

GOVERNANCE REPORT 2014



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His Highness
Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar

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. Doha Bank believes, applying a proper corporate governance framework and principles is essential to assist the Bank in achieving its goals and achieving best performance, besides improving its internal and external Bank working environment, protecting stakeholders' interests and in distributing roles and responsibilities in an ideal way.

During the year, the Bank was keen on enhancing the corporate governance framework by applying the corporate governance policies and procedures manuals and adopting best practices. This report summarizes Doha Bank's governance processes for 2014 in accordance with QFMA disclosure requirements. The Code adopted by the QFMA is based on the principle of comply or explain as illustrated below:

BOARD COMPOSITION

The Board currently consists of seven members:

- Chairman;
- Vice Chairman;
- Managing Director;
- 4 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, 2014)

Mr. Ahmed Abdul Rehman Yousef Obeidan

- Vice Chairman
- Member in the Executive Committee
- Date of Appointment on Board: April 20, 1982
- Education/ Experience: General Manager, Al Waha Contracting & Trading Est.
- Ownership: 1.67% (December 31, 2014)

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: 1.93% (December 31, 2014)

Sheikh Abdulla Mohamed Jabor Al-Thani

- Non-Executive Board Member
- Chairman of Audit, Compliance and Risk Committee
- Member of Nomination and Governance Committee
- Date of Appointment on Board: April 20, 1982
- Other Board Memberships: Chairman of Al Khaleej Takaful Group
- Ownership: 0.75% (December 31, 2014)

Mr. Ahmed Abdullah Al Khal

- Non-Executive Board Member and Independent
- Date of Appointment on Board: March 3, 2014.
- Education/ Experience: Businessman
- Ownership: 0.75% (December 31, 2014)

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, 2014)

Sheikh Falah Bin Jassim Bin Jabor Bin Mohammad Al-Thani representative of Jassim and Falah Trading and Contracting Co.

- Non-Executive Board Member and Independent
- Member of Policies & Procedures, Development and Remuneration Committee and Member of the Executive Committee
- Date of Appointment on Board: February 27, 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, 2014)



ARTICLE NUMBER	CLAUSE NUMBER	COMPLIANCE	NON-COMPLIANCE	NOT APPLICABLE	GOVERNANCE APPLICATION	JUSTIFICATION FOR NON COMPLIANCE	
ARTICLE 3 <i>Company's Obligation to comply with Corporate Governance Principles</i>	3-1: The Board shall ensure that the Company complies with the principles set out in this code.	✓					
	3-2: The Board shall also review and update its approved corporate governance practices, and regularly review the same.	✓					
	3-3: The Board shall regularly review and update professional conduct rules setting forth the company's corporate values and other internal policies and procedures all of which shall be binding upon the Members of the Board of Directors and the company's staff as well as the company's advisors (these professional conduct rules may include but are not limited to the Board Charter, audit committee's charter, company regulations, related party transactions policy and insider trading rules). The Board should review these professional conduct principles regularly so as to ensure they reflect best practices and they meet the needs of the Company.	✓				The Bank was keen on enhancing the corporate governance framework by applying the corporate governance policies and procedures manuals and adopting best practices, in accordance with QFMA disclosure requirements.	
ARTICLE 4 <i>Board Charter</i>	The Board shall make sure that the Company adopts a Charter for the Board of Directors detailing the Board's functions and responsibilities as well as the Board Members duties which shall be fulfilled by all Board Members. The said Board Charter shall be drafted to comply with the provisions of this Code, and shall be based on the Board Charter annexed to this Code and as may be amended from time to time by the Authority. The said Board Charter shall be published in the company's website and made available to the public.	✓				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.	
ARTICLE 5 <i>Board Mission and Responsibilities</i>	5-1: The Company shall be managed by an effective Board of Directors which shall be collectively responsible for the proper management of the Company.	✓				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.	
	5-2: In addition to the Board functions and responsibilities as set out in the Board Charter, the Board shall be responsible for:	✓				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	
	5-2-1: Approving the company's strategic objectives, appointing and replacing management, setting forth management compensation, reviewing management performance and ensuring succession planning concerning the company's management.	✓				• Internal and External Audit • Board Committees • Board Code of Conduct • Board Composition • Board Meetings • Board Membership Requirements	
5-2-2: Ensuring the company's compliance with related laws and regulations as well as the company's articles of association and by-laws. The Board is also responsible for protecting the Company from illegal, abusive or inappropriate actions and practices.	✓					Each Board Member's 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.	
5-3: The Board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf. In this case written and clear instructions shall be given concerning the delegated function or authority with the requirement to obtain the Board's prior approval on specific matters. In any event, and even where the Board delegates one of its functions or authorities, the Board remains liable for all of its functions or authorities so delegated.	✓					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.	
ARTICLE 6 <i>Board Members' Fiduciary Duties</i>	6-1: The board of directors represents all shareholders and owes the Company the fiduciary duties of care and compliance with the institutional authority set out in related laws and regulations including this Code and the Board Charter.	✓					
	6-2: Board Members must at all times act on an informed basis, in good faith, with due diligence and care, and in the best interests of the company and all shareholders.	✓					
	6-3: Board Members shall act effectively to fulfill their responsibilities towards the Company.	✓					
ARTICLE 7 <i>Separation of Positions of Chairman and CEO</i>	7-1: The same person may not hold or exercise the positions of Chairman and Chief Executive Officer at the same time or any other executive position in the company.	✓				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.	
	7-2: In all circumstances, no one person in the Company should have unfettered powers to take decisions.	✓					
	8-1: The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information.	✓					
	8-2: The Chairman may not be a member of any of the Board committees prescribed in this Code.	✓					
	8-3: The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following:	✓					
ARTICLE 8 <i>Duties of the Chairman of the Board</i>	8-3-1: to ensure that the Board discusses all the main issues in an efficient and timely manner;	✓				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.	
	8-3-2: to approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board Member; this may be delegated by the Chairman to a Board Member but the Chairman remains responsible for the proper discharge of this duty by the said Board Member;	✓					
	8-3-3: to encourage all Board Members to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the Company;	✓					
	8-3-4: to ensure effective communication with Shareholders and communication of their opinions to the Board of Directors;	✓					
	8-3-5: to allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Non- Executive Board Members;	✓					
	8-3-6: to ensure the conducting of an annual evaluation to the Board's performance.	✓					

