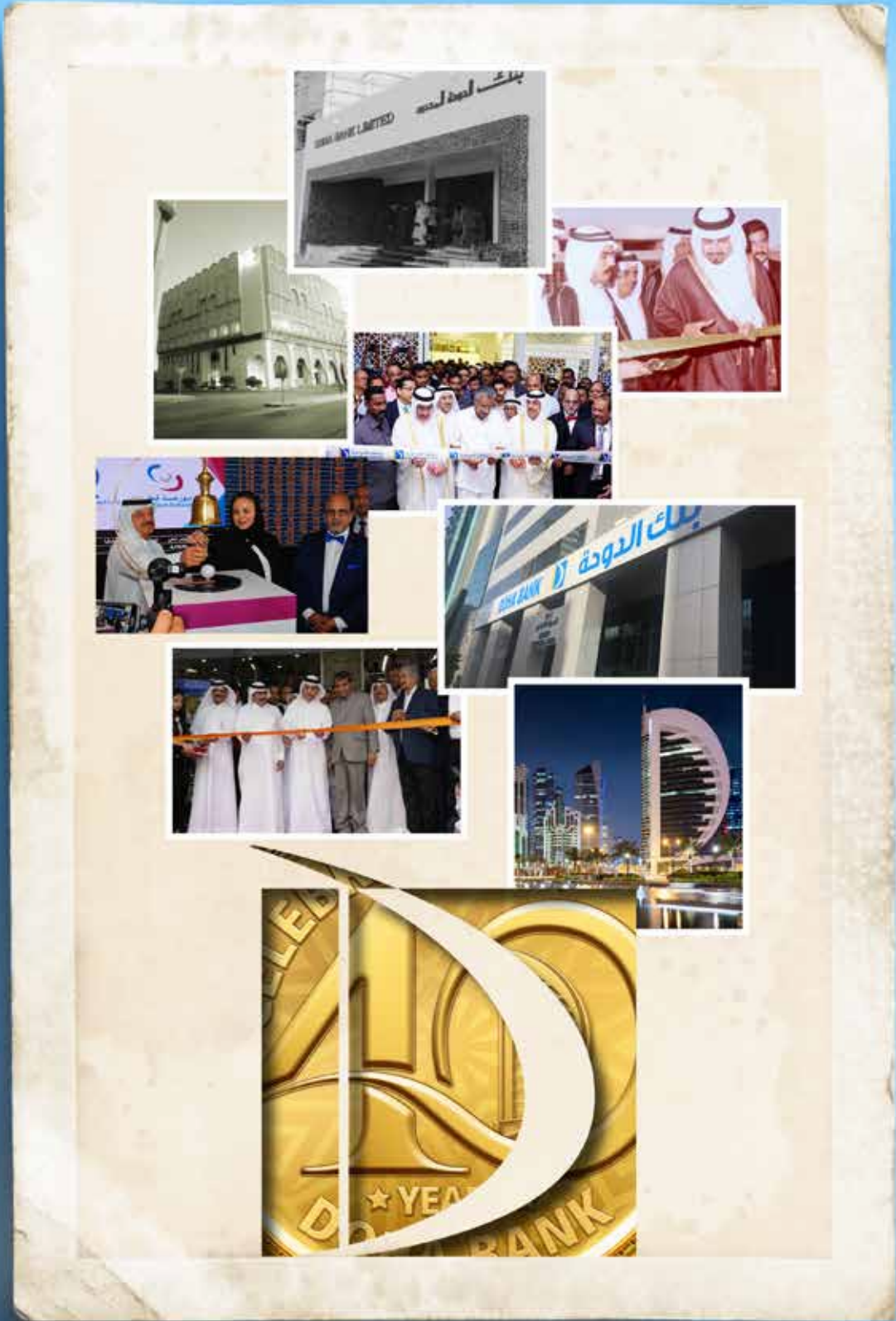


# GOVERNANCE REPORT 2018



40 YEARS OF GROWTH AND GLOBAL EXCELLENCE



His Highness  
**Sheikh Hamad Bin Khalifa Al-Thani**  
Father Emir

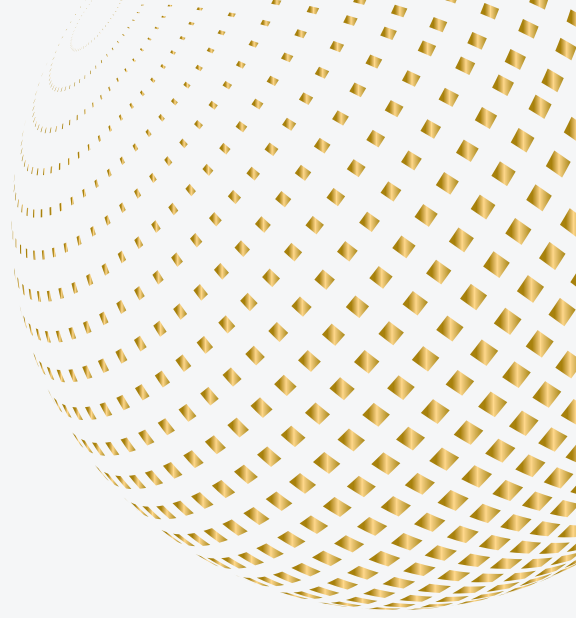


His Highness  
**Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani**  
Emir of the State of Qatar



## 40 YEARS OF GROWTH AND GLOBAL EXCELLENCE





## INTRODUCTION

As part of the compliance requirement of the Corporate Governance code for listed companies issued by Qatar Financial Markets Authority, and the instructions of Qatar Central Bank, 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 that applying a proper corporate governance framework and principles is essential to assist the Bank in achieving its goals with a high performance level in addition to improving its internal and external working environment, protecting stakeholders' interests and distributing roles and responsibilities in an ideal way.

