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

Corporate Governance Charter

March 2016
Corporate Governance Charter

Table of Content

Charter Revision History and Approval ........................................................................................................4

I. Introduction ....................................................................................................................................................6
   1 Objective of the Charter .............................................................................................................................6
   2 Scope ..........................................................................................................................................................6
   3 Confidentiality and Distribution of the Charter ......................................................................................6
   4 Maintenance of the Charter .......................................................................................................................7
   5 Policy on Non-Compliance .....................................................................................................................9
   6 Regulatory Compliance ............................................................................................................................9
   7 Summaries ................................................................................................................................................10
   8 Reference to Related Documents ..........................................................................................................12

II. Corporate Governance Charter ..................................................................................................................13
   1 Board of Directors ..................................................................................................................................13
   2 Board Supervision ..................................................................................................................................20
   3 Management Supervision .......................................................................................................................24
   4 Succession Planning .................................................................................................................................28
   5 Remuneration for Board Members and Executive Management ..........................................................31
   6 Governance Compliance and Reporting .................................................................................................35
   7 Transactions with Related Party/ Subsidiaries and Associates ...............................................................40
   8 External Audit ..........................................................................................................................................47
   9 Confidentiality .........................................................................................................................................51
  10 Conflict of Interest .................................................................................................................................57
  11 Whistle-blowing .....................................................................................................................................63
  12 Relationship with Stakeholders ..............................................................................................................69
  13 Insider Trading ........................................................................................................................................74
  14 Corporate Social Responsibility .............................................................................................................78
  15 Internal Control System ..........................................................................................................................81
  16 Code of Ethics .........................................................................................................................................85

III. Abbreviation ................................................................................................................................................86

IV. Appendices ...............................................................................................................................................87
Appendix A: Charter Revision Proposal Form .................................................................87
Appendix B: Charter Distribution and Acknowledgement Form ........................................88
## Charter Revision History and Approval

<table>
<thead>
<tr>
<th>Strategic Business Unit (SBU)</th>
<th>Charter Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>Corporate Governance Charter</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorised Reviewer</th>
<th>Date</th>
<th>Signature(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Corporate Affairs (Board Secretary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Head of Corporate Affairs will formally review the Charter for its completeness, adequacy, and alignment to business imperatives (current and future) on an annual basis or on a more frequent basis if deemed necessary.

Kindly refer to Section “4 - Maintenance of the Charter” on page 3 for additional details.
I. Introduction

1 Objective of the Charter

The Commercial Bank (P.S.Q.C.) (hereinafter ‘CB’ or 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 shareholder’s value.

The objective of this Charter is to establish the corporate governance practices and protocols that shall be observed by CB in compliance with its Articles of Association (AOA) and relevant regulatory requirements and in line with relevant corporate governance leading practices.

2 Scope

This Charter captures the detailed guidelines of the Bank’s governance framework. It falls within the responsibilities of CB’s Board of Directors (the ‘Board’ or BOD) to ensure the observance of the governance guidelines set forth in this Charter. With respect to its subsidiaries, CB’s Board shall assign representatives to sit in the subsidiaries’ Board who shall regularly report on the activities/operations and plans of the concerned subsidiary, including decisions taken, to CB’s Board. The custodianship and change management of this Charter resides with the Corporate Affairs Department.

3 Confidentiality and Distribution of the Charter

This Charter shall be made available to the public in line with the transparency and disclosure requirements as per the Qatar Central Bank (QCB) Corporate Governance Guidelines for Banks and Financial Institutions and the Corporate Governance Code for Companies Listed in the Market regulated by Qatar Financial Markets Authority (QFMA).

CB directors and employees should read and understand the Charter so that they can comply and help others comply with the provisions established.
4 Maintenance of the Charter

This Charter should be reviewed at least annually for updates by the Head of Corporate Affairs. The Bank’s Board Members, Executive Management and staff may recommend changes to the Charter by discussing the same in the relevant Board Committee or the Board (in the case of Board Members) or referring to their appropriate direct reporting line authority (in case of employees).

All subsequent amendments should follow the review and approval process indicated in page 3 of this Charter.

Review and Update of the Charter

Revisions of this Charter are the principal ways of implementing and communicating changes that may arise in response to the changing needs and requirements of the Bank. The objective of formalising the Charter revision procedures is to ensure that all amendments, additions or deletions to the Charter are properly documented and authorised/approved prior to implementation. The Head of Corporate Affairs shall be the focal point for Charter revisions to reflect applicable new (or updates in) laws and regulations (if any). Moreover, the Charter also needs to be reviewed due to internal factors that include but are not restricted to the introduction/change/discontinuation of new services/operations or other organisational re-alignments. Requests for revision of this Charter shall be raised to the Head of Corporate Affairs through a Charter Revision Proposal (Appendix A).

The Head of Corporate Affairs shall formally review the Charter for its completeness, adequacy, and alignment to business imperatives (current and future) on an annual basis (by 31 October of each year) or on a more frequent basis if deemed necessary. All amendments, additions or deletions in the Charter should be properly documented and authorised/approved prior to implementation. (Refer to Board Delegation of Authority (01-01-DOA-001) for DOA revision approval process.)
Revision Procedures

Upon updating the Charter, the following activities and revisions shall take place:

1. The date should be updated through the use of the Month and Year on the cover page, revision history page and header of the document.
2. The version number should be updated on the cover page, revision history page and the header of the document. The version number increases by one with every update.
3. The revision details are highlighted in the “Amendments Description” table found on the revision history page.
4. The file name should be updated in accordance to the latest date and version number.
5. The Charter is distributed to the relevant stakeholders and their acknowledgment is obtained using the form provided in Appendix B.
6. The non editable soft copy of the Charter is maintained for internal distribution. The custody of the signed hardcopy document shall be held by the Corporate Affairs Department.

Audit

Application of the Charter is reviewed on an annual basis by the Head of Corporate Affairs, and compliance thereof shall be regularly reviewed by the Bank’s Internal Audit function. In case non-compliance has been identified, the Chief Internal Auditor shall review the reasons for such non-compliance and report them as required. Depending on the conclusions of this review, the need for a revision to the Charter may be identified. The Head of Corporate Affairs (or the CEO if required) may be asked to issue either general or specific reminders to staff regarding the provisions established in the Charter.
5 Policy on Non-Compliance

It is the responsibility of the Corporate Affairs Department (i.e. ‘the owning entity’) to report an incident of non-compliance with respect to this document in coordination with other functions (e.g. Compliance, Human Capital, Internal Audit, etc.). Incidents of non-compliance can alternatively be reported by any other Board Member or department/unit personnel who become aware of the non-compliance.

With respect to Board Members, such non-compliance shall be reported and discussed in the Board Executive Committee for appropriate decision/action and escalation to the Board.

Incidents of non-compliance by employees shall be reported by the concerned employee’s immediate supervisor who in turn will report the matter to the Head of Corporate Affairs. In addition, Operational Risk Department will be informed and will follow applicable policy to monitor bank wide non-compliance matters. Bank employees who fail to comply with this Charter will be subjected to disciplinary action in line with the Human Capital Delegation of Authority Manual (12-01-DOA-001). The precise action to be taken will depend upon the gravity of non-compliance and could range from issuance of warning letters to recommendation for termination of employment based on the Bank’s approved penal code.

6 Regulatory Compliance

The Charter has been prepared with due consideration of applicable laws and regulations within the State of Qatar, including the following:

- Qatar Central Bank (QCB) Law and Regulation of Financial Institutions issued by virtue of Law No. 13 of 2012
- Qatar Central Bank (QCB) Instructions to Banks;
- QCB Corporate Governance Guidelines (Circular No. 68/2015);
- Qatar Financial Market Authority (QFMA) Corporate Governance Code;
- Qatar Exchange (QE) Regulations;
- Commercial Companies Law No. (11) of 2015 (CCL); and
- Commercial Bank’s Articles of Association.

In the event that a conflict exists between this Charter and regulatory pronouncements, the latter shall take precedence. Amendments to the Charter should then be made to ensure compliance. Moreover, the Bank shall ensure that it is in compliance with applicable laws and regulations of the countries that it operates in. If such conflicts arise, the Legal SBU should be consulted.
7 Summaries

This Charter provides guidance over the following:

**Board of Directors:** This section describes the Board authority, roles and responsibilities, protocol on nomination and appointment of directors, guidelines on removal from office of Board Members, Board structure and composition, Board Member performance evaluation, as well as Board training and development among others.

**Board Supervision:** This section describes the responsibilities and functions that the Board may delegate to its committees, within the boundaries of applicable corporate governance regulatory provisions, with respect to the oversight on the governance and Bank operations. It also captures Board’s supervisory responsibility with respect to the Bank’s subsidiaries and affiliates.

**Management Supervision:** The purpose of this section is to define the framework on the Board’s exercise of its supervisory and oversight over the Bank’s day-to-day operations.

**Succession Planning:** This section formalises the guidelines relating to CB’s succession planning framework.

**Remuneration for Board Members, Management and Staff:** This section defines the Bank’s remuneration framework for its Board Members, management and staff.

**Governance Compliance and Reporting:** This provides an overview on the Bank’s policy relating to compliance with and reporting of corporate governance requirements.

**Transactions with Related Party/ Subsidiaries and Associates:** This section details the steps in the identification and reporting of related parties/ subsidiaries and associates, and authorities in approving related party transactions, required documentation, among others.

**External Audit:** This section sets out the protocols to be followed in availing and appointing External Auditors and the Board’s oversight over the conduct and results of their work.

**Confidentiality:** This section defines the principles and guidelines required in order to maintain the confidentiality of Bank’s information.


**Corporate Governance Charter**

**Conflict of Interest**: This section details the guidelines and protocols with respect to handling actual or perceived conflicts of interests arising from CB’s operations and activities.

**Whistle-blowing**: This section provides guidelines on avenues for CB employees to report instances of actual (or perceived) misconduct in the workplace.

**Relationship with Stakeholders**: This section delineates the guidelines and standards which promote good relations through effective communication between CB and its stakeholders.

**Insider Trading**: This section discusses insider trading issues and the appropriate actions that must be taken by the Bank.

**Corporate Social Responsibility**: This section describes the guidelines observed in promoting corporate social responsibility.

**Internal Control System**: This section details the internal control system employed by the Bank to ensure that the Bank’s records are accurate and reliable, transactions are properly authorized, and assets are adequately safeguarded.

**Code of Ethics**: This section provides an overview on the expected standards of professional conduct for CB directors, employees and service providers.
8 Reference to Related Documents

This Charter shall be in line with:

- Commercial Bank Articles of Association
- Organisational Structure
- CB Risk Charter
- Board of Directors Charter (01-01-CTR-001)
- Board Committees' Charters (01-01-CTR-003)
- Board Delegation of Authorities (01-01-DOA-001)
- Corporate Affairs Policies (01-01-POL-002)
- Human Capital Policies (12-01-POL-001)
- ERM Policy Guidelines (14-02-POL-001)
- Compliance Policies (06-02-POL-001)
- Internal Audit Policies (06-03-POL-001)
- Anti-Fraud Policies (14-04-POL-003)
- Bank-wide Code of Ethics (12-01-POL-002)
- Marketing Policies Manual (11-02-POL-001)
- Policy Development, Approval and Tracking Manual (14-01-POL-003)
- Basel Committee Papers
II. Corporate Governance Charter

1 Board of Directors

Purpose
CB recognises the Board’s role in implementing high standards of corporate governance across the Bank and in promoting a work environment where such standards can thrive and operate. Accordingly, the purpose of this section is to highlight guidelines relating to the functioning and structure of the Board. It covers the guiding principles with respect to the Board’s authorities and duties, appointment of Board Members, structure and composition, Board Member training and development, among others.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this Section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this Section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.
Section

1.1 Board Authorities, Duties and Responsibilities

1.1.1 The Bank shall be governed by an effective Board which shall be individually and collectively responsible for the proper management of the Bank (QCB Corporate Governance Guidelines, Circular 68/2015, First Principle Section and QFMA Corporate Governance Code, Article 5.1). It shall have the widest authority to govern the Bank as provided in the Bank’s AOA, excluding authorities which have been expressly reserved for the General Assembly.

