

The Commercial Bank (P.S.Q.C.)

Board Committees Charter

01-01-CTR-003

November 2019

Version 5.0

COMMERCIAL
BANK





Table of Content	Page Number
I. Introduction.....	4
II. Board Committees Charter.....	5
1. Board Audit and Compliance Committee.....	5
2. Board Risk Committee.....	14
3. Board Executive Committee.....	18
4. Minutes shall be kept of each BEC meeting and such minutes along with a schedule of action items shall be circulated within a week after the meeting to all BEC members.	23
4. Board Remuneration, Nomination & Governance Committee.....	23
III. Abbreviations.....	31
IV. Appendices.....	32
Appendix A: Board Committees Charter Revision Proposal Form.....	32
Appendix B: Board Committees Charter Distribution and Acknowledgement Form.....	33

Board Committees Charter - Summary Profile and Approval

Revision History				
Revision Number	Issue Date	Amendment Description	Date Effective	Next Revision Date
2.0	March 2016	General Update		
3.0	May 2017	Updated the Board and Board Committee compositions aligned with the revised Board Committee Structure – April 2017. Amendment on Board meeting invites from one (1) week to ten (10) days in line with QCB CG Guidelines issued to Banks.		
4.0	October 2018	General update for style and consistency, and a general update on all relevant sections in line with the QFMA Governance Code published in the Official Gazette Issue No. (6) Dated 15 May 2017. Updated the BRC to include cyber security governance requirements as per QCB circular 4-2018.		31 October 2021
5.0	November 2019	Update to BRNG’s nomination section to be in line with detailed provisions in the Board of Directors Charter, QFMA Corporate Governance Code and revised Board self-assessment questionnaire.		31 November 2022



Review		
Authorised Reviewer	Date	Signature(s)
Head of Corporate Affairs		
Group Chief Executive Officer		
Board Remuneration, Nomination and Governance Committee		
Board of Directors		

The Head of Corporate Affairs will formally review this Charter for its completeness, accuracy and alignment to business imperatives (current and future on a three year basis, or on a more frequent basis if deemed necessary).



I. Introduction

Board Committees are established to assist the Board of Directors (the 'Board' or BOD) in providing organized and focused means to govern and achieve the Bank's goals and to properly address issues. The Commercial Bank (P.S.Q.C.) (hereinafter 'Commercial Bank' or the 'Bank') has formed the following four Board Committees:

- Board Audit and Compliance Committee
- Board Risk Committee
- Board Executive Committee
- Board Remuneration, Nomination and Governance Committee

The charters have been developed taking into consideration leading corporate governance practices: corporate governance regulations issued by Qatar Central Bank by virtue of circular No.68/2015 (the QCB Corporate Governance Guidelines); the Qatar Financial Markets Authority governance code for companies & legal entities listed on the main market issued by the QFMA's board pursuant to decision no. (5) of 2016, published in the Official Gazette Issue No. (6) dated 15 May 2017 (the QFMA Corporate Governance Code); UK Combined Code; OECD Principles for Corporate Governance; US Conference Boards Governance Best Practices Manual; and the Qatar Commercial Companies Law.

This Board Committees Charter should be read in conjunction with the Bank's Corporate Governance Charter (01-01CTR-002) and Board of Directors Charter (01-01CTR-001) as they constitute an integral part of Commercial Bank's corporate governance framework.

Amendments:

These Charters may be amended by a majority vote cast of the members of the Board present at any meeting, on condition that the proposed amendment(s) should not contradict with the Articles of Association of the Bank unless amended to reflect, and be in line with, any such amendments.



II. Board Committees Charter

1. Board Audit and Compliance Committee

1.1 Mandate

The Board Audit and Compliance Committee (BACC) is responsible for assisting the Board in fulfilling its responsibilities relating to oversee 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, criteria and control mechanisms for all activities involving Bank-wide related risks.

1.2 BACC Responsibilities

Internal Control

- 1.2.1 Review and monitor the adequacy and effectiveness of internal control systems, including accounting and financial controls and the Bank's system to monitor and manage business risk. Report findings to the Board with recommendations and advice.
- 1.2.2 Review the Bank's dealings with related parties, and making sure whether such dealings are subject to, and comply with the relevant controls.
- 1.2.3 Obtain explanations from management, internal auditors and external auditors on whether the Bank's financial and operating controls are adequate and functioning effectively.
- 1.2.4 Consider the effectiveness of the Bank's management of risks and internal controls over annual and interim financial reporting, regulatory and other reporting, including information technology security and controls.
- 1.2.5 Understand the scope of internal and external auditors' review of internal control over financial reports and obtain reports on significant findings and recommendations, together with management's responses.



