



The Commercial Bank Board of Directors Charter

01-01-CTR-001
December 2024
Version 10.0



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Charter Revision History and Approval

Revision History				
Revision Number	Issue Date	Amendment Description	Date Effective	Next Revision Date
2.0	March 2016	General Update		
3.0	May 2017	Updated the Board and Board Committee compositions aligned with the revised BOD and Board Committee Structure. Amendment on Board meeting invites from one (1) week to ten (10) days in line with QCB Corporate Governance Instructions issued to Banks.		
4.0	October 2018	General update for style and consistency, duties of the Managing Director, and general update on all relevant sections in line with the QFMA Governance Code for Companies & Legal entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) Of 2016, published in the Official Gazette Issue No. (6) Dated 15 May 2017.		31 October 2021
5.0	November 2019	Update to provide more detailed requirements regarding Board Member qualifications and nomination procedure		
6.0	September 2021	The Managing Director to sign Board minutes		
7.0	December 2021	Update to reflect split of BEC into BCC and BP&S		
8.0	October 2022	Major update for compliance with QCB Circular 25/2022		

9.0	November 2023	Change in number of directors from 12 to 11 in alignment with AOA. Change in quorum from 7 to 6.		
10.0	December 2024	Revisions to comply with the AoA and the company Secretary governance duties.		November 2027



Review		
Authorised Reviewer	Date	Signature(s)
Head of Corporate Affairs	05 Dec 2024	Marie Therese Auger
Policy Governance and Oversight Unit (PGOU)	05 Dec 2024	Javier Ruiz

Approval		
Authorised Approver	Date	Signature(s)
Group Chief Executive Officer	05 Dec 2024	Joseph Abraham
Board Remuneration, Nomination and Governance Committee	09 Dec 2024	M. Mandani  
Board of Directors	09 Dec 2024	<div> <div>abdula al thani</div> <div>Hussain Affardan</div> <div></div> <div></div> </div> <div> <div>Jabor Al Thani</div> <div>ijalothman</div> <div>Tariq Al Malki</div> <div>Mohammed Almosallam</div> </div>

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



I. Introduction

1. The Board of Directors is responsible for the stewardship of the Bank and providing effective leadership to supervise the management of The Commercial Bank (P.S.Q.C.) (hereinafter the 'Bank' or 'Commercial Bank') business to grow value in a profitable and sustainable manner. This Charter principally applies to the Board of Directors of Commercial Bank.
2. The Bank's Board Charter is developed in accordance with corporate governance best practices; Commercial Companies Law (CCL) (as amended); corporate governance regulations issued by Qatar Central Bank by virtue of circular No.25/2022 (the QCB Corporate Governance Instructions); the Qatar Financial Markets Authority governance code for companies & legal entities listed on the main market (the QFMA Corporate Governance Code); and The Bank's Articles of Association (AOA).
3. In the event of conflict between this Board Charter and the Bank's Articles of Association then the latter's requirements shall prevail.
4. In accordance with QFMA Corporate Governance requirements, once duly approved, this Board Charter will be published on the Bank's website.
5. This Board of Directors Charter should be read in conjunction with the Bank's Corporate Governance Charter (01-01CTR-002) and Board Committees Charter (01-01CTR-003) as they constitute an integral part of the Bank's corporate governance framework.
6. This Charter may be amended by a majority vote cast by the members of the Board present at any valid and quorum-compliant meeting, on condition that the proposed amendment or amendments should not contradict with the Bank's Articles of Association (unless any such articles are amended by an extraordinary Annual General Meeting) and the applicable laws and regulations referred to above.

II. Board Meetings

1. Venue

- 1.1. The Board of Directors shall hold its meetings at the head office premises of the Bank upon invitation of the Chairman or his Deputy or upon the request of two members of the Board.
- 1.2. The Board may also meet outside the head office premises of the Bank, provided that all its members shall be present or represented at the meeting, and that this meeting be held in Qatar.
- 1.3. The Board may hold some or all of its meetings remotely during the year as a result of emergency circumstances, with the requirement to make the necessary arrangements to guarantee the safety and confidentiality of the meetings and document their decisions and minutes.