1.1.2 The Board shall ensure that an effective corporate governance framework is in place, thereby contributing to the achievement of the Bank’s long-term corporate objectives and creating trust and engagement between the Bank and its stakeholders.

1.1.3 It shall have the right to appoint the CEO, senior/executive managers and to vest on them the right to sign jointly or severally on behalf of the Bank. Such rights shall manifest themselves through the DOA approved by the Board. The Executive General Managers (EGMs) shall directly report to the CEO.

1.1.4 The Board shall provide Executive Management with definite strategies, policies and plans by which the objectives of CB could be achieved. The Board shall reevaluate and develop such strategies, plans and policies on a periodic basis to ensure alignment/consistency with the developments and changes at the local, regional, and international levels, and taking into account regulatory directives and instructions.

1.1.5 The Board Members shall have adequate expertise and knowledge to effectively perform their oversight functions in the best interest of the Bank and shall give sufficient time and attention to their role as Board Members. (QCB Corporate Governance Guidelines, Circular 68/2015 Second Principle Section1/3 and QFMA Corporate Governance Code, Article 9.3).

1.1.6 Role of the Board Chairman

1.1.6.1 The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt of complete and accurate information by the Board Members. (QFMA Corporate Governance Code, Article 8.1)
1.1.6.2 Duties and responsibilities of the Board Chairman, as well as those of the other directors, are as detailed in the Directors’.

1.1.6.3 The Board Chairman may not be a member of the Audit and Compliance, Remuneration, Nomination and Governance Committee nor can he exercise the position of the Chief Executive Officer. (QCB Corporate Governance Guidelines, Circular 68/2015 Fourth Principle Section 1 and QFMA Corporate Governance Code, Articles 7 and 8).

1.1.7 The detailed role and responsibilities of the Board as a whole and its individual Board Members are embedded in the Board of Directors Charter (01-01-CTR-001). This Charter is being published and made available to the public (QFMA Corporate Governance Code, Article 4). Publication shall be enabled via the Bank’s official website.

1.2 Information and Professional Development

1.2.1 Considering the Board’s oversight role in the Bank’s operations, individual Board Members are expected to have a clear grasp of their role in corporate governance and possess the competencies/ qualifications required for their position. Accordingly, the Board shall establish a formal induction programme to familiarise and orient incoming Board Members with their roles and responsibilities and the Bank’s operations.

1.2.2 Ongoing training and development of Board Members shall be implemented to improve governance practices within the Board and to enhance individual Board Members’ skills and knowledge with the end view of aiding them in the satisfactory fulfillment of their role in the Board and Board Committees.

1.2.2.1 The Corporate Affairs Department shall facilitate the conduct of induction training for incoming Board Members as well as regular trainings/ updates for existing Board Members. The Department shall design an induction and training program which shall be updated on a regular basis to cover any recent developments on regulatory requirements, corporate governance, bank operations overview, and industry practices among others.

1.2.3 The Board shall ensure that all Board Members have access to independent professional advice at CB’s expense with the approval of the Board Chairman. However, a majority of non-executive Board Members may obtain consultative advice even without the required approval of the Chairman (QCB Corporate Governance Guidelines, Circular 68/2015 Third Principle Section 1.3 and QFMA Corporate Governance Code, Article 10.2).
Corporate Governance Charter

1.3 Nomination and Appointment of Directors

1.3.1 Appointment of Board Members shall be made according to formal, rigorous and transparent procedures. (QFMA Corporate Governance Code, Article 16.1).

1.3.2 The Board shall constitute a Remuneration, Nomination and Governance Committee 4 non-executive Board Members which shall recommend Board Members’ appointment and re-nomination for election at the General Assembly (QFMA Corporate Governance Code, Article 16.2). Refer to the role and responsibilities of Remuneration, Nomination and Governance of Board Committee’s Charter for detailed discussion.

1.3.3 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, academic qualifications and personality and should be based on the ‘Fit and Proper Guidelines for Nomination of Board Members as per QFMA Corporate Governance Code.’ (QFMA Corporate Governance Code, Article 16.3).

1.3.4 Applicant/ nominees for Board Member position shall meet the following requirements at a minimum (CCL Article 97, AOA Article 21):

1.3.4.1 Shall not be less than 21 years of age;

1.3.4.2 He shall not be convicted of a felony or a crime in breach of honour or trust, or for one of the crimes referred to under Articles 334 and 335 of the CCL or declared bankrupt, unless he has been rehabilitated;

1.3.4.3 He shall hold the number of shares prescribed by the statute of the Bank (0.25% of the Bank’s share capital), to guarantee the rights of the Bank, shareholders and third parties against the responsibilities assumed by the Board Member.

1.3.5 Protocol on Election of Board Members

1.3.5.1 Members of the Board shall be elected for a period of three years, and a director may be re-elected more than once (AOA Article 22 and CCL Article 95).

1.3.5.2 The Board shall elect by secret ballot a Chairman, Deputy Chairman and Managing Director for the full term of the Board. (AOA Article 24).
Corporate Governance Charter

1.3.6 Filling of Vacant Positions

1.3.6.1 Should the post of one Board Member become vacant, he shall be succeeded by whoever attained the most votes of the shareholders who did not gain membership of the Board. If an impediment arises, the one who comes next shall succeed him. The new member shall only continue the term of his predecessor (AOA Article 25).

1.3.6.2 Where the vacant positions reach one quarter of the principal position, the Board shall be obliged to invite the Ordinary General Assembly to convene within a period of two months from the date the last post became vacant, so as to elect the members who shall fill the vacant posts (AOA Article 25).

1.4 Removal from Office of Board Members

1.4.1 The General Assembly may remove from office the Chairman or any of the members of the Board on a proposal passed by the absolute majority of the Board or on an application signed by a number of shareholders holding not less than one quarter of the subscribed capital. In such a case, the Chairman shall call for a meeting of the General Assembly to be convened within ten days from the date of the application for such removal; otherwise the Department of Corporate Affairs shall send the invitations for the meeting (AOA Article 31).

1.4.2 Where a Board Member 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 absenting Board Member shall be deemed to have resigned from the Board (AOA Article 28, CCL Article 105).

1.5 Board Structure and Composition

1.5.1 The Board shall be constituted as per the Bank’s AOA and other pertinent regulatory directives.

1.5.2 The Board shall include 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.

1.5.3 At least one-third of the Board Members shall be independent and a majority shall be non-executive (QCB Corporate Governance Guidelines, Circular 68/2015, Second Principle Section 2.5 and QFMA Corporate Governance Article 9.2).

1.5.3.1 Independent Board Members shall notify the Board as soon as reasonably possible in the event that their circumstances change in any manner that may affect the Board’s evaluation of their independence.
Corporate Governance Charter

1.5.4 The Board shall be composed of nine members. They shall take charge of the management of the Bank and elected by the Ordinary General Assembly through secret ballot (AOA Article 23).

1.5.4.1 The Board number shall be revisited and amended where necessary according to the requirements of the Bank as long as it is still within the number prescribed by relevant laws and regulations.

1.6 Performance Evaluation

1.6.1 A self-assessment process shall be conducted by the Board, through the Remuneration, Nomination and Governance Committee, to annually assess itself and individual member’s performance.

1.6.2 A self-assessment form shall be distributed to each Board Member for their input and discussion.

1.6.3 The Board shall disclose the process and results of the performance evaluation in the Corporate Governance Report.

1.7 General Assembly

1.7.1 The General Assembly shall represent all the shareholders and may not be convened except in the State of Qatar (AOA Article 36). It shall be presided by the Board Chairman, or the Vice Chairman, or by a person delegated by the Board for that purpose.

1.7.2 Three days before the General Assembly meeting is called upon to consider the Bank’s balance sheet and the Directors’ Report, the Board shall make available for perusal by the shareholders a detailed statement to include the following information (AOA Article 35):

1.7.2.1 All amounts received by the Board Chairman and every member of such Board during the financial year by way of remuneration, fees, salaries, Board meeting attendance fees, or money in lieu of expenses together with any amount which any of them has received in his capacity as a technical officer or administrative officer, or in consideration of any technical, administrative or consultative work rendered by him for the Bank.

1.7.2.2 Any benefit in kind enjoyed by the Board Chairman and any member of the Board during the financial year.

1.7.2.3 The Directors’ remuneration proposed to be distributed among the Board Members.
1.7.2.4 The amount allocated for each member of the Board and former members of the Board as salary, reserve or compensation for end of service.

1.7.2.5 Any transaction in which a member of the Board or a manager has had an interest in conflict with the interest of the Bank.

1.7.2.6 Amounts actually spent on any form of advertisement with details for every amount.

1.7.2.7 Donations, stating the details of the recipient and reason for such donations.

A report from the Bank’s Auditor stating that loans, credit facilities and securities that may have been granted to the Chairman and members of the Board during the financial year were made without violation of Article (110) of the CCL must be attached to these statements. The report shall be signed by the Chairman and one member of the Board. The Chairman and members of the Board shall be responsible for the implementation of these provisions, and for the accuracy of the statement in all the documents that are required to be prepared (AOA Article 35).

1.7.3 Refer to the Corporate Affairs Policies Manual (01-01-POL-002) for a detailed discussion on the protocols observed in the General Assembly.

**Related Documentation**

- QCB Corporate Governance Guidelines
- QFMA Corporate Governance Code
- CCL
- AOA
- Board of Directors Charter (01-01-CTR-001)
- Directors’ Job Descriptions (Board Committees’ Charter (01-01-CTR-003)
- Corporate Affairs Policies Manual (01-01-POL-002)
2 Board Supervision

Purpose
The purpose of this Section is to define the responsibilities and functions that the Board may delegate to its committees, within the boundaries of applicable corporate governance regulatory provisions, with respect to the Board and Committee's oversight with respect to Bank governance and operations. It also captures Board's supervisory responsibility with respect to the Bank's subsidiaries and affiliates.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary's Board shall oversee the activities/operations and plans of the concerned subsidiary and CB's representatives in the said subsidiary Board shall report on the same to the CB's Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
2.1 Board Committees

2.1.1 Board Committees are established in order to carry out some of the Board’s function. (QCB Corporate Governance Guidelines, Circular 68/2015 Fourth Principle; QFMA Corporate Governance Code, Article 5.3)

2.1.2 The Bank shall constitute following key committees in line with relevant corporate governance regulatory requirements and taking into consideration business exigencies:

2.1.2.1 Board Executive Committee
Corporate Governance Charter

a. The Committee usually handles matters, specifically evaluating and granting credit facilities within authorized limits as per QCB and Board guidelines.

b. The Committee is responsible for the review of the Bank’s strategies, business plans and budgets. It is also tasked with the review and approval of the Bank-wide policies.

2.1.2.2 Board Audit and Compliance Committee

a. The Committee is responsible in assisting the Board fulfill its responsibility to oversee the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Bank.

b. All members of the Audit Committee should be independent and have knowledge in finance and accounting.

c. The Chairman should be a financial or accounting specialist.

