

GOVERNANCE REPORT FOR THE YEAR 2013

OVERVIEW

As part of the compliance requirement of the Corporate Governance code for listed companies; issued by Qatar Financial Markets Authority; Doha Bank as a Qatari shareholding company listed on the Qatar Exchange is required to disclose the extent to which it complies with the provisions of the code. The Code adopted by the QFMA is based on the principle of comply or explain.

During the year, the Bank was keen on enhancing the corporate governance framework by approving a corporate governance policies and procedures manual and adopting best practices. This report summarizes Doha Bank's governance processes for 2013 in accordance with QFMA disclosure requirements as illustrated below.

BOARD OF DIRECTORS AND BOARD COMMITTEES

Roles and Responsibilities:

The Board of Directors is responsible for the stewardship of the Bank and to provide effective leadership and supervision of Doha Bank's business, whilst growing value in a profitable and sustainable manner.

The roles and responsibilities of the Board are defined in the Board Charter. The Board Charter shall be published to the public through the Doha Bank website and will be available to shareholders before the Shareholder's meeting and also will be included as an AGM Agenda Item. The Board's roles and responsibilities are compliant with the requirements of the Code, and cover the following areas:

- Strategy
- Governance
- Compliance
- Risk Management
- Authorities and Delegations
- Internal and External Audit
- Board Committees
- Board Code of Conduct
- Board Composition
- Board Meetings
- Board Membership Requirements.

Each Board Member duties have been updated and defined in Job Descriptions prepared for this purpose. Moreover, each Board Member is also required to provide sufficient time to perform his duties. Currently, time commitments are not contractually set but are understood by all Directors. Director Appointment forms have been developed and approved by the Board of Directors and will be put in place as a matter of course. Each Director shall be required to sign this form upon enrollment in the Board.

Composition

The Board currently consists of eight members:

- Chairman;
- Vice Chairman;
- Managing Director;
- 5 Non-Executive directors including two independent members

Briefs of each Board Member's education and experience profile are depicted below:

Sheikh Fahad Bin Mohammad Bin Jabor Al Thani

- Chairman
- Chairman of the Executive Committee
- Date of Appointment on Board: June 3, 1996
- Education/ Experience: Graduate of the Royal Academy, Sandhurst, UK
- Other Board Memberships: Board Member at Al Khaleej Takaful Group
- Ownership: **1.68%** (December 31, 2013)

Mr. Ahmed Abdul Rehman Yousef Obeidan

- Vice Chairman
- Member in the Executive Committee and member in the Audit, Compliance and Risk Committee
- Date of Appointment on Board: April 20, 1982
- Education/ Experience: General Manager, Al Waha Contracting & Trading Est.
- Ownership: **1.67%** (December 31, 2013)

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani

- Managing Director
- Chairman of Policies, Development and Remuneration committee and Chairman of Nomination and Governance committee
- Member of Executive Committee
- Date of Appointment on Board: December 21, 1978
- Education/ Experience: Bachelor of Civil Engineering, Missouri University, USA
- Other Board Memberships: Chairman of the Board of Directors, Qatar Industrial Manufacturing Co. Chairman of the Board of Directors (State of Qatar representative): Qatari Oman Investment Company and Board Member: National Leasing Holding
- Ownership: **1.72%** (December 31, 2013)

Sheikh Abdulla Mohamed Jabor Al-Thani

- Non-Executive Board Member
- Chairman of Audit, Compliance and Risk Committee
- Member of Policies, Development and Remuneration committee and member of Nomination and Governance committee
- Date of Appointment on Board: April 20, 1982
- Other Board Memberships: Chairman of Al Khaleej Takaful Group
- Ownership: **0.8%** (December 31, 2013)

Mr. Jabor Bin Sultan Towar Al Kuwari

- Non-Executive Board Member
- Date of Appointment on Board: April 12, 1993
- Education/ Experience: Businessman
- Ownership: **1.1%** (December 31, 2013)

Mr. Hamad Mohammed Hamad Abdulla Al Mana

- Non-Executive Board Member
- Member of Nomination and Governance committee
- Date of Appointment on Board: April 13, 1999

