

# Doha Bank



## Board of Directors Terms of Reference

Version 1.0

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## **INTRODUCTION**

The Board of Directors is responsible for the stewardship of the Bank and providing effective leadership to supervise the management of Doha Bank's business to grow value in a profitable and sustainable manner. These Terms of Reference principally apply to the Board of Directors of Doha Bank Q.S.C (hereinafter 'Doha Bank' or the 'Bank').

Doha Bank's Board Terms of Reference are developed in accordance with the Corporate Governance best practices, Commercial Companies Law, Qatar Central Bank Instructions to Banks, Qatar Central Bank Corporate Governance Guidelines, Qatar Financial Markets Authority Corporate Governance Code for Listed Companies and Doha Bank's Articles of Association.

In the event of conflict between the Board Terms of Reference and Articles of Association then the latter requirements shall prevail. In the event of conflict between Qatar Financial Markets Authority's Corporate Governance Code for Listed Companies and Qatar Central Bank Corporate Governance Guidelines, then the latter requirements shall prevail for the mandatory instructions.

In accordance with QFMA Requirements this charter will be published on the Bank's website.

### **Amendments:**

These Terms of Reference may be amended by a majority vote cast of the members of the Board present at any meeting, on condition that the proposed amendment or amendments should not contradict with the Bank's Article of Association and the applicable laws and regulations referred to above.

### **Abbreviations used in this document:**

BOD	Board of Directors	QCB	Qatar Central Bank
CEO	Chief Executive Officer	QFMA	Qatar Financial Markets Authority
MD	Managing Director	QCCL	Qatar Commercial Companies Law

<b>BOARD MEETINGS</b>	
<b>VENUE</b>	<ul style="list-style-type: none"> <li>▪ Doha Bank Head Office or other location within Qatar, as determined by the Chairman, provided quorum is achieved.</li> <li>▪ Board meetings can be held using teleconference or by circulation.</li> </ul>
<b>FREQUENCY</b>	<ul style="list-style-type: none"> <li>▪ In line with the Doha Bank's Articles of Association, at least six Board meetings (minimum once every two months) should be held during each financial year. Board meetings are scheduled in the Board Calendar according to key events and financial period closures of the Bank.</li> </ul>
<b>BOARD SECRETARY</b>	<ul style="list-style-type: none"> <li>▪ The Board appoints a Board Secretary and determines the incumbent's scope of work and remuneration. The Secretary is responsible for maintaining and safekeeping Board documentation and responsible for the distribution of Board meeting agendas, invitations, other required documentation, and the distribution of Board meeting minutes and resolutions. The Secretary is also responsible for providing orientation material and scheduling orientation sessions for new Board members.</li> </ul>
<b>INVITATION AND AGENDA</b>	<ul style="list-style-type: none"> <li>▪ A Board meeting can be summoned by the Board Chairman or by two members.</li> <li>▪ The Meeting Agenda will be circulated by the Board Secretary together with any material that members should refer to at least one week prior to the meeting. Invitations can be sent through fax, mail or email to the members.</li> <li>▪ The Board may invite Doha Bank's management, staff or any other third party to attend the meetings to obtain information, recommendations and clarifications as required.</li> </ul>
<b>QUORUM AND REPRESENTATION</b>	<ul style="list-style-type: none"> <li>▪ At least half of the Board Members should be present / represented for the meeting to be considered valid, with at least three board members physically present.</li> <li>▪ Proxy voting is permissible as long as there is written evidence of the delegation to another member of that member's power to vote in his absence. A member can represent only one other member in the meeting.</li> </ul>

<b>RESOLUTIONS</b>	<ul style="list-style-type: none"><li>▪ Board resolutions are decided by majority vote of the attendees and representatives.</li><li>▪ In case of a tie in the number of votes, the Chairman or his representative who is acting in the Chairman's capacity shall have a casting vote. Objections of members should be recorded in the minutes of the meeting.</li></ul>
<b>MINUTES OF THE MEETING / BOARD DECISIONS</b>	<ul style="list-style-type: none"><li>▪ Board meetings are recorded by the Board Secretary in a special register and should be signed at least by the Chairman, Managing Director and Board Secretary.</li></ul>

**BOARD COMPOSITION****NUMBER OF  
MEMBERS**

- 7 members comprised of non-executive and independent directors.