2.1.2.3 Board Risk Committee

a. The Committee sets forth risk policies, criteria and control mechanism for all activities involving all types of risks but not restricted to Business, Credit, Market, Operational, Legal and Reputational risks.

b. Provide Oversight Management of Business Continuity.

2.1.2.4 Board Remuneration, Nomination and Governance Committee

a. The Committee evaluates and makes recommendations concerning candidates for membership to the Board. It facilitates and/ or provides an assessment of the effectiveness of Board and directs the process of renewing and replacing Board Members.

b. The Committee is responsible in evaluating the compensation and remuneration of the members of the Board, management and staff with regard to the long-term objectives of the Bank.

c. The Committee will present the Bank’s remuneration framework to the full Board, subject to further approval by the shareholders in the General Assembly.
d The Committee is also responsible to ensure that the Bank adopts and implements governance practices in line with the relevant regulatory requirements and leading practices.

2.1.3 Board Committees shall have individual formal Charters. These Committee Charters, including corresponding Committee duties and authorities are determined by the Board itself. These Charters shall capture the following key components at a minimum:

2.1.3.1 Roles and responsibilities
   a The Committee Charters shall capture the responsibilities and delegated authority of the Committee.

2.1.3.2 Membership and composition
   a Committee Charters shall reflect the minimum required composition, including specific member qualifications.
   b Committee membership and composition shall comply with the relevant applicable regulatory requirements.

2.1.3.3 Meetings and organisation
   a The Charters shall include frequency and venue of meetings, voting protocol, quorum requirements, and necessary meeting materials, among others.

2.1.3.4 Reporting protocol
   a The Committees shall, with full transparency, inform the Board of their performance and the decisions made. The Board shall report about its committees to the General Assembly in the Annual Report. (QCB Corporate Governance Guidelines, Circular 68/2015 Third Principle Section 1.1 and 1.2)

2.2 Board Responsibilities towards the Bank’s Subsidiaries and Associates

2.2.1 CB’s Board shall assign representatives to sit in the Board of its subsidiaries. These CB representatives shall regularly report on the activities/operations and plans of the subsidiary, including decisions taken, to CB’s Board.
Corporate Governance Charter

Related Documentation

- QCB Corporate Governance Guidelines
- QFMA Corporate Governance Code
- AOA
- Human Capital Policies Manual (12-01-POL-001)
3 Management Supervision

Purpose
The purpose of this Section is to define the framework for the Board to exercise its supervisory and oversight role/ function over the Bank’s day-to-day operations.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/ operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
3.1 General

3.1.1 The Board may delegate the responsibility of day-to-day operations to the Executive Management, but the Board remains accountable for making sure 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.

3.1.2 The Board shall supervise CB’s operations to ensure implementation of sound planning, effective governance of the business through comprehensive policies and procedures, and effective administration of operations by the Executive Management.
Corporate Governance Charter

3.1.3 The Board must determine if the Executive Management is capable of meeting the new challenges of growth and increased complexity. The Board must also determine the effectiveness of current methods and take steps to change and improve systems when necessary.

3.1.4 The Board will monitor the development of CB's Vision, Mission, Strategy Plan, Policies, Code of Ethics, Internal Control Structure, DOA, and Organisational Structure, and will review and approve these.

3.1.5 The Board must demand continual and accurate information from the Executive Management and Bank sources to properly monitor operations and assist in making sound business decisions.

3.2 Delegation of Authority (DOA)

3.2.1 The Board has vested power to delegate authority to the Bank’s Executive Management; however such delegation shall not absolve the Board from any responsibility and accountability for such delegated authorities.

3.2.2 The Board shall define the authorities that may be cascaded/ delegated to Executive Management and authorities that shall remain with the Board or its Committees. In delegating authorities to Executive Management, regulatory requirements as well as the Board’s fiduciary and statutory responsibilities to the Bank and its stakeholders shall be taken into consideration.

3.2.3 The Board may restrict or expand the scope of the authorities delegated, in accordance with the regulations, to levels below the Executive Management.

3.3 Organisational Structure Development

3.3.1 The Board will oversee the development of and will approve the Bank's organisational structure.

3.3.1.1 Lines of authority will run from the shareholders through the Board, headed by the Chairman to the Executive Management.

3.3.1.2 Lines of authority will also flow from the Board to the Board/ Steering Committee of related entities which then flow to the Executive Management and each employee or any authorised personnel/ staff.

3.3.2 Further discussion on organisational structure/ chart is detailed in the Bank's Human Capital Policies Manual (12-01-POL-001).
3.4 Service Level Agreements

3.4.1 Service Level Agreements (SLA) are formal written agreements signed between two parties within CB or between CB and an external service provider.

3.4.2 SLAs provide the mechanism/ process for the provision of the services covered under the agreement. It details the specific roles/ responsibilities and rights/ obligations of the two parties with respect to the services covered by the SLA along with specific performance measurement criteria.

3.4.3 Both the service provider and service receiver shall have in place a monitoring mechanism to ensure proper control/ conduct of the functions/ activities covered by the SLAs.

3.4.4 Upon reviewing and agreeing on the contents, the SLA shall be finalised and signed by the respective authorised signatories of the service provider and the service receiver. For SLAs entered into with an external service provider, the referenced SLA shall be reviewed by the Legal Officer/ Service Provider to safeguard CB’s interest.

3.4.5 The SLA provisions could include, but not be limited to the following:

3.4.5.1 Service/ activity description with a clear definition of the objective, scope, expected results, and the turn-around-time (TAT);

3.4.5.2 Nature of the services to be performed and the time during which the services are to be provided;

3.4.5.3 Roles/ responsibilities and rights/ obligations of each party to the SLA;

3.4.5.4 The issue escalation and resolution process along with the related decision making procedures;

3.4.5.5 Risk assessment and mitigation strategy for intellectual property, business continuity/ disaster recovery, confidentiality, security, reliance, external customer impact, ownership of material/reports/brand;

3.4.5.6 Performance level indicators, the monitoring/ reporting process and the specific measurement criteria;

3.4.5.7 If applicable, a statement of incentive/ penalty provisions for exceeding or falling below the pre-agreed service levels; and

3.4.5.8 The implementation strategy and related accountabilities.
Corporate Governance Charter

Related Documentation

- AOA
- CCL
- QCB Corporate Governance Guidelines
- QFMA Corporate Governance Code
4 Succession Planning

Purpose
The purpose of this Section is to formalise the Bank's succession planning framework.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary's Board shall oversee the activities/operations and plans of the concerned subsidiary and CB's representatives in the said subsidiary Board shall report on the same to the CB's Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB's Delegation of Authorities.

Section

4.1 The Board shall ensure that a succession plan is in place for the Board Members and CEO and other senior executives.

4.1.1 The Board has designated the Board Executive Committee to review and approve the Bank's succession plan for Executive Management.

4.2 Chain of Command

4.2.1 Should the Chairman be unable to carry out his duties due to an emergency situation, the duties of the Chairman will be assumed by the Vice Chairman or another Board Member designated by the Board on a temporary basis until such time that a new Chairman is elected.
4.2.2 Should the CEO be absent or unable to carry out his duties due to an emergency situation, the duties of the CEO will be assumed by the Deputy Chief Executive Officer (DCEO).

4.2.3 The shall continue to serve in the capacity of Acting CEO until:

4.2.3.1 The CEO is back to resume his duties;

4.2.3.2 A new CEO is appointed by the Board; or

4.2.3.3 A majority vote by the Board determines that the individual/ acting CEO cannot adequately perform the necessary duties.

4.2.4 Should the Deputy CEO be absent or unable to carry out his duties due to an emergency situation, the duties of the Deputy CEO will be assumed by a member of the Management Executive Committee.

4.2.5 The member of the Management Executive Committee shall continue to serve in the capacity of Acting CEO until:

4.2.5.1 The CEO is back to resume his duties;

4.2.5.2 A new CEO is appointed by the Board; or

4.2.5.3 A majority vote by the Board determines that the individual/ acting CEO cannot adequately perform the necessary duties.

4.3 Reporting/ Disclosure

4.3.1 Any changes to the Board shall be reported immediately to the Ministry of Economy and Commerce (CCL Article 2).

4.3.2 Written notification of the change shall be forwarded to the appropriate individuals, groups, or companies as determined by the Board.

4.4 Refer to Human Capital Policies Manual (12-01-POL-001) for further discussion on the Bank’s succession planning framework.

Related Documentation
Corporate Governance Charter

- AOA
- CCL
- Human Capital Policies Manual (12-01-POL-001)
5 Remuneration for Board Members, Management and Staff

Purpose
The purpose of the section is to set the Bank’s remuneration framework for its Board Members, management and staff.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
5.1 General

5.1.1 The Board of Directors shall approve specific policies/standards providing principles and guidelines upon which the incentives and compensations to be paid to the Board, Executive Management and staff of all levels are to be based. (QCB Circular 18/2014)

5.1.2 The Board of Directors shall oversee the system and practices for determining and paying compensation. Relevant Board Members and employees, who are tasked to oversee the compensation process, must have independence and expertise in risk management and assessment of compensation and incentives. (QCB Circular 75/2011).

5.1.3 Board of Directors must monitor and review the compensation system to ensure that the system operates as intended and in compliance with the approved policy and procedures. The Board of Directors shall regularly evaluate and measure
risks involved in determining and paying incentives and compensations and review the policy and the system accordingly. (QCB, Circular 75/2011).

5.2 Guidelines for Board Remuneration

5.2.1 Levels of remuneration shall be sufficient to attract, retain and motivate qualified directors, but the Bank shall avoid paying more than is necessary for this purpose.

5.2.2 Board Members’ remuneration shall be in accordance with the remuneration framework established in accordance with QCB Circular No. 18/2014 and in compliance with the CCL (Law 11 of 2015), QFMA Corporate Governance Code and the AOA. This remuneration framework shall be presented to the shareholders in the General Assembly for approval and shall be made public. (QFMA Corporate Governance Code, Article 17.4 and QCB Corporate Governance Guidelines, Circular 68/2015, Ninth Principle Section 5.9)

5.2.3 Remuneration shall take into account the responsibilities and scope of the functions of the Board Members as well as the performance of the Bank. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Bank. (QCB Corporate Governance Guidelines, Circular 68/2015, Ninth Principle Section 5.5; QFMA Corporate Governance Code, Article 17.5).

5.2.4 No Board Member shall participate in the setting of his own remuneration and shall not participate in the Board meeting or deliberations called for such purpose.

5.2.5 In accordance with QCB Circular 18/2014; AOA

5.2.5.1 the maximum annual remuneration of the Chairman of the Board: QAR2,000,000

5.2.5.2 the maximum annual remuneration of the Director of the Board: QAR1,500,000

5.2.5.3 The Board shall be paid if the Bank achieves net and after deduction of depreciation, transfers to reserves and distribute dividend payment equivalent to 5% of the paid-up capital of the Bank.

5.2.5.4 Any compensations or payments received by the Board Chairman or Director during the year shall be deducted from the above amounts

5.2.5.5 Such remuneration shall only be paid upon obtaining Qatar Central Bank’s approval.
5.2.6 Annual remuneration received by the Board shall not exceed 5% of the bank’s annual net profits set as per the Articles of Association upon deducting the decline in value and the amounts transferred to the reserve and paying the dividends at 5% of the bank’s paid-up capital (CCL No. 11 of 2015).