During the year, the bank was keen to enhance the corporate governance framework in accordance with

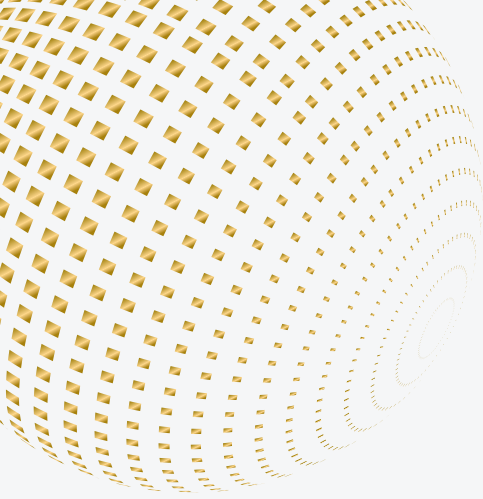
the requirements of QFMA's Governance Code and QCB's Corporate Governance Principles through the following:

1. Updating and enhancing the Articles of Association of the Company.
2. Updating and enhancing the policies and procedures' manuals of governance.
3. Updating and applying the Charter of the Board of Directors and the Board Committees.
4. Following the best practices adopted in Qatar in this regard.

As illustrated in this report, we at Doha Bank confirm our compliance with the Governance rules issued by Qatar Financial Markets Authority, the principles issued by Qatar Central Bank in 2018 and the disclosure requirements. We are working on enhancing the policies, procedures and governance practices to comply with the relevant governance rules and regulations.



Grand Hamad Branch



## BOARD OF DIRECTORS & BOARD COMMITTEES

### Roles and Responsibilities:

The Board of Directors is responsible for the stewardship of the Bank and for providing 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 has been published to the public through the Doha Bank website and will be available to shareholders before the Shareholder's meeting. The Board's roles and responsibilities are compliant with the requirements of the Governance Code of QFMA and QCB, and cover the following areas:

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

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.

The following are the general roles and responsibilities of the Board of Directors as stated in the approved Corporate Governance Policies' Manual of the Bank:

1. Delegate the authority to the Managing Director to oversee the CEO of Doha Bank to implement Board directives and resolutions. The Board shall define the jurisdiction and duties of both the Managing Director and the CEO, their responsibilities and the mechanism of their reporting to the Chairman and the Board.
2. Approve Doha Bank's organization structure, authorities delegated to the Board Committees and Executive Management, financial commitments in excess of delegated authorities to the Board Committees and Executive Management, the remuneration and bonus policy of the CEO and staff recommended by the relevant Board Committee, the strategic initiatives including new business initiatives and key investments and divestitures, and periodically approve the Bank's policies and procedures' manuals. The Board shall also approve the annual Doha Bank budget, the Board Committees' recommendations, and the appointment of the CEO and senior staff of the Bank including the compliance and reporting officers and the Head of Internal Audit.
3. Approve the Bank's strategy and work on developing the strategic plan and business objectives on a periodic basis and whenever necessary.
4. Create Board committees and set their authorities and duties, and annually evaluate the work of the Board Committees, including the Audit, Compliance and Risk Committee, Executive Committee, Nomination, Governance, Policies and Remuneration Committee, etc.

5. Call the Ordinary and Extraordinary General Assembly for convention, and approve the agenda of both meetings, and submit recommendations to the General Assembly to approve the proposed cash dividends, the remuneration of the Chairman and the Board members, the appointment of the External Auditor, the capital increase, the amendment of the Bank's Articles of Association, and other issues as stated in the Commercial Companies' Law.
6. Monitor the financial performance of the Bank and its subsidiaries, and meet with the External Auditor to learn about any existing substantial problems and work on resolving them.
7. Discuss with the Audit, Compliance and Risk Committee matters related to internal audit, AML/CTF issues, QCB reports, external audit, and financial statements.
8. Ensure that Doha Bank maintains adequate levels of capital and reserves, according to sound commercial principles and banking regulations.
9. Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that the management is addressing the issues appropriately.
10. Supervise and ensure the implementation of proper internal control systems, mainly through the Audit, Compliance and Risk Committee, and monitor operations and assess Doha Bank's performance and management of risks, and ensure that necessary and adequate financial and human resources are in place to achieve Doha Bank's goals and objectives.
11. Oversee the overall corporate governance of Doha Bank. Review and approve governance policies (including policies on conflict of interest and insider trading), principles recommended by the Executive Management and external consultants, and the Code of Ethics.
12. Review the Bank's policies, directly or through a delegated committee, periodically to ensure that they are adequate, suitable and in line with the internal business changes and the external macro-economic factors.
13. Delegate the authority to the CEO of Doha Bank to implement Board directives and resolutions. The Board shall define the jurisdiction and duties delegated to the CEO who should report to the Chairman and the Board.
14. Ensure that Doha Bank is in compliance with its Articles of Association and applicable international and local laws and regulations including QCB regulations. Receive and review any legal cases brought against the Bank periodically.

