

**Doha Bank**  
**Corporate Governance Report**  
**Appendix**

**Board Members Remuneration Policy**  
**&**  
**Performance-Based Remuneration Policy**

# 1<sup>st</sup>: Board Members Remuneration Policy

## 1. General Provisions

- 1.1 The Policies, Nomination and Governance Committee shall establish this policy and review the same whenever necessary. It may also seek the opinion of the Executive Management in this regard.
- 1.2 This policy shall be consistent with the bank's strategy and objectives;
- 1.3 The remunerations shall be determined according to the duties and responsibilities entrusted to the member, his academic and practical qualifications, the level of his performance and his achievements;
- 1.4 This policy shall be consistent with the nature of the risks faced by the bank;
- 1.5 This policy shall be consistent with the Bank's internal rules and regulations;
- 1.6 This policy shall take into consideration other banks practices in determining remunerations, while avoiding the unjustified increase in remunerations and compensations;
- 1.7 This policy shall take into account cases of reward suspension and redeem if found to be based on inaccurate or false information provided by the concerned person, in order to prevent the payment of undue remunerations;
- 1.8 As per the regulations, this policy allows the granting of bank shares to board members, whether newly issued or bought by the bank.

## 2. Scope and liability

The Policies, Nomination and Governance Committee follow up the implementation of this policy, ensure the soundness of the measures taken in this regard, evaluate any cases of non-compliance that may arise in the implementation thereof and submit to the attention of the board any matter that so requires for the purpose of taking the necessary decisions.

## 3. Remunerations of board and board committee members

According to the Commercial Companies Law, the bank's articles of association shall specify the method to be used in order to determine board members' remunerations, provided that the percentage of said remunerations does not exceed 5% of the bank's net profit after deducting reserves and legal payments and distributing not less than 5% of the bank's paid up capital as dividends to shareholders, as instructed by Qatar Central Bank.

At least one week prior to the bank's general assembly convened to look into the bank's budget and board report, the board of directors shall place at the disposal of shareholders a detailed statement that comprise the following:

- 3.1 All the sums obtained by the chairman of the board and every board member during the fiscal year from wages, fees and salaries for attending board meetings, as well as expenses and any other amounts in any form.
- 3.2 In-kind and cash benefits granted to the chairman of the board and every board member during the fiscal year.
- 3.3 Remunerations that the Board of Directors proposes to distribute to board members.
- 3.4 Amounts allocated to each current board member.
- 3.5 Operations in which a board member or manager has an interest that conflicts with that of the company.
- 3.6 Amounts actually spent for advertising in any way whatsoever, as well as details of each amount.
- 3.7 Donations with an indication of the donor, the justifications and the details thereof.
- 3.8 The detailed statement shall be signed by the Chairman of the Board and one board members. The Chairman and board members shall be responsible for the validity of the data referred to therein.
- 3.9 The remuneration of board members shall consist of a certain amount, meeting attendance allowance, certain benefits or a specific percentage of the net profit. Two or more benefits may also be combined.
- 3.10 The remuneration of board members may vary to reflect the member's experience, competence, tasks entrusted to him, independence and number of meetings attended and any other considerations at the discretion of the Board of Directors;
- 3.11 The Board's report to the General Assembly shall include a comprehensive statement of all the amounts received by board members during the fiscal year including remunerations, allowances, expenses and other benefits, a statement of all the amounts received by board members as employees or managers and in exchange for technical, administrative or advisory services, as well as a statement of the number of board meetings and meetings attended by each member from the date of the last General Assembly meeting;
- 3.12 A board member shall have the right to receive a remuneration for his membership in the Board Committees, any additional tasks and any executive technical, administrative or advisory positions entrusted to him by the bank (a professional license is required if the nature of the work is advisory), in addition to the remuneration that he may obtained as a board and board committee member according to the Commercial Companies Law and the bank's Articles of Association; and
- 3.13 The remuneration of independent board members shall not be a percentage of the profits achieved by the bank and shall be based directly or indirectly on the profitability of the bank.

#### **4. Policy review and disclosure**

- 4.1 The Policies, Nomination and Governance Committee shall periodically review these policies when necessary to verify their alignment with the objectives thereof and their compliance with the relevant regulations;
- 4.2 The committee shall share with the Financial Department any amendments or proposals to this policy and seek its opinion and remarks so as to achieve the goal behind the same; and
- 4.3 The committee shall submit any amendments or proposals to this policy to the Board for approval in accordance with the regulations followed in this regard.

#### **5. Disclosure**

- 5.1 The Board shall disclose his board members remuneration policy and how it determines the remunerations of members of the Board of Directors and executive management.
- 5.2 The Board shall disclose in the board's report the remunerations granted, directly or indirectly, to members of the Board of Directors and executive management in an accurate, transparent and detailed manner. In the event where said remunerations are shares, then the entered share value shall be the market value at the due date;
- 5.3 The Board shall clarify the relationship between the remunerations granted to board members and the applicable Board members remuneration policy, as well as any fundamental deviation from this policy;
- 5.4 The board shall provide the necessary details regarding the remunerations and compensations paid for each of the following separately:
  - 5.4.1 Board Members.
  - 5.4.2 Five of the bank's top executives who received the highest remunerations, including the CEO and CFO.
  - 5.4.3 Members of Board Committees.