5.2.6.1 Remunerations shall be equally distributed to Board Members.

5.2.6.2 The amounts of these remunerations shall be set annually by the General Assembly, taking into consideration the bank’s profitability level.

5.2.7 The Board shall report at the Annual General Assembly Meeting all remuneration, salaries, fees (if any, including Board meeting attendance fees), wages, amounts received in their capacity or other material advantages received for work that is performed in accordance with the CCL and QCB instructions.

5.2.7.1 In accordance with Article 122 of CCL, the following remuneration disclosures should be reported to shareholders prior to the General Assembly meeting:

a All the amounts obtained by the Chairman and every member of the Board in the fiscal year including the salaries, wages, allowances, bonuses for attending the meetings and compensation for expenses, employment and consulting services;

b Benefits in kind enjoyed by the Chairman and each Board Member during the fiscal year;

c Bonuses suggested for distribution to the Board Members; and

d Amounts allotted for current and prior Board Member as pensions or compensation for termination/expiry of member’s service.

5.3 Guidelines for Executive Management Remuneration

5.3.1 The Board of Directors shall develop CB’s Executive Management compensation structures, ensuring that these programs are competitive relative to the market, reward performance that contributes to the Bank’s growth and profitability and are consistent with CB strategy.

5.3.2 The Board of Directors shall determine any incentive plans for the Executive Management including incentive and equity based compensation.
5.3.3 The Board of Directors shall determine the compensations upon termination of the contracts of the executive board members before the expiry of the contract.

5.3.4 Refer to Human Capital Policies Manual (12-01-POL-001) for further discussion on the Bank’s policy in setting of compensation and benefits to employees/staff.

Related Documentation

- AOA
- CCL
- QFMA Corporate Governance Code
- QCB Instructions
- QCB Circular 75/2011
- QCB Circular 18/2014
- QCB Circular 68/2015
- Human Capital Policies Manual (12-01-POL-001)
6 Governance Compliance and Reporting

Purpose
The purpose of this section is to define the Bank’s compliance and reporting framework for corporate governance.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/ operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section

6.1 Governance Compliance

6.1.1 The Board shall ensure that the Bank complies with the principles set out in this Section and the applicable regulatory corporate governance guidelines. The Board shall also review and update its corporate governance practices, and regularly review the same (QCB Corporate Governance Guidelines, Circular 68/2015, Eight Principle Section 1 and QFMA Corporate Governance Code, Article 3). CB’s Board has a strong commitment in ensuring compliance with the applicable regulations and guidelines, as detailed below:

6.1.2 Corporate Governance Code for Companies Listed in Markets Regulated by QFMA:

6.1.2.1 The Code has been developed for joint stock companies listed on any stock market that is subject to the regulation of QFMA. The Code comprises of principles and practices aimed towards improving the quality of governance especially at the Board level.
6.1.2.2 The Code has been drafted taking into account international best practices for corporate governance, including but not limited to those developed by the Organisation for Economic Cooperation and Development (OECD), Bank for International Settlements (BIS), International Corporate Governance Network (ICGN) and the Institute of International Finance (IIF), and adapting those provisions to the local conditions of the State of Qatar and Qatar’s existing CCL and Stock Market Regulations.

6.1.2.3 As a listed company on the Qatar Exchange (QE), CB must annually disclose the extent of its compliance to the Code. Where there is non-compliance with any provision of the Code, adequate justification/explanation on the rationale behind the non-compliance must be provided.

6.1.3 QCB Corporate Governance Guidelines for Banks and Financial Institutions

6.1.3.1 The QCB Corporate Governance Guidelines are part of QCB’s continuous efforts to develop the regulatory tools to cope with the best international governance standards. These are geared towards achieving financial and banking stability, mitigating business risks and maintaining acceptable capital adequacy ratio, in accordance with QCB Law 33 of 2006 and other related laws. These guidelines have been drafted, in order to explain the rules and standards on corporate governance to be compiled, taking into account the international standards.

6.1.3.2 CB shall comply with these guidelines and implement the policies according to their requirements. It is, however, recognised by CB and QCB that “in some instances, certain requirements in the Guidelines may not be applicable for all banks and all financial institutions. In such circumstances, the bank or financial institution will be subject to the “comply or explain” principle”.

6.1.4 Other Guidelines

6.1.4.1 Basel Committee on Banking Supervision published guidance on corporate governance in 1999 for the adoption of sound corporate governance practices in banks and financial institutions (revised in February 2006).

6.1.4.2 The OECD has given the intellectual lead in evolving a set of principles of corporate governance in June 1999 (revised in February 2006). The OECD Principles of Corporate Governance have been accepted as an international benchmark.
Corporate Governance Charter

6.2 Governance Reporting

6.2.1 The Board shall promote proactive and transparent disclosure and engagement with the Bank’s stakeholders on matters significantly affecting the Bank.

6.2.2 CB must comply with all disclosure requirements including financial reporting as well as disclosing shareholdings of Board Members, senior executives and major or controlling shareholders. CB must also disclose information about its Board Members including notably a resume of each member describing his respective education, profession, and other Board seats that they may hold (if any). Names of the members of various Committees constituted by the Board, along with the composition of the committee, shall also be disclosed (QCB Corporate Governance Guidelines, Circular 68/2015, Eleventh Principle and QFMA Corporate Governance Code, Article 21.1).

6.2.3 The Board shall ensure that all disclosure made by CB provides accurate and true information which is not misleading (QCB Corporate Governance Guidelines, Circular 68/2015, Eleventh Principle and QFMA Corporate Governance Code, Article 21.2).

6.2.4 Annual Report (QCB Corporate Governance Guidelines, Circular 68/2015 Eleventh Principle 6)

6.2.4.1 The Board shall provide an Annual Report to the shareholders. The Annual Report shall contain at a minimum the following elements:

a. The financial statement of the Bank for the financial year;

b. The description of the applied accounting standards; the standards must guarantee a true and fair view of the Bank;

c. The compliance and risk policy, including the foreseeable risk factors;

d. The organisational structure of the Bank including the committees set up within the Board, the mandate assigned to them, their members and their working procedures;

e. A full list of the members of the Board, providing information on their education, experience and information about their membership in any other banks, financial institutions or companies also stating their status (e.g. independent, non-executive member, etc.);
f A full list of the members of Executive Management, providing information on their education, experience and affiliations;

g A report on the total remuneration for the members of the Board and the members of executive management;

h The policy on promotions of the Board and the members of executive management;

i The policy/ charter concerning the corporate governance of the Bank;

j The ownership structure of the Bank, including major shareholders;

k Plans, objectives and strategies of the Bank;

l The annual report of the external auditor on financial data, the present and future risks, the effectiveness of internal auditing and the performance of the Board and executive management;

m Any penalty, fine or punishment imposed on the Bank by the QCB or any other supervisory, organisational or legal authority;

n Material issues regarding its stakeholders; and

o A report on the social environmental policies and those related to professional health and other issues.

6.2.4.2 The Annual Report must be made available to anyone interested.

6.2.5 QFMA Corporate Governance Report

6.2.5.1 CB shall prepare an Annual Corporate Governance Report signed by the Chairman. This report shall include the Board’s assessment of CB’s compliance with the provisions of QFMA Corporate Governance Code. This report shall be submitted to the QFMA on an annual basis and whenever required by the authority. The Corporate Governance Report shall be published and shall include all information related to the application of the Code. (QFMA Corporate Governance Code, Article 31)
6.2.5.1.1 The report shall be published on the Bank’s website at least one month before the annual General Assembly.

6.2.5.2 The Corporate Affairs Department shall take a lead role in the preparation of the Annual Corporate Governance Report in coordination with related business units.

6.3 Refer to the Corporate Affairs Policies Manual (01-01-POL-002) for further details relating to governance compliance and reporting.

**Related Documentation**

- AOA
- CCL
- QFMA Corporate Governance Code
- QCB Corporate Governance Guidelines
- Corporate Affairs Policies Manual (01-01-POL-002)
- Compliance Policies Manual (06-02-POL-001)
7 Transactions with Related Party/ Subsidiaries and Associates

Purpose
The purpose of this section is to define the guidelines that the Bank should observe in entering into transactions with related party/subsidiaries and associates.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries and associates, the relevant associate/subsidiary’s Board to oversee the activities/operations and plans of the concerned subsidiary/associate and CB’s representatives in the said subsidiary/associate Board shall report on the same to the CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
7.1 Definition and Nature

7.1.1 As per QFMA, a person/entity is considered to be a related party to CB if he/it:

1. Is a member of the CB Board or an affiliated bank;
2. Is a member of Senior Executive Management of CB or an affiliated bank;

1 Definition of Affiliated Company in QFMA Corporate Governance Code for Joint-Stock Companies Listed on the Main Market: Company controlling another company, controlled by another company, participating with another company as they are both controlled by another company or linked by contract of cooperation, partnership or coordination with another company.
3. Owns 5% or more of the shares in CB or any of its affiliated banks;

4. Is a relative or partner of any of the persons mentioned above;

5. Projects and enterprises in common with another party.

6. Companies controlled by members of the Board of Directors or Senior Management and their relatives.

7.1.2 For accounting purposes, the International Accounting Standard (IAS) 24 Related Party Disclosures, defines related party as:

7.1.2.1 Directly, or indirectly through one or more intermediaries, the party:
   a Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and associates);

   b Has an interest in the entity that gives it significant influence over the entity; or

   c Has joint control over the entity.

7.1.2.2 Is an associate (as defined in IAS 28 Investments in Associates) of the entity;

7.1.2.3 Is a joint venture, where the entity is one of the participants (see IAS 31 Interests in Joint Ventures);

7.1.2.4 Is a member of the key Management personnel of the entity or its parent;

7.1.2.5 Is a close member of the family of any individual referred to in 7.1.2.1 or 7.1.2.4.

7.1.2.6 Is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in 7.1.2.4 or 7.1.2.5; or

7.1.2.7 Is a post-employment benefit plan for the benefit of employee and/or service providers or of any entity that is a related party of the entity.

7.1.3 IAS 24 Related Party Disclosures further defines “close members of the family of an individual” as those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include:
Corporate Governance Charter

7.1.3.1 The individual's spouse/s and children;
7.1.3.2 Children of the individual's spouse/s; and
7.1.3.3 Dependents of the individual or the individual's spouse/s.

7.2 The following summarises the general and specific goals that pertain to related party transactions:

7.2.1 General Goals

7.2.1.1 The Board shall ensure that all transactions with, or for the benefit of, any related party are on terms and conditions that are acceptable and within safe and sound practices it has set.

7.2.1.2 The Board shall also ensure that a transparent process is in place with adequate disclosure of related party transactions to shareholders.
   a The Board shall approve guidelines used in defining types of related party transactions, adequacy of documentation, and to decide on appropriate levels of approval authority.

7.2.2 Specific Goals

7.2.2.1 Specific documentation or detailed agreements covering recurring and nonrecurring related party/affiliate transactions shall be required.

7.2.2.2 Related party transactions shall be handled at fair market value and properly collateralised, if required.

7.2.2.3 Management fees between related party/affiliates (if any) will be paid on a timely basis, calculated in a consistent and uniform manner, and be based on:
   a Reimbursement of cost;
   b Cost plus a reasonable profit (limited to certain types of transactions);
   c Fair market value;
   d Overall expense of inter-affiliate services, transactions, etc.; and
7.3 Authority

7.3.1 Transactions with related parties require the prior review and endorsement of the Board.

7.3.1.1 The Board shall meet and discuss the status of related party/affiliate transactions and any related issues.

7.3.1.2 A summary report will be provided to the General Assembly for review and approval.

7.3.1.3 Material related party transactions shall be approved by the General Assembly of the company (QFMA Corporate Governance Code, Article 13.1)

7.3.2 In considering the approval of a related party transaction, a legitimate business case must be developed including the arm’s length nature of the proposed transaction and the disclosure implications of such a transaction in CB’s financial statements.