15. Provide shareholders with timely information to be able to take decisions in the general assembly. Ensure the fair treatment of all shareholders within the same class in accordance with the law. Ensure that a transparent process of stakeholder relations is in place including procedures for disclosures and communication, and assume responsibilities towards shareholders and other stakeholders and related parties within Doha Bank and the community at large.
16. Assist management in addressing related entities' issues brought forward by respective Board representatives.
17. Appoint independent advisors to assist the Board in their activities. The Board should receive adequate funding from Doha Bank for independent advisors and the related administrative expenses.

## Financial Statements

The financial statements are prepared by the Executive Management. The Board shall review and assess Doha Bank's Financial Statements and other releases prior to announcement to shareholders. The balance sheet and income statement shall be signed by the Chairman or the Managing Director and CEO.

## Review of the Performance of Board, Board Committees and Executive Management

The Board undertakes ongoing self-assessment (through the Nomination, Governance, Policies and Remuneration Committee) and an annual review of the Board as a whole, the Board Committees and individual Board members.

During 2018, the Board undertook the necessary assessments, and the results were as follows:

Assessed Party	Assessment Results
Board Members	The results of the performance assessment of the Board members are satisfactory in accordance with the bank's assessment policy which includes: meetings held, attendance at meetings, discussions, work, recommendations, etc.
Board Committees	The results of the performance assessment of the Board Committees are satisfactory in accordance with the bank's assessment policy which includes: meetings held, attendance at meetings, discussions, work, recommendations, etc.

## Main Transactions that Require Board Approval:

Board authorities include approval of the following transactions:

- Credit facilities with values above the authorized limits set for the Board Executive Committee.
- Credit limits for countries and correspondent banks.
- Investments with values above the authorized limits set for the Board Executive Committee.
- Annual budget of the bank.
- Expenses above the authorized limits set for the Board Executive Committee.
- Credit facilities granted to the Board members and their families.

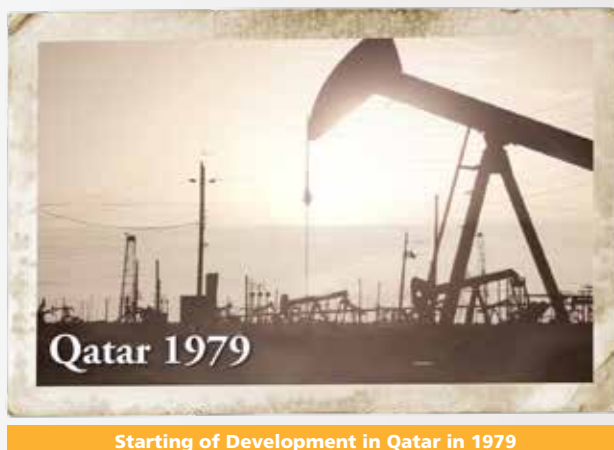
## BOD's Tasks & Other Duties:

**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.

**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's 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 any new Board Member.

**Training Programs:** The Bank has put in place Corporate Governance Policies which include principles for guiding and training new Board Members. The Bank has enrolled Board Members in a training course on Corporate Governance.



Starting of Development in Qatar in 1979

**Governance:** The Board will be continuously updated on governance practices through the Management and the Board Nomination, Governance, Policies and Remuneration Committee.

**Dismissal:** Members who do not attend Board meetings on a regular basis without an acceptable excuse may be removed in accordance with Doha Bank's Articles of Association.

**Self-Assessment:** Templates and tools have been approved to perform an annual self-assessment by the Board.

**Remuneration:** The Board estimates the Executive Management's remunerations based on the Bank's overall performance and on the extent to which the goals stated in the Bank's strategy are achieved.

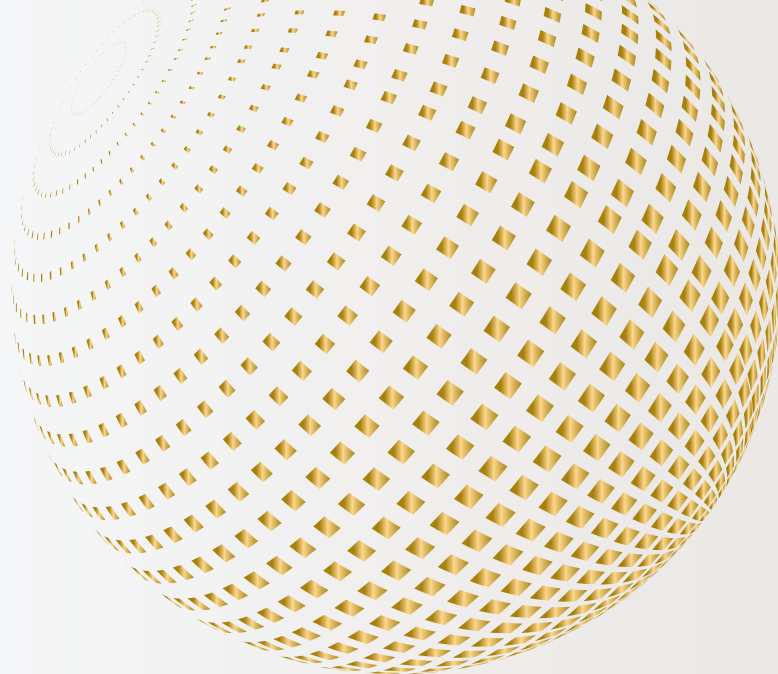
**Passing of Board Resolutions by Circulation:** From time to time Board Resolutions may be passed by circulation with the approval of the Board Members in writing and submitted to the Board of Directors for endorsement in the following meeting. With regard to such resolutions passed by circulation, the Bank's Articles of Association have been amended to be in line with the Commercial Companies Law.