## MIX

- Non-Executive Members: members who are not employees or hold any executive responsibilities in the bank, as such, not involved in the operations of the Bank are non-executive members. Non-executive members can be further classified as independent and non-independent members.
- Independent non-executive members are the members who are **not** under the influence of any factor that may limit his/her capacity to consider, discuss and decide on the Bank's matters in an unbiased and objective manner. Board members are **not** independent if in the past three years:
  - They have been employed by the Bank;
  - An employee/ director of a business consultant to the Bank;
  - An employee of an entity owned by a Bank executive or his relative;
  - Have significant dealings with the Bank, or is related to a person who has significant dealings with the Bank; and
  - Obtained significant compensation from the Bank, other than compensation provided for acting as a Board Member.
- Furthermore members are not independent if they are:
  - A major shareholder (own more than 10% of the Bank's Capital);
  - Have been part of the Board for more than 9 years; and
  - Related to a member of Executive Management / Board of the first degree.
  - Members of a BOD of any company within the bank's group or who has been nominated to such a body.
- Independent Board Members will constitute a minimum of 33% of the Board.
- The Board will elect a Managing Director or more and will delegate to him/ them the supervision of the Chief Executive Officer and Executive Management in implementing Board directives, decisions and policies.

**ROLES AND RESPONSIBILITIES****DELEGATIONS  
AND AUTHORITIES**

The Board is entrusted with limitless authority to manage the Bank. Following are the key operational responsibilities of the Board:

- Appoint a Managing Director whom will be delegated the authority to supervise the performance of the CEO and the Bank's management in implementing Board decisions and guidelines.
- Appoint the CEO and the Executive Management cadre.
- Define the roles, responsibilities and duties of the CEO and the reports to be issued by the CEO to the Chairman, Managing Director and the Board.
- Appointment of advisors to the Board and setting their roles, responsibilities, duties and remuneration.
- Review and approve Doha Bank's organization structure and reporting lines.
- Approve financial commitments in excess of delegated authorities to Board Committees and Executive Management.
- Review and assess Doha Bank's Financial Statements and other disclosures prior to announcement to shareholders.
- Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that management is addressing the issues appropriately.
- Approves Policies, Development and Remuneration Committee's suggestions and recommendations regarding:
  - Managing Director, Chairman, Vice Chairman and Board Member remuneration;
  - Remuneration of the CEO and Executive Management and evaluating of bank staffing line with the Committee's delegated authority.
- Create Board committees and set their authorities and duties. Periodically review, and approve annually the work of Board Committees provided that the legal quorum is achieved.

<p><b>DELEGATIONS AND AUTHORITIES</b></p>	<ul style="list-style-type: none"> <li>▪ The BOD shall also enjoy all other rights vested to it by QCCL, QCB and QFMA Corporate Governance Guidelines not mentioned in this document.</li> <li>▪ The BOD may consult at the Bank's expense any independent expert or consultant.</li> <li>▪ The Board shall have full and immediate access to information, documents, and records pertaining to the Bank. The Bank's executive management shall provide the Board and its committees with all requested documents and information.</li> </ul>
<p><b>STRATEGY AND PLANNING</b></p>	<ul style="list-style-type: none"> <li>▪ Provide the strategic direction of Doha Bank by approving the Bank's vision and mission periodically, and at least every three year or as and when deemed necessary approve and lead the development of the strategic plan and business objectives.</li> <li>▪ Review and recommend improvements and approve strategic initiatives including new business initiatives and key investments and divestitures.</li> <li>▪ Setting and periodically reviewing policies of the bank including risk policies.</li> <li>▪ Assist Doha Bank's Executive Management in addressing' issues brought forward by their Board representatives in subsidiaries owned by Doha Bank.</li> <li>▪ Monitor operations and assess Doha Bank's performance and management of risks via periodic updates provided by the CEO.</li> </ul>

