (consisting of all of the shareholders of the Company) is the ultimate governing body of the Company and in accordance with the Articles, must be held at least once a year. Additional meetings of the General Assembly may be called by the Company's auditors and the Ministry of Economy and Commerce (in accordance with Article 124 of the Companies Law). Also, the Chairman of the Board of Directors, may call for additional meetings at the request of shareholders holding in aggregate not less than 10% of the Company's entire issued share capital.

The authority of the General Assembly includes those matters as further described under "Description of the Shares".

## **Board of Directors**

The Board is responsible for overseeing the Company's general day-to-day management and establishing the Company's strategy, excluding matters that are the exclusive responsibility of the Company's shareholder(s) acting through the General Assembly. It should be noted that, in the case of the Company, certain day-to-day functions that would ordinarily be overseen directly by the Board are in fact provided to the Company by Qatar Petroleum, the Company and Qatar Petroleum will enter into a Services Agreement on- effective as of the date of incorporation of the Company – which formalises the basis upon which such functions are performed by Qatar Petroleum for the benefit and on behalf of the Company. Members of the Board will be appointed by Qatar Petroleum for a renewable period of three years, or such shorter term (being not less than one year) as the Special Shareholder may determine. The Articles require that the Board hold six meetings a year. A provisional date for the next meeting will be agreed upon at the end of each regular meeting. Additional meetings may be called by the Chairman of the Board of Directors or at the request of another member of the Board. The Company does not have a Chief Executive Officer, but the Board of Directors may appoint a Board member, with the exception of the Chairman of the Board, as a Managing Director, which role is equivalent to the role of a Chief Executive Officer. It should further be noted that members of the Board hold (or may in the future hold) roles within Qatar Petroleum or its affiliates and as such may have obligations that overlap with those obligations which such Board members may have in respect of the Company. As the holder of the Special Share, Qatar Petroleum nominate all the Board members. Accordingly, the Board does not include the requisite number of Directors who are "independent" for the purposes of the Corporate Governance Code.

### **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors**

Mr. Abdulrahman Ahmad Al-Shaibi is the Executive Vice President – Finance & Planning of Qatar Petroleum. He is responsible for directing all finance related matters, and directing the development of corporate strategy and unified annual corporate planning and budgeting process in line with International Best Practice. Mr Al-Shaibi plays a vital role in the expansion plans of Qatar Petroleum in the LNG sector, petrochemicals and non energy sector projects such as aluminium and steel. He is a Chairman / Board member of certain QP group and QP related companies.

Mr. Al-Shaibi obtained Bachelor of Science degree in Finance and Business Administration from the University of Arizona in 1988. He is a member of the Board of Mesaieed Petrochemical Holding Company.

### **Mr Ahmad Saeed Al-Amoodi, Vice Chairman and Director**

Mr. Ahmad Al-Amoodi holds a Bachelor of Science degree in Electrical Engineering from New Mexico State University, USA which he obtained in 1996.

Mr. Al-Amoodi joined Qatar Petroleum's Engineering Department in 1996 as an electrical engineer, and has since that time been involved in a number of its projects at differing phases of their development in Qatar as well as in Italy, the Republic of Korea, the Netherlands and the USA. He also joined Q-Chem II Petrochemical Project during the Detail Engineering phase in Houston, Texas and the installation phase at Mesaieed. He has held a number of technical and leadership positions at Qatar Petroleum including: Head of Common Facilities, Assistant Manager of Common Facilities and Manager of the Oil & Gas Surface Development Department.



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Mr. Al-Amoodi holds the following positions: Executive Vice President (EVP) of Surface Development Directorate at Qatar Petroleum, Board Member of Ras Cirtas Power Company and Qatargas LNG Companies, Steering Committee Member of the North Field LNG Expansion Project (NFE) and Chairman of Pearl GTL Management Committee.

**Mr. Abdulaziz Mohammed Ahmed Al-Obaidli, Director**

Mr. Abdulaziz Mohammed Ahmed Al-Obaidli joined Qatar Petroleum in 1988 and obtained a Bachelor of Engineering degree in Engineering Systems Control from the University of Huddersfield, United Kingdom in 1997. Over the last 30 years Mr. Al-Obaidli has held various positions within the organisation including: Operation Assistant Manager of Business & Planning, Manager of Industrial Cities Business & Commercial and Manager of Facilities Management.

Mr. Al-Obaidli's is Vice President of HSE & Business Services at Qatar Petroleum, a position he has held since 11 July 2017.

**Mr. Mohammed Essa Al-Mannai, Director**

Mr. Mohammed Essa Al-Mannai obtained a Bachelor of Laws (Hons) degree from the University of Liverpool, United Kingdom, in 2007 and completed the Bar Vocational Course at the College of Law in London in 2009. Mr. Al-Mannai joined Qatar Petroleum in 2007 as Legal Counsel within the Projects division of the Legal Department.

Mr. Al-Mannai holds the position of General Counsel and Board Secretary at Qatar Petroleum. He is also a member of the Board of Mesaieed Petrochemical Holding Company.

**Mr. Mohammed Jaber Al-Sulaiti, Director**

Mr. Mohammed Jaber Al-Sulaiti began his career with Qatar Petroleum in 2004 as a student of Accounting & Finance at Middlesex University, United Kingdom. Upon graduation, Mr. Al-Sulaiti joined Qatar Petroleum, where he progressed through various positions within the Finance Directorate before moving to Qatar Petroleum International in 2012.

In 2015 and following the integration of Qatar Petroleum International and Qatar Petroleum, Mr. Al-Sulaiti joined the Office of Qatar Petroleum's President and CEO, where he held the position of Assistant Manager of Management Reporting within the Privatized Companies Affairs Department. In early 2018, he was appointed as the Manager of the Privatised Companies Affairs Department.

Mr. Al-Sulaiti represents Qatar Petroleum on the Boards of Qatar Fertilizer Company, Gulf Drilling International and Gulf Helicopter Company.

**Mr. Khalid Mohammed Laram, Director**

Mr. Khalid Mohammed Laram graduated in 1984 with a Bachelor of Science degree in Chemical Engineering from the University of Southern California, USA. Mr Laram began his professional career with Qatar Petroleum in May 1985 as a Process Engineer. With over 33 years' experience, Mr Laram's expertise covers a full spectrum: from front-end engineering design to start-ups, including the operation of complex facilities. Notable projects in which he has been involved include the early development of the North Field Dome in 1987, Qatar Gas' first LNG Trains in 1991 and the NGL-4 Project in 1997.

During his career, whilst representing Qatar Petroleum, Mr Laram has worked very closely with major international companies such as British Petroleum, Total, ExxonMobil and Chevron-Phillips/Conoco-Phillips – this has included working out of their respective headquarters.

Mr Laram has previously held the positions of Project Manager for NGL-4 (1997 to 2004) and Deputy General Manager for Al-Khaleej Gas Project Phases 1 and 2 (2004 to 2010). Mr Laram served as a director on the Board of Qatar Steel in 2014.

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Mr Laram holds the position of Chief Executive Officer of Qatar Aluminium (Qatalum), is a Member of the Gulf Aluminium Council Board of Directors and a Member of the International Aluminium Institute.

### **Conflicts of Interest**

Aside from their roles on the boards of certain companies affiliated to Qatar Petroleum or its affiliates, other roles in relation to companies in the oil and gas sectors in which the State of Qatar is an ultimate shareholder, and other roles indicated above, there are no potential conflicts of interest between any duties owed by members of the Company's Board to the Company and their private interests and/or other duties.

### **Litigation Statement about Members of the Board**

As at the date of this Prospectus, none of the nominated members of the Board has in the previous five years:

- had any convictions in relation to fraudulent offences;
- been a member of the administrative, management or supervisory bodies of any company, or been a partner in any partnership, at the time of or preceding any bankruptcy, receivership or liquidation; or
- been subject to official public incrimination or sanction by a statutory or regulatory authority (including a professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

### **Corporate Governance**

Following incorporation of the Company and upon Admission, the Company intends to comply, with all of the corporate governance requirements of the QFMA as stipulated in the QFMA's Corporate Governance Code and legal entities listed in the main stock exchange (the "Corporate Governance Code").

The Company will implement a corporate governance, risk management and financial reporting framework that is focused on delivering an accurate, detailed and timely view of the business across all of its business divisions and the regions in which it operates. The framework is comprised of a robust framework of governance policies and controls with:

- clear standards for protecting and safeguarding assets;
- detailed and enforced compliance procedures;
- clearly defined disbursement authorisation matrix;
- measures to ensure accountability and timely disclosures;
- code of conduct and conflict of interests policies; and
- clearly defined duties, responsibilities and authorities of the members of the Board of Directors.

### **Management and Board Review**

The Board will be supported in its activities by board advisors with the requisite functional expertise for any given matter and appointed by QP. The Company's review process generally follows Qatar Petroleum's management review process, which engages senior corporate leadership and divisional leadership in order to accurately assess business trends and operational performance on a timely basis, as well as to enhance visibility with regard to future financial performance.

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## **Committees**

The Board will establish two committees affiliated to the Board "Board Audit Committee: BAC" and "Board Remuneration Committee", with formally delegated duties and responsibilities and their own terms of reference. From time to time, other separate committees may be set up by the Board to consider specific issues when the need arises.

### **Board Audit Committee**

The BAC will be tasked with performing its duties on behalf of the Board and reporting to the Board with its recommendations for final decision by the Board, and will operate on the basis of written Terms of Reference.

The BAC will be responsible for, among other things:

- assisting the Board in relation to financial reporting, external and internal audit and controls;
- studying the interim and annual financial statements before submission to the Board and giving opinions and recommendations to the Board in respect of the same;
- submitting recommendations to the Board in respect of the appointment and removal of external auditors and determining their fees;
- submitting recommendations to the Board in respect of any non-audit work that may be undertaken by external auditors; and
- reviewing on behalf of the Board the effectiveness of the Company's internal audit activities, internal controls, and risk management systems.

The duties and activities of the BAC during the year shall be disclosed in the Company's annual report and accounts as required by applicable laws and regulations. The Terms of Reference of the BAC will be reviewed annually by the Board. The ultimate responsibility for reviewing and approving the interim and annual financial statements is intended to always remain with the Board. The BAC will also be responsible for ensuring that any auditor appointed by the Company in the future is independent of the Company and or Qatar Petroleum. The BAC submits Audit Reports to the Board in co-ordination with QP and in line with QP standards, on a timeline to be agreed as directed by the Board.