- Other Board Memberships: Vice Chairman: Mohammad Hamad Al Mana Group Companies,
- Board Member: Qatar General Insurance & Re Insurance Co, Board Member: Qatar Navigation Co., Board Member: Arab Qatari Co. for Dairy Products
- Ownership: **1.57%** (December 31, 2013)

Messrs. Jassim and Falah Trading and Contracting Co. – represented by Sh. Falah Bin Jassim Bin Jabor Bin Mohammad Al - Thani

- Non-Executive Board Member and Independent
- Member of Policies, Development and Remuneration committee
- Date of Appointment on Board: 27th Feb 2011
- Education: Bachelor of Finance
- Experience: EX- Minister of Civil Servant Affair Housing : 1996 to 2006
- Other Board Membership : Chairman of Board of Directors : National Leasing Holding
- Ownership: **1%** (December 31, 2013)

Messrs. Al Khaleej Takaful Group – represented by Mr. Khalid Abdulaziz Al-Baker

- Non-Executive Board Member and Independent
- Date of Appointment on Board: 20^h Feb 2013
- Education: Bachelor of Business Administration, Alexandria University - 1980
- Ownership: **0.77%** (December 31, 2013)

Independent Board Members

The current composition of the Board does not include independent directors as required by the Code except for two. This is due to the fact that Board Members have been involved in the stewardship of the Bank over previous terms, and current market and social conditions.

Duties of Non-Executive Board Members

Non-Executive Board Members perform their role “as defined in the Bank’s approved Job Description” contributing by considering strategy objectively and providing effective stewardship of the governance framework in safeguarding shareholders’ interests.

The Non-Executive Board Members are actively involved in providing input to the Board’s activities as stipulated in the Board Charter, and review the Bank’s performance periodically and scrutinize the performance of management in achieving agreed goals. Where conflicts of interest arise they should have oversight in ensuring that Bank and Shareholders’ interests are maintained.

Duties of the Chairman of the Board

The role of the Chairman is to lead Doha Bank in achieving its strategic goals and to provide its shareholders with sustainable gains. The Chairman also leads the Board and oversees all aspects of its role and in setting its agenda. He may delegate specific duties to Board Members, Board Committees, Managing Director and CEO as appropriate. Additionally, he discusses with board members recommendations, improvements, strategic initiatives, annual budgets, new investment opportunities available and ensures that the board has performed its assigned duties. He also discusses general bank issues periodically with the members, ensures that there is a mechanism for evaluating board members, and communicates with shareholders. The Chairman also coordinates regularly with the CEO to retain the necessary financial and human resources to achieve the Bank's goal, whilst monitoring performance periodically through the CEO.

Fiduciary Responsibilities

Each Board member owes the Bank by employing diligence, loyalty and integrity in support of the Bank's overall vision and in line with the Board Charter and the Bank's Code of Ethics. Board members act on an informed basis in the best interests of the Bank and in fulfillment of their responsibilities to the Bank. Board members therefore require to possess the required knowledge, experience and skills.

Board Meetings

The Board meets based on the invitation of the Chairman or two members of the Board. Each Board meeting has an agenda which is submitted to all members prior to the meeting giving enough time for preparation purposes. As per the Board Charter, the Board meets a minimum of 6 times (once every two months at a minimum). The Board met a total of seven times in 2013, last meeting was held on 24th November 2013.

Board Remuneration

The Bank has adopted a policy which regulates the disbursement of remuneration, bonuses and benefits. At the end of each year prior to the General Assembly meeting, the proposed remuneration for board members and the chairman is made available to the shareholders for discussion and approval. Additionally, other benefits provided to board members are reviewed by the Qatar Central Bank and the External Auditors, and subsequently sent to Qatar Central Bank and thereafter presented to the shareholders.

Senior Management Remuneration

The Bank has adopted a policy which regulates the process for assessing the performance of Senior Management according to strategic goals which are set on a 3 year basis. Based on the performance assessment and the Bank's results the additional benefits and bonuses are set. With regard to salaries, the Bank has adopted a salary scale which is approved by the Board.