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ARTICLE 9 <i>Board Composition</i>	9-1: The Board composition shall be determined in the company's by-laws. The Board shall include executive, non-executive and independent Board Members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals.	✓			The Board currently consists of seven members: • Chairman; • Vice Chairman; • Managing Director; • 4 Non-Executive directors including two independent members	Currently there is one independent director, 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.
	9-2: At least one third of the Board Members shall be Independent Board Members and a majority of the Board Members shall be Non-Executive Board Members.		✓		Independent Board Members The current composition of the Board does not include independent directors as required by the code except for one. 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. Hence, the ownership of this member at the time of nomination to the Board does not exceed the number of shares required for membership of the Board of Directors..	
	9-3: Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to their role with integrity and transparency to achieve the company's interest and goals	✓				
	9-4: The candidate for the position of independent board member shall not be holding a share in the company's capital that exceeds the number of shares required to secure his membership in the company's board.	✓				
ARTICLE 10 <i>Non-Executive Board Members</i>	10-1: Duties of the Non-Executive Board Members include but are not limited to the following:	✓				
	10-1-1: participation in the meetings of the Board of Directors and providing independent opinion on strategic matters; policy, performance, accountability, resources, key appointments and operation standards;	✓				
	10-1-2: ensuring that priority shall be given to the company's and Shareholders' interests in case of conflict of interests;	✓				
	10-1-3: participation in the company's Audit Committee;	✓				
	10-1-4: monitoring the company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the company's annual, half yearly and quarterly reports; and	✓				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.
	10-1-5: monitoring the development of the procedural rules for the company's corporate governance for ensuring their implementation in a consistent manner; and	✓				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.
	10-1-6: Availing the Board of Directors and its different Committees of their skills, experiences, diversified specialties and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholders' opinions.	✓				
	10-2: A majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the company's affairs, at the company's expense.	✓				
	ARTICLE 11 <i>Board Meetings</i>	11-1: The Board of Directors shall hold meetings regularly, so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year and once every two months.	✓			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 six times in 2014, last meeting was held on 30 th November 2014.
		11-2: The Board shall meet when convened by its Chairman or upon the written request of two Board Members. The invitation for the Board meeting and agenda shall be communicated to each Board Member at least one week before the date of the meeting, noting that any Board Member may add any item to the agenda.	✓			
ARTICLE 12 <i>Board Secretary</i>	12-1: The Board shall appoint a Board Secretary whose functions shall include recording the minutes and resolutions of the Board meetings in a special serially numbered log in addition to the board members' presence and reservations, and safekeeping records, books and reports submitted by or to the Board. Under the direction of the Chairman, the Board Secretary shall also be in charge of ensuring timely access to and distribution of the meeting's work paper, documents, information and the agenda, and coordination among the Board Members as well as between the Board and the other stakeholders in the company including shareholders, management, and employees.	✓				
	12-2: The Board Secretary shall ensure that Board Members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the company.	✓				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 Banks view that the Board Secretary meets all the requirements of the Code.
	12-3: All Board Members shall have access to the services and advice of the Board Secretary.	✓				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.
	12-4: The Board Secretary may only be appointed or removed by a Board resolution.	✓				
	12-5: The Board Secretary should preferably be a member of a recognized body of professional accountants, or a member of a recognized or chartered body of corporate secretaries, or a lawyer or a graduate from a recognized university or equivalent. He should have at least three years experience of handling the affairs of a public company listed in the market.	✓				

