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COMMERCIAL  
BANK



# Building the future

Corporate Governance Report 2016





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# I. Chairman's Message



Sh. Abdulla Bin Ali Bin Jabor Al Thani

Dear Commercial Bank Shareholders,

The Board of Directors of the Commercial Bank is pleased to present the Annual Corporate Governance Report 2016 as per the guidelines and instructions issued by the Qatar Central Bank (QCB) on 26 July 2015 by virtue of Circular No. 68/2015, the new Commercial Companies Law (promulgated by Law No. 11 of 2015), Basel requirements, Qatar Financial Markets Authority (QFMA) and all applicable laws and regulations in Qatar.

As regulations change and regulatory requirements become more complex, we at Commercial Bank continue to take active measures and remain committed to further enhance and uphold the highest ethical standards of Corporate Governance in line with international best practices as well as create a robust compliance culture. In this report, through the combined efforts of the Board of Directors, the Executive Management and its employees, the Bank has complied with the provisions of the Code and has provided an explanation where the provisions have not been complied with, to ensure that the Commercial Bank has maintained high levels of disclosure and transparency throughout the year ended 31 December 2016.

We have embarked on a digital transformation journey across the Bank in order for us to be recognised as the market leader for innovation. In addition, Commercial Bank strategic investments have contributed to the expansion of the Bank's business through our subsidiaries and associates. The announcement of the Commercial Bank becoming 100% owner of Turkey's Alternatifbank (Abank) after Anadolu Endustri Holding (AEH) exercised its put option on the remaining 25% stake in Abank was made on 19 December 2016. Following the approval of the Bank's increase in the share capital from QAR 3,266,292,100 to QAR 3,854,527,390 during the Shareholder's Extraordinary General Meeting held on 16 November 2016, we have announced on 12 December 2016, our invitation to subscribe to new shares, by way of a Rights Issue which is in accordance with the provisions of the Commercial Companies Law No. (11) of 2015 and the Trading in Rights Issue regulations (the QFMA Regulations) issued by the Qatar Financial Markets Authority (the QFMA). These substantial steps were taken to position Commercial Bank for strong performance in the long-term and to be able to deliver long-term value to all our stakeholders with the aim to maintain a leading role in the market as one of the best Qatari Banks in the private sector.

On behalf of The Board of Directors of the Commercial Bank and the management team, we thank all of our shareholders for the continuing trust and confidence.

**Abdulla Bin Ali Bin Jabor Al Thani**

Chairman

## II. Governance Framework

### 2.1 Introduction

Effective governance is, at its core, simply about doing the right things for the shareholders/stakeholders. It is enabled by having the right checks and balances throughout the organisation to ensure that the right things are always done. It comprises the processes and structures, which affect the way an organisation is directed, managed and monitored and its activities are reported, including: the elements of internal control, ethics, various risk functions, policies and procedures, internal audit, external audit and formal committees that promote greater transparency and facilitate efficient and effective management for the best interests of shareholders/stakeholders.

Commercial Bank believes that strong leadership and governance is vital to ensure high performance across all dimensions of the Bank's activities and in relation to the people and the communities in which it operates. The promotion of corporate transparency, disclosure, fairness and accountability is driven by a qualified and independent Board aided by a seasoned and experienced management team.

In fulfilment of the Bank's responsibilities to its stakeholders (being any person who has an interest in the Bank including shareholders, depositors, customers, employees, creditors and investors), the Board of Directors (the Board) has approved and adopted the standards and practices, which provide the framework for the Bank's corporate governance. Such standards are reviewed by the Board periodically to ensure that the Bank applies the best practices in corporate governance, and that these practices provide for the effective oversight and management of the Bank.

These standards are encapsulated in the Bank's governance charters, policies and documents, highlights of and compliance to which are detailed in the succeeding sections of this report.

Being a listed Public Qatari shareholding company engaged in banking activities, the Bank is also bound to adhere with the corporate governance regulations issued by the Qatar Central Bank (the QCB Corporate Governance Guidelines) and Qatar Financial Markets Authority (the QFMA Corporate Governance Code). In addition, the Bank seeks to adopt international leading practices for Corporate Governance, including but not limited to those developed by the Organisation for Economic Cooperation and Development (OECD), the Bank for International Settlements (BIS), and the International Institute of Finance (IIF).

### 2.2 The Board of Directors

#### 2.2.1 Role of the Board and Executive Management

The Board is entrusted by the shareholders with the authority to govern the Bank, oversee its operations and provide effective governance over the Bank's key affairs, including the appointment and the oversight of the Executive Management (as well as establishing compensation, performance evaluation and ensuring succession planning), setting the Bank's vision and mission, approval of policies relating to the bank's long-term transactions, strategies including risk strategy, and bank's objectives, ensuring the accuracy of its financial statements and

returns (including the timely reporting and disclosure of financial information to regulators and shareholders respectively), evaluation of performance and assessment of major risks facing the Bank, and ensuring compliance with related laws and regulations as well as the Bank's Articles of Association (AOA).

In order to provide an organised and focused means of achieving the Bank's goals and to properly address issues in a timely manner, the Board has set up Board Committees in accordance with leading practices and applicable local governance regulations. In addition, the Board has assigned the day-to-day management of the Bank to the Executive Management subject to clear instructions and within the bounds of their delegated authority. In line with QCB Circular No. 68/2015 (5th Principle), the Executive Management is responsible for the implementation of the processes, activities and board resolutions according to the strategies and policies approved by the board and the bank's risk structure. The Executive Management is also responsible for preparing the Bank's Organisational Chart ensuring the sound distribution and delegation of authorities as well as the limit of responsibility and accountability.

Each Board Member exercises the fiduciary duties of care, loyalty and compliance with the rules set out in applicable laws and regulations including QCB Corporate Governance Guidelines, QFMA Corporate Governance Code and the Bank's governance documents. At all times, the Board Members are expected to act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Bank and all shareholders/stakeholders in the fulfilment of their responsibilities and tasks towards the Bank.

The detailed roles and responsibilities of the Board are defined in the Board Charter. The Board Charter can be found on the Bank's website at [www.cbq.qa](http://www.cbq.qa) and is also available in print to any shareholder upon request.

#### 2.2.2 Approach to Governance

The Board understands that sound corporate governance practices are fundamental to maintaining the trust of its shareholders, which is also critical in business growth, sustainability and profitability.

Accordingly, the Board is committed towards embracing relevant corporate governance regulatory requirements and applicable leading practices. To this end, the Board ensures that the Bank adheres to the principles of corporate governance in its day-to-day activities at all times and ensures that the Bank remains up-to-date with any new developments as required by relevant regulatory authorities (e.g. QCB, QFMA...etc.) and the professional code of conduct.

The relevant Governance Charters and the Bank-wide Code of Ethics Policy can be found on the Bank's website at [www.cbq.qa](http://www.cbq.qa) and are also available in print to any shareholder upon request.

### 2.2.3 Board Composition and Directors' Qualifications

In accordance with the Bank's AOA, Corporate Governance Charter, Commercial Companies Law (CCL) and other applicable regulations, the Bank currently has nine (9) Directors and none of them assumes executive (administrative) responsibilities. The Board has six non-executive and three executive members according to QCB classification of board members by virtue of QCB Circular No. 68/2015 (Note: The Representatives of QIC and Savings Development Company are Independent).

The positions of the Chairman of the Board and the Chief Executive Officer of the Bank are not being held by the same individual.

Members of the Board possess personal qualities including loyalty, integrity, good reputation and credit worthy and hold the proper educational qualification, industry knowledge, expertise in the field of banking and international markets and the technical skills required to fully, professionally and effectively carry out assigned roles and to provide leadership and supervise management in order to ensure maximisation of shareholder wealth. The Directors are also committed to provide the required amount of time and attention towards the accomplishment of their duties for the duration of their tenure.

### 2.2.4 Electing Directors

The Board Remuneration, Nomination and Governance Committee is tasked to uphold the transparency in the nomination process for Board membership. This Committee is responsible for recommending Board Members' appointments and nomination for election in the General Assembly, as well as conducting the annual self-assessment of the Board and Board Committees' performance.

Nominations and appointments are made in accordance with formal, rigorous and transparent procedures in line with the Bank's AOA and relevant governance charters. Members of the Board shall be elected by the General Assembly for a period of three years, and a director may be re-elected more than once.

In the event that a Director is convicted of an offense of dishonour or breach of trust or is declared bankrupt or absents himself for more than three consecutive meetings of the Board or five non-consecutive meetings without an excuse that has been accepted by the Board, the Director's membership to the Board shall be deemed terminated. Further details relating to the election and removal from office of directors are provided in the Bank's AOA and the Bank's Corporate Governance Charter.

During 2016, in compliance with leading practices and corporate governance regulations and charter, the Board and Board Committees have completed their annual self-assessment for 2016.

### 2.2.5 Directors' Responsibilities

#### Board Chairman

The Chairman is responsible for ensuring the proper functioning of the Board in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information.

The comprehensive responsibilities of the Board Chairman are defined in the Boards' Job Descriptions, which are in line with applicable laws and regulations.

The key responsibilities of the Board Chairman include:

- *Strategic*
  - Leading the Board to provide strategic direction to the Bank and partnering with the Chief Executive Officer (CEO) to achieve the Bank's vision and objectives.
  - Encouraging all Board Members to fully and effectively participate in dealing with the affairs of the Board to ensure that the Board is working in the best interest of the Bank.
  - Monitoring the Bank's performance through periodic updates provided by the CEO and offering recommendations in light of the approved plans.
  - Keeping the Board focused on Governance, and away from management and operational duties. This responsibility flows from a clear conception of the Board's objective to govern the Bank within its defined role. With this definition in mind, the Chairman must make sure that the Board stays focused on the issues falling within its own domain, and not on those properly assigned to the management.
  - Ensuring that the Board discusses all the critical issues in an efficient and timely manner.
  - Being extensively involved in the long-term strategy formulation and taking on some degree of explicit responsibility for the development of a long-term strategic perspective for the Bank, in parallel with the Board's collective role.
  - Representing the Bank externally in key initiatives such as efforts to access new markets or key negotiations on important deals for the Bank.
  - Maintaining sufficient contact with the major shareholders to understand their issues and concerns and make sure that the same are duly communicated to the Board as a whole.



- *Operational*

- Ensuring that the Bank maintains positive and productive ties and communication with the media, ministries, regulators and other organisations. In this capacity, the Chairman serves as an official spokesperson for the Bank.
- Leading Board discussions. As the bulk of the contributions made by Board Members occur at Board meetings, it is essential that the Chairman leads these meetings to deal with all issues on the agenda, and also in a manner that unlocks the value that each Board Member is capable of contributing.
- Taking an active interest in ensuring that the right people are selected as Board Members, that they complement each other and function well as a group, and that there are sound mechanisms for evaluating the performance of individual Board Members, and the Board as a whole, at least annually.
- Communicating concerns about a Board Member's performance to the individual in question; but it should be clear that what the Chairman is conveying is the product of a well-designed process, and not his own personal judgment about that individual.
- Ensuring that the Board is properly carrying out the delegated responsibilities in accordance with the Board Charter.
- Assisting and making arrangements for the Board Members to continually update their skills and the knowledge, especially in the area of corporate governance and risk management, required to fulfil their role both on the Board and the Board Committees.

- *Administrative*

- Managing the Annual Board Calendar and Meeting Agendas and overseeing the planning of the Annual Board Calendar, including the scheduling of meetings and the substantive allocation of recurring topics.
- Assuming a leading role, working closely with the CEO, and consulting with other Board Members, in producing the agendas for each BOD meeting and in reviewing the agendas developed for committee meetings by their chairs.
- Approving the call for the General Assembly in terms of invitations and publications and overseeing the timely circulation of the same to authorities and shareholders.
- Signing the Bank's financial statements for the financial year end that was presented by the Bank's external auditor, together with one member of the Board.
- Overseeing that the decisions of Extraordinary Meetings are published if they include any amendments to the Bank statute, following the applicable regulations.
- Ensuring that Board Members receive appropriate and timely information from the management.

### **Non-Executive Directors' Responsibilities**

Directors shall be given appropriate and timely information to enable them to maintain full and effective control over strategic, financial, operational, compliance and governance issues of the Bank.

Directors shall act in accordance with the Bank's AOA, Commercial Companies Law, other applicable laws and regulations and the Bank's governance charters.

Other than resolutions passed at each Annual General Assembly absolving the Board from responsibility and the provisions of the AOA stipulating that disputes against Directors can only be brought in accordance with a resolution by the General Assembly, there are no provisions in effect protecting the Board and Executive Management from accountability.

