

Board of Directors Charter

Board of Directors Charter

PART 1 - INTRODUCTION

1. PURPOSE

The purpose of the Charter is to govern the functioning of the Board of Directors (the "**Board**") of Dukhan Bank (Q.P.S.C.) ("**Dukhan Bank**" or the "**Bank**") and to set out the roles and responsibilities of the Board in accordance with the applicable laws and the articles of association (the "**AoA**") of Dukhan Bank.

The AoA provides that subject to the matters reserved for the general assembly and subject to Articles 107 to 111 of the Commercial Companies Law number 11 of 2015 (as amended) (the "**Companies Law**"), the Board shall have the widest powers necessary to carry out the activities and functions required to achieve the objects of the Bank. The AoA further states that the Board may, within the scope of its authorities, authorise one of its members to perform one or more specific tasks or to supervise the Bank's activities. The Companies Law further provides that every director and officer must act honestly and in good faith to achieve the best interests of the Bank, and shall exercise the care, diligence and skill that a reasonably prudent person in their position would exercise.

The Charter is not intended to limit the powers of the Board but to assist the Board in the exercise of its powers and the fulfillment of its duties. The Charter is drafted in accordance with the Companies Law, the Qatar Central Bank Law number 13 of 2012 (the "**QCB Law**"), the AoA, the QCB Governance Guidelines for Banks issued pursuant to Circular number 25 of 2022 (as amended) (the "**QCB Governance Guidelines**"), the QFMA Governance Code for Companies and Legal Entities Listed on the Main Market issued pursuant to the QFMA Board Decision number 5 of 2016 (the "**QFMA Governance Code**") and other applicable laws and regulations.

2. SCOPE

The Charter is binding on the Dukhan Bank Group and its employees. The Dukhan Bank Group must adopt and implement these Terms of Reference without undue delay.

The corporate governance policies and guidelines of the Dukhan Bank Group are subject to and supplemental to these Terms of Reference.

3. LEGISLATIVE CONTEXT

The Charter shall be read and interpreted in parallel with the Companies Law, the QCB Law, the QFMA Governance Code, the QCB Governance Guidelines, the corporate governance framework of the Bank, the AoA, any applicable policies approved by the Board and the applicable corporate governance guidelines and regulations stipulated under the applicable laws in the State of Qatar and in any jurisdiction in which the Dukhan Bank Group operates. In addition, the Charter is drafted in accordance with international governance standards.

4. DEFINITIONS

Term	Definition
AoA	means the articles of association of Dukhan Bank
Audit Committee	means the Board Audit Committee of Dukhan Bank
Bank or Dukhan Bank	means Dukhan Bank (Q.P.S.C.)
Board	means the Board of Directors of Dukhan Bank
CEO	means the Chief Executive Officer of Dukhan Bank
Chairman	means the Chairman of Dukhan Bank
Companies Law	means the Commercial Companies Law number 11 of 2015 (as amended)
Executive Committee	means the Board Executive Committee of Dukhan Bank
First-Degree Relative	means the father, mother, spouse and child of a particular person
Group or Dukhan Bank Group	means Dukhan Bank (Q.P.S.C.) and its subsidiaries and branches
Independent Board Member	has the meaning given to such term in the QFMA Governance Code and the QCB Governance Guidelines
Insider	has the meaning given to such term in the QFMA Governance Code
Nominations and Corporate Governance Committee	means the Board Nominations and Corporate Governance Committee of Dukhan Bank
Non-Executive Board Member	means a Board member who does not have a full time management position at the Bank or who does not receive a wage, and a Board member who is not a member in any of the Board committees which carry out any executive functions
QCB	means the Qatar Central Bank
QCB Governance Guidelines	means the QCB Governance Guidelines for Banks issued pursuant to Circular number 25 of 2022 (as amended by QCB Circular number 2 of 2023)
QCB Law	Qatar Central Bank Law number 13 of 2012

QCSD	means the Qatar Central Securities Depository
QFMA	means the Qatar Financial Markets Authority
QFMA Governance Code	means the QFMA Governance Code for Companies and Legal Entities Listed on the Main Market issued pursuant to the QFMA Board Decision number 5 of 2016
QFMA Law	means the QFMA Law number 8 of 2012 (as amended)
QSE	means the Qatar Stock Exchange
Related Party	has the meaning given to such term in the QCB Governance Guidelines and the QFMA Governance Code
Remunerations Committee	means the Board Remunerations Committee of Dukhan Bank
RMCC	means the Board Risk Management and Compliance Committee of Dukhan Bank
Senior Executive Management	means the CEO and other executive managers reporting directly to the CEO, including heads of the internal control units in the Bank
Shareholders	means the shareholders of Dukhan Bank
Terms or Terms of Reference	means these Terms of Reference for the Board (as amended from time to time)

PART 2 - TERMS OF REFERENCE

1. PRINCIPLES

The following principles are required for the effective functioning and operation of the Board:

1. The strategic agenda of the Bank

The Board shall discuss issues that are crucial for the Bank and the development of the Group's strategy on a regular and periodic basis.

2. Appropriate composition

The members of the Board play a crucial role in the decision making and execution process in the Bank. It is important that all of the board members of the Dukhan Bank Group understand and work towards achieving the strategic objectives of the Bank. Dukhan Bank is committed to developing an on-going training program for the members of the Board in order to achieve this objective.

3. Maintaining good corporate governance

Good governance is critical to any decision making process. By adopting these Terms of Reference, the members of the Board jointly and severally commit to comply with the main pillars of corporate governance, including, amongst other things: discipline, transparency, honesty, integrity, independence, accountability, responsibility and corporate social responsibility.

4. Sufficient and appropriate information for decision-making

The Board members are responsible for producing comprehensive Board meeting reports. Each report must include sufficient information on the key issues that fall within the Board's remit. These reports are relied upon by the Board, and serve as the basis of the Board's discussions and decision-making during Board meetings. The reports must be clear and must describe the relevant matters in sufficient detail.