### **Board Remuneration Committee**

The Remuneration Committee will be delegated to perform its powers and duties, and will be required to submit its recommendations to the Board to take the final decisions. And it will work according to its own terms of reference.

The Board Remuneration Committee will be mandated with the following powers, inter alia:

- Develop the Company Remuneration Policy annually,
- Establish a provision and remuneration system for the Company employees.

The jobs and activities of the Board Remuneration Committee may be disclosed annually as required by applicable laws and regulations.

### **Board Remuneration**

The Company's executive remuneration policy in relation to the Board of Directors will be directed by the Board and approved by the shareholders in General Assembly based on the recommendation of the Board Remuneration Committee. The percentage of such remunerations may not exceed (5%) of the Company's net profit after deducting the legal reserves and withholdings and distributing at least (5%) of the Company's capital as per the Companies Law. All remuneration of the Company's Directors and executives will be payable by the Company directly and not by Qatar Aluminium (Qatalum).

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## **Financial Reporting Framework & Risk Management**

The Company's annual financial statements will be prepared in accordance with IFRS.

### **External Audit**

In its capacity as Founder, Qatar Petroleum has appointed Ernst & Young (Qatar Branch) as the first Independent Auditors to the Company.

Ernst & Young (Qatar Branch) shall act independently in carrying all their audit related activities on the financial statements of the Company on an annual basis.

### **Shareholders' Annual General Meeting**

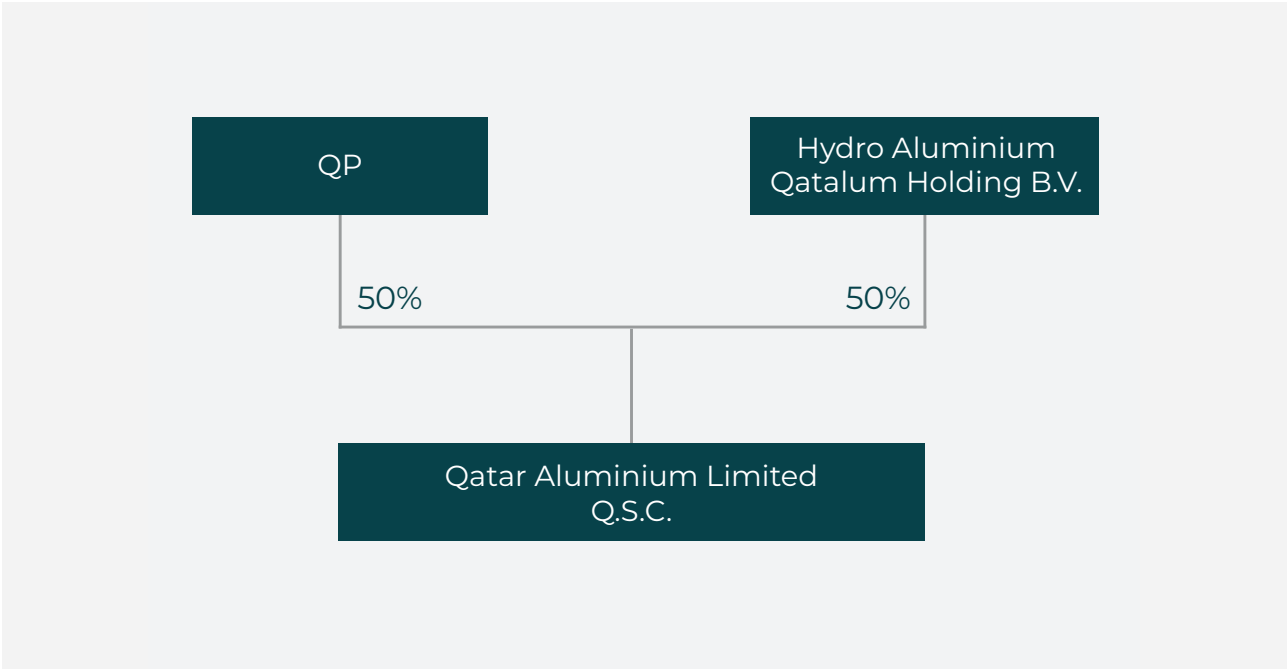
Shareholders will be kept informed of all major developments within the Company through the provision of an annual financial report and the promotion of the participation of non-institutional Shareholders in the Company's annual general meeting.

### **Corporate Governance Report**

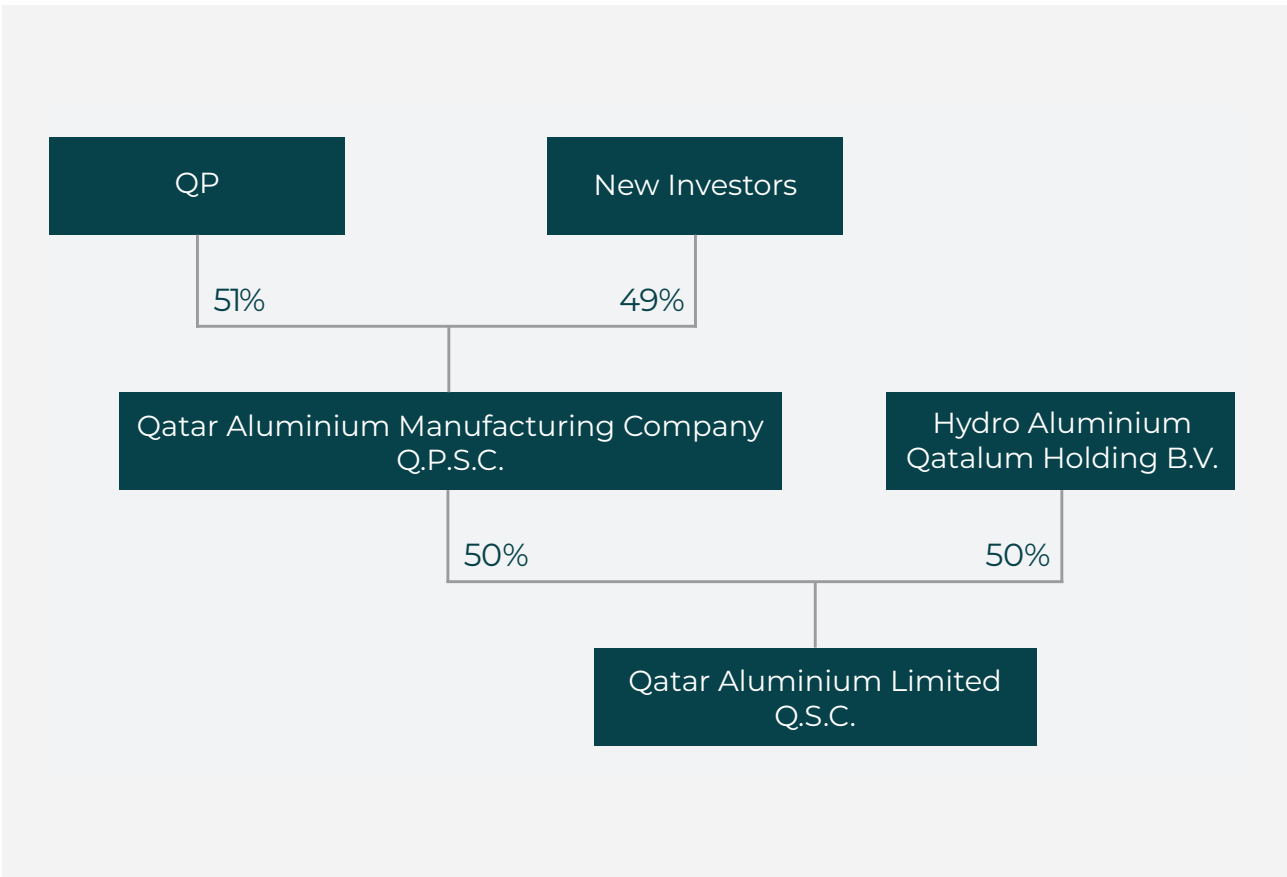
The Company proposes to issue a Corporate Governance Report in each financial year in line with the provisions of the Corporate Governance Code.

FOUNDER & NEW INVESTORS

The Company shall benefit significantly from the strong relationship with Qatar Petroleum (Founder). The shareholding structure of Qatar Aluminium (Qatalum) pre-Offering is shown graphically below:



The table below sets out certain information regarding the shareholding structure of the Company as at the date of completion of the Offering:



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## **RELATED PARTY TRANSACTIONS**

### **Operational Documents and other Core Non-Operational Documents**

#### **Marketing and Offtake Agreement**

Qatar Aluminium (Qatalum) and Hydro Aluminium entered into a marketing and offtake agreement on 23 August 2007, as amended by addendum 1 to the agreement dated 1 January 2012, the local sales letter dated 1 January 2013, addendum 2 to the agreement dated 26 June 2014, amendment 1 to addendum 2 to the agreement dated 19 January 2016 (expanding European coverage), amendment 2 to addendum 2 to the agreement dated 12 October 2016 (expanding US, Turkish and European coverage), and as further amended by addendum 3 to the agreement dated 28 July 2016. The agreement sets out the terms which govern the marketing of aluminium products produced by Qatar Aluminium (Qatalum) through Hydro Aluminium's global and marketing system. The agreement includes provisions that deal with the delivery of the aluminium products, the sale of the aluminium products, the monthly average price formulae, the marketing fee, billing and payment. The agreement is for a term of 25 years from 18 December 2009, which is the date Qatar Aluminium (Qatalum) made its first shipment of aluminium products. The agreement also allows Qatar Aluminium (Qatalum) to market and sell aluminium products in Qatar. The obligations under the Marketing and offtake Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Marketing and offtake Agreement.

#### **Fuel Supply Agreement**

Qatar Aluminium (Qatalum) and QP entered into the fuel supply agreement on 23 August 2007, as amended by side letter 1 dated 29 July 2010, side letter 2 dated 19 April 2012, side letter 3 dated 25 July 2012, side letter 4 dated 7 March 2014, side letter 5 dated 18 March 2015, and as further amended by side letter 6 dated 23 July 2017. The agreement sets out the terms on which QP agreed to supply Gas to Qatar Aluminium (Qatalum) for use at the Project, and includes provisions that deal with the delivery of the gas, the contract price formulae, billing and payment, as well as force majeure events that would allow QP to cease supply. The obligations under the Fuel Supply Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Fuel Supply Agreement.