1.2.6 Consider with internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar areas.

Internal Audit

- 1.2.7 Review and approve the Internal Audit Policy (06-03-POL-001), plans, activities, staffing and organizational structure of Commercial Bank's internal audit function.
- 1.2.8 Review and approve the appointment, replacement, relocation or dismissal of audit personnel as well as their remuneration and the assessment of the internal audit officers.
- 1.2.9 Ensure there are no unjustified restrictions or limitations on the functioning of the Bank's internal audit, as well as on internal audit's access to Bank records, documents, personnel as and when required in performance of their functions. Report findings to the Board together with any recommendations and advice.
- 1.2.10 Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing and other applicable standards and best practices.
- 1.2.11 On a regular basis, meet separately with the Chief Internal Auditor to discuss any matters that the BACC or internal audit believe should be discussed privately.
- 1.2.12 Review internal audit reports and recommendations and determine appropriate action.
- 1.2.13 Ensure that the management responds to recommendations by the internal auditors and that all information, records and requests sought for and required by internal auditors in the performance of their formal duties is/are made available to them by management in an unhindered manner. Report findings to the Board with recommendations and advice.
- 1.2.14 Evaluate the job performance and related remuneration of the Chief Internal Auditor, as well as decisions relating to his appointment/ renewal of contract or termination.



External Audit

- 1.2.15 Review recommendations regarding the external auditors, audit plan and the results of their audit including whether they have had full access to all relevant documents.
- 1.2.16 Review proposed fee and terms of engagement of the Bank's external auditors and makes recommendations to the Board for further action and decision.
- 1.2.17 Review and discuss with the external auditor the nature, scope and efficiency of the audit performed by them in accordance with International Standards on Auditing (ISA) and International Financial Reporting Standards (IFRS).
- 1.2.18 Review the performance of the external auditors, and recommend final discharge of the auditors. In case of any conflict with the Board, the decision will be documented.
- 1.2.19 Review and confirm the independence and objectivity of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Bank, including non-audit services.
- 1.2.20 Make recommendations to the Board regarding the reappointment of the external auditors.
- 1.2.21 Review recommendations to appoint external auditors on additional assignments outside their prevailing mandate.
- 1.2.22 Review and approve with the external auditors the interim and annual financial statements, including any changes in accounting policies, with recommendation for Board approval.
- 1.2.23 On a regular basis, meet separately with the external auditors to discuss any matters that the BACC or auditors believe should be discussed privately, including management responses to their reports.
- 1.2.24 Seek specialised technical assistance from external consultants to perform independent reviews of any areas the BACC deems necessary according to the committee's assigned authorities and resources.



Financial Statements

- 1.2.25 Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional or regulatory pronouncements, and understand their impact on the financial statements of the Bank including all subsidiaries and related entities (if any) falling under any jurisdiction inside or outside Qatar.
- 1.2.26 Review and approve the interim and annual financial statements and consider whether they are accurate, valid, complete, and consistent with the information known to BACC members and reflect appropriate accounting standards and principles.
- 1.2.27 Ensure that the financial statements and reports are in compliance with accounting policies and practices determined by QCB, the QFMA, the applicable listing rules in the Qatar Exchange market, and with disclosure rules and any other requirements relating to the preparation of financial reports.
- 1.2.28 Review with management and the external auditors all matters required to be communicated to the BACC under generally accepted auditing standards.
- 1.2.29 Understand how management develops interim financial information, and the nature and extent of internal audit, external audit involvement and coordination.
- 1.2.30 Review any legal matters that could significantly impact the financial statements of the Bank.

Compliance and AML/CFT

- 1.2.31 Review the Bank's compliance and AML/CFT Policy, plans, activities, staffing and organizational structure of the compliance and AML/CFT function.
- 1.2.32 Ensure the efficiency of the compliance and AML/CFT functions in detecting the deviations and breaches within the Bank, and ensure the non-existence of any factors that would impact its independence, and objectivity as well as proper reporting of the compliance and AML/CFT functions.