The responsibilities of the Non-Executive Directors are as defined in the Boards' Job Description and as prescribed in the rules set out in applicable laws and regulations. These include:

- Being actively involved in Board meetings and providing input to Board activities as stipulated in the Board Charter.
- Assisting and providing opinion on the Bank's strategic and business planning processes and constructively challenging proposals on strategy.
- Monitoring management's performance in achieving agreed goals and objectives and scrutinising the Bank's performance reports.
- Reviewing the integrity of financial information and ensuring that the Bank's financial controls and systems of risk management are robust and defensible.
- Ensuring that the Bank and Shareholder interests are preserved and prioritised, especially in 'conflict of interest' situations especially if and when any of the Board Members or Executives is involved in such conflicts.
- Participating in the development of protocols relating to corporate governance and ensuring their implementation in a consistent manner.
- Being available to shareholders if they have concerns, which have not or cannot be resolved through contact with the Chairman and the CEO or if such contact is not appropriate.
- Consulting an independent external advisor at the Bank's expense if necessary.
- Raising to the Board's attention any shareholder concerns when other channels of communication are inappropriate.
- Participating in various Board Committees.
- Being collectively responsible for the Board decisions and actions.
- Performing any additional responsibility entrusted by the Board/Board Chairman.



**BOD Assessment**

During the year 2016, all the Board and its Board Committee Members have completed the annual BOD Self-Assessment exercise. The Bank's annual BOD performance assessment exercise will ensure the Board of Directors continuous improvement and commitment in carrying out its role and responsibilities.

**Other Board Duties and Practices**

Other rights and responsibilities assigned to Board Members include:

- Having full and immediate access to information, documents, and records pertaining to the Bank.
- Ensuring that the all members of the Board, as well as the Board Remuneration, Nomination and Governance Committee and, Board Audit and Compliance Committee, attend the General Assembly.
- Putting in place an induction program for newly appointed Board Members in order to ensure that, upon their election, Board Members are made fully aware of their responsibilities and have proper understanding of the manner in which the Bank operates.
- Adopting an appropriate formal training program to enhance Board Members' skills and knowledge.
- Ensuring the continuity of the training programs to maintain an excellent technical and administrative level of expertise.
- Being updated on the latest developments in the area of corporate governance and best practices relating thereto.
- Ensuring that the Bank's AOA includes clear procedures for removing Board Members in the event of failing to attend Board meetings.

**2.2.6 Director's Independence**

The Bank has fully adopted QCB Corporate Governance Guidelines definition of 'Independent Directors' in assessing independence of its Board Members.

**2.2.7 Members of the Board****Sheikh Abdulla bin Ali bin Jabor Al Thani**

Chairman

<b>Date of First Appointment</b>	1990
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Executive
<b>Number &amp;</b>	1.67%
<b>Percentage of Shares %*</b>	5,453,645 shares

**Experience and Membership in Other Boards**

- Graduated from Qatar University with a BA in Social Science;
- Owner of Vista Trading Company;
- Partner in Dar Al Manar, and Domopan Qatar;
- Vice Chairman of National Bank of Oman;
- Director of United Arab Bank.

**Mr. Hussain Ibrahim Al Fardan**

Vice Chairman & Managing Director

<b>Date of First Appointment</b>	1975
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Executive
<b>Number &amp;</b>	2.30%
<b>Percentage of Shares %*</b>	7,525,282 shares

**Experience and Membership in Other Boards**

- Chairman of Alfardan Group;
- Chairman of QIC International LLC;
- Vice Chairman of Gulf Publishing and Printing Company;
- Vice Chairman of the Qatar Businessmen Association;
- Director of Qatar Insurance Company;
- Founding member and Director of Investcorp Bahrain.

**Mr. Jassim Mohammed Jabor Al Mosallam**

Member

<b>Date of First Appointment</b>	1975
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Non-Executive
<b>Number &amp;</b>	0.55%
<b>Percentage of Shares %*</b>	1,803,842 shares

**Experience and Membership in Other Boards**

- Owner of Al Mosallam Trading Company;
- Director of Qatar German Medical Devices Company;
- Director of Qatar Clay Bricks Company.

**HE Mr. Abdul Rahman Bin Hamad Al Attiyah**

Member

<b>Date of First Appointment</b>	2014
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Non-Executive
<b>Number &amp;</b>	0.32%
<b>Percentage of Shares %*</b>	1,061,158 shares

**Experience and Membership in Other Boards**

- Graduated from the USA with a BA in Political Science;
- Former Secretary General of the Cooperation Council for the Arab States of the Gulf;
- State Minister;
- Vice President of the Board of Trustees of the Arab Thought Forum – Amman, Jordan
- Former Undersecretary of the Foreign Ministry;
- Former Ambassador of the State of Qatar to Saudi Arabia, France, Italy, Greece, Yemen, Switzerland and Djibouti;
- Former permanent representative of the State of Qatar to the United Nations and other international organizations (Geneva, Rome and Paris);
- Owner and Chairman of Mawten Trading Co.;
- Director of the National Bank of Oman (NBO);
- Holder of the Orders of Merit from France, Italy, Yemen, and Sudan as well as the Award of Excellence from the Cooperation Council for the Arab States of the Gulf.

**Mr. Omar Hussain Al Fardan**

Member

<b>Date of First Appointment</b>	2002
<b>Expiry of Current Appointment</b>	2016
<b>Status on Board</b>	Non-Independent & Executive
<b>Number &amp; Percentage of Shares %*</b>	0.30%
	976,753 shares

**Experience and Membership in Other Boards**

- Graduated from Webster University, Geneva with a Bachelor's degree in Business Administration and a Master's degree in Finance;
- President & CEO of Alfardan Group, Alfardan Hotels and Resorts, Alfardan Hospitality;
- President & CEO of Alfardan Group Automotive Operations and Alfardan Properties in Qatar and Oman;
- Board Member of Alfardan Jewellery in Qatar and KSA, Alfardan Investment and Alfardan Marine Services in Qatar;
- Vice Chairman of the Board of Directors and Chairman of the Board Executive Committee of United Arab Bank in UAE;
- Chairman of the Board of Directors of Alternatifbank (ABank) in Turkey;
- Director of Marsarabia;
- Board Member of Qatar Red Crescent Society.

**Sheikh Jabor bin Ali bin Jabor Al Thani**

Member

<b>Date of First Appointment</b>	2002
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Non-Executive
<b>Number &amp; Percentage of Shares %*</b>	0.54%
	1,753,698 shares

**Experience and Membership in Other Boards**

- Owner of Al Maha Contracting Co.;
- Director of Gulf Publishing and Printing Company;
- Director of Qatar Clay Bricks Company.

**Qatar Insurance Company**

(Representative Mr. Ali Saleh Nasser Al Fadala - Independent)

He does not own any shares in the Commercial Bank.

Member

<b>Date of First Appointment</b>	2015
<b>Expiry of Current Appointment</b>	2016
<b>Status on Board</b>	Independent & Non-Executive
<b>Number &amp; Percentage of Shares %*</b>	1.12%
	3,665,953 shares

**Experience and Membership in Other Boards**

- Completed his training and education in Egypt, UK and US;
- With over 29 years of experience in insurance;
- Member of the boards of a number of insurance entities in the region and Europe;
- Former CEO of Damaan Islamic Insurance Company (Beema);
- Joined QIC Group in 1986 & was appointed Senior Deputy Group President & CEO in February 2013.

**M/S Savings Development Company LLC**

(Representative Mr. Mohd Ismail Mandani Al Emadi - Independent)

He owns 63,446 shares (0.02%) in the Commercial Bank.

Member

<b>Date of First Appointment</b>	2014
<b>Expiry of Current Appointment</b>	2016
<b>Status on Board</b>	Non-Independent & Non-Executive
<b>Number &amp; Percentage of Shares %*</b>	0.71%
	3,319,355 shares

**Experience and Membership in Other Boards**

- Graduated from Holy Names University, California with a Bsc degree in Business Administration & Economics;
- Over 30 years of experience in banking;
- Occupying a number of key roles in Commercial Bank from 1983 to 2006 including Head of Banking, Operations, Commercial Services and Risk Management;
- Deputy General Manager of Commercial Bank from 2004 to 2007;
- Director of National Bank of Oman;
- Director of Alternatifbank (ABank) in Turkey;
- CEO of Qatar Real Estate Investment Co. from 2008 to 2011;
- Former Managing Director of Qatar Cinema & Film Distribution Co. in Qatar;
- Former Director of Qatar Real Estate Investment Co.;
- Former Director of Mannai Corporation;
- Former Director of Qatar Shipping Co.;
- Former Director of Doha Securities Market.

**Hassan Bin Hassan Al Mulla Al Jufairi & Sons Co.**

(Representative Mr. Hassan Bin Hassan Al Mulla Al Jufairi)

He does not own any shares in the Commercial Bank.

Member

<b>Date of First Appointment</b>	2015
<b>Expiry of Current Appointment</b>	2016
<b>Status on the Board</b>	Non-Independent & Non-Executive
<b>Number &amp; Percentage of Shares %*</b>	0.94%
	3,069,108 shares

**Experience and Membership in Other Boards**

- Graduated from the Faculty of Commerce;
- Businessman since 1948;
- Board Member in Al Khaleej Takaful Group and National Cement Company;
- Chairman of Hassan Bin Hassan Al Mulla & Sons.

\*As on 31 December 2016, the Bank considers the existing Board appropriate for its current operations.

# Board of Directors



1	2	3
4	5	6
7	8	9

1. **Sheikh Abdulla bin Ali bin Jabor Al Thani**  
Chairman

2. **Mr. Hussain Ibrahim Alfardan**  
Vice Chairman and Managing Director

3. **Mr. Jassim Mohammed Jabor Al Mosallam**  
Board Member

4. **H.E. Mr. Abdul Rahman Bin Hamad Al Attiyah**  
Board Member

5. **Mr. Omar Hussain Alfardan**  
Board Member

6. **Sheikh Jabor bin Ali bin Jabor Al Thani**  
Board Member

7. **Qatar Insurance Company**  
Board Member

(Representative: Mr. Ali Saleh Nasser Al Fadala)

8. **M/S Savings Development Company LLC**  
Board Member

(Representative: Mr. Mohd Ismail Mandani Al Emadi)

9. **Hassan Bin Hassan Al Mulla Al Jufairi & Sons Co.**  
Board Member

(Representative: Mr. Hassan Bin Hassan Al Mulla Al Jufairi)

### 2.2.8 Board Meetings

The Board shall hold at least once every two months i.e. not less than six meetings annually in line with Qatar Central Bank Corporate Governance Guidelines to Financial Institutions, Commercial Bank's AOA and the Board of Directors Charter. The meeting shall not be deemed valid unless the majority of board members are in attendance (at least five out of nine members whether in person or by proxy) provided that at least four Directors are present in person. Excuses for not attending the meeting must be convincing and recorded by means of minutes kept by the Board Secretary. Board meetings are scheduled in the Board Calendar according to key events and coinciding with financial period closures of the Bank. Directors are expected to make every effort to attend, in person, all scheduled Board meetings and meetings of the Board Committees on which they serve. Voting in Board meetings shall be in accordance with the Bank's AOA. Matters considered, and decisions taken, by the Board shall be recorded by the Board Secretary in a special register.

During 2016, the Board held a total of eight (8) Board meetings as indicated in the table below:

Meeting Dates	Attendance
7 January 2016	6
15 February 2016	7
23 March 2016	8
16 May 2016	8
28 June 2016	8
25 September 2016	8
16 November 2016	8
11 December 2016	9

### 2.2.9 Board Secretary

The Board has appointed a Board Secretary who provides administrative support to the members of the Board, the Board Committees and the Chairman to facilitate their execution of all functions relating to the Board. The Board Secretary may only be appointed and removed by a Board resolution.

Under the direction of the Chairman, the Board Secretary is in charge of ensuring timely access to information and coordination among the Board Members as well as between the Board and other stakeholders in the Bank including shareholders, management, and employees. The Board Secretary is also responsible for maintaining and safekeeping Board documentation and for managing all communication with QCB, government, ministries, institutions and other external entities.

The incumbent Board Secretary possesses the requisite knowledge and skills required to fulfil the role. She has extensive experience in compliance and corporate governance matters for financial institutions. More importantly, the Board Secretary also holds the trust and confidence of the Board in performing Board-related tasks.

## 2.3 Board Committees

To increase the efficiency of the Board's control over the bank's various activities and the risks to which it is exposed in an independent and professional manner, the Board has established committees which are delegated to do specific responsibilities and authorities to act on behalf of the Board. In addition, in line with its commitment to corporate governance principles, the committees instituted by the Board meet the minimum committee requirements set forth by applicable corporate governance regulations.

The Board has formed four (4) Board Committees as follows:

1. Board Audit and Compliance Committee;
2. Board Risk Committee;
3. Board Executive Committee;
4. Board Remuneration, Nomination and Governance Committee

Each Board Committee has detailed and specific roles, duties and authorities as determined by the Board and captured in the Board Committees Charter ratified by the Board. The Charter has been developed taking into consideration regulatory requirements, Commercial Companies Law and leading corporate governance practices.

### 2.3.1 Board Audit and Compliance Committee

The Board Audit and Compliance Committee is primarily responsible for overseeing the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Bank as well as setting forth compliance and Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) requirements, and defining criteria and control mechanisms for all activities involving Bank-wide related risks.