2. Frequency

- 2.1. In line with the Bank's Articles of Association, at least six Board meetings (minimum once every two months) shall be held during each financial year. Board meetings are scheduled in the Board calendar according to key events and coinciding with financial period closures of the Bank.

3. Board Secretary

- 3.1. The Board Secretary may only be appointed and removed by a Board resolution.
- 3.2. The Board Secretary's qualification and experience requirements will be in line with the provisions of the QFMA Corporate Governance Code and QCB Corporate Governance Instructions.
- 3.3. The Board determines the incumbent's scope of work and remuneration. The responsibilities of the Board Secretary include ensuring that the Board and its Committees comply with corporate governance regulatory requirements, advising the Board on its responsibilities, and maintaining the governance framework at the Board level, including the Delegation of Authority and relevant policies, while cascading these to Management Committees. The Secretary is also responsible for organizing training for Board members, overseeing conflict of interest declarations, and assisting in Board performance evaluations.

4. Invitation and Agenda

- 4.1. The Board shall meet upon invitation of the Chairman and the Board meeting agenda, together with any materials that members should refer, will be circulated by the Board Secretary at least ten (10) days prior to regular Board meetings and less than ten (10 days) for other extraordinary meetings. Invitations can be sent through, mail or email to the members.
- 4.2. The Chairman may call the Board for a meeting upon a request by at least two of its members.
- 4.3. The Board may invite the Bank's management, staff or any other third party to attend the meetings to obtain information, recommendations and clarifications as required.

5. Quorum and Representation

- 5.1. A meeting of the Board shall not be valid unless it is attended by at least six out of eleven members.
- 5.2. Proxy voting is permissible as long as there is written evidence of the delegation to another member of the other member's power to vote in his absence. A member can represent only one other member in a meeting.
- 5.3. A meeting of the Board may be held by telephone or video conference call, and such participation shall be considered presence in person at such meetings.
- 5.4. Each Board Member should be independent to make his decisions and no member(s) shall control the decision making process.
- 5.5. Exemption from attending Board Meetings should be justified, genuine and certified.

6. Resolutions

- 6.1. Board resolutions are decided by a majority vote of the attendees and representatives.
- 6.2. In case of a tie in the number of votes, the Chairman or his representative who is acting in the Chairman's capacity shall have a casting vote. Objections of members should be recorded in the minutes of the meeting for future reference / potential resolution.

7. Minutes of the meeting/Board decisions

- 7.1. Board meetings are recorded by the Board Secretary and will be signed by the Board Secretary and all the Board Members.

- 7.2. The Board, if necessary or urgent, may issue decisions by written approval of all its members to those decisions, and the written approval to be presented at the next Board meeting to include them in its minutes.
- 7.3. In the event there are any observations that a Board Member deems essential that were not adequately addressed according to his discretion, this shall be recorded in the Board meeting minutes with a statement of the reasons for the divergent views and the final decision taken in this regard.

III. Board Formation

1. Number of Members

- 1.1. A Board of Directors composed of eleven members elected by the Ordinary General Assembly through secret ballot shall take charge of the management of the Bank.
- 1.2. Half of the Board Members shall be Non-Executive and at least three (3) of the Board Members shall be Independent Board Members.
- 1.3. The Board elects a Chairman, a Vice Chairman and a Managing Director for the full term of the Board by a secret ballot.
- 1.4. The Chairman does not hold or exercise the position of Chairman and CEO at the same time, shall be a Non-Executive Board Member and not exercise any executive role in the Bank or participate in any of the Board's Committees.

IV. Roles and Responsibilities

1. Overview

1.1. The Board has overall responsibility on the Bank's performance, including approving and overseeing the implementation of the Bank's policies, strategies, risk profile, governance framework and corporate culture. The Board is also responsible for oversight of Executive Management. For this, all members of the Board of Directors shall understand the Board's duties and responsibilities, in particular:

- The Board's duties and role are distinct from the role of the shareholders and the role of the Executive Management.
- The professional and legal responsibility of the Board towards shareholders and stakeholders in good faith, with due diligence and care, and in the best interest of the Bank and to protect the rights of the depositors, shareholders and stakeholders.
- The responsibilities of members of the Board towards supervisory authority and others under Article (129) of Law no. (13) of 2012 regulating QCB and Financial Institutions.
- The Board must develop appropriate measures to ensure that its members understand their duties and assume the responsibility for the general interests of the bank and to enhance the awareness of the new members relating to all their duties and responsibilities in writing.
- The Chairman and members of the Board must allocate sufficient time to carry out their responsibilities.