## 40 YEARS OF GROWTH AND GLOBAL EXCELLENCE





## Board Composition

The Board currently consists of nine members, i.e. 4 executive members and 5 non-executive members two of them independent (by appointment). The current term of the Board of Directors started on March 6th, 2017 and continues for a period of three years through election at the shareholders' Ordinary General Assembly.

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

### **Sheikh Fahad Bin Mohammad Bin Jabor Al Thani Representing Fahad Mohammad Jabor Holding Company**

- Chairman
- Executive, Non-Independent
- Chairman of the Executive Committee
- Date of Appointment on Board: June 3, 1996 (acting in his own capacity) and March 6th, 2017 (acting as the company's representative)
- Education/ Experience: Graduate of the Royal Academy, Sandhurst, UK
- Other Board Memberships: Board Member at Al Khaleej Takaful Group
- Ownership: 5,986,786 shares; i.e. 1.93% as at December 31, 2018 & 5,438,517 shares as at December 31, 2017
- Attendance: Attended seven Board meetings

### **Mr. Ahmed Abdul Rehman Yousef Obeidan**

- Vice Chairman
- Executive, Non-Independent
- Member in the Executive Committee
- Date of Appointment on Board: April 20, 1982

- Experience: General Manager, Al Waha Contracting & Trading Est.
- Ownership: 5,741,858 shares; i.e. 1.85% as at December 31, 2018 & 5,269,358 shares as at December 31, 2017
- Attendance: Attended five Board meetings

### **Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani**

- Managing Director
- Executive, Non-Independent
- Chairman of Nomination, Governance, Policies and Remuneration Committee and Member in the Executive Committee
- Date of Appointment on Board: December 21, 1978
- Education: 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, Qatari Oman Investment Company
- Ownership: 6,026,340 shares; i.e. 1.94% as at December 31, 2018 & 6,026,340 shares as at December 31, 2017
- Attendance: Attended seven Board meetings

### **Sheikh Abdulla Mohammad Jabor Al-Thani**

- Board Member
- Non-Executive, Non-Independent
- Chairman of Audit, Compliance and Risk Committee
- Date of Appointment on Board: April 20, 1982

- Education: Bachelor Degree
- Other Board Memberships: Chairman of Al Khaleej Takaful Group
- Ownership: 2,325,350 shares; i.e. 0.75% as at December 31, 2018 & 2,325,350 shares as at December 31, 2017
- Attendance: Attended four Board meetings

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

- Board Member
- Executive, Non-Independent
- Member of Executive Committee
- Date of Appointment on Board: Feb 27, 2011
- Experience: Ex-Minister of Civil Service Affairs and Housing
- Other Board Membership : Chairman of Board of Directors, National Leasing Holding
- Ownership: 3,100,466 shares; i.e. 1% as at December 31, 2018 & 3,100,466 shares as at December 31, 2017
- Attendance: Attended five Board meetings

#### **Mr. Hamad Mohammad Hamad Abdullah Al Mana**

- Board Member
- Non-Executive, Non-Independent
- Member of the Nomination, Governance, Policies and Remuneration Committee
- Date of Appointment on Board: April 13, 1999
- Education: Bachelor Degree
- Other Board Memberships: Board Member of Qatar General Insurance & Re-insurance Company and Qatar Navigation Company, and Vice Chairman of Mohammad Hamad Al Mana Group Companies;
- Ownership: 2,235,651 shares; 0.75% as at December 31, 2018 & 2,235,651 shares as at December 31, 2017
- Attendance: Attended seven Board meetings

#### **Mr. Ahmed Abdullah Al Khal**

- Board Member
- Non-Executive, Non-Independent
- Member in Nomination, Governance, Policies and

- Remuneration Committee
- Date of Appointment on Board: March 3, 2014
- Education: Economics & Political Science
- Experience: He previously assumed the position of the Head of Economic Planning Section of the Ministry of Foreign Affairs, and he worked in the Ministry of Economy and as ambassador to Germany and Japan.
- Ownership: 2,482,075 shares; i.e. 0.8% as at December 31, 2018 & 2,327,991 shares as at December 31, 2017
- Attendance: Attended seven Board meetings

#### **Mr. Ali Ibrahim Abdullah Al-Malki**

- Non-Executive, Independent Member (by appointment)
- Member in Audit, Compliance & Risk Committee
- Date of Appointment on Board: March 6, 2017
- Education: Bachelor of Science Degree in Aviation Administration
- Other Board Memberships: Chairman and Managing Directors of Al-Malki Group, Board Member of Doha Bank Assurance Company
- Experience: Businessman
- Ownership: 123,378 shares; i.e. 0.04% as at December 31, 2018 & 123,378 shares as at December 31, 2017
- Attendance: Attended five Board meetings

#### **Mr. Nasser Khaled Nasser Abdullah Al-Mesnad**

- Non-Executive, Independent Member (by appointment)
- Member in Audit, Compliance & Risk Committee, and Nomination, Governance, Policies and Remuneration Committee
- Date of Appointment on Board: March 6, 2017
- Education: Bachelor Degree of Political Science from George Town University in Qatar
- Experience: Financial Analyst in Qatar Investment Authority
- Ownership: 20,000 shares; i.e. 0.01% as at December 31, 2018 & 20,000 shares as at December 31, 2017
- Attendance: Attended six Board meetings

## Independent Board Member

The current composition of the Board includes two independent Board members who meet QCB's requirements. The independent member's ownership of Doha Bank's shares shouldn't exceed 0.25% of the bank's capital.

