

البنك التجاري
COMMERCIAL
BANK



Corporate Governance Report 2023



Contents

1.	Chairman’s Message	4
2.	Governance Framework	6
3.	The Board of Directors	11
4.	Board Committees	15
5.	Executive Management	21
6.	Management Committees	21
7.	Risk Management	24
8.	Information Security	26
9.	Commercial Bank’s Control Framework	27
10.	Abbreviations	31
Corporate Governance Disclosures		
1.	Board Members	34
2.	Board and Board Committees Self-Assessment Summary	38
3.	Board Meetings Dates and Attendance	40
4.	Board Committees Members	41
5.	Board Committees Dates and Attendance	43
6.	Directors’ Remuneration	44
7.	Executive Management Remuneration	45
8.	Executive Management Profiles	49
9.	Ownership Structure	53
10.	General Statements	53
11.	Management’s assessment on Compliance with the QFMA’s law and regulations and other relevant legislation including the Corporate Governance Code as at 31 December 2023	53
12.	Management’s Assessment on Internal Control over Financial Reporting	54
13.	Violations	56
14.	Disputes	56
15.	Scope	56
QCB Corporate Governance Disclosure Requirements		57
Appendix 1:	External Auditor Report on Compliance with the Qatar Financial Markets Authority’s Law and Other Relevant Legislation including the Corporate Governance Code for Companies & Legal Entities Listed on the Main Market	60
Appendix 2:	External Auditor Report on Internal Controls over Financial Reporting	65

1. Chairman's Message



Abdulla Bin Ali Bin Jabor Al Thani

Chairman

Dear Commercial Bank Stakeholders,

On behalf of myself and my Board of Director colleagues, I am pleased to present the Annual Corporate Governance Report of 2023 that provides a comprehensive overview of our governance framework and best practices that Commercial Bank has adopted. It reflects our dedication to transparency, accountability and highlights how we apply the principles and provisions of applicable governance laws and regulations of the Qatar Central Bank (QCB), the Qatar Financial Markets Authority (QFMA) and leading international frameworks.

The Board of Directors firmly believes that good corporate governance is fundamental in ensuring the proper management of Commercial Bank in the interests of all of our stakeholders. We recognise that the way we interact with stakeholders is key for the success of our business and the

transparent disclosure of our governance assists investors in their investment decisions.

To comply with the amendments to the Governance Instructions to Banks included in the Qatar Central Bank Circular number 2 of 2023, the number of Board Members increased from 9 to 11. Following the election of the Board of Directors at the AGM on 15 March 2023, the Board welcomed newly elected Members: Al Gassar Capital represented by Mr. Omar Hussain Alfardan, Sheikh Jabor Bin Abdulla Bin Ali Al Thani as the representative of Vista Trading, Mr. Ibrahim Jassim Al-Othman, Mr. Tariq Ahmad Al Malki Al Jehani, Mr. Mohammed Yaser Al Mosallam, and Mr. Salem Khalaf Al Mannai as the new representative of Qatar Insurance Company. The diverse range of skills and experience of these newly elected Members will undoubtedly contribute to our strategic vision and corporate governance.

During 2023, we continued to enhance our corporate governance practices as the Bank's business evolves and regulatory requirements change. The Bank's remuneration policies were revised in line with the Qatar Central Bank instructions on ceilings and determinants for remuneration of the Board of Directors and Executive Management. Commercial Bank's Corporate Governance Charter, Board of Directors Charter, Board Committees Charter, Board Delegation of Authority, Board Remuneration Policy and Corporate Affairs Policy were all reviewed and updated for alignment with the QCB Corporate Governance Instructions and changes to the Bank's business. In line with the Qatar National Vision 2030 and the Qatar Central Bank's objective to promote ESG financial solutions, the Bank launched its inaugural Sustainable Finance Framework, which will further our commitment to support projects that enable the transition to a low carbon and climate resilient economy as well as a positive societal impact.

In support of Commercial Bank's five-year strategic plan, the Board of Directors continued to work with the Executive Management team towards our vision to be the best bank in Qatar recognised for our five Cs: corporate earnings quality, client experience, creativity and innovation, culture, and compliance. As one of the five Cs, compliance is a fundamental part of Commercial Bank's strategy in recognition that good governance is the essential foundation for growth.

Actions taken under our five-year strategic plan are reflected in the Bank's financial performance and the market is recognising our achievements in the form of business award wins in 2023 such as the "The Most Innovative Bank award in the Middle East" by World Finance and "Most Innovative Mobile Banking App in the World" from Global Finance. Commercial Bank has strong credit ratings of (A2) from Moody's, (A-) from Fitch, and (A-) from Standard & Poor's.

Being a publicly listed Qatari company engaged in banking activities, Commercial Bank has complied with the provisions of the QFMA Corporate Governance Code, QCB Corporate Governance Instructions, and all the disclosure requirements (including financial reporting), as required by Qatar Exchange and other regulatory authorities.

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



Abdulla Bin Ali Bin Jabor Al Thani
Chairman

2. Governance Framework

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

The main rules, procedures and practical application of Commercial Bank's governance are contained in the Bank's Corporate Governance Charter, Board of Directors Charter and Board Committees Charter. These charters reflect Commercial Bank's long-standing ethical governance practices and the regulatory requirements mandated by:

- Instructions issued by the Qatar Central Bank on 30 August 2022 by virtue of Circular No. 25/2022 (QCB Corporate Governance Instructions);
- The Commercial Companies Law promulgated by Law No. 11 of 2015, as amended by Law No.8 of 2021 (CCL); and
- The Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority pursuant to Decision No. 5 of 2016 (QFMA Corporate Governance Code).

In 2023, the Corporate Governance Charter, Board of Directors Charter, Board Committees Charter, Board Delegation of Authority, Board Remuneration Policy and Corporate Affairs Policy were updated for compliance with the QCB Corporate Governance Instructions and changes to the Bank's business.

Further, the Bank's Board Delegation of Authority, Board Committees Charter and Executive Organizational Structure and reporting lines were amended to strengthen the independence of the Risk, Compliance, Internal Audit, and Board Secretarial functions.

Shareholders approved at an Extraordinary General Assembly on 14 June 2023 amendments to the Bank's Articles of Association to comply with the amendments to the QCB'S Corporate Governance Instructions issued by the Qatar Central Bank by virtue of Circular No. 2 of 2023 specifying that the Board would be composed of 11 members.

The Bank's Corporate Governance Charter, Board of Directors Charter, Board Committees Charter and the Articles of Association can be found on the Bank's website (Investor Relations / Governance section).

2.1 Commercial Bank's Corporate Governance Principles

The Board understands that sound corporate governance principles and practices are fundamental to maintaining the trust of its stakeholders, which is also critical in business growth, sustainability and profitability. The Board is committed to implement the corporate governance principles of justice, equality among stakeholders without discrimination, transparency and disclosure, while upholding the values of corporate social responsibility and acting in the public interest of Commercial Bank and stakeholders over their personal interests, as well as performing their duties, tasks and functions in good faith, integrity, honour and sincerity. The implementation of these principles is driven by a qualified Board aided by a seasoned and experienced Executive Management team. The Board ensures that the Bank adheres to these corporate governance principles in its day-to-day activities at all times.

2.2 Stakeholders Rights and Communication

Shareholders

The Board and Chairman's responsibilities detailed in the Corporate Governance Charter are to govern the interests of not only the Bank but also "partners, shareholders and stakeholders, and to achieve public interest and investment development in the State as well as the community" as per Article 2 of the QFMA Corporate Governance Code.

Commercial Bank upholds the principle of equality among shareholders, with shareholders' rights detailed in the Bank's AOA and Corporate Governance Charter including (but not limited to) 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;
- Protection of minority shareholders in major transactions;
- Right to vote;
- Right to attend and participate at the AGM personally or by proxy; and
- Approve the dividend distribution endorsed by the Board.

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

In line with the Bank's AOA and Corporate Governance Charter, the Bank maintains effective and candid communication with its shareholders, which enables them to understand the business, its financial condition, its operating performance and trends, actively

participate in the AGM and to execute their voting rights.

Commercial Bank has a dedicated Head of Shareholder Relationships position to oversee effective communication channels with shareholders, receive their opinions and complaints, and make shareholders' opinions known to the Board. Commercial Bank's Investor Relations Unit is responsible for the Bank's relationship with analysts and organises quarterly analyst calls and quarterly investor presentations that are available on the Bank's website (Investor Relations section). The primary channel through which the Bank receives shareholder and analyst-related requests for information and complaints is through the ir@cbq.qa email and the Investor Relations Manager contacts on the Bank's website (Investor Relations section).

Stakeholders Rights other than the Shareholders

Commercial Bank's Code of Conduct (of which more details can be found in Section 2.4) is binding on the Board, Executive Management and employees. The Code of Conduct underlines Commercial Bank's compliance with our legal obligations, regulatory requirements and voluntary codes of practice to which we subscribe. Discrimination is prohibited in the workplace and we are required to treat our customers fairly without favouring the interests of one customer over another. The Code of Conduct requires us to listen to, and act on, customers' complaints.

To ensure a structured and clear way of managing complaints, Commercial Bank has developed and follows a documented Complaint Management Procedure. All complaints received from branches, call centers, relationship managers and any other customer-facing units are logged in the Bank's Customer Relationship Management system. Complaints are automatically routed to a specialized Complaint Management Unit, who oversee the overall complaint handling process, ensuring objective handling and timely resolution, along with proper identification of issues and future mitigation to avoid future complaints of the same type.

Commercial Bank has a Supplier Code of Conduct based upon internationally accepted and advocated principles for ethical and legally compliant business practices. The Bank has a systematic approach to the application of the Supplier Code of Conduct in respect of its supply chain business partners, including suppliers, contractors, consultants, any sub-contractors and agents. In doing so, the Bank’s goal is to ensure that its business relationships are based upon a foundation of integrity and sustainability, and reflect the values and principles that the Bank promotes internally and externally. The Supplier Code of Conduct is available on the Bank’s website (Investor Relations / Governance section).

Commercial Bank encourages its stakeholders to report incidents of improper conduct about an actual,

suspected or anticipated wrongdoing and the Bank has established and follows a Whistle-blowing Policy. The Whistle-blowing Policy details the reporting mechanisms for improper conduct and anonymous complaints procedures for both fraud and non-fraud cases. There is protected disclosure for the whistleblower(s) identity to remain anonymous whilst conducting an investigation. A disciplinary review committee oversees cases of improper conduct and decisions are enforced in line with the Bank’s disciplinary matrix. The Whistle-blowing Policy is found on the Bank’s website (Investor Relations / Governance section). In 2023, three whistle-blowing incidents were reported and investigations were conducted into each report. One report had merit, resulting in disciplinary action being enforced by the Bank.

2.3 Sustainability and Corporate Social Responsibility

Commercial Bank is committed to ESG principles and practice. The Bank’s ESG framework is approved by the Board of Directors and is subject to shareholder approval at the Bank’s AGM.

Commercial Bank’s ESG framework



Commercial Bank has a five-year strategic plan (2022-2026) based on the 5Cs: Corporate earnings quality; Client experience; Creativity and innovation (Digital Creativity); Culture; and Compliance. We view sustainability as an integral part of our corporate strategy and it is inbuilt within the 5Cs. The sustainability topics most material to our business and our stakeholders can be viewed as a natural extension of the 5Cs as they support the delivery of our corporate strategy. These material topics are:

- 1) Sustainable finance
- 2) Risk management
- 3) Support for SMEs
- 4) Financial inclusion and accessibility
- 5) Responsible procurement and supply chain management
- 6) Exceptional client experience
- 7) Customer privacy and data security
- 8) Digital innovation
- 9) Environmental impact of our operations
- 10) Talent attraction, development and retention
- 11) Diversity and inclusion
- 12) Community investment
- 13) Governance and Compliance

The Bank's Sustainability Policy which is approved by the Board of Directors details the Bank's approach towards environmental protection and climate change risk management, and is published on the Bank's website (Investor Relations / Governance section).

Commercial Bank's longstanding commitment to Corporate Social Responsibility (CSR) is formalised in the Corporate Governance Charter which includes the provisions of QFMA Corporate Governance Code Article 39 relating to community development and preservation of the environment. A detailed report of the Bank's CSR activities in 2023 is contained in the Annual Report.

Pursuant to QFMA Law No. 13 of 2008 the Bank calculates an appropriation from retained earnings for its contribution to the social and sports activities fund which is 2.5% of the annually reported net consolidated profit. For the year ended 31 December 2022, the Bank appropriated an amount of QAR 70,277,700 which was paid in April 2023. For the year ended 31 December 2023, the Bank appropriated an amount of QAR 75,255,675 to be paid following shareholder approval of the consolidated financial statements at the Bank's AGM.

2.4 Code of Conduct

In addition to Commercial Bank's corporate governance charters, the Board is responsible for setting the Bank's professional conduct rules found in the Bank-wide Code of Conduct, and regularly reviews the Bank's internal policies and procedures that are binding on the Board, Executive Management and employees.

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

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

- Compliance with laws and regulations;
- Board and employee conduct;
- Prohibition on soliciting, accepting or offering money, gifts, favours, entertainment or bribes which might influence, or be seen to influence our business judgement;
- Avoiding conflict of interest;

- Quality service and operational efficiency;
- Protection and proper use of Bank assets;
- Prohibition on insider trading;
- Media relations and publicity;
- Whistle-blowing;
- Relations between employees and the Bank;
- Use of proprietary and insider information and stakeholder information;
- Employee information and privacy; and
- Prohibition of discrimination within the workplace.

The Code of Conduct is available on the Bank's website (Investor Relations / Governance section).

2.5 Conflict of Interests

The Bank has adopted clear rules and procedures governing granting of credits, outside employment, outside directorships, business interests, related parties and any transaction/situation that raises questions or doubts with respect to possible conflicts of interest. These rules and procedures are documented in the Bank's Code of Conduct and Corporate Governance Charter, and are applicable to the Bank's Board, Executive Management, employees and other stakeholders (including shareholders, customers, and service providers, among others).

As per the QCB Corporate Governance Instructions, Board Members and senior Management cannot have any direct or indirect participation in any activity similar to the Bank or an interest in any contract, project or undertaking with or by the Bank.

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

- Avoid situations that may create actual or perceived conflict of interest;
- Act in a responsible and respectable manner and remain free of influences that may result in the loss of objectivity on business conducted with the Bank's customers or with the Bank itself;

- Protect staff members who prepare conflict of interest reports from any retribution made by those included in such reports (whistle blowing);
- Avoid soliciting gifts from prospective or current customers, vendors or any other individual or business;
- Avoid disclosing inside information to outside entities with malicious intention to benefit from the disclosure;
- Restrict persons from using the Bank's information for personal gain; and
- Disclose Board Member holdings to the public/ stakeholders.

In regards to insider trading, the Bank has clear rules and procedures governing the trading of securities which are documented in the Bank's Corporate Governance Charter. In general, in accordance with QSE bylaws, Commercial Bank's Board Members, Executive Management or employees are not permitted to exploit inside information about the Bank for trading in its shares to seek personal benefit or benefit to other persons, nor disclose information which is not yet disclosed to QSE and is capable of affecting the prices of the securities or trading in the QSE.

2.6 Related Party Transactions

The Board is required to approve related party transactions, and material related party transactions require subsequent approval by shareholders at the Bank's AGM. The Bank has adopted clear rules and procedures governing transactions with related parties, which are documented in the Bank's Corporate Governance Charter.

While related party transactions for non-credit facilities are prohibited under the QCB Corporate Governance Instructions, Board Members and Executive Management 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 Commercial Bank in relation to credit facilities. Credit facility related party transactions

require the prior review and endorsement of the Board and when 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. Credit facilities are prohibited for Independent Board Members.