1.2. The Board's duties and responsibilities include any other responsibility as per the law, the Bank's AOA or QCB instructions.

2. Duties and Responsibilities of the Board

The Board's duties and responsibilities include, but are not limited to the following:

2.1. Provide strategic direction to the Bank by approving the Bank's vision and mission periodically, and as and when deemed necessary approve and lead the development of the strategic plan and business objectives.

- 2.2. Reviews and recommend improvements and approve strategic initiatives including new business ventures and material investments and divestitures.
- 2.3. Establish the Bank's objectives, policies and strategies, and organizational structure.
 - Establish the Bank's objectives, policies, and strategies, including the risks strategy, risk appetite, risk management, general performance, remunerations and incentives policies, long-term objectives, and the ability to manage risk effectively. The Board should consider the accuracy and sufficiency of data used to identify and measure risks.
 - Regularly review the Bank's strategies, policies, procedures, Executive Management controls, the Internal Audit Department, Risk Department, and Compliance department so as to develop policies to meet the requirements of the latest standards or for establishing new policies.
- 2.4. Approve the Bank's organizational structure, key roles and responsibilities to avoid conflict of interests, duplication or overlapping of tasks; and provide a sound administrative hierarchy and delegation of authority.
- 2.5. Approve the Bank's risk management policy and systems, control and internal audit systems, and ensure their full implementation by Executive Management.
- 2.6. Establish the Bank's Environment, Social and Governance (ESG) framework, for approval by the General Assembly, with the aim of supporting various social projects. Approve the Bank's environment protection and risks of climate change management policies and establish appropriate policies and measures to assess the risks of climate change and its potential effects on the Bank's activities and business plan at the level of the Bank's Group.
- 2.7. Establish Board Committees, set their authorities and duties, and delegate responsibilities. Review, evaluate and approve at least annually the activities and performance of the Board Committees.
- 2.8. Elect the Board's Chairman, Vice-Chairman and Managing Director.
- 2.9. Approve financial commitments in excess of delegated authorities to Board Committees and Executive Management.
- 2.10. Approve the proposals and recommendations of the Remuneration, Nomination & Governance Committee regarding remuneration of the Chairman, Vice Chairman, Managing Director and Members of the Board of Directors.
- 2.11. Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that management is addressing such issues appropriately.

- 2.12. The Board shall also enjoy all other rights and perform all other responsibilities vested on it by CCL, the QCB Corporate Governance Instructions and the QFMA Corporate Governance Code that may not be mentioned in this document.
- 2.13. The Board shall have full and immediate access to information, documents, and records pertaining to the Bank. The Bank's Executive Management shall provide the Board and its Committees with all requested documents and information. All Board members shall have access to the services of the Board Secretary.
- 2.14. Enter into loans that span more than three years, may sell or mortgage real estate of the Bank, or discharge debtors of the Bank without approval of Extraordinary General Assembly as per AOA Article 30.

3. Governance Risk and Compliance

The Board oversees the overall corporate governance of the Bank. Reviews and approves the Bank's Corporate Governance Charter and corporate governance principles recommended by the Board Committees, Executive Management and external consultants. The Corporate Governance Charter of the Bank includes guidelines and instructions on the following topics:

- 3.1.1. Board of Directors
- 3.1.2. Board Supervision
- 3.1.3. Management Supervision
- 3.1.4. Succession Planning
- 3.1.5. Remuneration for Board Members, Management and Staff
- 3.1.6. Governance, Compliance and Reporting
- 3.1.7. Transactions with Related Party/ Subsidiaries and Associates
- 3.1.8. External Audit
- 3.1.9. Confidentiality
- 3.1.10. Conflict of Interest
- 3.1.11. Whistle-blowing

- 3.1.12. Relationship with Stakeholders
- 3.1.13. Insider Trading
- 3.1.14. Corporate Social Responsibility
- 3.1.15. Internal Control System
- 3.1.16. Code of Conduct

Please refer to the Corporate Governance Charter for further details.