Board Secretary

The Board appointed the current Board Secretary in July 2007, holding a Bachelor degree in law from Ain Shams University since 1987 and a Diploma in Law, 1988. It is in Doha Bank's view that the Board Secretary meets all the requirements of the Code.

The Board Secretary maintains all Board documentation and manages the overall processes related to Board Meetings. The Board Secretary reports directly to the Chairman, however, all members have access to the secretary's services.

Separation of Positions of Chairman and CEO

The Chairman and CEO duties and responsibilities are separated in the Bank and each position has clearly defined roles and responsibilities under its own Job Description.

Conflict of Interest and Insider Trading

Doha Bank has set in place several controls to prevent conflict of interest situations from occurring. Specifically, the bank has adopted a related party policy which will be published to shareholders in the near future. Related party transactions are approved by the Board/ Management based on materiality. As per Commercial Companies Law, if a board member has a conflict, he does not participate in the board meeting. It is also worth noting that the Bank has adopted a conflict of interest policy which must be complied with by all employees of the Bank.

Currently, monitoring and controls on insider trading are done by Qatar Exchange directly. A policy on insider trading has been adopted by the Bank.

Disclosure of Related Party Transactions

During the year, the bank has engaged with companies belonging to members of the Board of Directors. The bank has dealt with these companies in accordance with the bank's internal policy for dealing with related parties. These transactions were disclosed at the General Assembly Meeting of the bank held on February 20, 2013.

With regard to trading in the bank's shares, we would like to note that the bank's policy prevents the Chairman, Board members and executive managers from concluding any deals to buy or sell the bank's shares during the period of announcing to the public the date of the meeting of the Board of

Directors to discuss the financial statements until the convention of the Board meeting and the disclosure of the financial statements to the public.

Other Board Practices and Duties

Consultancy: The Board may consult at the Bank's expense any independent expert or consultant. The Bank will consider including a clause in its Board Charter to allow non-executive members to seek consultancy services without obtaining Chairman/ Managing Director approval.

Access to documentation: As defined in the Board Charter, Board Members 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 pertaining to Board decisions.

Nominations: the Bank has established a system for the nomination/appointment of Board Members. As per the Nomination and Governance Committee roles and responsibilities, the committee should consider terms, qualifications and experience required for a nominee to take an active role as a Board Member. Hence, the committee will determine the standards necessary to elect the new Board Member.

Induction: Though a formal induction program has not yet been implemented, the Bank has put in place Corporate Governance Policies which include guidelines on Board induction program and formal trainings.

Governance: the Board will be kept up to date on governance practices through Management and the Board Nomination and Governance Committee.

Termination: Members whom do not attend Board meetings on a regular basis can be removed based on the Articles of Association of Doha Bank.

Self-Assessment: Templates and tools have been approved to perform an annual self-assessment which will be implemented in due course.

Remuneration: Doha Bank has adopted a Remuneration Policy for the Board and estimates Executive Management remunerations based on the Bank's overall performance and achievements of goals as stipulated in the Bank's strategy.

Board Committees

Board Committees are established to assist the Board of Directors in conducting their duties. Each committee has developed terms of reference that defines the committee's roles and responsibilities in accordance with QFMA regulations and leading governance practices. Board Committee Terms of Reference will be published in the near future.

The following four Board Committees have been established at Doha Bank:

Audit, Compliance and Risk Committee

Membership: Non-Executive Board Member (Chairman), Vice Chairman (Member), Independent Member – not a member of the board and not a bank employee.

Roles and Responsibilities: The Committee is responsible for reviewing the financial statements, the work of external and internal auditors, the internal control environment, the compliance with regulations and laws and the management of risk at the Bank. The Audit Committee may seek independent professional advice for risk management and may hire consultants to assist it in performing its functions, and exercising its powers and responsibilities soundly. The Committee discusses with the external auditors the nature, scope and efficiency of the undertaken audits in accordance with International Audit Standards and International Financial Reporting Standards, and it also ensures the independence and objectivity of the external auditors by collecting information from them on their relationship with the bank, including the non-auditing services.