**FINANCE AND  
AUDIT**

- Approve the Bank's annual budget.
- Monitor the financial performance of the Bank.
- Ensure that Doha Bank maintains adequate levels of capital and reserves, according to sound commercial principles and banking regulations.
- Review periodically in conjunction with the Audit, Compliance and Risk Committee the arrangements with the External Auditors, in order to ensure their sustainability in accordance with the size and nature of Doha Bank.
- Nominate the External Auditor to the General Assembly and receive Audit Reports from the External Auditor. Review reports and direct the management to improve related aspects accordingly.
- Appoint the Head of Internal Audit and the Compliance Officer, based on Audit, Compliance and Risk Committee's recommendation. Supervise the work of internal audit and compliance departments through the Audit, Compliance and Risk Committee.
- Discuss with the Audit, Compliance and Risk Committee matters related to internal audit and compliance, QCB Inspection Reports, external audit, and financial statements.
- Recommend to the General Assembly proposed dividends and the dividend policy.

**GOVERNANCE  
AND COMPLIANCE**

- Oversee the overall corporate governance of Doha Bank. Review and approve governance policies, (including policies on conflict of interest and insider trading) and principles recommended by the Board Committees, Executive Management and External Consultants.
- Receive and evaluate recommendations from the Nomination and Governance Committee and provide recommendations annually on Board duties and responsibilities, Board Committees' Terms of References, Code of Ethics, and job descriptions of CEO and other key executives, and related entities' representatives.
- Supervise and ensure proper internal control systems, mainly through the Audit, Compliance and Risk Committee.
- Ensure that Doha Bank is in compliance with its Articles of Association and applicable international and local laws and regulations including QCB regulations. Receive and review any legal cases brought against the Bank periodically.
- Review Bank's policies, directly or through a delegated committee, periodically to ensure they are adequate, suitable and in line with the internal business changes and the external macro-economic factors.
- Appoint, retain, oversee, compensate and terminate independent advisors to assist the Board in their activities.

**RESPONSIBILITY  
TO  
STAKEHOLDERS**

- Provide shareholders with timely information to be able to take decisions in the general assembly,
- Ensure the fair treatment of all shareholders within the same class in accordance with the law.
- Ensure that a transparent process of stakeholder relations is in place including procedures for disclosures and communication.
- Ensure the development of a remuneration policy and present the same to the General Assembly.
- Ensure the required reporting to the Qatar Central Bank in accordance with relevant regulations.
- Ensure budgets, financial statements and profit distributions are reported to the Qatar Central Bank for approval prior to proposition to the General Assembly.

**GENERAL  
ASSEMBLY AND  
EXTRAORDINARY  
ASSEMBLY**

- Conduct the Annual General Assembly in Doha within four months from the last date of Doha Bank's financial year based on the BOD's invitation and after obtaining approval from the Ministry of Business and Trade. The meeting will be valid if at least four board members are present, and shareholders who represent the minimum capital requirement are present.
- The Board of Directors must call for a General Assembly when required, or requested by the External Auditor. If the Board does not comply to the request from the External Auditor within 15 days, the External Auditor may directly request General Assembly invitation after obtaining approval of the Ministry of Business and Trade. Furthermore, the Board must also call for a General Assembly within 15 days when valid requests are received by shareholder(s) owning 10% or more of the share capital, otherwise the Ministry of Business and Trade will arrange for the General Assembly based on the request of shareholder and on the expense of the bank.
- Prepare the agenda for the General Assembly, in coordination with the Chairman. The agenda is to be issued to two local daily papers, one in Arabic and one in English; at least 15 days prior of the General Assembly date. The Agenda, should include the following items:
  - Board of directors report on Bank activities and financial status;
  - External Auditor Report and Financial Statement presentation for approval;
  - Sharia Audit reports regarding Doha Islamic;
  - Nomination of the External Auditor and setting his remuneration;
  - Election of Board Members;
  - Clearance of Board members;
  - Dividend distribution; and
  - Board and key executives remuneration.