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ARTICLE (13) <i>Conflict of Interest and Insider Trading</i>	13-1: The Company shall adopt and make public general rules and procedures governing the Company's entering into any commercial transaction with a Related Party (the Company's "Related Party Policy"). In any event, it shall not be permitted to enter into any commercial transaction with any Related Party unless in strict compliance with the aforementioned Related Party Policy. The said policy shall include principles of transparency, fairness, and disclosure in addition to the requirement that a related party transaction be approved by the General Assembly of the company.	✓			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 or participate in resolutions passed by circulation. 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.	
	13-2: Whenever an issue involving conflict of interests or any commercial transaction between the Company and any of its Board Members or any Party related to said Board Member, is discussed in a Board meeting, the said issue shall be discussed in the absence of the concerned Board Member who may not in any event participate in the voting on the matter. In any event, such transaction shall be made at market prices and on arm's length basis and shall not involve terms that are contrary to the interests of the Company.	✓			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 March 3 rd , 2014 and approved by shareholders during the General Assembly. Any new transactions shall be disclosed in the following General Assembly.	
	13-3: In any event these transactions shall be disclosed in the company's annual report and specifically referred to in the general assembly following such commercial transactions.	✓			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 Management from concluding any deals to buy or sell the Bank's shares during the period specified by Qatar Exchange and until announcing financial statements to the public.	
	13-4: Trading by the Board Members in the company's shares and other securities shall be disclosed and the company shall adopt clear rules and procedures governing trading by the board member and employees in the company's securities.	✓				
	14-1: Board Members shall have full and immediate access to information, documents, and records pertaining to the company in a way that enable them to perform their duties, and shall be fully aware of all aspects of work. The company's executive management shall provide the Board and its committees with all requested documents and information.	✓			Consultancy The Board may consult at the Bank's expense any independent expert or consultant. It is permitted for the Board Members to obtain professional advice at the cost of the Bank with the approval of the Board.	
	14-2: The Board Members shall ensure that the Nomination, Remuneration and the Audit Committee members, the Internal Audit and representatives of the External Auditors attend the General Assembly.	✓			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.	Although a training program has not yet been implemented, the Bank has put in place Corporate Governance Policies which include guidelines on Board Trainings for new Board Members
ARTICLE (14) <i>Other Board Practices and Duties</i>	14-3: The Board shall put in place an induction program for newly appointed Board Members in order to ensure that, upon their election, Board Members are made fully aware of their responsibilities, and have proper understanding of the manner in which the Company operates.	✓			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.	
	14-4: The Board Members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board Members' skills and knowledge.	✓			Training The Bank has enrolled some Board Members in training in relation to Corporate Governance during the year.	
	14-5: The Board of Directors shall at all times keep its Members updated about the latest developments in the area of corporate governance and best practices relating thereto. The Board may delegate the same to the audit committee or the governance committee or any other body as it deems appropriate.	✓			Governance The Board will be kept up to date on governance practices through Management and the Board Nomination and Governance Committee.	
	14-6: The Company's articles of association shall include clear procedures for removing Board Members in the event of failing to attend Board meetings.	✓			Dismissal Members whom do not attend Board meetings on a regular basis without acceptable excuse can be removed in accordance to Doha Bank Articles of Association.	
ARTICLE (15) <i>Board's Committees</i>		✓			Self-Assessment Templates and tools have been approved to perform an annual self-assessment which will be implemented in due course.	
		✓			Remunerations 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 Resolutions through Circulation From time to time Board Resolutions may be passed through circulation with the approval of the majority of Board Members in writing, submitted to the Board of Directors for endorsement in the following meeting. The bank has Board committees as follows: • Nomination and Governance Committee • Policies, Development and Remuneration committee • Audit, Compliance and Risk Committee • Executive Committee	

