

**The Board of Directors Charter  
2020**

<b>DOCUMENT NAME</b>	<b>BOARD OF DIRECTORS CHARTER</b>
<b>VENUE OF MEETINGS</b>	Anywhere inside or outside Qatar (preferably QNB Head Office)
<b>FREQUENCY</b>	<ul style="list-style-type: none"> <li>• Minimum 6 times per year</li> <li>• Minimum Bimonthly; in all cases without exceeding 3 months without meeting</li> </ul>
<b>REPORTING TO</b>	General Assembly
<b>TERMS OF REFERENCE</b>	<p>The Board of Directors of QNB Group will have the following duties and responsibilities:</p> <p><b>A. Corporate Governance</b></p> <ol style="list-style-type: none"> <li>1. Ensure adequate corporate governance policies and mechanisms are adopted and implemented across the Group.</li> <li>2. Agree guidelines on the process for nominating the Directors of the Board by referring to their experience, professional and academic qualifications and assess the provided information on a periodic basis.</li> <li>3. Set criteria to determine the level of financial expertise of the Board members in view of any potential appointment of BOD members in the Group Board Audit and Compliance Committee.</li> <li>4. Review periodically the appropriateness of the BOD composition and consider/assess the need to appoint independent BOD members with proven expertise.</li> <li>5. Identify, document, review annually the independent members' status of the Board of Directors in light of regulatory guidelines, and based on the feedback received from the Group Board Nomination, Remuneration, Governance and Policies committee (GBNRGPC).</li> <li>6. Ensure the independence, competence, and balance of related entities' Boards of Directors either directly through the Group Board of Directors or through representatives.</li> <li>7. Ensure an annual assessment of the Board performance and independence is conducted as per the existing policies and in line with the regulatory requirements.</li> <li>8. Supervise the adequate representation and fair selection of QNB Group executives and directors' within the Board of Directors of QNB Group's other entities or ventures.</li> <li>9. Ensure that all Directors receive a proper induction program upon joining the Board by issuing a formal appointment letter and providing all Directors with an Induction Handbook containing all important information and documents that are relevant to Directors.</li> <li>10. Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Group's employees based on the recommendation received from the Group Board Nomination, Remuneration, Governance and Policies committee (GBNRGPC).</li> <li>11. Form Board level committees and delegate powers and authorities to appropriate levels within the Group and in line with applicable regulations.</li> <li>12. Ensure adequacy of the Board committees' "Terms of Reference" as well as Audit and Compliance charters, and approve changes, if any.</li> <li>13. Establish the mechanism and process of providing periodic training to the Board of Directors, based on recommendations received from the GBRNGPC.</li> </ol>

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	<p>14. Review and approve the Group’s organizational structure on periodic basis to ensure proper distribution for the functions, tasks &amp; responsibilities of the Group.</p>
	<p>15. Appoint / remove the GCEO and/or executive officers directly reporting to GCEO and vest in them the right to sign, jointly or severally, on behalf of the Group.</p>
	<p>16. Ensure adequate qualifications, experience and professional performance criteria of the GCEO, key Executive Management officers, Audit, Risk and Compliance functions.</p>
	<p>17. Design and establish an adequate succession plan for the Board and executive management of the Group.</p>
	<p>18. Assume responsibilities and ensure, directly or through delegated authorities, that the Group is in compliance with all laws and regulations of applicable and relevant regulatory entities in Qatar such as Qatar Central Bank, Qatar Commercial Companies Law, Labour Law, Qatar Exchange by-laws, municipality laws, immigration laws, QFCRA and QFMA Laws, etc. (except for the responsibility of ensuring an adequate, effective, comprehensive and transparent corporate governance process is in place which cannot be delegated).</p>
	<p>19. Approve the annual Corporate Governance report in accordance with regulatory requirements for submission to the General Assembly.</p>
	<p>20. Ensure the existence of a full disclosure framework as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Bank or any company of its group.</p>
	<p>21. Preparing and updating a list of Insiders to provide a copy to the Board, QFMA and the Market upon adoption or update.</p>
	<p>22. Ensure existing of Conflict of Interest Policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders, with an appropriate monitoring process.</p>
	<p><b>B. Strategic Decisions and Planning</b></p>
	<p>23. Set and develop strategies, plans, objectives and main policies for the Group.</p>
	<p>24. Appraise and approve the various strategic forms of new business ventures; such as mergers, acquisitions, or joint ventures, direct investments and IPOs.</p>
	<p>25. Appraise and approve the feasibility and opening (or closing) of new branches within and outside the State of Qatar.</p>
	<p>26. Appraise and approve various forms of exit decisions such as spin-offs and divestitures through primary and secondary markets where applicable.</p>
	<p>27. Assume responsibilities towards the host regulatory authorities, laws and regulations of the foreign locations where the Group operates.</p>
	<p>28. Approve the Group’s Annual Budget and Business Plans endorsed by the Group Board Executive Committee and ensure that it is in line with the long-term strategy and changes in the economy, market, and regulatory environments.</p>
	<p>29. Approve the capital expenditures budget of the Bank and any changes thereto during the fiscal year.</p>
	<p>30. Approve the risk management strategy of the Group as well as the overall Group Risk Appetite and Portfolio Strategies endorsed by the Group Board Risk Committee and review any changes in risk strategy/risk appetite arising.</p>
	<p>31. Approve the setting of risk appetite limits, taking into consideration the following parameters:</p>