- 1.2.33 Review and approve the appointment, replacement or dismissal of the compliance/AML personnel and their remuneration.
- 1.2.34 Ensure there are no unjustified restrictions or limitations on the functioning of the Bank's compliance and AML/CFT, as well as on compliance's / MLRO access to Bank records, documents, personnel as and when required in performance of their functions. Report findings to the Board together with any recommendations and advice.
- 1.2.35 Review the effectiveness of the system for monitoring compliance with applicable local as well as international laws, regulations and standards (e.g. Foreign Account Tax Compliance Act). Monitor the results of management's investigation and follow-up (including disciplinary action if applicable) of any instances of non-compliance within the Bank.
- 1.2.36 Review the findings of inspections by any regulatory body. Review high risk compliance findings and ensure appropriate action is taken by the management.
- 1.2.37 Review compliance & AML/CFT reports and recommendations and determine appropriate action.
- 1.2.38 Ensure there is an effective mechanism for control, monitoring and reporting on the AML/CFT measures and related issues.
- 1.2.39 Ensure that the compliance requirements of external branches and subsidiaries (if any) outside the State of Qatar are covered within the framework of the whole Bank's compliance policy and those compliance policies of related entities.
- 1.2.40 Evaluate the job performance and related remuneration of the head of compliance and AML/CFT unit, as well as decisions relating to his appointment or termination.

Presenting Reports

- 1.2.41 Regularly report to the Board about BACC activities, issues and related recommendations.
- 1.2.42 Subject to applicable regulatory requirements, report annually to the shareholders describing the BACC's composition, role and responsibilities and how these were discharged and any other information required by regulations.
- 1.2.43 Inform and advise the Board of Directors on all audit/ compliance, AML/ CFT issues and recommendations.



Others

- 1.2.44 Conduct an annual self-evaluation of the performance of the BACC, including its effectiveness and compliance with its Charter.
- 1.2.45 Annually review the BACC's Charter and recommend to the Board any changes, where applicable.

1.3 Composition

Number of Members and Mix

- 1.3.1 Composed of three (3) members and one (1) alternate any Independent or Non-Executive member
- 1.3.2 The Bank adopts the QFMA and QCB definitions of the "Non-Executive" and "Independent" Board member. In the event of conflict between QFMA and QCB definitions, the more stringent requirement shall prevail.
- 1.3.3 The majority of the BACC shall be Independent or Non-Executive Board members.
- 1.3.4 The chairman of the BACC shall be an Independent Board member
- 1.3.5 The Chairman of the Board shall not be a member in the BACC.
- 1.3.6 Any member of the BACC may not be a member of any other committee.
- 1.3.7 In his absence, the BACC chairman can designate another member of the BACC as the chairman.
- 1.3.8 Other members of Commercial Bank's management may attend meetings by invitation of the BACC.

Term

- 1.3.9 The membership will run concurrently with the term spent on the Board and will be for a maximum three-year renewable period.



1.4 Membership

Qualifications and Requirements

- 1.4.1 Majority of the BACC members should have knowledge of finance and accounting.
- 1.4.2 Any person who has previously conducted audit for the Bank within the previous two financial years shall not be a BACC member.

Nomination

- 1.4.3 The Board should approve appointments of the BACC members.

Resignation

- 1.4.4 Three months notice period and should be approved by the BACC chairman and the Board.

Compensation

- 1.4.5 The BACC chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure approved by the Board Remuneration, Nomination & Governance Committee and the Board.

Committee Secretary

- 1.4.6 Appointed by the BACC, the BACC secretary will be responsible for maintaining all BACC documentation, distribution of meeting agendas, arranging for committee meetings in addition to other duties included in the job description of the BACC secretary.

1.5 Meetings

Venue

- 1.5.1 Commercial Bank head office or other location approved by the BACC chairman.



Frequency

- 1.5.2 The BACC will meet at least six (6) times a year and more frequently if needed.
- 1.5.3 The BACC shall hold private meetings at least annually with the chief internal auditor, without the presence of the management.
- 1.5.4 A meeting of the BACC may be held by telephone or video conference call, and such participation shall be considered presence in person at such meetings.

