



# Corporate Governance Report 2024







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# Chairman's Foreword



Dear Shareholders,  
Greetings,

On behalf of the members of the Board of Directors, I am pleased to present to you the Annual Corporate Governance Report for the year 2024, which includes the most important governance practices established by the bank.

We confirm QNB Group's commitment to apply the highest standards of oversight, transparency and accountability whether be it in its own local framework or in the frameworks of its international subsidiaries and branches. In accordance with the instructions of Qatar Central Bank and the corporate governance code issued by Qatar Financial Markets Authority, as well as good governance principles, provisions and standards set by leading international bodies, QNB Group was able to positively respond to emerging risks and effectively manage its operations. Thereby ensuring the protection of the rights of its shareholders and other stakeholders and maintaining its position as the largest financial institution in the Middle East and Africa.

All QNB Group divisions have contributed in furthering a sound corporate governance structure, which involved, at their behest, risk governance, institutional compliance, development of core capabilities and skillsets including products that work to serve the goals of the Group as a whole.

In 2024, QNB Group continuously advanced its oversight and policies on overseas branches and subsidiaries to ensure their corporate governance structure aligned with the regulatory requirements set within each country QNB Group resides within.

Complying with laws and regulations including adopting the best professional ethical practices is a standard adopted by all employees working in QNB Group. In addition to that, QNB Group maintains transparency, integrity and disclosure in all types of dealings, as this is done to establish good governance standards, maintain the Group's reputation and earn the trust of shareholders and stakeholders.

QNB Group confirms its commitment to developing a sound corporate governance system by continuing to instill a culture of compliance, to adhere to ethical values and to remain compliant with laws, legislation and regulations. This is confirmed by the Group's effective contribution to enhancing financial stability and sustainable development in building and preserving the society.

In conclusion, QNB Group expresses its appreciation for the efforts made by the relevant regulatory authorities to reinforce the pillars of sound corporate governance. Considering that, it is through these efforts that QNB Group protects the interests of shareholders and strengthens investor confidence, which serve to bolster the bank's reputation and expansionary ambitions. Moreover, the Group expresses its deep appreciation for the direction and continued support, which it receives from local regulatory authorities to serve the interest of the financial and banking sectors in the State of Qatar.

**Ali Bin Ahmed Al-Kuwari**  
Chairman of the Board of Directors



## Introduction

This report outlines QNB Group's achievements and its efforts to fulfill all obligations related to legislative requirements issued by Qatar Central Bank (QCB), Qatar Financial Markets Authority (QFMA) and all other relevant regulatory authorities, which confirm the Group's commitment to fulfill all its obligations towards the shareholders, depositors, other stakeholders and society.

This would not have materialized without QNB Group's willingness to spread the culture of governance and consolidate its principles among all its employees at various levels and grades. The proper application of these principles is not limited to setting policies and charters, but rather includes encouraging all employees to adhere to high professional and ethical standards. This has enabled QNB Group to maintain its heritage, promote its brand, and gain the trust of all current and future stakeholders.

QNB Group is keen to adhere to the principle of fairness in its dealings with all shareholders, especially minority shareholders, by guaranteeing all their rights stipulated in the laws, legislation and instructions issued by the regulatory authorities in line with the bank's articles of association. QNB Group provides all necessary information to its shareholders with transparency, integrity and equality. In addition, the Group seeks to achieve fairness and integrity when dealing with all other stakeholders, by establishing strict policies that ensure impartial, honest and ethical transactions.

QNB Group is strongly committed to complying with the requirements set by QCB, QFMA and all regulatory authorities in the jurisdictions of its overseas branches and subsidiaries, in order to fulfill its duties towards investors and other stakeholders in the communities in which they are located.

This report contains measures taken by QNB Group, as well as those that will be taken by it in the future, in order to achieve financial stability and integrity, so as to confirm that it is worthy of gaining the trust of the markets in the entire region and in all the countries where we operate.

## 1. QNB framework for corporate governance

QNB Group constantly maintains a comprehensive, effective and flexible governance framework as a key factor for its sustainability, success, business, vision and future aspirations. The obligations listed within the Group's corporate governance framework show our duty towards the rights of depositors, shareholders, stakeholders and towards the regulators. These obligations are not only limited to organizational requirements but also include environmental and social commitments too. All of which, are economic goals that QNB Group strives to achieve in line with the Group's values and vision.

The effectiveness of the corporate governance framework adopted by QNB has been a main reason for its success and leadership at the local and regional levels, where an effective and dynamic management disseminated the policies and procedures issued by the Group. Such policies clarify the responsibilities of the Chairman and members of the Board of Directors, the committees emanating from the board, and the duties and the authorities of the Group CEO, and the Executive Management. The framework also clearly outlines the role of external audit, compliance, internal control frameworks, and risk management in working to evaluate the bank and its practices. It also determines disclosure requirements and the bank's responsibilities towards shareholders, stakeholders, the environment and society.

The flexibility of QNB Group's corporate governance framework enabled it to adopt with an ever-changing regulatory environment, such as those requirements issued by the Basel Committee, the Organization for Economic Cooperation and Development (OECD), the International Corporate Governance Network (ICGN), the International Chamber of Commerce (ICC), and other international institutions. The framework also derives its components from local laws and regulations stipulated by regulatory and supervisory requirements from the various supervisory authorities in countries where the Group operates. This enhanced the Group's ability to manage its risks and comply with regulatory requirements both locally and internationally.