To ensure independent decisions, related parties are not permitted to attend the Board meeting while discussing that credit facility related party transaction or relationship in question, and are not entitled to vote regarding the transaction. The Board must disclose related party transactions in detail to shareholders and material related party transactions are approved by shareholders at the Bank's AGM. The list of Board-related credit facilities approved by the Board, as per the CCL, is available for the shareholders inspection before the AGM in the Board Secretary's office.

The Bank has observed and complied with the definitions required by applicable regulatory authorities with respect to related party transactions it has entered into during 2023. In compliance with QFMA Corporate Governance Code Article 4.11, related party transactions are disclosed in the Bank's consolidated financial statements within the Annual Report 2023, Note No.39.

3. The Board of Directors

3.1 Role of the Board, Board Committees and Executive Management

The Board is entrusted by the shareholders with the authority to govern the Bank, oversee its operations and provide effective governance over the Bank's key affairs. The responsibilities of the Board of Directors are clearly defined in the Bank's AOA, Corporate Governance Charter, and Board of Directors Charter in compliance with QCB Corporate Governance Instructions and QFMA Corporate Governance Code Article 8, which can be found on the Bank's website (Investor Relations / Governance section).

In order to provide an organised and focused means of achieving the Bank's goals and to properly address issues in a timely manner, the Board has set up Board Committees in accordance with leading practices and applicable local governance regulations. In addition, the Board has assigned the day-to-day management of the Bank to the Executive Management, subject to clear instructions and within the bounds of their delegated authority.

3.2 Board Composition and Directors' Qualifications

The Bank has eleven Directors, whose details and qualifications can be found in Disclosures, Section 1. Three Directors are independent and eight are non-executive.

The Bank notes the requirement of both the CCL and the QFMA Corporate Governance Code to have one third of the directors of a publicly listed company as independent and it is our position that given this equates to a fractional number, we have complied with the spirit of the requirement by having three independent directors. The Bank's position was communicated to QFMA. Commercial Bank is compliant with QCB Corporate Governance Instructions Principle 2 II (3) by having three independent directors.

Draft amendments to the Bank's Articles of Association were communicated to QFMA on 23 May 2023, together with an invitation to attend the Extraordinary General Assembly.

Shareholders approved at the Extraordinary General Assembly on 14 June 2023 the amendments to the Bank's Articles of Association to comply with amendments to the QCB Corporate Governance Instructions issued by virtue of Circular No. 2 of 2023 that the Board be composed of 11 Directors. The amended Articles were approved by the Qatar Central Bank and the Ministry of Commerce and Industry, certified by the Ministry of Justice, and published in the Official Gazette.

In designating Board Members as “independent,” the Bank adopts the QCB Corporate Governance Instructions definition. The QCB Corporate Governance Instructions definition of an independent Board Member is stricter than the QFMA Corporate Governance Code definition. As per QCB, independent Board Members or any of his first kinship relatives are not permitted to directly or indirectly hold any shares in the Bank. As per QFMA, Board Members are non-independent if they own at least 1% of shares in the Bank. If the Bank designated Board Members as “independent” using the QFMA Corporate Governance Code definition, more than one third of the directors would be independent.

Notwithstanding Commercial Bank’s designations of Board Members as “executive” as per the QCB Corporate Governance Instructions, no Board Members have a full-time management position at Commercial Bank. Directors’ remunerations can be found in Disclosures, Section 6.

As per QFMA Corporate Governance Code Article 7, each Board Member provided their annual acknowledgement in 2023 that they are not combining their position as a Board Member of Commercial Bank with prohibited positions being:

- A board chairman or vice-chairman for more than two listed companies headquartered in Qatar;
- A managing director in more than one listed company headquartered in Qatar;
- A board member in more than three shareholding companies headquartered in Qatar; and
- A board member combining memberships in two listed companies headquartered in Qatar exercising a homogenous activity.

In addition, independent Board Members annually reconfirm their independent status.

The positions of Commercial Bank’s Chairman and the Group Chief Executive Officer are distinct and separate and the Chairman is prohibited from exercising the position of Group Chief Executive Officer and any other full time management position in Commercial Bank, from receiving a wage, and from participating in any Board Committee as per the Corporate Governance Charter.

The Board Remuneration, Nomination & Governance Committee annually assesses that the Board is the right size and has an appropriate balance of skill, experience and background to ensure optimum effectiveness as part of the Board self-assessment exercise detailed in Section 3.4.

Members of the Board possess the personal qualities and technical skills required to effectively carry out their assigned roles, provide leadership of the Bank and supervise management. Requirements for all Board Members include the provisions of QFMA Corporate Governance Code Article 5 and QCB Corporate Governance Instructions Second Principle 1 at a minimum, together with additional criteria established by the Board Remuneration, Nomination & Governance Committee to ensure a highly qualified Board with a diverse range of skills.

3.3 Nominating and Electing Directors

The Board Remuneration, Nomination & Governance Committee is responsible for recommending Board Members’ appointments and nomination for election at the AGM. Nominations, appointment and removal of Board Members are made in accordance with formal, rigorous and transparent procedures in line with the Bank’s AOA, Board of Directors Charter and Board Committees Charter. Members of the Board are elected by the AGM for a period of three years. Directors may be re-elected more than once but Independent Board Members’ tenure may not exceed two terms.

The Bank's shareholders elected the Board of Directors at the AGM on 15 March 2023 for the period of three following years.

3.4 Board Self-Assessment and Training

In compliance with international leading practices, QCB Corporate Governance Instructions, the QFMA Corporate Governance Code and the Board of Directors Charter, the Board and Board Committees completed their annual self-assessment for 2023.

The Board and Board Committees self-assessment exercise was approved by the Board Remuneration, Nomination & Governance Committee, and the results were reviewed to help ensure the Board of Directors, Board Committees and each Board Member continually improves towards carrying out their roles and responsibilities effectively and efficiently. A headline summary of the Board and Board Committees self-assessment in compliance with QFMA Corporate Governance Code Article 4.7 is found in Disclosures, Section 2.

The expertise of the Board is augmented by the continuing Board Member education programme. The Board underwent their annual corporate governance, AML and CFT, and ESG training in 2023 as approved by the Board Remuneration, Nomination & Governance Committee to ensure they are updated with the very latest local and international regulations and best practice. In addition, in 2023 the Board received training in regards to cyber security as per QCB Circular 4-2018.

3.5 Board Responsibilities

3.5.1 Board Chairman and Managing Director

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

Among the duties of the Managing Director are supporting the Chairman in leading Board meetings, supervising the GCEO to achieve the Bank's Board-approved strategy, monitoring the Bank's performance and supporting the Chairman to oversee the Bank's Corporate Affairs and governance functions.

The full duties of the Chairman in compliance with QCB Corporate Governance Instructions, QFMA Corporate Governance Code Article 11 are detailed in the Board of Directors Charter, together with the duties of the Managing Director.

3.5.2 Board of Directors

The Board of Directors is responsible for the stewardship of the Bank, providing effective supervision over Executive Management and leading the Bank's business to grow in a profitable and sustainable manner. The Board's key functions and responsibilities include (but are not limited to):

- Providing strategic direction to the Bank;
- Appoint the GCEO and heads of independent functions;
- Review, approve and ensure the accuracy of the Bank's financial statements;
- Monitor the Bank's financial performance;
- Monitor the development of the Bank's internal control framework;
- Overseeing a strong risk governance framework; and
- Oversee overall corporate governance of the Bank

The full responsibilities of the Board are clearly defined in the Bank's AOA, Corporate Governance Charter, and Board of Directors Charter in compliance QFMA Corporate Governance Code Article 8.

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

3.5.3 Board Reserved Matters

Among the matters reserved for Board approval are certain written policies as per QCB Instructions to Banks, QCB Corporate Governance Instructions, the QFMA Corporate Governance Code, other applicable laws and regulations, and the Bank's governance documents.

The Bank's Risk Policy (Risk Appetite Statement), Director Remuneration Policy, Employee Remuneration Policy and Dividend Distribution Policy underwent their mandatory annual review in 2023, as well as the Bank's Information Security Policy, AML CFT & Sanctions Policy, and FATCA & CRS Policy.

The Director Remuneration Policy, Employee Remuneration Policy and Dividend Distribution Policy were approved by the Bank's shareholders at the Annual General Assembly on 15 March 2023.

The Board is required to approve transactions of certain nature and over a certain amount as provided in the Board delegation of authority, and applicable laws and regulations.

3.6 Board Meetings

The Board held ten meetings in 2023, with dates and attendance details listed in Disclosures, Section 3. Invitations, participation frequency, and decisions of Board meetings are conducted in line with QCB

Corporate Governance Instructions, QFMA Corporate Governance Code Articles 13, 14 and 15, Commercial Bank's AOA and the Board of Directors Charter. The minutes of Board meetings are prepared by the Board Secretary with details of the matters considered by the Board and decisions reached, including any concerns raised by Members. The draft minutes are circulated to all Members of the Board for their comments. The Board formally adopts the draft minutes at the subsequent meeting. Minutes of Board meetings are kept by the Board Secretary.

The draft agenda for Board meetings is prepared by the Board Secretary and approved by the Chairman of the Board. It is usually sent to the Members not less than 10 days before the intended date of the Board meeting. All Members of the Board have full and timely access to relevant information.

3.7 Board Secretary

The Board appointed Ms. Marie-Therese Lebbos Auger as Board Secretary and Head of Commercial Bank's Corporate Affairs Department in 2018 in accordance with QFMA Corporate Governance Code Article 16 and the QCB Corporate Governance Instructions.

In her role as Board Secretary and in accordance with QFMA Corporate Governance Code Article 17 and the QCB Corporate Governance Instructions, Ms. Auger provides administrative support to Board Members, the Board Committees and the Chairman to facilitate the execution of all their functions.

All Members of the Board have access to the advice and services of the Board Secretary, who is responsible for ensuring that the correct Board procedures are followed and advising the Board on all corporate governance matters.

4. Board Committees

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

The Board has formed four Board Committees:

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

Each Board Committee has detailed and specific roles, duties and authorities as determined by the Board and captured in the Board Committees Charter approved by the Board. The Board Committees Charter has been developed taking into consideration regulatory requirements including QFMA Corporate Governance Code Article 18, QCB Corporate Governance Instructions Fourth Principle, Commercial Companies Law, and leading corporate governance practices.

Members and chairs of the four Board Committees are found in Disclosures, Section 4. In compliance with QFMA Corporate Governance Code Article 19, no Board Member is the chairman of more than one Board Committee and in compliance with QCB Corporate Governance Instructions Fourth Principle the Chairman of the Board of Directors is not a member of any Board Committee.

4.1 Board Audit Committee (BAC)

The Board Audit Committee is primarily responsible for overseeing the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Bank, and defining criteria and control mechanisms for all activities involving Bank-wide related risks. The Committee's role, responsibilities, composition, membership requirements are fully documented in the Board Committees Charter.

Members of the Board Audit Committee are found in Disclosures, Section 4. In compliance with QFMA Corporate Governance Code Article 18, the chairperson and the majority of the Board Audit Committee are independent Board Members, and in compliance with QCB Corporate Governance Instructions Fourth Principle 1, the members are not members of any other Committee.

Conforming to the transparency and independence principle, the Bank's Internal Audit Department reports directly to the Board Audit Committee whereby the head of Internal Audit is responsible to submit reports and observations to the Committee on a periodic basis and as needed.

Activities during the year

The BAC undertook the following key activities:

- Reviewed and recommended to the Board the adoption of the Bank's interim and annual financial statements;
- Reviewed the scope of the 2023 internal audit plans;
- Performed oversight on the work performed by the External Auditors throughout the year and made recommendations regarding their re-appointment;
- Reviewed the significant accounting, financial reporting and other issues raised by management, and the internal and External Auditors, including a review of all reports issued by the Bank's Internal Audit Department (which includes credit reviews and investigation reports);

- Reviewed the progress made by the Bank in resolving the various issues raised in Internal Audit reports, the External Auditor's management letter, the investigation reports and the QCB inspection report;
- Held private meetings with the Chief Internal Auditor at least every two months, without the presence of Executive Management;
- Reviewed and approved the IA Charter & Methodology and benchmarked it against IIA (Institute of Internal Auditors) standards (conformance with IIA Standards);
- Reviewed and approved the ICOFR Management Assessment Report;
- Reviewed the periodic updates on all activities performed by the Alternatif Bank Internal Audit Department;
- Reviewed the findings issued from the subsidiary Alternatif Bank AML Audit as mandated by QCB;
- Approved the hiring of Internal Audit staff;
- Reviewed the Quality Assurance and Improvement Program review conducted by the Internal Audit, based on the Institute of Internal Audit requirements, to ensure compliance with IIA standards;
- Approved additional non-assurance services to be performed by the External Auditors;
- Presented the annual Audit report to the Board of Directors based on corporate governance requirements;

The Board Audit Committee is required to meet at least four times a year. During 2023, the Board Audit Committee met a total of fifteen times, and minutes of such meetings are duly documented.

The dates and attendance details of the Committee meetings are listed in Disclosures, Section 5.1.

4.2 Board Risk & Compliance Committee (BRCC)

The Board Risk & Compliance Committee has been delegated risk oversight functions by the Board of Directors, including, but not limited to capital, credit concentration, interest rate, liquidity, markets, operational, cyber & technology, models, business continuity, strategic, reputational risks, environmental, social and governance. The BRCC is responsible for advising the Board on the Bank's overall and future risk appetite, overseeing Executive Management's implementation of the "Risk Appetite Statement", reporting on the state of risk culture in the Bank, and interacting and overseeing the Chief Risk Officer. The BRCC's role, responsibilities, composition, membership requirements are fully documented in the Board Committees Charter, and members of the BRCC are found in Disclosures, Section 4.

The BRCC maintains oversight of enterprise-wide risks through the Management Risk Committee (MRC), the GCEO, and the Chief Risk Officer, and provides risk management directives through the GCEO and the Chief Risk Officer.

Further, the BRCC is responsible for setting forth Compliance and Financial Crimes Control (FCC) including Anti-Money Laundering, and Combating Financing of Terrorism (AML/CFT), Anti-Fraud, and Anti-Bribery and Corruption (AB&C), Personal Data Privacy Protection, FATCA/CRS requirements, criteria and control mechanisms for all activities involving Bank-wide related risks including but not limited to the AML, CFT and Sanctions Risk Appetite. Oversight the AML, CFT and Sanctions regulated subsidiaries performance. Conforming to the transparency and independence principle, the Bank's Compliance and FCC SBU reports directly to the BRCC whereby the Chief Compliance Officer is responsible to submit reports and observations to the Committee on a periodic basis and as needed, in addition to the status of the AML, CFT and Sanctions Risk Appetite implementation at the bank wide and its regulated subsidiaries.

