

Board Committee Terms of Reference

Terms of Reference

Executive Committee

The Executive Committee (hereby referred to as the "**EC**") is established in accordance with the provisions of the Memorandum and Articles of Association of Dukhan Bank (Q.P.S.C.) (the "**Bank**") and the Qatar Central Bank (the "**QCB**") Circular No. 25 of 2022 relating to the Instructions of Governance to Banks, 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, and other applicable laws and regulations.

The EC is a sub-committee appointed to assist the Board of Directors (the "**Board**") of the Bank and its subsidiaries, and shall report regularly and directly to the Board.

1. PURPOSE

The purpose of these Terms of Reference is to reflect the best practice in the concerned field as carried out in leading financial institutions.

The EC is a Board committee appointed to assist the Board in formulating and reviewing the Bank's related policies and rules, including the administrative policy. The EC shall act as a proxy to the Board and ensure continuity in all matters in between Board meetings. The chairman of the EC (the "**Chairman**") shall report directly to the Board on a regular basis. The EC shall provide guidance to the Bank's Chief Executive Officer and executive management team and approve strategic matters and operational issues.

As part of its duties, the EC shall review the Bank's investment policies, strategies, transactions and performance and oversee its capital and financial resources. It shall be responsible for formulating the overall investment policies of the Bank and establishing investment guidelines in furtherance of those policies, subject to approval by the Board.

The EC is also required to assist the Board in overseeing the investment portfolio and the overall administrative framework of the Bank.

2. COMMITTEE STRUCTURE AND MEMBERSHIP

1. The committee consists of three members and the Board of directors issues a decision to nominate its members, preferably the membership of the majority is independent.
2. Members are expected to devote the necessary time and effort to comply with these Terms of Reference.
3. Members of the EC shall be appointed by the Board for a three-year term.
4. At least two members of the EC must be knowledgeable in investment and financial matters.

EC Secretary

1. The secretary to the Board shall act as the EC secretary (the "**Secretary**").
2. The Secretary shall fulfil the following responsibilities:
 - a) preparing and issuing meeting invitations and agendas;
 - b) preparing and submitting for the Chairman's approval the meeting agendas; and
 - c) preparing and submitting for the Chairman's approval the minutes of each meeting held by the EC.

3. EXECUTIVE COMMITTEE MEETINGS

General

1. The EC shall hold periodic or frequent meetings according to business needs which shall not exceed a period of two months in between, and not less than six meetings in one financial year, in order to ensure continuity in the functions of the Board.
2. The dates of the meetings shall be set and agreed at the beginning of the year. To the extent possible, the meetings shall be scheduled to coincide with Board meetings.
3. The Secretary is responsible for scheduling and calling the meetings and for providing the members with a written agenda, approved by the Chairman, in advance of each meeting.

Agenda and Invitations

1. Meeting invitations and agendas shall be prepared and issued by the Secretary after consultation with the Chairman.
2. Meeting invitations, agendas, and their supporting documentation shall be sent in advance to all members via mail, facsimile or e-mail within a reasonable period of time prior to the meeting.

Attendance

1. Given the importance of the functions of the EC and the impact of its decisions on the business, active participation by all members is essential, and attendance at all meetings is strongly encouraged.
2. The meetings are not valid unless attended by the Chairman and the majority of its members.
3. Taking into consideration that some meetings may be scheduled at a short notice, and in order to encourage the participation of all members, consultations may be held by in-person visits, conference calls (if the Board finds it necessary), facsimile and telex communication, or by memoranda (with courier delivery).

4. The EC shall neither expect nor accept a member's viewpoint without proper prior briefing on each required decision.
5. The EC may invite non-members to the meetings if it deems that their presence is valuable to the EC's decision-making process. These invitees shall not have any voting rights.

Quorum and Voting Requirements

5. The quorum for any meeting shall be half of the total membership, including either the Chairman or Vice-Chairman, at the time of the meeting.
6. Attendance may be in person or by any other electronic communication means. A member may attend by written proxy provided, however, that the proxy letter is issued only to an attending member, and that no member shall attend on behalf of more than one member. Proxies shall be duly recorded in the meeting minutes.
7. No decisions shall be made without the quorum being reached.
8. Decisions shall be adopted by a majority vote of the members present and those voting in absentia. In the event of an equal vote, the Chairman shall have a casting vote.
9. The minutes of the meetings shall be maintained in the Secretary's files.

Exclusion of Members from Voting

Any member of a committee who is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement shall not be allowed to take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, nor shall such member's presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if such member does vote, the vote shall be deemed void.

Minutes and Decisions

1. The Secretary shall take written minutes of each meeting. Such minutes shall include a summary of the discussions, decisions taken and the information on which the decision was based, the date of meeting, and the names of those present, whether in person or by proxy, and absentees.
2. The Secretary must ascertain at the beginning of each meeting the existence of any conflicts of interest and record the same in the minutes of meeting.
3. The EC shall keep and maintain records of its written minutes of meetings and decisions (ordered chronologically in tabular form), to be filed with the minutes of meetings of the Board.
4. The Secretary shall maintain copies of the decisions and circulate the same to the concerned management for their necessary action.
5. The EC may issue its decisions by circulation without holding a meeting. A decision by circulation is deemed valid if it meets the following conditions:

- a) the matter subjects of the meeting are urgent; and
- b) the decisions are passed in unanimity of all members.

4. RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The EC's main responsibilities shall include, but are not limited to, the following:

1. reviewing all major functions of the Board;
2. coordinating the activities of other Board committees;
3. handling all matters requiring the Board's attention that may arise in between Board meetings;
4. preparing, reviewing and approving the strategy plan and direction of the Bank;
5. providing guidance to the Chief Executive Officer and the executive management team;
6. reviewing and approving credits above the capital thresholds;
7. overseeing the investment policies, strategies, and programs of the Bank and its subsidiaries;
8. overseeing all the Bank's activities on a monthly basis;
9. delegating authority to management to execute individual investment transactions on behalf of the Bank within the policies and limits approved by the EC, and approving investment transactions on behalf of the Bank that exceed such delegated authority;
10. reviewing credit and investment transactions made on behalf of the Bank and its subsidiaries;
11. establishing operating guidelines, and reviewing and endorsing management recommendations on administrative and financial matters as well as investment strategies, products and services;
12. reviewing the Bank's capital plan and providing guidance to the Board on significant financial policies and matters;
13. reviewing and approving investments subject to its limits, and providing guidance to the Board about proposed mergers, acquisitions, divestitures and other similar transactions;
14. reviewing and approving budgets and quarterly plans;
15. reviewing and granting final approval on capital expenditures of no more than 20 million Qatari Riyals;
16. reviewing draft budgets before submitting to the Board;
17. approving and signing tenders in an annual amount not exceeding 20 million Qatari Riyals;

18. ensuring the preparation and updating of the Bank's strategy, structure and business plans;
19. ensuring and reviewing implementation of the Bank's business plans;
20. approving banking relationships and placement arrangements as recommended by the management.
21. attending to such matters as the Board may from time to time determine;
22. reviewing and re-assessing the frequency of these Terms of Reference on a yearly basis and recommending any proposed changes for the Board's approval; and
23. performing any other responsibilities delegated by the Board from time to time.