The Committee also reviews the annual and quarterly financial statements and inspects the bank's annual report and the notes contained therein, and in the other related control reports. It also reviews the important financial and accounting reports, including the complex cases and the unusual operations and the areas that require a high level of diligence and good judgment.

The Committee considers the effectiveness of the bank's risk management and internal control over annual, interim and regulatory financial reporting and other regulatory reporting, including information technology security. It also seeks clarifications from the management and the internal and external auditors as to whether the financial and operational controls are adequate and effective. The Committee ensures that the financial statements and the issued reports are in compliance with the accounting standards and practices accepted by QCB and QFMA, and with the listing regulations enforced by QE, as well as the disclosure rules and any other requirements governing the preparation of financial reports.

The Committee meets regularly during the year to discuss the reports of the Internal Audit Department, the Compliance Department and the Risk Management in addition to the reports issued by the External Auditors and QCB's inspection reports.

The Committee also reviews the quotations submitted by the external auditors for auditing the bank's accounts every year and submits recommendations thereof to the Board of Directors to select the most suitable auditor or to renew the term of the current auditor so as to submit a Board recommendation to the General Assembly of Shareholders.

The bank has approved a whistle-blowing policy to encourage the bank's employees to detect/disclose any violations that may adversely affect the Bank. The critical issues are then reported to the Audit, Compliance & Risk Evaluation Committee which in turn ensures taking the necessary actions to rectify the violations.

The Audit Committee has met a total of seven times in 2013, which is above the requirements of quarterly meetings as defined by the code.

There has been no conflict between the Committee's recommendations and the Board's resolutions during the year.

Nomination and Governance Committee

Membership: Managing Director (Chairman of Committee) and 2 Non-executive Board Members (Members)

Roles and Responsibilities: The Committee reviews the nominations for the Board of Directors' membership and monitors the adherence to corporate governance principles at Doha Bank. It also identifies and nominates new members for the Board who have the ability to make sound decisions on behalf of the bank and shareholders. The Committee takes into account the availability of a sufficient number of potential candidates who can perform their duties as Board Members. It also assesses their skills, knowledge and experience as well as their professional, technical, and academic qualifications and their personality. The Committee evaluates the candidates for the membership of the Board based on criteria including integrity, insight, acquired experience and the ability to devote sufficient time to manage the bank's affairs.

Policies, Development and Remuneration Committee

Membership: Managing Director (Chairman), 2 Non-Executive Board Members

Roles and Responsibilities: The Committee approves the bank's policies and strategies, and reviews the remuneration framework for the executive management and the Board. The Committee is also responsible for drawing up the general policy of bonuses and benefits of the Board of Directors, CEO and senior executives based on the achievement of the bank's long-term strategic goals. The Committee also reviews the pay scale and other employment benefits of the bank's employees and makes recommendations to the Board of Directors for approval. The allowances and benefits of the Chairman, Board members and Board committees are presented to the shareholders at the General Assembly Meeting at the end of each financial year for approval.

Executive Committee

Membership: Chairman (Chairman of Committee), Vice Chairman (Member) and Managing Director (Member)

Roles and Responsibilities: providing assistance to the Board and reviewing/ approving credit facilities within delegated authority

Due to the current Board composition, Doha Bank has been unable to fulfill the requirement of having a majority of members being independent in the Audit, Compliance and Risk Committee and in the Policies, Development and Remuneration Committee, and the Nomination and Governance Committee. Doha Bank will consider changes in the composition of these committees in the future taking into consideration market considerations.

INTERNAL CONTROL, COMPLIANCE, RISK MANAGEMENT AND INTERNAL AUDIT

Internal Control

The general objective of the internal controls procedures of Doha Bank is to safeguard assets and capital and to ensure the reliability of Doha Bank's and its subsidiaries' financial recordkeeping. Doha Bank has adopted a process of internal controls that allow Management to detect errors in procedures or financial recordkeeping. Doha Bank's internal control framework includes the establishment of strong **finance, risk management, compliance and internal audit departments** which support in establishing a strong internal control framework.