## 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 interest of the Bank and in fulfillment of their responsibilities to the Bank. Board members therefore have the required knowledge, experience and skills.

## Duties of the Chairman of the Board

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

## Duties of the Vice Chairman

The holder of this position shall assume the role of the Chairman in his absence. He works closely with the Chairman in developing and overseeing the execution of the Bank's strategies. Additionally, he shall undertake other responsibilities as delegated by the Chairman.

## Duties of the Managing Director

- Supervise the implementation of the Board resolutions in accordance with Doha Bank's strategy and objectives.
- Oversee that the Board receives timely, accurate and complete information to enable sound decision-making, effective monitoring and advising.
- Sign/ countersign (endorse) correspondence, reports, contracts or other documents on behalf of Doha Bank.

- Supervise the implementation of strategic initiatives and investments within the level of authority delegated by the Board.
- Approve investments, credit facilities and expenditures within the level of authority delegated by the Board.
- Oversee the implementation of key initiatives within Doha Bank in coordination with the CEO and Executive Management.
- Provide the Board and the Board Committees with the required reports and disclosures in a timely manner for review and approval.
- Update the Board with periodic reports on Doha Bank's performance and activities.
- Participate in various board-level committees.
- Any additional responsibility entrusted to him by the Board/ the Chairman of the Board.

## Duties of the Non-Executive/ Independent Board Member

- Work actively on providing information required for the Board to undertake its activities as stipulated in the Board of Directors' Terms of Reference.
- Assist in Doha Bank's strategic planning and business planning processes and constructively challenge and develop strategic proposals.
- Review Doha Bank's performance periodically and scrutinize the performance of management in achieving agreed goals and objectives.
- Review the integrity of financial information and monitor that financial controls and systems of risk management are robust and defensible.
- Spearhead the development of Doha Bank's Corporate Governance policies and monitor compliance to the same.
- Assist the Board to properly attend to the External Auditor's report.
- Oversee that Bank and Shareholder interests are maintained, especially in conflict of interest situations between executive members and other members.
- Be available to shareholders if they have concerns which have not or cannot be resolved through contact with the Chairman, MD and the CEO or if such contact is not appropriate.
- Act as a supplier to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Any additional responsibility entrusted by the Board/ Board Chairman.
- Be collectively responsible for the Board decisions and actions.
- Participate in various Committees including the Audit, Compliance and Risk Committee, Nomination, Governance, Policies and Remuneration Committee.

## 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 six times a year. The Board met seven times in 2018 as follows:

Meeting No.	Meeting Date
Meeting No. (1)	23/01/2018
Meeting No. (2)	07/03/2018
Meeting No. (3)	06/05/2018
Meeting No. (4)	24/06/2018
Meeting No. (5)	16/09/2018
Meeting No. (6)	25/11/2018
Meeting No. (7)	19/12/2018

## Board Remuneration

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. The total remuneration of the Board for the year 2017 was QR 19 million, including the allowances paid to the members for attending the meetings of the Board and Board Committees. The remuneration of the Board for the year 2018 will be determined and then approved in the General Assembly Meeting of Shareholders during 2019.

## Departments Reporting to the Board

### Legal Advisor and Secretary to the Board: Mr. Mukhtar Al Henawy

Mr. Mukhtar Al Henawy has joined Doha Bank in 2002 as Legal Advisor to the Board. He was also appointed as a Secretary to the Company in 2007. He has more than 31 years of experience, and he worked at law firms before joining the bank.

Mr. Mukhtar obtained a Bachelor's Degree in Law from Ain Shams University in 1987 and a Diploma in Law in 1988. It is in Doha Bank's view that the Company's Secretary meets all the requirements of the Code.

Legal Advisor to the Board is also performing the duties of Company's secretary and maintains all Board documentation and manages the overall processes related to board meetings. The Company's Secretary reports directly to the Chairman, however, all members may use the Company's secretary's services.

### Chief Compliance Officer: Mr. Jamal Al Sholy

Mr. Jamal Al Sholy has joined Doha Bank in 1997 as Head of the Internal Audit Department and in 2002 he has become Chief Compliance Officer to date. He has more than 38 years of experience, and he worked in external audit before joining the bank. The Compliance Department includes the Compliance Control Unit and the AML/CTF Unit. Chief Compliance Officer works independently from the Executive Management and reports directly to the Board of Directors.

Mr. Jamal holds a Bachelor's Degree in Accounting and Business Administration from the University of Jordan, 1981.

### Chief Internal Auditor: Dr. Mohammad Daoud

Dr. Mohammad Daoud has joined Doha Bank in 2012 as an Acting Head of Internal Audit Department. In 2016, he was appointed as a Head of Internal Audit Department. He has more than 26 years of experience in the field of banking and financial institutions before joining Doha Bank.

Dr. Mohammad Daoud has got a PhD in Finance.

## Executive Management

Doha Bank's Executive Management consists of the CEO, his assistants and the heads of the executive departments. Following are the profiles of the CEO and the department heads, noting that none of them is a holder of Doha Bank shares.

### Chief Executive Officer: Dr. Raghavan Seetharaman

Dr. R. Seetharaman has joined Doha Bank in 2002 as Assistant General Manager. In 2007, he was appointed as CEO of the bank. He has an extensive experience of more than 38 years during which he worked in a number of banks and institutions before joining Doha Bank, including Bank Muscat.

Dr. R. Seetharaman is a Chartered Accountant, whilst being a Gold medalist in his graduation – Bachelor of Commerce. He is a recipient of multiple honorary doctorate degrees from leading universities of the world including two PhDs.