- 3.2. The Board receives and evaluates recommendations from the Board Committees and provide recommendations annually on Board duties and responsibilities, Board Committees' charters, and Code of Conduct.
- 3.3. The Board supervises and ensures proper implementation of internal control and risk management systems, mainly through the Board Audit Committee and the Board Risk and Compliance Committee.
- 3.4. The Board ensures that the Bank is in compliance with its Articles of Association and applicable local and international laws and regulations including QCB and QFMA regulations. Receives and reviews any material legal cases brought against the Bank periodically and reviews violations and financial penalties imposed by QCB.
- 3.5. The Board reviews the Bank's policies, directly or through a delegated committee, periodically to ensure they are adequate, suitable and in line with the internal and external business and economic conditions.
- 3.6. Appoints, retains, oversees, compensates and terminates independent advisors who assist the Board in their activities.

4. Corporate Values and Code of Conduct

- 4.1. The Board should take the lead in establishing the "tone at the top" by setting corporate values and professional standards reinforcing honesty and integrity for itself, senior management and other employees.
- 4.2. The Board shall approve the Bank's code of conduct and clarify the acceptable and unacceptable behavior. It should prevent any activity that may lead to any improper or illegal activity, such as money laundering, financing of terrorism, fraud, bribery and corruption. Such codes should also prevent any excessive risk taking activities that could lead to complex risks out of the scope of the risks and behaviours approved by the Board.

- 4.3. The Board shall approve a reporting system that will enable employees to communicate their observation of any existing or potential financial or legal violations, or any observation on any member of the Board or Executive Management in a confidential manner. The system should provide protection to the reporting employee. These observations in the system shall be referred directly to any member of the Audit Committee of the Board or any other concerned Committee or through any official and also directly to the supervisory authority.
- 4.4. Ensure that all members of the Board and Executive Management are aware of the disciplinary measures to be taken against them in case of any violations or behaviour not in line with the Code of Conduct as approved by the Board.

5. Oversight over related party transactions, AML/CFT, cybersecurity and business continuity

- 5.1. The Board shall establish and regularly review rules and standards to minimize risks resulting from conducting transactions with related parties and to avoid conflict of interests or abusive related party transactions. Ensure the fair treatment of the shareholders (including minority shareholders), depositors, debtors and other stakeholders. The Board should review independence of each Member at least once per year based on their disclosure of interests. Each Independent Board Member should update the information disclosed for this purpose.
- 5.2. Approve and supervise the implementation of the standards and policies regulating the compliance with AML/CFT law and its executive regulations and the relevant QCB's instructions.
- 5.3. Approve and supervise the implementation of the standards and policies regulating work in accordance with information security systems and QCB's instructions regarding the risks of modern technology and cybersecurity.
- 5.4. Approval and oversight of appropriate standards for the business continuity plans.

6. Oversight over Executive Management

- 6.1. Define the roles, responsibilities and duties of the CEO and the information to be reported by the CEO to the Chairman and the Board.
- 6.2. Appoint advisors to the Board and set their roles, responsibilities, duties and remuneration. The Board may consult at the Bank's cost any independent expert or consultant.

- 6.3. Approve the appointment of experts and advisors, as well as the appointment, salaries and bonuses of key employees, including those reporting directly to the CEO, the Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, MLRO and DMLRO. If necessary, the Board may replace them and select an appropriate successor as per a succession plan approved by the Board.
- 6.4. Check the appropriate qualifications and requisite experience, and distinct professional performance of the CEO, members of Executive Management, and Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, MLRO and DMLRO, and members of Risk, Internal Audit and Compliance departments.
- 6.5. Establish the necessary committees to oversee the implementation and Executive Management's compliance to the laws, policies, and bylaws approved by the board as well as to QCB's law and instructions and any relevant laws, and set proper standards to assess the same. The Board may delegate certain duties and powers to committees other than those assigned to Executive Management. The Board, as per the requirements of these instructions, shall not delegate the Board's duty to guarantee an adequate, effective, comprehensive and transparent corporate governance framework.
- 6.6. Hold regular meetings with Executive Management through Board Committees and discuss reports on the management, business results, and compliance.
- 6.7. Approve the proposals and recommendations of the Remuneration, Nomination & Governance Committee regarding remuneration of the CEO and the Executive Management in line with the delegation of authorities of the Committee.