The Committee is composed of the following members as on 31 December 2016:

Board Member Name	Status on the Committee	Member Classification
HE Mr. Abdul Rahman Bin Hamad Al Attiyah	Chairman	Non-Independent / Non-Executive
Sheikh Jabor Bin Ali Bin Jabor Al Thani	Member	Non-Independent / Non-Executive
Mr. Ali Saleh Nasser Al Fadala	Member	Independent / Non-Executive
Mr. Hassan Bin Hassan Al Mulla Al Jufairi	Member	Non-Independent / Non-Executive
Any Independent or Non-Executive Member	Alternate Member	-

The Committee's role, responsibilities, composition, membership requirements and other protocols are documented in the Board Committees Charter.

Conforming to the transparency and independence principle, the Internal Audit and Compliance Departments report directly to the Board Audit and Compliance Committee whereby the Heads of both the Internal Audit and Compliance functions are responsible to submit reports and observations to the Committee on a periodic basis and as needed.

#### Activities during the year

During the year, the Committee undertook the following key activities:

- Reviewed and recommended to the Board the adoption of the Bank's interim and annual financial statements;
- Reviewed the scope of the 2016 internal audit and compliance plans;
- Performed oversight on the work performed by the external auditors throughout the year and made recommendations regarding their re-appointment;
- Reviewed the significant accounting, financial reporting and other issues raised by management, and the internal and external auditors, including a review of all reports issued by the Bank's Internal Audit Department (which includes Credit Reviews and Investigation reports);
- Reviewed the responses provided by the Bank to the QCB in respect of the QCB inspection report;
- Reviewed the progress made by the Bank in resolving the various issues raised in Internal Audit reports, the external auditor's management letter and the QCB inspection report;
- Reviewed all Compliance reviews findings on all the Bank's business units raised by the Bank's Compliance and AML/CFT Department as well as other regulatory bodies;
- Ensured that the Bank's Management was made aware of the Foreign Account Tax Compliance Act (FATCA) with an impact assessment conducted and an implementation roadmap developed towards the same;
- Supervised the data cleansing project (Phase one) across the Bank's IT systems; and
- Held private meetings with the Chief Internal Auditor and the Head of Compliance and AML/CFT, at least every two (2) months, without the presence of the executive management.

The Committee is required to meet at least four (4) times a year. During 2016, the Board Audit and Compliance Committee met a total of seven (7) times and minutes of such meetings are duly documented. The table below provides the dates and Committee member attendance at the Committee meetings held:

Meeting Date	Attendance
27 January 2016	2
8 March 2016	4
17 May 2016	3
21 June 2016	3
5 October 2016	4
9 November 2016	4
15 December 2016	2

#### 2.3.2 Board Risk Committee

The Board Risk Committee is responsible for all aspects of enterprise risk management including, but not restricted to Business, Credit, Market, Operational, Legal and Reputational risk. The BRC reviews policies on all risk matters, maintain oversight of all bank risks through the Management Risk Committee (MRC), the CEO, and the CRO and provides risk management directives through the CEO and the CRO.

The Committee is composed of the following as on 31 December 2016:

Board Member Name	Status on the Committee	Member Classification
Mr. Mohd Ismail Mandani Al Emadi	Chairman	Independent / Non-Executive
HE Mr. Abdul Rahman Bin Hamad Al Attiyah	Member	Non-Independent / Executive
Mr. Ali Saleh Nasser Al Fadala	Member	Independent / Non-Executive
Any Independent or Non-Executive Member	Alternate Member	-

The Committee's role, responsibilities, composition, membership requirements and other protocols are documented in the Board Committees Charter.

#### Activities during the year

During the year, the Committee undertook the following key activities:

- Reviewed and approved Risk Policies and related standards and the methodologies used in managing the risks in the Bank;
- Reviewed and ratified risk tolerance levels and portfolio limits, including limits associated with industry sector, geography, asset quality and others;
- Performed oversight on the works performed by the MRC throughout the year (along with ratification of the MRC decisions which require BRC approval);
- Reviewed and discussed ERM reports and exposures as well as bank-wide portfolio and performance trends;
- Reviewed the Bank's Basel III readiness plans.
- Reviewed and approved the banks ICAAP and Capital & Recovery Plan.

The Committee is required to meet at least four (4) times a year. During 2016, the Board Risk Committee met a total of six (6) times and minutes of such meetings are duly documented. The table below provides the dates and Committee member attendance to committee meetings held:

Meeting Date	Attendance
14 February 2016	2
9 March 2016	3
19 April 2016	2
1 June 2016	3
16 November 2016	3
8 December	3



### 2.3.3 Board Executive Committee

The Board Executive Committee is responsible for handling matters especially relating to credit facilities (within authorised limits), which may arise between full Board meetings and require the Board's review, as per QCB and Board guidelines. In addition, the Committee is also responsible for approving all strategies, plans, budgets/objectives and policies, procedures and systems as well as reviewing the performance of the Bank.

The Committee is composed of the following as on 31 December 2016:

Board Member Name	Status on the Committee	Member Classification
Sheikh Abdulla Bin Ali Bin Jabor Al Thani	Chairman	Non-Independent / Executive
Mr. Hussain Ibrahim Al Fardan	Member	Non-Independent / Executive
Mr. Omar Hussain Al Fardan	Member	Non-Independent / Executive
Any Independent or Non-Executive Member	Alternate Member	-

The Committee's role, responsibilities, composition, membership requirements and other protocols are documented in the Board Committees Charter.

#### Activities during the year

During the year, the Committee undertook the following key activities:

- Approved credit facilities in accordance with its mandate;
- Recommended credit facilities to the Board where these are above 10% of the Capital and Reserves of the Bank;
- Reviewed country risk exposures and financial institutions exposures and recommended amendments in country limits to the Board recommended by the Management; and
- Reviewed and approved credit proposals in line with its delegated authorities.
- Reviewed and approved all policies relating to the Bank's organisation and operations including all necessary authorities required by the Executive Management in the execution of their responsibilities (except those policies which are subject to other relevant Board Committee review as provided in the Board Delegation of Authority;
- Received reports of the Bank's financial and operating performance and evaluated key performance indicators against their accompanying strategies;
- Reviewed and approved the Operating and Capital Expenditure Budgets;
- Decided on all matters related to Corporate Premises including recommendations to the Board as to acquisition of premises and approval of other capital and operating expenditure.

The Committee is required to meet at least twelve (12) times a year. During 2016, the Board Executive Committee met a total of twenty two (22) times and minutes of such meetings are duly documented. The table below provides the dates and Committee member attendance to committee meetings held:

Meeting Date	Attendance
1 February 2016	4
8 February 2016	4
22 February 2016	3
7 March 2016	4
11 April 2016	3
18 April 2016	3
26 April 2016	4
2 May 2016	2
9 May 2016	3
25 May 2016	3
20 June 2016	3
2 July 2016	4
29 August 2016	3
8 September 2016	4
11 October 2016	3
16 October 2016	3
26 October 2016	3
14 November 2016	3
27 November 2016	2
5 December 2016	3
12 December 2016	3
19 December 2016	2

### 2.3.4 Remuneration, Nomination and Governance Committee

The Remuneration, Nomination and Governance Committee is responsible for evaluating the Bank's compensation and remuneration framework for the Board Members, management and staff, based on the long-term performance and objectives of the Bank. The Committee is also responsible for recommending Board Members' appointments and re-nomination for election by the General Assembly, supervising the training of the Board members with regard to corporate Governance of the bank as well as conducting the annual self-assessment of the Board's performance. In addition, the Committee is primarily responsible for attending to issues relating to governance.

The Committee is composed of the following:

Board Member Name	Status on the Committee	Member Classification
Sheikh Jabor Bin Ali Bin Jabor Al Thani	Chairman	Non-Independent / Non-Executive
Mr. Hussain Ibrahim Al Fardan	Member	Non-Independent / Executive
Mr. Omar Hussain Al Fardan	Member	Non-Independent / Executive
Mr. Jassim Mohammed Jabor Al Mosallam	Member	Non-Independent / Non-Executive
Any Independent or Non-Executive Member	Alternate Member	-

The Committee's role, responsibilities, composition, membership requirements and other protocols are documented in the Board Committees Charter.

#### Activities during the year

During the year, the Committee undertook the following key activities:

- Supervised Human Capital policies in general.
- Approved the 2016 Remuneration and Benefits Plan.
- Reviewed and assessed the annual self-assessment of the Board and Board committees' performance; and
- Reviewed the Bank's induction program for new members.
- Reviewed and assessed any changes to international and local corporate governance practices that could have an impact on how the Bank operates and manages its governance policies and recommended actions with regard to changes, where required.
- Supervised the preparation of the Corporate Governance Charter and the updates thereon.

The Committee is required to meet at least two (2) times a year. During 2016, the Remuneration, Nomination and Governance Committee met a total of four (4) times and minutes of such meeting are duly documented. The table below provides the dates and Committee member attendance to committee meetings held:

Meeting Date	Attendance
28 February 2016	5
16 October 2016	3
26 October 2016	5
5 December 2016	4

## 2.4 Independent Advisors

The Board and its Committees may retain counsel or consultants with respect to any issue relating to the Bank's affairs. Costs and expenses incurred pursuant to appointment of independent advisors or consultants shall be borne by the Bank.

For 2016, total costs incurred by the Bank with respect to retaining counsel and consultants amounted to QAR 31.1 million.

## 2.5 Directors' and Executive Management Remuneration

Board Members' remuneration shall be disclosed in accordance with QCB Circular No. 18/2014. This remuneration framework shall be presented to the shareholders in the General Assembly for approval and shall be made public. The Board shall regularly evaluate and measure risks involved in determining and paying incentives and compensations and review the policy and the system accordingly.

In conformity with the Bank's Remuneration Policy for the Board, remuneration shall take into account the responsibilities and scope of functions of the Board Members and the bank's performance. In addition, the remuneration may include fixed elements and matters, which are related to the performance of the bank on the long term.

Remuneration of Board Members may take the form of:

- Fixed salaries;
- Directors' fees;
- In-kind benefits; or
- A percentage of the Bank's profits.

In addition, the following elements should be observed in providing remuneration to Board Members:

- The Board shall receive remuneration annually of an amount which shall not exceed in aggregate 5% of the net annual profits of the Bank determined and after deduction of transfers to reserves, legal liabilities and a notional dividend payment equivalent to 5% of the paid up capital of the Bank to shareholders.
- The amount of such remuneration shall be approved annually by the General Assembly, taking into account the level of profitability of the Bank.

As reported in the Bank's Annual Report 2016, total remuneration earned by the Board in 2016 (including fixed remuneration and meeting attendance fees) was QAR 18,500 million (subject to approval during the Bank's AGM). (2015: QAR 18,500 million).

With respect to Executive Management and employees, the Bank has a remuneration framework developed that outlines the compensation structures for Executive Management and employees, which are competitive relative to the market, reward performance that contributes to the Bank's growth and profitability and are consistent with the Bank's strategy.

Total remuneration earned by the senior executive management in 2016 was QAR 55,920 million (2015: QAR 57,657 million).



## 2.6 Executive Management

While the Board has the ultimate responsibility on the governance of the Bank, the Executive Management is composed of a group of the bank's senior employees headed by the CEO, who is responsible for the implementation of the processes, activities and board resolutions according to the strategies and the policies approved by the board and the bank's risk structure. The Executive Management is responsible for preparing the bank's organisational chart ensuring the sound distribution and delegation of authorities as well as the limit of responsibility and accountability. The members of the Executive Management shall contribute to the implementation and development of the sound governance system in collaboration with the Board and to ensure that operations are carried out in an effective, safe and sound manner, and in compliance with applicable internal Bank policies and procedures and external laws and regulations. The Board may delegate authorities to the CEO to act generally on behalf of the bank to accomplish a third party's transactions. However, the Board may impose any restrictions on the position of the CEO or any other official in the bank such as the financial transactions, which they are allowed to tackle without the approval of the Board. Mr. Joseph Abraham has been appointed as the new CEO of the Bank on May 2016. The CEO is supported by a specialised expertise and highly qualified team overseeing the core banking areas of Wholesale, Retail, Consumer and International Banking as well as other support functions, which include areas of Risk Management, Banking Operations, Strategic Clients, Legal Affairs, Finance, Organisational Effectiveness, Internal Audit and Compliance and AML/CFT.

Currently, the Executive Management of the Bank is composed of the following:

### Mr. Joseph Abraham

Chief Executive Officer

He does not own any shares in the Commercial Bank.

#### Education, Experience and Affiliations:

- Holds an MBA from Stanford University in the USA, a Masters in Management Science from the University of Bombay and a BA (Economics) from the University of Delhi, India.
- Joined Commercial Bank in 1st June 2016.
- Appointed as Chief Executive Officer on 4th July 2016
- Prior to joining Commercial Bank, served as CEO at Australia and New Zealand Banking Group in Indonesia based in Jakarta for 8 years (2008-2016).
- For 3 years (2005-2008), served as Chief of Staff, Global Head of Client Relationships, Wholesale Banking in Singapore.
- Started his banking career with Standard Chartered Bank, working in the UK and Ghana as Managing Director and CEO, and in Hong Kong as Regional Head of Strategy and Product Management for North East Asia.
- Appointed as Chairman of Orient 1, CBQ Finance and CB Global Limited on 16th November 2016.