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	<ul style="list-style-type: none"> <li>- Country limits</li> <li>- Industry and sector limits</li> <li>- Counter-party limits</li> <li>- Transaction limits</li> <li>- Others, e.g. product limits, stop loss limits, etc.</li> </ul> <p><b>32.</b> Grant approvals for certain credit exposures on limits that have not been delegated to lower authorities within the Bank or that do not comply with the credit policy (on an exceptional basis).</p> <p><b>C. Oversight, Control and Supervision</b></p> <p><b>33.</b> Oversee the Group's senior management through the BOD committees as part of the Bank's checks and balances and discuss their reports on important issues raised.</p> <p><b>34.</b> Review all decisions reached by Board Committees and the Management Committees.</p> <p><b>35.</b> Assess the performance of QNB representatives in QNB Group subsidiaries Board of Directors.</p> <p><b>36.</b> Oversee directly or through the Board Committees, the activities of entities related to the Group in the form of branches, affiliates, subsidiaries, and joint ventures.</p> <p><b>37.</b> Ensure that any business activity exercised by the Group is in line with the existing licenses and Articles of Association (AOA).</p> <p><b>38.</b> Ensure compliance with the AOA of the Group and recommend to the General Assembly any change to be made therein.</p> <p><b>39.</b> Ensure the implementation of a system of internal control across the Group including internal audit, compliance, risk management and financial control as well as a framework to assess Internal Controls Over Financial Reporting (ICOFR).</p> <p><b>40.</b> Continuously appraise the overall risk appetite of QNB directly or through the delegated authorities to Board level committees to be able to manage an enterprise wide risk management (ERM) Group policy.</p> <p><b>41.</b> Ensure the Group effectively takes into consideration the comments raised by Group Internal Audit function, Group Compliance, Group Risk and External Auditors.</p> <p><b>42.</b> The Board will have an oversight role on the proper design and monitoring of the internal controls, pertaining to combatting financial crime requirements including money laundering and terrorism financing, sanction programs, fraud, tax etc. and receive/consider annual report of the MLRO as stipulated by relevant laws and regulations.</p> <p><b>43.</b> Oversee compliance with applicable laws and regulations including Global Data Protection Regulations (GDPR)</p> <p><b>44.</b> Approve the appointment of external experts, when necessary, to help the Board or the Board Committees in performing their duties.</p> <p><b>D. Performance Evaluation</b></p> <p><b>45.</b> Put in place a self-assessment mechanism to evaluate the performance, competence and effectiveness of the Board and the BOD members, Consider and incorporate the feedback received from the GBGRNPC related to the performance of the Board.</p> <p><b>46.</b> Conduct the GCEO's performance appraisal on an annual basis.</p> <p><b>47.</b> Monitor and evaluate the performance and risks of the business strategy.</p> <p><b>48.</b> Make sure the Group maintains and enforces appropriate awareness programs necessary for spreading the culture of self-control and risk management.</p>

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	49. Managing the reputational Risk Policy.	
	<b>E. External Auditors &amp; Financial Services</b>	
	50. Nominate one or more independent external auditor(s) to the General Assembly and monitor their performance, based on the input of the Group Board Audit and Compliance Committee.	
	51. Ensure that the external auditors do not: <ul style="list-style-type: none"> <li>- Participate in the incorporation of the Bank's subsidiaries or associates</li> <li>- Occupy any technical, administrative or consulting position to the Group Board Audit and Compliance Committee</li> <li>- Trade directly or indirectly in the Bank's shares (by taking a suitable declaration from them)</li> <li>- Provide any consultancy work to the Group that contradicts with their responsibilities as external auditors.</li> </ul>	
	52. Reply to the queries and matters contained in the external auditor's letters and reports.	
	53. Developing a mechanism to manage dealings and cooperation with providers of financial services, financial analysis, credit rating and other service providers as well as the regulatory bodies and authorities.	
	<b>F. Stakeholder Management</b>	
	54. Assume responsibilities towards shareholders and other stakeholders and related parties within the Bank and the community at large.	
	55. Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights. Such policy shall include indemnifying mechanisms of the Stakeholders, set out suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them.	
	56. Developing a clear policy for contracting with Related Parties.	
	57. Invite all shareholders to attend the General Assembly meeting by publishing the invitation of convening of the General Assembly meeting in at least two local daily Arabic newspapers and with a minimum of 15 days' prior to the meeting.	
	58. Oversee the preparation of the General Assembly agenda and related material; such as the audited financial statements, reports of the Board and GCEO, and voting/ attendance administrative matters.	
	59. Provide the General Assembly, whenever it is held, to make a strategic decision, the necessary recommendation to take into consideration the benefit of the Bank and minor shareholders.	
	<b>Duties and responsibilities of the Chairman of the BOD</b>	<ol style="list-style-type: none"> <li>1. Ensuring that the Board discusses all the main issues in an efficient and timely manner.</li> <li>2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member.</li> <li>3. Encouraging all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring that the Board is working with its responsibilities to achieve the best interest of the Group.</li> <li>4. Ensure providing the Directors of the Board with all the required and necessary information to enable them to discharge their duties in a timely manner.</li> <li>5. Creating effective communication channels with shareholders and making their opinions heard to the Board.</li> <li>6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non-Executive Board Members.</li> </ol>