7. General Assembly and Extraordinary Assembly

- 7.1. The Board conducts the Annual General Assembly within four months from the last date of the Bank's financial year based on the Board of Directors' invitation and after obtaining approval from the Qatar Central Bank.
- 7.2. The Board must call for a General Assembly when required, or requested by the External Auditor. If the Board does not comply with the request from the External Auditor within 15 days, the External Auditor may directly request a General Assembly invitation. Furthermore, the Board must also call for a General Assembly within 15 days when valid requests are received from shareholder(s) owning 10% or more of the share capital.
- 7.3. The Board prepares the agenda for the General Assembly, in coordination with the Chairman of the Board. The agenda is to be published in two local daily papers, one in Arabic and one in English at least 21 days prior of the General Assembly date. The agenda should include the following items at a minimum:
 - Board of Directors' report on Bank activities and financial results;

- External Auditor report (as per Article 24 of the QFMA Corporate Governance Code);
- Financial statements presentation for approval;
- Nomination of the External Auditors and setting their remuneration;
- Clearance of Board members;
- Dividend distribution and Dividends Distribution Policy;
- Board, Executive Management and staff remuneration policies; and
- Corporate Governance Report.

7.4. The Board invites all shareholders for an Extraordinary Meeting at the Board's discretion, or by a request from shareholders who represent at least three quarters of the Bank's capital. Extraordinary Meetings are considered valid provided that shareholders representing the minimum capital requirement are present. Decisions are only valid provided adequate shareholder representation, the Extraordinary Meeting should be conducted for the following cases:

- Amend the Articles of Association of the Bank;
- Increase or decrease capital of the Bank;
- Extend the duration of the Bank;
- Dissolve, liquidate, transfer or merge the Bank; and
- Sell all the investments for which the Bank was established for or dispose of it in any other way.

8. Finance and Audit

The Board:

- 8.1. Approves the Bank's reviewed interim financial statements and audited financial statements.
- 8.2. Approves the Bank's annual budget.

- 8.3. Monitors the financial performance of the Bank on a periodic and at least a quarterly basis.
- 8.4. Ensures that the Bank maintains adequate levels of capital and reserves, according to sound commercial practices and applicable banking regulations.
- 8.5. Reviews periodically in conjunction with the Board Audit Committee, the arrangements with the External Auditor, in order to ensure their activities and resources are in accordance with the activities and risks of the Bank.
- 8.6. Nominates the External Auditor to the General Assembly and reviews audit reports from the External Auditor. Directs Executive Management to improve raised audit concerns accordingly.
- 8.7. Appoints the Chief Internal Auditor and the Chief Compliance Officer, and Chief Risk Officer based on the Board Audit Committee and Risk & Compliance Committees' recommendation.
- 8.8. Supervises the work of internal audit and compliance departments through the Board Audit Committee and Board Risk & Compliance Committee.
- 8.9. Discusses with the Board Audit Committee and Risk & Compliance Committee matters relating to internal audit and compliance, QCB inspection reports, external audit, and financial statements related disclosures.
- 8.10. Submits to the General Assembly a clear policy on dividend distribution.

9. Responsibility to Shareholders

The Board:

- 9.1. Provides shareholders with timely information to be able to take appropriate and informed decisions in the General Assembly.
- 9.2. Ensures the fair treatment of all shareholders in accordance with the regulations.
- 9.3. Ensures that a transparent process of shareholder relations is in place including procedures for disclosures and communication.
- 9.4. Ensures the development of a remuneration policy for the Board and Executive Management, and presents the same to the General Assembly.
- 9.5. Ensures the required reporting to Qatar Central Bank in accordance with relevant prudential regulations.