ARTICLE NUMBER	CLAUSE NUMBER	COMPLIANCE	NON-COMPLIANCE	NOT APPLICABLE	GOVERNANCE APPLICATION	JUSTIFICATION FOR NON COMPLIANCE	
ARTICLE 16 <i>Board Members Appointment - The Nomination Committee</i>	16-1: Nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures.	✓				The committee is currently chaired by an Executive Member because the Bank has been unable to fulfil the requirement of having an independent chairman for the committee. Going forward, Doha Bank will consider changing the composition of this committee to take social factors into consideration.	
	16-2: The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee does not deprive any shareholder of his rights to nominate or to be nominated).	✓	✓				
	16-3: Nominations shall take into account inter alia the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and should be based on the Fit and Proper Guidelines for Nomination of Board Members annexed to the Code as amended by the Authority from time to time.	✓	✓				
	16-4: Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role.	✓	✓				
	16-5: The Nomination Committee's role shall also include conducting an annual self-assessment of the Board's performance.	✓	✓				
	16-6: Banks and other companies shall comply with any conditions or requirements relating to the nomination, election or appointment of Board Members issued by Qatar or any other authority.	✓	✓				
	17-1: The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of whom must be Independent.	✓	✓				
	17-2: Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities.	✓	✓				
	17-3: The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management.	✓	✓				
	17-4: The Remuneration Policy shall be disclosed to the board members in the company's annual report.	✓	✓				
ARTICLE 17 <i>Board Members' Remuneration - Remuneration Committee</i>	17-5: Remuneration committee shall take into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company.	✓	✓		<p>The Bank has a Board Policies, Development and Remuneration Committee as follows:</p> <p>Membership: Managing Director (Chairman), 2 Independent Board Members</p> <p>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.</p> <p>Board Remuneration</p> <p>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 for approval.</p> <p>Senior Management Remuneration</p> <p>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.</p>	The majority members of the committee are Independent Directors with one Executive Member. Going forward, Doha Bank will consider changing the composition of this committee to take social factors into consideration.	

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	19-1: The Company shall adopt Internal Control Systems, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Company's corporate governance code and compliance with related laws and regulations. And the Internal Control Systems shall set clear lines of responsibility and accountability throughout the Company's departments.	✓				
	19-2: Internal Control Systems shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to the external audit. The Internal Control Systems shall also ensure that all related-party transactions are handled in accordance with the requirements related thereto.	✓				
	19-3: The Company shall have an internal audit function with clearly defined functions and role. In particular, the internal audit function shall:	✓				
	(1) Audit the Internal Control Systems and oversee their implementation.	✓				
	(2) Be carried out by operationally independent, appropriately trained and competent staff; and	✓				
	(3) Submit its reports to the Board of Directors either directly or through the Board's Audit Committee; and is responsible to the Board; and	✓				
	(4) Has access to all Company's activities; and	✓				
	(5) Be independent including being independent from the day-to-day Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff.	✓				
	19-4: The internal audit function shall include at least one internal auditor appointed by the Board of Directors. This internal auditor shall report to the Board.	✓				
	19-5: The internal auditor shall prepare and submit to the Audit Committee and the Board of Directors an "internal audit report" which shall include a review and assessment of the Internal Control system of the Company. The scope of the Internal Audit Report shall be agreed between the Board (based on the Audit Committee recommendation) and the internal auditor and shall include particularly the following:	✓				
	- Control and oversight procedures of financial affairs, investments, and risk management	✓				
	- Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.	✓				
	- Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.	✓				
	- Internal Control failure, weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedure followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements).	✓				
	- The Company's compliance with applicable market listing and disclosure rules and requirements.	✓				
	- The Company's compliance with Internal Control systems in determining and managing risk.	✓				
	- All relevant information describing the Company's risk management operations.	✓				
	19-6: The Internal Audit Report shall be prepared every three months.	✓				