5. Updating governance documents

The performance of the Board is measured in terms of the effectiveness and execution of its decisions. It is crucial that the reports, minutes and other documents of the Bank are maintained and updated regularly to ensure that they serve the interests of the Bank, the Shareholders and the stakeholders. The Board must regularly review the applicable governance laws and regulations and update the Bank's governance documents and policies as and when necessary. The Bank is a public shareholding company, and is subject to the supervision and regulation of the QFMA, the QCB, the Ministry of Commerce and Industry and the QSE. Accordingly, the Board must apply the highest standards of

governance and uphold fair trading principles. In addition, the Board must regularly review and update the Bank's professional conduct rules, policies, charters and other documents, which are binding upon the Board, the Senior Executive Management, the advisers and the employees of the Bank.

6. Plan of action

The Board must always have a plan of action, and all of the strategies discussed and approved by the Board should be appropriately documented. Responsibilities should be clearly assigned and delegated to the different functions in the Bank, and a timetable for the implementation of decisions and other plans should be agreed by the Board and prepared by the Board secretary. The approved strategies and plans must have measurable targets that are meaningful, realistic and achievable. Targets must be effectively communicated to all the relevant line functions.

2. THE TERMS OF REFERENCE

1. THE BOARD OF DIRECTORS

1.1. Election and Composition of the Board

The Board is elected by the general assembly in accordance with Articles 21 to 24 of the AoA.

In accordance with the QCB Governance Guidelines the Bank shall be managed by a Board composed of eleven members. The General Assembly shall, by secret ballot, elect seven of the members of the Board. The General Retirement and Social Insurance Authority shall appoint three members to represent it on the Board, and Qatar Holding Company shall appoint one member to represent it on the Board. The representatives of the General Retirement and Social Insurance Authority and Qatar Holding Company on the Board may not participate in the Board elections. The first Board upon conversion of the Bank to a public shareholding company shall be composed of nine members appointed for a term of five years.

Half of the Board members shall be Non-Executive Board Members, three of which shall be Independent Board Members. The total term of service of an Independent Board Member shall not exceed two executive terms. This requirement ensures that the Board is not controlled by one person or by a small group of people.

The Board shall be appointed for a term of three years. A Board member may be re-elected, unless such member fails to fulfill any of the conditions under Article 97 of the Companies Law and any applicable provisions under the AoA. As an exception to this rule, the first Board members upon conversion of the Bank to a public shareholding company shall be appointed for a term of five years.

Each Board member must be qualified and must possess sufficient knowledge and expertise to allow him or her to effectively perform their functions and maintain the Bank's interests. The Board members must devote sufficient time to their role as members of the Board and must perform their functions with integrity, transparency and diligence to achieve the Bank's interests, goals and objectives.

A Board member may withdraw from the Board, provided that such withdrawal is made at an appropriate time and in accordance with the applicable laws and the AoA, otherwise, such person shall be held accountable to the Bank.

1.2. Conditions for Board Membership

According to the applicable laws and regulations, a Board member shall:

- (a) not be less than 21 years old and shall have full capacity;

- (b) possess the appropriate educational qualifications and must have at least five years' experience in the financial sector or other sectors relevant to the Bank's business;
- (c) have an established record of professional accomplishments in his or her chosen field;
- (d) commit to the Bank's long-term business objectives and goals, and carry out his or her functions and duties in a diligent manner, in the best interest of the Bank and its Shareholders;
- (e) actively prepare for, attend and participate in Board meetings and Board committee meetings, and ensure that he or she does not have any personal or professional commitments which may limit his or her ability to properly exercise their duties, or which may otherwise conflict with his or her obligations to the Bank and the Shareholder;
- (f) not have been previously convicted of a felony or a crime involving breach of honor or trust, or any of the crimes referred to in Article 40 of the QFMA Law or Articles 334 and 335 of the Companies Law, or be prevented from practicing any work in the entities regulated by the QFMA pursuant to paragraph 12 of Article 35 of the QFMA Law or have been declared bankrupt, unless he or she has been rehabilitated;
- (g) be a Shareholder and owner of at least one million (1,000,000) shares in the Bank. Such shares shall be deposited with the QCSD within sixty days from the date of commencement of membership with the QCSD. The deposited shares shall not be subject to transfer, lien or attachment until the expiry of the membership and after the balance sheet for the last fiscal year in which the member performed his or her duties is approved. These shares shall be allocated to guarantee the rights of the Bank, the Shareholders, the creditors and third parties against the Board members. If the Board member does not provide such guarantee in the manner described above, his or her membership shall be void. The Independent Board Members and the representatives of the State of Qatar on the Board are exempt from this requirement;
- (h) with the exception of the representatives of the State of Qatar or the persons who own at least 10% of the shares of the Bank, in his or her personal capacity or as a representative of a legal person, act as member of the board of directors of more than three public shareholding companies with headquarters in the State of Qatar, and shall not act as the chairman or vice chairman in more than two companies with headquarters in the State of Qatar in accordance with Article 98 of the Companies Law; and
- (i) not, whether in his or her personal capacity or as a representative of a legal person, act as a managing director for more than one company with headquarters in the State of Qatar, or act as a board member in two companies that engage in the same business activities in accordance with Article 98 of the Companies Law and the QCB Governance Guidelines.

Furthermore, the Chairman and the Board members must submit annual acknowledgments certifying that they are not combining their positions as Board members with the other positions prohibited under the applicable laws.

1.3. Nomination of Board Members

The Bank must send a list of the names and details of the candidates for Board membership to the QCB and QFMA for their approval at least two weeks before the date of the Board election, along with the CVs of each candidate and copies of the candidacy requirements.

The members of the Board are nominated and elected by the general assembly in accordance with the provisions of the AoA, the Board nomination and election policy and the applicable laws.

The Board or the delegated Board committee shall ensure that the candidates nominated for election to the Board meet the 'Fit and Proper Criteria' for Board members before such nominations are put before the general assembly. The criteria for assessing the fitness and propriety of Board candidates are summarised under the following three main categories:

- (a) honesty, integrity, diligence, fairness and reputation;
- (b) competence and capability; and
- (c) financial soundness.

Each newly elected Board member should, upon his election, carefully review the Bank's organisational structure, corporate governance reports, management functions, as well as any other information that is required to enable him or her to carry out their functions diligently.

A candidate for Board membership must submit a written acknowledgment confirming that he or she is not undertaking any other position which he or she is legally prohibited from combining with membership in the Board.