Activities during the year

The BRCC undertook the following key activities for Risk:

- Reviewed and ratified risk appetite, risk tolerance levels, and portfolio limits, including limits at Bank-level, as well as at the SBU-level for Wholesale Banking, Enterprise Banking and Retail Banking separately;
- Reviewed the Top Risks of the Bank with their impacts and scenarios.
- Periodically reviewed the status of legal cases both filed by and against the Bank and the progress thereof;
- Reviewed and approved updated Risk Management Policies and Models;
- Reviewed the upgraded Risk Management Organization Structure to make sure that the function has the appropriate skill sets to carry out its activities diligently;
- Reviewed and approved certain delegations of authority at the request of the Management Risk Committee;
- Reviewed the Investment Portfolio Strategy, limits, products and key portfolio and asset liability metrics including deposit rate, duration, funds providers, concentrations, and geographic risks;
- Reviewed the impact of changes in various legislations in the country and was updated on the impact and bank's proposed actions;
- Reviewed periodically the Bank's loan portfolios, concentration metrics, adequacy of the expected credit losses and actions taken to ensure stability in credit quality;
- Approved the formation and Terms of Reference of the Sustainability Committee;
- Reviewed the group wide risk position on critical matters and actions taken by the Management Team;
- Approved policies pertaining to Operational Risk; Business Continuity; Outsourcing, Escalation Matrix and other risk policies;

- Reviewed all the relevant regulatory developments that took place during 2023
- Peer Risk Analysis and the progress made by the Bank on market risk metrics
- Reviewed the enhanced performance assessment matrix which integrates risk elements in the bank's overall performance scorecard
- Performed oversight on actions taken by the MRC throughout the year, along with ratification of MRC decisions requiring Board Risk & Compliance Committee approval; and
- Reviewed and approved the Bank's ICAAP, Stress Tests and Capital & Recovery plan.
- Reviewed the newly proposed methodologies pertaining to liquidity and market risk;
- Reviewed the Group Credit Policy Changes;

The BRCC undertook the following key activities for Compliance:

- Reviewed and approved the Compliance and FCC Annual Plan 2024 and updated policies;
- Reviewed and approved the changes to the compliance review planning and execution methodology;
- Endorsed the permanent waiver of WPS domestic payment screening as proposed and approved by the Compliance Risk Committee members
- Reviewed and ratified the AML/CFT and Sanctions Risk Appetite, the compliance oversight reports, the CRC decisions, the capacity planning;
- Reviewed and ratified the Compliance & Fraud Risk assessment and review reports, 'investigations' reports, and updates on the AML/CFT Risk Reduction Plan;
- Reviewed the key QCB/other regulatory bodies circulars and letters;
- Reviewed the KYC updates and ongoing customer due diligence and the consumer protection complaints;

- Reviewed and approved changes on the Compliance and FCC delegations of authority;
- Reviewed and ratified the AML/ CFT regulatory self-assessment ratings;
- Reviewed and ratified the MLRO report for the year 2022;
- Reviewed and approved the relationships with the new correspondent banks;
- Reviewed and considered the results of 2022 BRA;
- Reviewed and approved the compliance budget 2024;
- Reviewed and approved Circulars and Letters Escalation Matrix;
- Reviewed and ratified the list of PEPs; and
- Reviewed AML/CFT annual self-assessment result.

The BRCC is required to meet at least four times a year. During 2023, the BRCC met a total of eight times and the minutes of such meetings are duly documented.

The dates and attendance details of the Committee meetings are listed in Disclosures, Section 5.2.

4.3 Board Executive Committee (BEC)

The BEC is responsible for approving credit facilities and major investments within Board-approved limits. Further, the BEC is responsible for approving strategies, plans, budgets/objectives and policies, procedures and systems as well as reviewing the performance of the Bank.

The BEC's role, responsibilities, composition and membership requirements are fully documented in the Board Committees Charter and members of the BEC are found in Disclosures, Section 4.

Activities during the year

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

- Reviewed and approved credit facilities in accordance with its mandate and within its delegated authority;

- Recommended credit facilities to the Board above 10% of the capital and reserves of the Bank;
- Reviewed country risk and financial institutions exposures and recommended amendments in country limits to the Board;
- Reviewed and approved all policies relating to the Bank's organisation and operations including all necessary authorities required by Executive Management in the execution of their responsibilities (except those policies which are subject to other relevant Board Committee review as provided in the Board Delegation of Authority);
- Received reports of the Bank's financial and operating performance and evaluated key performance indicators against their accompanying strategies;
- Reviewed and approved the Bank's operating and capital expenditure budgets;
- Decided on all matters related to corporate premises and property acquisitions and sales; and
- Decided on matters related to sponsorships.

The BEC is required to meet at least six times a year.

During 2023, the BEC met a total of twelve times and the minutes of such meetings are duly documented.

The dates and attendance details of the Committee meetings are listed in Disclosures, Section 5.3.

4.4 Board Remuneration, Nomination & Governance Committee (BRNGC)

The Board Remuneration, Nomination & Governance Committee is responsible for evaluating the Bank's compensation and remuneration framework for Board Members, Executive Management and staff, based on the long-term performance and objectives of the Bank. The Committee is also responsible for recommending Board Members' appointments and re-nomination for election by the General Assembly, recommending Executive Management appointments, supervising the training of the Board Members with regard to

corporate governance of the Bank, and conducting the annual self-assessment of the Board and Board Committees' performance. In addition, the Committee is primarily responsible for attending to issues relating to governance. The BRNGC is also responsible for oversight of the Bank's sustainability strategy and performance (ESG).

Members of the BRNGC are found in Disclosures, Section 4 and the Committee's role, responsibilities, composition, membership requirements are documented in the Board Committees Charter.

Activities during the year

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

- Approved the Bank's annual remuneration policies for Board Members and employees;
- Approved the Bank's 2023 employee bonus pool and deferral framework;
- Approved matters relating to the Bank's Long Term Incentive Scheme (LTIS);
- Reviewed the employee grievance dashboard for 2023
- Evaluated candidates for Board membership
- Reviewed and assessed the annual self-assessment of the Board and Board Committees' performance;
- Reviewed the Bank's annual corporate governance training programme for all Board Members;
- Reviewed and assessed any changes to international and local corporate governance practices that could have an impact on how the Bank operates and manages its governance policies and recommended actions with regard to changes, where required;
- Approved the Bank's Sustainability Report;
- Approved the Bank's Sustainability Policy.

The Committee is required to meet at least four times a year. During 2023, the BRNGC met a total of five times and minutes of such meeting were duly documented. The dates and attendance details of the Committee

meetings are listed in Disclosures, Section 5.4.

Directors' Remuneration

Rules on Directors' remuneration are contained in the Bank's AOA, Corporate Governance Charter, Board Committees Charter and Directors Remuneration Policy.

The Directors Remuneration Policy was amended to comply with QCB letter 1507/2023 dated 11 June 2023 on ceilings and determinants for estimating the remunerations of the Board of Directors and the Executive Management and QCB's Performance Assessment Matrix.

The maximum annual remuneration of the Chairman is QAR 2.5 million, and the maximum annual remuneration for Board Members for participation in the Board is QAR 2 million. The maximum additional remuneration for Board members for participation on any of the Board Committees is QAR 300,000 per member. Further, the total value of remuneration received collectively by all Board Members must not exceed 5% of the Bank's net profits after deduction of depreciation, transfers to Legal reserves and distribution of a dividend payment not less than 5% of the paid-up capital of the Bank.

When determining the amount of directors' remuneration, the BRNGC evaluates the Bank's performance measured against the Bank's Corporate Performance Scorecard, which is weighted for each performance measure relative to its importance to the Bank's Board-approved strategy and includes:

- Profitability KPIs
- Risk KPIs
- Efficiency KPIs
- Average of performance scores for last 3 years
- Long Term External Rating
- Digital transformation KPIs
- Environmental, Social & Governance (ESG) KPIs

The BRNGC approves the annual remuneration policy for Board Members which aligns with QCB Corporate Governance Instructions, Principle 7. The Board regularly evaluates and measures risks involved in determining and paying incentives and compensations and reviews the remuneration policy accordingly.

The amount of Directors' remuneration for 2023 can be found in Disclosures, Section 6, and is subject to shareholder approval at the Bank's AGM.

The annual Directors Remuneration Policy can be found in Disclosures, Section 6, and is subject to shareholder approval at the Bank's AGM.

Executive Management Remuneration

The BRNGC also approves the annual remuneration plan for Executive Management and staff. This plan outlines the compensation structures for Executive Management and employees, which are competitive relative to the market, reward performance that contributes to the Bank's growth and profitability and are consistent with the Bank's strategy. In 2018, Commercial Bank was the first bank in Qatar to introduce deferred bonuses for Executive Management with provisions for malus and clawback, in line with international best practice and good governance.

Remuneration linked to sustainable performance

The Bank's Employee Remuneration Policy that is applicable to all employees was approved by the Bank's shareholders at the Annual General Assembly on 15 March 2023.

As per this Policy, Commercial Bank Board regularly reviews compensation and benefits to make sure we:

- Pay fairly and competitively;
- Reward high performers;
- Manage risk by:
 - Considering the mix between salary and incentives;

- Considering the balance between profit, risk and the time horizons associated with those risks; and
- Linking a proportion of senior employees' bonuses directly to the long-term performance of Commercial Bank, and to shareholders' interests.

To promote a sustainable and performance driven culture, Commercial Bank applies a variable pay framework that uses a balanced corporate performance scorecard including risk metrics to determine an available bonus pool. A minimum level corporate performance must be achieved for the bonus pool to accumulate and maximum size restrictions apply. The governance of the framework lies with the Board Remuneration, Nomination & Governance Committee.

It is mandatory for Executive Management, other senior managers and key risk takers to defer their individual bonuses, with 50% of the awarded bonus deferred over a total of three years from the award date and with provisions for malus and clawback.

Long Term Incentive Scheme (LTIS)

In 2023, the Bank maintained a Long Term Incentive Scheme (LTIS). Through awarding performance rights – a vehicle to offer equity linked long term incentives, the LTIS:

- Fosters staff commitment to work towards the common goal of enhancing shareholder;
- Links variable pay to the Bank's long-term performance;
- Promotes sound risk management by linking reward for key decision makers to the time horizon of risk.

Under the LTIS, it is mandatory for Executive Management, other senior managers and key risk takers to defer a portion of their individual bonuses in performance rights, with specific malus & clawback provisions applying during the three (3) year deferral period.

Executive Management remuneration is disclosed in the Bank's Annual Report 2023 consolidated financial statements, Note No. 39.

The Bank's annual Employee Remuneration Policy (subject to shareholder approval at the Bank's AGM in 2024) is disclosed in Section 7.

5. Executive Management

While the Board has the ultimate responsibility for the governance of the Bank, the Board delegates the day-to-day responsibility of managing Commercial Bank to the GCEO, and to Executive Management through the GCEO. This delegation of authority must be within the limits detailed in the Board Delegation of Authority document and Board approved reporting lines for independent functions

Executive Management is composed of a group of the Bank's highly qualified senior employees headed by the GCEO, who implement the processes, activities, and Board resolutions according to the strategies and the policies approved by the Board and the Bank's risk structure. Executive Management contribute to the implementation and development of a sound governance system and ensures 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.

Executive Management profiles can be found in Disclosures, Section 8.

To ensure high quality replacements for those individuals who currently hold positions that are key to the Bank's success, a succession planning policy section is included in the Corporate Governance Charter to capture the mechanism followed by the Bank in ensuring the availability and placement of suitably qualified and experienced employees with the appropriate competency level and leadership skills for key leadership roles within the Bank. The Board Remuneration, Nomination & Governance Committee can nominate whoever it deems fit to fill any Executive Management position.

6. Management Committees

The GCEO relies on a number of internal Management Committees in the day-to-day management of the Bank. Based on governance requirements and the broad nature of the Bank's operations, eleven Management Committees have been formed. Decisions are formalised if the required Committee quorum is achieved, including the chairperson or his deputy.

Management Committees' activities are summarised below.

Management Risk Committee (MRC)

- The MRC is the highest management-level authority on all risk-related issues facing the Bank, and reports on all risk policies and portfolio issues to the Board Risk & Compliance Committee.
- The Chief Risk Officer, Mr. Antonio Gamez Munoz, serves as chairperson of the MRC, which meets at least eight times a year, and more frequently if necessary.
- During 2023, the MRC met a total of ten times and minutes of such meetings were duly documented.

Asset and Liability Committee (ALCO)

- ALCO is a decision making body for developing policies relating to asset and liability risk management with the objective of maximising shareholder value, enhancing profitability and protecting the Bank from facing adverse consequences arising from changes in extreme market condition and compliance with regulatory guidelines.
- The Acting Chief Financial Officer, Mr. Mohammed Farhan serves as chairperson of ALCO. Meetings of ALCO are held monthly and more frequently if necessary, particularly in the case of a volatile operating environment.
- During 2023, ALCO met a total of twelve times and minutes of such meetings were duly documented.

Management Credit Committee (MCC)

- The MCC is the third highest level authority on all borrower and counterparty credit risk exposure, after the Board of Directors and Board Credit Committee. The MCC approves credit requests within the limits of its delegated authority, and reviews, recommends and implements approved credit policies and procedures relating to the Bank. The Committee reviews all delegated credit authorities, and recommends amendments to the Board Risk & Compliance Committee where appropriate. It also recommends and/or escalates credit proposals to the Board Credit Committee for decision as necessary.
- The Chief Risk Officer, Mr. Antonio Gamez Munoz serves as chairperson of the MCC. Meetings are held as and when required.
- During 2023, the MCC met a total of fifty times and minutes of such meetings were duly documented.

Investment Committee (ICO)

- The ICO is the decision making committee for the Bank's investment activities, with a view to optimise returns, ensuring that the investment book provides a liquidity buffer for the Bank and mitigates market

risk attached to the nature of targeted investment. ICO is responsible for ensuring appropriate controls are in place that effectively identify, measure, monitor, and control market, credit, liquidity, legal, operational (transactional), and other risks of investment securities and associated end-user derivative activities on a daily basis. ICO is directly accountable to the Asset & Liability Committee (ALCO) for all individual investment and portfolio management decisions made by ICO.

- The Group Chief Executive Officer, Mr. Joseph Abraham serves as chairperson of the Committee.
- During 2023, ICO met a total of six times and minutes of such meetings were duly documented.

Operational Risk Committee (ORC)

- The ORC oversees management of operational risk which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
- The GCEO, Mr. Joseph Abraham serves as the chairperson of the ORC and the Chief Risk Officer, Mr. Antonio Gamez Munoz, is the deputy chairperson.
- The ORC is required to meet at least four times a year. During 2023, the ORC met a total of six times and minutes of these meetings were duly documented.

Product and Change Risk Management Committee (PCRC)

- The Bank established the PCRC in 2022 to comply with the QCB Corporate Governance Instructions.
- The CRO, Mr. Antonio Gamez Munoz serves as the chairperson of the PCRC.
- The PCRC is the governance body to review, validate and provide oversight of new products or material changes to existing services, the introduction of new business lines or markets, mergers and acquisitions.
- The Committee has met a total of seven times and the minutes of this meeting was duly documented.

Technology Risk Committee (TRC)

- The TRC is the highest management-level authority on all technology risk related issues facing the Bank, and reports on all technology related policies and portfolio issues to the Management Risk Committee.
- The TRC is responsible for handling matters relating to technology risk and policies which may arise across Commercial Bank. The TRC is also responsible for approving all strategies, policies, procedures and systems as well as reviewing the performance of the Bank's technology risk capability.
- The Chief Operating Officer, Ms. Leonie Lethbridge, serves as chairperson of the TRC, and the Chief Risk Officer, Mr. Antonio Gamez Munoz as deputy chairperson.
- The TRC is required to meet at least four times a year. During 2023, the TRC met a total of four times and minutes of these meetings were duly documented.

Information Security Committee (ISC)

- The ISC is the highest management-level authority on all information-security related issues facing the Bank, and reports on all information security policies and portfolio issues to the Board Risk & Compliance Committee.
- The ISC is responsible for handling matters relating to information security strategy, policies and information security risks which may arise across Commercial Bank, as per QCB Circular 4-2018. The ISC is also responsible for approving all strategies, policies, procedures and systems as well as reviewing the performance of the Bank's information security capability.
- The Chief Operating Officer, Ms. Leonie Lethbridge, serves as chairperson of the ISC, and the Chief Information Security Officer, Mr. Benjamin Beaston as deputy chairperson.
- During 2023, the ISC met three times and minutes of such meetings were duly documented.