7.4 Risk Management and Compliance

7.4.1 The Executive Management, working with the Board and Risk SBU in addressing related party transaction activities, must have an awareness of various or different types of risks resulting from such activities, such as compliance risk and reputation risk.

7.4.2 Failure to adequately plan and manage related party transactions may result in problematic situations with regulatory bodies, and therefore, may impact the Bank’s ability to grow or compete both in the short-term and long-term.

7.5 Documentation and Reporting of Related Party Transactions

7.5.1 In the event that a related party transaction is contemplated, the transaction shall immediately be documented according to standards set in Section 7.6.2 and will be raised to the Board for review and endorsement to the General Assembly. Details of the proposed transaction to be discussed include:

7.5.1.1 The identification of the related party and the affiliation to CB;

7.5.1.2 The nature of the proposed transaction and the estimated value of the transaction;
7.5.1.3 Supporting evidence to support the arm's length nature of the proposed transaction including the terms and manner of settlement had the parties not been related; and

7.5.1.4 The anticipated impact on CB’s financial statements and disclosure.

7.5.2 Related documentation on related party/affiliate-covered transactions shall include the following, at a minimum:

7.5.2.1 Date of transaction;

7.5.2.2 Description of transaction;

7.5.2.3 Detail of method(s) used to calculate value of transaction;

7.5.2.4 Frequency of charges, if recurring;

7.5.2.5 Date of approvals; and

7.5.2.6 Information regarding cost justifications, appraisals, etc., used in arriving at the value of the transaction.

7.5.3 These related party transactions shall be disclosed in the Bank’s Annual Report.

7.6 Board Member Related Party Transactions

7.6.1 The Chairman or Board Member shall not have a direct or indirect interest in the contracts, projects, undertakings made on account of CB. (CCL Article 109)

7.6.2 Public contracting works and tenders in which all the competitors are allowed to participate equally are exempted from the above prohibition subject to the relationship or transactions being approved by the Board and General Assembly, respectively.

7.6.2.1 The approval needs to be renewed if the relationships are of a recurring nature.

7.6.2.2 In all cases, the individual who has interest thereof should not participate in the meetings or deliberations of the Board and General Assembly where the referred matter is discussed.
Corporate Governance Charter

7.6.3 Such related party transaction shall be made at market prices, on arms’ length basis and shall not involve terms contrary to the interest of the Bank. These transactions shall be disclosed in the Bank’s Annual Report and specifically referred to in the General Assembly following such commercial transaction.

7.7 Accounting Implications

7.7.1 The existence of related party transactions may have a significant effect on the Bank’s financial statements. Accordingly, it is required that the Bank discloses significant related party relationships and transactions in the Bank’s financial statements. This disclosure is considered significant because it provides the user of the financial statements with relevant information to interpret CB’s operating results.

7.8 Management Fees

7.8.1 Management fees paid between subsidiaries/ affiliates for services performed generally include management advice, personnel services, data processing, marketing, supply administration, strategic assistance, accounting and financial services and audit services. If fees are to be assessed, an affiliate must provide a specific, identifiable service.

7.8.2 A management fee is intended to offset the actual or proportionate expense incurred by the affiliate performing, or paying for, the service. Fees charged should be reasonable and justifiable and should be based on the fair market value of services provided. Where there is no market established for a particular service, management fees are based on the actual cost plus a reasonable profit.

7.8.3 Fees for services shall be billed and paid as they are received, just as they would be with an unaffiliated service provider. Prepayments shall not be made significantly in advance of services rendered. However, for those services provided on a continually recurring basis, monthly installments of management fees payable by affiliates are based on each entity’s estimated annual management fee. Each monthly installment represents one-twelfth of the estimated annual management fee for the year. After actual expenses for the year are determined, the management fee is reallocated and settled in the appropriate fiscal year.

7.8.4 Where an affiliate (such as the parent company) is providing specific services to another affiliate on an ongoing basis, an agreement between the entities should be entered detailing the services provided, fees charged and how they were calculated, and the timing of payments. Management of each entity is responsible for ensuring that basic business principles common to an arm’s length transaction are applied and that the actual practice between affiliates and the management fee agreement are consistent.
7.8.5 A management fee agreement shall be signed by an authorised representative of each participating affiliate and, at a minimum, shall include:

7.8.5.1 A description of the specific services to be performed;
7.8.5.2 The method of calculating the management fee for each service;
7.8.5.3 The method and timing of payment for the services performed; and
7.8.5.4 Provisions for any instances of reimbursement between affiliates.

7.9 Special Cost Allocation Considerations

7.9.1 In certain instances, costs or expenses for a series of transactions are not readily identifiable for each participating affiliate. Accordingly, methods for allocating costs shall be developed to provide reasonable compensation for respective transactions.

7.9.2 Allocation methods are based on a best estimate of cost per transaction, or on volume or asset size, among others, which represents a reasonable allocation of expense. Costs cannot be assessed on an unreasonable assignment such as the ability to pay.

7.10 Compliance

7.10.1 CB Board Members, Executive Management and employees shall disclose any possible related party transactions as soon as they are made aware of the same. Refer to Section 10: Conflict of Interest for further details.

7.10.2 Non-compliance to related party requirements of the QFMA shall be disclosed in the Bank’s Corporate Governance Report.

Related Documentation

- AOA
- CCL
- QFMA Corporate Governance Code
8 External Audit

Purpose
The purpose of this section is to set out the protocols to be followed in availing and appointing External Auditors and the Board’s oversight over the conduct and results of their work.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section

8.1 Roles and Services to be Provided by External Auditors

8.1.1 An External Auditor who is independent and qualified shall undertake quarterly and annually independent audit of the Bank, the purpose of which is to provide objective assurance to the Board and shareholders that the financial statements are prepared in accordance with regulatory requirements and international financial reporting standards and accurately represent the financial position of the Bank.

8.1.2 The role of the External Auditor as per Article 145 of CCL shall include the following:

8.1.2.1 Review the controls on CB’s business;
8.1.2.2 Verify accounts in accordance with approved auditing principles, professional requirement, and scientific and technical principles;

8.1.2.3 Inspect the balance sheet and profit and loss accounts;

8.1.2.4 Verify the application of the law and statutes of CB;

8.1.2.5 Inspect the financial and administrative systems of the Bank and the internal financial control systems, confirming the suitability of systems for the smooth running of the Bank and the maintenance of its properties;

8.1.2.6 Verify the assets of the Bank and its ownership and confirm the legality and authenticity of the liabilities of Cb;

8.1.2.7 Review the decisions of the Board and the instructions issued by the Bank; and

8.1.2.8 Any other duties to be performed by the External Auditor under the CCL, related regulations and the principles followed in auditing.

8.1.3 The External Auditor must attend the General Assembly to deliver annual financials and answer any shareholder queries. (QFMA Corporate Governance Code, Article 20.3)

8.1.4 The External Auditor is not allowed to:

8.1.4.1 Participate in the establishment of the Bank (CCL Article 143);

8.1.4.2 Participate or be a member of the CB Board (CCL Article 143);

8.1.4.3 Undertake any technical or administrative or consultative duty in the Bank (CCL Article 143);

8.1.4.4 Be a partner or agent or employee with any of CB’s founders or any Board Member or their relatives up to fourth grade (CCL Article 143); or

8.1.4.5 Render audit services to the Bank if a member of Executive Management was previously employed by the auditor or participated in the audit of the Bank in any capacity during the year prior to the date of the initiation of the audit.
Corporate Governance Charter

8.1.5 The External Auditor may not be contracted to provide advice or other services other than carrying out the audit of the Bank (QFMA Corporate Governance Code, Article 20.2).

8.1.5.1 It is the Bank’s policy that consultancy and non-audit services shall only be awarded to the Bank’s External Auditor under strict controls and endorsement of the Board Audit and Compliance Committee and approval of the Board.

8.1.6 The External Auditor is responsible for notifying QFMA and other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditor (QFMA Corporate Governance Code Article 20.4).

8.2 Appointment and Rotation Policy

8.2.1 Appointment of the Bank’s external auditor, including remuneration/fees, shall be made by the General Assembly upon proposal of the Board (through the Board Audit and Compliance Committee) and in consultation with QCB. (QCB Corporate Governance Guidelines, Circular 68/2015 First Principle Section 2.9; QFMA Corporate Governance Code, Section 20.1)

8.2.2 The primary emphasis in choosing an audit firm should be based on demonstrated experience, quality and depth of knowledge of all audit personnel to be assigned to the audit, specific industry expertise, the scope of work to be performed, and any inspection reports available about the audit firm.

8.2.3 Cb’s external auditor rotation policy shall be in line with the provisions set forth in the AOA and in compliance with QCB.

8.3 Board Audit and Compliance Committee Oversight on External Auditors

8.3.1 The External Auditor shall report directly to the Board Audit and Compliance Committee.

8.3.2 The Board Audit and Compliance Committee shall examine the External Auditor’s policies and practices with regard to the external audit process, to ensure compliance with relevant legislation and governance leading practices.

8.3.2.1 The Board Audit and Compliance Committee shall annually review the independence and objectivity of the External Auditor.

8.3.3 The Board Audit and Compliance Committee is responsible for making recommendations on the appointment, compensation, retention, and oversight of the Bank’s External Auditors to the Board. Any recommendations on the above, particularly as regards appointment and remuneration, shall be approved by the General Assembly (CCL, Article 141).
8.3.3.1 Any conflicts between the Board Audit and Compliance Committee and Board on the appointment/reappointment of the External Auditor shall be noted in the Annual Corporate Governance Report.

8.3.4 The Board Audit and Compliance Committee shall discuss the audited annual financial statements and quarterly financial statements with Management and the External Auditor. Additionally, the Board Audit and Compliance Committee is responsible for the resolution of any disagreement between Management and the External Auditor regarding financial reporting that may arise in the conduct of issuing an audit report or related work.

8.3.5 The Board Audit and Compliance Committee will ensure that the External Auditor participates in sessions of the Committee to build trust and provide a forum for issues of concern to be raised.

8.3.5.1 Meetings with the External Auditor shall be held as a matter of course and shall include, at a minimum, the engagement partner and other key members of the audit engagement team.

8.3.5.2 Discussions with the External Auditor may include concerns about Management and the internal auditors and other matters that the External Auditors may wish to discuss.

**Related Documentation**

- AOA
- CCL
- QFMA Corporate Governance Code
- QCB Corporate Governance Guidelines
9 Confidentiality

Purpose
The purpose of this section is to define the principles and guidelines required in order to maintain/preserve confidentiality of the Bank’s information.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
9.1 General

9.1.1 CB prohibits the public disclosure of confidential Bank information. Confidential information may include, but is not limited to, any of the following:

9.1.1.1 Expected financial results/forecasts and projections;
9.1.1.2 Technical data not published previously;
9.1.1.3 New announcements of significant investments, projects, divestures, restructuring etc.;
9.1.1.4 Marketing strategies/campaigns;
9.1.1.5 New or extensions to key contracts;
9.1.1.6 Personnel information/salaries;
9.1.1.7 Changes in dividend policy;
9.1.1.8 Significant litigation exposure; and
9.1.1.9 New equity or debt offerings

9.1.2 All Board Members and employees must acknowledge that all information concerning CB or its subsidiaries, customers, and personal information is considered confidential and is to be used for CB’s purposes only.