5. AUTHORITY

The EC shall have access to sufficient resources in order to carry out its duties and is authorized to engage independent counsel and other professional advisers as and when it considers necessary.

6. FREQUENCY OF REVIEW

1. The EC shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board.
2. The Board shall review and evaluate the performance of the EC and incorporate its activities in the Board's governance report.
3. Any amendments or recommendations relating to these Terms of Reference shall be subject to the approvals of the Board and the Nominations and Corporate Governance Committee.

DOCUMENT CONTROL AND VERSION HISTORY

Owner of document	Board of Directors
Custodian of document	Board secretary

Version number	Approved by	Approval date
5.2	Nomination & Governance Committee	01 February 2024
5.2	Board of Directors	04 February 2024

Year	Reviewed By	Approval
2021	Tareq Al-Araj	Nomination and Corporate Governance Committee
2022	Tareq Al-Araj	Nomination and Corporate Governance Committee
2023	Buthaina Al-Khal	Nomination and Corporate Governance Committee
2024	Buthaina Al-Khal	Nomination and Corporate Governance Committee

Terms of Reference Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee (hereby referred to as the "**NCGC**") is established in accordance with the Memorandum and Articles of Association of Dukhan Bank (Q.P.S.C.) (the "**Bank**"), the Qatar Central Bank Circular (the "**QCB**") No. 25 of 2022 relating to the Instructions of Governance to Banks, 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, and other applicable laws and regulations.

The NCGC is a sub-committee appointed to assist the Board of Directors (the "**Board**") of the Bank and its subsidiaries and shall report regularly and directly to the Board.

1. PURPOSE

The purpose of these Terms of Reference is to reflect the best practice in the concerned field as carried out in leading financial institutions.

The NCGC shall exercise general oversight with respect to the governance of the Board and ensure that the Board is appropriately constituted to meet its fiduciary obligations to the Bank and its shareholders.

The NCGC shall handle the nomination process including that of the Board and executive management, and regularly review the Bank's succession plan, as modified from time to time.

For this purpose, the NCGC shall:

- a) develop and recommend to the Board a set of corporate governance guidelines applicable to the Bank;
- b) implement policies and processes relating to corporate governance principles;
- c) ensure that appropriate procedures are in place to assess Board membership needs; and
- d) recommend potential directorial candidates to the Board.

2. COMMITTEE STRUCTURE AND MEMBERSHIP

1. The committee consists of three members and the Board of directors issues a decision to nominate its members, preferably the membership of the majority is independent.
2. The majority of members of the NCGC shall preferably be composed of non-executive or independent directors, and selected according to the Board's identified need for skill, experience and independence.

3. The meeting of the NCGC must be attended by the Chairman and the majority of its members.
4. Members of the NCGC shall be appointed by the Board for a three-year' term.

NCGC Secretary

1. The Secretary to the Board shall act as the NCGC secretary (the "**Secretary**").
2. The Secretary shall fulfil the following responsibilities:
 - a) preparing and issuing meeting invitations and agendas;
 - b) preparing and submitting for the Chairman's approval the meeting agendas; and
 - c) preparing and submitting for the Chairman's approval the minutes of each meeting held by the NCGC.

3. NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE MEETINGS

General

1. The NCGC shall hold periodic or frequent meetings according to business needs which shall not exceed a period of three months in between, and not less than four meetings in one financial year, in order to:
 - a) prepare the Board performance review;
 - b) review the corporate governance charter;
 - c) review all Board and committees' Terms of References and recommend changes to the Board and committees as required;
 - d) review the corporate governance annual reports; and
 - e) prepare the chief executive officer and senior management succession plans.
2. The NCGC shall meet to report on adherence of the Bank's business activities to the nomination and corporate governance guidelines.
3. The dates of the meetings shall be set and agreed at the beginning of the year. To the extent possible, the meetings shall be scheduled to coincide with Board meetings.
4. The Secretary is responsible for scheduling and calling the meetings and for providing the members with a written agenda, approved by the Chairman, in advance of each meeting.

Agenda and Invitations

1. Meeting invitations and agendas shall be prepared and issued by the Secretary after consultation with the Chairman.

2. Meeting invitations, agendas, and their supporting documentation shall be sent in advance to all members via mail, facsimile or e-mail within a reasonable period of time prior to the meeting.

Attendance

1. Given the importance of the functions of the NCGC and the impact of its decisions on the business, active participation by all members is essential, and attendance at all meetings is strongly encouraged.
2. Taking into consideration that some meetings may be scheduled at a short notice, and in order to encourage the participation of all members, consultations may be held by in-person visits, conference calls (if the Board finds it necessary), facsimile and telex communication, or by memoranda (with courier delivery).
3. The NCGC shall neither expect nor accept a member's viewpoint without proper prior briefing on each required decision.
3. The NCGC may invite non-members to the meetings if it deems that their presence is valuable to the NCGC's decision-making process. These invitees shall not have any voting rights.

Quorum and Voting Requirements

1. The quorum for any meeting shall be half of the total membership, including either the Chairman or Vice-Chairman, at the time of the meeting.
2. Attendance may be in person or by any other electronic communication means. A member may attend by written proxy, provided, however that the proxy letter is issued only to an attending member and that no member shall attend on behalf of more than one member. Proxies shall be duly recorded in the meeting minutes.
3. No decisions shall be made without the quorum being reached.
4. Decisions shall be adopted by a majority vote of the members present and those voting in absentia. In the event of an equal vote, the Chairman shall have a casting vote.
5. The minutes of the meetings shall be maintained in the Secretary's files.

Exclusion of Members from Voting

Any member of a committee who is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement shall not be allowed to take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, nor shall such member's presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if such member does vote, the vote shall be deemed void.

Minutes and Decisions

1. The Secretary shall take written minutes of each meeting. Such minutes shall include a summary of the discussions, decisions taken and the information on which the decision was based, the date of meeting, and the names of those present, whether in person or by proxy, and absentees.
2. The Secretary must ascertain at the beginning of each meeting the existence of any conflicts of interest and record the same in the minutes of meeting.
3. The NCGC shall keep and maintain records of its written minutes of meetings and decisions (ordered chronologically in tabular form), to be filed with the minutes of meetings of the Board.
4. The Secretary shall maintain copies of the decisions and circulate the same to the concerned management for their necessary action.
5. The NCGC may issue its decisions by circulation without holding a meeting. A decision by circulation is deemed valid if it meets the following conditions:
 - a) the matter subjects of the meeting are urgent; and
 - b) the decisions are passed in unanimity of all members.