#### **Hydro Aluminium Primary Alumina Supply Agreement**

Qatar Aluminium (Qatalum) and Hydro Aluminium entered into the Hydro Aluminium primary Alumina supply agreement on 23 August 2007, as amended by the Alumina Sales Agreement dated 4 April 2018. The agreement sets out the terms on which Hydro Aluminium agreed to supply sandy calcined metallurgical grade alumina to Qatar Aluminium (Qatalum) for use at the Project, and includes provisions that deal with the delivery of the alumina, the contract price formulae, billing and payment as well as force majeure events that would allow Hydro Aluminium to cease supply. The obligations under the Hydro Aluminium Primary Alumina Supply Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Hydro Aluminium Primary Alumina Supply Agreement.

#### **Technical Services Agreement**

Qatar Aluminium (Qatalum), QP and Hydro Aluminium entered into the technical services agreement on 1 July 2007. The agreement sets out the terms and conditions by which both QP and Hydro Aluminium agreed to provide certain support services to Qatar Aluminium (Qatalum) for a fee. These services include the provision of personnel and operational services for the Project. The obligations under the Technical Services Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Technical Services Agreement.

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### **Services Agreement for the Shipment of Calcined Petroleum Coke**

Qatar Aluminium (Qatalum) and Hydro Aluminium entered into the services agreement for the shipment of calcined petroleum coke on 1 January 2016. Pursuant to the agreement, Hydro Aluminium will assist Qatar Aluminium (Qatalum) in Contract(s) of Affreightment tender preparation, Contract(s) of Affreightment negotiations, and administration and coordination of freight arrangements for the delivery of petroleum coke to the Project. Additional services may be negotiated and shall be documented in an addendum to this agreement. In consideration for the services rendered under this agreement, Hydro Aluminium will receive a fee determined by the service offered (e.g. USD 10,000 for COA tender process, USD 7,500 for travel etc.). The agreement remains in force until terminated by either party by giving three months prior notice.

### **Land Lease Agreement**

Qatar Aluminium (Qatalum) and QP entered into a land lease agreement on 23 August 2007, as amended by addendum 1 to the agreement dated 19 August 2008. Pursuant to the agreement, an area of land owned by QP was leased to Qatar Aluminium (Qatalum) for the purposes of constructing the Project. The lease includes a description of the demised premises, certain licenses granted by QP in favour of Qatar Aluminium (Qatalum) with respect to the use of the land, as well as the rental amount, which is calculated on a per square metre basis. The rental increases are detailed until 1 January 2043. The lease is valid for a period of 40 years and shall be automatically extended upon any extension of the Joint Venture Agreement for the duration of such extension. The obligations under the Land Lease Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee, which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Land Lease Agreement.

### **Facility Land Lease Agreement**

Qatar Aluminium (Qatalum) and QP entered into a land lease agreement on 1 January 2013. Pursuant to the agreement, an area of land owned by QP was leased to Qatar Aluminium (Qatalum) for the purpose of building, owning and operating a relining facility.

The lease includes a description of the demised premises, certain licenses granted by QP in favour of Qatar Aluminium (Qatalum) with respect to the use of the land as well as the rental amount which is calculated on a per square metre basis. The rental increases are detailed until 1 January 2047. The lease is valid for a period of 35 years and is renewable 120 days prior to the expiry of the lease period upon Qatar Aluminium (Qatalum)'s request and subject to QP's agreement.

### **Port Users Agreement (BERTH 8)**

Qatar Aluminium (Qatalum) and QP entered into the port users agreement on 23 August 2007. Pursuant to the agreement, QP granted Qatar Aluminium (Qatalum) a non-exclusive right to use the port owned by QP for a fee for the purposes of the Project. Qatar Aluminium (Qatalum) agreed to construct a berth at the port. In consideration of this, QP granted Qatar Aluminium (Qatalum) the exclusive rights to use the berth throughout the term of the agreement. The agreement is valid for a period of 40 years and shall be automatically extended upon any extension of the Joint Venture Agreement for the duration of such extension. The obligations under the Port Users Agreement (BERTH 8) are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Port Users Agreement (BERTH 8).

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### **Hydro Technology License Agreement**

Qatar Aluminium (Qatalum) and Hydro Aluminium entered into the Hydro technology license agreement on 23 August 2007. The agreement sets out the terms and conditions which Qatar Aluminium (Qatalum) is granted a license to use the anode, reduction and casthouse technologies to operate the Project, and to make and sell aluminium products. The agreement sets out a lump sum remuneration mechanism based on deliverables. The agreement is valid until the earlier of its termination pursuant to the termination provisions or the Project ceasing to use Hydro Aluminium's technologies. The obligations under the Hydro Technology License Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee, which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the Hydro Technology License Agreement.

## **Short and Medium Term Operational Documents**

Qatar Aluminium (Qatalum) has also entered into other related party operational contracts of short and medium tenure, including:

### **Services Agreements**

#### **Alumina Services Agreement**

Qatar Aluminium (Qatalum) entered into an alumina services agreement with Hydro Aluminium International SA and Hydro Aluminium (as a consenting party).

#### **Procurement of Consumable Carbon Materials Services Agreement**

Qatar Aluminium (Qatalum) entered into a services agreement concerning procurement of consumable carbon materials with Hydro Aluminium.

### **Joint Venture Agreement**

On 23 March 2006, QP and Hydro Aluminium entered into the Joint Venture Agreement, as amended by the amendment letter dated 11 June 2006, the deed of novation dated 25 July 2007, the amendment letter dated 26 July 2007, and as further amended by the amendment letter dated 18 September 2007. The Joint Venture Agreement sets out the terms and conditions upon which QP and Hydro Aluminium agreed to establish the joint venture between them through the establishment of a joint stock company under the laws of the SOQ to construct and implement the Project. Pursuant to the deed of novation, Hydro Aluminium assigned its rights and obligation under the Joint Venture Agreement to the Hydro Shareholder. The agreement is valid for a term of forty (40) years starting from 20 September 2010 and the parties to the agreement may meet to extend it no later than the beginning of the 10th year before the end of the JV Term.

Following completion of the Offering, and upon incorporation of the Company, the Company will execute the Deed of Accession pursuant to which it will accede to the Joint Venture Agreement.



## THE QATAR EXCHANGE

The QSE was officially established as the Doha Securities Market in 1995, and started operations in 26 May 1997. The Doha Securities Market was renamed to QSE in June 2009. H.E Sheikh Ahmed Bin Jassim Bin Mohammad Al Thani is the Chairman of the QSE's Board of Directors. The QSE was established with the aim of promoting foreign and domestic investment in Qatar as well as to encourage the diversification of the economy. As a result of QSE's significant progress in enhancing the operational efficiency with major initiatives, such as the adoption of an improved trading model, new order types, and a revamped settlement process, QSE has been upgraded to "emerging market" from "frontier market" classification by MSCI, effective June 2014.

In August 2014, Law No. 9/2014 was issued, amending some provisions of Law No. 13/2000 which regulated the investment of non-Qatari capital. The amendments include an increase in non-Qatari ownership to no more than 49% of shares of Qatari shareholding companies listed on the QSE, subject to the approval of the Ministry of Economy & Commerce. Non-Qatari ownership beyond the 49% limit is subject to approval from the cabinet. Furthermore, other GCC nationals have been considered as Qatari Citizens in the ownership of companies listed on QSE.

There are currently two trading platforms operated by QSE: the QSE Primary Market and the QSE Venture Market.

In January 2017, Investment Holding Group Q.S.C. offered shares for public subscription on QSE. This brings the total number of listed companies to 45, which are listed on the QSE Primary Market with 9 financial service companies licensed to trade on the market. The following table provides some key statistics of the QSE for the period 2007 to 2017:

### Key Data of QE (2007 – 2017):

Year	No. of transactions (thousands)	Volume of traded shares (millions)	Value of Shares (QR'bn)	Market Cap (QR'bn)	Listed Companies	Index Change of Share Prices (year-on-year) %
2007	1,811.8	3,411.3	108.9	347.7	40	34.31%
2008	2,179.9	3,893.5	175.5	279.0	43	-28.12%
2009	1,690.1	3,450.1	92.2	320.1	44	1.06%
2010	1,024.1	2,094.4	67.2	450.2	43	24.75%
2011	1,119.1	2,302.8	83.4	457.3	42	1.12%
2012	881.6	2,428.2	70.7	459.9	42	-4.79%
2013	961.8	1,937.5	74.9	555.6	42	24.17%
2014	2,058.6	4,439.9	199.3	676.8	43	18.36%
2015	1,190,807	2,302.4	93.7	553.2	43	-15.11%
2016	997,482	1,976.6	68.9	563.4	44	0.07%
2017	834,394	2,465.5	66.2	472.0	45	-18.33%

Source: Annual reports 2010-2017 and monthly reports by the QSE and the QSE website.

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## **QATAR CENTRAL SECURITIES DEPOSITORY**

Qatar Central Securities Depository (QCSD) was established as a Qatari private shareholding company in 2014 and is owned by both the Qatar Central Bank (QCB) and the QSE. It has obtained all necessary licenses from the competent authorities in Qatar, including the Qatar Financial Markets Authority (QFMA).

QCSD's functions include safekeeping, management, ownership, clearing and settlement of securities and other financial instruments. It also provides related financial services, including registration, acceptance and transfer of government bonds and treasury bills (T-bills). Moreover, it offers additional services including DvP implementation (Delivery vs. Payment), Securities Lending and Borrowing settlement, management and follow-up of the non-Qatari shareholders' equity, registration and authorization of Exchange-Traded Funds (ETFs), as well as participation in Initial Public Offering (IPOs).

QSE's systems are linked to QCSD's systems to enforce transfer of listed companies' shares at QSE between sellers and buyers. QCSD will also process all off-market transfers, either by inheritance or by court order. QCSD is responsible for pledging and unpledging shares besides other operations.

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## DESCRIPTION OF THE SHARES

### Share Capital

The Company is a company under establishment with Qatar Petroleum as its sole founder. As at the date of this Prospectus, the Company's issued share capital is QAR 5,580,120,000, to be divided into 558,011,999 ordinary Shares of QAR 10 each, and one Special Share.