The Internal Control Framework is overseen by the Audit, Compliance and Risk Committee. The Internal Audit, Compliance and Risk Departments respectively provide periodic reports to the Audit, Compliance and Risk Committee on:

- The major risks associated with the banking business related to Strategic, Reputation, Compliance, Legal, Credit, Liquidity, Market, and Operational Risks;
- Overall compliance of the Bank with rules and regulations;
- Internal Audit and External Audit recommendations and findings.

The Board of Directors has approved policies related to Internal Audit Department, Compliance Department and Risk Management Department.

Compliance

The main responsibility of the Compliance Department at the Bank is to assist the Board and Bank's Executive Management in managing and controlling the Compliance risks efficiently and to protect the Bank from financial losses "if any" due to failure of compliance. Compliance risks include risk of legal/ regulatory sanctions, material financial loss, or loss of reputation. Compliance also assists the board of directors and executive management in improving the internal controls procedures that will mitigate Compliance, AML and Anti – Terrorist Financing (ATF) risks. Moreover, Compliance acts as a liaison between the Bank and the respective regulators and updates management with new laws and regulations.

Internal Audit

The Bank has an independent Internal Audit Department that reports to the Board of Directors through the Audit, Compliance and Risk Evaluation Committee on a periodic basis. The Internal Audit is carried out by operationally independent, appropriately trained and competent staff. The Internal Audit employees have access to all the bank's activities, documents and reports that are needed to accomplish their missions. The Internal Audit team does not perform any activities in

relation to bank's daily regular activities and all their bonuses and benefits are directly determined by the Board of Directors.

The Internal Audit Department operates in accordance with an audit plan that is approved by the Audit, Compliance and Risk Evaluation Committee. This plan includes a review and evaluation of the internal control systems of the various branches and departments of the bank.

Risk Management

The Bank has consistently and continually monitored risks and processes across the organization to identify, assess, measure, manage and report on opportunities and threats that could impact the achievement of the Bank's objectives. The Board and the Executive Management are ultimately responsible for all the risks assumed by the Bank. They seek to balance the risk profile against sustainable returns to achieve the business goals of the Bank. The Board has engaged qualified professionals and has set policies and procedures, risk limits, organizational framework, committees, authority levels and accountability. Currently, the process of identifying and assessing risk is performed through periodic risk assessments.

Implementation of the Risk Management Framework is entrusted to a highly competent team and is controlled and implemented through various senior level management committees chaired by the Chief Executive Officer covering Credit, Investment and Asset & Liability Management.

INTERNAL CONTROL ASSESSMENT

The Board receives periodic reports on the internal control framework from Senior Management and control functions such as Internal Audit, Compliance and Risk Management. Such reports are assessed and scrutinized by the Board to ensure that the internal control framework is being implemented according to management prerogatives. The Board views that the current processes adopted for internal control by the Board and Senior Management are robust for Doha Bank's operations.

No major breach of control or internal control failure has taken place which has affected or may affect Bank's financial performance during 2013.

VIOLATIONS OF LISTING REQUIREMENTS

The Bank complies with the rules and conditions which control the disclosure and listing operations in the market. For the financial year 2013, the Company did not have any violations.

EXTERNAL AUDIT

Annually, the external account auditors are appointed by the General Assembly of Shareholders based on a recommendation submitted by the Board of Directors. The bank takes into consideration the instructions of the regulatory authorities related to the appointment of external auditors in terms of the number of times for the appointment of any auditor. The Board of Directors also takes QCB's prior approval for the nomination of an external auditor/ more than one external auditor for the approval of the General Assembly of Shareholders. After choosing an external auditor by the General Assembly of Shareholders, an engagement letter is signed between the two parties. Under this engagement, the external auditor shall be required to comply with the best professional standards and exert the necessary professional due diligence upon conducting any audit assignment, and to inform the regulatory authorities in the event of the failure of the Bank (the Board) to take appropriate actions towards the material issues that have been raised by them. The external auditor also reviews the balance sheet and profit & loss accounts.