#### **6. Effective date**

- 6.1 This policy shall enter into force upon adoption by the General Assembly;
- 6.2 Amendments to this policy shall be made by the Board of Directors as mandated by the shareholders' general assembly, provided that these amendments are in line with the relevant authorities regulations and bylaws.

## **2<sup>nd</sup>: Performance-Based Remuneration Policy**

### **General provisions and implementation responsibility**

#### **1. General Provisions**

The Policies, Nomination and Governance Committee shall establish this policy and review the same on an annual basis or whenever necessary. It may also seek the opinion of the Executive Management in this regard.

#### **2. Implementation responsibility**

The Policies, Nomination and Governance Committee, in coordination with the bank's executive management, shall follow up the implementation of this policy, ensure the soundness of the measures taken in this regard, evaluate any cases of non-compliance that may arise in the implementation thereof and submit to the attention of the board any matter that so requires for the purpose of guidance.

#### **3. Performance-based remuneration for executive management**

- 3.1 Remuneration shall be granted based on performance in a manner that promotes sound risk management without inciting excessive risk taking (thus achieving balance between individual performance and the bank's long-term sustainability);
- 3.2 Performance-based remuneration shall be granted after ensuring the following:
  - 3.2.1 There is an appropriate balance between fixed and performance-based components;
  - 3.2.2 The performance-based component reflects the risks behind the achieved result;
  - 3.2.3 The performance-based remuneration may be redeemed in the event where it is established that the reward has been overestimated, or that it led to a financial loss for Doha Bank;
- 3.3 Performance-based remuneration may be subject to the deferred payment system in line with the prevailing Qatari market practices in the financial services sector, as determined by the Bank's external consultants;
- 3.4 The amount of the annual reward shall be determined by the Board of Directors. The remuneration shall be calculated based on an evaluation of the actual performance of Doha Bank against the targets set forth in its financial budget;

- 3.5 The Policies, Nomination and Governance Committee shall approve all remunerations related to the performance of the CEO and other employees based on a recommendation from the Human Resource Department and on the employee's performance.
- 3.6 Employees who have resigned from Doha Bank or have been given an end-of-service notice before the end of the fiscal year shall not be entitled to any performance-based reward for that year.

#### **4. Remuneration system**

According to Qatar Central Bank, the approved remuneration policy shall include at least the following:

- 4.1 The remuneration system shall be consistent with the bank's risks and overall performance statement, including its profitability, liquidity, capital adequacy and operational performance indicators. Staff remunerations shall be consistent with their performance and efforts to fulfill their responsibilities and with the overall performance of the bank;
- 4.2 The remuneration system shall cover all the bank's administrative levels, starting with the CEO, senior managers and all employees to reinforce the efficiency of the risk management policy and the compensation policy;
- 4.3 All types of risks shall be considered when determining the remunerations of the bank's group as a whole. Total income or profit shall not be the only performance criteria as there shall be a balance between profits and risk levels in business activities. To clarify this, if two different departments achieve the same amount of profits on the short term while facing different risk levels, both administrations shall not be treated equally in the compensation system. All types of risks shall be taken into consideration, such as liquidity risks, reputation risks, cost of capital risks and the complexity of the related activities risks, whether hard or easy to measure;
- 4.4 The remuneration policy shall be based on an objective performance evaluation system linked to the risk management framework and the implementation of internal controls and organizational requirements to assess and measure employees' performance at all levels;
- 4.5 The remunerations of the executive management shall be based on their performance, in line with the long-term performance of the bank, not just its performance during the current year;
- 4.6 The remuneration schedule shall be linked to the risks timeframe. As the profits and losses of the bank's various activities are achieved over different periods of time, variable reward payments shall be deferred accordingly and not finalized over short periods of time as risks are materialized over long periods.

- 4.7 The results of the compensation (cash, equity and other) shall be consistent with the relevant risks and the rules that shall regulated the payment of remunerations as per the employee's job level;
- 4.8 Financial control, internal audit risk assessment, risk monitoring and compliance shall be rewarded independently and separately from any activities or administrations subject to the supervision thereof, in a manner that maintains the independence and authority thereof in the exercise of its supervisory functions;
- 4.9 Banks shall disclose all information about their compensation / reward practices in a clear and comprehensive manner in the bank's financial statements.
- 4.10 Procedures shall be established to reverse the paid proportional amount and deferred compensation, in the event where the compensation is based on high and unacceptable levels of risks that exceed the bank's risk appetite.

## **5. Policy review and amendment**

The committee shall submit any policy amendments or proposals to the board of directors for approval in accordance with the regulations applicable in this regard.

## **6. Effective date**

- 6.1 This policy shall enter into force upon adoption by the General Assembly;
- 6.2 Amendments to this policy shall be made by the Board of Directors as mandated by the shareholders' general assembly, provided that these amendments are in line with the relevant authorities regulations and bylaws.