### Mr. Colin Macdonald

Deputy Chief Executive Officer (Subsidiary & Associate Banks)

He does not own any shares in the Commercial Bank.

#### Education, Experience and Affiliations:

- An Honours graduate in Business Finance, a London Business School Alumnus (Corporate Finance programme).
- A Certified Professional Director having completed the Director Development Programme at the Mudara Institute of Directors.
- 27 years of wide ranging financial banking services experience.
- Previously Group CEO of Shuaa Capital.
- Held several key positions in ABN AMRO Bank including Regional Head, Middle East.
- Led various origination and business strategy roles in National Westminster Bank.

### Mr. Rehan Khan

EGM, Chief Financial Officer

He does not own any shares in the Commercial Bank.

#### Education, Experience and Affiliations:

- Graduated from London School of Economics with a Bachelor in Economics.
- Trained with KPMG in London and member of the Institute of Chartered Accountants in England and Wales.
- 22 years banking experience with HSBC working in London, India, Malaysia and Saudi Arabia.
- Joined Commercial Bank as Chief Financial Officer in 2013.
- Director of Orient 1, CBQ Finance and CB Global.

### Mr. Rajbhushan Buddhiraju

EGM, Chief Wholesale Banking

He does not own any shares in the Commercial Bank.

#### Education, Experience and Affiliations:

- Graduated from Indian School of Mines, India with a Bachelor in Petroleum Engineering.
- MBA from Indian Institute of Management, Calcutta.
- Joined Commercial Bank in 2014 as EGM, Head of Wholesale Banking
- Previously EGM, Retail & SME Banking, Dubai Islamic Bank, Dubai, U.A.E.
- Joined Commercial Bank as Executive General Manager in Retail and Enterprise Banking in 2008 till Sept of 2012.
- General Manager & Head of Retail & Consumer Group, Arab National Bank, Saudi Arabia in May 2006 and Head of Retail Assets in Sept. 2002.
- Worked in CitiGroup for 13 years in India, Singapore, Poland and Hungary (1989-2002).

**Mr. Parvez Khan**

EGM, Chief, Treasury & Investments  
He owns 32,000 shares in the Commercial Bank

**Education, Experience and Affiliations:**

- Graduated from Aligarh Muslim University with BSC in Chemical Engineering.
- Joined in 1994 and was responsible for setting up Investment services business.
- Over 20 years of experience in Treasury Capital Markets and Investment Banking.
- Holds a Diploma in International Capital Markets from New York Institute of Finance.
- Director of Commercial Bank Financial Services and also CBQ Finance Limited.

**Ms. Rana Salatt**

Chief Risk Officer  
She owns 1,265 shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Graduated from Qatar University in 1996 with a major in English.
- Joined Commercial Bank in 1996 as a graduate trainee in Retail Banking and was then promoted to Risk Management Assistant.
- A number of promotions followed: Manager, Credit Risk Administration in 2003, Head of Credit Administration & Control in 2005, Head of Client Relations in 2008, Head of Credit Control in 2009, Assistant General Manager and Head of Risk Controls in 2011 and EGM, Chief Risk Officer in 2013.
- 20 years of banking experience in Commercial Bank between Retail and Risk.

**Mr. Fahad Badar**

EGM, Chief International Banking  
He owns 726 shares in the Commercial Bank

**Education, Experience and Affiliations:**

- Mr. Fahad Badar's career at The Commercial Bank (P.S.Q.C) spans over 17 years. Prior to his current role as Executive General Manager, International Banking, Mr. Badar held a number of key roles in the International Banking, the Government and Public Sector Relations and the wholesale Banking Divisions.
- Mr. Badar holds an MBA from Durham University, UK and a Bachelor of Arts Degree in Banking & Finance from the University of Wales.
- Director of Alternatifbank.
- Director of United Arab Bank.
- Director of National Bank of Oman.

**Mr. Samir M Soliman (El-Sheikh)**

EGM, Chief Operating Officer  
He does not own any shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Graduated from Menoufia University with a Bachelor's Degree in Science of Electronic Engineering.
- Joined Commercial Bank as EGM, Chief Operating Officer in 2015.
- Previously Group Chief Information Officer in Al Ahli Bank of Kuwait, Salmiyah, Kuwait
- Appointed as Senior Vice President, Head of Information Technology in Union National Bank, Abu Dhabi, U.A.E.
- Joined the National Bank of Egypt as Chief Operation Officer in 2007; Chief Information Officer in Arab National Bank, Riyadh Saudi Arabia in 2004 and as General Manager, Head of IT and premises in Saudi Hollandi Bank, Riyadh July 2000.

**Mr. Hamad S Al-Shekili**

Acting Chief Human Capital Officer  
He does not own any shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Has Post Graduate Certificate from London Metropolitan University, UK September 2011 major in Management.
- Completed Future Leaders Programme from University of Cambridge, UK in September 2013.
- Joined Commercial Bank in 2007 and currently serves as Acting Chief Human Capital Officer.
- 12 years of experience in various areas of the Bank holding the following positions: Head of HR Business Partners and Talent Acquisition, Unit Head, Qatari Youth Development Program, Unit Head, Qatarisation-Nationalization Program and Retail Branch Manager.

**Ms. Mona Abdallah**

EGM, Chief Marketing Officer  
She does not own any shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Bachelor of Arts degree in English from the University of Illinois with a strategic focus on business writing
- Ms. Abdallah joined Commercial Bank in 2012.
- Ms. Abdallah brought more than 15 years of experience in marketing, communications and public relations gained at various communication agencies in the USA managing Fortune 500 clients, and in banking previously working for regional investment banks.
- Her primary focus is to lead all integrated marketing efforts that continually increase brand awareness for the Bank to help drive business results.
- She has daily oversight of the teams managing the Bank's image and brand presence, digital marketing and social channels, external and internal print campaigns, PR activities and corporate collateral, key sponsorships and bank-wide events.
- An adept bilingual communication specialist, she also positions the Bank's executive leaders as expert speakers at key industry conferences, business forums and speaking engagements to further raise the profile of the Bank.

**Mr. Gary Williams**

Senior AGM & Chief Internal Auditor

He does not own any shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Joined Commercial Bank in 2010 as Senior AGM and Chief Internal Auditor.
- Previously with Standard Chartered Bank for 25 years, the last 12 of which were in Group Internal Audit and Operational Risk Assurance positions.
- Roles in the Group Internal Audit function included postings in UK, Singapore, Hong Kong and South Korea.
- Final role in Standard Chartered Bank, prior to joining Commercial Bank was to establish and manage the Operational Risk Assurance function in 20 countries across the Africa, Middle East and Pakistan regions for the Bank.

**Mr. Mohamad Mansour**

Senior AGM & Chief Compliance Officer

He does not own any shares in the Commercial Bank.

**Education, Experience and Affiliations:**

- Senior AGM – Chief Compliance Officer at the Commercial Bank of Qatar, since 2005. Mohamad has more than 16 years' experience in the compliance & Anti-Money Laundering field. A founding member of Lebanon's Financial Information Unit – also known as "The Special Investigation Commission", where he led numerous money laundering and terrorism financing investigations as senior investigator and research analyst with regional and international counterparts, as well as conducted banks' examinations on anti-money laundering programs.
- He started his career in the USA in the field of finance and management before joining the Central Bank of Lebanon in 1997 as a Senior Officer at the Treasury Bills Department.
- A Certified Anti Money Laundering Specialist (CAMS) since 2003, and Certified Compliance Officer, actively involved with local and international regulators on enhancing the AML/CFT implementation, raising awareness, and introducing the latest AML&CFT information technology solutions. Expert trainer and frequent speaker at regional and international conferences on Compliance and AML.

To ensure high quality replacement for those individuals who currently hold positions that are key to the Bank's success, a Succession Planning policy section is included in the Corporate Governance Charter to capture the mechanism followed by the Bank in ensuring the availability and placement of suitably qualified and experienced employees with the appropriate competency level and leadership skills/capabilities for key leadership roles within the Bank. The Board has designated the Board Executive Committee to review and approve the Bank's succession plan for the Executive Management.

**2.6.1 Management Committees**

The CEO relies on a number of internal committees in the day-to-day management of the Bank. Based on the governance requirements and broad nature of operations, seven (7) committees were formed. Decisions are formalised if the required quorum is achieved, including the Chairman or his deputy. All decisions shall be unanimous.

A summary of their main activities is documented in the Risk Charter as discussed below.

- *Executive Committee (EXCO)*
  - EXCO is chaired by the CEO, Mr. Joseph Abraham and meets on a regular basis as required by the business. Its principal function is to develop the annual business plan and budget for the Bank, and to monitor performance against these.
  - During 2016, the Executive Committee met a total of six (6) times and minutes of such meetings are duly documented.
- *Management Risk Committee (MRC)*
  - The MRC is the highest management level authority on all risk-related issues facing the Bank including actions on all Special Assets, and reports on all risk policies and portfolio issues to the Board Risk Committee. It monitors and controls levels of credit, retail and operational risk to ensure that the risk strategies and policies approved by the Board are adhered to and implemented. The MRC also monitors the management of Business Continuity: a) to ensure that strategies, plans, policies are in place; b) to ensure that management of Business Continuity is audited by an external audit firm annually and reports presented to Board Risk Committee; and c) to ensure that Internal Audit schedule an evaluation of the efficiency of the testing programs and report to the Board Audit Committee.
  - The Chief Risk Officer, Mrs. Rana Salatt serves as Chairman of the MRC, which meets at least four times a year, and more frequently if necessary.
  - During 2016, the MRC met a total of six (6) times and minutes of such meetings are duly documented.
- *Asset and Liability Committee (ALCO)*
  - ALCO is a decision making body for developing policies relating to Asset and Liability risk management with the objective of maximising shareholder value, enhancing profitability and protecting the Bank from facing adverse consequences arising from changes in extreme market condition and compliance with regulatory guidelines. Its key functions are to formulate policies on market risk, liquidity risk and interest rate risk, and to ensure that such risks are effectively identified, controlled, monitored and managed. Under the overall risk management framework, ALCO is a key component of risk management within the Bank.
  - The Chief Financial Officer, Mr. Rehan Ahmed Khan serves as Chairman of ALCO. Meetings of ALCO are held more frequently if necessary, particularly in the case of a volatile operating environment.
  - During 2016, the Asset and Liability Committee met a total of eleven (11) times and minutes of such meetings are duly documented.

- *Special Assets Management (SAM) Committee*
  - Special Assets are those assets of the Bank which require extensive monitoring and control in order to minimise risk, prevent losses, maximise recoveries and restore profits through rehabilitation, restructuring, workout, collection or legal actions. The SAM Committee supervises these activities, reviews actions proposed to be taken on all accounts within the Special Asset portfolio.
  - The Committee is responsible for ensuring that recovery action on all Special Assets is pursued rigorously and effectively and that the applicable regulatory requirements for provisions on SAM accounts are implemented with due regard to Management Risk Policy.
  - Senior AGM, Head of Special Assets, Mr. Yakan Abdel-Majeed serves as the Chairman of the committee. Meetings are held at least four times a year, or more frequently as deemed appropriate by the Chairman.
  - During 2016, the Special Assets Management Committee met a total of four (4) times and minutes of such meetings are duly documented.
- *Management Credit Committee (MCC)*
  - The MCC is the third highest level authority on all counterparty Credit Risk Exposure, after the board of Directors and Board Executive Committee.
  - The MCC reviews, recommends and implements approved credit policies and procedures relating to the Bank. The Committee reviews the delegated authorities related to credit and recommends amendments to the BOD where appropriate. It also escalates its decisions relating to credit facilities, which exceed its authority, to the BEC.
  - The Chief Credit Officer, Mr. Paul Gossiaux serves as Chairman of the committee. Meetings are held as and when required.
  - During 2016, the MCC met a total of thirty eight (38) times and minutes of such meetings are duly documented.
- *Investment Committee (ICO)*
  - The Investment Committee is the decision making committee for CB's investment activities, with a view to optimize returns, ensuring that the investment book provides a liquidity buffer for the bank and mitigate market risk attached to the nature of targeted investment. The Committee also assumes the responsibility to review and approve the range of investment products across the Bank. It also monitors and reviews the performance of all the investment portfolio activities.
  - EGM, Chief, Treasury & Investments, Mr. Parvez Khan serves as Chairman of the committee. Review and approval of the Committee is obtained by circulation to all members.
  - During 2016, the Investment Committee met a total of four (4) times and minutes of such meetings are duly documented.
- *Crisis Management Committee (CMC)*
  - Management of a crisis requires prevention, planning, testing, evaluation and maintenance to mitigate and minimize the consequences. A crisis can impact people and property. Effects might include fatalities, injuries, property destruction and/or put Commercial Bank's reputation or products in jeopardy.
  - The Committee has formed an official Crisis Management Team to provide a management response in times of crisis and has develop and communicate a Crisis Management Plan (CMP), to ensure formal drills and training have been conducted bank-wide.
  - In the event of a crisis, Commercial Bank will need to communicate promptly to internal and external stakeholders in order to minimize any potential adverse impact on people, property and Commercial bank's reputation by ensuring speedy and efficient handling of the crisis.
  - The Chief Executive Officer, Mr. Joseph Abraham serves as the Chairman of the committee. Meetings are held as and when required.
  - During 2016, the Crisis Management Committee met a total of one (1) time and minutes of such meeting is duly documented.