Compliance Risk Committee (CRC)

- The Compliance Risk Committee (CRC) facilitates / monitors the implementation of the Compliance and Financial Crimes Control Management Framework in the Bank including: AML, CFT WMDP, Anti-Fraud and Anti Bribery and Corruption, in addition to the personal data privacy protection and FATCA/CRS with the following key functions:
- Oversee and facilitate the implementation of the Compliance and Financial Crimes Risk Management Framework in the Bank including key regulations of AML/CFT, Sanctions, Anti-Fraud, Anti-Bribery and Corruption controls, Personal Data Privacy Protection controls and FATCA/CRS, in addition to ensuring that a strong Compliance and FCC management culture exists throughout the whole organization;
- Review and recommend for approval of the BRCC, the Compliance and Financial Crimes Control (FCC) in addition to personal data privacy related policies; and
- Review and monitor the resolution of the compliance and FCC critical issues, ensure appropriate mitigation of the compliance and FCC risk exposures, review and recommend prioritization of agreed action for mitigation of Compliance and FCC risks.
- The Chief Compliance Officer, Mr. Abdulla Al Fadli, serves as chairperson of the CRC. During 2023, the CRC met twelve times and minutes of such meetings were duly documented.

Crisis Management Committee (CMC)

- The CMC oversees implementation of the Bank's crisis management and business continuity framework. Commercial Bank has a documented Crisis Management Plan (CMP) and Crisis Communication Plan (CCP) in place to manage crisis incidents. A Crisis Management Team (CMT) has been formed to respond to any crisis incident and act as a central command during a crisis.

- The GCEO, Mr. Joseph Abraham serves as the chairperson of the CMC and Chief Operating Officer, Ms. Leonie Lethbridge is the deputy chairperson.
- The CMC reviewed the ongoing validation of the resiliency processes in the Bank including, business continuity testing, updated mandatory e-learning courses, business continuity site resiliency and optimization, IT BCP testing including failover and failback and scenario analysis.
- During 2023, the CMC met two times and minutes of such meetings were duly documented.

Sustainability Committee (SC)

- The Sustainability Committee (SC) is responsible for the Bank's Environment, Social and Governance (ESG) strategy, performance, and reporting.
- The Chief Risk Officer, Mr Antonio Gamez Munoz serves as the chairperson of the SC and the Head of Corporate Affairs, Ms Marie Therese Auger as the deputy chairperson.
- The SC is required to meet at least two times a year. During 2023, the SC met two times and minutes of such meetings were duly documented.

7. Risk Management

Risk governance at Commercial Bank applies the principles of sound corporate governance to the identification, measurement, monitoring, and controlling of risks, ensuring that risk-taking activities are in line with the Bank's strategy and risk appetite. Key components of risk governance include:

Risk Culture: the shared values, attitudes, competencies, and behaviours throughout the Bank that share and influence governance practices and risk decisions. To promote a sound risk culture:

- a. the Board of Directors takes the lead in establishing the tone at the top by promoting risk awareness within a sound risk culture by conveying its expectations to all employees that the Board

does not support excessive risk taking, and that all employees are responsible for ensuring the Bank operates within the established risk appetite and limits; and

- b. Executive Management implements and reinforces a sound risk culture, and provides incentives that reward appropriate behaviour and penalizes inappropriate behaviour.

Risk Appetite: the aggregate level and types of risk that the Board and Executive Management are willing to assume to achieve the Bank's goals, objectives, and operating plan, consistent with applicable capital, liquidity, and other requirements.

Risk Management System: the policies, processes, personnel, and control systems used to identify, measure, monitor, control, and report risk exposures consistent with the Board-established risk appetite. The categories of risk covered by the Risk Management System include: capital, credit concentration, interest rate, liquidity, markets, operational, cyber & technology, models, business continuity, strategic and reputational risks. The Bank's Sustainability Committee addresses matters relating to Environmental, Social and Governance (ESG) risks.

The core values of the Bank are embodied in the Board-approved Risk Charter and Risk Appetite Statement, as well as in risk policies outlining enterprise-wide risk management activities of the Bank, and detailing the organisation, authorities and processes relating to all aspects of risk management.

Commercial Bank's Risk Management System is built on three lines of defence, namely:

First Line of Defence: front line business units or functions that create risk. These groups are responsible and accountable for identifying, assessing, and managing the risks that they take. These groups are the Bank's primary risk takers, and are responsible for implementing effective internal controls, and maintaining processes for identifying, assessing, controlling, and mitigating the risks associated with their activities consistent with the Bank's established risk appetite and risk limits.

Second Line of Defence: independent risk management function. The independent risk management function oversees risk taking, and assesses risks independent of the front line business units or functions that create risk. The independent risk management complements the front line units' risk-taking activities through its monitoring and reporting responsibilities, including compliance with the Bank's risk appetite. The independent risk management function provides input into key risk decisions, and is responsible for identifying, measuring, monitoring, and controlling aggregate and emerging risks enterprise-wide.

At Commercial Bank, the independent risk management function is performed by the Risk Management SBU, headed by the Chief Risk Officer, and the Compliance and Anti-Money Laundering SBU, headed by the Chief Compliance Officer.

Third Line of Defence: internal audit function. The internal audit function provides independent assurance to the Board on the quality and effectiveness of governance, risk management, and internal controls. At Commercial Bank, the Internal Audit function is performed by the Internal Audit SBU, headed by the Chief Internal Audit Officer.

As part of the overall corporate governance framework, the Board is responsible for overseeing a strong risk governance framework, including: a strong risk

culture; a well-developed risk appetite articulated through the Risk Appetite Statement; and, well-defined responsibilities for risk management and control functions. The Board may delegate some of its functions, though not its responsibilities, to Board Committees (including the Board Risk and Compliance Committee and Board Executive Committee) where appropriate.

The Board Risk and Compliance Committee has been delegated risk oversight functions by the Board of Directors and its responsibilities are detailed in Section 4.2.

The Chief Risk Officer has primary responsibility for overseeing the development and implementation of the Bank's independent risk management function. This includes, among others, the ongoing strengthening of staff skills and enhancements to risk management systems, policies, processes, quantitative models, and reports as necessary to ensure the Bank's risk management capabilities are sufficiently robust and effective to fully support its strategic objectives and all of its risk taking activities.

The Bank has enhanced its controls and processes in all areas of risk management by implementing dynamic risk appetite and better management of current and expected provisions, as well as addressing information security matters under the broader digitization strategy and providing updates with regards to meeting the strategic risk objectives of the Bank.

The Bank's Management Credit Committee is the centralised committee with a broader mandate for customer credit that covers performing credits, impairments and provisions, and exclusions/write-offs.

The Bank's Sustainability Committee chaired by the Chief Risk Officer addresses the strategy, performance and reporting of the risk issues pertaining to Climate (Environmental), Social (Human) and Governance.

The Board of Directors or their Committees are regularly updated on all major risks that the Bank faces.

Overall, the governance framework, policies and administrative procedures and practices relating to risk management in Commercial Bank align well with global leading practice, the recommendations of the Basel Committee, and QCB Instructions.

8. Information Security

Information security is the responsibility of the Board and Executive Management and an integral and transparent part of enterprise governance. In general, boards of directors are increasingly expected to make information security an intrinsic part of governance, integrated with processes they already have in place to govern other critical organizational resources. To this end and in compliance with QCB Circular 4-2018, oversight of the Bank's cyber security risks has been clearly designated to the Board Risk and Compliance Committee.

The highest management-level authority on all cyber-security related issues is the Information Security Committee, which is responsible for handling matters relating to information security strategy, policies and information security risks which may arise across the Commercial Bank environment, as well as reviewing the performance of the Bank's information security capability.

Specific responsibilities of the Information Security Committee include:

- Oversee and facilitate implementation of the Information Security Risk Management Framework in the Bank;
- Review and recommend for approval of the Board, the Information Security Risk Policy and Information Security Risk Appetite statements;
- Review and approve material strategic decisions in relation to information security;

- Review and monitor key risk indicators and ensure appropriate mitigation of the information security risk exposures;
- Ensure that a strong information security risk management culture exists throughout the organization;
- Review external and internal audit reports of the information security risks facing Commercial Bank and ensure appropriate actions are taken to address the issues highlighted in these reports.

The benefits of good information security are; reduction in risk, impact reduction, improve reputation, improve confidence and trust from others with whom business is conducted and improve recovery time from a security incident. Building an information security culture across the Bank is also a key part of the Bank's strategy and all staff were required to complete a mandatory e-training course in 2023 covering awareness around threats such as phishing, malware/viruses and data protection. The Board also received cyber security training in 2023 as per QCB Circular 4-2018.

The threat landscape across the financial industry within Qatar and worldwide continued to grow in 2023 as a result of the geopolitical landscape, and the continued growth of digitization and technology. The threats which have seen the largest increase in 2023 are phishing, cloud-based attacks, supply chain attacks, Ddos, cyber-crime and ransomware.

Despite the evolving threat landscape, Commercial Bank is in a strong position to combat these threats, with enhanced information security capabilities and further security controls implemented in 2023 via the information security strategy. The strong position has been attested by multiple external parties including PCI DSS certification, ISO27001 certification, External Auditors and a professional services security provider who were engaged to attempt to penetrate our environment making use of the latest tools and techniques being used by attackers around the world.

9. Commercial Bank's Control Framework

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

The Board Audit Committee performs a periodic review of the effectiveness of the Bank's internal control framework through evaluations carried out in accordance with the ICOFR framework. Such review includes all material controls, including financial, operational and compliance controls and risk management systems. In addition, the Board Audit Committee also takes into consideration the results of the Bank's External Auditor's evaluation. The Committee reports results of these assessments on the adequacy of the existing internal controls and processes to the Board.

9.1 Compliance & Financial Crimes Control

The Compliance & Financial Crimes Control SBU on a pro-active basis, identifies documents and assesses the compliance and financial crimes risks associated with the Bank's business activities, including but not limited to the development of new products and business practices, and the proposed establishment of new types of business or customer relationships, or material changes in the nature of such relationships. Compliance and financial crimes risks include risk of legal or regulatory sanctions, material financial loss, or loss to reputation as a result of failure to comply with applicable laws, regulations and standards.

Other major responsibilities of Compliance & Financial Crimes Control SBU include:

- Ensuring complete adherence of branches/ departments to relevant laws, QCB instructions and

AML, CTF, WMDP and Sanctions regulations issued and applicable in the State of Qatar;

- Issue written instructions to employees on the proper application of laws, regulations and standards;
- Monitoring and ensuring the Bank's compliance with QCB, QFMA, QFCRA, Labour Law, CCL, FATF, PDPPL and AML, CTF, WMD and Sanctions regulations;
- Proposing relevant recommendations to enhance/improve the internal control procedures that help mitigate non-compliance and ML/TF/WMDP, Sanctions, Fraud, Data Privacy, Bribery and Corruption risks;
- Ensuring that the Bank has appropriate AML/CFT and Sanctions compliance policies, procedures, systems and controls in place.
- Ensuring to periodically/ timely apprise of Bank's BOD, Senior Management and Board Risk and Compliance Committee of the key AML/CFT and Sanctions compliance related matters.
- Ensuring that the Bank has put adequate resources (human, financial, technological etc.) in place to combat the risk of Money Laundering and Terrorism Financing.
- Ensuring that the regulatory risk mitigation programmes/ plans are timely and adequately executed.
- Ensure that businesses are operating within the approved AML/CFT risk tolerance and the deviations are reported to the Senior Management and/or BOD and/or Board Risk and Compliance Committee as necessary
- Keeping up-to-date with new laws and regulations and informing Executive Management and the concerned departments for their timely implementation;
- Monitoring customers' financial transactions, investigate and raise suspicious transaction reports to the Qatari Financial Information Unit (QFIU);
- Ensuring proper and timely implementation of enhanced due diligence (EDD) for correspondent banking relations and high risk customers;

- Ensuring the proper implementation of FATCA and CRS regulations;
- Providing training and awareness to the Bank's staff on governance, QCB regulations, AML/CTF, Sanctions, Anti-Fraud, Anti-Bribery and Corruption, PDPP, FATCA and CRS regulations on frequent basis;
- Conducting fraud risk assessments of high- risk areas in the Bank;
- Implement fraud monitoring rules and controls for real-time detections and preventions of fraud incidents;
- Setting up internal and external fraud, bribery and corruption risk management and investigations including governance of Whistleblowing protocols; and
- Ensuring implementation of the Bank's AML, CFT, WMDP and Sanctions controls at the overarching Group-level including risk appetite and tolerance.

The Compliance & Financial Crimes Control SBU monitors and tests compliance by performing independent compliance reviews, testing and monitoring, and quality assurance to identify regulatory breaches and non-compliance issues. The results of the compliance reviews are reported to the Board Risk and Compliance Committee, the GCEO and the concerned Executive Management on a regular basis. The reports summarise deficiencies and/or breaches and recommend measures to address them, in addition to the corrective measures already taken and those which shall be taken in accordance with agreed target dates.

During 2023, the Compliance & Financial Crimes Control SBU carried out 12 assignments comprising of compliance reviews, testing and monitoring, quality assurance and other ad-hoc assignments which identified compliance and controls deficiencies, all of which were appropriately addressed by the Bank's Executive Management. None of the compliance issues identified in the Department's compliance reviews had any material financial impact on the Bank.

The Compliance & Financial Crimes Control SBU was also involved in all the following tasks:

- Provided compliance advice and guidance on all daily inquiries raised by the Bank's Executive Management and staff in a timely manner;
- Represented Compliance and FCC in all Management Committee meetings;
- Addressed all the Bank's business units' inquiries with QCB;
- Addressed all inquiries raised by QCB on behalf of business units;
- Facilitated and responded to all QCB examiners' requests for the 2023 QCB regulatory review on the Bank's business units;
- Regulatory reporting: investigated and responded to all inquiries raised by the QFIU, QCB, and other regulatory inquiries;
- Followed-up on the closure of the compliance observations;
- Tracked the implementation progress of QCB circulars and letters;
- Coordinated the implementation and improvement of the CDD, AML, CTF, WMDP and Sanctions Risk Based Approach controls;
- Coordinated with subsidiaries to ensure meeting the consolidated supervision requirements;
- Led the compliance transformation plan in line with the Bank's 5Cs strategic plan; and
- Enhancing the Personal Data Privacy controls in line with the Personal Data Privacy Policy.

9.2 Internal Audit

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

To maintain its independence, the Internal Audit Department reports to the Board, through the Board Audit Committee. The remuneration of the Department is determined by the Board Audit Committee. The Chief Internal Auditor is nominated by the Board Audit Committee and submits periodic reports directly to the Committee and the senior Management. While the Internal Audit function is independent from all other areas of the Bank operations, situations may arise whereby there is an apparent or actual impairment to independence and objectivity. In those circumstances, the CIA will report the apparent or actual impairment to the Chairman of BAC.

As part of the Professional Practice of Internal Auditing a mandatory requirement of the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) is the following 10 Core Principles which all internal auditors and the Bank's internal audit functions will demonstrate:

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives, and risks of the organization
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organizational improvement

To maintain independence and objectivity, the Internal Audit Department must have an impartial, unbiased attitude and avoid any conflict of interest, and must not perform audits under the following instances:

- Any situation that involves a member of the auditor's immediate family

- Any activity that the auditor previously performed or supervised unless a reasonable period (a minimum of 1 year) has elapsed
- Any activity to which the auditor previously provided advisory services unless a reasonable period (a minimum of 1 year) has elapsed
- Any activity that the auditor has authority over or has responsibility for
- Any situation in which other conflict of interest or bias is present or may reasonably be inferred. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the Internal Auditor

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

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

The nature of Internal Audit Services:

- Assurance services: An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

- Consulting (advisory) services: Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training

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

- Performing a scheduled audit of branches/ departments/divisions, products, processes, systems, procedures and controls in conformity with the annual audit plan agreed with and approved by the Board Audit Committee. This includes:
 - Independent risk assessments of risk and control elements applicable to the area under review;
 - Assist the Bank in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement; and
 - Assess and make appropriate recommendations for improving governance process.
- Performing independent assessments of the quality of the Bank's various credit portfolios. A credit review team within Internal Audit function undertakes this role;
- Providing consulting services to the Bank's Executive Management and businesses such as special reviews of new projects, systems/applications, outsourced facilities, and policies and procedures. In this role, Internal Audit will maintain its independence and objectivity and will not assume responsibility for the management, design or implementation of new processes, products, systems or applications, noting that when Internal Audit is asked to provide advice, consultative input, participate in Project Steering Committees, or is expected to have roles and/or responsibilities that fall outside of internal auditing, in addition to regular audits under the audit plan, this shall not compromise Internal Audit's

independence and prevent Internal Audit from making future recommendations relating to the control environment of those systems, processes, etc. in which Internal Audit provided input pre-implementation; and

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

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

In line with the 2023 Internal Audit Plan, the Department issued and submitted a total of 32 Internal Audit reports and investigation reports to the Board Audit Committee. These reports in total covered more than 193 units within the Bank's inventory of "auditable units", with certain units, including the majority of the Bank's branches, being covered in more than one audit assignment. All key recommendations with respect to these reports were presented and discussed during Board Audit Committee meetings. The Bank's management proactively and timely responded to all recommendations made within Internal Audit reports, such that there was no requirement for the Bank's Board Audit Committee to become involved in ensuring the resolution of any such matters. However, there is a governance framework in place to enable the escalation of issues to the Board Audit Committee in need.