4. RESPONSIBILITIES OF THE NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE

The NCGC's main responsibilities shall include, but are not limited to, the following:

1. taking a leadership role in shaping the corporate governance of the Bank;
2. making every effort to ensure that the Board is not controlled by any natural or legal person or group of persons;
3. recommending nomination of directors and members of the executive management including those for the directors, chief executive officer and senior management;
4. reviewing management administrative decisions related to nomination and termination entitlements in order to avoid rewarding poor performance in the event of early contract termination;
5. submitting an annual report to the Board which includes a comprehensive analysis of the Board's performance, and identifying strengths, weaknesses and suggestions in this regard;
6. approving the terms of appointment for designations from the chief investment officer, chief risk officer, chief operating officer, and other senior executives;
7. evaluating the current composition and governance of the Board and its committees;
8. formulating the desired or preferred skills, attributes and qualifications for selecting new directors;

9. evaluating the selection process of the prospective Board members and making recommendation of the proposed nominees for election to the Board, and ensuring a copy of such evaluation is provided to the Qatar Financial Markets Authority;
10. evaluating and recommending the termination of membership of individual directors in accordance with the Board's corporate governance guidelines, for cause or for other appropriate reasons;
11. developing and overseeing the execution of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program with senior Board members;
12. reviewing the responsibilities and composition of the Board and Board committees according to QCB guidelines and other applicable regulations;
13. preparing for Board evaluation process and following up on its resolution and recommendations;
14. monitoring the implementation of the Bank's succession plan;
15. determining the disclosure policy with respect to the Board and executive remuneration and other disclosure guidelines;
16. reviewing recommendations for:
 - a) nomination policies;
 - b) Sharia'a supervisory board nomination;
 - c) corporate governance;
 - d) corporate and administrative policies;
 - e) organizational structure;
 - f) capital expenditures;
 - g) ethics policies;
 - h) any other administrative management matters in accordance with policies established by the Board; and
 - i) succession plans;
17. reviewing administrative decisions and referring all decisions beyond its own authority to the Board;
18. supervising the human resources policies in an objective manner and ensuring the existence of a substitution plan for senior employees in the executive management;

19. determining whether the Board director meets the requirements of an independent or a non-executive director, taking into consideration the minimum threshold conditions required to be met for both pursuant to the applicable laws, and reviewing these on a yearly basis;
20. directing and supervising the preparation and updating of the governance manual, and monitoring its implementation by working with the executive management, the Audit Committee and the Sharia'a supervisory board;
21. submitting to the Board reports and recommendations on the extent of compliance with the Bank's governance charter and its proposals to amend the charter, including the composition of the Board and the number of its members and committees to comply with best practices;
22. reporting to the Board on a regular basis (i.e. every six months) on all matters within its duties and responsibilities.

5. AUTHORITY

The NCGC shall have access to sufficient resources in order to carry out its duties and is authorized to engage independent counsel and other professional advisers as and when it considers necessary.

6. FREQUENCY OF REVIEW

1. The NCGC shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board.
2. The Board shall review and evaluate the performance of the NCGC and incorporate its activities in the Board's governance report.
3. Any amendments or recommendations relating to these Terms of Reference shall be subject to the approval of the Board.

DOCUMENT CONTROL AND VERSION HISTORY

Owner of document	Board of Directors
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2023	Buthaina Al-Khal	Nomination and Corporate Governance Committee
2024	Buthaina Al-Khal	Nomination and Corporate Governance Committee

Terms of Reference Remunerations Committee

The Remunerations Committee (hereby referred to as the “**RC**”) is established in accordance with the Memorandum and Articles of Association of Dukhan Bank (Q.P.S.C.) (the “**Bank**”), the Qatar Central Bank Circular (the “**QCB**”) No. 25 of 2022 relating to the Instructions of Governance to Banks, 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, and other applicable laws and regulations.

The RC is a sub-committee appointed to assist the Board of Directors (the “**Board**”) of the Bank and its subsidiaries, and shall report regularly and directly to the Board.

7. PURPOSE

The purpose of these Terms of Reference is to reflect the best practice in the concerned field as carried out in leading financial institutions.

The RC is appointed to assist the Board in formulating and reviewing the Bank’s related policies and rules, including the administrative policy, and to handle all remuneration processes including remuneration and compensation of the Board and executive management.

8. COMMITTEE STRUCTURE AND MEMBERSHIP

1. The committee consists of three members and the Board of directors issues a decision to nominate its members, preferably the membership of the majority is independent.
2. The members shall be composed of non-executive directors, with the majority preferably being independent directors, and selected according to the Board’s identified need for skill, experience and independence.
3. Members are expected to devote the necessary time and effort to comply with these Terms of Reference.

RC Secretary

1. The secretary to the Board shall act as the RC secretary (the “**Secretary**”).
2. The Secretary shall fulfil the following responsibilities:
 - a) preparing and issuing meeting invitations and agendas;
 - b) preparing and submitting for the Chairman’s approval on the meeting agendas; and
 - c) preparing and submitting for the Chairman’s approval on the minutes of each meeting held by the RC.

9. REMUNERATIONS COMMITTEE MEETINGS

General

1. The RC shall hold periodic or frequent meetings according to business needs which shall not exceed a period of three months in between, and not less than four meetings in one financial year, in order to:
 - a) review the performance; and
 - b) review and recommend the compensation and benefit programs, of the Board, the chief executive officer and the executive management.
2. The dates of the meetings shall be set and agreed at the beginning of the year. To the extent possible, the meetings shall be scheduled to coincide with Board meetings.
3. The Secretary is responsible for scheduling and calling the meetings and for providing the members with a written agenda, approved by the Chairman, in advance of each meeting.

Agenda and Invitations

1. Meeting invitations and agendas shall be prepared and issued by the Secretary after consultation with the Chairman.
2. Meeting invitations, agendas, and their supporting documentation shall be sent in advance to all members via mail, facsimile or e-mail and within a reasonable period of time prior to the meeting.

Attendance

1. Given the importance of the functions of the RC and the impact of its decisions on the business, active participation by all members is essential, and attendance at all meetings is strongly encouraged.
2. Taking into consideration that some meetings may be scheduled at a short notice, and in order to encourage the participation of all members, consultation may be held by in-person visits, conference calls (if the Board finds it necessary), facsimile and telex communication, or by memoranda (with courier delivery).
4. The RC shall neither expect nor accept a member's viewpoint without proper prior briefing on each required decision.
5. The RC invites non-members to the meetings if it deems that their presence is valuable to the RC's decision-making process. These invitees shall not have any voting rights.