### Chief Risk Officer: Mr. Khalid Latif

Mr. Khalid Latif has joined Doha Bank in 1990 and has held several positions since then. He has more than 35 years of experience and has worked for several years in the banking sector and other sectors in Pakistan before joining the bank.

Mr. Latif holds a Master's Degree in Business Administration from Pakistan.

### **Chief Wholesale Banking Officer: Mr. Cherussery Krishnan**

Mr. Cherussery Krishnan has joined Doha Bank in 2000 as an Executive Manager in the Wholesale Banking Group. He has more than 34 years of experience and has worked at a number of institutions and banks before joining Doha Bank.

Mr. Cherussery Krishnan holds a Master's Degree in the Bank Management.

### **Chief Financial Officer: Mr. David Challinor**

Mr. David Challinor has joined Doha Bank in 2008 as Head of Group Finance. He has more than 24 years of experience and has worked at several financial institutions in Australia before joining Doha Bank.

Mr. Challinor holds a Bachelor's Degree in Economics from England, and he is a fellow of the Institute of Chartered Accountants in England and Wales.

### **Acting Chief International Banking Officer: Mr. Mahadevan Sathyamurthy**

Mr. Mahadevan Sathyamurthy has joined Doha Bank in 2005, and he was appointed as Acting Chief International Banking Officer in 2018. He has more than 21 years of experience and has worked at the banking sector before joining Doha Bank.

Mr. Sathyamurthy holds a Bachelor of Science and a Certified Associate of the Indian Institute of Bankers (CAIIB).

### **Acting Chief Human Resources Officer: Sheikh Mohamed Fahad Mohamed Al Thani**

Sheikh Mohamed Fahad Al Thani has joined Doha Bank in 2013 as Head of Financing Unit. He has banking experience in several financial institutions. He held the position of Acting Head of HR Department in 2017.

Sheikh Mohamed Fahad Al Thani holds a Bachelor Degree in Public Administration.

### **Acting Chief Retail Banking Officer: Mr. Braik Ali H S Al- Marri**

Mr. Braik has joined Doha Bank in 2015 as a Head of Branch Control Department. He has experience of more than 22 years as he worked in several financial and banking institutions before joining the bank. He has held the position of the Acting Chief Retail Banking Officer in 2017.

### **Acting Chief Treasury & Investment Officer: Mr. Rowan Laird Luke**

Mr. Rowan Laird Luke has joined Doha Bank in 2018 as a Head of Treasury. He has worked in several financial and banking institutions before joining the bank. He was appointed as Acting Chief Treasury & Investment Officer in 2018.

Mr. Rowan holds a Master of Commerce.

## **Senior Management Remuneration**

The Bank adopts a policy, which regulates the process for assessing the performance of Senior Management based on the achievement of the bank's strategic goals. Based on the performance assessment and the Bank's results, the additional benefits and bonuses are set and approved by the Board. Total remuneration of the Senior Management for the performance of the year 2017 was QR 9,595,000 which was paid in 2018. The Senior Management Remuneration for 2018 will be determined and approved by the Board of Directors during 2019.



**First atm Machine**

## 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 under Corporate Governance policies. Related party transactions are approved by the Board based on materiality. As per Commercial Companies Law, if a Board Member has a conflict of interest related to a certain transaction, he shall not participate in the Board meeting at the time of taking a decision on the transaction and shall not participate in the issuance of a resolution if it is passed to him 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.

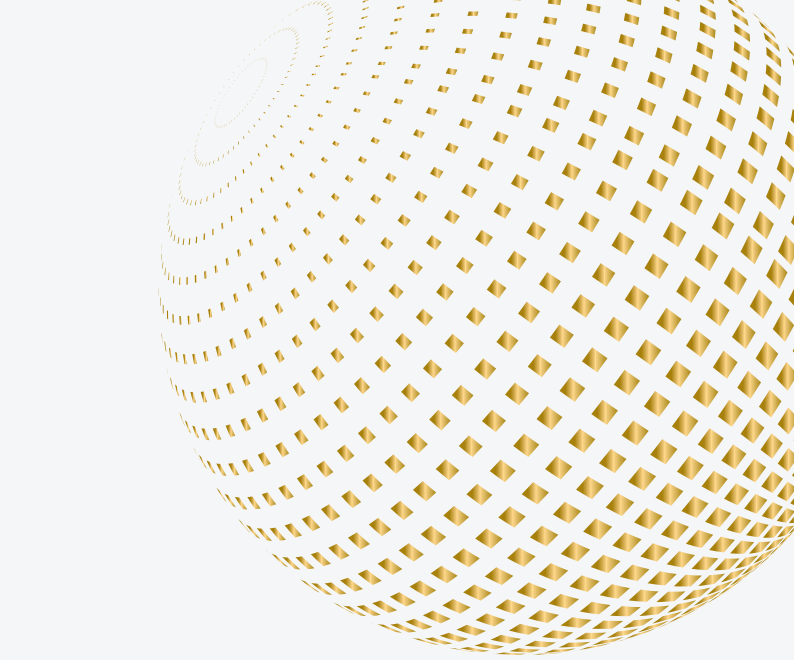
Currently, monitoring and controlling insider trading are done by Qatar Exchange directly. A policy on insider trading has been adopted by the Bank.

## Related Party Transactions

In general, any staff or board member shall be considered as a related party upon carrying out commercial operations for Doha Bank with one of the family members or any business running by one of the family members.