As of the end of December 2023, the Department is composed of the Chief Internal Audit Officer and seventeen auditors.

9.3 External Audit

As per the CCL and regulatory requirements, and based on the proposal of the Board, the Bank's External Auditor is appointed annually at the AGM and their fees approved. The External Auditor's appointment is made in consultation with QCB.

The Bank's External Auditor rotation policy is in line with the provisions in the Bank's AOA and in compliance with the QCB Corporate Governance Instructions and the QFMA Corporate Governance Code.

Ernst & Young was replaced as the Bank's External Auditor in 2023 due to being appointed for five consecutive financial years, the maximum amount of time permitted by the QFMA Corporate Governance Code.

The shareholders approved the appointment of KPMG (Qatar auditor's registration No. 251) as the Bank's External Auditor for the financial year 2023 during the AGM held on 15 March 2023. The External Auditor's annual fee for 2023 is QAR 750,000.

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

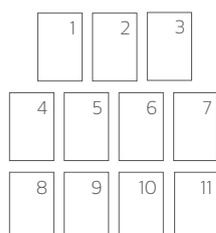
The Independent Auditor's Report to Shareholders of Commercial Bank is published in the Bank's Annual Report 2023.

10. Abbreviations

Abbreviation	Meaning
Bank	Commercial Bank
The State	The State of Qatar
The Board	Commercial Bank Board of Directors
AGM	Annual General Meeting / General Assembly
GCEO	Group Chief Executive Officer
EGM	Executive General Manager
MLRO	Money Laundering Reporting Officer
SBU	Strategic Business Unit
CRC	Compliance Risk Committee
IA	Internal Audit
AOA	Articles of Association
QCB	Qatar Central Bank
QFMA	Qatar Financial Markets Authority
QSE	Qatar Stock Exchange
CCL	Commercial Companies Law
AML	Anti-Money Laundering
CFT	Combating Financing of Terrorism
FATCA	Foreign Account Tax Compliance Act
ICAAP	The Internal Capital Adequacy Assessment Process
FCC	Financial Crimes Control
CRS	Common Reporting Standards
ICOFR	Internal Control Over Financial reporting
WPS	Wages Protection System
KYC	Know Your Customer
PEP	Political Exposed Person
LTIS	Long Term Incentive Scheme
KPI	Key Performance Indicator
WMD	Weapons of Mass Destruction
WMDP	Weapons of Mass Destruction Preparedness
FATF	Financial Action Task Force
PDPPL	Personal Data Privacy Protection Law
CDD	Customer Due Diligence
ESG	Environmental, Social & Governance
CSR	Corporate Social responsibility
BRA	Business Risk Assessment
IPPF	International Professional Practices Framework
IIA	Institute of Internal Auditors

Board of Directors





1. **Sheikh Abdulla bin Ali bin Jabor Al Thani**
Chairman
2. **Mr. Hussain Ibrahim Alfardan**
Vice Chairman
(Representing Alfardan Investment Company)
3. **Mr. Omar Hussain Alfardan**
Managing Director
(Representing Al Gassar Capital)
4. **HE Mr. Abdul Rahman Bin Hamad Al Attiyah**
Member
5. **Sheikh Jabor Bin Abdulla Bin Ali Al Thani**
Member
(Representing Vista Trading)
6. **HE. Mr. Bader Omar Al Dafa**
Member
7. **Mr. Ibrahim Jassim Al-Othman**
Member
8. **Mr. Salem Khalaf Al Mannai**
Member
(Representing Qatar Insurance Company)
9. **Mr. Mohd Ismail Mandani Al Emadi**
Member
10. **Mr. Tariq Ahmad Al Malki Al Jehani**
Member
11. **Mr. Mohammed Yaser Al Mosallam**
Member

Corporate Governance Disclosures

1. Board Members

Sheikh Abdulla bin Ali bin Jabor Al Thani

Chairman

Date of First Appointment	1990
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	1.64% 66,487,705 shares
Percentage and Number of Shares as at 31 December 2022	1.64% 66,487,705 shares
2023 v 2022	-

Experience and Membership in Other Boards

- Graduated from Qatar University with a BA in Social Science;
- Vice Chairman of National Bank of Oman;
- Director of United Arab Bank;
- Abdulla Bin Ali and Partners for Real Estate Investments;
- Owner of Vista Trading Company;
- Partner in Integrated Intelligence Services Company;
- Partner in Alaham Company
- Partner in Smart Light and Control Company;
- Partner in Falcon Petrol Station;
- Partner in Shaza Hotel;
- Partner in The Diabetes Hospital.

Alfardan Investment Company

Represented by Mr. Hussain Ibrahim Alfardan , whose date of first appointment is 1975.

Vice Chairman

Date of First Appointment	2020
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Executive
Percentage and Number of Shares as at 31 December 2023	1.75% 70,876,690 shares
Percentage and Number of Shares as at 31 December 2022	1.75% 70,876,690 shares
2023 v 2022	-

Experience of the Representative and Membership in Other Boards

- Chairman of Alfardan Group;
- Vice Chairman of Gulf Publishing and Printing Company;
- Vice Chairman of the Qatar Businessmen Association.

HE Mr. Abdul Rahman Bin Hamad Al Attiyah

Member

Date of First Appointment	2014
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Executive
Percentage and Number of Shares as at 31 December 2023	0.25% 10,118,134 shares
Percentage and Number of Shares as at 31 December 2022	0.26% 10,510,908 shares
2023 v 2022	(392,774) shares

Experience and Membership in Other Boards

- Holds a bachelor's degree in Political Science (from the University of Miami / Florida, USA);
- Minister of State;
- The former Secretary General of the Cooperation Council for the Arab States of the Gulf;
- The country's former ambassador to Saudi Arabia, France, Italy, Greece, Yemen, Switzerland, and Djibouti;
- A former member of the United Development Board of Directors;
- Former Undersecretary of the Ministry of Foreign Affairs;
- The State's Permanent Representative to the United Nations and International Organizations (Geneva);
- Former Permanent Representative of the State of Qatar to UNESCO;
- Former Permanent Representative of the State of Qatar to the Organization of the Islamic Conference (Jeddah);
- Vice Chairman of the Board of Trustees of the Arab Thought Forum - Amman, Jordan;
- A former member of the Board of Directors of the National Bank of Oman;
- Received many honors from Saudi Arabia, Kuwait, Oman, UAE, Bahrain, France, Italy, Yemen, Sudan, and Lebanon;

- Winner of the State Appreciation Award (Doha, February 2014);
- Winner of the Cooperation Council for the Arab States of the Gulf Award for Excellence (December 2015).

Al Gassar Capital

Represented by Mr. Omar Hussain Alfardan, whose date of first appointment is 2002
Managing Director

Date of First Appointment	2002
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Executive
Percentage and Number of Shares as at 31 December 2023	0.99% 40,218,130
Percentage and Number of Shares as at 31 December 2022	0.74% 30,000,000
2023 v 2022	+10,218,130 shares

Experience of the Representative and Membership in Other Boards

- Graduated from Webster University, Geneva with a Bachelor's degree in Business Administration and a Master's degree in Finance;
- President & CEO of Alfardan Group and its subsidiaries in Qatar and Oman;
- Chairman of the Board of Directors of Alternatif Bank in Turkey;
- Vice Chairman of the Board of Directors and Chairman of the Board Governance & Remuneration Committee of United Arab Bank in UAE;
- Managing Director of Marsa Arabia;
- Advisory Board Member of the Qatar Financial Centre Authority;
- Board Member of Qatar Red Crescent Society;
- Member of the Board of Trustees of Hamad bin Khalifa University
- Member of the Qatari Businessmen Association and founding member of the Qatar Hotels Association

Vista Trading

Represented by Sheikh Jabor Bin Abdulla Bin Ali Al Thani
Member

Date of First Appointment	2023
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	0.05% 2,073,590 shares
Percentage and Number of Shares as at 31 December 2022	N/A
2023 v 2022	+2,073,590 shares

Experience of the Representative and Membership in Other Boards

- Holds a Bachelor from the University of Plymouth, England;
- Assistant Director, Ministry of Defense
- Served as Technical Officer in Ooredoo.

Mr. Ibrahim Jassim Al-Othman

Member

Date of First Appointment	2023
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	0.05% 2,000,000 shares
Percentage and Number of Shares as at 31 December 2022	N/A
2023 v 2022	+2,000,000 shares

Experience and Membership in Other Boards

- Holds a Bachelor of Science, Petroleum Engineering – University of Southern California, MBA in Business Administration from American University of Beirut;
- President & Chief Executive Officer and member of the board of United Development Company since 2015;
- Board member of Qatar Insurance Company;
- Served as the Chief Executive Officer of Gulf Drilling International in 2009 until assuming his current position.

HE. Mr. Bader Omar Al Dafa

Member

Date of First Appointment	2020
Expiry of Current Appointment	2025
Status on the Board	Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	None
Percentage and Number of Shares as at 31 December 2022	None
2023 v 2022	N/A

Experience and Membership in Other Boards

- Holds a Master's degree in International Public Policy from Johns Hopkins University and a Bachelor's degree in Political Science and Economics from Western Michigan University in the United States;
- Special Envoy of the Minister of Foreign Affairs for Climate Change and Sustainability;
- Commissioner-General of Expo Doha 2023;
- Executive Director of the Global Dryland Alliance;
- Served as Undersecretary General of the United Nations and Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA);
- Served as Ambassador to the United States, Permanent Observer to the Organization of American States (OAS) and Ambassador to Mexico;
- Served as Ambassador to the Russian Federation, France, Egypt, Spain, Greece, Finland, Latvia, Estonia and Lithuania among other countries.

Mr. Mohd Ismail Mandani Al Emadi

Member

Date of First Appointment	2014
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	0.05% 2,000,000 shares
Percentage and Number of Shares as at 31 December 2022	None
2023 v 2022	+2,000,000 shares

Experience and Membership in Other Boards

- Graduated from Holy Names University, California with a BSc in Business Administration & Economics;
- Over 30 years of experience in banking;
- Occupied a number of key roles in Commercial Bank from 1983 to 2006 including Head of Banking, Operations, Commercial Services and Risk Management;
- Deputy General Manager of Commercial Bank from 2004 to 2007;
- Director of National Bank of Oman;
- Director of Alternatif Bank in Turkey;
- Former Member of the Board of Governors at Sidra Medicine;
- CEO of Qatar Real Estate Investment Co. from 2008 to 2011;
- Former Managing Director of Qatar Cinema & Film Distribution Co. in Qatar;
- Former Director of Qatar Real Estate Investment Co.;
- Former Director of Mannai Corporation;
- Former Director of Qatar Shipping Co.;
- Former Director of Doha Securities Market.

Qatar Insurance Company

Represented by Mr. Salem Khalaf Al Mannai, whose date of first appointment is 2023

Member

Date of First Appointment	2017
Expiry of Current Appointment	2025
Status on the Board	Non-Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	0.34% 13,769,404 shares
Percentage and Number of Shares as at 31 December 2022	0.35% 14,115,919 shares
2023 v 2022	(346,515) shares

Experience of the Representative and Membership in Other Boards

- Holds a Bachelor of Arts in Management and Business from the University of Glamorgan, England, 2007;
- Holds a Master of Science in Marketing from the University of Glamorgan, England; 2008

- Group Chief Executive Officer in QIC Group;
- Board member of Qatar Finance & Business Academy since 2022;
- Board member of Epicure Investment Management LLC since 2021;
- Managing Director & Vice Chairman of QLM Life and Medical Insurance Company Q.P.S.C since 2020;
- Chairman & Managing Director in Anoud Technologies LLC since 2020;
- Board member of Oman Qatar Insurance Company S.A.O.G since 2017.

Mr. Tariq Ahmad Al Malki Al Jehani

Member

Date of First Appointment	2023
Expiry of Current Appointment	2025
Status on the Board	Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	None
Percentage and Number of Shares as at 31 December 2022	N/A
2023 v 2022	N/A

Experience and Membership in Other Boards

- Holds a Bachelor's degree in Business Administration from Saint Martin's University, Olympia, Washington, America;
- Founder of Aero Norway (Norway) and Founder of National Cruise Tourism (Qatar);
- Held various positions in Qatar Chemical Fertilizer Company (QAFCO) including Director of Marketing Department;
- Served as Assistant General Manager of Qatar National Bank, Corporate Affairs and Project Financing;
- Served as Financial Advisor to H.E The Prime Minister;
- Served as Chairman of Al Khaleej Commercial Bank (Al Khaliji);
- Served as Member of the Board of Directors of Qatari Diar - Chairman of the Tenders Committee;

- Served as Member of the Board of Directors of the Qatar Investment Authority;
- Served as Member of the Qatar Financial Markets Authority;

Mr. Mohammed Yaser Al Mosallam

Member

Date of First Appointment	2023
Expiry of Current Appointment	2025
Status on the Board	Independent & Non-Executive
Percentage and Number of Shares as at 31 December 2023	None
Percentage and Number of Shares as at 31 December 2022	N/A
2023 v 2022	N/A

Experience and Membership in Other Boards

- Holds a Bachelor's degree of Science in Mechanical Engineering at the University of Texas at San Antonio;
- Holds Executive MBA from HEC Paris Qatar;
- Harvard Alumni
- HEC Alumni
- Held various roles for 16 years (2007-Present) in Qatar Investment Authority (QIA), including Chief of Staff-CEO office.
- Prior to joining QIA, served as Project Engineer in Qatar Petroleum and Dolphin Energy, Doha Qatar.
- Chairman of Qatar Algerian Investment Company (2013 to Present)
- Board Member of Qatar Academy (2019 to Present)
- Board Member of Mawani Qatar - Qatar Ports Management Company (2022 to Present).

2. Board and Board Committees Self-Assessment Summary

2.1 The Board

The Board is assessed on range of criteria: Board structure; Board meetings; Board Chairman; training & development; succession planning & incentives; Company Secretary; interaction with Executive Management; Bank strategy; governance; oversight of control functions; financial reporting / disclosure.