Invitation and Agenda

- 1.5.5 Agenda for each BACC meeting shall be circulated at least one week prior to the date of the meeting.

Quorum

- 1.5.6 Two (2) members of the BACC shall comprise a quorum. In the event that it is not possible at any meeting to obtain a quorum the BACC chairman may invite the alternate member to attend the meeting and he shall be considered a member of the BACC for the purpose of establishing a quorum.

Decisions

- 1.5.7 The decisions of the BACC must be unanimous.
- 1.5.8 Decisions of the BACC may also be taken by circulation among members.

Access to Information

- 1.5.9 The BACC, in performing its functions, may as appropriate have unrestricted access to Bank's records and any other documents, reports, material or information in the possession of any employee or external advisor of the Bank.

Minutes of Meeting



- 1.5.10 Minutes shall be kept of each BACC meeting and such minutes along with a schedule of action items shall be circulated within a week after the meeting to all BACC members.



2. Board Risk Committee

2.1 Mandate

The Board Risk Committee (BRC) is responsible for all aspects of enterprise risk management including, but not restricted to business, credit, market, operational, legal, reputational and cyber security 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.

2.2 BRC Responsibilities

- 2.2.1 The BRC will set forth risk policies, criteria and control mechanisms for all activities involving all types of risk:
 - 2.2.1.1 Risk policies and related standards, methodologies used in managing the risks in the Bank while taking into consideration recommendations made by MRC, CEO and the CRO;
 - 2.2.1.2 Risk strategy and risk appetite of the Bank, for all identified quantitative and qualitative risk related issues, including credit, market, operational, and cyber security risk for Board approval;
 - 2.2.1.3 The Risk Charter of the Bank (14-01-CTR-001) as recommended by the MRC and CEO;
 - 2.2.1.4 Risk, asset & liability management, treasury, special asset management and cyber security policies and delegation of authority manuals (DOAs), as recommended by the MRC.
- 2.2.2 Review and ratify risk tolerance levels and portfolio limits, including limits associated with industry sector, geography, asset quality and others, as approved by the MRC.
- 2.2.3 Provide oversight management of business continuity.



- 2.2.4 Review and assess the performance of the MRC and the risk group in monitoring and controlling risk to ensure that the strategies and policies approved by the Board are adhered to and implemented.
- 2.2.5 Review Basel Accord implementation.
- 2.2.6 Review and provide the Board risk reports as well as other reports covering Bank-wide portfolio trends.
- 2.2.7 Approve the Bank's overall cyber security strategy.
- 2.2.8 Provide oversight of the Bank's technology and cyber security risks, and ensure that measures are in place to support the Bank's related business strategies and objectives.
 - 2.2.8.1 The BRC shall request senior management to periodically review on at least an annual basis, the adequacy of the Bank's cyber security controls in line with emerging cyber security threats. Senior management shall provide reasonable justification to the BRC for any identified material gaps.
 - 2.2.8.2 The BRC may request the Chief Information Security Officer, other experts in cyber security, and management from relevant Bank departments to guide them on matters relating to cyber security to ensure the BRC has adequate technical representation.

Presenting Reports

- 2.2.9 Regularly report to the Board about the BRC activities, issues and related recommendations.
- 2.2.10 Subject to applicable regulatory requirements, report annually to the shareholders describing the BRC's composition, role and responsibilities and how these were discharged and any other information required by laws and regulations.

Others

- 2.2.11 Conduct an annual self-evaluation of the performance of the BRC, including its effectiveness and compliance with its Charter.
- 2.2.12 Annually review the BRC's Charter and recommend to the Board any changes, where applicable.



2.3 Structure

Number of Members and Mix

- 2.3.1 Composed of three (3) members and one (1) alternate any Independent or Non-Executive member
- 2.3.2 The Bank adopts the QFMA and QCB definitions of the “Non-Executive” and “Independent” Board member. In the event of conflict between QFMA and QCB definitions, the more stringent requirement shall prevail.
- 2.3.3 In his absence, the BRC chairman can designate another member of the committee as the BRC chairman.
- 2.3.4 The following and other members of Commercial Bank management may attend meetings by invitation of the BRC:
 - 2.3.4.1 Chief Executive Officer (CEO);
 - 2.3.4.2 Chief Risk Officer (CRO); and
 - 2.3.4.3 Chief Information Security Officer (CISO).