Qatar Financial Markets' Authority stipulated that the external auditor cannot conclude any contracts to provide any consultancy or other services apart from its audit missions for the bank (Article 19 of QFMA's Code). However, the bank believes that more value will be achieved for the bank if the external auditor performs at certain times some advisory tasks in addition to their auditing tasks, and that this doesn't involve any conflict of interests.

DISCLOSURE AND SHAREHOLDERS RIGHTS

Doha Bank considers its shareholders as key stakeholders. Doha Bank has established a Shareholder Relations function which is responsible for addressing shareholder queries. Currently, the shareholder register details are maintained by the Qatar Exchange, while Doha Bank can provide general information such as financial statements, articles of association and by-laws of the Bank to its shareholders.

Doha Bank strives to provide shareholders with sufficient data to analyze Doha Bank performance and to take decisions on Board Member elections and other matters such as dividends (a dividend policy is adopted). Doha Bank ensures that its assembly meetings and the mechanism for voting adopted is in accordance with commercial companies' law.

Disclosure Duty

Doha Bank adheres to all the disclosure requirements issued by Qatar Financial Markets' Authority, where the bank discloses all its financial information and any activities carried out by the bank in a transparent manner to its shareholders and the public through Qatar Exchange and the local newspapers and the Bank's website. The bank's Board is keen to ensure that all information is accurate, correct and not misleading. The Corporate Governance Report contains details on the

composition of the Board of Directors as well as information about the Board members and the Board committees.

Doha Bank confirms that all financial statements are prepared in accordance with the International Financial Reporting Standards and the relevant QCB regulations, and that the external auditor of the Bank prepares its reports in accordance with the International Standards on Auditing (ISA) after obtaining all the necessary information, evidences and confirmations and following the appropriate audit procedures. The bank has provided the shareholders with all the interim and annual financial reports.

Access to Information

Doha Bank has a web site through which all information about the bank is published, such as the annual and quarterly financial statements and the Board of Directors' Report and the Corporate Governance Report in addition to the annual report and any other information relating to the management of the Bank and the Board of Directors and the products, services and branches of the bank.

Shareholders' Rights and Shareholders' Meetings

The bank's Articles of Association include provisions that ensure the shareholders' right to attend the General Assembly meetings. The General Assembly shall meet at the invitation of the Board of Directors at least once a year at the time and place determined by the Board of Directors after the approval of the Commercial Affairs Department at the Ministry of Business and Trade. The Assembly should be convened within four months as of the end of the financial year of the bank. The Board may call the General Assembly for convention whenever necessary, but it should call for a meeting if such a request has been submitted for serious reasons by the auditor or by a number of shareholders holding not less than 10% of the capital within fifteen days as of the date of the request. The Extraordinary General Assembly may be convened based upon an invitation from the Board of Directors itself, but the Board should also call for such a meeting if requested to do so by a number of shareholders holding at least 25% of the bank's share capital.

Equitable Treatment of Shareholders

According to the bank's Articles of Association, each shareholder shall have the right to vote on the General Assembly's resolutions and shall have a number of votes equal to the number of his shares. Minors and incompetent shareholders shall be represented by their legal proxies at the meeting.

Voting at the General Assembly shall take place by raising hands or as decided by the General Assembly. Voting must be by secret ballot if the decision relates to the election of the Board members, or their dismissal or initiating legal procedures against them; or if the Chairman of the Board of Directors or a number of shareholders comprising at least one tenth of the voters present at the meeting so request.

Proxy for attending the General Assembly is permissible, but it is stipulated that the proxy must be a shareholder and it should be private and confirmed in writing. Moreover, a shareholder may not appoint one of the board members to attend the meetings of the General Assembly on his behalf.

Under all circumstances, the number of shares which the proxy possesses in this capacity may not exceed 5% of the bank share capital except in the case where the proxy represents Qatar Investment Authority.