- 9.6. Ensures budgets, financial statements and profit distributions are reported to Qatar Central Bank for approval prior to its proposition to the General Assembly.
- 9.7. Strives to maintain and elevate the value of the investment made by the shareholders, being the ultimate owners of the Bank.

10. Duties of the Board Chairman

- 10.1. The Chairman is the president of the Bank, represents it before others, and is primarily responsible for ensuring the proper management of the Bank in an effective and productive manner and working to achieve the interests of the Bank, partners, shareholders and stakeholders.

The Chairman:

- 10.2. Ensures that the Board discusses all the main issues in an effective and timely manner.
- 10.3. Approves the agenda of the Board meeting, taking into consideration any matter proposed by any other Board member.
- 10.4. Encourages all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring the Board is working with its responsibilities to achieve the best interests of the Bank.
- 10.5. Makes available for the Board members all data, information, documents and records of the Bank, and of the Board and its Committees.
- 10.6. Creates effective communication channels with shareholders and making their opinions heard to the Board.
- 10.7. Allows effective participation of Non-Executive Board members in particular and promotes constructive relations between Executive and Non-Executive Board members.
- 10.8. Keeps Board members constantly informed about the implementation of the QFMA Corporate Governance Code, and the Chairman may authorise the Board Audit Committee or any other Board Committee in this mission.
- 10.9. The Vice-Chairman shall replace the Chairman during his absence, and the Chairman may authorise another Board member in some of his powers.

11. Duties of the Managing Director

Duties of the Managing Director:

- 11.1. Support the Chairman in leading Board meetings to deal with all issues on the agenda in an effective manner.
- 11.2. Supervise and guide the CEO to achieve the Bank's Board-approved strategy.
- 11.3. Supervise the implementation of the Board resolutions in accordance the Bank's Board-approved strategy and objectives.
- 11.4. Supervise the implementation of strategic initiatives and investments within the level of authority delegated by the Board.
- 11.5. Sign correspondence, reports, contracts or other documents on behalf of the Bank.
- 11.6. Approve investments, credit facilities and expenditures within the level of authority delegated by the Board.
- 11.7. Monitor the Bank's performance through periodic updates provided by the CEO, offering recommendations in support of the Board's approved plans.
- 11.8. Support the Chairman to oversee the Bank's Corporate Affairs and governance function as well the annual Board calendar and agendas.
- 11.9. Participate in the Board Executive Committee.
- 11.10. Support the Chairman and Board in ensuring the Bank maintains positive and productive ties with the media, ministries, regulators and other organisations.
- 11.11. Any additional responsibility entrusted to him by the Board and the Chairman of the Board. The Managing Director shall not have unilateral powers and the level of authority delegated by the Board to the Managing Director at all times shall be less than the Board Executive Committee.

V. Board Committees

1. General

- 1.1. Board Committees are formed in order to assist the Board by providing organised and focused means to achieve the Bank's goals and to properly address issues on a timely and in an effective manner. The Bank established a "Board Executive," "Board Audit," "Board Remuneration, Nomination & Governance," and "Board Risk and Compliance" committees in accordance with leading governance best practices, QCB Corporate Governance Instructions, QFMA Corporate Governance Code and applicable local governance regulations.
- 1.2. An overview of these Board Committees is provided here, whereas each abides by its own detailed charter contained in the Board Committees Charter. Board Committees regularly report to the Board on their proceedings, deliberations and decisions.
- 1.3. The Board shall ensure that Board Committee members are periodically rotated to promote objectivity and different perspectives whenever possible.