The information below constitutes a summary of the Articles. Copies of the Memorandum of Association and Articles of Association of the Company, as approved by the Ministry of Economy & Commerce are available during the Offer Period at participating branches of the Receiving Banks in Qatar, and through the Company's website.

### Shareholders' rights

#### General

In accordance with the Articles (and subject to the rights attached to the Special Share, as described below), each Share shall give its holder (a "**Shareholder**") equal rights in the Company's assets and dividends as well as rights to vote on a one-share, one-vote basis.

#### Dividends

The Company may, by resolution of the General Assembly, declare dividends, but no dividend shall exceed the amount recommended by the Board and the Board shall not be obliged to recommend an amount of dividend in any year. Any resolution declaring a dividend so declared shall be given effect by the Board within 30 days. Furthermore, the Board may declare and pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution. In addition, if it appears to the Board that there is excess free cash available for distribution, after taking into account the Company's requirements, commitments and plans, the Board may distribute such excess cash to the Shareholders as and when it sees fit, and subject to the provisions of the Company's Constitutional Documents and the Companies Law.

If any Share is allotted or issued on terms that it shall rank for dividends as, from a particular date or not at all or on particular terms, that Share shall rank for dividends accordingly. Any dispute among Shareholders as to whether or not dividends shall be paid, or the level of any dividend payment, shall, as regards the liability of the Company to the Shareholder in question, be determined by the Board. Any such determination shall be without prejudice to any rights or claims any Shareholder may have against any other Shareholder, under any other agreement or document.

However, prior to recommending any dividend for distribution to Shareholders, the Board shall ensure proper reserves are established in respect of depreciation and renovation, labour law obligations and any other voluntary or statutory reserves considered by the Board to be necessary or appropriate. Such reserves as resolved by the Board shall be the only reserves the Company is required to have.

#### Rights to attend the General Assemblies

An Ordinary General Assembly shall be convened by the Board and held at least once every year (at a date and venue determined by the Board), within four months of the end of the Financial Year (an "AGA"). The AGA shall consider the Directors' and auditors' reports and the balance sheet and profit and loss account for the preceding financial year, determine the amount of dividends to be distributed to Shareholders, determine the appointment and removal of auditors where relevant (after Admission) and appoint auditors for the period up to the end of the next financial year and determine their remuneration. All General Assemblies shall be held in Qatar.

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### **Procedure for convening a General Assembly**

An annual or extraordinary General Assembly shall be convened by a notice from (and shall be chaired by) the Chairman or in his absence the Vice Chairman (if any) or such other Director as may have been authorised to do so by the Chairman. Such notice shall be published in at least two daily Qatari newspapers, one in English, not less than fifteen (15) days prior to the set date of such a meeting. The Articles also provide that any shareholder or shareholders together holding 10% or more of the Shares may, from time to time, for various reasons, require by notice in writing to the Company that the General Assembly be convened by the Board.

### **Quorum at General Assemblies**

The quorum for an annual General Assembly and an extraordinary General Assembly shall be the Shareholders present in person or duly represented by proxy and holding not less than 50% in nominal value of the Shares, provided always that the Special Shareholder is duly represented in such meeting, entitled to be present, and vote at such meeting. Where the quorum is not met at the first meeting, a second meeting shall be convened within fifteen days following the first meeting.

### **Voting rights**

Except as otherwise provided in the Articles (and notwithstanding Qatar Petroleum's rights as holder of the Special Share) each Shareholder whose name is entered in the Company's register of Shareholders shall be entitled to attend the General Assembly and shall have one vote for each Share held by such Shareholder.

Each share confers on its holder the right to attend and vote at all duly convened meetings of the General Assembly. Resolutions at a General Assembly shall, subject to the rights of the holder of the Special Share, be passed by a simple majority of the votes of the Shareholders present or duly represented and entitled to vote at the meeting and in respect of the matter to be voted on in accordance with the applicable procedures.

Any Shareholder that is a company may authorise another Shareholder to act as its representative at any General Assembly (in such form as the Board may approve), and the person so authorised shall be entitled to exercise the same power as that Shareholder could itself exercise on behalf of the Shareholder he represents subject to the requirement (except in relation to the holder of the Special Share) that such person may act as proxy to one or more shareholders so long as such person shall not be appointed a proxy representing more than 5% of the Company's entire issued share capital.

### **Extraordinary General Assembly**

All matters referred to the Shareholders for their approval, other than those considered at the Annual General Assembly and subject to the rights of the Special Share, shall be referred to an Extraordinary General Assembly including the following matters: (i) amendment of the Company Articles of Incorporation or Memorandum of Association; (ii) increasing or decreasing the share capital of the Company; (iii) extension of the term of the Company; (iv) dissolution, liquidation, transformation, or merger or acquisition of the Company; (v) sale of the whole project for which the Company has been established or dispose of it otherwise.

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## **Rights attached to the Special Share**

In addition to its shareholding in the Company, Qatar Petroleum has certain rights beyond its rights as a shareholder due to its ownership of the Special Share. The Special Share may not be cancelled or redeemed without the consent in writing of the Special Shareholder which is Qatar Petroleum. The Special Share may be transferred only to the Government, any Government Corporation or to any Qatar Petroleum Affiliate (as defined under the Articles).

Notwithstanding any provision in the Articles to the contrary, each of the following matters (among other things) shall be deemed to be a variation of the rights attaching to the Special Share and shall accordingly be effective only with the consent in writing of the Special Shareholder: the amendment, variation or removal, or alteration of the effect of any provision of the Company's Memorandum of Association or provisions of the Articles any proposal being made for the voluntary winding up or dissolution of the Company or any subsidiary of the Company; the issue of any Shares; the cancellation, increase, reduction, redemption, subdivision, consolidation or other change to the share capital of the Company (including the cancellation or redemption of the Shares); any proposal to merge any of the Company's activities with those of another company or entity or the entry into of any agreement or arrangement to acquire or dispose of any subsidiary or business of the Company; any proposal that the Company amend, supplement, vary or terminate any of the provisions of (i) the memorandum and articles of association of any of its subsidiaries; or (ii) the Joint Venture Agreement and any joint venture agreement relating to any of its subsidiaries and any matter in the opinion of the Special Shareholder which affects the public interest or national security of the State of Qatar.

The Special Share also confers rights of the Special Shareholder to appoint Members of the Board without the need for approval at a General Assembly. In the event that Qatar Petroleum transfers the Special Share, the right to appoint and nominate Directors (as applicable) shall pass with the Special Share.

Qatar Petroleum shall be entitled to receive invitation of, and to attend any General Assembly and discuss its agenda. The quorum for any General Assembly must include the presence of the Special Shareholder or its appointed representative. Other than as described in the Articles (as summarised in this Prospectus), the Special Share shall rank *pari passu* with each Share.

## **Ownership restrictions**

The Articles of Association of the Company restrict any person, whether legal or natural, with the exception of Qatar Petroleum (and its affiliates) and the Selected Institutions, from owning, whether directly or indirectly, more than a specified maximum number of Shares, as determined by the Board from time to time (shares of a nominal value not exceeding 2% of the Company's capital). Furthermore, non-Qatari shareholders may own up to a maximum of 49% of the Shares listed on the Qatar Exchange or in any regulated market (The Company's Board of Directors may adjust such percentage in accordance with the Articles of Association).

## **Shareholders' liabilities**

Shareholders shall only be liable for unpaid subscription amounts (up to the nominal value of each Share held by them) and their liability shall not be increased. Shareholders shall have no further liability for the debts and obligations of the Company.

## **Reports to Shareholders**

The Board shall prepare the Company's annual report and provide a copy of such annual report to Shareholders at least fifteen days before the AGA. Such annual report shall include the Company's profit and loss accounts, a balance sheet, a report of the Board (relating to the financial status and affairs of the Company) and the full text of a report of the auditors, for the immediately preceding financial year. A copy of the annual report shall be included with the Invitation of AGA sent to Shareholders, in accordance with the Articles.

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## Transfer of Shares, Bonds and Securities

In addition to the relevant provisions contained in the Articles relating to the transfer of Shares, the issue and transfer of Shares, loan notes, bonds, securities or other instruments shall be governed by and shall comply with the QFMA rules along with the rules of the stock exchange in which it is listed, and any amendments thereto and/or any other regulated stock exchange on which the Company may be listed from time to time.

Any whole number of Shares may be freely transferred, sold, mortgaged, donated and disposed of in any manner and without restriction in accordance with the Articles. Transfers of Shares made other than in accordance with the Articles shall be void. Subscriptions for and dispositions and transfers of loan notes, bonds, securities (other than Shares) and other instruments shall be made in accordance with their terms of issue.

All subscriptions for and transfers of Shares shall be effected by an instrument of assignment in writing adhering to the Articles and in a form approved by the Board, duly signed by the transferor and the transferee, and accompanied by the relevant certificate, if any (or such form of lost certificate indemnity or such other documentation or evidence of title as is acceptable to the Board), for the Shares being transferred.

The Board may prevent the registration by the Company of a Share transfer if (a) it is made in breach of the Articles; (b) relates to Shares not fully paid; (c) is made to more than four joint owners; and (d) purports to transfer Shares which are mortgaged or subject to a court order preventing transfer.

The Board may prevent the registration by the Company or person acting on its behalf of any transfer of loan notes, bonds, securities (other than Shares) and other instruments where such registration and transfer is in breach of the terms of issue of such loan notes, bonds, securities or other instruments.

## Proceedings of the directors

The Board shall consist of no fewer than six (6) and no more than eleven (11) Directors, all of whom shall be appointed by the Special Shareholder without the need for approval at a General Assembly. Each Director shall be appointed for a renewable term of three (3) years or such shorter term (being no less than one (1) year each) as the Special Shareholder shall determine.

### Chairman

The Special Shareholder shall appoint the Chairman of the Board ("**Chairman**") and the Special Shareholder may appoint a Vice Chairman of the Board ("**Vice Chairman**") from among the Directors. The Chairman and the Vice Chairman (if any) shall remain in office for a renewable period of three (3) years, or such shorter period (not less than one (1) year), as determined by the Special Shareholder, and any Director appointed to fill a vacancy on the Board created by the death, resignation or removal of a Director who was the Chairman or Vice Chairman shall also serve in that capacity for the remainder of the departing Chairman or Vice Chairman's term). A person may become a Chairman or Vice Chairman of the Company even if by doing so he shall be a Chairman or Vice Chairman in two or more companies having principal places of business in the State of Qatar.