Term

- 2.3.5 The membership will run concurrently with the term spent on the Board and will be for a maximum three year renewable period.

2.4 Membership

Qualifications and Requirements

- 2.4.1 All members of the BRC must have requisite knowledge of risk management.

Nomination



2.4.2 The Board should approve appointments of the BRC members.

Resignation

2.4.3 Three months notice period and should be approved by the BRC chairman and the Board.

Compensation

2.4.4 The BRC chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure approved by the Remuneration, Nomination & Governance Committee and the Board.

Committee Secretary

2.4.5 Appointed by the BRC, the BRC secretary will be responsible for maintaining all committee documentation, distribution of meeting agendas, arranging for committee meetings in addition to other duties included in the job description of the BRC secretary.

2.5 Meetings

Venue

2.5.1 Commercial Bank head office or other location approved by the BRC chairman.

Frequency

2.5.2 The BRC will meet at least four (4) times a year and more frequently if needed.

2.5.3 A meeting of the BRC may be held by telephone or video conference call, and such participation shall be considered presence in person at such meetings.

Invitation and Agenda

2.5.4 Agenda for each BRC meeting shall be circulated at least one week prior to the date of the meeting.



Quorum

2.5.5 A quorum comprises of two (2) members, and should include the BRC chairman or his designate.

Decisions

2.5.6 All decisions taken should be unanimous.

2.5.7 Decisions of the BRC may also be taken by circulation among members.

Access to Information

2.5.8 The BRC, in performing its functions, may as appropriate have unrestricted access to Bank's records and any other documents, reports, material or information in the possession of any employee or external advisor of the Bank.

Minutes of Meeting

2.5.9 Minutes shall be kept of each BRC meeting and such minutes along with a schedule of action items shall be circulated within a week after the meeting to all BRC members.

3. Board Executive Committee

3.1 Mandate

The Board Executive Committee (BEC) acts as a consultative body to the Board, which handles matters that require the Board's review, but may arise between Board meetings. In addition, the BEC is responsible for evaluating in detail and granting credit facilities (within authorized limits as per QCB and Board guidelines) which are not discussed at length in Board meetings. The BEC is also mandated with attending to issues relating to approving all strategies, plans, budget/objectives and policies, procedures and systems as well as reviewing the performance of the Bank in relation to each of the foregoing.



3.2 BEC Responsibilities

- 3.2.1 Approve credit facilities and major investments in accordance within the approved limits as per the Bank's approved delegation of authority matrixes.
- 3.2.2 Recommend credit facilities to the Board where these are above 10% of the capital & reserves of the Bank.
- 3.2.3 Based on management recommendation, review country risk exposures and financial institution's exposures and recommend amendments in country limits to the Board of Directors.
- 3.2.4 Review the strategy on recovery of special asset relationships, whenever required.
- 3.2.5 Review and approve all credit proposals (other than off-the-shelf products) relating to political figures and persons in ministerial posts, within the Risk Delegation of Authority (14-01-DOA-001).
- 3.2.6 Approve credit facilities with tenor above 8 years.

Policies

- 3.2.7 Review and approve all policies relating to the Bank's organisation and operations including all necessary authorities required by 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 (DOA)).

Strategy

- 3.2.8 Develop the long-term strategy of Commercial Bank based on economic and market conditions and Board's vision. Review the Bank's overall strategy and ensure implementation and execution.



- 3.2.9 Review and approve annual business plans and budgets across Commercial Bank in line with the long-term strategy and changes in economical, market, and regulatory environments.
- 3.2.10 Review and approve Commercial Bank's brand vision and define values with all associated brands across the Bank.
- 3.2.11 Receive reports and analysis of the Bank's financial and operating performance, and to evaluate key performance indicators against their accompanying strategies.
- 3.2.12 Review and approve Commercial Bank corporate social responsibility strategy in light of Commercial Bank's values. Approve requests for donations and social support.
- 3.2.13 Review and approve all operating and capital expenditure budgets.
- 3.2.14 Take decisions relating to corporate premises including recommendations to the Board as to acquisition of premises and approval of other capital and operating expenditure.
- 3.2.15 Approve appointment of external consultants (except the Bank's for which review of appointment is made through the BACC) involving fees exceeding approval authority of the CEO.
- 3.2.16 Approve appointment and signature of agreements related to Non-Executive members representing the Commercial Bank in the boards of associate and subsidiaries banks and their board committees.