1.4. Requirement of Independence

An Independent Board Member is a natural person that enjoys full independence from the Bank such that the member is able to take all necessary decisions in an impartial manner. Half of the Board members of the Bank shall be Non-Executive Board Members, three of which shall be Independent Board Members. An "Independent Board Member" has the meaning given under the AoA, the QFMA Governance Code and the QCB Governance Guidelines.

An Independent Board Member is a director who has no material relationship with the Bank beyond his or her directorship (directly or as a partner, Shareholder, or officer of an organisation that has a "material" relationship with the Bank). An Independent Board Member should be independent in

character and judgment, and should not be involved in any relationships or circumstances which could affect, or might appear to affect, the Independent Board Member's independent judgment.

1.5. Remuneration of Board Members

Except for executive Board members, no Board Member shall receive from the Bank any compensation other than the fees to which he or she is entitled as a Board member or as a member of a committee of the Board as stipulated in the AoA, the Board's remuneration policy and the QCB rules and circulars.

The general assembly shall approve the Board's remuneration policy and determine the remuneration of Board members in accordance with the AoA, the Board's remuneration policy and the QCB rules and circulars

1.6. Training of Board Members

The Board members will be given an induction and continuous training, which will cover, among other things, the role of the Board, the corporate governance requirements, financial and banking matters, risk management and conflicts of interest.

1.7. Powers of the Board

Subject to the matters reserved for the general assembly and subject to Articles 107 to 111 of the Companies Law, the Board shall have the widest powers necessary to carry out the activities and functions required to fulfill the objects of the Bank.

The Board may, within the scope of its authorities, authorise one of its members to perform one or more specific tasks or to supervise the Bank's activities. The Board may also form one or more committees to perform the specific tasks set forth in the decisions forming such committees, and delegate some of its powers to the Board committees. The decision forming the committee must set out the nature of the tasks of the specific committee.

Even if the Board establishes committees or delegates some of its powers to third parties, the ultimate responsibility of the Bank rests with the Board. The Board should avoid issuing general or open-ended delegations.

The Chairman, the Vice Chairman and the managing director may jointly or severally sign on behalf of the Bank, pursuant to a resolution by the Board.

In accordance with the AoA, the Board may:

- (a) execute financing contracts and credit facilities with a term exceeding three years;
- (b) sell or mortgage the Bank's property; and

(c) discharge the debtors of the Bank from their obligations,
without obtaining the approval of the extraordinary general assembly.

1.8. Functions and Duties of the Board

The Board represents the Bank and the Shareholders, and must manage the Bank with care, skill and diligence, and in an effective manner to achieve the interests of the Bank, the Shareholders, other stakeholders and the public interest. The Board is also responsible for protecting the Shareholders from illegal and arbitrary acts or practices or any other practices that may be harmful to the Shareholders.

The functions and duties of the Board include, among other things, the following:

A. General Duties

- (1) taking responsibility for and approving the Bank's organisational structure and the management of the Bank's affairs;
- (2) carrying out its duties in a responsible manner, in good faith and with diligence and care, and taking independent decisions based on sufficient information from the executive management or any other reliable source;
- (3) aspiring towards excellence and setting professional standards and management values that enhance the integrity of the Board and the Senior Executive Management;
- (4) avoiding conflicts of interest and acting with transparency and honesty whilst dealing with the Bank's securities and other matters and maintaining confidentiality;
- (5) attending Board meetings and Board committee meetings regularly, and not resigning from the Board unless it is necessary and at the appropriate time;
- (6) electing the Chairman and the Vice Chairman;
- (7) holding regular meetings with the Senior Executive Management through the Board committees to discuss the reports submitted by the Board committees regarding the management of the Bank and business results;
- (8) prioritising the interests of the Bank, the Shareholders and other stakeholders above their own interests or the interests of the party they represent, and using their skills and experience to effectively manage the Bank;

- (9) providing recommendations concerning the Bank's strategic matters, the Bank's policies for implementing projects, employee accountability systems, the resources, key appointments and operational standards of the Bank;
- (10) determining the powers to be delegated to the Senior Executive Management, and the procedures for taking any action as well as the validity of such delegation, and determining the matters reserved for a decision by the Board. The Senior Executive Management shall submit to the Board periodic reports on the exercise of the delegated powers;
- (11) inviting all Shareholders to attend the general assembly meetings in accordance with the applicable laws, and ensuring that the meeting invitation and announcement includes a comprehensive summary of the meeting agenda, including a specific agenda item concerning reviewing and approving the Bank's governance report;
- (12) effectively participating in the general assembly meetings of the Bank, and achieving the requests of the Shareholders in a fair and balanced manner;
- (13) monitoring the Bank's performance in achieving its objectives and goals, and reviewing the reports on the Bank's performance, including the annual, semi-annual and quarterly reports;
- (14) ensuring that the Bank is organised in a manner so that the accounting, business and asset management functions, as well as the Dukhan Bank Group's operational and economic conditions are controlled and managed in a reliable and prudent manner, and ensuring the separation of duties and the implementation of clear reporting lines;
- (15) implementing a system for reporting violations or complaints, through which employees may report their complaints or other violations in a confidential manner, and without facing any repercussions for reporting such complaints or violations;
- (16) ensuring that sufficient information on the Bank's business and affairs is made available to all of the Board members, and in particular, to the Non-Executive Board Members, to allow them to carry out their duties and functions efficiently;
- (17) refraining from making any public statements or publishing data or other information without the prior written consent of the Chairman or his delegate, and appointing an official spokesperson for the Bank;
- (18) disclosing any financial or business relationships, and any legal proceedings or disputes that may negatively impact the Bank; and

- (19) carrying out its duties carefully and diligently, having full awareness of the affairs and the business of the Bank, including consulting with independent external experts when necessary, and taking independent and conscious decisions when voting in favor of any matter related to the Bank.

The members of the Board may, at the Bank's expense, request the opinion of an external consultant regarding any of the Bank's affairs. The members of the Board remain responsible for the duties and obligations assigned to them under the applicable laws.