## Approvals of Related Party Transactions

The staff or board member shall disclose the related party transactions and shall obtain a written approval from the bank's Executive Committee. Regarding the board members, the related parties shall be disclosed and discussed during the board meeting in the absence of the concerned member, and shall be submitted during the General Assembly Meeting following the date of transaction.

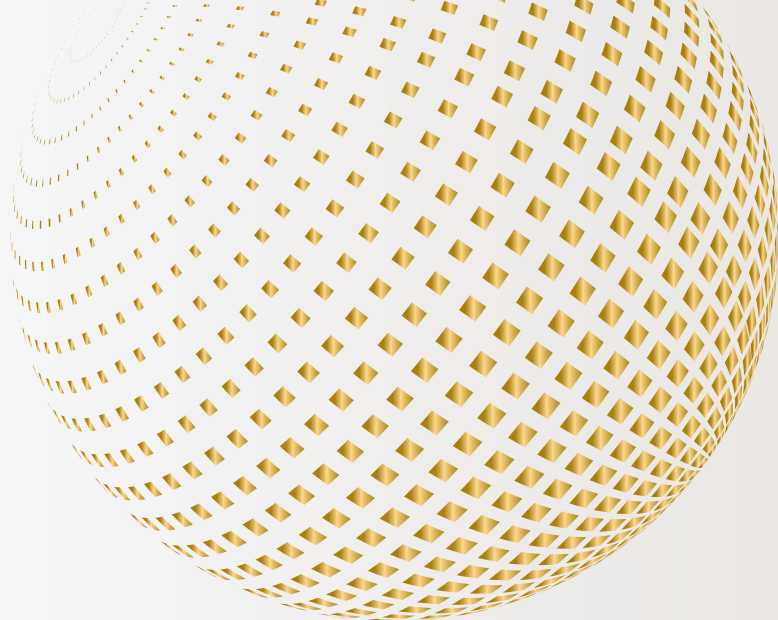


## Disclosure of Related Party Transactions

The bank's policy prohibits the Chairman, board members and executive managers from carrying out any selling or buying transactions for the bank's shares during the period set by Qatar Exchange and even publishing financial statements to the public, knowing that no related party has concluded any transactions in the prohibition periods during the year.



First Doha Bank Branch



## Board Committees

Board Committees are established to assist the Board of Directors in conducting their duties. Each committee has developed Terms of Reference that define the committee's roles and responsibilities in accordance with QCB's instructions and QFMA regulations and leading governance practices.

The Bank has three Board committees as follows:

- Audit, Compliance and Risk Committee
- Nomination, Governance, Policies and Remuneration Committee
- Executive Committee

It should be noted that on 23/01/2018 the roles and responsibilities of the Nomination and Governance Committee have been merged with the Policy, Development and Remuneration Committee into a single committee to perform the functions of the two committees. The Nomination and Governance Committee held one meeting in 2018 before being merged.

### Audit, Compliance and Risk Committee

#### Membership:

Sheikh Abdulla Mohammad Bin Jabor Al Thani – Non-Executive Board Member (Chairman). He attended all the meetings of the Committee.

Mr. Ali Ibrahim Abdullah Al Malky – Independent Board Member. He attended six meetings.

Mr. Nasser Khalid Abdullah Al-Mesnad – Independent Board Member. He attended all the meetings of the Committee.

#### Meetings:

Seven meetings were held during the year, noting that only six meetings are required as per the Governance Code.

#### 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 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. There has been no conflict between the Committee's recommendations and the Board's resolutions or any other issues of material impact during the year 2018.

#### **Remuneration:**

The total remuneration of the Audit, Compliance and Risk Committee for 2018 was QR 345,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.

### **Nomination, Governance, Policies and Remuneration Committee**

#### **Membership:**

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director (Chairman). He attended all the Committee's meetings.

Mr. Hamad Mohammad Hamad Al Manna – Non-Executive Board Member (Member). He attended two meetings of the committee.

Mr. Ahmed Abdullah Hamad Al Khal – Non-Executive Board Member (Member). He attended all the meetings of the committee.

Mr. Nasser Khalid Abdullah Al-Mesnad – Independent Board Member (Member). He attended all the meetings of the committee.

#### **Meetings:**

Three meetings were held during the year, noting that two meetings are required as per the Governance Code.

#### **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.

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.

#### **Remuneration:**

The total remuneration of the Nomination, Governance, Policies and Remuneration Committee for 2018 was QR 165,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.

### **Executive Committee**

#### **Membership:**

Sheikh Fahad Bin Mohammad Bin Jabor Al Thani – Chairman of the Board of Directors (Committee Chairman). He attended all the Committee meetings.

Mr. Ahmed Abdul Rehman Yousef Obeidan – Vice Chairman. He attended all the meetings.

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director. He attended all the committee meetings.

Sheikh Falah Bin Jassim Bin Jabor Al Thani – Executive Board Member. He attended all the Committee meetings.

### Meetings:

The required number of meetings as per the Code is at least four times a year, or whenever requested by the Committee Chairman. Two meetings were held during the year.

### Roles and Responsibilities:

- Review changes relating to Doha Bank's capital structure and significant changes to the management and control structure of Doha Bank, recommend to the Board for approval.
- Facilitate the effective supervision and overall control of the business of the Bank by receiving and reviewing overall customer credit, inter-group and investment exposures.
- Approve credit facilities above the authorized limit set for management up to the Executive Committee limit delegated by the Board of Directors.
- Review credit proposals above the Executive Committee limit and provide recommendations on reviewed proposals to the Board of Directors.
- Recommend to the Board of Directors appropriate action pertaining to the impaired indebtedness cases or obligation above the delegated limit.
- Review on a quarterly basis the status of pending litigation matters.
- Approve purchase and expenditure for amounts within the limit delegated to the Committee by the Board of Directors.
- Approve donations for charity activities and corporate social responsibility expenditures on a case-by-case basis in line with the delegated limits to the Committee as approved by the Board of Directors and the corporate social responsibility strategy.
- Review and approve strategic and commercial investments within the Committee's delegation.
- Oversee the performance of strategic investments by periodically receiving reports from management and reporting to the Board.