**GENERAL  
ASSEMBLY AND  
EXTRAORDINARY  
ASSEMBLY**

- Invite all Shareholders for an Extraordinary Meeting at the Board's discretion, or by a request from shareholders who represent 25% of the Bank's capital. Extraordinary meetings are considered valid provided that shareholders representing the minimum capital requirement are present. The extra-ordinary meeting should be conducted for the following cases, decisions are only valid provided adequate shareholder representation:
  - Amend the Memorandum of Association or the Articles of Association of the Bank;
  - Increase or decrease capital of the Bank;
  - Extend the period of the Bank;
  - Dissolve, liquidate, transfer or merge the Bank; and
  - Sell all the projects for which the Bank was established or dispose of it in any other way.

<b>BOARD COMMITTEES</b>	
<b>GENERAL</b>	<ul style="list-style-type: none"> <li>▪ Board Committees are formed in order to assist the Board by providing organized and focused means to achieve Bank's goals and to properly address issues. Doha Bank has established 'Audit, Compliance and Risk', 'Nomination and Governance', 'Board Executive' and 'Policies, Development and Remuneration' committees in accordance with leading governance best practices.</li> <li>▪ An overview of these Committees is provided here, whereas each abides by its own detailed Terms of Reference. Board Committees regularly report to the Board on their proceedings and deliberations.</li> </ul>
<b>BOARD EXECUTIVE COMMITTEE</b>	<ul style="list-style-type: none"> <li>▪ The Board Executive Committee is appointed by the Board upon the first BOD meeting to be held following the election of the Board. The Board is entitled to restructure the committee and review its terms of reference whenever deemed necessary.</li> <li>▪ The Committee will meet at least semi-annually.</li> <li>▪ This Committee acts as a consultative Body to the Board, which handles matters which require the Board's review, but may arise between Board meetings. In addition, this Committee deliberates matters in detail which are not discussed in length at the meetings of the Board. The committee relieves the Board of detailed information review and analysis which could be done prior to a Board meeting.</li> <li>▪ The Board Executive Committee is also delegated certain approval authorities by the board including the granting of major credit facilities and undertaking major investments within the approved limits.</li> </ul>

**AUDIT,  
COMPLIANCE AND  
RISK COMMITTEE**

- The Board appoints an Audit, Compliance and Risk Committee in line with the Corporate Governance guidelines. The committee consists of a minimum of three members.
- The members should not be working or should not have worked with the external auditors of the Bank during the past three years.
- Committee meetings should be conducted regularly at a minimum of every three months. The Committee should meet with the external auditors at least once annually.
- The Audit, Compliance and Risk Committee should review and assess the financial and accounting policies, financial controls, internal controls, compliance and risk management systems of Doha Bank on a regular basis.
- The Internal Audit Department and Compliance Department of Doha Bank report directly to the Audit, Compliance and Risk Committee ensuring independence.
- The appointment of External Auditors is recommended by the Audit, Compliance and Risk Committee to the full Board, and in turn the Board will review and recommend the same for approval in the Annual General Assembly Meeting.
- Audit, Compliance and Risk Committees of the subsidiaries indirectly report to Main/Group Audit, Compliance and Risk Committee through Group Internal Audit, enabling Doha Bank to monitor its related entities' compliance, controls, and risk practices.

**NOMINATION AND  
GOVERNANCE  
COMMITTEE**

- The Nomination and Governance Committee is appointed by the Board upon the first BOD meeting to be held following the election of the Board. The Board is entitled to restructure the committee and review its terms of reference whenever deemed necessary. The Committee consists of independent board members. The committee term is three years.