B. Committees and Committee Terms of Reference

- (1) establishing Board committees and adopting terms of reference for each Board committee. The Board has the following five committees: the Executive Committee, the Audit Committee, the RMCC, the Remunerations Committee and the Nominations and Corporate Governance Committee. The terms of reference of each of these committees are supplemental to these Terms;
- (2) establishing any other committees as it deems necessary or desirable, to assist it in the fulfillment of its duties and responsibilities, with such terms of reference determined by the Board;
- (3) determining whether the members of the Board on each of the Board committees satisfy the requirements of independence, and supervising the committees through a regular review of their meeting minutes and other reports;
- (4) considering the recommendations of the Nominations and Corporate Governance Committee or the Chairman from time to time regarding the composition and terms of reference of the committees of the Board; and
- (5) delegating tasks and powers to some of the committees that go beyond the powers of the Senior Executive Management, provided that the Board may not delegate the task of ensuring the existence of an adequate, effective, comprehensive and transparent governance framework for the Bank; and
- (6) determining the responsibilities of the board of directors of the companies within the Group.

C. Corporate Governance

- (1) adopting and supervising the implementation of a governance code for the Bank that is compliant with the QFMA Governance Code and the QCB Governance Guidelines, and monitoring the code's effectiveness and updating it when necessary;
- (2) adopting or delegating any Board committee to adopt:

- (a) a code of business ethics applicable to directors, officers and employees of the Bank, which sets out the standards that are designed to promote integrity and honest and ethical conduct and to deter wrongdoing;
 - (b) a code of conduct that sets out policies to ensure that the Bank operates at all times in accordance with the applicable laws and regulations and with due regard to ethical standards. The code of conduct includes, as a minimum, laws and regulations relating to code of conduct, employee health and safety, human rights, environmental protection, conflict of interest and Related Party transaction policies; and
 - (c) a delegation of authorities matrix and related policies in accordance with the applicable laws, taking into consideration the size of the business and relevant developments;
- (3) developing and periodically reviewing and updating a disclosure and insider trading and reporting policy that addresses matters such as how the Bank shall interact with analysts and the public, and contains measures that the Bank should take to avoid selective disclosure;
 - (4) monitoring the integrity of the Bank's internal control, disclosure controls and procedures and management information systems;
 - (5) approving and periodically reviewing and updating the policies of the Bank and creating a specific policy for approving the policies, resolutions and instructions and monitoring their implementation;
 - (6) approving and periodically reviewing and updating policies and procedures for receiving feedback from Shareholders with respect to the affairs of the Bank;
 - (7) implementing corporate governance policies and procedures and developing and approving the annual corporate governance report as mandated by the applicable laws and submitting the report to the general assembly for review; and
 - (8) considering any other matters related to corporate governance as required under the applicable laws.

D. Strategic Plans and Objectives of the Bank

- (1) developing, reviewing and leading the Bank's overall strategy, including the Bank's business plans and risk management policies;
- (2) determining an appropriate capital structure for the Bank and the Bank's financial strategies and objectives, as well as approving its annual budgets;
- (3) overseeing the major capital expenditures of the Bank and owning and disposing of assets;

- (4) setting objectives and monitoring their implementation and the overall performance of the Bank;
- (5) periodically reviewing and approving the organisational structure of the Bank to ensure the fair and appropriate distribution of the roles and responsibilities within the Bank, especially the internal control units;
- (6) approving the procedural guide for implementing the Bank's strategies and objectives, which is prepared by the Senior Executive Management. The guide must include the methods and means of communicating with the QFMA and the other regulatory authorities, and must appoint a communications officer;
- (7) approving the annual training and educational plan of the Bank, which must include, among other things, educational programs on the background of the Bank, its activities and governance requirements in accordance with the QFMA Governance Code and the QCB Governance Guidelines;
- (8) approving strategic investments and actions such as joint ventures, divestments, extension of the branch network and acquisition and disposal of assets, subject to the required Shareholder and regulatory approvals;
- (9) making recommendations to the Shareholders regarding the approval of mergers and acquisitions, subject to the required regulatory approvals; and
- (10) approving or delegating the Audit Committee to approve, as it deems appropriate, the following:
 - (a) the annual audited financial statements of the Bank;
 - (b) the accounting policies and principles of the Bank;
 - (c) the annual audit plans and the terms of engagement of the external auditors, as well as the remuneration of the external auditors; and
 - (d) the annual budget of the Bank and any other financial projects or other plans.

E. Internal Control Systems

- (1) implementing a written policy that regulates conflicts of interest and deals with potential conflicts of interest involving each of the Board members, Senior Executive Management and the Shareholders, and which deals with other matters including the misuse of the Bank's assets and resources, and any mismanagement that may result from Related Party transactions;
- (2) developing a comprehensive policy for contracting with Related Parties, and presenting such policy to the general assembly for approval;

- (3) reviewing, at least once a year, the extent of the independence of each member of the Board, in light of the interests they disclose, and the Independent Board Members must provide the information necessary for this purpose;
- (4) implementing a full disclosure system to achieve justice and transparency and prevent conflicts of interest and insider trading. Such system shall include the procedures that must be complied with by Insiders when dealing with securities, and shall specify the period during which the Insiders are prohibited from trading or dealing with the Bank's securities;
- (5) preparing and regularly updating the list of Insiders, and submitting this list to the QSE and the QFMA upon its adoption and whenever it is updated;
- (6) implementing policies and systems to ensure compliance with the Anti-Money Laundering and Counter Terrorism Financing Law and its executive regulations and other related instructions issued by the QCB from time to time;
- (7) approving the business continuity plans and supervising their implementation;
- (8) approving standards and policies governing information security systems and the QCB's instructions concerning IT risks, cybersecurity and related issues, and supervising its implementation; and
- (9) annually reviewing the Bank's internal control procedures.