## 2.7 Ownership Structure

In accordance with Article 7 of the Bank's AOA, no person (whether natural or juridical) shall at any time own more than 5% of the total shares in the Bank by any means other than inheritance, with the exception of (i) Qatar Investment Authority, Qatar Holding LLC or any of their associated companies and (ii) a custodian or depository bank holding shares in respect of an offering of Global Depository Receipts.

On 31 December 2016, 85.76% of the total number of shares in the Bank were held by Qatari nationals (whether individuals or entities) and 14.24% of such shares by foreign investors. On 31 December 2016, in percentage terms, the largest shareholdings in the Bank were as follows:

Qatar Holding LLC	16.67%
Pension Fund of General Retirement & Social Insurance Authority (GRSIA)	1.98%
Al Watani Fund 3	0.97%

## 2.8 Risk Management

The Risk Management function at CB continues to be well positioned to manage the risk associated with the banks business.

The Risk Management process addresses all risks, including Credit, Market, Operational, Liquidity, Reputational and Strategic Risk. It ensures effective identification, measurement, mitigation and reporting of all risks, the allocation of adequate capital against those risks, and the assurance of an appropriate risk/return relationship. These core values are embodied in the Board-approved Risk Charter and Risk policies which outline the enterprise-wide risk management activities of the Bank and detail high level organisation, authorities and processes relating to all aspects of risk management.

The Bank follows the “three lines of defence” model, to Enterprise Risk Management, whereby responsibility and accountability for risk management within each line are well embedded and practiced, cascading from the Board of Directors, Board-level Committees, Management-level Committees, Executive Management and Employees.

Within Commercial Bank, risk management is based on the banks strategy and its risk appetite both set by the Board of Directors. The strategy and resultant risk policies and procedures are implemented through specialist risk functions reporting to the Chief Risk Officer. Risk Management is provided the requisite level of independence and works closely with other business units in the Bank, to support their activities. The following represent the key objectives of the risk management framework:

- Implement and advance market best practice in Risk Management;
- Ensure adherence/compliance of all policies and procedures listed for management at the individual and portfolio levels;
- Institute prudent risk control mechanisms across the Bank;
- Ensure compliance with local legal and regulatory guidelines; and
- Maintain primary relationship with the local regulators with respect to risk-related issues.

Risk has over 90 dedicated staff, which underlines Commercial Bank’s commitment to a strong risk governance and management framework. During 2016, the Bank continued to enhance its controls and processes in all areas of risk management.

Commercial Bank’s Board is involved in risk decisions through the:

- The Board Risk Committee is responsible for all aspects of Enterprise-Wide Risk management including, but not limited to credit risk, market risk, liquidity risk and operational risk. The BRC reviews the policy on all risk issues and, maintains oversight of all the risks the bank may be exposed to.
- The Board Executive Committee (BEC) is responsible for evaluating and granting credit facilities within authorized limits as per QCB and Board guidelines as well as for reviewing the strategy on recovery of Special Asset relationships whenever required, reviewing and approving all credit proposals (other than off-the-shelf products) relating to political figures and

persons in ministerial posts, within the Risk Delegation of Authority, and approving credit facilities with tenor above 8 years.

In addition, specific risk-focused management committees (Risk, Asset and Liability and Special Assets Management) convene on a quarterly basis, at a minimum. The Board of Directors or their sub-committees are regularly updated on all major risks that the Bank faces.

The Bank is following the Basel III implementation directive as advised by the Qatar Central Bank and so far is in compliance with the QCB requirements under Basel III. In summary, the governance framework, policies and administrative procedures and practices relating to risk management in Commercial Bank align well with global leading practice, the recommendations of Basel Committee, and the guidelines of Qatar Central Bank.

## 2.9 Internal Control Framework

The Bank has adopted a set of internal control policies, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Bank’s corporate governance framework and compliance with related laws and regulations. This internal control framework also aims to safeguard shareholders’ investment and the Bank’s assets and to ensure the reliability of Commercial Bank’s financial record keeping and reporting.

The Board Audit and Compliance Committee performs a periodic review of the effectiveness of the Bank’s internal control framework through evaluations carried out by the Internal Audit and Compliance Departments. Such review includes all material controls, including financial, operational and compliance controls and risk management systems. In addition, the Committee also takes into consideration the results of the Bank’s external auditor’s evaluation. The Committee reports results of these assessments on the adequacy of the existing internal controls and processes to the Board.

### 2.9.1 Compliance

The Compliance and AML/CFT business unit does, on a proactive basis, identify, document and assess the compliance risks associated with the Bank’s business activities, including but not limited to the development of new products and business practices, and the proposed establishment of new types of business or customer relationships, or material changes in the nature of such relationships. Compliance risks include risk of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of failure to comply with applicable laws, regulations and standards.

Other major responsibilities of Compliance and AML/CFT business unit include:

- Ensuring complete adherence of branches/departments to relevant laws/regulations, Central Bank’s instructions and Anti Money Laundering/Combating Financing of Terrorism laws issued in the State of Qatar;
- Issue written instructions to employees on the proper application of laws, regulations and standards;



- Monitoring and ensuring the Bank's compliance with QCB, QFMA, labour law, Commercial Companies Law and AML/CFT regulations;
- Proposing relevant recommendations to enhance/improve the internal control procedures that help mitigate non-compliance and AML/CFT risks; and
- Keeping up-to-date with new laws and regulations and informing executive management and the concerned departments for their timely implementation.
- Monitoring the customer's financial transactions, investigate and raise STR to FIU for the suspicious ones.
- Conducting enhance due diligence "EDD" for the correspondent relations and high risk customers.
- Ensuring the proper implementation of FATCA regulations.
- Providing training and awareness to the bank's staff on governance, QCB regulations, AML/CFT – sanctions and FATCA regulations on frequent basis.

The Compliance and AML/CFT business unit monitors and tests compliance by performing compliance reviews to identify regulatory breaches and non-compliance issues. The results of the compliance reviews are reported to the Board Audit and Compliance Committee, the CEO, the concerned Executive Management and the unit/department heads on a regular basis. The reports summarize deficiencies and/or breaches and recommend measures to address them, in addition to the corrective measures already taken and those which shall be taken in accordance with agreed target dates.

During 2016, the Compliance and AML/CFT business unit carried out 16 Compliance Reviews which identified compliance and controls deficiencies all of which were appropriately addressed by the Bank's management. None of the compliance issues identified in the department's compliance reviews had any material financial impact on the Bank.

Compliance and AML/CFT business unit was also presented and involved in all the following tasks:

1. Provided compliance advice and guidance on all daily inquiries raised by the Bank's management/staff in a timely manner;
2. Represented compliance in all Operational Risk Approval Process (ORAPs) and MRC meetings;
3. Addressed all the Bank's business units' inquiries with QCB;
4. Addressed all inquiries raised by QCB on behalf of business units;
5. Facilitated and responded to all QCB examiners' requests for the 2016 annual QCB regulatory review on all the Bank's business units;
6. Regulatory reporting: Investigated and responded to all inquiries raised by the Financial Information Unit (FIU), QCB, and other regulatory inquiries;
7. Monitored the bank's ratios vs. QCB mandated ratios;
8. Followed-up the closure of the compliance findings;
9. Track the implementation progress of QCB circulars; and
10. Designed and revised the customers' data classification as per QCB requirements.

### **Penalties or Fines Imposed on the Bank by Regulatory Authorities**

There was no penalties imposed on the Bank in 2016 by QCB.

### **2.9.2 Internal Audit**

The Internal Audit Department is an independent function that intends to enhance/augment Commercial Bank's overall control environment. Its mandate and authority are defined in its Internal Audit Charter which has been approved by the Board Audit and Compliance Committee and ratified by the Board.

To maintain its independence, the Internal Audit Department reports to the Board, through the Board Audit and Compliance Committee. The remuneration of the department is determined by the Board Audit and Compliance Committee. The Chief Internal Auditor is nominated by the Board Audit and Compliance Committee and submits periodic reports directly to the Committee and the senior management.

The Department is tasked to provide an independent assurance to the Board and its senior management as to the adequacy of the Bank's control environment and the effectiveness of the operation of these controls with respect to the management/mitigation of the key risks to which the Bank is exposed. The department's risk-based internal audit plan focuses on the following:

- Adequacy, effectiveness and efficiency of the Bank's internal control structure;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding and utilisation of assets; and
- Compliance with laws, regulations and contracts.

In addition, the Department is also tasked with the following key responsibilities:

- Performing a scheduled audit of branches/departments/divisions, products, processes, systems, procedures and controls in conformity with the annual audit plan agreed with and approved by the Board Audit and Compliance Committee. This includes:
  - Independent risk assessments of risk and control elements applicable to the area under review;
  - Assist the Bank in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement; and
  - Assess and make appropriate recommendations for improving governance process.
- Performing independent assessments of the quality of the Bank's various credit portfolios. A Credit Review team within Internal Audit function undertakes this role;
- Providing consulting services to the Bank's Executive Management and businesses such as special reviews of new projects, systems/applications, outsourced facilities, and policies and procedures. In this role, Internal Audit will maintain its independence and objectivity and will not assume responsibility for the management, design or implementation of new processes, products, systems or applications; and

- Performing unscheduled/ad hoc tasks such as fraud investigations and other assignments at the request of the Board Audit and Compliance Committee, the regulator or the Bank's senior management, as and when necessary.

The Internal Audit function regularly makes recommendations to the Bank's management on areas where controls could be improved or where better adherence is required. Despite the existence of such recommendations, there have been no instances of major control failures that have or could have had an impact on the Bank's overall financial performance. In addition, results of the aforementioned assessment showed that the Bank's internal controls, risk management and governance processes were adequate and operating effectively. There were no material risks, weakness or instances of non-compliance which were beyond the Bank's risk tolerance level.

In line with the 2016 Internal Audit Plan, the Department issued and submitted a total of 32 Internal Audit Reports and Investigation Reports to the Board Audit and Compliance Committee. These reports in total covered 116 units within the Bank's inventory of "auditable units", with certain units, including the majority of the Bank's branches, being covered in more than one audit assignment. All key recommendations with respect to these reports are presented and discussed during the Board Audit and Compliance Committee meetings, with 7 meetings of this committee being held during 2016. The Bank's management proactively and timely responds to all recommendations made within Internal Audit reports, such that there was no requirement for the Bank's Board Audit and Compliance Committee to become involved in ensuring the resolution of any such matters. However, there is a Governance framework in place to enable the escalation of issues to the Board Audit and Compliance Committee in need.

Additionally, the Internal Audit function undertook 3 ad hoc assignments which, in certain instances, did not result in a formal report being issued to the Board Audit and Compliance Committee.

As of the end of December 2016, the Department is composed of 15 auditors.

## 2.10 External Audit

According to QCCL and the relevant regulatory requirements, the General Assembly shall appoint annually, based on the proposal of the Board, the Bank's external auditor and approve the fees. The appointment should be made in consultation with QCB.

KPMG (Qatar Auditors' Registry No. 289) was assigned as the Bank's external auditor until 31 December 2016.

The External Auditor performs the audit of the Bank's financial statements quarterly and annually, in accordance with the relevant International Standards on Auditing. Such standards require the External Auditor to comply with ethical requirements and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2016 Independent Auditor's Report to Shareholders of Commercial Bank will be published in the Bank's Annual Report after the Annual General Assembly.

The External Auditor presents his reports to the Board and the General Assembly in conformity with the Laws of the State of Qatar.

## 2.11 Disclosure Requirements

With the Bank's thrust towards transparency, the Bank rigorously complies with all the disclosure requirements, including financial reporting and Bank's shareholders by Qatar Exchange and other regulatory authorities. Such disclosures represent accurate and non-misleading data and information.

Significant resolutions approved by the Board are disclosed to the Qatar Exchange and published on the Bank's website at [www.cbq.qa](http://www.cbq.qa) as well as in local newspapers.

As part of this Corporate Governance Report, the Bank has also provided information relating to its Board and the relevant committees, including membership and status, among others.

## 2.12 Conflict of Interest and Insider Trading

The Bank has established guidelines and protocols with respect to handling actual or perceived conflicts of interest situations and insider trading. Such guidelines are documented in the Bank's Corporate Governance Charter and are applicable to the Bank's Board, Executive Management, employees and other stakeholders (including shareholders, customers, and service providers, among others).

The Charter requires the Bank's Board, Executive Management, employees and other stakeholders (where applicable) to:

- Avoid situations that may create actual or perceived conflict of interest;
- Act in a responsible and respectable manner and remain free of influences that may result in the loss of objectivity on business conducted with the Bank customers or with the Bank itself;
- Disclose to the Board any direct or indirect material interest in any transaction or matter directly affecting the Bank;
- Protect staff members who prepare conflict of interest reports from any retribution made by those included in such reports;
- Adopt clear rules and procedures governing the trading of securities, granting of credits, outside employment, outside directorships, business interests, related parties and any transaction/situation that raises questions or doubts with respect to possible conflicted interest;
- Avoid soliciting gifts from prospective or current customers, vendors or any other individual or business;
- Avoid disclosing inside information to outside entities with malicious intention to benefit from the disclosure;
- Restrict certain persons from using the Bank's information for personal gain; and
- Disclose Board member holdings to the public/stakeholders.