9.1.2.1 Use of confidential information for other than CB’s business purposes may result in disclosure of insider information. Insider information is considered as one situation where conflict of interest should be avoided. Refer to Section 10: Conflict of Interest for a detailed discussion.

9.1.3 Information regarding any business conducted cannot be disclosed to outside individuals (unless authorised by CB or its customers, etc.) and may not be used for personal gain. The use of such information for personal or other gain is unethical under CB’s policy.

9.1.4 In addition, all published information (both for internal and external use), developed programs, manuals, equipment, etc. are the property of CB and are reserved for use by employees of CB. Use of this material for any other purpose may constitute copyright infringement and theft.

9.2 Classification of Confidential Information

9.2.1 CB has established the following classification of confidential information as per the Information Security Management Policy, item 4.2.2.:

9.2.1.1 CB Confidential: Internal Use Only

Information with this classification is not highly sensitive and can be distributed within CB without restrictions.
• Information Handling criteria
  o Secure Processing
  o Storage
  o Transmission
  o Disposal
  o Destruction
  o Chain of Custody
  o Logging

9.2.1.2  CB Confidential: Need-to-Know

This information is more sensitive in nature than “Internal Use Only” documents. Its dissemination is limited to employee and/or service providers who need the information to perform their work. Information in this category may include new project details and personnel information.

• Information Handling criteria
  o Secure Processing
  o Storage
  o Transmission
  o Disposal
  o Destruction
  o Chain of Custody
9.2.1.3  **CB Confidential: Registered**

This is the most sensitive type of information. Registered documents must be numbered and each copy assigned to a specific recipient. These documents must be kept in a secure place at all times and shall not be duplicated, except by their originator and with adequate internal approval. Information in this category may include financial forecasts, expansion plans, acquisitions, mergers and other contracts.

- **Information Handling criteria**
  - Secure Processing
  - Storage
  - Transmission
  - Disposal
  - Destruction
  - Chain of Custody
  - Logging

9.3  **Conduct of Personnel**

9.3.1 All CB employees are expected to act in a professional manner and maintain confidentiality at all times in dealing with actual records, projects or conversations, and abide by the obligations of contractual confidentiality agreements. The following non-exhaustive situations shall be considered in violation of this Section:
9.3.1.1 Allowing unauthorised access to confidential CB information, customer information, financial data, contract details, confidential research data, or employee personal information on CB's computers;

9.3.1.2 Sharing information acquired by persons in the course of their work with others who are not authorised to receive such information;

9.3.1.3 Accessing information that the individual does not have the authority to access in the course of his/ her work, or does not have a need to know to carry out his/ her job duties;

9.3.1.4 Sharing of information related to confidential Human Capital matters;

9.3.1.5 Breach of confidentiality obligations regarding the disclosure of confidential information that is subject to a duly signed confidentiality agreement/ statement; and

9.3.1.6 Discarding confidential documents in an unsecure manner.

9.3.2 All CB employees shall protect and maintain business partner, customer and vendor privacy and confidentiality and as such should adhere to the following, at a minimum:

9.3.2.1 All information related to CB’s business should be kept in the strictest confidence;

9.3.2.2 Customer/ vendor/ business partner information (including the name and address of their business) should never be sold or made available to any other firms unless prior approval has been obtained;

9.3.2.3 Customers/ vendors / business partner have the right to exercise control over how CB uses the information obtained pertaining to customer/ vendor business; and

9.3.2.4 CB employee and/ or service providers must at all times respect customer/ vendor/ business partner privacy when marketing CB’s products and services.

9.4 Requests for Confidential Information

9.4.1 All requests for confidential information shall be directed to the CEO for approval.

9.5 Electronic Mail (E-mail)
9.5.1 CB employees and/or service providers are discouraged from forwarding or sending e-mails containing confidential information outside of CB’s network.

9.5.2 If there is a business need to communicate any sensitive information with someone outside the Bank, the employee and/or service provider shall confirm with their immediate supervisor that an appropriate non-disclosure agreement has been signed prior to sending such information outside CB network.

9.6 Communication with Vendors and Customers

9.6.1 Employees and/or service providers must also use caution and discretion when communicating with vendors and clients. Before disclosing information, employee and/or service providers shall consider the following:

9.6.1.1 Ensure that appropriate non-disclosure agreements are in place whenever applicable;

9.6.1.2 Disclose only the information necessary to complete the project or the contract;

9.6.1.3 Remind the vendor/customer of the importance of keeping CB’s information confidential; and

9.6.1.4 Consult with the immediate supervisor before providing access to information to any non-CB individuals.

9.7 Disclosure of Confidential Information

9.7.1 CB shall require its service providers to sign standard nondisclosure agreements to protect the Bank from unauthorised disclosure of confidential/sensitive information.

9.7.2 No article or speech by any Bank employee speaking on behalf of or about CB is published without submitting it to the Executive Management for approval by the Board.

9.7.3 No financial information other than that required by statutory reporting requirements may be disclosed without the prior approval of the Board.

Related Documentation
- QFMA Corporate Governance Code
10 Conflict of Interest

Purpose
The purpose of this section is to establish guidelines and protocols with respect to handling actual or perceived conflicts of interests arising in line with CB operations and activities.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiaries’ Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
10.1 General

10.1.1 The Bank, including its Board, Executive Management and employees, shall avoid situations that may create actual or perceived conflict of interest. They are required to act in a responsible and respectable manner and to remain free of influences that may result in the loss of objectivity on business conducted with CB customers or with CB itself.

10.1.2 Members of the Board and key executives are required to disclose to the Board whether they have directly, indirectly or through third parties, a material interest in any transaction or matter directly affecting CB. Action to be taken in this respect shall be in line with the provisions set forth in Section 7: Related Party/ Affiliate Transactions. (QCB Corporate Governance Guidelines, Circular 68/2015 Third Principle Section2)
10.1.3 Whenever an issue involving a conflict of interest or any commercial transaction between the Bank and any of its Board Members or any Party related to the said Board Member, is discussed in a Board meeting, the said issue shall be discussed in the absence of the concerned Board Member who may not in any way 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 Bank (QCB Corporate Governance Guidelines, Circular 68/2015, Third Principle Section 2.4 and QFMA Corporate Governance Code, Article 13).

10.1.4 Staff members who prepare reports on conflicts of interest must be adequately protected by the Bank against any retribution made by those included in such reports (Refer to Section 11: Whistle-blowing for detailed discussion.

10.2 The Board is ultimately responsible in establishing policies regarding the management of conflicts of interest (actual or perceived) and in implementing appropriate standards and mechanisms to avoid, or at least limit, conflicts of interest. The following must be applied:

10.2.1 Securities

10.2.1.1 The Bank shall adopt clear rules and procedures governing the trading by Board Members and employees in the Bank securities.

10.2.1.2 Trading by Board Members in the Bank’s shares and other securities shall be disclosed.

10.2.1.3 CB Board and senior management must be prohibited from dealing in CB shares for a certain period of time prior to the announcement of financial results or any other relevant financial information. (QCB Corporate Governance Guidelines, Circular 68/2015 Third Principle)

10.2.1.4 Refer to Section 13: Insider Trading for further discussion.

10.2.2 Granting of Credits

10.2.2.1 The Board's policy with regard to granting credits to Board Members, executive management and other staff members shall be in line with the prevailing guidelines of the QCB.

10.2.2.2 The Board shall uphold equal treatment, according to laws and regulations, of all Bank customers. When granting credits and facilities to parties related directly or indirectly to CB, preferential treatment shall be avoided.
10.2.2.3 CB must not grant credits or facilities to persons or any other entity related to the external auditor of Cb.

10.2.3 Outside Employment

10.2.3.1 CB employees shall disclose any business or consulting activity performed outside of CB that may potentially result in conflict of interest situations.

10.2.3.2 CB employees are prohibited from accepting simultaneous employment with a CB supplier, client, developer, or competitor, and from taking part in any activity that directly enhances or supports a competitor’s position.

10.2.4 Outside Directorships

10.2.4.1 CB Board Member shall disclose and update the Bank of its Board Membership in other companies/organisations. These memberships should be in accordance with applicable laws and regulations.

10.2.4.2 A CB employee shall obtain written approval from the CEO before accepting a Directorship position with another organisation, and any remuneration an employee receives with such organisation shall be commensurate to his responsibilities.

10.2.5 Business Interests

10.2.5.1 If a Board Member or employee is considering investing in the business interests of clients, suppliers, developers, and competitors, this employee shall ensure that these investments do not compromise his responsibilities to CB.

10.2.5.2 Various factors shall be considered in determining whether a conflict of interest situation exists, including the size and nature of the investment; the employee’s ability to influence CB decisions; the employee’s access to CB’s confidential information or of the other company; and the nature of the relationship between CB and the other business. Typically, investments of less than 2 percent of the total outstanding shares in companies listed on a national or international securities exchange do not create a conflict.

10.2.6 Related Parties

10.2.6.1 Any dealings with a related party shall be conducted in such a way that no preferential treatment is given to this related party that would not otherwise be given to any third party. Any commercial transaction entered with a Related Party shall also strictly comply with the provisions of Section 7: Related Party/ Affiliate Transactions.
10.2.7 Other Situations

10.2.7.1 In case a potential transaction/situation raises questions or doubts with respect to possible conflicted interest, such potential transaction/situation shall be escalated (through the relevant Line Management) to the CEO for approval and appropriate endorsement to the Board (where necessary) before entering into the relationship or situation in question.

10.3 Solicitation

10.3.1 CB employees are not to solicit gifts from prospective or current customers, vendors or any other individual or business.

10.3.2 Employees may occasionally be offered gifts and/or entertainment by suppliers or customers. The general rule in this respect is that gifts and entertainment shall be refused tactfully, unless such gift is clearly of nominal value. Refer to Human Capital Policies Manual (12-01-POL-001) for further details.

10.3.3 CB employees may be expected to participate in entertainment and amenities of reasonable cost to facilitate conduct of business transactions. Payment of excessive costs or travel not customary or within acceptable business practice by anyone other than CB must not be accepted. Any questionable circumstances must be reported by the employee to his immediate supervisor.

10.4 Conduct of Insiders

10.4.1 An “insider” may be an officer, director, employee, or beneficial owner of CB’s shares who is in possession of material information regarding the Bank that has not been fully disclosed to the public. Material undisclosed information about CB’s business is defined as “inside” information and can be financial information, operational initiatives, pricing decisions, or other information that could affect the share price of CB.

10.4.2 These individuals must take care that their conduct do not violate rules relating to self-dealing and personal gains. At no time are members of this group allowed to take advantage of their position in CB for personal profit or influence over CB operations for their business or personal interests.

10.4.3 Refer to Section 13: Insider Trading for detailed discussion.
Corporate Governance Charter

10.5 Compliance and Consequences of Non-Compliance

10.5.1 Failure to comply with the protocols herein described may result in appropriate sanction, which may include termination of employment. The action taken shall be commensurate with the seriousness of the conduct and an evaluation of the situation.

10.6 Disclosures and Reporting of Conflict of Interest

10.6.1 Conflicts of Interest involving Executive Management shall be reported to the Board. All matters resulting in conflicts of interest or any commercial transactions of Management/Board Members shall be reported by the Board to shareholders during the General Assembly and comprise part of the Corporate Governance Report.