F. Shari'a, Audit, Finance and Risk Management Issues

- (1) approving or delegating a Board committee to approve the Bank's risk management strategy, risk appetite and limits system;
- (2) authorising the Audit Committee and the RMCC to assist the Board in overseeing, among others things, the following:
 - (a) the integrity and quality of the Bank's financial and accounting reporting and internal control systems as well as risk management systems, including the rules relating to the preparation of financial reports;
 - (b) the Bank's compliance with the applicable legal and regulatory requirements;
 - (c) the qualifications and independence of the Bank's external auditors; and
 - (d) the performance of the Bank's internal audit function and the external auditor's functions;

- (3) complying with the QCB's instructions concerning financial statements, including the Basel III requirements and its equivalent for Shari'a banks in accordance with the QCB Governance Guidelines;
- (4) identifying, with the assistance of the RMCC, the principal risks of the Bank's business and ensuring the implementation of appropriate risk assessment and risk management policies and procedures to manage such risks, and reviewing and providing guidance to the Senior Executive Management on any outcomes, findings and issues arising in connection with the risk assessment and risk management policies and procedures;
- (5) developing the appropriate awareness programs in order to spread the culture of self-control and risk management in the Bank;
- (6) developing a mechanism for dealing and cooperating with providers of financial services, including financial analysts, credit rating and other service providers, as well as service providers that determine the standards and indicators of the financial market, to ensure that they provide their services to all Shareholders with integrity, transparency and in a timely manner;
- (7) ensuring that the Bank operates in accordance with Shari'a principles; and
- (8) making recommendations to the Shareholders concerning the appointment of the members of the Shari'a Supervisory Board. The members of the Shari'a Supervisory Board shall be appointed by a resolution of the general assembly based upon the recommendation of the Board, and its members shall comprise scholars with expertise in Shari'a principles and Islamic financial transactions. The general assembly may authorise the Board to determine the remuneration of the members of the Shari'a Supervisory Board.

G. Protection of Stakeholders and Environmental, Social and Governance ("ESG") Matters

- (1) implementing a written policy which regulates the relationship between stakeholders, in order to protect and preserve their rights. This policy must include, among other things, the following:
 - (a) the mechanisms through which stakeholders may be compensated in case of a violation of their rights under the applicable laws or relevant contracts;
 - (b) the mechanisms for resolving any complaints or disputes that may arise between the Bank and the stakeholders;
 - (c) the mechanisms for maintaining good relationships with customers and suppliers, and safeguarding their confidential information;

- (d) a code of conduct that must be complied with by the Senior Executive Management and the employees of the Bank, which is in line with professional and ethical standards, and which regulates their relationships with stakeholders; and
- (e) the Bank's social contributions;
- (2) adopting policies and procedures that ensure the Bank's compliance with the applicable laws and regulations, and its commitment to disclose information to Shareholders, creditors and other stakeholders; and
- (3) developing environmental and social responsibility programs and getting them approved by the general assembly with the aim of supporting various social projects, and approving the Bank's policies relating to environmental protection and climate change risk management and developing appropriate policies and procedures to assess the risks of climate change and its potential impact on the bank's activities and business plans at Group level.

H. Oversight and Compensation of the Board, the Senior Executive Management and Other Employees

- (1) appointing the CEO, and approving the appointment of his deputies, assistants, consultants and experts, senior staff members and the internal audit manager, and determining their wages and remuneration in accordance with the Bank's policies, as well as replacing them (if necessary) and replacing such individuals in accordance with the job replacement plan approved by the Board;
- (2) approving or delegating the Remunerations Committee to consider and approve:
 - (a) the compensation of the Senior Executive Management and the other employees of the Bank;
 - (b) the variable compensation pool and overall philosophy of the Bank;
 - (c) the adoption of any incentive compensation and equity based plans, including stock options, stock purchase or other similar plans, in which officers are or may be eligible to participate; and
 - (d) the revision and amendment of the Bank's 'Qatarisation' strategy;
- (3) approving a written policy which sets out the basis and the methods of granting remuneration to the members of the Board, and granting incentives and rewards to the Senior Executive Management and the employees of the Bank in accordance with the QFMA Governance Code, and without any discrimination based on race, gender or religion. Such policy must be submitted annually to the general assembly for approval;

- (4) checking and monitoring, to a reasonable extent, the integrity of the CEO and the other officers of the Senior Executive Management, and ensuring that the CEO and the other executive officers create a culture of integrity throughout the Bank;
- (5) approving the nomination of the members of the Senior Executive Management, in accordance with the QCB's instructions and subject to the QCB's no-objection to their appointment, and approving the terms of their employment;
- (6) developing or delegating the Remunerations Committees to develop and monitor a succession plan for the Senior Executive Management, including appointing, training and supervising the Senior Executive Management;
- (7) communicating with the Senior Executive Management and periodically reviewing the Board's expectations regarding the performance of the management with respect to the Bank's affairs; and
- (8) setting the foundations and standards for evaluating the performance of the Board and the Senior Executive Management.

I. Qualifications, Compensation, Education and Orientation of the Board

- (1) considering the recommendations and input of the Chairman or the delegated Board committee regarding:
 - (a) the competencies and skills that the Board, as a whole, should possess, according to the 'Fit and Proper Criteria';
 - (b) the competencies, skills and personal and other qualities that the existing directors possess;
 - (c) the development of a process to determine, in light of the opportunities and risks facing the Bank, what competencies, skills and other qualities new directors should possess in order to add value to the Bank; and
 - (d) the size of the Board, with a view to facilitating effective decision-making, and proposing potential candidates for Board elections;
- (2) considering the recommendations of the Chairman with respect to the level and types of compensation for directors, which shall reflect the responsibilities and risks involved in carrying out the duties of a director; and
- (3) developing a program for the orientation and education of new directors, in order to ensure that prospective candidates for Board membership understand the role and responsibilities of the Board and its committees, and the contribution that individual directors are expected to make, and developing a program of continuing education for all directors, to allow them to maintain or enhance

their skills and abilities and to ensure that their knowledge and understanding of the Bank's business remains up to date.

J. Assessment of the Board and Committee Effectiveness

- (1) developing clear and specific policies and standards for membership in the Board and enforcing such policies after obtaining Shareholder approval; and
- (2) considering the recommendations of the Chairman or the delegated Board committee regarding the development and supervision of the Bank's systems and procedures for assessing the effectiveness of the Board, the Board committees and the contribution of individual directors. Such assessments shall be made annually.

The Board shall be accountable to all regulatory authorities for any violation of the applicable laws and regulations.