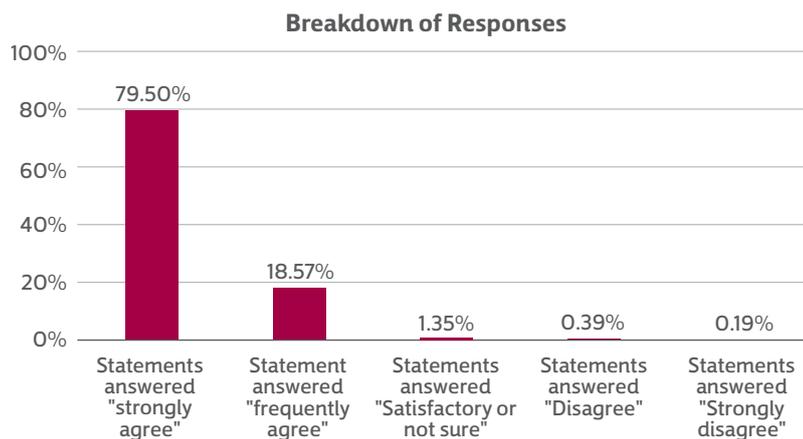
There are 47 statements about the Board. Each statement is phrased positively e.g. "The Board is the right size and has an appropriate balance of skill, experience and background to ensure optimum effectiveness." Board Members then assess each statement as follows:

- 5 = strongly agree
- 4 = frequently agree
- 3 = satisfactory or not sure
- 2 = disagree
- 1 = strongly disagree

The Board also assesses the Board’s overall general performance as follows:

- Excellent: Performance is clearly outstanding and superior – it far exceeds standards or expectations
- Good: Performance generally meets or exceeds standards or expectations
- Average: Performance is satisfactory
- Unsatisfactory / poor: Fails to meet expectations

Based on the questionnaire responses, 8 Directors scored the Board as "Excellent" overall and 2 Directors scored the Board as "Good" overall.



2.2 Board Committees

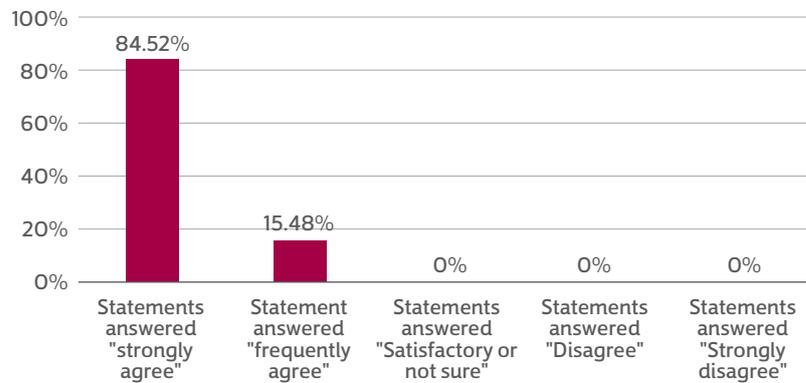
Each Board Committee is assessed on range of criteria that:

1. Applies generally to all Committees e.g. Committee processes, contribution of individual Committee members; relationship with Management; and
2. Is specific to the work of that Committee. Board Committee scoring works the same as for the Board. Positively phrased statements are scored 1 to 5 and overall ratings are calculated by adding together the total.

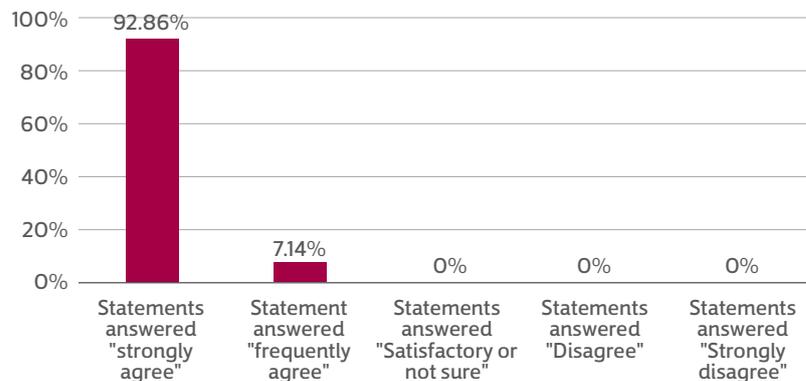
Based on the questionnaire responses:

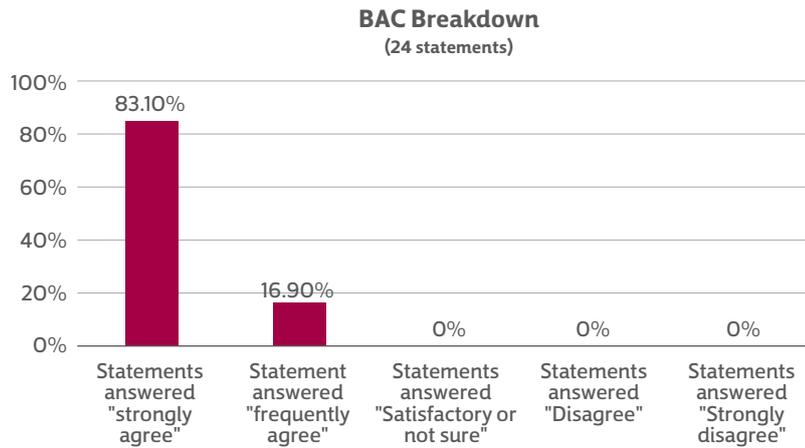
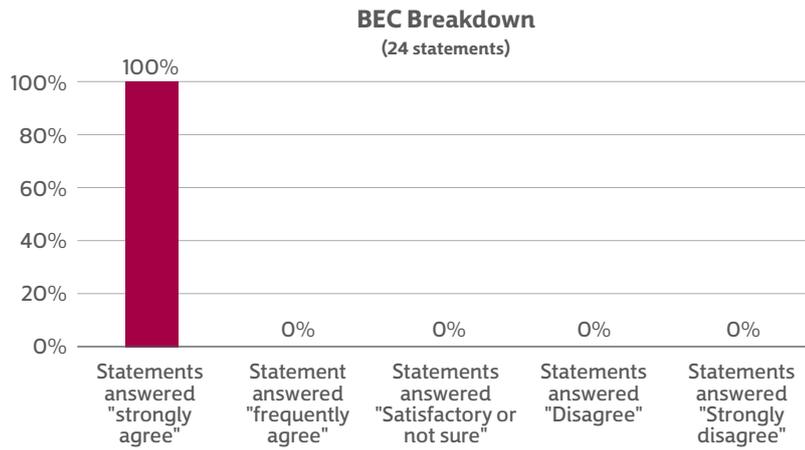
- 2 BRCC members scored the overall performance of the BRCC as "Excellent" and 1 as "Good"
- all 3 BRNGC members scored the overall performance of the BRNGC as "Good"
- all 3 BEC members scored the overall performance of the BEC as "Excellent"
- 2 BAC members scored the overall performance of the BAC as "Excellent" and 1 as "Good"

BRCC Breakdown
(28 statements)



BRNGC Breakdown
(28 statements)





3. Board Meetings Dates and Attendance

N	Meeting Dates	Attendance
1)	24 January 2023	9
2)	15 March 2023	10
3)	17 April 2023	11
4)	04 June 2023	11
5)	17 July 2023	11
6)	17 September 2023	10
7)	04 October 2023	11
8)	17 October 2023	11
9)	06 November 2023	11
10)	11 December 2023	11

4. Board Committees Members

4.1 Members of the Board Committees and Chairmen

Board Member Name	Status on the Board	Board Executive Committee	Board Risk & Compliance Committee	Board Audit Committee	Board Remuneration, Nomination & Governance Committee
Sheikh Abdulla bin Ali bin Jabor Al Thani	Board Chairman Non-Independent & Non-Executive				
Mr. Hussain Ibrahim Alfardan (Representing Alfardan Investment Company)	Vice Chairman Non-Independent & Executive	X Committee Chairman			
Mr. Omar Hussain Alfardan (Representing Al Gassar Capital)	Managing Director Non-Independent & Executive	X			
HE Mr. Abdul Rahman Bin Hamad Al Attiyah	Non-Independent & Executive	X			
Sheikh Jabor Bin Abdulla Bin Ali Al Thani (Representing Vista Trading)	Non-Independent & Non-Executive			X	
Mr. Ibrahim Jassim Al-Othman	Non-Independent & Non-Executive		X		
HE. Mr. Bader Omar Al Dafa	Independent & Non-Executive			X Committee Chairman	
Mr. Salem Khalaf Al Mannai (Representing Qatar Insurance Company)	Non-Independent & Non-Executive				X
Mr. Mohd Ismail Mandani Al Emadi	Non-Independent & Non-Executive		X		X Committee Chairman
Mr. Tariq Ahmad Al Malki Al Jehani	Independent & Non-Executive		X Committee Chairman		X
Mr. Mohammed Yaser Al Mosallam	Independent & Non-Executive			X	

4.2 Board and Board Committee Attendance by Individual Director

Board Member Name	Board of Directors	Board Executive Committee	Board Risk & Compliance Committee**	Board Audit Committee	Board Remuneration, Nomination & Governance Committee
	10 meetings in 2023	12 meetings in 2023	8 meetings in 2023	15 meetings in 2023	5 meetings in 2023
Sheikh Abdulla Bin Ali Bin Jabor Al Thani	10	N/A	N/A	N/A	N/A
Mr. Hussain Ibrahim Alfardan*	10	10	N/A	N/A	1
Mr. Omar Hussain Alfardan **	10	12	N/A	N/A	1
HE Mr. Abdul Rahman Bin Hamad Al Attiyah	10	12	N/A	N/A	N/A
Sheikh Jabor Bin Abdulla Bin Ali Al Thani***	9	N/A	N/A	13	N/A
Mr. Ibrahim Jassim Al-Othman***	8	N/A	7	N/A	N/A
HE. Mr. Bader Omar Al Dafa	10	N/A	N/A	15	N/A
Mr. Salem Khalaf Al Mannai****	9	N/A	N/A	N/A	4
Mr. Mohd Ismail Mandani Al Emadi	10	N/A	7	N/A	4
Mr. Tariq Ahmad Al Malki Al Jehani***	9	N/A	7	N/A	4
Mr. Mohammed Yaser Al Mosallam***	8	N/A	N/A	13	N/A

* Mr. Hussain Ibrahim Alfardan attended 1 BRNGC meeting prior to 15 March 2023 when he was a member in that Committee.

** Includes attendance prior to 15 March 2023 in his personal capacity as director. Mr. Omar Hussain Alfardan attended 1 BRNGC meeting prior to 15 March 2023 when he was a member in that Committee.

***Directors appointed for the first time, following the election of the Board of Directors at the AGM on 15 March 2023.

**** Board meeting attendance includes attendance prior to 15 March 2023 of the previous representative of Qatar Insurance Company (HE Mr. Khalaf Ahmed Al Mannai).

5. Board Committees Dates and Attendance

5.1 Board Audit Committee

N.	Meeting Date	Attendance
1)	24 January 2023	3
2)	08 February 2023	3
3)	28 March 2023	3
4)	17 April 2023	3
5)	09 May 2023	3
6)	04 July 2023	3
7)	17 July 2023	3
8)	31 July 2023	3
9)	28 August 2023	3
10)	30 August 2023	3
11)	20 September 2023	3
12)	24 September 2023	3
13)	17 October 2023	3
14)	01 November 2023	3
15)	13 December 2023	3

5.2 Board Risk & Compliance Committee

N.	Meeting Date	Attendance
1)	22 February 2023	2
2)	11 April 2023	3
3)	16 May 2023	2
4)	04 September 2023	3
5)	12 September 2023	3
6)	14 November 2023	3
7)	06 December 2023	3
8)	10 December 2023	3

5.3 Board Executive Committee

N.	Meeting Date	Attendance
1)	23 January 2023	3
2)	21 February 2023	3
3)	13 March 2023	3
4)	15 May 2023	2
5)	29 May 2023	2
6)	26 June 2023	3
7)	10 September 2023	3
8)	18 September 2023	3
9)	02 October 2023	3
10)	22 October 2023	3
11)	13 November 2023	3
12)	27 November 2023	3

5.4 Board Remuneration, Nomination & Governance Committee

N.	Meeting Date	Attendance
1)	23 January 2023	2
2)	05 June 2023	3
3)	11 September 2023	3
4)	26 November 2023	3
5)	07 December 2023	3

6. Directors' Remuneration

The total amount proposed for the Board Members based on the Director Remuneration Policy for participation in Board and Board Committees in 2023 is disclosed in the Bank's consolidated financial statements within the Annual Report 2023, Note No.39 (subject to approval during the Bank's AGM).

Director Remuneration Policy

The Directors remuneration policy (subject to approval at the Bank's AGM) is as follows:

The Board of Directors of the Bank (the "Board") hereby approves the following Director Remuneration Policy:

1. Governance
 - 1.1 The Board Remuneration, Nomination and Governance Committee ("BRNGC") shall recommend the directors' annual remuneration to the Board.
 - 1.2 The Board shall approve the directors' annual remuneration and subject to Qatar Central Bank approval, recommend it for shareholder approval at the Bank's Annual General Meeting.
2. Ceilings for participation on the Board and Board Committees
 - 2.1 The maximum annual remuneration of the Chairman of the Board for participation in the Board of the Bank shall be QAR 2,500,000.
 - 2.2 The maximum annual remuneration of a member of the Board for participation in the Board of the Bank shall be QAR 2,000,000.
 - 2.3 The annual remuneration of the Chairman and each member of the Board for participation on the Board of the Bank shall be determined by the BRNGC following their performance assessment of the Bank in accordance with Article 3 below.
 - 2.4 The maximum annual remuneration of each member of the Board for participation on any of the Board Committees shall be QAR 300,000 per member,
3. Performance Assessment
 - 3.1 When determining the amount of directors' annual remuneration in Article 1.1 and 2. above, the BRNGC shall evaluate the Bank's performance measured against the Corporate Performance Scorecard.
 - 3.2 The BRNGC, in conjunction with the Board Risk & Compliance Committee and Executive Management, and reviewed by Internal Audit, shall prepare the Corporate Performance Scorecard at the beginning of the financial year.
 - 3.3 The Corporate Performance scorecard shall be weighted for each performance measure relative to its importance to the Bank's Board-approved strategy and shall include:
 - Profitability KPIs
 - Risk KPIs
 - Efficiency KPIs
 - Average of performance scores for last 3 years
 - Long Term External Rating
 - Digital transformation KPIs
 - Environmental, Social & Governance (ESG) KPIs
4. In Advance Fees

The Board may recommend (conditional on subsequent Shareholder approval) the advance payment of remuneration to any member of the Board who is required to spend a substantial amount of time on behalf of the Board on work related to the Bank provided however that any such amounts received by a member of the Board shall be deducted from the Annual Remuneration due and payable to such Board member at the end of such financial year.

in addition to the remuneration in 2.2. If the Board member is a member of more than one Board Committee then he shall be entitled to one Board Committee Remuneration in the maximum amount of QAR 300,000.

5. Payment of Director's fees
 - 5.1 The total value of remuneration amounts set out in Articles 1 to 5 (the "Director Remuneration") received collectively by all members of the Board shall not exceed 5% of the net profits after deduction of depreciation, transfers to Legal reserves and distribution of a dividend payment not less than 5% of the paid-up capital of the Bank.
 - 5.2 Such Director Remuneration shall only be paid upon obtaining the approval of Qatar Central Bank.
 - 5.3 The policy set out above is established in accordance with Qatar Central Bank Circular No. 18 of 2014, Qatar Central Bank Circular No. 25/2022 Principle 7, QCB letter 0001507/2023 dated 11 June 2023, QCB's Performance Assessment Matrix, QFMA Governance Code for Companies and Legal Entities listed on the Main Market Article (18) and is in compliance with the Commercial Companies Law (Law No. (11) of 2015) and the Bank's Articles of Association.
6. Clawback

Director Remuneration paid shall be subject to clawback in the event that the basis on which the remuneration was set involved unacceptably high risks which exceeded the Bank's acceptable risk limits.
7. Approval and disclosure of this policy
 - 7.1 This policy shall be reviewed annually by the Board, and shall be presented for approval annually to the Annual General Meeting of Shareholders held for considering and approving the Bank's financial statements.
 - 7.2 This policy supersedes any previous directors remuneration policies.

7. Executive Management Remuneration

Executive Management remuneration is disclosed in the Bank's Annual Report 2023 consolidated financial statements, Note No.39.