Quorum and Voting Requirements

1. The quorum for any meeting shall be half of the total membership, including either the Chairman or Vice-Chairman, at the time of the meeting.
2. Attendance may be in person or by any other electronic communication means. A member may attend by written proxy provided, however, that the proxy letter is issued only to an attending member, and that no member shall attend on behalf of more than one member. Proxies shall be duly recorded in the meeting minutes.
3. No decisions shall be made without the quorum being reached.
4. Decisions shall be adopted by a majority vote of the members present and those voting in absentia. In the event of an equal vote, the Chairman shall have a casting vote.
5. The minutes of the meetings shall be maintained in the Secretary's files.

Exclusion of Members from Voting

Any member of a committee who is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement shall not be allowed to take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, nor shall such member's presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if such member does vote, the vote shall be deemed void.

Minutes and Decisions

1. The Secretary shall take written minutes of each meeting. Such minutes shall include a summary of the discussions, decisions taken and the information on which the decision was based, the date of meeting, and the names of those present, whether in person or by proxy, and absentees.
2. The Secretary must ascertain at the beginning of each meeting the existence of any conflicts of interest and record the same in the minutes of meeting.
3. The RC shall keep and maintain records of its written minutes of meetings and decisions (ordered chronologically in tabular form), to be filed with the minutes of meetings of the Board.
4. The Secretary shall maintain copies of the decisions and circulate the same to the concerned management for their necessary action.
5. The RC may issue its decisions by circulation without holding a meeting. A decision by circulation is deemed valid if it meets the following conditions:
 - a) the matter subjects of the meeting are urgent; and
 - b) the decisions are passed in unanimity of all members.

10. RESPONSIBILITIES OF THE REMUNERATIONS COMMITTEE

The RC's main responsibilities shall include, but are not limited to, the following:

1. preparing a policy for granting rewards and incentives and presenting it to the Board for approval, taking into account that such policy is in line with best banking and international practices and the instructions of the Bank in this regard, and that it includes all rewards and incentives for the Chairman, the members of the Board, all officials including the chief executive officer, and the employees of the Bank;
2. supervising the implementation and periodic review of the policy for granting rewards and incentives;
3. ensuring that the policy for granting rewards and incentives takes into account all types of risks which the Bank is exposed to when granting rewards, so that the achieved profits are balanced against the degree of risks associated with them;
4. determining the general policy for granting bonuses on a yearly basis, including the method for determining the remuneration of the Chairman and members of the Board, provided that the annual remuneration of the Board does not exceed 5% of the net profit of the Bank after deducting legal reserves and deductions and distributing cash and in-kind profits to shareholders;
5. recommending to the Board additional benefit and pension plans and schemes;
6. preparing and supervising the implementation and periodic review of the compensation and remunerations policy;
7. preparing an annual report that entails all remunerations granted to the Board and executive senior management;
8. reviewing and approving sales commission plans;
9. reviewing management administrative decisions related to termination and remuneration entitlements in order to avoid rewarding poor performance in the event of expected early contract termination;
10. approving the terms to determine the specific remuneration arrangements for designations from chief investment officer, chief risk officer, and chief operating officer and other senior executives;
11. reviewing recommendations for the compensation program, the share incentive program, and the Sharia'a supervisory board remuneration;
12. determining the disclosure policy with respect to the Board and executive remuneration, in order to define the extent and nature of information to be made public regarding:
 - a) the Bank's remuneration policy and approach to remuneration setting; and
 - b) the level of remuneration paid to individuals and its composition;
12. reviewing administrative decisions and referring all decisions beyond the RC's own scope of authority to the Board;

13. reviewing and approving performance based remuneration by reference to the corporate goals and objectives (Key Performance Indicators) specified by the Board from time to time; and
14. reporting to the Board on a regular basis (i.e. every six months) on all matters within its duties and responsibilities.

11. AUTHORITY

The RC shall have access to sufficient resources in order to carry out its duties and is authorized to engage independent counsel and other professional advisers as and when it considers necessary.

12. FREQUENCY OF REVIEW

1. The RC shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board.
2. The Board shall review and evaluate the performance of the RC and incorporate its activities in the Board's governance report.
3. Any amendments or recommendations relating to these Terms of Reference shall be subject to the approval of the Board and the Nominations and Corporate Governance Committee.

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Terms of Reference

Risk Management and Compliance Committee

The Risk Management and Compliance Committee (hereby referred to as the "**RMCC**") is established in accordance with the provisions of the Memorandum and Articles of Association of Dukhan Bank (Q.P.S.C.) (the "**Bank**"), the Qatar Central Bank (the "**QCB**") Circular No. 25 of 2022 relating to the Instructions of Governance to Banks, 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 , and other applicable laws and regulations.

The RMCC is a sub-committee appointed to assist the Board of Directors (the "**Board**") of the Bank and its subsidiaries (the "**Group**") and shall report regularly and directly to the Board.

13. PURPOSE

The purpose of these Terms of Reference is to reflect the best practice in the concerned field as carried out in leading financial institutions.

The primary functions of the RMCC are to:

1. make recommendations to the Board in relation to the Bank and the Group's overall risk appetite and tolerances and to set policies to manage them. These policies are defined as credit risk, market risk, operational risk, liquidity risk, legal risk, reputational risk, strategic risk, security risk, regulatory risk including compliance and anti-money laundering ("**AML**") risk and fraud risk, in addition to any other risk category the Bank and the Group face in carrying out its activities;
2. approve the Bank and the Group's overall risk management framework which involves developing across all business activities and operations policies, internal controls, methods of risk management, compliance procedures and methods of reporting to the Board;
3. monitor and review the Bank and the Group's risk profile and risk management processes for compliance with prudential regulations vis-a-vis the Basel II and QCB guidelines, AML instructions, conflicts of interest, fraud and whistleblowing policies;
4. oversee the implementation and review the risk management and internal compliance and control systems throughout the Bank and the Group;
5. promote awareness of a risk-based culture and achieve balance between risk and reward for the risks accepted; and
6. provide the Board with periodic reports on the risks faced or potential risk exposure by the Bank and any violations of laws and regulations, and monitor the activities of the executive management in terms of its commitment and compliance to the approved risk management policies, laws and regulations.

14. COMMITTEE STRUCTURE AND MEMBERSHIP

1. The RMCC Committee consists of three members, and the Board of Directors issues a resolution to nominate its members, preferably, the membership of the majority is independent, and the committee may include the following non-voting members:
 - a) the chief executive officer (the "**CEO**");
 - b) the chief risk officer (the "**CRO**");
 - c) the chief credit officer; and
 - d) the chief compliance officer (the "**CCO**").
2. The quorum for any meeting shall be half of the total membership (minimum two members), including either the Chairman or vice-chairman (the "**Vice-Chairman**"), at the time of the meeting.
3. The majority of members of the RMCC shall be independent or non-executive Board members of the Bank and its subsidiaries and must be qualified and experienced in banking and legal risks. Non-director members shall be recommended by the Chairman and approved by the Board based upon their skills, contacts, experience and ability to add value to the Group's risk management framework.
4. Members of the RMCC shall be appointed by the Board for a minimum of three-year term.
5. Members are expected to devote the necessary time and effort to comply with these Terms of Reference.