Nomination

- Oversee the establishment of a nomination process for Board members.
- Review candidate profiles of all new Board members applying for election to the Board considering current Board composition.
- Recommend to the Board for recommendation to the General Assembly appointment of new members.
- Review members for re-election and provide opinion to the Board for communication to the General Assembly Board's view on re-election of members.
- Annually perform a self assessment exercise of the full Board.

Governance

- On a periodic basis, this Committee reviews and assesses any changes to international and local corporate governance practices and applicable regulations that could impact Doha Bank's operations and recommends any changes required to the Board of Directors for approval.

**POLICIES,  
DEVELOPMENT  
AND  
REMUNERATION  
COMMITTEE**

- The Policies, Development and Remuneration Committee is appointed by the Board upon the first BOD meeting to be held following the election of the Board. The Board is entitled to restructure the committee and review its terms of reference whenever deemed necessary. The Committee consists of a minimum three non-executive members with the majority comprised of independent members.
- Committee meetings should be held at least once every four months and the Committee's Chairman should update the Board on its significant discussion points, issues, and deliberations.

Remuneration

- One of the main tasks of the Committee is to set the remuneration policy of the Bank.
- The Committee will support in setting the performance standards for the Board and key executives.
- The Committee will support in recommending compensation of Board Members to the Board for approval by the General Assembly. Furthermore, the Committee will review the remuneration of key executives including the CEO and recommend remuneration amount to the Board for approval.
- The Committee also reviews the compensation / remuneration structure for Doha Bank appointed Board Members in Doha Bank subsidiaries.
- Handle staff complaints relating to fairness of the remuneration packages.

Development

- Review/ develop the long term strategy, brand vision and mission of Doha Bank.
- Review/ develop annual business plans and budgets in line with the long term strategy and changes in economical, market, and regulatory environments.
- Monitor and evaluate group's performance periodically against strategy, business plan and budgets.

Policies

- Review and pre-approve bank proposed policies to be initially approved prior to final approval being sought from the Board of Directors unless the Board delegates its 'final approval authority' to the Committee.

## BOARD MEMBERSHIP

### QUALIFICATIONS & CONDITIONS

The qualifications below should also be considered based on the articles of association of Doha Bank and the Commercial Companies Law:

- Should comply with Article (96) provisions (e.g. own at least 1% of the Bank's capital, age of the candidate should be twenty one (21) years or above...etc.)
- The candidate/member should possess a varied set of knowledge and skills required to provide leadership to Doha Bank.
- The candidate/member should possess the knowledge and skills required to provide leadership by setting the vision, principles, values and strategic plan, and to supervise management to ensure maximization of shareholder wealth.
- Expertise in banking, international markets and managing complex businesses are considered complementary qualifications.
- The members should be able to commit time and exert effort necessary to fulfil all Board responsibilities, including review of required reports, assessment of relevant performance, and attendance of meetings.
- Personal characteristics such as integrity, enthusiasm, strong leadership traits, ability to work as a team member, and also eagerness and commitment to work for the benefit of the Bank, in line with Doha Bank's overall vision, and the Bank's Code of Ethics.

### NOMINATION AND TERM

- The Board will establish a transparent nomination process which is managed by the Nomination and Governance Committee.
- The Nomination and Governance Committee will review proposals for re-election/ replacement members and provide their recommendation to the Board. The Board will subsequently present the nominated person's curriculum vitae and recommendations to the General Assembly for decision making.
- Members of the Board of Directors shall be elected for a renewable term of three years.