### Managing Director

The Directors may elect by secret ballot one or more Directors to serve as Managing Director of the Company. A person may become a Managing Director even if already a Managing Director of another company having its principal place of business in the State of Qatar. The Managing Director shall manage, direct and operate the business of the Company subject to such policies and directives with respect thereto as the Directors may from time to time adopt in conformity with the Articles and any pertinent resolutions of the Board. The authority of the Managing Director shall be fixed by the Board who shall also decide whether the Managing Director shall have the right to sign on behalf of the Company either alone or with any other person. The Managing Director shall report regularly to the Directors so as to keep them fully informed as to the management of the Company and the state of its affairs and shall provide them with such information and reports as they may require. The Managing Director shall prepare for Board approval, the management and operating structure for the Company as required by the Board.

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### **Convening meetings of the Board**

All meetings of the Board (including those for which a provisional date may have been agreed) shall be convened by an invitation from the Chairman or, in his absence, the Vice Chairman (if any), or any two Directors or such other Director as is duly authorised by the Chairman. The Chairman shall further convene a meeting by invitation upon request by any two or more Directors. Any invitation shall be given by fax, registered post or e-mail (subject to evidence of receipt satisfactory to the Board), to every Director at his relevant address for service in the Company records, not less than seven (7) days prior to the proposed date of such meeting, or as required by the regulations of the QFMA, if applicable, stating the date, time and place of the meeting.

### **Conduct of meetings of the Board**

Board meetings shall be held at least six (6) times per calendar year and additionally, as often as necessary for the conduct of the affairs of the Company. The Board shall hold meetings in Doha, Qatar unless all Directors (or their alternates) are present or otherwise agreed to it being held elsewhere. A Director or his alternate Director may participate in a meeting of the Board through the medium of conference telephone, video teleconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote.

### **Quorum for Board meetings**

The quorum necessary for the transaction of the business of the Board shall be half of the number of Directors entitled to vote and be present at the said meeting present or duly represented by an alternate provided the Chairman or Vice Chairman is amongst them.

### **Proceedings at the Board meeting**

Board resolutions shall be passed by the majority of votes of Directors present and entitled to vote (each Director having one vote). The Chairman shall have a casting vote.

### **Resolutions in writing**

A resolution in writing delivered to all Directors and approved and executed by a quorate number of eligible Directors (being half of the members of the Board) for the time being entitled to receive invitation of a Board meeting, is as valid and effective for all purposes as a resolution passed at a meeting of the Board. The resolution in writing may consist of several documents in the same form, each executed by one or more of the Directors. The resolution in writing need not be executed by an alternate Director if it is executed by his appointer, and a resolution executed by an alternate Director need not be executed by his appointer.

### **Conflicts of interest**

A Director who, to his knowledge, is in any way (directly or indirectly) beneficially interested in a contract, arrangement, transaction or proposal with the Company (or an affiliate of the Company), (otherwise than by virtue of his appointment as a Director, his employment or his beneficial interest in shares or debentures warrants other securities of or otherwise in or through the Company or any affiliate of the Company including Qatar Petroleum), shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered. Such a Director shall declare the full extent of his said interest to the Board at the first meeting if he knows his interest then exists or, in any other case, as soon as he is or had become interested.

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### **Director's vote on a conflict of interest**

A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or of a committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company (or any affiliate of the Company) is or is to be a party and in which he has a beneficial interest which is, to his knowledge, a material beneficial interest (otherwise than by virtue of his appointment as a Director, his employment or his interest in shares or debentures warrants or other securities of or otherwise in or through the Company or any affiliate of the Company including Qatar Petroleum), save in relation to a resolution concerning certain specified matters as stipulated under the Articles.

A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or committee of the Board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested.

### **Rules applying to a conflict of interest and disclosure**

If a potential conflict of interest arose at a meeting as to the materiality of a Director's beneficial interest (other than the interest of the Chairman) or as to the entitlement of a Director (other than the Chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the Chairman and his ruling in relation to the Director concerned is final, conclusive and binding on all concerned. If potential conflict of interest arose as to the materiality of the interest of the Chairman or as to the entitlement of the Chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of Board or committee members present at the meeting (excluding the Chairman) whose majority vote is final, conclusive and binding on all concerned. The General Assembly may by resolution suspend or relax the provisions of the relevant provision of the Articles regarding a conflict of interest and to the extent necessary or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of contravention of such article.

## **Committees**

### **Delegation to committees**

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to a committee consisting of one or more persons (whether a member or members of the Board or not) as it thinks fit. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee). The Board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The Board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board (including, without limitation, the power to pay fees, remuneration, additional remuneration, expenses and pensions and other benefits) and that power, authority or discretion has been delegated by the Board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.



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### **Access to information**

The books of account of the Company shall be kept at its head office. Subject to such confidentiality and such other restrictions as the Board may from time to time agree, the Shareholders and their respective auditors and the Directors shall have full access to such books of accounts and to all records of the Company at all reasonable times: provided, however, that prior to undertaking any review of the Company's books or records, the Shareholders shall first use their best efforts to obtain the information sought to be obtained from such review from the Company's Auditors. The Board shall provide the Auditors with all information reasonably required by it to compile its reports within two (2) months of the Company's Financial year end. The Auditors shall have full access to the Company's books and records. The Auditors shall provide a report on the Company's accounts within ninety (90) days of each Financial Year end.

The Shareholders shall also have the right to access, free of charge, the Company's Shareholder register and the Memorandum of Association and Articles of Association of the Company at the Company's head office during its regular office hours unless otherwise determined by the Company's internal procedures. Each Shareholder shall also be entitled to receive, upon a written request, a copy of the Memorandum of Association and Articles of Association of the Company which shall also be made available to third parties at the discretion of the Board subject to a reasonable fee as determined by the Board.

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## TAXATION

The Company's Shares are being offered within Qatar solely to Eligible Investors, being Qatari national individuals or Selected Qatari Institutions. Under current Qatari income tax law and regulations, entities that are tax resident in Qatar which are ultimately wholly-owned by Qatari or GCC nationals are not subject to corporate income tax in Qatar, as such corporate income tax is only levied on companies that are not wholly-owned by Qatari or GCC nationals. Where applicable, such tax is computed on total taxable profits allocable to shares owned directly or indirectly by (i) non-Qatari and non GCC nationals, and (ii) Qatari and GCC nationals that are not tax resident in Qatar.

However, Qatari Law No. 17 of 2014 grants an exemption in the case of companies whose shares are admitted to trading on the Qatar Exchange. Therefore, it is anticipated that, notwithstanding the Offering, the Company's profits will remain exempt from corporate income tax in Qatar.

The listed company is instead required to contribute 2.5% of its net profit to the State to support its sports, cultural, social and charitable activities. This contribution (referred to as the sports levy) is appropriated from the Retained Earnings of the listed company thereby reducing the Retained Earnings available for dividends distribution.

Notwithstanding the corporate income tax exemption, Qatari tax resident entities that are ultimately wholly owned by Qatari nationals and other GCC nationals are required to operate withholding tax in certain cases. Currently Qatar does not impose withholding tax on dividend payments.

The dividends declared by these entities are likewise not taxable in the hands of the shareholders. However, any gain realised from the sale of shares in these entities is subject to Qatar income tax unless such gain is derived by Qatari nationals or GCC nationals who are tax resident in Qatar. Therefore, Shareholders who are either (i) corporate entities wholly-owned by Qatari nationals and other GCC nationals; or (ii) individual Qatari nationals and other GCC nationals will not be subject to Qatar income tax on any gain realised upon the sale or exchange of Shares provided the Qatari nationals and GCC nationals are tax resident in Qatar.

It should be noted that Qatar Aluminium (Qatalum) is liable to Qatari corporate income tax on its profits, as a result of each of them having a foreign shareholder(s). The tax status of Qatar Aluminium (Qatalum) is subject to specific tax incentives including tax holidays for profits arising in the initial years of operation of the projects or expansion projects. The incentives benefit the profit share of the foreign shareholders. The dividends received from Qatar Aluminium (Qatalum) by the Company are not subject to further tax in the hands of the Company.

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## **UNDERTAKINGS BY THE COMPANY**

The Company undertakes to promptly inform QFMA and QE clearly and accurately about any significant information that might affect the Company's Share price on the QE. The Company further undertakes to provide the QE with all periodic information and reports issued by the Company in the future. The Company further undertakes to comply with any requirements issued by the QFMA.

Moreover, the Company undertakes to publish such information and reports in line with the requirements of QFMA and applicable laws.

The Company and the Board, acting jointly and severally, confirm that the information provided in this Prospectus is true and accurate and no facts were omitted therefrom, which omission would render any statement in this undertaking or in this Prospectus misleading.

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#### **LEGAL COUNSEL'S CERTIFICATION**

We, the undersigned, hereby confirm and certify that the offering of Qatar Aluminium Manufacturing Company shares for public subscription by QP is in accordance with the Companies Law and with the rules and regulations of the QFMA and the QE and the Company's Constitutional Documents. We further confirm that all procedures undertaken in this respect are in accordance with applicable laws, rules and regulations.



Sharq Law Firm  
Advocate: Rashid Saad Al Saad  
Doha, Qatar  
18 October 2018

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## TRANSFER AND SELLING RESTRICTIONS

The Offering to which this Prospectus relates is open in Qatar only, to Eligible Investors. The Offering does not constitute an offer to the general public in any jurisdiction outside of Qatar. The distribution of this Prospectus and the offer of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer to sell or an invitation by or on behalf of Qatar Petroleum, the Company or the Listing Advisor and Offering Manager to purchase any of the Offer Shares in any jurisdiction outside of Qatar or from or within the Qatar Financial Centre.

This Prospectus may not be distributed in any jurisdiction where such distribution is, or may be deemed, unlawful. Qatar Petroleum, the Company, the Listing Advisor and Offering Manager and the Receiving Banks require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of Qatar Petroleum, the Company, the Listing Advisor and Offering Manager or any of the Receiving Banks accepts any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase the Offer Shares by any person, whether or not a prospective purchaser of the Offer Shares is in any jurisdiction outside of Qatar, and whether such offer or solicitation was made orally or in writing, including by electronic mail. In particular, the following restrictions apply to the specific jurisdictions referenced below:

### **Qatar**

This Prospectus has been approved by the Qatar Financial Markets Authority and is being made available to Eligible Investors in the State of Qatar (outside of the Qatar Financial Centre (the “QFC”)).