RMCC Secretary

1. The secretary to the RMCC (the "**Secretary**") shall be nominated by the Chairman of the RMCC or the CRO. The Secretary will not have any voting rights.
2. The Secretary shall fulfil the following responsibilities:
 - a) preparing and issuing meeting invitations and agendas;
 - b) preparing and submitting for the Chairman's approval the meeting agendas; and
 - c) preparing and submitting for the Chairman's approval the minutes of each meeting held by the RMCC.

3. RISK MANAGEMENT AND COMPLIANCE COMMITTEE MEETINGS

General

6. The RMCC shall hold periodic or frequent meetings according to business needs which shall not exceed a period of three months in between, and not less than four meetings in one financial year, in order to:

- a) review and approve these Terms of Reference and the Bank's overall risk strategy, policy and procedure;
 - b) to review and assess compliance and AML risks;
 - c) to review and recommend risk appetite and risk tolerance related to the Bank's portfolio;
 - d) to approve modifications of the AML, financing and other risk-related policies and guidelines;
 - e) to assess credit-sanctioning governance (limits thresholds and authorities);
 - f) to review and comment on the Bank's overall compliance status regarding risk policies and procedures;
 - g) to review the Bank's technology risk reports;
 - h) to review the CRO's regular risk reports; and
 - i) to review the CCO's regular compliance and AML reports.
2. The dates of the meetings shall be set and agreed at the beginning of the year. To the extent possible, the meetings shall be scheduled to coincide with Board meetings.
 3. The Secretary is responsible for scheduling and calling the meetings and for providing the members with a written agenda, prepared by the CEO, CRO or CCO, and approved by the Chairman, in advance of each meeting.

Agenda and Invitations

1. Meeting invitations, agendas, and their supporting documentation shall be sent in advance to all members via mail, facsimile or e-mail and within a reasonable period of time prior to the meeting.
2. From time to time, the RMCC may call for meetings at very short notice, in the event where a decision is required to be made in relation to a significant risk management issue.

Attendance

1. Given the importance of the functions of the RMCC and the impact of its decisions on the business, active participation by all members is essential, and attendance at all meetings is strongly encouraged.
2. Taking into consideration that some meetings may be scheduled at a short notice, and in order to encourage the participation of all members, consultations may be held by in-person visits, conference calls (if the Board finds it necessary), facsimile and telex communication, or by memoranda (with courier delivery).
3. The RMCC shall neither expect nor accept a member's viewpoint without proper prior briefing on each required decision.

4. The RMCC may invite non-members guests to the meetings if it deems that their presence is valuable to the RMCC's decision-making process. These invitees shall not have any voting rights.

Quorum and Voting Requirements

1. The quorum for any meeting shall be half of the total membership, including either the Chairman or Vice-Chairman, at the time of the meeting.
2. Attendance may be in person or by any other electronic communication means. A member may attend by written proxy provided, however, that the proxy letter is issued only to an attending member, and that no member shall attend on behalf of more than one member. Proxies shall be duly recorded in the meeting minutes.
3. No decisions shall be made without the quorum being reached.
4. Decisions shall be adopted by a majority vote of the members present and those voting in absentia. In the event of an equal vote, the Chairman shall have a casting vote.
5. The minutes of the meetings shall be maintained in the Secretary's files.

Exclusion of Members from Voting

Any member of a committee who is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement shall not be allowed to take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, nor shall such member's presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if such member does vote, the vote shall be deemed void.

Minutes and Decisions

1. The Secretary shall take written minutes of each meeting. Such minutes shall include a summary of the discussions, decisions taken and the information on which the decision was based, the date of meeting, and the names of those present, whether in person or by proxy, and absentees.
2. The Secretary must ascertain at the beginning of each meeting the existence of any conflicts of interest and record the same in the minutes of meeting.
3. The RMCC shall keep and maintain records of its written minutes of meetings and decisions (ordered chronologically in tabular form), to be filed with the minutes of meetings of the Board.
4. The Secretary shall maintain copies of the decisions and circulate the same to the concerned management for their necessary action.
5. The RMCC may issue its decisions by circulation without holding a meeting. A decision by circulation is deemed valid if it meets the following conditions:
 - a) the matter subjects of the meeting are urgent; and

b) the decisions are passed in unanimity of all members.

4. RESPONSIBILITIES OF THE RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Risk Management Responsibilities:

In order to fulfil its responsibilities and duties, the RMCC shall ensure that sound policies, procedures and practices are implemented for the management of key risks under these Terms of Reference, which include, but are not limited to, market, operational, liquidity, credit, insurance, Sharia'a, regulations, legal, and reputational risks.

The RMCC's main responsibilities include, but are not limited to, the following:

1. developing a comprehensive strategy for the short and long terms on the types and levels of acceptable risks for all of the Bank's activities, presenting the strategy to the Board for approval, and ensure the same is periodically reviewed and updated;
2. reviewing, at least once a year, the Group's risk management procedures and techniques with the CRO and approving, where appropriate, policies developed and implemented to measure the Bank's risk exposures and for identifying, evaluating and managing the significant risks to which the Bank is exposed;
3. receiving presentations from the CRO or the CCO and other information to understand the significant risks to which the Bank or the Group is exposed;
4. periodically examining the risk culture in the Bank and the Group;
5. recommending to the Board the criteria to be used in determining the Bank's risk appetite and making recommendations for setting specific tolerance levels;
6. establishing risk policies and guidelines, and reviewing amendments to the same as recommended by management;
7. monitoring business activities in line with their intended boundaries and approved risk levels;
8. ensuring that risks and trends are appropriately measured, monitored and managed;
9. overseeing and ensuring that performance and trends are accurately and realistically interpreted and portrayed in management risk reports;
10. developing appropriate mechanisms to report any violations in a timely manner and holding those responsible accountable;
11. verifying a qualified cadre working independently on risk management according to a clear risk management system that identifies, measures, controls and hedges all risks associated with banking activities and the appropriate ways to reduce the level of risks and losses that may result from such risks, and retaining the necessary capital to manage those risks;

12. monitoring the quality, accuracy, completeness and source of data used to identify and measure risks and their impact on the capital in accordance with the Basel methodology for measuring capital adequacy and the QCB's instructions issued in this regard;
13. reviewing the risk disclosures prepared by the Bank's Risk Management Division (the "RMD") to assess exposures to various risks;
14. ensuring that sound internal controls are in place to minimize operational risks and hazards;
15. examining exceptions and breaches of the Bank's risk policies;
16. overseeing and endorsing amendments to the credit-sanctioning governance (limits, thresholds and authorities of the Group's credit committee, etc.);
17. seeking independent advice where appropriate;
18. reviewing and developing the capital management plan that outlines the Bank's current capital needs and anticipated capital requirements in alignment with the overall business plan of the Bank; and
19. monitoring the internal (regulatory) capital adequacy level on a frequent basis and escalating to the Board, if necessary.