Remuneration Policy Principles

Commercial Bank's remuneration policy principles, applicable to all staff (subject to approval at the Bank's AGM) is as follows:

CBQ Remuneration Principles

Our Vision: Maintain a responsible, performance-based Remuneration Policy that is aligned with the short, medium and long-term interests of our employees and shareholders.

Our Goal: Strike the right balance between meeting shareholders' expectations, paying our employees competitively, and responding appropriately to the legal and regulatory requirements and guidelines.

CBQ Remuneration Principles aim to:

- Attract and motivate great people without any discrimination based on race, gender or religion
- Reward our people for acting responsibly and professionally having regard to customers, shareholders and the communities in which we operate
- Align the interest of management and shareholders by ensuring that management makes decisions for the long-term good of CBQ as a whole
- Link total remuneration with performance and risk over the short, medium and long term
- Represent global, regional and regulatory best practice in regard to the design and governance of variable pay and incentives

Governance: The Board Remuneration, Nomination & Governance Committee (BRNGC) is responsible for setting the Bank's remuneration framework for the Board members, management and staff. All incentives and variable pay programs are strictly supervised and controlled by the Board through appropriate delegation to BRNGC.

Risk Alignment: Relevant risk and compliance measures are considered in evaluating performance and allocating variable pay. The risk assessment for performance assessment and performance-linked pay includes all types of risks of CBQ (as relevant to the role) including credit risk, liquidity risk, reputation risk, market risk and capital adequacy risk. Collective and individual performance measures are calibrated over the short, medium and long term.

Bonus deferral: Mandatory deferral of variable remuneration is one of a number of elements implemented to ensure prudent risk management. Mandatory deferral places an increased emphasis on having a variable remuneration structure that is:

- flexible,
- continues to be performance-linked,
- has significant retention elements and
- motivates employees to drive continued performance over the longer term by aligning a significant portion of variable remuneration to sustained growth in shareholder value over the longer term.

Claw-Back: CBQ's Malus and Claw-back provisions allow the BRNGC to determine that, if appropriate, vested elements under all variable pay plans can be adjusted or cancelled in certain situations relating to risk and compliance and standards of conduct of participating managers and key risk takers.

QCB Circular reference

All Qatar Central Bank regulations and guidelines including Corporate Governance Instructions issued in Circular number 25/2022(0001477/2022) dated 30 August 2022 and 0001507/2023; dated 11 June 2023 and all corporate governance requirements.

Prudential Guidelines for Governance of Remuneration
How CBQ Complies

Key requirements of QCB Principles	How We Comply
Governance Principles	
The firm's Board of Directors must actively oversee the Remuneration system's design and operation	<ul style="list-style-type: none"> • All incentives and variable pay programs are strictly supervised and controlled by the Board through appropriate delegation to BRNGC. • BRNGC meets regularly to review adherence to Policy and procedure for remuneration and variable pay policy. Variable pay governance includes 3 distinct steps: <ul style="list-style-type: none"> - BRNGC approval of bonus pool accumulation principles - BRNGC review of business performance including risk and audit review and determination of pay-out ratio for bonus pool - BRNGC review of proposed variable pay allocation for GCEO, Executive Management and overall pool for all staff. • The remuneration policy of CBQ subsidiaries are managed & reviewed in accordance of CB remuneration principles set through the subsidiary Boards and Board Remuneration Committees.
The firm's Board of Directors must monitor and review the Remuneration system to ensure the system operates as intended	<ul style="list-style-type: none"> • The BRNGC will consult with Board Risk & Compliance Committee on the alignment of risk and remuneration and on any risk adjustments to be applied in setting the variable pay pool. • The BRNGC also considers material issues raised by the Board Audit Committee resulting from the work of Internal Audit including communication of relevant Internal Audit finding on remuneration matters. • The BRNGC is responsible for reviewing and making recommendations on the Remuneration Policy at least every three years to ensure it remains appropriate for the intended purpose. Regular health checks of the Policy will be conducted on an annual basis.
Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm	<ul style="list-style-type: none"> • While the fixed pay and benefits are competitively designed to attract and reward employees based on their skill and expertise, variable remuneration is designed to retain talent and align remuneration with performance and risk to the bank. • Respective Board Committees review base pay and determines variable remuneration for all employees in Audit, Risk and Compliance functions. Control function remuneration is set independently of the business lines they supervise.

Alignment Principles	
The remunerations and incentives rules should be based on performance assessment including financial and non-financial standards	<ul style="list-style-type: none"> • Variable pay is linked to a performance evaluation system for all staff including regular performance review and transparent feedback. Individual variable remuneration payments vary each year based on Group and Business Unit financial performance, demonstration of CBQ ethics, adherence to risk and compliance standards, along with execution on non-financial targets, example digital transformation initiatives, and organizational initiatives related to environmental, social and governance measures, as applicable to the role.
Remuneration for all staff must be designed to promote sound risk management and be adjusted for all types of risk	<ul style="list-style-type: none"> • Risk indicators are included in the Group performance scorecard defined at the start of each plan year and considered for performance evaluation of all staff. • At the end of each plan year, the Board reviews actual CBQ Group Performance against the performance score card metrics – including risk and compliance measures. • The Group performance assessment in addition to the assessment inputs from control functions – Risk, Compliance and Internal Audit forms the basis of the Board's decision on variable remuneration.
Remuneration payment schedules must be sensitive to the time horizon of risks and incentives must be relative to long term achievement	<ul style="list-style-type: none"> • Mandatory deferral of variable remuneration is one of a number of elements implemented to ensure prudent risk management. • For staff deemed to be Senior Managers or Key Risk Takers mandatory bonus deferral will apply up to 50% of variable pay. A substantial portion of deferred bonus – to be determined each year by BRNGC - will be deferred for at least 3 years from the date of bonus grant. • The class of employees to which mandatory deferral applies, the quantum of variable remuneration which is subject to deferral and the time period over which deferral occurs are regularly reviewed and determined by the BRNGC and will always be set to meet regulatory and best practice governance standards.
The mix of cash, equity and other forms of Remuneration must be consistent with risk alignment	<ul style="list-style-type: none"> • Variable payments are delivered as a combination of cash and deferred cash and mandatory participation in CBQ Long Term Incentive Scheme (Equity-linked). • To ensure the interests of the GCEO, Executive Management and Senior Managers and Key Risk Takers continue to be aligned with those of shareholders, employees subject to mandatory bonus deferral will be required to participate in the CBQ Long Term Incentive Scheme.
Incentives must be sensitive to risk in the short, medium and long term	<ul style="list-style-type: none"> • The Bank's Malus and Claw-back provisions applicable to the Variable remuneration allows the BRNGC to determine that, if appropriate, vested elements under all variable pay plans can be adjusted or cancelled in certain situations relating to risk and compliance and conduct standards of participating managers and key risk takers.

Engagement Principles	
Banks must disclose clear, comprehensive and timely information about their Remuneration practices to facilitate constructive engagement by all stakeholders	<ul style="list-style-type: none"> • BRNGC and the Board report on Remuneration Principles in CBQ's Annual Corporate Governance Report as per QFMA Corporate Governance Code Article 4. Remuneration Principles are presented to shareholders at the AGM for approval on an annual basis as per QFMA Corporate Governance Code Article 8.11, and is also made publicly available via CBQ's website. • CBQ discloses to QCB for approval the details of variable pay awards made to GCEO and EGMs annually before any such payments are made.

8. Executive Management Profiles

Mr. Joseph Abraham

Group Chief Executive Officer

He owns 3,042,227 shares in Commercial Bank

Education, Experience and Affiliations

- Holds an MBA from the Graduate School of Business, Stanford University in California, USA.
- Joined Commercial Bank in June 2016 as Group Chief Executive Officer.
- Prior to joining Commercial Bank, served as CEO of ANZ Indonesia (Australia and New Zealand Banking Group) based in Jakarta (2008-2016).
- Worked in Indonesia, Singapore, Hong Kong, Ghana, UK and India in various country and regional banking roles with a successful track record covering general management, corporate banking, strategy, product management as well as acquisitions and integrations.
- Vice Chairman of the Board of Alternatif Bank in Turkey (fully owned subsidiary).
- Board Director of National Bank of Oman.
- Board Director of United Arab Bank, UAE.
- Director of CB Innovation Services LLC, Orient 1, CBQ Finance and CB Global Trading Limited.

Mr. Mohamed Farhan

AGM, Acting Chief Financial Officer

He does not own any shares in Commercial Bank

Education, Experience and Affiliations

- Joined Commercial Bank in October 2015.

- Previously worked for HSBC Group in Saudi British Bank (SAB) as Head of MI, Planning & Analysis and in Malaysia at HSBC Electronic Data Processing as Director & Head of Finance.
- Prior to this Mr. Farhan had worked with Deutsche Bank in Sri Lanka in Financial Controlling and Global Banking Divisions and in Hong Kong.
- Mr. Farhan trained with KPMG in Sri Lanka and is a member of The Chartered Institute of Management Accountants (ACMA) UK, Chartered Global Management Accountant (CGMA) and The Chartered Institute of Marketing (MCIM) UK.
- Director of CB Innovation Services LLC, Orient 1 Limited, CBQ Finance and CB Global Trading Limited, CB Real Estate Properties, CB Leasing Company, CB Lusail Marina 12A, CB Lusail Marina 12B.

Mr. Raju Buddhiraju

EGM, Chief Wholesale Banking

He does not own any shares in Commercial Bank

Education, Experience and Affiliations

- Graduated from Indian School of Mines, India with a Bachelor in Petroleum Engineering.
- MBA from Indian Institute of Management, Calcutta.
- Joined Commercial Bank in 2014 as EGM, Head of Wholesale Banking.
- Previously EGM, Retail & SME Banking, Dubai Islamic Bank, Dubai, U.A.E.
- Joined Commercial Bank as EGM in Retail and then Enterprise Banking starting 2008 till Sept of 2012.

- General Manager & Head of Retail & Consumer Group, Arab National Bank, Saudi Arabia in May 2006 and Head of Retail Assets in Sept. 2002.
- Worked in CitiGroup for 13 years in India, Singapore, Poland and Hungary (1989-2002).
- Deputy Chairman of Orient 1 Limited.
- Director of Alternatif Bank.

Sheikh Jassim Saud Abdulaziz Hamad Al Thani

EGM, Chief Human Capital Officer

He owns 900,000 shares in Commercial Bank

Education, Experience and Affiliations

- Holds a Masters in Strategic Management from HEC Paris and a Bachelor's degree in Computer Science from University of Qatar.
- Extensive experience leading HR functions including management of HR operations in Maersk Oil Qatar and partnering with major business units in Maersk Oil in Denmark.
- Led the Qatarization function for Maersk.
- Joined Commercial Bank from North Oil where he was Public Relations and Communications Manager.

Mr. Parvez Khan

EGM, Treasury & Strategy

He owns 1,890 shares in Commercial Bank

Education, Experience and Affiliations

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

Mr. Fahad Badar

EGM, International Banking

He owns 366,736 shares in Commercial Bank

Education, Experience and Affiliations

- Holds an MBA from Durham University, UK and a Bachelor's in Banking & Finance from Bangor University, UK.
- Joined Commercial Bank as a graduate in 2000, rising up in his career to the position of EGM, International Banking in 2015.
- A seasoned banker with over 23 years of banking experience at Commercial Bank, having successfully held several key roles including EGM Wholesale Banking and EGM Government & International Banking, as well as other senior positions in Retail Banking and Operations across the Bank.
- Currently as EGM, International Banking at Commercial Bank he has the responsibility of the Bank's international lending and financial institutions relationships.
- Director of National Bank of Oman.
- Director of United Arab Bank.

Dr. Leonie Ruth Lethbridge

EGM, Chief Operating Officer

She does not own any shares in Commercial Bank

Education, Experience and Affiliations

- Holds a PhD from Swinburne University of Technology and a Master's Degree in Applied Science from RMIT University.
- Joined Commercial Bank as Chief Operating Officer in July 2017.
- Has oversight of Commercial Bank's innovation entity – CB Innovation Services.
- Previously CEO of ANZ Royal Bank in Cambodia from 2016 to 2017.
- In her 15 years at ANZ, Dr Lethbridge served in senior roles across developed and emerging markets, including as a CEO, COO and CRO.
- Previously a management consultant, advising clients in the financial services, manufacturing and telecommunication sectors.

- Held executive roles in the manufacturing industry in Australia and Asia in a range of organisations and acted in numerous advisory positions for both government and private sector organisations.
- Director of Alternatif Bank and Member of Alternatif Bank's Board Audit and Compliance Committee and Board Remuneration & CG Committee.
- Vice-Chairman of Alternatif Lease Co.
- Director of CB Innovation Services LLC, CB Asset Management LLC, CB Real Estate Properties LLC and CB Leasing Company LLC.

Ms. Rana Salatt

EGM, Chief Internal Audit Officer

She owns 13,280 shares in Commercial Bank

Education, Experience and Affiliations

- Graduated from Qatar University in 1996 with a major in English.
- Joined Commercial Bank in 1996 as a graduate trainee in Retail Banking and then joined Risk Management.
- A number of roles and responsibilities followed: Manager, Credit Risk Administration in 2003, Head of Credit Administration & Control in 2005, Head of Client Relations in 2008, Head of Credit Control in 2009, Assistant General Manager and Head of Risk Controls in 2011 and EGM, Chief Risk Officer in 2013.
- 20 years of banking experience in Commercial Bank between Retail, Risk and Internal Audit.
- Handled the role as Chief Risk Officer, from April 2013 until Jan 2018 where her primary role was to lead and establish a comprehensive and effective enterprise wide integrated risk management framework for the Bank ensuring all risks (including credit, market, liquidity, operational, reputational, corporate governance and regulatory risk) are effectively managed within the defined risk appetite and government regulations.

- Currently she is EGM Chief Internal Audit Officer, ensuring the provision of professional independent opinions and recommendations on critical risk and compliance issues. In addition to playing a key role in promoting a good Corporate Governance by examining and assessing bank records, systems and processes.

Mr. Shahnawaz Rashid

EGM, Retail Banking

He owns 3,000 shares in Commercial Bank

Education, Experience and Affiliations

- MBA from Institute of Business Administration, University of Karachi.
- Fellow of Cost & Management Accounting Institute (FCMA) of Pakistan.
- Joined Commercial Bank in 2019 as General Manager of Commercial Bank Financial Services (CBFS) – a fully owned brokerage subsidiary of Commercial Bank.
- Previously worked at Citibank for 22 years across several international retail markets in various senior leadership roles, including Head of Retail Sales & Asset Products in Indonesia & Poland, Head of Regional Retail & Wealth Product Distribution, Singapore, Chief Financial Officer of Consumer Bank in Thailand & Head of Consumer Risk, Pakistan.
- Moved to Commercial Bank as Executive General Manager & Head of Retail in April 2022
- Board Member, Commercial Bank of Financial Services (CBFS) & Commercial Bank Asset Management (CBAM)
- Board Member of Massoun Insurance Services, Qatar.

Mr. Hussain Ali Al-Abdulla

EGM, Alternative Assets & Chief Marketing Officer
He owns 2,367 shares in Commercial Bank

Education, Experience and Affiliations

- Holds a degree in Petroleum Engineering from Colorado School of Mines in Golden Colorado, USA.
- Holds a Bachelor's in Business Administration and Management (2007) from University of Qatar - Masters in "The Adaptation of Digital Transformation in the Banking Sector" from the United Kingdom.
- Joined Commercial Bank in July 2017, as EGM, Chief Marketing Officer.
- Prior to joining Commercial Bank, served as General Manager - Personal Banking (2012-2017) in Barwa Bank, Doha Qatar.
- Held various roles for 13 years (1999 – 2012) in HSBC Bank Middle East Ltd, Doha Qatar, including Head of Retail Banking from 2009 – 2012.
- Director of CB Leasing, CB Real Estate Properties, CB Lusail Marina 12B and CB Lusail Marina 12A.