Presenting Reports

- 3.2.17 Regularly report to the Board about BEC activities, issues and related recommendations.
- 3.2.18 Subject to applicable regulatory requirements, report annually to the shareholders describing the BEC's composition, role and responsibilities and how these were discharged and any other information required by regulations.

Others

- 3.2.19 Conduct an annual self-evaluation of the performance of the BEC, including its effectiveness and compliance with its Charter.



3.3 Composition

Number of Members and Mix

- 3.3.1 Composed of four (4) members and one (1) alternate any Independent or Non-Executive member.
- 3.3.2 The Bank adopts the QFMA and QCB definitions of the “Non-Executive” and “Independent” Board member. In the event of conflict between QFMA and QCB definitions, the more stringent requirement shall prevail.
- 3.3.3 In his absence, the BEC chairman can designate another member of the BEC as the chairman.
- 3.3.4 The following Commercial Bank management may attend meetings by invitation of the BEC:
 - 3.3.4.1 Chief Executive Officer (CEO);
 - 3.3.4.2 CRO;
 - 3.3.4.3 Chief Credit Officer (CCO);
 - 3.3.4.4 Head of Businesses (EGMs); and
 - 3.3.4.5 Other members of the Bank management.

Term

- 3.3.5 Membership to the BEC will run concurrently with the term spent on the Board and will be for a maximum three-year renewable period.

3.4 Membership

Qualifications and Requirements



3.4.1 Majority of the members should have knowledge of credit management.

Nomination

3.4.2 The Board should approve the appointments of the BEC members.

Resignation

3.4.3 Three months notice period and should be approved by the BEC chairman and the Board.

Compensation

3.4.4 The BEC chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure approved by the Remuneration, Nomination & Governance Committee and the Board.

Committee Secretary

3.4.5 Appointed by the BEC, the BEC secretary will be responsible for maintaining all BEC documentation, distribution of meeting agendas, arranging for BEC meetings in addition to other duties included in the job description of the BEC secretary.

3.5 Meetings

Venue

3.5.1 Commercial Bank head office or other location approved by the BEC chairman.

Frequency

3.5.2 The BEC will meet at least 12 times a year.



3.5.3 A meeting of the BEC may be held by telephone or video conference call, and such participation shall be considered presence in person at such meetings.

Invitation and Agenda

3.5.4 Agenda for each BEC meeting shall be circulated at least one week prior to the date of the meeting.

Quorum

3.5.5 A quorum comprises of three (3) members.

Decisions

3.5.6 All decisions taken should be unanimous.

3.5.7 Decisions of the BEC may also be taken by circulation among members.

Access to Information

3.5.8 The BEC, in performing its functions, may as appropriate have unrestricted access to Bank's records and any other documents, reports, material or information in the possession of any employee or external advisor of the Bank.

Minutes of Meeting

4. Minutes shall be kept of each BEC meeting and such minutes along with a schedule of action items shall be circulated within a week after the meeting to all BEC members.

4. Board Remuneration, Nomination & Governance Committee

4.1 Mandate

The Board Remuneration, Nomination & Governance Committee (BRNGC) is responsible for setting the Bank's remuneration framework for the Board members, management and staff. The BRNGC is responsible for recommending Board members' appointments and re-nomination for election by the General Assembly as well as conducting the annual self-assessment of the Board's performance.

4.2 Remuneration, Nomination & Governance Committee Responsibilities

Remuneration

- 4.2.1 Prepare a remunerations policy including the Board members, this policy shall indicate the performance-related remuneration components including measurable standards focusing on long term interests.
- 4.2.2 Annual remuneration received by the Board shall not exceed 5% of the Bank's annual net profit after deduction of reserves, legal deductions and depreciation.
- 4.2.3 In accordance with QCB Circular 18/2014:
 - 4.2.3.1 the maximum annual remuneration of the Chairman of the Board: QAR 2,000,000;
 - 4.2.3.2 the maximum annual remuneration of a Director of the Board: QAR1,500,000;
 - 4.2.3.3 If the Board member is a member of any of the Board Committees, the maximum additional remuneration will be QAR 500,000;
- 4.2.4 The Board shall be paid if the Bank achieves a dividend distribution to shareholders equivalent to not less than 5% of the Bank's paid-up capital.
- 4.2.5 Develop and set a clear remuneration framework covering the Executive Management remunerations in order to attract and retain qualified individuals for the Commercial Bank management who have the required knowledge, skills and expertise.