Compliance and AML responsibilities

The RMCC is responsible for the effectiveness of the policies, procedures, systems and controls in preventing ML/TF.

1. The RMCC must ensure that:
 - a. the financial institution establishes, develops and maintains effective AML/CFT policies, procedures, systems and controls in accordance with the AML/CFT Law;
 - b. the financial institution has in place adequate screening procedures to ensure high standards when appointing officers and employees;
 - c. the financial institution identifies, designs, delivers and maintains an appropriate ongoing AML/CFT training programmes for its officers and employees and keep records thereof;
 - d. the financial institution has an independent and adequately resourced audit function to test compliance with a financial institution's AML/CFT policies, procedures, systems and controls, including sample testing;
 - e. regular and timely information is made available to the RMCC about the management of ML/TF risk;
 - f. the financial institution's ML/TF risk management policies and methodology are appropriately documented including their applications by the financial institution;
 - g. there is an MLRO designated to attend to the issues of ML/TF who has:
 - sufficient seniority, knowledge, experience and authority;

- appropriate knowledge and understanding of the legal and regulatory responsibilities of the role, the AML/CFT Law;
 - sufficient resources, including appropriate staff and technology, to carry out his responsibilities effectively, objectively and independently, and
 - timely, unrestricted access to all information of the financial institution that are relevant to AML/CFT which may include CDD, ongoing monitoring, all transactions and all other documents;
- h. a Deputy MLRO is available to carry out the functions without interruption during the absence of the MLRO;
- i. the financial institution has an AML/CFT compliance culture;
- That appropriate measures are taken to ensure that ML/TF risks are taken into account in the day-to-day operation of the financial institution, including in relation to:
- the development of new products;
 - the taking on of new customers; and
 - changes in the business profile of the financial institution; and
- j. all reasonable steps have been take so that a report required to be given to the QCB for AML/CFT purposes is accurate, complete and given on a timely manner.
2. The RMCC must ensure that the position of the MLRO is never vacant. If the position becomes vacant, the RMCC must appoint a replacement after obtaining the QCB's approval.

5. RELATIONSHIP WITH THE RISK MANAGEMENT DIVISION

1. The RMD shall provide independent views of the businesses, and shall review and report key risks to the RMCC.
2. The RMCC shall oversee the Group's RMD, including reviewing and approving the mandates of the Group's RMD and the CRO as and when needed. The RMCC shall ensure that the RMD has adequate resources and independence to perform its responsibilities. In addition, the RMCC shall:
 - a) review and approve, when necessary, the RMD budget and resource plan, including assessing the adequacy of the plan;
 - b) review regular risk reports prepared by the RMD along with management and the CRO and follow up on outstanding issues, as necessary; and
 - c) provide a forum for the CRO or the CCO to raise any risk issues or issues with respect to the relationship and interaction between the RMD and senior management of the Bank, internal audit, the external auditor and/or the regulators.

6. AUTHORITY

The RMCC shall have access to sufficient resources in order to carry out its duties and is authorized to engage independent counsel and other professional advisers as and when it considers necessary.

7. FREQUENCY OF REVIEW

1. The RMCC shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board.
2. The Board shall review and evaluate the performance of the RMCC and incorporate its activities in the Board's governance report.
3. Any amendments or recommendations relating to these Terms of Reference shall be subject to the approval of the Nominations and Corporate Governance Committee.
4. The members are required to participate with the CRO and CCO in appropriate training, conference, forums and education seminars to develop their skills and knowledge as may be required for them to perform their duties in a proper manner.

DOCUMENT CONTROL AND VERSION HISTORY

Owner of document	Board of Directors
Custodian of document	Board secretary

Version number	Approved by	Approval date
5.3	Nomination & Governance Committee	01 February 2024
5.3	Board of Directors	04 February 2024

Year	Reviewed By	Approval
2021	Tareq Al-Araj	Nomination and Corporate Governance Committee
2022	Tareq Al-Araj	Nomination and Corporate Governance Committee
2023	Buthaina Al-Khal	Nomination and Corporate Governance Committee
2024	Buthaina Al-Khal	Nomination and Corporate Governance Committee

Terms of Reference Audit Committee

The Audit Committee is established in accordance with the provisions of the Memorandum and Articles of Association of Dukhan Bank (Q.P.S.C.) (the "**Bank**"), the Qatar Central Bank (the "**QCB**") Circular No. 25 of 2022 relating to the Instructions of Governance to Banks, 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, and other applicable laws and regulations.

The Audit Committee is a sub-committee appointed to assist the Board of Directors (the "**Board**") of the Bank and its subsidiaries, and shall report regularly and directly to the Board.

15. PURPOSE

The purpose of these Terms of Reference is to reflect the best practice in the concerned field as carried out in leading financial institutions.

The primary functions of the Audit Committee are to:

1. assist the Board in fulfilling its oversight function by reviewing the Bank's financial information, financial reporting systems and internal controls;
2. provide an open avenue of communication between the Board, the internal auditors, and the independent accountants;
3. oversee the Bank's internal audit controls and financial reporting processes;
4. promote the establishment of the audit committees and internal audit function at the Bank's subsidiary level;
5. assess the effectiveness of the Bank's key controls framework across areas such as operational risk, quality, conflicts, financial crime prevention, and compliance; and
6. monitor the effectiveness of all internal and external auditors.

16. COMMITTEE STRUCTURE AND MEMBERSHIP

1. The committee consists of three members and the Board of directors issues a decision to nominate its members, preferably the membership of the majority is independent.
2. The Chairman may not assume the same position in any other Board committee.
3. The members of the Audit Committee must be independent and non-executive members of the Board, and they must be experienced in financial and accounting affairs and auditing.

4. No member of the Audit Committee should have previously audited, whether directly or indirectly, the Bank's accounts during the two years preceding the nomination for membership of the Audit Committee.
5. No member of the Audit Committee may be a member of any other committee.

Audit Committee Secretary

1. The Chief Audit Executive (the "CAE"), or a person nominated by the CAE and approved by the Chairman, shall act as the secretary to the Audit Committee (the "Secretary"). Such person shall not be a member of the Audit Committee.
2. The Secretary shall be responsible to:
 - a) preparing and issuing meeting invitations and agendas;
 - b) preparing and submitting for the Chairman's approval the meeting agendas; and
 - c) preparing and submitting for the Chairman's approval the minutes of each meeting held by the Audit Committee.