1.9. Duties of the Non-Executive and Independent Board Members

In addition to the Board duties outlined above, the Non-Executive Board Members and the Independent Board Members of Dukhan Bank are appointed as members of the Board committees, namely the Audit Committee and the Remunerations Committee. They provide impartial and independent opinions on strategic and business matters presented to the Board, and monitor the performance of the Bank and its compliance with the applicable corporate governance standards. The Board determines the duties and responsibilities of the Non-Executive Board Members and the Independent Board Members in accordance with the applicable laws.

2. THE CHAIRMAN OF THE BOARD

2.1. Electing the Chairman, the Vice Chairman and the Managing Director

The Board shall, by secret ballot, elect a Chairman and a Vice Chairman for a term of three years, in accordance with Article 25 of the AoA. As an exception to this, the first Board members upon conversion of the Bank to a public shareholding company shall be appointed for a term of five years.

The Chairman of the Board shall not be an executive member nor exercise any executive duties in the Bank, and shall not participate in any of the Board committees. The Chairman of the Board shall chair the Board meetings. The Chairman and the Board members must submit annual acknowledgments certifying that they are not combining their positions with the other positions prohibited under the applicable laws.

The Board may elect, by secret ballot, one or more managing directors. The Board shall determine the powers and responsibilities of the managing director, and whether such person has the right to sign

on behalf of the Bank alone or jointly with any other person. The appointment shall be temporary or permanent in return for a salary or other remuneration to be determined by the Board.

2.2. Duties and Functions of the Chairman of the Board

In accordance with Article 27 of the AoA, the Chairman of the Board serves as the president of the Bank and represents the Bank before third parties and the judiciary. The Chairman is responsible for ensuring the proper management of the Bank in an effective and productive manner, in the best interest of the Bank, its Shareholders and stakeholders. The Chairman is responsible for implementing the Board's resolutions and shall abide by its recommendations. The Chairman may delegate some of his powers to other Board members or members of the Senior Executive Management, provided that such delegation is specific and has a limited duration. The Vice Chairman replaces the Chairman in his absence.

Other responsibilities undertaken by the Chairman include:

- (a) ensuring that the Board discusses all of the key topics in an efficient and timely manner;
- (b) approving the agenda of the Board meetings, taking into consideration any matters proposed by any member of the Board;
- (c) encouraging the Board members to collectively and effectively participate in dealing with the affairs of the Board, and ensuring that the Board is performing its duties in the best interest of the Bank;
- (d) making available to the Board members all data, information, documents and records relating to the Bank, the Board and the Board committees;
- (e) creating effective communication channels with the Shareholders and communicating their opinions to the Board;
- (f) granting the Non-Executive Board Members an opportunity to participate effectively in Board meetings and encouraging the executive and Non-Executive Board Members to have a constructive relationship;
- (g) keeping the Board members regularly informed about the implementation of the provisions of the QFMA Governance Code and the QCB Governance Guidelines. The Chairman may delegate this duty to any Board committee;
- (h) supervising the Board and ensuring that the Board fulfills its commitments and functions in compliance with these Terms, the AoA and the applicable laws;

- (i) organising the activities of the Board, including the scheduling of Board meetings, agendas and the quality, quantity and timeliness of the information and reports that are submitted to and from the Board members, with the support of the Board secretary where required;
- (j) presiding over Shareholders' meetings, including ordinary and extraordinary general assembly meetings;
- (k) evaluating the Board's effectiveness and following up on and ensuring the implementation of any required improvements;
- (l) managing and enhancing formal and informal communication with and among Board members;
- (m) enhancing the disclosure and transparency policies of the Bank and ensuring that information is communicated in a timely and accurate manner to all Shareholders and stakeholders;
- (n) improving communication with the Shareholders of Dukhan Bank and participating in external relationships that meet and fulfill the Bank's social responsibility objectives;
- (o) working closely with the CEO of Dukhan Bank on the development and enhancement of the Bank's strategic goals and business plans as well as facilitating communication between the Senior Executive Management and the Board;
- (p) enhancing the corporate governance culture within the Dukhan Bank Group and ensuring that business and operations are conducted in accordance with the Board's recommendations and vision.
- (q) maintaining a close, open and ongoing relationship and regular communication with the CEO;
- (r) monitoring and reviewing the performance of the CEO in coordination with the Board or the Remunerations Committee;
- (s) performing the tasks and exercising the authorities delegated to him by the Board; and
- (t) reviewing the performance of the Board and the Senior Executive Management on an annual basis and recommending any improvements to the Board's policies and procedures.

3. MEETINGS OF THE BOARD OF DIRECTORS

3.1. Timing and Frequency of Board Meetings

The Board shall meet upon an invitation from the Chairman. The Chairman shall call a Board meeting at the request of at least two Board members. The invitation must be sent to each Board member at

least two weeks prior to the date of the meeting along with the meeting agenda. The meeting shall be valid only if attended by the majority of the Board members, provided that either the Chairman or the Vice Chairman is in attendance.

The Board must hold its meetings periodically or frequently depending on business requirements, on the condition that a Board meeting shall be held at least once every two months and at least six times during the fiscal year of the Bank. Board meetings may be held in person or through any secure, acceptable modern technology means provided that each participating Board member is able to listen and actively participate in the Board meeting.

The Board meetings shall be held during the times set out below and shall discuss the following matters:

- (a) January/February: reviewing and approving the annual strategy and accounts, financial statements, budgetary and audit issues, Shari'a Supervisory Board report and Board committee reports, if any;
- (b) March: calling the annual general meeting, approving its agenda and reviewing and approving the Board committee reports, if any;
- (c) April/May: reviewing and approving quarterly reports, and discussing investments and auditing issues;
- (d) June: supervising the Bank's management, compliance and regulatory issues and business and budgetary performance;
- (e) July: reviewing and approving semi-annual financial results and other periodic reports, and discussing strategy and investments;
- (f) October: reviewing and approving quarterly reports; and
- (g) December: discussing financial issues, including the finance policy, annual accounts, budget and auditing issues.

The Chairman, any Board member, the external auditor or the CEO may request that additional meetings be held.