<p><b>MEMBER REPLACEMENT</b></p>	<ul style="list-style-type: none"> <li>▪ If any elected Board member position becomes vacant, then that position shall be filled by the shareholder with the highest number of votes among those who did not succeed in winning membership on the Board and for uncontested appointments reference will be made to the previous Board voting. The member will serve the remaining term of the member he is replacing.</li> <li>▪ In case one quarter of the Board positions become vacant, the Board should call a General Assembly meeting to appoint replacement members within two month of the date the last position is vacated.</li> </ul>
<p><b>RESIGNATION</b></p>	<ul style="list-style-type: none"> <li>▪ The Board member can withdraw himself from the Board on condition that appropriate timing is achieved. Otherwise, he might be held responsible for any problem that might occur due to the inappropriate timing of his resignation.</li> <li>▪ If a member is absent for three consecutive Board meetings or five non-consecutive meetings he will be considered to have resigned from the position, unless acceptable reasons are provided to the Board.</li> </ul>
<p><b>REMUNERATION</b></p>	<ul style="list-style-type: none"> <li>▪ The Board through the Policies, Development and Remuneration Committee will set the remuneration of the Board in accordance with the guidelines stipulated in the Articles of Association. The Board will annually present to the General Assembly details of remuneration provided to Board Members and will submit a Remuneration Policy to be approved by the General Assembly.</li> </ul>

<b>BOARD CODE OF CONDUCT</b>	
<b>ACCOUNTABILITY</b>	<ul style="list-style-type: none"> <li>▪ The Board represents the interests of shareholders by overseeing management performance on behalf of shareholders. The Board's responsibility of this oversight function includes both duty of care and duty of loyalty. The Board will be kept accountable for the Bank's performance and its activities as per the applicable laws and regulations (e.g. QCCL Articles (136), (328) and (329)...etc.)</li> </ul>
<b>TRANSPARENCY</b>	<ul style="list-style-type: none"> <li>▪ Board Members follow Doha Bank's values and act honestly and with integrity in all their dealings.</li> <li>▪ The Board Members act in good faith and in Doha Bank's best interest, not in the personal interest of the Board Members, interest of family member or an organization with which the member is affiliated. The Board Members do not use their position for personal gain and should be free from any influence of conflict of interest when they participate in Board and Board Committees' deliberations and voting.</li> <li>▪ The Board promotes ethical behavior and encourages an open environment where Board Members and Employees are encouraged to report any unethical behavior observed and not permit retaliation for reports of misconduct made in good faith.</li> </ul>
<b>FAIRNESS</b>	<ul style="list-style-type: none"> <li>▪ Board Members always strive to deal fairly with Doha Bank's management, shareholders, suppliers, competitors, customers, employees and other business partners. Board Members avoid taking unfair advantage of anyone through manipulation, or concealment of privileged information, misrepresentation of material facts, or any other unfair dealing practice.</li> <li>▪ Business entertainment and gifts are offered only in a commercial setting to create goodwill and sound working relationships and not to gain unfair advantage. It should be noted that Board Members and their family members may not accept gifts from individuals or other entities, where such are offered, in order to influence the Board member's actions related to Doha Bank's business activities.</li> </ul>

<b>SUSTAINABILITY</b>	<ul style="list-style-type: none"><li>▪ Board members always use their professional experience and skills and commit adequate time and effort in order to serve Doha Bank and secure sustainable returns to its shareholders.</li><li>▪ The Board Members actively promote the continuous improvement of the Bank procedures and practices while adhering to the policies and standards. They also encourage achievement of knowledge at all levels to help personal and organizational success.</li><li>▪ The Board Members protect Doha Bank's assets, ensure their efficient use and make sure the assets are used for legitimate business purposes.</li></ul>
<b>CONFIDENTIALITY</b>	<ul style="list-style-type: none"><li>▪ The Board Members maintain the confidentiality of all proprietary, sensitive or important information of Doha Bank entrusted to them, except when disclosure is authorized or legally mandated or instruction is received for investigation purposes.</li><li>▪ All non-public information of Doha Bank is considered confidential information. Board Members who have access to confidential information will not share this information for any purpose.</li></ul>