10.6.2 In any event, such transactions shall be disclosed in the Bank’s Annual Report and specifically referred to in the General Assembly following such commercial transactions. Refer also to Section 7: Related Party/Affiliate Transactions. (QCB Corporate Governance Guidelines, Circular 68/2015, Eleventh Principle and QFMA Corporate Governance Code, Article 13.3).

10.6.2.1 A Board Member, who to his knowledge is in any way beneficially interested in a contract, arrangement, transaction, or proposal with the Bank, shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered. Such Board Member shall declare the full extent of his said interest to the Board at the first meeting, if he knows his interest then exists, or in any other case that he is or has become conflicted.

10.6.3 Employees shall immediately consult with their supervisor as to the required action needed in cases of conflicts of interest or solicitation. Employees are also encouraged to contact Compliance Department. Refer to Section 11: Whistleblowing for further discussion.

Related Documentation

- AOA
- CCL
- QFMA Corporate Governance Code
- Human Capital Policies Manual (12-01-POL-001)
11 Whistle-blowing

Purpose
The purpose of this section is to encourage all CB employees and/or outsourced service providers to disclose any wrongdoing that may adversely impact the Bank, its customers, shareholders, employees or the public at large. This document advocates that an employee can report issues without fear of reprisal.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
All roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegations of Authority.

Section
11.1 General

11.1.1 CB is committed to high standards of ethical, moral and lawful business conduct and practices. In upholding such commitment, the Bank shall provide an avenue for its employees to raise concerns relating to any actual or suspected misconduct noted within the workplace.

11.1.2 Generally, misconduct committed is a violation of law, rule, and regulation and/or relates to or is a direct threat to public interest, fraud, health, safety violations, and corruption. A few examples are given below:
11.1.2.1 Financial or non-financial maladministration or malpractice or impropriety;

11.1.2.2 Improper conduct or unethical behaviour; and

11.1.2.3 Any unlawful activity;

11.1.2.4 Any activity which is a gross violation of Bank’s policies; and

11.1.2.5 Attempts to suppress or conceal information relating to any of the above.

11.2 Safeguards

11.2.1 Harassment or Victimisation

11.2.1.1 CB recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. CB shall not tolerate harassment or victimisation and shall take action to protect the whistle-blower who raises a concern in good faith.

11.2.1.2 Any employee and/ or service provider who experiences adverse employment action as a result of reporting a suspected misconduct (i.e. he was discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his superior), shall be entitled to all relief necessary. The protection against retaliation extends to whistle-blowers whose allegations could legitimately support legal claims even if the case is never filed.

11.2.1.3 The Board shall not retaliate, and shall not tolerate any retaliation by Executive Management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an allegation or provides assistance to the Board Audit and Compliance Committee, Executive Management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an allegation.

11.2.2 Confidentiality

11.2.2.1 CB shall exhaust all efforts to protect the identity of the whistle-blower.

11.2.2.2 The Board Audit and Compliance Committee shall not reveal the identity of any person who makes an accounting allegation in good faith and who requests that his identity be kept confidential. The Board Audit and
Compliance Committee shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of the whistle-blower who reported in good faith the accounting allegation anonymously.
11.2.3 Anonymous Allegations

11.2.3.1 CB encourages the whistle-blower to disclose his name in reporting the allegation. Concerns expressed anonymously are less powerful but are nevertheless considered at the discretion of the Board Audit and Compliance Committee. In exercising the discretion, the following non-exhaustive factors may be taken into account:

a) The seriousness of the issues raised;

b) The credibility of the concern; and

c) The likelihood of confirming the allegation from other sources.

11.2.4 Allegations Made in Bad Faith

11.2.4.1 If a whistle-blower makes an allegation in good faith, which is not confirmed/proven by the ensuing investigation, no action shall be taken. However, where the whistle-blower makes malicious or vexatious allegations, appropriate disciplinary action shall be initiated against the concerned person.

11.3 Bank’s Action towards Reported Allegations

11.3.1 In determining whether Executive Management or the Board Audit and Compliance Committee shall investigate an allegation of misconduct, and the procedure to be followed in this regard, the following shall be considered/taken cognisance of:

11.3.1.1 Who is the alleged wrongdoer?

If an Executive Manager, senior/other high level Management official is alleged to have engaged in a wrongdoing, that factor alone may necessitate that the Board Audit and Compliance Committee conduct the investigation.

11.3.1.2 How serious is the alleged wrongdoing?
The more serious the alleged wrongdoing, the more appropriate it is for the Board Audit and Compliance Committee to undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Bank, that factor alone may give weight in favor of the Board Audit and Compliance Committee in conducting the investigation.

11.3.1.3 How credible is the allegation of wrongdoing?

The more credible the allegation, the more appropriate it is for the Board Audit and Compliance Committee to undertake the investigation. In assessing credibility, the Board Audit and Compliance Committee shall consider all facts surrounding the allegation including, but not limited to, whether similar allegations have been made in the past.

11.3.1.4 The action to be taken by the Bank depends on the nature of the concern raised. The matters raised may:

a. Be investigated internally;

b. Be referred to the local police forces;

c. Be referred to the External Auditor (expert opinion); or

11.3.2 Any actual or suspected misconduct may be reported through any of the following whistle-blowing channels:

11.3.2.1 Whistle-blowing hotline; and

11.3.2.2 Designated CB e-mail address.

11.3.3 CB shall take steps to minimise any difficulties which the whistle-blower may experience as a result of raising a concern. For instance, if the whistle-blower is required to give evidence in criminal or disciplinary proceedings, the Legal Officer/Legal Service Provider shall provide advice on the procedure.

11.3.4 CB accepts that whistle-blowers need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the whistle-blower shall receive information/updates about the outcome of any investigation.
Related Documentation

- AOA
- CCL
- Human Capital Policies Manual (12-01-POL-001)
- Anti-Fraud Policies Manual (14-04-POL-003)
12 Relationship with Stakeholders

Purpose
The purpose of this section is to delineate guidelines and standards which promote good relations through effective communication between the Bank and its stakeholders.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section

12.1 CB recognises the important role that stakeholders play towards 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.

12.1.1 CB shall adopt a structured process in managing its relationship with its stakeholders. Such process shall delineate the protocols that will be followed in communicating with stakeholders, level and degree of information that can be divulged, and agreed structure/timeframe in responding to any concerns raised by stakeholders.

12.2 Dialogue/ Communication with Stakeholders
12.2.1 The Board as a whole has the responsibility for ensuring that a satisfactory dialogue/communication with stakeholders, including shareholders, takes place. 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 nor provide unfair advantage to some stakeholders over the others.

12.2.2 The Chairman (and other Board Members as appropriate) shall maintain sufficient contact with major stakeholders to understand their issues and concerns. The Chairman shall ensure that the views of stakeholders are communicated to the Board as a whole.

12.2.3 Stakeholder communication shall be done through a range of channels which may include, but is not limited to, the following:

12.2.3.1 CB’s Annual General Assembly;
12.2.3.2 Annual reports;
12.2.3.3 Corporate Governance reports;
12.2.3.4 Regular trading updates and market/investor briefings; and
12.2.3.5 CB’s official website.

12.3 Access to Information

12.3.1 The Executive Management shall ensure the timely update to CB’s website to reflect latest Investor Relation information including all pertinent press releases, financial reports, Board-related updates, governance aspects and other disclosures as required.

12.3.2 The Executive Management shall also ensure that a direct line is provided (and included on CB’s website and press releases where applicable) to stakeholders who may have queries or require further information.

12.3.3 All information provided to stakeholders via any other form of communication must reflect publicly known information. In the provision of information, no insider information or preference to one stakeholder over another is allowed.

12.3.4 The Bank’s capital structures should be disclosed.
12.3.5 Shareholders, specifically, shall be entitled to receive copies or access to the following information (QFMA Corporate Governance Code, Article 22.3)

12.3.5.1 Shareholders' register;
12.3.5.2 Board Members' register;
12.3.5.3 Articles of Association and by-laws of the Bank;
12.3.5.4 Instruments creating a charge or right on the Bank’s assets; and
12.3.5.5 Related party contracts and any other document the QFMA may decide upon payment of a prescribed fee.

12.3.6 Contracts that may result in an asset or liability are confidential in nature and shall be shared only on a case by case basis and subject to relevant approval. However, CB will disclose all assets and liabilities (including loans) as part of its financials which have been approved by the External Auditor.

12.4 Shareholder Relations

12.4.1 Equitable Treatment of Shareholders

12.4.1.1 CB shall uphold the 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.

12.4.1.2 All shareholders shall be provided with adequate information about the rights attached to all series and classes of shares before they purchase the same. They shall also be provided adequate information (e.g. qualifications, experience, etc) on candidates for the Bank’s Board to enable them to have an informed decision.

12.4.1.3 Minority shareholders shall be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and shall be accorded effective means of redress. The Bank’s minority shareholders shall also be adequately protected in the event of approval of major transactions where the said minority shareholders have voted against such major transactions.
12.4.1.4 Minority shareholder’s ‘Tag Along Rights’ shall be upheld where applicable. QFMA defines Tag Along Rights as “the minority shareholders’ right to participate in a major sale of shares or a public offering and to sell their shares on the same terms and conditions”.

12.4.1.5 Processes and procedures for general shareholder meetings shall allow for equitable treatment of all shareholders. Procedures shall not make it unduly difficult or expensive to cast votes.

12.4.2 Dividends

12.4.2.1 Proposed dividend for distribution shall be presented and approved by CB shareholders during the General Assembly.

12.4.2.2 CB shall build cash reserve to support bonus share to shareholders (if any) taking into consideration the dividend payout ratio.

12.4.2.3 The target payout/ dividend shall be declared as a percentage of net profit available to CB.

12.4.2.4 CB shall consider the following factors before presenting dividend payout plan to the Board:

   a **Cash flow constraints**: It is not obligatory on CB to distribute full profit to the shareholders. CB shall keep sufficient cash for its operational requirements before dividend distribution.

   b **Lenders’ constraints**: CB shall satisfy the financial requirement of lenders, if any.

   c **Legal constraints**: Any legal reserves required under the law shall be reserved before distributing the dividend.

   d **Future Investment Plan**: Investment plans of CB shall be considered and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.
Corporate Governance Charter

**Related Documentation**

- AOA
- CCL
- QFMA Corporate Governance Code
- Corporate Affairs Policies Manual (01-01-POL-002)
13 Insider Trading

Purpose
The purpose of this section is to outline guidelines and protocols as it relates to insider trading activities.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary's Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to the CB's Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
13.1 Guidelines on Handling Inside Information

13.1.1 CB’s Board Members, Executive Management or employees shall not: (QE Bylaws, Article 172)

13.1.1.1 exploit inside information about the Bank for trading in its shares to seek personal benefit or benefit to other persons; nor

13.1.1.2 disclose information which is not yet disclosed to QE and is capable of affecting the prices of the securities or trading in QE.

13.1.2 CB’s Board Members, Executive Management and staff are prohibited from directly or indirectly trading on CB shares, on their own account or on the account of others, within the ‘prohibited period’ as provided in the QE Bylaws.
13.1.3 Certain CB employees and/or service providers may have access to information about CB’s business which has not been disclosed to shareholders and the investing public. If an employee and/or service provider has material inside information about CB, the employee/service provider may not trade in the Bank’s shares from the moment the employee/service provider receives that information until after the close of the second trading day following public disclosure of the information.

13.1.3.1 Additionally, the employee/service provider must not assist anyone else to trade in the share by improperly disclosing inside information to them.

13.1.4 Dealing in shares by the Board, members of Executive Management and the staff must be prohibited after unexpected events affecting the activities or the financial position of CB until the stakeholders are informed.