### **Qatar Financial Centre**

This Prospectus does not, and is not intended to, constitute an invitation or offer of securities from or within the QFC, and accordingly should not be construed as such. This Prospectus has not been reviewed or approved by or registered with the Qatar Financial Centre Authority (the “QFC Authority”), the Qatar Financial Centre Regulatory Authority (the “QFCRA”) or any other competent legal body in the QFC. This Prospectus is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

### **United States**

The Shares have not been and will not be registered under the Securities Act and the Shares may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each Receiving Bank has agreed that:

- a. it has not solicited and will not solicit offers for, or offer or sell, Shares by means of any general solicitation or advertising in the United States or otherwise in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act;
- b. none of it, its affiliates or any person acting on its or their behalf, has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Shares;
- c. such Receiving Bank, or any person acting on its behalf, will offer or sell or solicit offers for the Shares as part of their initial distribution only in offshore transactions within the meaning and meeting the requirements of Rule 903 under the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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## European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) no Shares have been offered or will be offered to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Ordinary Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Receiving Banks for any such offer; or
- c. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. “**Prospectus Directive**” means Directive 2003/71/EC as amended including by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State.

## United Kingdom

Each Receiving Bank has represented, warranted and agreed that:

- a. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”)) received by it in connection with the issue or sale of the Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- b. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

## Kuwait

This Prospectus is not for general circulation to the public in Kuwait. The Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Shares in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

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Persons into whose possession this Prospectus comes are required by the Company and the Receiving Banks to inform themselves about and to observe all restrictions. Investors in Kuwait who approach the Company or the Receiving Banks to obtain copies of this Prospectus are required by the Company and Receiving Banks to keep this Prospectus confidential and not to make copies of it or distribute it to any other person, firm or company and are also required to observe the restrictions provided for in all jurisdictions relating to the offering, marketing and sale of the Shares.

## **Oman**

The information contained in this Prospectus (or any other document, or material circulated in connection with this Prospectus) neither constitutes a public offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Sultani Decree 4/74, as amended) or Article 3 of the Capital Market Law of Oman (Sultani Decree 80/98, as amended), nor does it constitute a prospectus or an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009). Additionally, neither this Prospectus nor any other document, or material circulated in connection with this Prospectus is intended to lead to the conclusion of any contract of whatsoever nature within the territory of Oman, or under the laws of the Sultanate of Oman.

This Prospectus has not been (and will not be) filed with the Capital Market Authority, the Central Bank of Oman or any other regulatory authority in Oman and neither the Capital Market Authority nor the Central Bank of Oman assumes responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus and shall not have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

This Prospectus may be provided to a limited number of named sophisticated investors, as described in Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009), solely to enable such person to decide on whether or not to make an offer to the Company to enter into commitments to invest in the Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein.

This Prospectus is strictly private and confidential and may not be reproduced or used for any other purpose or provided to any person other than the original named recipient.

## **Saudi Arabia**

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the content of this Prospectus, you should consult an authorised financial advisor.

## **United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)**

This Prospectus may only be distributed to such persons as permitted under Article 2(3) of the UAE Securities and Commodities Authority ("SCA") Board of Directors decision 3 of 2017 and applicable UAE laws and regulations. The Shares may not be offered or sold directly or indirectly to the public in the UAE. This Prospectus does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise. By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that this Prospectus has not been approved

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by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor has any authorisation or licensing been received from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell the Shares within the UAE. No marketing of the Shares has been or will be made from within the UAE other than in compliance with the laws and regulations of the UAE. It should not be assumed that any of the Receiving Banks is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products.

## **Bahrain**

This Prospectus has been prepared for the purposes of providing information to high net worth individuals and institutions. No invitation has been made or will be made in or from the Kingdom of Bahrain and the Shares will not be marketed or offered to any potential investor in the Kingdom of Bahrain. No offer will be made to the public in the Kingdom of Bahrain and all marketing and offering is made and will be made outside the Kingdom of Bahrain.

This Prospectus has not been filed or registered with or otherwise approved by the Central Bank of Bahrain. Neither of the Central Bank of Bahrain, Bahrain Bourse nor any other authority in Bahrain have or have taken any responsibility for the accuracy of the statements and information contained herein, nor will any of them have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein.



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## **CLEARING AND SETTLEMENT**

Prior to the Closing Date, the Company will submit an application to the QFMA and to the QSE to list all of the Shares on the QSE, in accordance with the QFMA Listing Rules and the QSE Rule Book. Trading in the Shares will be effected on an electronic basis, through the applicable trading system administered by the QSE. It is anticipated that Admission will occur in December 2018 (after obtaining the approval of the regulatory authorities).

After the Closing Date, and following commencement of trading of the Shares on the QSE, all institutions and individuals will be permitted to purchase Shares on the QSE secondary market in accordance with the applicable laws of Qatar and the QSE Rule Book. The Shares may be freely traded and transferred in accordance with the Articles of the Company, the laws of the State of Qatar, the QFMA Listing Rules, the rules and regulations of the QSE and in compliance with the applicable laws of Qatar.

Transactions in Shares admitted to trading on the QSE will be governed by a 3-day settlement cycle (T+3) as per the QCSD Rules and delivery-versus-payment (DvP) procedures in accordance with the procedures of the exchange whereon shares are listed.

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## **GENERAL INFORMATION**

### **1. Listing**

Prior to the Closing Date, the Company will submit an application to the QFMA and the QSE to list all of the Shares on the QSE in accordance with the QFMA Listing Rules and the QSE Rule Book. Trading in the Shares will be effected through the trading system used by QE.

### **2. Authorisations**

The Company has obtained all consents, approvals and authorisations in Qatar in connection with the Offering.

### **3. Documents Available for Inspection**

Copies of the following documents will be available for inspection free of charge, during normal business hours at the proposed office of the Company (to become the registered office of the Company upon incorporation) from the date of publication of this Prospectus to Admission:

- this Prospectus;
- the Company's constitutional documents, being its Memorandum of Association and Articles of Association; and
- the Pro Forma Financial Information.

The proposed registered office of the Company is located at Floor no. 42, Qatar Petroleum Headquarters, World Trade Center, West Bay, Doha, State of Qatar.

### **4. Security Codes**

The QE Shares trading symbol is "QAMC".

### **5. Offer Price**

The Shares have a nominal or par value of QAR 10 per Share. The Offer Price of QAR 10.1 per Offer Share (comprised of the nominal value of QAR 10 per Offer Share plus the Offering and Listing Costs in the amount of QAR 0.1 per Offer Share) was determined by Qatar Petroleum in consultation with the Listing Advisor and Offering Manager.

### **6. Significant Change**

As of 1 July 2018 until the date of this Prospectus, there are no significant changes in the financial or trading position of the Company since it has not been incorporated.

### **7. Material Contracts**

This section does not include contracts with related parties (see further the sections in this Prospectus titled "Related Party Transactions".)

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### **Glencore Primary Alumina Supply Agreement**

QP and Hydro Aluminium entered into the Glencore Primary Alumina Supply Agreement with Glencore on 13 July 2007, as amended by the deed of novation dated 31 July 2007. The agreement sets out the terms on which Glencore agreed to supply sandy calcined metallurgical grade alumina to Qatar Aluminium (Qatalum) for use at the Project. Pursuant to the deed of novation, the agreement was novated and assigned to Qatar Aluminium (Qatalum) and QP and Hydro Aluminium were released from any obligations thereunder. The agreement includes provisions that deal with the delivery of the alumina, the contract price formulae, billing and payment as well as force majeure events that would allow Glencore to cease supply. The obligations under the Glencore Primary Alumina Supply Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into, to give the Debt Finance lenders further comfort in relation to the operation of the Glencore Primary Alumina Supply Agreement.

On 20 July 2007, Glencore International AG entered into a parent company guarantee to guarantee Glencore's supply obligations under the supply agreement to QP and Hydro Aluminium. The parent company guarantee was novated and assigned to Qatar Aluminium (Qatalum) on 31 July 2017

### **CVRD Primary Alumina Supply Agreement**

Qatar Aluminium (Qatalum) and CVRD entered into the CVRD primary Alumina supply agreement on 20 August 2007. The agreement sets out the terms on which CVRD agreed to supply sandy calcined metallurgical grade alumina to Qatar Aluminium (Qatalum) for use at the Project and includes provisions that deal with the delivery of the alumina, the contract price formulae, billing and payment as well as force majeure events that would allow CVRD to cease supply. The obligations under the CVRD Primary Alumina Supply Agreement are further regulated by a tripartite agreement between the parties and the Security Trustee which was entered into to give the Debt Finance lenders further comfort in relation to the operation of the CVRD Primary Alumina Supply Agreement.

### **Contract of Affreightment Seaborne Transportation**

Qatar Aluminium (Qatalum) and Gearbulk Pool Ltd entered into the contract of affreightment seaborne transportation on 10 June 2008. Pursuant to the agreement, Gearbulk Pool Ltd agreed to carry, and Qatar Aluminium (Qatalum) agreed to ship, coal tar liquid pitch. In addition to other terms, the contract sets out the quantities of coal tar liquid pitch to be carried by Gearbulk Pool Ltd in a specific year, freight rates and payment, and laytime and demurrage terms. The agreement remains in force until 31 December 2025.

### **Contract of Affreightment Seaborne Transportation covering Shipments of Alumina in Bulk**

Qatar Aluminium (Qatalum) and Gearbulk Pool Ltd entered into the contract of affreightment seaborne transportation on 10 June 2008. Pursuant to the agreement, Gearbulk Pool Ltd agreed to carry, and Qatar Aluminium (Qatalum) agreed to ship, coal tar liquid pitch. In addition to other terms, the contract sets out the quantities of coal tar liquid pitch to be carried by Gearbulk Pool Ltd in a specific year, freight rates and payment, and laytime and demurrage terms. The agreement remains in force until 31 December 2025.