Mr. Antonio Gámez Munoz

EGM, Chief Risk Officer
He does not own any shares in Commercial Bank

Education, Experience and Affiliations

- Holds a Bachelor Degree in Economics from Universidad de Navarra, Master's degree in Finance from Instituto de Estudios Bursátiles (IEB), a post-degree in Management from INSEAD International Executive Development and a post-degree in Risk Management from Instituto de Empresa, Madrid.
- Joined Commercial Bank in 2021.
- Prior to joining Commercial Bank he held the position of Banco Santander's Chief Risk Officer APAC – Hong Kong, where he was tasked with establishing a strong Risk function for the region.
- 26-year banking career with considerable international experience in geographies like the US, Poland, Spain and Latin America, including a full range of business coverage in retail, consumer/auto finance, wealth management and investment banking having participated in different M&A transactions in developed and emerging markets.

- Director of Alternatif Bank and CB Asset Management LLC

Mr. Abdulla Ahmed Al-Fadli

EGM, Chief Compliance Officer
He does not own any shares in Commercial Bank

Education, Experience and Affiliations

- Holds a Master of Business Administration from Hull University, UK.
- Previously Acting Head of Human Capital.
- Joined Commercial Bank as Head of Internal Audit Strategy & Operations.
- Prior to joining Commercial Bank, led internal audit at United Development Company and was Deputy Chief Audit Executive at Barwa Bank.
- Chairperson of Compliance Risk Committee.
- Permanent invitee in Alternatif Bank Board Audit & Compliance Committee.
- Director of CB Asset Management LLC.

Mr. Aimen Kallala

AGM, Strategy & Analytics
He owns 7,500 shares in Commercial Bank

Education, Experience and Affiliations

- Holds Master's in Management from HEC Paris with a major in Finance.
- Joined Commercial Bank in November 2012 and his experience with the Bank spans across wholesale banking, international banking, financial institutions and cross-functional strategic initiatives.
- Joined Commercial Bank as AGM, Head of Strategy and Analytics in May 2022 where he oversees the analytics related activities of the Bank along with the data science and business intelligence initiatives. His role covers the strategy of the Bank and the strategic coordination with the subsidiaries and associates.
- Previously at Morgan Stanley in London and Paris within the Global Capital Markets and Investment Banking divisions focusing on strategic equity solutions, corporate equity derivatives and mergers and acquisitions.

9. Ownership Structure

In accordance with Article 6 of the Bank's AOA, no natural person or corporate body shall own at any time 5% or more of the Bank's shares directly or indirectly, with the exception of (a) Qatar Investment Authority, Qatar Holding LLC or any of their subsidiaries and (b) a custodian bank or depository bank holding shares in respect of an offering of Global Depository Receipts after being approved by the Company's EGM.

Shareholders approved at an Extraordinary General Assembly on 16 March 2022 amendments to the Bank's Articles of Association to increase the foreign ownership threshold in the Bank from 49% to 100%.

On 31 December 2023, 69.4% of the total number of shares in the Bank were held by Qatari nationals (whether individuals or entities) and 30.6% of shares by foreign investors.

On 31 December 2023, Qatar Holding LLC held 16.67% of the Bank's shares. No other individuals or entities held more than 5% of the Bank's shares.

10. General Statements

Commercial Bank has complied with all the provisions of the QCB Corporate Governance Instructions.

In line with our commitment to transparency, Commercial Bank has rigorously complied with all the disclosure requirements, including financial reporting, as required by Qatar Exchange and other regulatory authorities. Such disclosures represent accurate and non-misleading data and information.

11. Management's assessment on Compliance with the QFMA's law and regulations and other relevant legislation including the Corporate Governance Code as at 31 December 2023

In accordance with Article 2 of the Qatar Financial Market Authority's (QFMA) Corporate Governance Code for Companies & Legal Entities on the Main Market (the "Code"), The Commercial Bank (P.S.Q.C.) (the Bank) carried out an assessment on its compliance with the QFMA's law and regulations and other relevant legislation applicable to the Bank including the Code.

As a result of the assessment, Management concluded that there is a process in place to ensure compliance with Bank's Articles of Association, and provisions of the QFMA's law and regulations and other relevant legislations and that the Bank is in compliance with the provisions of the Code as at 31 December 2023.

KPMG, the external auditor of the Bank has issued a limited assurance report on the Management assessment on compliance with Bank's Articles of Association, and provisions of the QFMA's law and regulations and other relevant legislations and that the Bank is in compliance with the provisions of the Code as of 31 December 2023.

12. Management's Assessment on Internal Control over Financial Reporting

General

The Board of Directors of the Commercial Bank (P.S.Q.C.) (the 'Bank') and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a

result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded; account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- Operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- Are preventative or detective in nature;
- Have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include Control Environment, Risk Assessment, Monitoring, and Information and Communication controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- Feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2023, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors in aggregate determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation and operating effectiveness of controls within various processes, including those related to the following significant financial statement accounts:

- Loans and advances
- Customer deposits
- Treasury and investments
- Net interest income
- Net fee and commission income
- Net operating income
- Operating expenses
- Financial reporting and entity level controls

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented and operated effectively as of 31 December 2023.

13. Violations

No violations were committed by Commercial Bank during 2023 that could have a material impact on its financial position. There were no violations imposed due to non-compliance with the QCB Corporate Governance Guidelines and the QFMA Corporate Governance Code.

14. Disputes

A small number of legal cases have been filed by and against the Bank in 2023. These are all being managed in accordance with proper procedures. All disputes and lawsuits in which the Bank is a party are handled and tracked by the Bank's Legal Department. These cases together with the latest updates are regularly reported to the Management Risk Committee and the Board Risk Committee for information and proper decision.

15. Scope

Commercial Bank is a group of companies including foreign and domestic subsidiaries and associates which operate independent businesses in Qatar, Oman, UAE and Turkey.

Commercial Bank exercises its control and oversight through adoption of management practices and policies that are appropriate to the activities and geographical situation of each, taking into consideration the local governance requirements.

QCB Corporate Governance Disclosure Requirements

Corporate Governance Disclosure as per Annex 1 of the QCB Corporate Governance Instructions.

Annex Item No.	Description	Disclosure
1. Share Ownership	Ownership distribution as per nationality	Local: 69.41%. Other Nationalities: 30.59% (as at 31 December 2023)
	Ownership distribution as per shareholders number	3,239 total number of shareholders (as at 31 December 2023) Total number of shares: 4,047,253,750 (as at 31 December 2023). Number of local shareholders: 1,952 Number of other nationality shareholders: 1,287
	Government ownership	21.76%
	Major Shareholders (shareholder with ownership or voting rights of 5% and more)	Qatar Holding LLC (16.67%)
	Names of shareholders owning 5% or more, or acting in concert as per shareholder agreement, the total percentage, total acquired collective voting rights, any other direct or indirect relation among each other or with the bank or other shareholders	None (excluding Qatar Holding LLC)
	2. The Board and The Executive Management	The board's functions must be disclosed not only in general description but in full accurate details, as per the provisions of Law
	Types of key transactions that are required to obtain approval from the board	Corporate Governance Report (Sections 2.6 and 3.5.3)
	Names of Board members, authority, powers represented, detailed information, membership on boards of other financial institutions, qualifications, previous positions held and experience (indicate whether executive or non-executive member)	Corporate Governance Report (Disclosures Section 1)
	Numbers and names of independent members of board	Corporate Governance Report (Section 3.2 and Disclosures Section 1)
	Board's membership tenure and starting date for each term	Corporate Governance Report (Disclosures Section 1)
	Board's contribution in guiding, directing and training new members	Corporate Governance Report (Section 3.4)

Annex Item No.	Description	Disclosure
	Members share in the Bank	Corporate Governance Report (Disclosures Section 1)
	Members election and termination arrangements	Corporate Governance Report (Section 3.3)
	Bank's shares traded by members during the year	Corporate Governance Report (Disclosures Section 1)
	Dates of Board meetings	Corporate Governance Report (Disclosures Section 3)
	Board meeting attendance record	Corporate Governance Report (Disclosures Section 3 and 4.2)
	Total remunerations paid to members of board	Corporate Governance Report (Disclosures Section 6)
	Total remunerations paid to members of executive management	Disclosed in the Bank's Annual Report 2023 consolidated financial statements, Note No. 39
	Policy of remuneration for members of board and executive management	Corporate Governance Report (Disclosures Section 6 and 7)
	List of names of senior executives and resume	Corporate Governance Report (Disclosures Section 8)
	Shares owned by key senior executives	Corporate Governance Report (Disclosures Section 8)
	In case there is a board approved by-law on the business ethics which is available to the board, the board should indicate the mechanism to oversee compliance of the same	Corporate Governance Report (Section 2.4)
3. Committees	Names of board committees	Corporate Governance Report (Section 4)
	Functions and Duties of each Committee	Corporate Governance Report (Sections 4.1 to 4.4)
	Members of each committee independent/non-independent	Corporate Governance Report (Disclosures Section 4.1)
	Minimum number of meetings per year	Corporate Governance Report (Sections 4.1 to 4.4)
	Actual number of meetings	Corporate Governance Report (Sections 4.1 to 4.4)
	Committee members attendance	Corporate Governance Report (Disclosures Section 4.2)

Annex Item No.	Description	Disclosure
	Total of remunerations granted to members	Corporate Governance Report (Disclosures Section 6)
	Committees work and any other significant issues during the concerned period	Corporate Governance Report (Sections 4.1 to 4.4)
4. ESG (Environment indicators)	Environment and Social indicators	Please refer to the Bank's Annual Report (Sustainability section)
	Bank's compliance to the present instructions and the relevant legislations	Corporate Governance Report (Disclosures Section 10)
5. External Auditors	Audit, review and other assurance services and fee	Commercial Bank statutory audit and review: QAR 750,000 Subsidiaries statutory audit (Domestic and International): QAR 1,331,700 Other regulatory and related audit and other assurance (Domestic and International): QAR 3,893,582
	Non audit services provided by external auditor and fee	Regulatory mandated non-audit services: QAR 2,582,800 Other non-audit services: QAR 825,050
	Reasons for change or renew appointment of auditors	Corporate Governance Report (Section 9.3)
6. Other issues	Related-parties transactions	Disclosed in the Bank's Annual Report 2023 consolidated financial statements, Note No. 39
	Approval process of related transactions	Corporate Governance Report (Section 2.6)
	Communication channels with shareholders and investors	Corporate Governance Report (Section 2.2)



KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: kpmg.com/qa

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of The Commercial Bank (P.S.Q.C.)

Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of The Commercial Bank (P.S.Q.C.) ("the Bank") to carry out a limited assurance engagement over the Board of Director's assessment whether the Bank has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Bank is in compliance with the requirements of the articles of the Code as at 31 December 2023.

Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for preparing the corporate governance report that covers the requirements of Article 4 of the Code that is free from material misstatement and for the information contained therein. The Board of Directors provided their assessment whether the Bank has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and the Bank's compliance with the articles of the Code' (the 'Statement'), which was shared with KPMG on 24 January 2024, and to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Bank complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.



INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Bank and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, whether the Bank has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Bank is in compliance with the requirements of the articles of the Code as at 31 December 2023, as the basis for our limited assurance conclusion.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Bank's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with the articles of the Code and other engagement circumstances, and our consideration of areas where material non-compliances are likely to arise.

In obtaining an understanding of the Bank's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with articles of the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design limited assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Bank's process or internal control over the preparation and fair presentation of the Statement.

Our engagement also included assessing the appropriateness of the Bank's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and its compliance with the articles of the Code, the suitability of the criteria used by the Bank in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures used in the preparation of the Statement.



INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the articles of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Bank has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation including with the articles of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Bank's compliance with the articles of the Code; and
- Conducting additional procedures as deemed necessary to validate the Bank's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Bank's annual corporate governance report which is expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another, which do not form a clear set of criteria to compare with. Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment on the process in place to ensure compliance with article of association and provisions of the QFMA's law and relevant legislations, including compliance



INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

with the Code and the methods used for determining such information. Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is an assessment of the process for compliance with the Bank's Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and compliance with the articles of the Code.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention, that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Bank has a process in place to comply with its Articles of Associations, the provisions of the QFMA's law and regulations and other relevant legislation, and that the Bank is in compliance with the articles of the Code as at 31 December 2023

Emphasis of Matter

We draw attention to the explanation as included in the section 3.2 of the annual corporate governance report with respect to the Bank's compliance to the Article 6 of the Code regarding the minimum number of independent directors to be appointed on the Board of Directors. Our conclusion is not modified in respect of this matter.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Bank and QFMA for any purpose or in any context. Any party other than the shareholders of the Bank and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Bank and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.



INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Our report is released to the shareholders of the Bank and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Bank’s own internal purposes) or in part, without our prior written consent.

10 March 2024
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Auditor’s Registration No. 251
Licensed by QFMA: External
Auditor’s License No. 120153

Attachment: Board of Directors assessment on compliance with QFMA’s law and regulations and other relevant legislation including the articles of the Code



KPMG
 Zone 25 C Ring Road
 Street 230, Building 246
 P.O Box 4473, Doha
 State of Qatar
 Telephone: +974 4457 6444
 Fax: +974 4436 7411
 Website: kpmg.com/qa

INDEPENDENT REASONABLE ASSURANCE REPORT

To the Shareholders of The Commercial Bank (P.S.Q.C.)

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (“the Code”) issued by the Qatar Financial Markets Authority (“QFMA”), we were engaged by the Board of Directors of The Commercial Bank (P.S.Q.C.) (“the Bank”) and its subsidiaries (together referred to as “the Group”) to carry out a reasonable assurance engagement over the Board of Directors’ description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group’s internal controls over financial reporting (the ‘ICOFR’) as at 31 December 2023 (the “Statement”).

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing and fairly stating the Statement that is free from material misstatement and for the information contained therein.

The Statement, which was signed by the Group Chairman and shared with KPMG on 24 January 2024 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors’ assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- a description of the process and internal controls over financial reporting for the processes of loans and advances, customer deposits, treasury and investments, net interest income, net fee and commission income, net operating income, operating expenses and financial reporting and entity level control;
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management’s testing, and identification of the control deficiencies.

KPMG, Qatar Branch is registered with the Ministry of Commerce and Industry, State of Qatar, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. The KPMG name and logo are registered trademarks of KPMG International.



INDEPENDENT REASONABLE ASSURANCE REPORT (CONTINUED)

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO” or “COSO Framework”).

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group’s ICOFR.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Management 1, which requires the Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the suitability of the design, implementation and operating effectiveness of the Group’s internal controls over financial reporting, whether due to fraud or error.



INDEPENDENT REASONABLE ASSURANCE REPORT (CONTINUED)

Our engagement also included assessing the appropriateness of the Group's ICOFR, and the suitability of the criteria used by the Group in preparing and presenting the Statement in the circumstances of the engagement, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed, implemented and are operating effectively as of 31 December 2023 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
 - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
 - Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls documentation and related risks and controls as summarized in the RCM;
 - Risk arising from Information Technology and controls as summarized in the RCM;
 - Disclosure controls as summarized in the RCM.
- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed;
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.



INDEPENDENT REASONABLE ASSURANCE REPORT (CONTINUED)

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

We have made such enquiries of the auditors of significant components within the Group concerned and have reviewed their work to the extent necessary to form our conclusion. We remain solely responsible for our conclusion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Group's annual report which is expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information. Because of the inherent limitations of internal controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Furthermore, the controls activities designed, and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.



INDEPENDENT REASONABLE ASSURANCE REPORT (CONTINUED)

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2023.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Bank and QFMA for any purpose or in any context. Any party other than the shareholders of the Bank and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Bank and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Bank and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Bank's own internal purposes) or in part, without our prior written consent.

12 March 2024
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251
Licensed by QFMA: External
Auditor's License No. 120153

Attachment: Board of Directors Statement on ICOFR