3. AUDIT COMMITTEE MEETINGS

General

1. The Audit Committee shall meet to assess the impact of all new standards and regulations related to its duties.
2. The Audit Committee shall hold periodic or frequent meetings according to business needs which shall not exceed a period of two months in between, and not less than six meetings in one financial year, as follows:
 - a) annually to review the financial performance and the annual report; and
 - b) quarterly to review the financial statements and audit reports.
3. To the extent possible, the meetings shall be scheduled to coincide with Board meetings. In addition, the Bank's internal auditor and external auditors are entitled to submit a request to hold a meeting by the Audit Committee.
4. The Secretary is responsible for scheduling and calling the meetings and for providing the members with a written agenda, approved by the Chairman, in advance of each meeting.

Agenda and Invitations

3. Meeting invitations and agendas shall be prepared and issued by the Secretary after consultation with the Chairman.
4. Meeting invitations, agendas, and their supporting documentation shall be sent in advance to all members via mail, facsimile or e-mail within a reasonable period of time prior to the meeting.

Attendance

1. Given the importance of the functions of the Audit Committee and the impact of its decisions on the business, active participation by all members is essential, and attendance at all meetings is strongly encouraged.
2. The meetings are not valid unless attended by the Chairman and the majority of its members. The presence of the CAE is mandatory for all the regular Audit Committee meetings.
3. Taking into consideration that some meetings may be scheduled at a short notice, and in order to encourage the participation of all members, consultations may be held by in-person visits, conference calls (if the Board finds it necessary), facsimile and telex communication, or by memoranda (with courier delivery).
4. The Audit Committee shall neither expect nor accept a member's viewpoint without proper prior briefing on each required decision.
5. The Audit Committee may invite non-members to the meetings if it deems that their presence is valuable to the Audit Committee's decision-making process. These invitees shall not have any voting rights.
6. Any other Board member wishing to attend a meeting shall be permitted to do so, provided that at least one meeting is held annually without the presence of any executive Board member.

Quorum and Voting Requirements

7. The quorum for a meeting of the Audit Committee shall consist of a minimum of two members (out of three members), provided that the Chairman or Vice-Chairman is in attendance.
8. Attendance may be in person or by any other electronic communication means. A member may attend by written proxy provided, however, that the proxy letter is issued only to an attending member, and that no member shall attend on behalf of more than one member. Proxies shall be duly recorded in the meeting minutes
9. No decisions shall be made without the quorum being reached.
10. Decisions shall be adopted by a majority vote of the members present and those voting in absentia. In the event of an equal vote, the Chairman shall have a casting vote.
11. The minutes of the meetings shall be maintained in the Secretary's files.

Exclusion of Members from Voting

Any member of a committee who is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement shall not be allowed to take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the

Bank, nor shall such member's presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if such member does vote, the vote shall be deemed void.

Minutes and Decisions

1. The Secretary shall take written minutes of each meeting. Such minutes shall include a summary of the discussions, decisions taken and the information on which the decision was based, the date of meeting, and the names of those present, whether in person or by proxy, and absentees.
2. The Secretary must ascertain at the beginning of each meeting the existence of any conflicts of interest and record the same in the minutes of meeting.
3. The Audit Committee shall keep and maintain records of its written minutes of meetings and decisions (ordered chronologically in tabular form), to be filed with the minutes of meetings of the Board. Minutes of the meetings shall include the main recommendations made to the Board, and notations as to discussions held in private sessions, if any.
4. The Secretary shall maintain copies of the decisions and circulate the same to the concerned management for their necessary action.
5. The Audit Committee may issue its decisions by circulation without holding a meeting. A decision by circulation is deemed valid if it meets the following conditions:
 - a) the matter subjects of the meeting are urgent; and
 - b) the decisions are passed in unanimity of all members.

4. RESPONSIBILITIES OF THE AUDIT COMMITTEE

General

The Audit Committee is entitled to undertake or authorize investigations into any matters falling within the Audit Committee's scope of responsibilities. The Audit Committee shall have unrestricted access to members of the management and all information relevant to their responsibilities. It shall further be entitled to retain independent counsel, accountants, or others to provide support in undertaking investigations.

The Audit Committee's main responsibilities include, but are not limited to, the following:

1. meeting as frequently as described above;
2. reporting to the Board and submitting recommendations as it may deem appropriate;
3. evaluating the performance and compensation of internal auditors; performing such other function as assigned by law, the Bank's Memorandum and Articles of Association, or pursuant to instructions by the Board;

4. meeting with the Bank's internal auditor, the independent accountants and management in separate executive sessions to discuss any matters that the Audit Committee or said groups believe should be discussed privately with the Audit Committee; and
5. reviewing and monitoring legislative and regulatory amendments impacting the financial sector and the Bank.

Internal Controls and Risk Assessment

1. preparing a proposal for the Board's approval in relation to the Bank's internal control system as soon as the Audit Committee is formed and ensuring that periodic reviews are carried out as necessary;
2. implementing the Board's mandates regarding the Bank's internal control;
3. reviewing the Bank's dealings with related parties and the extent to which they are subject to and adhere to the controls related to those transactions;
4. reviewing and evaluating the effectiveness of the Bank's procedures for assessing significant risks or exposures and the steps management has taken to minimize such risks to the Bank;
5. monitoring the implementation of procedures approved by the Board to identify and resolve conflicts of interest and restrict the use of confidential information;
6. considering and reviewing with management, the independent accountants and the Bank's internal auditor:
 - a) the effectiveness of or weaknesses in the Bank's internal controls, the overall control environment, accounting and financial controls; and
 - b) any related significant findings and recommendations of the independent accountants internal auditing and QCB's inspection together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls;
7. reviewing with the Bank's internal auditor and the independent accountants the coordination of the audit effort to ensure complete coverage of key business controls and risk areas, the minimization of inefficiency, and the effective use of audit resources;
8. preparing periodic reports relating to risks and risk management in the Bank and submitting them to the Board, at the time specified, which shall include the Audit Committee's recommendations, and preparing reports on specific risks upon a mandate from the Board or the Board's chairman;
9. reviewing reports prepared by the internal audit department, external auditor, QCB and other supervisory authorities, and monitoring the process of correcting the violations contained therein, and setting the necessary controls to ensure that violations are not repeated, and submitting the results of the Audit Committee's activities to the Board on a regular basis, in addition to reviewing and approving the audit plan on an annual basis;

10. reviewing and evaluating the accuracy of all information presented by the Bank to the general assembly with relation to, including but not limited to, figures, data and financial reports;
11. liaising between the Board, senior executive management and the internal control unit of the Bank;
12. liaising between the Bank's internal control unit and the auditor;
13. liaising with the Risk Management and Compliance Committee ("**RMCC**") with respect to assessing and hedging risk management systems;
14. reviewing the effectiveness and adequacy of the internal control system, the macro-risk control and hedging system, as well as the financial control system and the accounting and financial practices of the Bank; and
15. supervising and preparing risk management training programs.