Meetings shall be held at times that are convenient for all Board members. If such a time cannot be unanimously agreed, meetings may be held at an alternative time provided that the Board members who are unable to attend give their approval. If the date of a meeting has been set and a Board member advises of his or her inability to attend, then the date of the meeting shall not be changed, unless the Chairman decides otherwise. If extraordinary or unforeseen events were to arise, the Chairman has a right to change the date and time of a Board meeting.

Where a Board member fails to attend three consecutive Board meetings or four non-consecutive Board meetings without providing an excuse acceptable to the Board, the absent Board member will be deemed to have resigned from the Board.

3.2. Quorum, Attendance and Voting

The Board meeting shall be valid only if it is attended by the majority of the Board members, either in person or through any approved telecommunications platform, provided that either the Chairman or the Vice Chairman is in attendance.

A Board member who is unable to attend a Board meeting may delegate in writing another Board member to act on his or her behalf by attending and voting at the Board meeting, provided that such delegated Board member does not represent more than one Board member. For the avoidance of doubt, each Board member in attendance shall have no more than two votes. The Board secretary shall record in the meeting minutes any Board members attending by proxy.

The Board's resolutions shall be passed by the majority of votes of the Board members or their representatives present at a meeting. In the event of a tie, the Chairman shall have a casting vote. A member who is not in agreement with any decision taken by the Board shall register his or her objection in the minutes of the meeting. The Board may, where necessary and in urgent cases, pass resolutions by circulation, provided that such resolutions are approved by all of the Board members in written, and provided that such resolutions are presented to the Board during the following Board meeting for inclusion in the minutes of meeting.

The Board may request that the CEO and the senior members of the Senior Executive Management attend the Board meetings.

If the Chairman of the Board cannot be present at a Board meeting, or if the Chairman is excused in any other way from fulfilling his or her duties, then the meeting shall be led, and the other duties of the Chairman performed, by the Vice Chairman or any other person appointed by the Board.

The Bank's auditors shall be asked to attend the Board or the Audit Committee meetings concerning the assessment of the annual accounts of the Bank, in order to present a verbal report on their observations and examination of the accounts and the audit to the Board.

3.3. Matters Requiring a Board Resolution

The Board shall take decisions on all matters within the scope of its authorities in accordance with the applicable laws and the AoA. The matters that require a Board resolution include, among other things, the following:

(a) the appointment of the CEO and the members of the Senior Executive Management;

- (b) the approval of the annual, semi-annual and quarterly financial statements;
- (c) the approval of the annual report and corporate governance report;
- (d) the submission of a proposal to the general assembly for the appointment of members of the Shari'a Supervisory Board (when necessary);
- (e) making recommendations concerning the distribution of dividends;
- (f) making recommendations for new share or bonds issuance;
- (g) involvement in any corporate social responsibility programs and initiatives, and charity and sponsorship programs;
- (h) the extension of branches or subsidiaries;
- (i) the delegation of authorities; and
- (j) any other matter reserved for a decision by the Board in accordance with the applicable laws and the AoA.

3.4. Conduct at Board Meetings

The following matters shall be addressed at the first Board meeting following the election of each Board:

- (a) the election of Chairman and the Vice Chairman of the Board;
- (b) the appointment of a managing director;
- (c) determining the dates and locations of ordinary Board meetings during the current year;
- (d) the confirmation of, or if necessary, the appointment of the CEO;
- (e) if necessary, deciding upon the allocation of the Board remuneration and fees, as well as the dates and requirements for distributing the payments;
- (f) the designation of persons authorised to sign on behalf of the Dukhan Bank Group;
- (g) the nomination of a Board secretary, including granting the secretary the power to sign off on and verify the minutes of Board meetings, Board resolutions, and determining the duties and the responsibilities of the Board secretary as well as the limitations on the secretary's powers;

- (h) adopting of the terms of reference of the Board, including the duties and functions of the CEO and the procedures for reporting to the Board; and
- (i) electing the members of the Board committees, noting that the chairman of a Board committee shall be appointed by the Chairman of the Board of Directors.

The following matters shall be addressed at each ordinary Board meeting:

- (a) the formal opening of the meeting;
- (b) the approval of the meeting agenda;
- (c) the approval of the minutes of the previous Board meeting;
- (d) discussing the matters recorded in the minutes of the previous Board meeting;
- (e) presenting and discussing information regarding the business situation of the Dukhan Bank Group and the important events within the Group;
- (f) discussing matters concerning the CEO and other business reports;
- (g) discussing, reviewing and approving the reports of the Board committees;
- (h) discussing, reviewing and approving the financial transactions of the Group;
- (i) discussing and reviewing the matters requiring a decision by the Board;
- (j) deciding upon the date of the following Board meeting; and
- (k) the formal closure of the Board meeting.

The following reports shall be submitted at each ordinary Board meeting or on a quarterly basis:

- (a) a report concerning the Group's business, including balances, results and liquidity issues;
- (b) a report concerning any extraordinary measures implemented between the meetings of the Board;
- (c) a report concerning any legal disputes or material risks facing the Group; and
- (d) any other material reports or other reports requested by the Board.

4. SECRETARY OF THE BOARD

4.1. Duties of the Board Secretary

The Board shall appoint a secretary to perform the secretarial work of the Board. The secretary of the Board may only be dismissed by a Board resolution. The Board shall determine the secretary's duties and responsibilities. The Board secretary shall be responsible for organising Board meetings and preparing meeting agendas, notifying the Board members of meetings by sending them meeting invitations, organising the general assembly meetings and preparing and filing the minutes of meetings.