### Remuneration:

The total remuneration of the Executive Committee for 2018 was QR 60,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.



Doha Bank Branch in Kuwait



# 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.

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, operational risk, 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 2018.

## **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.

KPMG reviews and audits the Bank's accounts since 2017 to date, including overseas branches' accounts, Doha Bank Assurance Company's accounts in addition to investment fund accounts and periodic reports pertaining to QCB requirements. The external audit fee for 2018 was QR 2,470,000.

We have received two quotations from two well-

known auditing firms. These quotations were presented to the Ordinary General Assembly of shareholders and KPMG were selected to review the bank's accounts for 2018.

## **Disputes and Litigations:**

The number of lawsuits filed by/ against the bank's corporate customers with value of QR. 30 million and above (or its equivalent) are 25 lawsuits.

## **MEANS OF COMMUNICATION WITH SHAREHOLDERS:**

Doha Bank considers its shareholders as key stakeholders. Doha Bank has established a Shareholder Relations function which is responsible for addressing shareholder queries. It is also responsible for communicating with any investors in the markets, and acts as a liaison between them and the Chairman of the Board.

## **DISCLOSURE AND SHAREHOLDERS RIGHTS**

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. Doha Bank ensures that its assembly meetings and the mechanism for voting adopted is in accordance with commercial companies' law. Doha Bank can provide general information such as financial statements, articles of association and by-laws of the Bank to its shareholders.

### **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. The bank has internal procedures allowing shareholders to obtain the company's documents and the relevant data, however shareholder register details are maintained by the Qatar Central Securities Depository Company.

## Shareholders' Rights and Shareholders' Meetings

The Bank's Articles of Association include provisions that ensure the shareholder's right to attend the General Assembly meetings and vote on the General Assembly's resolutions and 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. Each shareholder has the right to discuss the topics listed in the agenda of General Assembly and raise questions to the board members. 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's share capital except in the case where the proxy represents Qatar Investment Authority.

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

## Equitable Treatment of Shareholders

The bank's Articles of Association include that each shareholder of the same class shall have equal right in the Bank assets titles and the profits distributed according to the number of shares he owns.

## Shareholders' Rights Concerning Board Members' Elections

After notifying 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 & 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 of the competent authorities, 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 gives shareholders the right to vote on the Assembly's resolutions and also on the nominees for Board membership, pursuant to Commercial Companies Law No. (11) of 2015 which refers to QFMA's Governance Code with regard to public shareholding companies.

## 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 3,100,467,020 divided into 310,046,702 ordinary nominal shares, at a value of QR (10) per share, listed on Qatar Exchange. With the exception of Qatar Investment Authority "The Government of State of Qatar" may buy and own up to 20% of the Bank's share capital, 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. 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 49% of the issued capital. Doha Bank hereby confirms that there are no shareholder agreements related to capital structuring and the exercise of shareholder rights, and there is nothing stated in the Bank's Articles of Association on minority rights.

### Ownership of Shares:

The ownership of Doha Bank's shares distributed by nationality as at December 31, 2018 is as follows:

Nationality	No. of Shares	Percentage
Qatar	273,438,644	88.19%
GCC	8,171,473	2.64%
Arab countries	5,320,629	1.72%
Asia	1,414,368	0.46%
Europe	8,071,334	2.60%
Africa	123,482	0.04%
USA	12,186,036	3.93%
Other	1,320,736	0.42%
<b>Total</b>	<b>310,046,702</b>	<b>100%</b>

The number of shareholders reached 3,368 as at 31/12/2018. No shareholder possesses more than 2% of the Bank's shares except Qatar Investment Authority (the Government of State of Qatar) which owns directly and indirectly 17.15% of the shares as per bank's Articles of Association.

## 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 OFFICES AND SUBSIDIARIES

Domestically, Doha Bank's network inside Qatar includes a total of 27 branches, 4 e-branches, and 3 pay offices and one mobile banking unit. The number of ATMs reached 103 ATMs of which 3 ATMs in UAE, 2 ATMs in Kuwait, and 3 ATMs in India. Globally, the bank has six branches, Dubai and Abu Dhabi branches in UAE, a branch in Kuwait and three branches in India in Mumbai, Kochi and Chennai, where Chennai Branch was opened on April 4th, 2018. Furthermore, we have fourteen representative offices located in Singapore, Turkey, Japan, China, UK, South Korea, Germany, Australia, Canada, Hong Kong, South Africa and Bangladesh, in addition to our newly opened representative offices in Sri Lanka and Nepal which were opened in 2018.

The Bank also fully owns subsidiary companies i.e. Doha Bank Assurance Company in Qatar, Doha Finance Limited, and Doha Bank Securities Limited in Cayman Island for purpose of debt issuance and derivative transactions, and has a strategic share of 44.02% of the capital of one of the Indian brokerage companies, which was later re-named as Doha Brokerage and Financial Services and positioned to practice brokerage and asset management businesses.

**Fahad Bin Mohammad Bin Jabor Al Thani**  
Chairman