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	7. Keeping the members constantly informed about the implementation of the provisions of corporate governance, and may authorize the Group Board Audit and Compliance Committee (GBACC) in this mission.
REPORTS	The Board will provide the General Assembly with the annual report detailing activities of QNB along with its financial standing during the year and all required data and information needed to be disclosed by the Board to the shareholders according to the Article no. 122 of the Commercial Companies Law no.11/2015.
MEMBERSHIP	<ol style="list-style-type: none"> <li>1. (10) members, whereby (5) members are appointed by Qatar Investment Authority and the other (5) members are elected by the General Assembly.</li> <li>2. Private sector representative directors should own a minimum of 400,000 shares each. These shares shall be allocated to guarantee the member's term in office, and shall be deposited within 60 days from the date of appointment with Qatar Central Securities Depository (QCSD) or one of the accredited banks.</li> <li>3. Members of the Board of Directors shall be appointed or elected, as the case may be, for a renewable term of 3 years.</li> <li>4. The Board elects, from among its members, and by a secret vote, the Chairman and Vice Chairman for a term of three years.</li> <li>5. The Chairman of the Board of Directors shall not be a member of any Board Committee</li> <li>6. The Chairman of the Board of Directors shall not be the Group Chief Executive Officer of the Bank.</li> <li>7. No Board Members can be the Chairman or Vice Chairman for more than two companies in the State of Qatar (except as stated by Article 98 of the CCL).</li> <li>8. No Board Members can be a member in more than three shareholding companies in the State of Qatar (except as stated by Article 98 of the CCL).</li> <li>9. No Board Members can be Managing Directors in more than one company in the State of Qatar.</li> <li>10. No Board Members can combine two membership of two companies exercising a homogenous activity.</li> <li>11. At least one-third of the Board Members may be independent, experienced and non-shareholder individuals. Majority of the Board members shall be non-executive Board members.</li> </ol>
MEMBER REPLACEMENT	<ol style="list-style-type: none"> <li>1. A member of the Board may appoint, by a letter addressed to the Chairman of the Board, another Board member to act on his behalf on any specific issue or in any specific meeting and in this case, the representative will have two (2) votes.</li> <li>2. No single member of the Board will represent more than one member.</li> <li>3. If any elected Board member position becomes vacant with no subsequent and valid substitute representation, then that position shall be filled by the shareholders with the highest number of votes from among those who did not succeed in winning membership on election for the Board.</li> <li>4. If any appointed Government Board member position becomes vacant with no subsequent and valid substitute representation, then that position shall be appointed by Qatar Investment Authority.</li> </ol>
DECISION CONSENSUS	Majority of members vote. The Chairman's vote (or substitute) decides in case of ties.
QUORUM	At least 6 members including the Chairman or Vice Chairman
SECRETARY/ VICE SECRETARY	To be appointed by the Board of Directors after verification of his/her experience in accordance with applicable regulatory requirements or guidelines. The removal of the Board's secretary shall be made based on the Board's decision.

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<b>MEETING PROTOCOL</b>	1. Board meeting invitation to be issued at least one week in advance.
	2. Invitations for a Board meeting are to be sent by the Chairman or any two Board members.
	3. Any Director may request to enter items to the agenda.
	4. The number of total votes and the votes which are present in the Board and the Board Committees' meetings to be recorded as part of the minutes.
	5. The results of the vote of all decisions to be recorded in full i.e. the number of votes cast in favour of and against the decision.
	6. Attendance of the BOD meetings could also be accepted through any secured IT communication means that allows effective attendance and participation in the meeting.
	7. The Board, in case of urgency, may pass its resolutions by circulation provided the consent of all members is procured in writing and the resolutions are discussed in the next meeting and recorded in the minutes of meeting.