### **Contract of Affreightment Seaborne Transportation covering Shipments of Alumina in Bulk**

Qatar Aluminium (Qatalum) and Pacific Basin IHX (UK) Ltd entered into the contract of Affreightment seaborne transportation covering shipments of Alumina in bulk on 23 April 2009. Pursuant to the agreement, Pacific Basin IHX (UK) Ltd agreed to provide services to transport bulk shipments of sandy metallurgical grade harmless alumina to various ports stipulated in the agreement. The agreement sets out, among other terms, annual quantities and lot sizes, the rates payable to Pacific Basin IHX (UK) Ltd by Qatar Aluminium (Qatalum), general shipping conditions, ports/agents involved and quality assurance demands. The agreement remains in force until 31 December 2020 and Qatar Aluminium (Qatalum) has the option to extend this agreement.

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## **Short and Medium Term Operational Documents**

Qatar Aluminium (Qatalum) has also entered into a number of material operational contracts of short and medium tenure.

### **Shipping Contracts**

Qatar Aluminium (Qatalum) entered into contracts of affreightment with CMA-CGM, MSC Mediterranean Shipping Company SA, Maersk Qatar Maritime Services, COSCO Shipping Co. Ltd, Yang Mang Marine Transport COPR., Emkay Shipping Line, Trans Asian Shipping Services, Vasco Maritime PTE Limited, Milaha Integrated Maritime Baltic Shipping Pvt. Ltd and MUR Shipping BV.

### **Supply Contracts**

#### **Supply of Aluminium Fluoride (ALF3)**

Qatar Aluminium (Qatalum) entered into contracts for the supply of aluminium fluoride (ALF3) from Fluorsid S.p.A and Chimiques Du Fluor (I.C.F).

#### **Supply of Calcined Petroleum Coke**

Qatar Aluminium (Qatalum) entered into contracts for the supply of calcined petroleum coke from BP West Coast Products LLC, Oxbow Calcining International LLC, Petroleum Coke Industries Co. (KSCC) and Rain CII Carbon (VIZAG).

#### **Supply of Coal Tar Pitch**

Qatar Aluminium (Qatalum) entered into contracts for the supply of coal tar pitch from Chemicals PTY Ltd, Mitsubishi International GmbH and OCI Company Ltd.

## **8. Financing Agreements**

### **Common Terms Agreement**

Qatar Aluminium (Qatalum) entered into the Common Terms Agreement on 23 July 2007, as amended on 7 December 2015, with the GIEK Facility Agent, Bank Facility Agent and the Security Trustee. The agreement sets out the terms for the financing of the Project in an aggregate amount not exceeding two billion seven hundred and fifty million Dollars (USD 2,750,000,000). This amount was provided to Qatar Aluminium (Qatalum) by entering into the Debt Facility Agreements.

### **Bank Facility Agreement**

Qatar Aluminium (Qatalum) entered into the bank facility agreement on 23 August 2007, as amended on 7 December 2015, with the Bank Facility Agent and the lenders thereunder. Under the agreement the lenders made available two interest bearing debt facilities to Qatar Aluminium (Qatalum); (i) a loan facility with an aggregate not to exceed two billion two hundred and fifty million Dollars (USD 2,250,000,000), and (ii) a letter of credit facility with an aggregate not to exceed one hundred and fifty million Dollars (USD 150,000,000). The facilities under the agreement have a maturity of sixteen and a half (16.5) years and are due to be repaid by 15 January 2024. Qatalum has drawn down the full amount of the facility, but has not utilised the letter of credit.

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### **GIEK Facility Agreement**

Qatar Aluminium (Qatalum) entered into the GIEK facility agreement on 23 August 2007 with the GIEK Facility Agent and the lenders. Under the agreement the lenders made available an interest bearing debt facility covered by GIEK to Qatar Aluminium (Qatalum) in an amount not exceeding three hundred and fifty million Dollars (USD 350,000,000). The facility under the agreement has a maturity of sixteen and a half (16.5) years and is due to be repaid by 15 January 2024. Qatalum has drawn down the full amount of the facility.

### **Intercreditor Agreement**

The Bank Facility Agent, the GIEK Facility Agent, Sumitomo Mitsui Banking Corporation (as the intercreditor agent), the Security Trustee and BNP Paribas (as the accounts bank) entered into the intercreditor agreement on 23 August 2007. The agreement sets forth intercreditor provisions between the lenders under the Debt Facility Agreements. Such provisions include the appointment of the intercreditor agent, the method of voting and decision making for the senior lenders, relevant procedures for approvals and waivers and enforcement procedures upon Qatar Aluminium (Qatalum)'s default under the Debt Facility Agreements or the Common Terms Agreement.

### **Accounts Agreement**

Qatar Aluminium (Qatalum) entered into the accounts agreement on 23 August 2007, as amended on 7 December 2015, with the Security Trustee, the accounts bank and the intercreditor agent to set out the provisions regarding the deposit and application of revenues of Qatar Aluminium (Qatalum) and the transfers between the accounts.

### **Security Trust Agreement**

Qatar Aluminium (Qatalum) entered into the security trust agreement on 23 August 2007 with QP, Hydro Aluminium, the Bank Facility Agent, the GIEK Facility Agent, the Security Trustee, the intercreditor agent and the accounts bank. The agreement sets out security trust provisions in relation to the security for the Debt Finance Documents. Such provisions included, requisite shareholder contributions to Qatar Aluminium (Qatalum), providing completion guarantees for the Project, appointing the Security Trustee and administration of security.

### **SOQ Pre-emption Agreement**

Qatar Aluminium (Qatalum) entered into a pre-emption agreement with the government of SOQ, the intercreditor agent, the Security Trustee, QP and Hydro Shareholder on 23 August 2007. The agreement granted and recognised the government's right of first refusal to purchase certain properties secured under the Finance Documents in the event of a sale of any such secured properties pursuant to the terms of the Finance Documents. The agreement also acknowledged the government's right of prior approval of any purchaser of such secured properties in the event that it elects not to exercise its right of first refusal.

### **QP Shareholder Loan Subordination Agreement**

Qatar Aluminium (Qatalum) entered into the QP shareholder loan subordination agreement with QP, the intercreditor agent and the Security Trustee on 23 August 2007. Pursuant to the agreement, QP acknowledged and agreed that any payments made under the Shareholder Commitment Agreements or the Common Terms Agreement in respect of any shareholder loan to Qatar Aluminium (Qatalum) shall be subordinated to the prior payment of other amounts owing by Qatar Aluminium (Qatalum) under the Finance Documents. Pursuant to the agreement, Qatar Aluminium (Qatalum) is obliged to discharge any obligations it has under the Finance Documents prior to paying any amounts owing by it to QP.

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### **Hydro Shareholder Loan Subordination Agreement**

Qatar Aluminium (Qatalum) entered into the Hydro Shareholder loan subordination agreement with Hydro Shareholder, the intercreditor agent and the Security Trustee on 23 August 2007. Pursuant to the agreement, Hydro Shareholder acknowledged and agreed that any payments made under the shareholder commitment agreements or the Common Terms Agreement in respect of any shareholder loan to Qatar Aluminium (Qatalum), shall be subordinated to the prior payment of other amounts owing by Qatar Aluminium (Qatalum) under the Debt Finance Documents. Pursuant to the agreement, Qatar Aluminium (Qatalum) is obliged to discharge any obligations it has under the Debt Finance Documents prior to paying any amounts owing by it to Hydro Shareholder.

### **Statement on Working Capital**

The Company and Qatar Aluminium (Qatalum) believe that as at the date of incorporation the Company and Qatar Aluminium (Qatalum) shall have sufficient working capital to meet all of its payment obligations for the next 12 months.

### **Independent Auditors**

The auditors of the Company, whose appointment will be ratified at the constitutive general assembly meeting of the Company, shall be Ernst & Young (Qatar Branch).

The current auditors of Qatar Aluminium (Qatalum) are Ernst & Young (Qatar Branch).

Qatalum's policy is to rotate its appointed auditor periodically. As a result of Qatalum's policy, at the annual general meeting on 22 February 2017, Qatalum's auditor for the financial year ended 31 December 2015 and 2016, PriceWaterhouseCoopers – Qatar Branch ("**PwC**"), were replaced by Ernst & Young (Qatar Branch) as Qatalum's auditor for the year ending 31 December 2017, as proposed by Qatalum's board of directors.

### **Consent**

Ernst & Young (Qatar Branch) has given and has not withdrawn its written consent to the inclusion of its "Independent Practitioner's Assurance Report on the Compilation of Pro Forma Financial Information".

## GLOSSARY OF DEFINED TERMS

Abbreviated Form of Reference	Meaning
Admission	The admission of the Company's Shares to trading on the QE.
AGA	The Annual General Assembly of the Company's Shareholders, convened in accordance with the Articles.
Aluminium Plant	Has the meaning given to it on page 44 of this Prospectus.
Anode Plant	An anode service area, where used anode materials (butts and electrolyte) are removed from the spent anodes and recycled, and new anodes are rodded to the hangers and returned to the Reduction Plant.
Application Form	An application form pursuant to which Individual Investors may apply to subscribe for Offer Shares in the Offering.
Articles	The Memorandum of Association and Articles of Association of the Company, as may be amended from time to time.
Bahrain	Kingdom of Bahrain.
Bank Facility Agreement	Has the meaning given to it on page 132 of this Prospectus.
Board	Board of Directors of the Company.
Carbon Plant	Where anodes are formed and baked.
Capital Contribution	The Qatar Aluminium (Qatalum) Shares as transferred by Qatar Petroleum to the Company in consideration for: (1) the allotment to Qatar Petroleum of 284,586,119 Ordinary Shares and one (1) Special Share (representing 51% of the total issued share capital of the Company), and (2) the proceeds of the Offering.
Casthouse	Where liquid aluminium is cast to form Casthouse Products such as Standard Ingots, Extrusion Billets and Primary Foundry Alloys.
Casthouse Products	Extrusion Ingots (EI), Foundry Alloys 10 & 23 kg (FA) Standard Ingots (SI).
Chairman	The Chairman of the Company Board.
China	The People's Republic of China.
Closing Date	The date on which the Offer Period ends.
Companies Law	The New Companies Law No. 11 of 2015.
Company	Qatar Aluminium Manufacturing Company Q.P.S.C. (a company under incorporation under the laws of the State of Qatar).