ARTICLE (19)
Compliance,
Internal Controls
and the Internal
Auditor

ARTICLE NUMBER	CLAUSE NUMBER	COMPLIANCE	NON-COMPLIANCE	NOT APPLICABLE	GOVERNANCE APPLICATION	JUSTIFICATION FOR NON COMPLIANCE
	<p>20-1: An External Auditor who is independent, and qualified, and appointed upon the recommendation of the Audit Committee to the Board and the decision of the Company's General Assembly, shall undertake an annual and semi-annual independent audit. The purpose of the said audit is to provide an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with this Code, related laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the Company in all material respects.</p> <p>20-2: The External Auditor shall comply with the highest professional standards and he shall not be contracted by the Company to provide any advice or services other than carrying out the financial audit of the Company. The External Auditor must be completely independent from the Company and its Board Members and shall not have any conflict of interests in his relation to the Company.</p>	✓				
	<p>20-3: The Company's External Auditor must attend the Company's annual ordinary General Assembly where he shall deliver his annual report and answer any queries in this respect.</p> <p>20-4: The External Auditor is accountable to the shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit. The External Auditor is also responsible for notifying the Authority and any other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditors.</p>	✓			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.	
	<p>20-5: All listed companies shall change its External Auditor every five years at a maximum.</p>	✓				
	<p>21-1: The Company must comply with all disclosure requirements including financial reporting as well as disclosing shareholdings of Board Members, senior executives and major or controlling shareholders. The Company must also disclose information about its Board Members including notably a resume of each member describing his/her respective education, profession, other board seats that they may hold (if any). Names of the members of various Committees constituted by the Board as mentioned in Article 5.3, along with the composition of the committee, should also be disclosed.</p>	✓			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.	
	<p>21-2: The Board shall ensure that all disclosure made by the Company provides accurate and true information which is not non-misleading.</p> <p>21-3: The Company's financial reports must comply with IFRS /IAS and ISA standards and requirements. In addition to stating whether the external auditor obtained all information needed, the external auditor report shall also state whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS.</p> <p>21-4: The Company audited financial reports shall be circulated to all shareholders</p>	✓			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.	
	<p>ARTICLE (22) <i>General Rights of Shareholders and Key Ownership Elements</i></p> <p>Shareholders have all rights conferred upon them by related laws and regulations including this Code as well as the Company's Articles of Association, and the Board shall ensure that shareholders' rights are respected in a fair and equitable manner.</p> <p>23-1: The Company shall keep valid and up to date records of share ownership.</p>	✓			Doha Bank considers its shareholders as key stakeholders. Doha Bank has established a Shareholder Relations function which is responsible for addressing shareholder queries.	
	<p>ARTICLE (23) <i>Ownership Records</i></p> <p>Shareholders shall have the right to review and access for free the Company's shareholders' register at the Company's regular office hours or as otherwise determined in the Company's Access to Information Procedures.</p> <p>23-3: The Shareholder shall be entitled to obtain a copy of the following: Board Members' register, Articles of Association and by-laws of the Company, Instruments creating a charge or right on the Company's assets, Related party contracts and any other document as the Authority may decide upon payment of a prescribed fee.</p>	✓	✓		Doha Bank can provide general information such as financial statements, articles of association and by-laws of the Bank to its shareholders.	Currently, the shareholder register details are maintained by the Qatar Exchange

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ARTICLE (24) <i>Access to Information</i>	24-1: The Company shall include in its articles of association and by-laws Procedures of Access to Information to ensure that shareholders rights of access to Company documents and information in a timely manner and on a regular basis, are preserved. The Access to Information Procedures shall be clear and detailed and shall determine:	✓			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.	
	1. The Accessible Company Information including the types of information that is made accessible on an on-going basis to individual shareholders or to shareholders representing a minimum percentage of the Company's share capital, and 2. Clear and express procedures to access such information	✓			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.	
ARTICLE (25) <i>Shareholders Rights with Regard to Shareholders' Meetings</i>	24-2: The Company shall have a website where all relevant information and public information and disclosures must be posted. This includes all information that is required to be made public by this Code and any related laws and regulations.	✓			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 Economy and Commerce. 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.	
	The Company's articles of association and by-laws shall include provisions ensuring effective shareholders' right to call for a General Assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon; and the right to make informed decisions.	✓			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.	
ARTICLE (26) <i>Equitable Treatment of Shareholders and Exercise of Voting Rights</i>	26-1: All shares of the same class, shall have the same rights attached to them.	✓			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.	
	26-2: Proxy voting is permitted in compliance with related laws and regulations.	✓			Under all circumstances, the number of shares which the proxy possesses in this capacity may not exceed 5% of the Bank's share capital except in the case where the proxy represents Qatar Investment Authority.	
ARTICLE (27) <i>Shareholders' Rights Concerning Board Members' Election</i>	27-1: The Company's articles of association and by-laws shall include provisions ensuring that shareholders are given information relating to Board Members' candidates including a description of candidates' professional and technical skills, experience and other qualifications	✓			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. All information on the nominees may be obtained by shareholders by visiting the Bank before the General Assembly. After obtaining approval from the Qatar Central Bank and the Ministry of Economy and Commerce, these names shall be submitted to the Ordinary General Assembly of Shareholders to elect new Board Members from the nominees.	The Bank's Articles of Association give each shareholder the right to vote on the resolutions of the General Assembly and the right to vote for nominees to the board of directors, where each shareholder is entitled to one vote per share. The Bank's Articles of Association do not include any provision for cumulative voting for shareholders.
	27-2: Shareholders shall have the right to cast their votes for Board Member's election by Cumulative Voting.	✓	✓		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 Labour 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.	
ARTICLE (28) <i>Shareholders' Rights Concerning Dividend Distribution</i>	The Board of Directors shall submit to the General Assembly a clear policy on dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the Company and the shareholders.	✓				