- 4.2.6 Approve the employment requirements, employment contract, and the relevant procedures such as pensions, basic bonus, increments, in addition to the end of service requirements relating to the Bank's CEO.
- 4.2.7 Present the Bank's remuneration policy to the General Assembly for approval after being acknowledged by the Board.
- 4.2.8 Ensure that remuneration shall be indicated based upon the achievement of long term goals and strategic objectives.
- 4.2.9 Present recommendations to the Board related to current and new Executive Management members remunerations in accordance with the remunerations levels in the banking sector.
- 4.2.10 Ensure that the remuneration structure and benefits for the Bank staff of all levels is reviewed annually, and present recommendation to the Board for approval.
- 4.2.11 Review the performance of the CEO and the Executive Management members, to be annually evaluated compared to the institution long term goals not only the current year's achievement and present the evaluation results to the Board.
- 4.2.12 Indicate the requirements related to compensations in the event of terminating the contract of any of the Executive Management members before due date.
- 4.2.13 Obtain professional advisory including counseling independent remuneration advisors when necessary during the process of setting remunerations.

Nomination

- 4.2.14 Nominate whoever it deems fit to fill any Executive Management position.
- 4.2.15 Ensure that nominations and appointments of Board members are made according to formal, rigorous and transparent procedures as detailed in the Board of Directors Charter, Section VI "Board Membership."
- 4.2.16 Ensure that nominations take into account the candidates' ability to meet the requirements and criteria for Board members established by the BRNGC and detailed in the Board of Directors Charter Section VI "Board Membership."



- 4.2.17 Receive candidacy requests for Board membership, evaluate those requests and submit a list of Board membership candidates to the Board with the BRNGC's recommendations as detailed in the Board of Directors Charter, Section VI "Board Membership."
- 4.2.18 Send to the QCB and QFMA a list of Board member candidates recommended by the BRNGC with CVs, copies of candidacy requirements as per the procedures detailed in the Board of Directors Charter Section VI "Board Membership."
- 4.2.19 Nominate whom it deems fit for Board membership when any seat is vacant.
- 4.2.20 Provide recommendations concerning the appropriate size and composition of the Board, including the structure (e.g. type of membership) of Board Committees.
- 4.2.21 Ensure a succession plan is in place for the GCEO and other Executive Management..
- 4.2.22 Exercise oversight of the evaluation of the Board and Commercial Bank Executive Management.
- 4.2.23 Conduct an annual self-assessment of the performance of the Board and Board Committees based on criteria including (but not limited to):
- compliance of Board members in achieving the Bank's interest, doing the Board Committee's works and their attendance of Board and Board Committee meetings;
 - Board composition and the diversity of backgrounds and experience Board members will collectively bring to the Board;
 - effectiveness in their corporate governance structures, frequency of meetings, terms of reference and reporting lines;
 - sufficient succession planning is in place; and
 - good culture and behavior is demonstrated by the Board;
- 4.2.24 Submit an annual report to the Board with an analysis of the performance of the Board and Board Committees to identify strengths and weaknesses and disclose a summary of the analysis in the Bank's annual corporate governance report.

Governance

- 4.2.24 Review and assess on a periodic basis any changes to international and local corporate governance practices that could have an impact on how the Bank operates and manages its governance policies. Eventually, recommend any changes thereto to the full Board.
- 4.2.25 Supervise the training of the Board members including annual corporate governance training, other training as required by applicable regulations, and the formal induction programme to familiarise and orient incoming Board members with their roles, responsibilities and the Bank's operations.
- 4.2.26 Prepare required recommendations and proposals to the Board for approval pertaining to the scope of work of relevant management committees as well as other recommendations raised by senior management through appropriate channels.
- 4.2.27 Consider any governance non-compliance matters and recommend to the Board actions to resolve the same as applicable.
- 4.2.28 Recommend actions with regard to changes in governance practices where required.