<b>Abbreviated Form of Reference</b>	<b>Meaning</b>
Common Terms Agreement	Has the meaning given to it on page 132 of this Prospectus.
Constitutional Documents	The constitutional documents of the Company, including the Articles.
Debt Facility Agreements	Bank Facility Agreement and GIEK Facility Agreement.
Debt Finance	The debt finance provided pursuant to the Debt Finance Documents.
Debt Finance Documents	The documents listed on pages 132 to 134 of this Prospectus.
Director	A member of the Board.
Eligible Investor	A person being either an Individual Investor or a Selected Institution, who is eligible to subscribe for Shares in the Offering pursuant to the terms and conditions set out in this Prospectus and to whom such Offering is being made.
Ernst & Young	Ernst & Young (Qatar Branch), of P.O. Box 164, Burj Al Gassar, 24th Floor, Majlis Al Taawon Street, West Bay, Doha, Qatar.
European Economic Area or EEA	The European Economic Area, comprising all member states of the European Union (except Croatia) plus Iceland, Liechtenstein and Norway.
Extension Period	Has the meaning given to it on page 41 of this Prospectus.
Extrusion Billet	Has the meaning given to on page 51 of this Prospectus
First Allocation Tranche	Has the meaning given to on page 34 of this Prospectus.
FOB	Free on Board.
FSMA	Financial Services and Markets Act 2000, as amended.
Fuel Supply Agreement	The fuel supply agreement between QP and the Company as detailed on page 110 of this Prospectus.
GATT	General Agreement on Tariffs and Trade which came into force on January 1948.
GDP	Gross Domestic Product.
GIEK Facility Agreement	Has the meaning given to it on page 133 of this Prospectus.
CTL	Gas-to-Liquid
GCC	Gulf Cooperation Council
HSSE	Health, Safety, Security and Environment.
Hydro Aluminium	Hydro Aluminium AS of Norway, a wholly owned subsidiary of Norsk Hydro.



<b>Abbreviated Form of Reference</b>	<b>Meaning</b>
Hydro Aluminium Primary Alumina Supply Agreement	Has the meaning given to it on page 110 of this Prospectus.
Hydro Projects	Has the meaning given to it on page 46 of this Prospectus.
Hydro Shareholder	Hydro Aluminium Qatalum Holding B.V., a wholly owned indirect subsidiary of Hydro Aluminium.
Hydro Technology	HAL300 Reduction Technology.
Hydro Technology License Agreement	Has the meaning given to it on page 112 of this Prospectus.
IFRS	International Financial Reporting Standards.
Individual Investors	Eligible Investors who are individual Qatari nationals.
Instrument of Transfer	The instrument of transfer of the Qatar Aluminium (Qatalum) Shares from Qatar Petroleum and the Company (under incorporation) having effect following the incorporation of the Company and on completion of all required legal formalities.
Joint Venture Agreement	The Joint venture agreement between QP and Hydro Aluminium Qatalum Holding B.V. as detailed on page 41 of this Prospectus.
JVA	The Joint Venture Agreement.
JV Term	Has the meaning given to it on page 41 of this Prospectus.
Lead Receiving Bank	Qatar National Bank.
Marketing and Offtake Agreement	The marketing and offtake agreement between Qatar Aluminium (Qatalum) and Hydro Aluminium as detailed on page 110 of this Prospectus.
Maximum Amount	11,160,200 Offer Shares being the maximum number of Offer Shares permitted to be subscribed by an Individual Investor.
Maximum Application	The maximum application by an Individual Investor of 11,160,200 Offer Shares.
MENA	The countries and territories of the Middle East and North Africa.
MIC	Mesaieed Industrial City.
Minimum Allocation	The minimum allocation of Tranche of Offer Shares to Individual Investors.
Minimum Amount	50 Offer Shares being the minimum number of Offer Shares permitted to be subscribed by an Individual Investor.
Minimum Application	The minimum application by an Individual Investor of 50 Offer Shares.
Netherlands	Kingdom of the Netherlands.

<b>Abbreviated Form of Reference</b>	<b>Meaning</b>
New Companies Law	The Commercial Companies Law (Law No. 11 of 2015).
Norsk Hydro	Norsk Hydro ASA.
Norway	Kingdom of Norway
Offering	The initial public offer of the Offer Shares in accordance with the terms and conditions of this Prospectus.
Offering and Listing Costs	Has the meaning given to it on page 5 of this Prospectus.
Offer Period	The period of the Offering between the Opening Date and the Closing Date.
Offer Price	The price in cash for each Offer Share, being QAR 10.1 per Offer Share.
Offer Shares	273,425,880 Shares to be offered to investors pursuant to the Offering.
Old Companies Law	The Commercial Companies Law (Law No. 5 of 2002) with its amendments, prior to its abrogation.
Oman	The Sultanate of Oman.
Opening Date	Has the meaning given to it on page 35 of this Prospectus.
Power Plant	A captive gas fired combined cycle power plant (with design capacity of approximately 970 MW plus one additional turbine for contingencies).
Primary Foundry Alloy	Has the meaning given to it on page 51 of this Prospectus.
Pro Forma Financial Information	The unaudited pro forma financial information of the Company which consists of the pro forma statement of financial position as at 30 June 2018, the pro forma statements of comprehensive income for the year ended 31 December 2017 and for the period ended 30 June 2018.
Project	The construction, ownership and operation of the aluminium smelter in Mesaieed Industrial City, Qatar.
Prospectus	This Prospectus.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003.
PwC	PricewaterhouseCoopers Qatar, of 41st Floor, Tornado Tower, Doha, Qatar..
QAMCO	Qatar Aluminium Manufacturing Company Q.P.S.C. (a company under incorporation under the laws of the State of Qatar) or the Company.
QAR or Qatari Riyal	The Qatari Riyal, being the lawful currency of Qatar.
Qatalum or Qatar Aluminium (Qatalum)	Qatar Aluminium Limited Q.S.C.

<b>Abbreviated Form of Reference</b>	<b>Meaning</b>
Qatar Aluminium (Qatalum) Shares	Has the meaning given to it on page 5 of this Prospectus.
Qatalum Financial Statements	Has the meaning given to it on page 12 of this Prospectus.
QCB	Qatar Central Bank.
QCSD	Qatar Central Securities Depository.
QE or QSE	The Qatar Exchange.
QFMA	Qatar Financial Markets Authority.
QFMA Code	QFMA's Corporate Governance Code.
QFC	Qatar Financial Centre.
QFCRA	Qatar Financial Centre Regulatory Authority.
QP	Qatar Petroleum, a public corporation established pursuant to Qatari Decree Law No. 10 of 1974 concerning the Establishment of Qatar General Petroleum Corporation (as amended).
QPI	Qatar Petroleum International.
Quartet Blockade	Has the meaning given to it on page 30 of this Prospectus.
Receiving Banks	Those banks, including the Lead Receiving Bank, named as the Receiving Banks on pages 35 to 36 of this Prospectus, being those banks responsible for receiving the subscription funds and issuing refunds in case of over-subscription.
Reduction Plant	Reduction plant containing two full potlines, where alumina is reduced in an electrolytic process to liquid aluminium.
Relevant Member State	Has the meaning given to it on page 126 of this Prospectus.
SCA	UAE Securities and Commodities Authority.
SCENR	Supreme Council for the Environment & Natural Reserves.
Second Allocation Tranche	Has the meaning given to it on page 34 of this Prospectus.
Securities Act	US Securities Act of 1933, as amended.
Security Trustee	BNP Paribas in its capacity as security trustee.

<b>Abbreviated Form of Reference</b>	<b>Meaning</b>
Selected Institutions	Eligible Investors being certain selected Qatari institutions further described on page 33 of this Prospectus.
Services Agreement	Has the meaning given to it on page 43 of this Prospectus.
Shares	The ordinary shares with a nominal value of QAR 10 each , and a Special Share, save where the context otherwise requires.
SOQ	State of Qatar.
Special Share	The Special Share of the Company held by QP. For further information, please refer to the "Description of the Shares" section of this Prospectus.
Special Shareholder	The holder of the Special Share.
Standard Ingot	Has the meaning given to on page 51 of this Prospectus.
Supreme Committee	Supreme Committee for Delivery and Legacy (formerly known as the Qatar 2022 Supreme Committee, which was formed in April 2011)
Technical Services Agreement	Has the meaning given to it on page 110 of this Prospectus.
Third Allocation Tranche	Has the meaning given to it on page 34 of this Prospectus.
tpy	Tonnes per year.
UAE	United Arab Emirates.
United Kingdom or UK	The United Kingdom of Great Britain and Northern Ireland.
US, USA, United States or United States of America	The United States of America, including its territories and possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island, the Northern Mariana Islands and US Minor Outlying Islands) and any state of the United States, the District of Columbia and other areas subject to US jurisdiction.
Valuator	PricewaterhouseCoopers – Qatar Branch.
Vice Chairman	The Vice Chairman of the Board.

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## **The Issuer**

### **QATAR ALUMINIUM MANUFACTURING COMPANY Q.P.S.C.**

P.O. Box 3212

Doha, Qatar

## **Offering and Listing Manager**

### **QNB CAPITAL LLC**

P.O. Box 1000

Doha, Qatar

## **Lead Receiving Bank**

### **QNB Q.P.S.C.**

P.O. Box 1000

Doha, Qatar

## **Receiving Banks**

QATAR INTERNATIONAL ISLAMIC BANK Q.P.S.C.

MASRAF AL RAYAN Q.P.S.C.

THE COMMERCIAL BANK Q.P.S.C.

AL AHLI BANK Q.P.S.C.

DOHA BANK Q.P.S.C.

QATAR ISLAMIC BANK Q.P.S.C.

BARWA BANK Q.P.S.C.

ARAB BANK PLC

AL KHALIJ COMMERCIAL BANK (AL KHALIJI) P.Q.S.C.

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## **International Legal Counsel to the Company**

### **WHITE & CASE LLP**

(Qatar Financial Center Branch)

Alfardan Office Tower, 7th Floor, West Bay

P.O. Box 22027

Doha, Qatar

## **Qatari Legal Counsel to the Company**

### **SHARQ LAW FIRM**

(Qatar Financial Center Branch)

Alfardan Office Tower, 17th Floor, West Bay

P.O. Box 6997

Doha, Qatar

## **Independent Auditors to the Company**

### **ERNST & YOUNG (QATAR BRANCH)**

P.O. Box 164

Al Gassar Tower, 24th Floor

Majlis Al Taawon Street

West Bay, Doha, State of Qatar







**QAMCO**

شركة قطر لصناعة الألمنيوم  
Qatar Aluminium Manufacturing Company