IT Systems Controls

1. considering and reviewing with management, the independent accountants and the Bank's internal auditor the effectiveness of or weaknesses in the Bank's computerized information system controls and security;
2. considering and reviewing with the management, the independent accountants and the Bank's internal auditor, any related significant findings and recommendations of the independent accountants and internal auditing together with the management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in systems controls, including any significant risks related thereto and major controls over such activities; and
3. discussing with the management, the Bank's Risk Management Division ("**RMD**"), the independent accountants, the Bank's internal auditor and other related departments the status and adequacy of management information systems and other information technology.

Financial Reporting

1. reviewing and approving the Bank's interim and annual financial statements and discussing them with the executive management and the external auditor before they are presented and approved by the Board;
2. reviewing and confirming the accuracy and correctness of the Bank's financial figures as well as the annual and semi-annual financial statements and quarterly reports;
3. reviewing published documents containing the Bank's financial statements, including annual and interim reports and statutory filings, and considering whether the information contained in these documents is consistent with the information contained in the financial statements;

4. ensuring that the Bank's prudential report and financial statements are accurate and in accordance with QCB regulations and accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, International Accounting Standards and the International Financial Reporting Standards;
5. reviewing with the management and the independent accountants at the completion of the annual audit:
 - a) the Bank's annual financial statements and related footnotes;
 - b) any significant changes required in the independent accountant's audit plan;
 - c) any serious difficulties or disputes with management encountered during the course of the audit;
 - d) the existence of significant estimates and judgments underlying the financial statements, including the rationale behind those estimates as well as the details on material accruals and reserves; and
 - e) other matters related to the conduct of the audit, which are to be communicated to the Audit Committee; and
6. assessing internal processes for determining and managing key financial statement risk areas.

External Auditor

1. adopting the policies for nominating and engaging external auditors and ensuring they remain independent when they perform their duties and, in general, managing all matters relating to the external auditor and submitting its recommendations to the Board in relation to, for example, nomination and dismissal, fees and compensation, and scope, results of auditing, and the inspection of the assigned tasks;
2. reviewing the scope and approach of the annual audit with the independent accountants;
3. assessing the external auditors' procedures for identifying and responding to key audit and internal control risks;
4. reviewing the external auditors' identification of issues, and business and financial risks and exposures;
5. reviewing and approving the external auditor's report;
6. confirming and ensuring the independence of the independent accountants, including reviewing the nature of all services and related fees provided by the independent accountants;
7. instructing the independent accountants to communicate and to report directly to the Audit Committee any serious difficulties or disputes with management; and

8. considering and reviewing with management, RMD, and other related departments any findings raised as part of the external auditor's management letter, and management's response thereto, including timetable for implementation of any recommendations.

Internal Auditor

1. evaluating the internal audit procedures for establishing the annual internal audit plan and in a risk-based approach;
2. reviewing, evaluating and approving the scope, risk assessment and nature of the internal auditors' plan and any subsequent changes, including whether or not the internal auditors' plan is sufficiently linked to the Bank's overall business objectives and management's success and risk factors;
3. considering and reviewing with the management the following:
 - a) significant findings during the year and management's responses thereto, including the timetable for implementation of the recommendations to correct weaknesses in internal control;
 - b) any difficulties encountered in the course of the audits, including any restrictions on the scope of the work or access to required information;
 - c) any changes required in the planned scope of the audit plan;
 - d) the internal audit department's budget and staffing; and
 - e) the internal audit department's terms of reference;
4. reviewing and concurring with the appointment, remuneration, appraisal, replacement, reassignment, or dismissal of the Bank's internal audit director;
5. confirming and ensuring the independence of the internal auditor; and
6. discussing with the auditor and senior executive management on the risks related to auditing, especially the appropriateness of accounting decisions and estimates, and presenting them to the Board for inclusion in the annual report.

Compliance with Laws and Regulations

1. ensuring that the appropriate frameworks are in place to guarantee maximum compliance with laws, instructions, regulations and sound banking practices;
2. ascertaining whether the Bank has effective procedures for determining risks and exposures from litigation and claims and from non-compliance with laws and regulations;
3. reviewing with the RMCC and the Bank's legal counsel any legal, tax or regulatory matter that may have a material impact on the Bank's operations and the financial statement, related Bank compliance policies, and programs and reports received from regulators;

4. reviewing and monitoring the Bank's compliance with the regulatory financial control guidelines;
5. confirming and ensuring that the Bank complies with QCB and Basel II regulations;
6. confirming and ensuring that know-your-customer and anti-money laundering policies and procedures have been complied with; and
7. reviewing the results of reviews carried out by QCB inspection and management's response thereto, including timetable for implementation of any recommendations.

Compliance with Sharia'a

1. ascertaining whether the Bank has an effective process for determining compliance with the Sharia'a Supervisory Board's rulings; and
2. reviewing with the Sharia'a Supervisory Board any Sharia'a matter that may have a material impact on the Bank's operations and the financial statements from a Sharia'a point of view.

Compliance with Codes of Ethical Conduct

1. reviewing and assessing the Bank's processes for administering a code of ethical conduct;
2. review with the Bank internal auditor and the independent auditors the results of their review of the Bank's monitoring of compliance with the Bank's code of ethical conduct; and
3. reviewing policies and procedures with respect to the Bank employees' expense accounts and perquisites, including their use of corporate assets, and considering the results of any review of these areas by the internal audit or the independent accountants.

5. AUTHORITY

The Audit Committee shall have access to sufficient resources in order to carry out its duties and is authorized to engage independent counsel and other professional advisers as and when it considers necessary

6. FREQUENCY OF REVIEW

1. The Audit Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board.
2. The Nominations and Corporate Governance Committee shall review and evaluate the performance of the Audit Committee and incorporate its activities in the Board's governance report.
3. Any amendments or recommendations relating to these Terms of Reference shall be subject to the approvals of the Board and the Nominations and Corporate Governance Committee.

DOCUMENT CONTROL AND VERSION HISTORY

Owner of document	Board of Directors
Custodian of document	Board secretary

Version number	Approved by	Approval date
5.2	Nomination & Governance Committee	01 February 2024
5.2	Board of Directors	04 February 2024

Year	Reviewed By	Approval
2021	Tareq Al-Araj	Nomination and Corporate Governance Committee
2022	Tareq Al-Araj	Nomination and Corporate Governance Committee
2023	Buthaina Al-Khal	Nomination and Corporate Governance Committee
2024	Buthaina Al-Khal	Nomination and Corporate Governance Committee