Others

- 4.2.29 Conduct an annual self-evaluation of the performance of the BRNGC, including its effectiveness and compliance with its Charter.
- 4.2.30 Annually review the BRNGC's Charter and recommend to the Board any changes, where applicable.

4.3 Composition

Number of members and mix

- 4.3.1 Composed of three (3) members and one (1) alternate any Independent or Non-Executive member.
- 4.3.2 The Bank adopts the QFMA and QCB definitions of the "Non-Executive" and "Independent" Board member. In the event of conflict between QFMA and QCB definitions, the more stringent requirement shall prevail.



4.3.3 In his absence, the BRNGC chairman can designate another member of the BRNGC as the chairman.

4.3.1 The CEO and other members of Commercial Bank management may attend the meeting by invitation of the BRNGC.

Term

4.3.2 Membership to the BRNGC will run concurrently with the term spent on the Board and will be for a maximum three year renewable period.

4.4 Membership

Qualifications and Requirements

4.4.1 Majority of the members should have knowledge of recent compensation and remuneration trends.

Nomination

4.4.2 The Board shall appoint members to the BRNGC based on the available pool of Independent members and Non-Executive members from the Board.

Resignation

4.4.3 Three months notice period and should be approved by the BRNGC chairman and the Board.

Compensation

4.4.4 The BRNGC chairman and members shall be remunerated on a per meeting basis in accordance with the compensation and benefits structure approved by the BRNGC and the Board.

Committee Secretary



4.4.5 Appointed by the BRNGC, the BRNGC secretary will be responsible for maintaining all committee documentation, distribution of meeting agendas, arranging for BRNGC meetings in addition to other duties included in the job description of the BRNGC secretary.

4.5 Meetings

Venue

4.5.1 Commercial Bank head office or other location approved by the BRNGC chairman.

Frequency

4.5.2 The BRNGC will meet at least two times a year.

4.5.3 A meeting of the BRNGC may be held by telephone or video conference call, and such participation shall be considered presence in person at such meetings.

Invitation and Agenda

4.5.4 Agenda for each BRNGC meeting shall be circulated at least one (1) week prior to the date of the meeting.

Quorum

4.5.5 Majority of the members shall comprise a quorum.

Decisions

4.5.6 All decisions taken should be unanimous.

4.5.7 Decisions of the BRNGC may also be taken by circulation among members.



Access to Information

- 4.5.8 The BRNGC, in performing its functions, may as appropriate have unrestricted access to Bank's records and any other documents, reports, material or information in the possession of any employee or external advisor of the Bank.

Minutes of Meeting

- 4.5.9 Minutes shall be kept of each BRNGC meeting and such minutes along with a schedule of action items shall be circulated within a week after the meeting to all BRNGC members.



III. Abbreviations

Abbreviation	Meaning
BACC	Board Audit and Compliance Committee
BEC	Board Executive Committee
BOD	Board of Directors
BRC	Board Risk Committee
CEO	Group Chief Executive Officer or Chief Executive Officer
MRC	Management Risk Committee
OOT	One Obligor Total
QCB	Qatar Central Bank
QFMA	Qatar Financial Markets Authority




IV. Appendices

Appendix A: Board Committees Charter Revision Proposal Form

Board Committees Charter Revision Proposal Form	
Reference 01-01-CTR-003	Date November 2019
Originated by Marie Therese Auger	Position Head of Corporate Affairs
Matters proposed to be revised (attach photocopies, if required)	
Section No.	Section Name
<p>Proposed revisions</p> <p>Section 4.2.14 to 24: Updates to be in line with detailed provisions regarding Board member requirements and nomination procedure detailed in the Board of Directors Charter and Article 18 of the QFMA Corporate Governance Code (Nomination Committee).</p> <p>Section 4.2.23: Revised self-assessment criteria in line with new Board self-assessment questionnaire.</p>	
<p>Reasons for proposed revisions</p> <p>Consistency with the Board of Directors Charter and Board self-assessment questionnaire.</p>	
Other comments	

Approved	Signatories	Effective Date

Appendix B: Board Committees Charter Distribution and Acknowledgement Form

Board Committees Charter Distribution and Acknowledgement Form		 البنك التجاري Commercial bank
Charter		
Version Number		
Name of the Director		
Date of Acknowledgement		



Director Signature	
--------------------	--