The secretary may, upon obtaining the approval of the Chairman, request the assistance of any employee of the Bank in the performance of its duties. The duties of the Board secretary include:

- (a) recording the minutes of Board meetings, including recording the names of the attending and absent Board members, the meeting discussions, and recording any objections raised by Board members to any Board decisions;
- (b) recording the Board resolutions in the relevant register according to the resolution date;
- (c) maintaining and recording the minutes of Board meetings in the relevant register, in an organised manner depending on the dates of the meeting;
- (d) safeguarding the minutes of Board meetings, Board resolutions, Board reports and all of the documents and any communications between the Board members in hard copy files and electronically;
- (e) sending Board meeting invitations to the Board members and other participants (if any), accompanied with the Board agenda, at least two weeks prior to the meeting date, and receiving any requests from Board members to add one or more items to the meeting agenda. The invitation must include the meeting date, time and location, and the agenda must include the matters to be discussed and voted upon. The secretary, in coordination with the Chairman and the CEO, shall decide upon the agenda items;
- (f) sending Board and general assembly meeting invitations and agendas to the relevant regulator when required;
- (g) ensuring full coordination between the Chairman and the members of the Board, between the Board members, and between the Board and stakeholders, including the Shareholders, the Senior Executive Management and the employees;
- (h) enabling the Chairman and the Board members to access all information, minutes of meetings, other documents and data of the Bank in a timely manner;

- (i) safeguarding the Board members' acknowledgments of not combining prohibited positions in accordance with the QFMA Governance Code, the QCB Governance Guidelines and the applicable laws;
- (j) ensuring that the minutes of meetings are signed by the secretary, the Chairman and the managing director;
- (k) executing notices in accordance with the resolutions of the Board, taking into account the requirements of banking confidentiality;
- (l) following up on the implementation of the Board's resolutions and ensuring that the Board members comply with the procedures approved by the Board; and
- (m) carrying out any other functions assigned to them by the Board.

4.2. Minutes of Meetings

The minutes of Board meetings must comply with the following requirements:

- (a) the minutes of Board meetings shall be recorded in a special register, and must be signed by the Chairman, the managing director (if any) and the Board secretary;
- (b) the minutes recording the resolutions and proceedings of all meetings are kept in the custody of the secretary of the Board. The minutes of meetings shall be kept in an organised manner, with each record containing a summary of the Board's discussions, the decisions taken and the information upon which the decisions were based;
- (c) the minutes must record any objections raised by Board members to any Board decisions;
- (d) the Board secretary shall announce, at the beginning of each meeting, the existence of any conflicts of interest and record them in the minutes accordingly.

5. CONFLICTS OF INTERESTS, DISCLOSURES AND COMPETING BUSINESS

5.1. Conflicts of Interest

The Chairman, the member of the Board and the members of the Senior Executive Management must disclose to the Board any direct or indirect interest that they, or their First-Degree Relatives, have in any of the transactions or dealings that the Group is involved in. This disclosure must include the type, value, and other details of such transactions, as well as the nature and extent of their interest in such transactions and any other beneficiaries. If the total value of such transactions and dealings is equal to or more than 10% of the Bank's market value or the Bank's net assets, whichever is less, the prior approval of the general assembly must be obtained in accordance with Article 109 of the Companies

Law. The Bank must disclose to the QFMA any such transactions or dealings in accordance with Article 109 of the Companies Law.

The Board must disclose any contracts or arrangements entered into by the Group and any Related Party whereby a Related Party has an interest which conflicts with the interests of the Group. The Board must, at least one week prior to the general assembly meeting, submit to the Shareholders details of such Related Party transactions, and must disclose such transactions in the Bank's annual report. In any case, the Bank must not enter into or carry out any transaction or other dealing without obtaining the prior approval of the general assembly.

Any Related Party, which is a party to, or has a relationship or any other direct or indirect interest in a business dealing or transaction of the Bank, may not attend a Board or general assembly meeting when such dealings or transactions are being discussed, and may not vote on such matters.

The Chairman, the Board members and the employees of the Bank may not exploit any information that they become aware of as a result of their roles and duties within the Bank in order to benefit themselves, their spouses, children or relatives up to the fourth-degree, whether directly or indirectly as a result of dealing in the Bank's securities. Furthermore, the Chairman, the Board members and the employees of the Bank may not have any direct or indirect interest in any party whose operations impact the prices of the Bank's securities. This prohibition remains in effect for a period of three years following the termination of the Board member's membership or any other person's employment.

The Bank may extend loans or open credit accounts for the Board members, and may guarantee loans provided by third parties to the Board members, in accordance with the rules and instructions of the QCB.

Any Board member who contravenes these rules or any of the applicable provisions of the QCB Governance Guidelines and the QFMA Governance Code shall be removed from his or her position, and shall remain responsible for compensating the Bank for any damage suffered by the Bank as a result of his or her non-compliance.

The Board must comply with all of the rules and regulations concerning conflicts of interest and disclosure under the QCB Governance Guidelines, the QFMA Governance Code, the Companies Law and other applicable laws.

5.2. Competing Business

It is not permissible for any of the Chairman, the members of the Board or the Senior Executive Management to participate in any business that competes with the business of the Bank, and they may not trade for their own account or for the account of others in any of the activities that the Bank engages in, unless the general assembly's approval is obtained. If such activities are carried out without the approval of the general assembly, the Bank may demand compensation from such persons or may consider that such activities have been carried out for the benefit of the Bank.

The Chairman of the Board, the members of the Board and the Senior Executive Management may not directly or indirectly carry out or engage in, and their First-Degree Relatives may not, directly or indirectly, carry out or engage in any activities similar to or competing with the activities of the Bank, and may not take advantage of the Bank's activities or resources to achieve or promote any of their own commercial or personal interests.

The Board members, their First-Degree Relatives, affiliates and associates must not have any material personal, financial or professional interest in any competitor of the Dukhan Bank Group, which in the judgment of the Board, could limit or interfere with his or her ability to properly discharge their duties and responsibilities, or which could otherwise conflict with his or her obligations to the Dukhan Bank Group and the Shareholders.

In addition, the members of the Board and the Senior Executive Management may not seize any of the Bank's business or other opportunities, unless such business or other opportunities were first offered to the Bank and the Bank rejected them.

5.3. Disclosure of Trading Operations

The members of the Board, the Senior Executive Management and all Insiders and their spouses and minor children must disclose the trading operations that they carry out which involve the Bank's shares and any other securities. The Board shall adopt clear rules and procedures which regulate the trading by Insiders of the securities of the Bank, in accordance with the QCB Governance Guidelines and the QFMA Governance Code.

6. AMENDMENT OF THESE TERMS OF REFERENCE

The Chairman may make a recommendation to the Board to amend these Terms.

Review and Update:

These terms of reference was updated and reviewed by the Nomination and Governance Committee in its meeting No. 02/2023, dated 01/03/2023.

Approved:

Approved by the Board of Directors in meeting No. 03/2023, dated 14/03/2023.