VI. Board Membership

1. Qualifications & Conditions

Board Members shall meet the minimum requirements as per the Commercial Companies Law No. (11) of 2015 (as amended), the QFMA Corporate Governance Code, the QCB Corporate Governance Instructions and the Bank's AOA. Board Members shall:

- 1.1. Not be under 21 years old with full capacity;
- 1.2. Not be convicted of a felony or a crime in breach of honour or trust, or any crimes stipulated in Article 40 of Law No.8 of 2012 concerning the QFMA and Articles 334 and 335 of the Commercial Companies Law (as amended), or be prevented from practicing any work in the entities subject to QFMA's jurisdiction pursuant to paragraph 12 of Article 35 of Law No. 8 of 2012 concerning the QFMA or have been bankrupt unless he has been rehabilitated;
- 1.3. Have no conflict of interest impacting their impartiality and independence;

- 1.4. Be a shareholder and hold at the time of his election or within 30 days of his election not less than two million (2,000,000) shares in the Bank. Such shares shall be deposited within sixty days from the date of commencement of membership, with the depository. The deposited shares shall not be subject to transfer, lien or attachment until the expiry of the membership and after the balance sheet of the last financial year in which s/he was holding office is approved. This condition is not applicable to Independent Board Members;
- 1.5. Be able to commit sufficient time and effort necessary to fulfil all Board Member responsibilities;
- 1.6. Not be holding any legally prohibited position in combination with Board membership as per QFMA Corporate Governance Code and applicable laws;
- 1.7. Demonstrate honesty, integrity and good reputation; and
- 1.8. Be sufficiently solvent to fulfil his responsibilities honestly and objectively.
- 1.9. Hold a university degree, or in the absence of a university degree demonstrate outstanding expertise in banking;
- 1.10. Demonstrate expertise in banking and finance, in categories including (but not limited to) accounting, audit, risk, legal, technology, investments, treasury, insurance, international markets or securities.
- 1.11. Not be a Board Member (as an individual or representative) in more than one bank or a Board Member of more than three public joint stock companies (provided that such memberships do not include any conflict of interest).
- 1.12. Independent Board Members shall meet the QCB definition of "Independent Board Member." Independent Board Members shall have complete independence from the Bank and meet the following conditions:
 - Does not hold or any of his first kinship relatives directly (father, mother, husband, wife and children) or indirectly any shares in the bank and its group or is or any of his first kinship relatives among the major shareholders in any of the bank's associates.
 - Is not or any of his first kinship relatives a member of a group of individuals or entities collectively controlling the bank's business.
 - Does not have or any of his first kinship relatives and the companies they own any contractual relationship or direct or indirect interest with the bank's group, including their obtaining of credit facilities or receiving any salary or material benefit from the bank and its group that may affect their ability to make decisions independently (Except for the remunerations and allowances he receives in consideration for his Board membership).

- Does not work or own shares in any consulting agency or professional institution that provides any service to the bank, such as external auditing services, outsourcing, and other services, whether personally or through one of his first kinship relatives. Does not have or any of his first kinship relatives any direct or indirect interest in contracts, projects, and commercial business undertaken by the bank and its group or is a part thereto.
- Is not a relative to any other board member or executive management member up to first kinship.
- He or any of his first kinship relatives is not currently or has not been previously engaged in any career at the bank and its group during the last five years.
- Holds a university degree and has an appropriate experience of no less than five years in financial or banking specialized fields.
- Independent Board Members' tenure may not exceed two terms of the Board.

2. Nomination Procedure and Term

The Board has established a transparent nomination process which is managed by the Board Remuneration, Nomination & Governance Committee. For more details, please refer to Nomination Procedure and Term Policy.

3. Filling of Vacant Positions

- 3.1. If the post of one Board Member becomes vacant, he shall be succeeded by whoever attained most votes of the shareholders who did not gain membership of the Board of Directors. If an impediment arises, the one who comes next shall succeed him. The new member will continue the term of his predecessor only. If there is no member to occupy the vacant position, the Board shall complete its term with the remaining number of members unless they are less than five. (AOA 25).
- 3.2. In case the number of the remaining members is less than five, the Board should call a General Assembly meeting to appoint replacement members within two month of the date the last position is vacated (AOA 25).

4. Resignation

- 4.1. A Board member may resign from the Board on condition that appropriate timing and conditions are agreed with the Chairman.
- 4.2. If a member is absent for three consecutive Board meetings or four non-consecutive meetings he will be considered to have resigned from the position, unless acceptable reasons are provided to the Board.

VII. Board Code of Ethics

All Board members shall comply with the Bank-wide Code of Conduct (12-01-POL-002) in addition to the Board Code of Ethics section of this charter. Please refer to the Bank-wide Code of Ethics for further details.