The Bank has generally observed and complied with the definition and protocols required by applicable regulatory authorities with respect to related party/commercial/major transactions it has entered into during 2016.



## 2.13 Shareholders' Rights

A hallmark of an effective and transparent communication is one which puts emphasis on the integrity, timeliness and relevance of information provided but continually mindful that the level of information disclosed does not negate the Board's duty to protect the long-term sustainability of the Bank or provide unfair advantage to some shareholders over the others.

In line with the Bank's AOA and Corporate Governance Charter, the Bank maintains effective and candid communication with its shareholders, which enables them to understand the business, its financial condition and its operating performance and trends. Apart from the Annual Report and formal shareholders' meetings, the Bank provides a wide range of information for all stakeholders through its website.

The Bank strives to provide shareholders with sufficient data to analyse Commercial Bank performance and to take decisions on Board Member elections, and other such matters which include the following, among others:

- Access to shareholders' register, Board Members' register, AOA, and other relevant documents/records/information as provided in applicable regulations on a timely manner;
- Equitable treatment of all holders of shares falling under the same class, and between holders of different classes of shares without prejudice to the rights of shareholders of those classes which have priority in ranking;
- Right to attend the General Assembly meeting personally or by proxy; and
- Review and approve a mechanism on dividend distribution endorsed by the Board.

## 2.14 Stakeholders' Rights

Stakeholder relationships provide a platform for the Board to take into account the concerns and objectives of the Bank's stakeholders in its decision making, which is fundamental to the achievement of the Bank's long term strategy and sustained growth. The Board is committed to continually uphold the rights of its stakeholders and ensure that stakeholders' interests are adequately considered in the legal and business decisions that the Bank will take. Such commitment is captured in the Bank's Corporate Governance Charter which highlights the adoption of the highest standards of integrity and transparency in all its business activities and dealings.

Furthermore, the Bank adopts a process in managing an open and transparent dialogue and communication with its stakeholders. Such process delineates the protocols that will be followed in communicating with stakeholders and the level and degree of information that can be divulged. In addition, the Bank endeavours to maintain equitable and fair treatment of all its stakeholders. To promote ethical conduct, the Bank has rolled out a Bank-wide Code of Conduct which stipulates the ethical principles that each employee must demonstrate. Any breaches are thoroughly investigated and as appropriate, disciplinary and corrective action is taken. Moreover, the Bank has in place a Whistle-blowing Policy where employees and/or outsourced service providers can report issues without fear of reprisal.

Material Issues Regarding the Bank's Employees and Stakeholders

There are no material issues regarding the Bank's employees and stakeholders to be disclosed in this report.

## 2.15 The Bank's Policies

The Bank currently has a total of forty-five (45) policy manuals/ charters, five (5) of which are specifically focused on and involved in corporate governance and risk management. These are discussed in detail below:

### 2.15.1 Corporate Governance Charter

The Bank recognises that an effective corporate governance framework is the focal component in the achievement of the Bank's corporate objectives and maximisation of shareholders' value. The Bank has established corporate governance practices and protocols in compliance with its AOA and relevant regulatory requirements and in line with relevant corporate governance leading practices.

The Corporate Governance Charter captures the detailed guidelines of the Bank's governance framework in line with the transparency and disclosure requirements as per Qatar Central Bank (QCB) Corporate Governance Guidelines for Banks and Financial Institutions and QFMA Corporate Governance Code for Companies Listed in the Stock Exchange.

### 2.15.2 Corporate Social Responsibility

The Bank, as a responsible corporate citizen, recognises its social responsibility to integrate business values and operations to meet the expectations and needs of its stakeholders.

The Bank is committed to promoting sustainable development, protecting and conserving human life, health, natural resources and the environment and adding value to the communities in which it operates. In this context, the Bank recognises the importance of both financial and non-financial commitment and contribution.

During 2016, the Bank is dedicated to supporting Qatar's community and social infrastructure through Corporate Social Responsibility programmes and sponsorship of various events (e.g. Title sponsorship of the Commercial Bank Qatar Masters and the Grand Prix of Qatar Moto GP – enhancing Qatar's international sporting reputation).

### 2.15.3 Code of Ethics

The Bank-wide Code of Ethics serves as a guide to the everyday professional conduct of its employees. The Code covers all applicable laws and regulations and the highest standards of business ethics that the Bank employees should be aware of and comply with in the conduct of their day-to-day business activities. In addition to the Bank-wide Code of Ethics, the standards of conduct expected from the Board are also covered in the Board Charter.

The Code extends to the Bank's subsidiaries and outsourced staff and covers the following specific topics:

- Compliance with laws and regulations;
- Board and employee conduct;
- Restrictions on acceptance of gifts or commissions;
- Avoidance of conflict of interest;
- Quality service and operational efficiency;
- Protection and proper use of company assets;
- Prohibition on insider trading;
- Media relations and publicity;
- Whistle-blowing;
- Relations between employees and the Bank;
- Use of proprietary and insider information and stakeholder information;
- Employee information and privacy; and
- Respect for human rights and prohibition of discrimination within the workplace.

#### 2.15.4 Human Capital

The Bank's Human Capital Department provides fair and equitable policies geared towards attracting, retaining and motivating employees, which is a key element in the efficient operation of its business. Such policies also capture sound personnel administration practice and maintenance of competitive remuneration and welfare packages to employees.

Commercial Bank continues to invest heavily in Human Capital in line with Qatar National Vision 2030 by developing our employee talent and helping make Commercial Bank one of the best places to work in Qatar.

In terms of Human Capital management, the Bank is committed to:

- Recruit and retain highly qualified and competent candidates through a cost-effective recruitment process;
- Comply with all legal obligations and its own internal regulations relating to hiring, personnel administration and termination of employment;
- Provide fair, equitable and transparent treatment of all employees;
- Develop initiatives to recruit and retain quality Qatari nationals and to meet the targets set by the State of Qatar;
- Follow a consistent and competitive compensation and benefits structure throughout the Bank;
- Implement a fair promotion mechanism which recognises and rewards excellent employee performance;
- Improve employee performance, correct deficiencies, build on strengths and improve organisational effectiveness through a formal performance appraisal system;
- Handle complaints to mitigate grievances and to secure the rights of the Bank and its employees; and
- Promote knowledge sharing and learning across the Bank and facilitate knowledge growth.

#### 2.15.5 Anti-Fraud

The Anti-Fraud Policy facilitates development of controls that aid in the detection and prevention of fraud perpetrated against the bank.

The Bank promotes an anti-fraud risk culture by adopting the following principles:

- Commitment to the principles of integrity, and accountability and to an environment of sound governance which includes robust internal controls;
- Commitment to a culture that safeguards public funds and property in order to protect shareholder interest;
- Zero tolerance approach to fraudulent and/or unethical conduct and holding all employees accountable for their actions; and
- Consistent handling of all cases regardless of positions held, connections to authorities, nationality or length of service.

## III. Abbreviations

<b>Abbreviation</b>	<b>Meaning</b>
ALCO	Asset and Liability Committee
ALM	Asset and Liability Management
AOA	Articles of Association
AML	Anti-Money Laundering
Bank	Commercial Bank
BOD	Board of Directors
CFT	Combating Financing of Terrorism
FATCA	Foreign Account Tax Compliance Act
CEO	Chief Executive Officer
SAM	Special Assets Management
MRC	Management Risk Committee
QCB	Qatar Central Bank
QFMA	Qatar Financial Markets Authority
CCL	Commercial Companies Law

## IV. QCB Corporate Governance Disclosure Requirements

Article No.	Article Title	Item No.	Description	Disclosure
1	<b>Share Ownership</b>	1.1	Ownership by Nationality	Local: 85.76%. Other Nationalities: 14.24%.
		1.2	Ownership by Number of Shareholders	3,412 shareholders. Total Number of Shares: 326,629,210 (by the end of December 2016).
		1.3	State Ownership	16.67%
		1.4	Major Shareholders (above 10% holdings)	None
		1.5	Minor Shareholders (above 5% holdings)	Only Qatar Holding Co.
2	<b>Board of Directors and Executive Management</b>	2.1	Board Functions Detailed Statement	Corporate Governance Report (Section 2.2.5)
		2.2	Transactions requiring Board Approval	Corporate Governance Report (Section 2.12)
		2.3	Members of the Board (indicating names, authorities, capacities, details, including membership on boards of other financial institutions, positions, qualifications and expertise)	Corporate Governance Report (Section 2.2.7)
		2.4	Number and Name of Independent Members	Corporate Governance Report (Section 2.2.3 & 2.2.7) No Independent Members except the Representatives of QIC & Savings Development Company.
		2.5	Appointment Date and Expiry Date	Corporate Governance Report (Section 2.2.7)
		2.6	Board Members Training and Induction Program	Corporate Governance Report (Section 2.2.5)
		2.7	Board Members Ownership in Bank's Shares	Corporate Governance Report (Section 2.2.7)
		2.8	Board Election Process	Corporate Governance Report (Section 2.2.4)
		2.9	Number of Board Meetings and Dates	Corporate Governance Report (Section 2.2.8)
		2.10	Board Members Meeting Attendance	Corporate Governance Report (Section 2.2.8)
		2.11	Total Remuneration Paid to Board Members	Corporate Governance Report (Section 2.5)
		2.12	Total Remuneration Paid to Executive Management	Corporate Governance Report (Section 2.5)
		2.13	Bank Policy on Remuneration to the Board and Executive Management	Corporate Governance Report (Section 2.5)
		2.14	Senior Executives Names and Biographies	Corporate Governance Report (Section 2.6)
		2.15	Shares Owned by Senior Executives	Corporate Governance Report (Section 2.6)
		2.16	Bank-wide Code of Ethics	Corporate Governance Report (Section 2.15.3)

Article No.	Article Title	Item No.	Description	Disclosure
3	<b>Board Committees</b>	3.1	Board Committee Names	Corporate Governance Report (Section 2.3)
		3.2	Board Committee Duties and Responsibilities	Corporate Governance Report (Section 2.3 & Documented in Board Committees Charter)
		3.3	Board Committee Members	Corporate Governance Report (Section 2.3)
		3.4	Minimum Number of Meetings Per Year	Corporate Governance Report (Section 2.3)
		3.5	Total Number of Board Committee Meetings	Corporate Governance Report (Section 2.3)
		3.6	Board Committee Members Meeting Attendance	Corporate Governance Report (Section 2.3)
		3.7	Total Remuneration for Board Committee Members	Corporate Governance Report (Section 2.5)
		3.8	Board Committee Activities During the Year	Corporate Governance Report (Section 2.3)
4	<b>Corporate Governance</b>	4.1	Separate Section in the Annual Report	CB Annual Report 2016
		4.2	Reference to Corporate Governance Charter	Corporate Governance Report (Section 2)
5	<b>External Auditors</b>	5.1	Audit Fees	QAR 1,700,000 for 2016
		5.2	Reasons for Replacing/Reappointing External Auditors	Appointment is made through the Annual General Assembly based on the recommendations of the Board.
6	<b>Other Matters</b>	6.1	Related party transactions	Corporate Governance Report (Section 2.12)
		6.2	Communications with Shareholders and Investors	Corporate Governance Report (Section 2.13)
		6.3	Risk Management	Corporate Governance Report (Section 2.8)
		6.4	Review of Internal Control Procedures & Publication of Financial Statements	Corporate Governance Report (Section 2.9), CB Annual Report and CB Website.
		6.5	Statement of Board's Responsibilities	Corporate Governance Report (Section 2.2.5)
		6.6	Director's Independence	Corporate Governance Report (Section 2.2.6)
		6.7	Periodical Assessment of the Board Members and the Board Committee Members	Corporate Governance Report (Section 2.2.5)