13.1.5 Trading shares on the basis of inside information, regardless of how small or large the trade, is a serious violation of the Bank’s ethical standards and policies and may result to CB instituting applicable penalty to the offender which includes termination from employment for the violating employee/service provider, among other.

13.2 Prohibited Activity

13.2.1 Tipping Non-Insiders

The person who trades or “tips” information violates CB’s policy and ethical standards if he has a fiduciary duty or other relationship of trust and confidence not to use the information.

13.2.2 Using Insider Information for Personal Benefit

Trading is also prohibited when a person who receives information through a confidential relationship uses (“misappropriates”) the information for his own trading or tips to others.

13.2.3 Controlling Persons

Corporations, brokerage firms, or other “controlling persons” who supervise a person who violates the insider trading rules may also be liable. A “controlling person” can be penalised if he knew or recklessly disregarded the fact that the controlled person was likely to engage in insider trading and failed to take steps to prevent it.
13.2.4 Directors and officers are prohibited from being involved in the investment approval process of insiders who may benefit directly or indirectly from the decision to grant a service. Relatives of the first degree may not trade in CB shares based on insider information.

13.3 Personal Account Transactions

13.3.1 CB may restrict certain employees/service providers (investment, finance, etc) from trading in the Bank’s shares or in shares owned by CB to prevent personnel from using the Bank’s information for personal gain. The list of employees/service providers covered by this section will be determined by the Management and approved by the Board.

13.3.2 CB may at any time, and without giving any reason:

13.3.2.1 Restrict dealings by any employee/service provider;

13.3.2.2 Impose special conditions or restrictions on staff dealing; or

13.3.2.3 Decline to give permission to staff dealing when it is requested.

13.3.3 CB shall ensure that restrictions with regard to personal account transactions are included in the terms of contract of the relevant employees/service providers.

13.3.4 CB shall maintain a list of relevant investments in relation to which CB and its staff may have inside information and ensure that only relevant employees/service providers have access to this list. CB employees/service providers may not undertake personal account transactions in relation to investments on the restricted list unless:

13.3.4.1 The transaction is for the purposes of realising the cash value of a holding or position not related to CB’s business; and

13.3.4.2 The Bank has given its express written permission for the transaction.

13.4 Board Disclosures

13.4.1 In accordance with transparency requirements, all CB Board Members’ holdings (executive, independent, non-executive) shall be disclosed/made available to the public/stakeholders.
Corporate Governance Charter

Related Documentation

- AOA
- CCL
- QE Bylaws
- Bank-wide Code of Ethics (12-01-POL-002)
14 Corporate Social Responsibility

Purpose
The purpose of this section is to delineate guidelines and standards relating to the Bank’s corporate social responsibility.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
All roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration the CB’s Delegations of Authority.

Section
14.1 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. In its broadest sense, CSR includes issues related to business ethics, community investment, environment, governance, human rights, marketplace and the workplace. It is an essential tool in communicating with the community that CB operates in and in building CB’s brand.

14.2 It is CB’s objective to utilise CSR in order to achieve the following:

14.2.1 Build Reputation

A coordinated CSR strategy can improve the public and stakeholder view of CB.
14.2.2 Improve Employee Engagement

A meaningful CSR strategy can increase employee/ service provider engagement, loyalty and in turn employee/ service provider retention.

14.2.3 Increase Market Share

A coherent CSR strategy can highlight the attractiveness of doing business with CB.

14.2.4 Leverage Resources

A focused CSR strategy would allow CB to use limited resources effectively to meet targeted business and community needs.

14.2.5 Private Resources for Public Good

A genuine desire to make a meaningful societal contribution.

14.3 CB shall formulate a clear strategy for CSR in line with the existing brand positioning. CB shall implement its CSR strategy through the following channels:

14.3.1 Sponsorships;

14.3.2 Events;

14.3.3 Partnering with charitable organisations; and

14.3.4 Donations for worthwhile social causes.

14.4 The annual CSR Budget should be approved by the Board as part of the annual business planning and budgeting cycle.

14.5 Refer to the Marketing Policies Manual (11-02-POL-001) for the detailed discussion of CSR.

**Related Documentation**

- Marketing Policies Manual (11-02-POL-001)
15 Internal Control System

Purpose
The purpose of this section is to establish a dependable system of internal controls. These controls will ensure that CB’s accounts and records are accurate and reliable, transactions are properly authorised, and assets are adequately safeguarded.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the relevant subsidiary’s Board shall oversee the activities/operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
15.1 General

15.1.1 The Board shall maintain a sound system of internal control designed to safeguard shareholders’ investment and the Bank’s assets and to ensure the reliability of the Bank’s financial recordkeeping and reporting.

15.1.2 Internal control systems shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to external audit. The internal control system shall also ensure that all related party transactions are handled in accordance with the requirements related thereto and in line with policy. It shall set clear lines of responsibility and accountability throughout the Bank. (QCB Corporate Governance Guidelines, Circular 68/2015, Seventh Principle and QFMA Corporate Governance Code, Article 19).
15.1.3 Effectiveness of the Bank’s internal control system shall be reviewed by the Board at least annually (QCB Corporate Governance Guidelines, Circular 68/2015 Seventh Principle). Such review shall include all material controls, including financial, operational and compliance controls and risk management systems.

15.1.4 CB shall follow and implement the following basic control concepts:

- 15.1.4.1 A systematic approach to safeguard assets and the reliability of financial records;
- 15.1.4.2 Identification and segregation of responsibilities and duties of groups/ functions and personnel;
- 15.1.4.3 A system for establishing, amending, and communicating approved policies and procedures; and
- 15.1.4.4 A system of authorisation limits and recording procedures that ensures reasonable control of assets, liabilities, income, and expenses.

15.2 Written Policies and Procedures

- 15.2.1 The Board shall establish, communicate and enforce a specific direction for the Bank, through the adoption of written policies and procedures that cover every aspect of operation and management. These policies and procedures shall establish the guidelines within which management must operate.

- 15.2.2 The policies and procedures shall be reviewed on an annual basis, at a minimum, by the relevant SBU Heads.

- 15.2.2.1 All material changes to policy shall be approved by the Board.

- 15.2.2.2 Approval of procedures shall be done by the SBUs.

15.3 Job Descriptions and Segregation of Duties

- 15.3.1 All CB job positions shall have comprehensive written job descriptions.

- 15.3.2 The Board shall approve the organisational chart. Any major amendments in reporting lines must have the approval of the Board.
15.4 Internal Audit

15.4.1 The Board shall ensure that there is an effective risk-based internal audit within the Bank.

15.4.2 The Board, through the Board Audit and Compliance Committee, shall ensure that the Bank’s Internal Audit Department is independent and has the necessary resources, standing and authority within the Bank to enable it to discharge its functions.

15.4.2.1 The Internal Audit Department shall report directly to the Bank’s Board Audit and Compliance Committee.

15.4.2.2 The Chief Internal Auditor shall be appointed by the Board Audit and Compliance Committee in agreement with QCB.

15.4.3 The Internal Audit reports shall be submitted to the Board Audit and Compliance Committee and/or Board for review. These reports shall include suggested corrective actions for all problems noted during the audit.

15.4.4 All internal audit observations/findings noted shall require a follow-up audit to determine whether adequate corrections have been made.

15.4.5 Refer to the Internal Audit Policies (06-03-POL-001) for detailed discussion.

15.5 Regulatory Risk Issues

15.5.1 The Bank’s Executive Management is responsible for ensuring that recordkeeping is reliable and accurate and that its activities are conducted in a safe and sound manner and in compliance with regulations.

15.5.2 Weaknesses in internal controls could make it difficult for Executive Management to determine the true condition of the Bank and jeopardise Executive Management’s ability to make appropriate decisions. A lack of internal controls may also make it impossible for Bank’s Executive Management to accurately detect errors in procedures; this could ultimately affect Executive Management’s ability to comply with regulations and its ability to maintain the safety and soundness of its assets.
Corporate Governance Charter

**Related Documentation**

- AOA
- CCL
- Policy Development and Approval Tracking Manual (14-01-POL-003)
- Internal Audit Policies (06-03-POL-001)
- Human Capital Policies (12-01-POL-001)
16 Code of Ethics

Purpose
The purpose of this section is to formalise and provide an overview on expected standards of professional conduct for CB directors and employees/ service providers.

Scope
This section is applicable to the CB Board, Executive Management and Bank employees. With respect to subsidiaries, the subsidiary's Board shall oversee the activities/ operations and plans of the concerned subsidiary and CB’s representatives in the said subsidiary Board shall report on the same to the CB’s Board.

Responsibility and Authority
The overall responsibility in implementing this section falls within the jurisdiction of the Board. Roles and responsibilities mentioned within this section shall be performed by the related functions taking into consideration CB’s Delegation of Authorities.

Section
16.1 CB encourages its Board Members and employees to carry out their official duties for the benefit of the Bank, and the public/ society at large. It is the duty of the Board Members/ employees/ service providers to serve the Bank and the public in a selfless manner, and not use offices, titles, or official influence for any other purpose.

16.2 The Board shall ensure that a Code of Ethics for the Bank is in place and observed. It is an obligation for every Board Member and employee to understand and comply with the Bank-wide Code of Ethics. No excuses shall be granted for failure to comply with the Code. Refer to the Bank-wide Code of Ethics (12-01-POL-002) for detailed discussion.

Related Documentation
• Bank-wide Code of Ethics (12-01-POL-002)
## III. Abbreviation

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOA</td>
<td>Articles of Association</td>
</tr>
<tr>
<td>BOD or Board</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>CB / The Bank</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>CCL</td>
<td>Commercial Companies Law</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>DOA</td>
<td>Delegation of Authority</td>
</tr>
<tr>
<td>EGM</td>
<td>Executive General Manager</td>
</tr>
<tr>
<td>IAS</td>
<td>International Accounting Standards</td>
</tr>
<tr>
<td>MRC</td>
<td>Management Risk Committee</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>QCB</td>
<td>Qatar Central Bank</td>
</tr>
<tr>
<td>QE</td>
<td>Qatar Exchange</td>
</tr>
<tr>
<td>QFMA</td>
<td>Qatar Financial Market Authority</td>
</tr>
</tbody>
</table>
Appendix A: Charter Revision Proposal Form

<table>
<thead>
<tr>
<th>Reference</th>
<th>Date: 23 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originated by:</td>
<td>Maha Khammar</td>
</tr>
<tr>
<td>Position:</td>
<td>Head of Corporate Affairs, Commercial Bank</td>
</tr>
</tbody>
</table>

**Matters proposed to be revised (attach photocopies, if required)**

<table>
<thead>
<tr>
<th>Section No.</th>
<th>Section Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proposed revisions</td>
</tr>
</tbody>
</table>

**Reasons for proposed revisions**
Consolidating some Board Committees and amending these committees pursuant to new governance guidelines issued by Qatar Central Bank.

**Other comments**

<table>
<thead>
<tr>
<th>Approved</th>
<th>Signatories</th>
<th>Effective Date</th>
</tr>
</thead>
</table>
Appendix B: Charter Distribution and Acknowledgement Form

<table>
<thead>
<tr>
<th>Charter Distribution and Acknowledgement Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
</tr>
<tr>
<td>Version Number</td>
</tr>
<tr>
<td>Name of the Director/Employee</td>
</tr>
<tr>
<td>Date of Acknowledgement</td>
</tr>
<tr>
<td>Director/Employee Signature</td>
</tr>
</tbody>
</table>