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ARTICLE (29) <i>Capital Structures, Shareholders' Rights, Major Transaction</i>	29-1: Capital Structures should be disclosed and Companies should determine the type of shareholders agreements that should be disclosed.	✓			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 depository agent in the event of a capital increase through the issuance of global depository 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.	The Bank's Articles of Association give each shareholder the right to vote on the resolutions of the General Assembly, where each shareholder is entitled to one vote per share. The bank's Articles of Association do not include any provisions for minority rights.	
	29-2: Companies shall adopt in their articles of association and/or by-laws provisions for the protection of minority shareholders in the event of approval of Major Transactions where the said minority shareholders have voted against such Major Transactions.	✓					
	29-3: Companies shall adopt in their articles of association and/or by-laws, a mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in the case of a change in ownership exceeding a specific percentage (threshold). It shall take into consideration upon its determination the threshold of the shares owned by third party but controlled by the disclosed shareholder including the shares related to shareholders agreement which should be disclosed.	✓					
ARTICLE (30) <i>Shareholders' Rights</i>	30-1: The rights of Stakeholders are to be respected. Where Stakeholders participate in the corporate governance arrangements; they shall have access to relevant, sufficient and reliable information on a timely and regular basis.	✓					
	30-2: The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender, or religion.	✓				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.	
	30-3: The Board shall develop a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.	✓					
	30-4: The Board shall adopt a mechanism enabling company employees to report to the Board suspicious behavior, where such behavior is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors.	✓					
	30-5: Companies must fully adhere to the provisions of this article as it is excluded from the "comply or explain non-compliance" principle.	✓				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.	
ARTICLE (31) <i>The Corporate Governance Report</i>	31-1: The Board shall prepare an annual Corporate Governance Report signed by the Chairman.	✓					
	31-2: The Governance Report shall be submitted to the Authority on an annual basis and whenever required by the Authority. The compliance with the annual disclosure shall be attached to the annual report prepared by the company.	✓					
	31-3: The Article of Governance Report shall be included in the agenda of the company's Ordinary General Assembly Meeting. Further, a copy of the same shall be distributed to the shareholders in the meeting.	✓					
	31-4: The said Report shall be published and shall include all information related to the application of this Code, including notably: 1. Procedures followed by the Company in this respect. 2. Disclose any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future.	✓					
	3: Disclose the Members of the Board of Directors and its Committees and their responsibilities and activities during the year, according to the categories and terms of office of said members along with the method of determining the Directors and Senior Executive Managers remuneration.	✓					
	4: Declaration of the Internal Control procedures including particularly the Company's oversight of financial affairs, investments, and risk management.	✓					
	5: Disclose the procedure followed by the Company in determining, evaluating and managing significant risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes.	✓					
	6: Disclose the assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times when the Board was notified of control issues (including risk management) and the way such issues were handled by the Board;	✓					
	7: Disclose the failure to implement, partly or entirely, the internal control system	✓					
	8: Disclose the company's compliance with applicable market listing and disclosure rules and requirements.	✓					
9: Disclose the Company's compliance with Internal Control systems in determining and managing risks	✓						
10: All relevant information describing the Company's risk management operations and Internal Control procedures.	✓						