## V. QFMA Governance Report Form

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (3): Company's Obligation to Comply with Corporate Governance Principles</b>	<b>3-1:</b> The Board shall ensure that the Company listed on the main market complies with the principles set out in this Code.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.1	
	<b>3-2:</b> The Board shall regularly review and update its governance practices.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.1	
	<b>3-3:</b> The Board shall regularly review and update professional conduct rules setting forth the Company's corporate values and other internal policies and procedures all of which shall be binding upon the Members of the Board of Directors and the Company's staff as well as the Company's advisors (These professional conduct rules may include but are not limited to the Board Charter, audit committee's charter, company regulations, related party transactions policy and insider trading rules). The Board shall review these professional conduct principles regularly so as to ensure they reflect best practices and they meet the needs of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.21 & 2.2.2	
<b>Article (4): Board Charter</b>	The Board shall make sure that the Company adopts a Charter for the Board of Directors detailing the Board's functions and responsibilities as well as the Board Members' duties, which shall be fulfilled by all Board members. The said Board Charter shall be drafted to comply with the provisions of this Code, and shall be based on the Board Charter annexed to this Code and as may be amended from time to time by the Authority. The said Board Charter shall be published on the Company's website and made available to the public.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.1	
<b>Article (5): Board Mission and Responsibilities</b>	<b>5-1:</b> The Company shall be managed by an effective Board of Directors which shall be individually and collectively responsible for the proper management of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.3	
	<b>5-2:</b> In addition to the Board functions and responsibilities as set out in the Board Charter, the Board shall be responsible for:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<b>5-2-1:</b> Approving the Company's strategic objectives, appointing and replacing management, setting forth management compensation, reviewing management performance and ensuring succession planning concerning the Company's management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<b>5-2-2:</b> Ensuring the Company's compliance with related laws and regulations as well as the Company's articles of association and by-laws. The Board is also responsible for protecting the Company from illegal, abusive or inappropriate actions and practices.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<p><b>5-3:</b> The Board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf. In this case written and clear instructions shall be given concerning the delegated function or authority with the requirement to obtain the Board's prior approval on specific matters. In any event, the Board remains liable for all of its functions or authorities so delegated and for the activities of these committees.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3	
<b>Article (6): Board Members' Fiduciary Responsibilities</b>	<p><b>6-1:</b> The Board of Directors represents all Shareholders. Accordingly, it shall exercise due diligence to manage the Company and adhere to the rules set out in related laws and regulations including this Code and the Board Charter.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.1 & 2.2.5	
	<p><b>6-2:</b> Board members shall act, at all times, on an informed basis, in good faith, with due diligence and care, and in the interest of the Company and all Shareholders.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>6-3:</b> Board members shall act effectively to fulfill their responsibilities towards the Company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
<b>Article (7): Separation of Positions of Chairman and CEO</b>	<p><b>7-1:</b> The same person may not hold the position of Chairman and the position of Chief Executive Officer or any other executive position at the Company.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.3 & 2.6	
	<p><b>7-2:</b> In all circumstances, no one person in the Company shall have unfettered powers to take decisions.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5 & 2.2.6	
<b>Article (8): Duties of the Chairman of the Board</b>	<p><b>8-1:</b> The Chairman shall be responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board members of complete and accurate information.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>8-2:</b> The Chairman may not be a member of any of the Board committees prescribed in this Code.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		The Commercial Bank abides by QCB instructions in this regard. Meanwhile, the Chairman is not a member of the Board Audit and Compliance Committee or the Board Remuneration, Nomination and Governance Committee



Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>8-3:</b> The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include, but not be limited to, the following:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	1- Ensuring that the Board discusses all the main issues in an efficient and timely manner;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	2- Approving the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board member; this may be delegated by the Chairman to a Board member but the Chairman remains responsible for the proper discharge of this duty by the said Board member;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	3- Encouraging all Board members to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the Company;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	4- Ensuring effective communication with Shareholders and communication of their opinions to the Board of Directors;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	5- Allowing effective participation of the Non-Executive Board members in particular and to promote constructive relations between Executive and Non-Executive Board members; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	6- Ensuring annual evaluation of the Board's performance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
<b>Article (9): Board Composition</b>	<b>9-1:</b> The Board composition shall be determined in the Company's Articles of Association. The Board shall include executive, non-executive and independent Board members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.2.3 & 2.2.7	The BOD composition will be changed at the coming new Directorship period (2017-2019).
	<b>9-2:</b> At least one third of the Board Members shall be Independent and the majority of the Board members shall be Non-Executive.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.2.3 & 2.3.6	The BOD composition will be changed at the coming new Directorship period (2017-2019).
	<b>9-3:</b> Board members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to perform their role as Board members with integrity and transparency so as to serve the interest of the Company and achieve its goals and purposes.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<p><b>9-4 :</b> A candidate for an independent Board member position shall not own in the Company's capital more than the number of shares required for Board membership.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.2.7	The BOD composition will be changed at the coming new Directorship period (2017-2019). In addition, the Representatives of QIC and Savings Development Company are Independent.
<b>Article (10) Non-Executive Board Members</b>	<p><b>10-1:</b> Duties of the Non-Executive Board Members shall include, but not be limited to, the following:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<p><b>10-1-1:</b> Participating in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards;</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-1-2:</b> Ensuring that priority shall be given to the interest of the Company and Shareholders in case of conflict of interests;</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-1-3:</b> Participating in the Company's Audit Committee;</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-1-4:</b> Monitoring the Company's performance in realising its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports; and</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-1-5:</b> Monitoring the development of the procedural rules for the Company's corporate governance for ensuring their implementation in a consistent manner; and</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-1-6:</b> Availing the Board of Directors and its different Committees of their skills, experience, diversified specialities and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholders' opinions.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<p><b>10-2:</b> A majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (11): Board Meetings</b>	<b>11-1:</b> The Board of Directors shall hold meetings regularly, so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year and at least once every two months.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.8 & According to Art. (27) of the Bank's Articles of Association	
	<b>11-2:</b> The Board shall meet when convened by its Chairman or upon the written request of two Board Members. The invitation for the Board meeting and agenda shall be communicated to each Board Member at least one week before the date of the meeting, noting that any Board member may add any item to the agenda.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.8 & According to article (27) of the Bank's Articles of Association	
<b>Article (12): Board Secretary</b>	<b>12-1:</b> The Board shall appoint a Board Secretary whose functions shall include recording the minutes and decisions of the Board in a special register with serial numbers, noting which members have attended the meetings and the reservations expressed by the members and safekeeping records, books and reports submitted by or to the Board. Under the direction of the Chairman, the Board Secretary shall also be in charge of ensuring proper receipt and distribution of agendas, documents and information and coordination among the Board Members as well as between the Board and the other stakeholders in the Company including Shareholders, management, and employees.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.9	
	<b>12-2:</b> The Board Secretary shall ensure that Board Members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.9	
	<b>12-3:</b> All Board Members shall have access to the services and advice of the Board Secretary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.9	
	<b>12-4:</b> The Board Secretary may only be appointed or removed by a Board resolution.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.9	
	<b>12-5:</b> The Board Secretary should preferably be a member of a recognised body of professional accountants, or a member of a recognised or chartered body of corporate secretaries, a lawyer or a graduate from a recognized university or equivalent. S/he should have at least three-year experience of handling the affairs of a public company listed in the market.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.9	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (13): Conflict of Interests and Insider Trading</b>	<b>13-1:</b> The Company shall adopt and make public general rules and procedures governing the Company's entering into any commercial transaction with a Related Party (the Company's "Related Party Policy"). In any event, it shall not be permitted to enter into any commercial transaction with a Related Party unless in strict compliance with the aforementioned Related Party Policy. The said policy shall include principles of transparency, fairness and disclosure in addition to the requirement that a related party transaction be approved by the General Assembly of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.12 & According to the applicable Governance Charter adopted by the Bank.	
	<b>13-2:</b> Whenever an issue involving conflict of interests or any commercial transaction between the Company and any of its Board Members or any Party related to the said Board Member, is discussed in a Board meeting, the issue shall be discussed in the absence of the concerned Board Member who may not in any event participate in the voting on the matter. In any event, such transaction shall be made at market prices and on arm's length basis and shall not involve terms that are contrary to the interests of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.12 & According to the applicable Governance Charter adopted by the Bank.	
	<b>13-3:</b> In any event, such transactions shall be disclosed in the Company's annual report and specifically referred to in the General Assembly following such commercial transactions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.12 & According to the applicable Governance Charter adopted by the Bank.	
	<b>13-4:</b> Trading by Board Members in the Company's shares and other securities shall be disclosed and the Company shall adopt clear rules and procedures governing trading by Board Members and employees in the Company's shares.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.12 & According to the applicable Governance Charter adopted by the Bank.	
<b>Article (14) Other Board Practices and Duties</b>	<b>14-1:</b> Board Members shall have full and immediate access to information, documents, and records pertaining to the Company so as to allow them to perform their duties and have knowledge of all aspects related to the Company's business. The Company's executive management shall provide the Board and its committees with all requested documents and information.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<b>14-2:</b> The Board Members shall ensure that the members of Nomination, Remuneration and Audit Committees, besides the representatives of the External Auditors attend the General Assembly.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<b>14-3:</b> The Board shall put in place an induction program for newly appointed Board Members in order to ensure that, upon their election, Board Members are made fully aware of their responsibilities, and have proper understanding of the manner in which the Company operates.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5 & According to the applicable Governance Charter adopted by the Bank.	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>14-4:</b> The Board Members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board Members' skills and knowledge.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<b>14-5:</b> The Board of Directors shall, at all times, keep its Members updated on the latest developments in the area of corporate governance and the best practices related thereto. The Board may delegate the same to the Audit Committee or the Governance Committee or any other entity as it deems appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5	
	<b>14-6:</b> The Company's Articles of Association shall include clear procedures for removing Board Members in the event of failing to attend Board meetings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.5 & According to Article (28) of the Bank's Articles of Association.	
<b>Article (15): Board Committees</b>	The Board of Directors shall study the benefits of establishing specialized committees to oversee the proper performance of important functions. The Board of Directors shall take into consideration the committees mentioned in this Code when deciding on the committees to be established.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3	
<b>Article (16): Board Members Appointment – The Nomination Committee</b>	<b>16-1:</b> Nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.4 & According to the Bank's Articles of Association.	
	<b>16-2:</b> The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee does not deprive any shareholder of his/her rights to nominate or to be nominated);	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.3.4	The BOD composition will be changed at the coming new Directorship period (2017-2019).
	<b>16-3:</b> Nominations shall take into account, inter alia, the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical and academic qualifications and personality and should be based on the 'Fit and Proper Guidelines for Nomination of Board Members' annexed to the Code as amended by the Authority from time to time;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & According to the Board Committees Charter.	
	<b>16-4:</b> Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & According to the Board Committees Charter.	
	<b>16-5:</b> The Nomination Committee's role shall include performing annual self-assessment of the Board's performance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & According to the Board Committees Charter.	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>16-6:</b> Banks and other companies shall comply with any conditions or requirements relating to the nomination, election or appointment of Board Members issued by Qatar Central Bank or any other relevant authority.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.4	
<b>Article (17): Board Members' Remuneration- Remuneration Committee</b>	<b>17-1:</b> The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members, the majority of whom must be Independent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.3.4	The BOD composition will be changed at the coming new Directorship period (2017-2019).
	<b>17-2:</b> Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & According to Board Committees Charter.	
	<b>17-3:</b> The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board members as well as Senior Executive Management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & 2.5	
	<b>17-4:</b> The policy and principles pertaining to Board members' remuneration shall be published the Company's annual report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & 2.5	
	<b>17-5:</b> Remuneration Committee shall take into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance-related components should be based on the long-term performance of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.4 & 2.5	
<b>Article (18): Audit Committee</b>	<b>18-1:</b> The Board of Directors shall establish an Audit Committee that shall be comprised of at least three members, the majority of whom should be independent. The Audit Committee must include at least one member with financial and audit experience. If the number of available independent Board Members was not sufficient to fill the Audit Committee membership, the Company may appoint members that are not independent Board Members provided that the Chairman of the Committee is independent.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.3.1	The BOD composition will be changed at the coming new Directorship period (2017-2019).
	<b>18-2:</b> In any event, any person who is or has been employed by the Company's external auditors within the last 2 years may not be a member of the Audit Committee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1	
	<b>18-3:</b> The Audit Committee may consult at the Company's expense any independent expert or consultant.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.4	
	<b>18-4:</b> The Audit Committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1	



Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>18-5:</b> In the event of any disagreement between the Audit Committee's recommendations and the Board's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reason(s) behind the Board of Directors' decision not to follow the recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 No material issues arose between the Board Audit and Compliance Committee recommendations and the Board's decision during 2016	
	<b>18-6:</b> Upon its establishment, the Audit Committee shall adopt and make public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter including in particular the following:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter.	
	a- Adopting a policy for appointing the External Auditors; and reporting to the Board of Directors any matters that, in the opinion of the Committee, necessitate action in addition to providing recommendations on the necessary procedures or required action;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & 2.10	
	b- Overseeing and following up on the independence and objectivity of the external auditor and discussing with the external auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & 2.10	
	c- Overseeing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and reviewing such statements and reports. Focusing particularly on:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	1- Any changes to the accounting policies and practices;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	2- Matters subject to the discretion of Senior Executive Management;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	3- The major amendments resulting from the audit;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	4- Continuation of the Company as a viable going concern;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Board Committees Charter.	
	5- Compliance with the accounting standards designated by the Authority;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Bank applies this condition unless otherwise is instructed by QCB.	
	6- Compliance with the applicable listing rules in the market; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.1	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	7- Compliance with disclosure rules and any other requirements relating to the preparation of financial reports;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	d- Coordinating with the Board of Directors, Senior Executive Management and the Company's chief financial officer or the person undertaking the latter's tasks, and convening with the external auditors at least once a year;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	e- Considering any significant and unusual matters contained or to be contained in such financial reports and accounts. Giving due consideration to any issues raised by the Company's chief financial officer or the person undertaking the latter's tasks, or the Company's compliance officer or external auditors;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	f- Reviewing the financial and internal control and risk management systems;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 Risk Committee is responsible in the first place for all aspects related to Risk Management. (2.3.2 & 2.8)	
	g- Discussing internal control systems with the management to ensure management's performance of its duties towards the development of an efficient internal control system;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	h- Considering the findings of principal investigations in internal control matters requested by the Board of Directors or carried out by the Committee on its own initiative with the Boards' approval;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	i- Ensuring coordination between the internal auditors and the external auditor, the availability of necessary resources and the effectiveness of the Internal Controls;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	j- Reviewing the Company's financial and accounting policies and procedures;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	k- Reviewing the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive Management's reply;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	
	l- Ensuring timely reply by the Board of Directors to the queries and matters contained in the letters or reports of External Auditors';	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.3.1 & According to Bank's Board Committees Charter	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	m- Developing rules, through which employees of the Company can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions. In addition to ensuring that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal. Such rules should be submitted to the Board of Directors for adoption.	■	■	■	2.3.1 & According to Bank's Board Committees Charter	
	n- Overseeing the Company's adherence to professional conduct rules;	■	■	■	2.2.1 & 2.15.3	
	o- Ensuring that the rules of work related to the powers assigned to the Board of Directors are properly applied;	■	■	■	2.3.1	
	p- Submitting a report to the Board of Directors on the matters contained in this Article.	■	■	■	2.3.1	
	q- Considering other issues as determined by the Board of Directors.	■	■	■	2.3.1	
<b>Article (19): Compliance, Internal Control and Internal Auditor</b>	<b>19-1:</b> The company shall adopt an internal control system approved by the Board, complying with related regulations and laws. Internal Control should set clear standards for responsibility and accountability in all of the company's departments.	■	■	■	2.9	
	<b>19-2:</b> The Internal Control System shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to the external audit. The Internal Control System shall also ensure that all related-party transactions are handled in accordance with the requirements related thereto.	■	■	■	2.9, 2.9.1 & 2.9.2	
	<b>19-3:</b> The Company shall have an internal audit unit with clearly defined functions and role. In particular, the internal audit function shall:	■	■	■	2.9.2	
	1- Audit the Internal Control System and oversee its implementation;	■	■	■	2.9.2	
	2- Be carried out by operationally independent, appropriately trained and competent staff;	■	■	■	2.9.2	
	3- Submit its reports to the Board of Directors either directly or through the Board's Audit Committee; and is responsible to the Board;	■	■	■	2.9.2	
	4- Have access to all Company's activities; and	■	■	■	2.9.2	
	5- Be independent including being independent from the day-to-day Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff.	■	■	■	2.9.2	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>19-4:</b> The internal audit function shall include at least one internal auditor appointed by the Board of Directors. This internal auditor shall report to the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	<b>19-5:</b> The internal auditor shall prepare and submit to the Audit Committee and the Board of Directors an "internal audit report" which shall include a review and assessment of the Internal Control System of the Company. The scope of the Internal Audit Report shall be agreed between the Board (based on the Audit Committee recommendation) and the internal auditor and shall include particularly the following:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	- Control and oversight procedures of financial affairs, investments, and risk management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2 Risk Committee is responsible in the first place for all aspects related to Risk Management. (2.3.2)	
	- Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	- Assessment of the performance of the Board and senior management in implementing the Internal Control System, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	- Internal Control failure, weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedure followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	- The Company's compliance with applicable market listing and disclosure rules and requirements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.1 & 2.11	
	- The Company's compliance with the Internal Control System in determining and managing risk.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2 Risk Committee is responsible in the first place for all aspects related to Risk Management. (2.3.2 & 2.8)	
	- All relevant information describing the Company's risk management operations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.9.2	
	<b>19-6:</b> The Internal Audit Report shall be prepared every three months.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.2	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (20): External Auditor</b>	<b>20-1:</b> An External Auditor who is independent and qualified, and appointed upon the recommendation of the Audit Committee to the Board and the decision of the Company's General Assembly, shall undertake an annual and semi-annual independent audit. The purpose of the said audit is to provide an objective assurance to the Board and Shareholders that the financial statements are prepared in accordance with this Code, related laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the Company in all material respects.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.10	
	<b>20-2:</b> The External Auditor shall comply with the highest professional standards and he shall not be contracted by the Company to provide any advice or services other than carrying out the audit of the Company. The External Auditor must be completely independent from the Company and its Board Members and shall not have any conflict of interests in relation to the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.10	
	<b>20-3:</b> The Company's External Auditor must attend the Company's annual ordinary General Assembly where he shall deliver his annual report and answer any queries in this respect.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.10 & According to Art (54) of the Bank's Articles of Association	
	<b>20-4:</b> The External Auditor is accountable to the Shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit. The External Auditor is also responsible for notifying the Authority and any other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.10	
	<b>20-5:</b> A listed company shall change its External Auditor every five years at a maximum.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	According to Art (53) of the Bank's AOA, the General Assembly may reappoint the External Auditor(s) provided that the period of appointment shall not exceed five consecutive years as per the instructions of Qatar Central Bank.	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (21): Disclosure</b>	<b>21-1:</b> The Company must comply with all disclosure requirements including financial reporting as well as disclosing shareholdings of Board members, senior executives and major or controlling Shareholders. The Company must also disclose information about its Board members including notably a resume of each member describing his/her respective education, profession, other board seats that they may hold (if any). Names of the members of various Committees constituted by the Board as mentioned in Article 5.3, along with the composition of the committee, should also be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11	
	<b>21-2:</b> The Board shall ensure that all disclosure made by the Company provides accurate and true information which is not misleading.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11	
	<b>21-3:</b> The Company's financial reports must comply with IFRS /IAS and ISA standards and requirements. In addition to stating whether the external auditor obtained all information needed, the external auditor report shall also state whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.1 Commercial Bank's financial reports comply with IFRS/IAS and ISA standards and requirements. Meanwhile, the External Auditor is tasked with auditing the financial statements quarterly and annually as per the related international auditing standards.	
	<b>21-4:</b> The Company's audited financial reports shall be circulated to all Shareholders.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11 The audited financial reports are part of the Bank's annual report published on www.cbq.qa and the website of Qatar Exchange.	
<b>Article (22): General Rights of Shareholders and Key Ownership Elements</b>	Shareholders have all rights conferred upon them by related laws and regulations including this Code as well as the Company's Articles of Association; and the Board shall ensure that Shareholders' rights are respected in a fair and equitable manner.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	



Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (23): Ownership Records</b>	<b>23-1:</b> The Company shall keep valid and up-to-date records of share ownership.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	<b>23-2:</b> Shareholders shall have the right to review and access for free the Company's Shareholders' register at the Company's regular office hours or as otherwise determined in the Company's Access to Information Procedures.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	<b>23-3:</b> The Shareholder shall be entitled to obtain a copy of the following: Board Members' register, Memorandum and Articles of Association of the Company, instruments creating a charge or right on the Company's assets, and related-party contracts and any other document as the Authority may decide upon payment of a prescribed fee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
<b>Article (24): Access to Information</b>	<b>24-1:</b> The Company shall include in its Memorandum and Articles of Association Procedures of Access to Information to ensure that Shareholders rights of access to the Company's documents and information in a timely manner and on a regular basis, are preserved. The Access to Information Procedures shall be clear and detailed and shall determine:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	1- the Accessible Company Information including the types of information that is made accessible on an on-going basis to individual Shareholders or to Shareholders representing a minimum percentage of the Company's share capital, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	2- Clear and Explicit procedures to access such information	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	<b>24-2:</b> The Company shall have a website where all relevant and public information and disclosures must be posted. This includes all information that is required to be made public by this Code and any related laws and regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11 & 2.13 Commercial Bank has an up-to-date website where all the required information is published in accordance with this Code and any related laws and regulations.	
<b>Article (25) Shareholders Rights with Regard to Shareholders Meetings</b>	The Company's Memorandum and Articles of Association shall include provisions ensuring effective Shareholders' right to call for a General Assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon; and the right to make informed decisions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These requirements are mentioned in the Bank's Articles of Association (Articles No. 44).	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (26) Equitable Treatment of Shareholders and Exercise of Voting Rights</b>	<b>26-1:</b> All shares of the same class shall have the same rights attached to them.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13	
	<b>26-2:</b> Proxy voting is permitted in compliance with related laws and regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proxy voting is permitted according to Article No. 40 of the Bank's AOA. Shareholders are notified with the proxy voting process as well.	
<b>Article (27 ) Shareholders' Rights Concerning Board Members' Election</b>	<b>27-1:</b> The Company's Memorandum and Articles of Association shall include provisions ensuring that Shareholders are given information relating to Board membership candidates including a description of candidates' professional and technical skills, experience and other qualifications.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to Article No. 39 of AOA, the agenda of the General Assembly meeting shall include the election of the Board Members where required. Also, as per Article No. 46 of AOA, invitations to all shareholders for the General Assembly meeting shall be announced in two local papers issued in the Arabic language, and on the Qatar Exchange Website, 15 days at least prior to the date of the General Assembly.	Commercial Bank abides by QCB instructions in this regard.
	<b>27-2:</b> Shareholders shall have the right to cast their votes for Board member's election by Cumulative Voting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	According to Art (23) of the Bank's Articles of Association	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (28) Shareholders' Rights Concerning Dividend Distribution</b>	The Board of Directors shall submit to the General Assembly a clear policy on dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the Company and the Shareholders.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.13 Commercial Bank has adopted a policy on dividend distribution as set in the Corporate Governance Charter. In addition, the agenda of the General Assembly meeting shall include consideration and approval of the recommendations made by the Board of Directors regarding the distribution of dividends, as per Article No. 39 of AOA.	
<b>Article (29) Capital Structure, Rights of Shareholders and Major Transactions</b>	<b>29-1:</b> Capital Structure shall be disclosed and Companies shall determine the type of Shareholders agreements that should be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Bank's capital structure and the agreements of shareholders are disclosed in the audited financial statements tendered during the General Assembly meeting.	
	<b>29-2:</b> Companies shall adopt in their Memorandum and/or Articles of Association provisions for the protection of minority Shareholders in the event of approval of Major Transactions where the said minority Shareholders have voted against such Major Transactions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		They are updated on the information and reports set forth by the Commercial Companies Law.
	<b>29-3:</b> Companies shall adopt in their Memorandum and/or Articles of Association, a mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in the case of a change in ownership exceeding a specific percentage (threshold). The thresholds should take into consideration shares held by third parties but under the control of the disclosing shareholder, including shares covered by shareholder agreements which should also be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	According to Article No.6 & 7 of the Bank's Articles of Association	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
<b>Article (30) Stakeholders' Rights</b>	<b>30-1:</b> The rights of Stakeholders are to be respected. Whenever Stakeholders participate in the corporate governance arrangements; they shall have access to relevant, sufficient and reliable information on a timely and regular basis.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.14	
	<b>30-2:</b> The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender, or religion.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.15.3	
	<b>30-3:</b> The Board shall develop a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.15.4	
	<b>30-4:</b> The Board shall adopt a mechanism enabling the company's employees to report to the Board suspicious behaviour, where such behaviour is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.15.3	
	<b>30-5:</b> Companies must fully comply with the provisions of this article as it is not covered by the "Comply or Explain" principle.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Commercial Bank fully abides by this condition.	
<b>Article (31) Corporate Governance Report</b>	<b>31-1:</b> The Board shall prepare an annual Corporate Governance Report signed by the Chairman.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Commercial Bank fully abides by this condition.	
	<b>31-2:</b> This Report shall be submitted to QFMA on an annual basis and whenever required; an undertaking of regular disclosure shall be attached to the annual report prepared by the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Commercial Bank fully abides by this condition.	
	<b>31-3:</b> The Corporate Governance Report item shall be included in the agenda of the Company's General Assembly, and a copy of the report must be distributed to the Shareholders during the meeting.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.2.2 & According to Art (41) of the Bank's Articles of Association	

Article No.	Item No.	Compliance	Non-Compliance	NA	Application	Non- Compliance Justification
	<b>31-4:</b> The said Report shall include all information related to the application of this Code, including but not limited to:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2 & 2.2.2	
	1- Procedures followed by the Company in this respect;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2 & 2.2.2	
	2- Any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.1 (No violations)	
	3- Members of the Board of Directors and its Committees and their responsibilities and activities during the year, according to the categories and terms of office of said members along with the method of determining the Directors and Senior Executive Managers remuneration;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11, 2.2.7 & 2.3	
	4- Internal Control procedures including particularly the Company's oversight of financial affairs, investments and risk management;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11 & 2.9	
	5- The procedure followed by the Company in determining, evaluating and managing significant risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11 & 2.8	
	6- Assessment of the performance of the Board and senior management in implementing the Internal Control System, including identification of the number of times when the Board was notified of control issues (including risk management) and the way such issues were handled by the Board;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11 & 2.8	
	7- Internal control failures or weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedures followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements);	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11	
	8- The Company's compliance with applicable market listing and disclosure rules and requirements;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.11	
	9- The Company's compliance with the Internal Control System in determining and managing risks;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.9.1	
	All relevant information describing the Company's risk management operations and Internal Control procedures.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2.8 & 2.9	