Shareholders' Concerning Board Members' Elections

After obtaining the approval of the competent regulatory authorities, the bank shall announce that nominations are open for the membership of the Board of Directors in the local newspapers, and then the Nomination & Corporate Governance Committee, after the closure of the nomination period, shall study the applications received from shareholders. After obtaining Qatar Central Bank approval and the Ministry of Business and Trade, these names shall be submitted to the Ordinary General Assembly of Shareholders to elect new Board members from the nominees. Each share shall have one vote and there is nothing stated in the bank's Articles of Association providing for the cumulative voting of shareholders.

Shareholders' Rights Concerning Dividend Distribution

The Board of Directors shall propose the distribution of dividends to the General Assembly every year according to the bank's policy for dividend distribution as approved by the Board of Directors under the governance policy and the bank's Articles of Association. The Articles of Association of the bank allow the distribution of dividends to the shareholders after deducting 10% of the net profit of the bank to be appropriated for the legal reserve. The General Assembly may suspend this deduction once the reserve reaches 100% of the paid up capital. But if this reserve becomes less than the mentioned percentage, then the deduction should be resumed until the reserve reaches that percentage. The legal reserve may not be distributed to the shareholders except in the cases permitted by the Qatari Commercial Companies Law and after obtaining the approval of Qatar Central Bank. Upon a proposal from the Board of Directors, the General Assembly may annually decide to deduct a portion of the net profits to the optional reserve account. This reserve may be used as deemed fit by the General Assembly. A portion of the profits as determined by the General Assembly shall be deducted to meet the obligations imposed on the company by virtue of the Labor Law. The remaining profit amount shall then be distributed to the shareholders or shall be brought forward to the next year, based upon a proposal from the Board of Directors and subject to the approval of the General Assembly.

Shareholders' Rights and Major Transactions

Doha Bank is a Qatari shareholding company with a capital of QR 2,583,722,520 divided into 258,372,252 ordinary nominal shares, at a value of QR (10) per share, listed on Qatar Exchange.

With the exception of Qatar Holding “The Government of Qatar”, which owns 16.68% of the shares, any natural or legal person neither shall possess more than 2% of the bank's shares nor less than 100 shares, with the exception of ownership by way of inheritance. However, Qatar Investment Authority may buy and own up to 20% of the bank's share capital. The Extraordinary General Assembly may approve the registration of a number of shares, not exceeding 20% of the share capital, in the name of a trusted depositary agent in the event of a capital increase through the issuance of global depositary receipts. The investment funds shall be considered as a single investment group, regardless of their number, if each is managed by one natural or judicial person, or if the founder in each is a natural or judicial person. In these two cases, the investment group shall not own more than 2% of the capital shares. Foreigners, on the other hand, may invest in the shares of the bank up to 25% of the issued capital. Doha Bank hereby confirms that there are no shareholder agreements related to capital structuring and the exercise of shareholder rights.

STAKEHOLDER RIGHTS

Doha Bank endeavors to maintain equitable and fair treatment of all its stakeholders. To enhance ethical conduct by the Bank's employees, each employee must abide by Doha Bank's Code of Ethics which stipulates ethical principles that each employee must demonstrate. Any breaches of ethical conduct are investigated and, as appropriate, disciplinary and corrective action is taken. Moreover, Doha Bank has established a whistle-blowing policy, whereby employees can report concerns without fear of retribution. Such concerns are reviewed and, as necessary, investigated and reported to the Audit, Compliance and Risk Committee.

It is also worth noting, that Doha Bank has standardized its processes related to compensation and assessment of employees by adopting a performance appraisal scheme and a staff compensation and benefits structure.

BANK BRANCHES, REPRESENTATIVE OFFICE AND SUBSIDIARIES

Doha Bank has 31 local branches, three overseas branches in the United Arab Emirates (Dubai and Abu Dhabi) and the State of Kuwait, and eleven representative offices in the London, Singapore, Turkey, China, Japan, South Korea, Germany, Australia, Canada, Hong Kong and Sharja. In addition, the Bank fully owns Doha Bank Assurance Company L.L.C., a company registered under the Qatar Financial Centre and owns Doha Finance Limited registered in the Cayman Islands and primarily used for debt issuance on behalf of the Bank's Shareholders.

Fahad Bin Mohammed Bin Jabor Al Thani
Chairman