1. Accountability

- 1.1. The Board represents the interests of shareholders by overseeing management performance on behalf of shareholders. The Board's responsibility around this oversight function includes both duty of care and duty of loyalty. The Board will be kept accountable for the Bank's performance and its activities as per the applicable laws and regulations (e.g. CCL Articles (136), (328) and (329), QCB Corporate Governance Instructions and the QFMA Corporate Governance Code).

Duty of Care:

- 1.1.1. Board members will act in good faith and exercise care and diligence at all times; and
- 1.1.2. Board members will take reasonable steps to be fully aware of the relevant issues of the Bank.

Duty to Comply with the Corporate Authority:

- 1.1.3. Board members will act within the scope of the authority entrusted to them under the Bank's Articles of Association, duly enacted Board directives, shareholder resolutions, and related laws and regulations. Board members acting outside the scope of their authority shall be liable for Bank losses suffered as a result of such unauthorised actions.

2. Transparency

- 2.1. Board members follow the Bank's values and act honestly and with integrity in all their dealings.
- 2.2. The Board members act in good faith and in the Bank's best interest, not in the personal interest of themselves, interest of family members or any organisation with which the member is affiliated. The Board members do not use their position for personal gain and should be free from any influence of conflict of interest when they participate in Board and Board Committees' deliberations and voting.

- 2.3. The Board promotes ethical behaviour and encourages an open environment where Board members and employees are encouraged to report any unethical behaviour observed and not permit retaliation for reports of misconduct made in good faith.
- 2.4. Duty of Loyalty upon Conflict of Interest and Related Party Transaction:
 - 2.4.1. The Board members owe a duty of loyalty to the Bank and its shareholders. The fiduciary duty requires Board members to subordinate their personal interests to the interest of the Bank and its shareholders and act in good faith at all times.
 - 2.4.2. The Board members will ensure disclosure of related parties in line with the Bank's Corporate Governance Charter and the QFMA Corporate Governance Code requirements.

3. Fairness

- 3.1. Board members always strive to deal fairly with the Bank's management, shareholders, suppliers, competitors, customers, employees and other business partners. Board members avoid taking unfair advantage of anyone through manipulation, or concealment of privileged information, misrepresentation of material facts, or any other unfair dealing practices.
- 3.2. Business entertainment and gifts are offered only in a commercial setting to create goodwill and sound working relationships and not to gain unfair advantage. It should be noted that Board members and their family members may not accept gifts from individuals or other entities, where such are offered to influence the Board member's actions related to the Bank's business activities.

4. Sustainability

- 4.1. Board members always use their professional experience and skills and commit adequate time and effort in order to serve the Bank and secure sustainable returns for its shareholders.
- 4.2. The Board members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Bank's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board members' skills and knowledge. Every newly selected Board member will upon his election become familiar with the Bank's structure, management and all other information enabling the said Board member to assume his responsibilities.
- 4.3. The Board members actively promote the continuous improvement of the Bank procedures and practices while adhering to the policies and standards. They also encourage achievement of knowledge at all levels to help personal and organisational success.

- 4.4. The Board members protect the Bank's assets, ensure their efficient use and make sure the assets are used for legitimate business purposes.

5. Confidentiality

- 5.1. The Board members maintain the confidentiality of all proprietary, sensitive or important information of the Bank entrusted to them, except when disclosure is authorised or legally mandated or instruction is received for investigation purposes.
- 5.2. All non-public information of the Bank is considered confidential information. Board members who have access to confidential information will not share this information for any purpose.

VIII. Abbreviations

Abbreviation	Meaning
AOA	Articles of Association
Board Committees	The Board Risk and Compliance Committee, the Board Audit Committee, the Board Executive Committee, the Board Remuneration, Nomination and Governance Committee
BOD	Board of Directors
CCL	Commercial Companies Law
GCEO	Group Chief Executive Officer
Executive Management	The GCEO, members of EXCO, and other executive managers reporting to the GCEO
QCB	Qatar Central Bank
QFMA	Qatar Financial Markets Authority