In 2024, QNB Group reaffirmed its commitment to adopt sound rules and principles issued by Qatar Central Bank (QCB), Qatar Financial Markets Authority (QFMA), and the provisions of the Commercial Companies Law. As the Group works actively to protect shareholder rights, especially minority shareholders, to strengthen its internal control and to implement and to report on environmental and social governance measures.



QNB Group's Board of Directors (BOD) reviews, maintains and approves a comprehensive set of corporate governance policies and procedures to assure and ensure that the BOD and Executive Management exert effective vigilance in the management of the Group's businesses and activities. Care and attention is devoted to ensure that corporate governance measures employed are compatible with the legal and regulatory requirements and that they reflect the actual orientation to comply with the international standards. The roles and responsibilities of the BOD are segregated from the functions of Executive Management, whereby the Board assumes the overall supervision of the Group and provides strategic direction through the approval of the strategic initiatives, policies and objectives, while the daily affairs of the Group are carried out by the Group Chief Executive Officer, duly supported by the Executive Management team.

QNB Group maintains a Corporate Governance Manual based on the latest regulatory updates from both QCB and QFMA in addition to international best practices. The Corporate Governance Manual is an important policy document, which defines the corporate governance approach of the Group, and the structuring and responsibilities of the Board and Management committees. The Manual is also an extremely sought after document for any businesses, shareholders, rating agencies, investors and other stakeholders as they are all increasingly focusing on the application of sound corporate governance processes as evidence of a demonstrable commitment to delivering long-term value and sustainability. The Manual sets out the role of the BOD, the Chairman, the Chief Executive Officer and the established committees of the Board and the Executive Management. In addition to that, the Manual alludes to QNB's corporate governance framework and its components, risk management and internal control framework, role of external auditors, disclosure requirements, shareholders' and stakeholders' rights.

### 1.1 Key corporate governance guiding principles

Principles of corporate governance are intended to assist public company's boards and management in their efforts to implement appropriate and effective corporate governance practices. Although there is no 'one size fits all' approach to governance that will be suitable for all companies, QNB believes that the creation of sustainable long-term value is the ultimate measurement of a successful corporate governance approach. It is also important that all shareholders and other stakeholders understand why the Bank has chosen to use a particular governance approach or a specific corporate governance structure, practice and process to achieve this objective.

QNB Group adopts and maintains the following primary guiding principles for corporate governance:

- the Board approves corporate strategies that are intended to build sustainable long-term value; selects the Group Chief Executive Officer (GCEO); oversees the GCEO and Executive Management in operating the company's business, including allocating capital for long-term growth, assessing and managing risks, and sets the 'tone at the top' for ethical conduct;
- the Management develops and implements the corporate strategy and operates the company's business under the Board's oversight, with the goal of producing sustainable long-term value creation;
- the Management, under the oversight of the Board and its Group Board Audit and Compliance Committee (GBACC), prepares financial statements that fairly presents the Group's financial condition and results of operations along with making timely disclosures that investors need, to assess the financial and business soundness and risks of the Group;
- the Group Board Audit and Compliance Committee (GBACC) maintains and manages the relationship with the external auditor, oversees the Group's annual financial statement audit and internal controls over financial reporting, and oversees the bank's risk management and compliance programmes.
- the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC) plays a leadership role in shaping the corporate governance practices of the Group, strives to build an engaged and diverse Board whose composition is appropriate in light of the Bank's needs and strategy, and actively conducts succession planning for the Board;
- the Board and Management engage with the shareholders on issues and concerns that are of widespread interest to them and that affect the Group's long-term value creation. As part of this responsibility, shareholders should recognise that the Board must continually weigh both short-term and long-term uses of capital when determining how to allocate it in a way that is most beneficial to shareholders and for building long-term value; and
- in making decisions, the Board may consider the interests of all of QNB Group stakeholders such as employees, customers, suppliers and the communities in which the Group operates.

QNB Group strongly considers that good corporate governance complements and significantly helps its long-term business success. This success has been the direct outcome of the Group's key business strategies, including the commitment of the Board to the quality, integrity and transparency of QNB's financial reports.



## 1.2 Approach to establish effective corporate governance

QNB Group's approach to corporate governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. As a global organisation, the corporate governance practices followed by QNB are compatible with leading international standards and best practices. Through the governance mechanism across the Group, the Board along with its committees undertake the fiduciary responsibilities to all the stakeholders by ensuring transparency, fairness and independence in the decision-making process.

The corporate governance approach is further strengthened with the adherence to the proprietary QNB Group Business Excellence Model as a means to drive excellence along with the Balanced Scorecard methodology for tracking progress on long-term strategic objectives. Furthermore, QNB's 'Code of Conduct', serves as a guide to the Group, its Board members, management and employees, in articulating and reinforcing QNB's values, ethics and business principles. It is supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code.

QNB is in full compliance with Qatar Central Bank and Qatar Financial Markets Authority obligations with respect to corporate governance.

## 1.3 Commitment to ensuring compliance with corporate governance regulations

The Board of Directors and Executive Management believe that corporate governance is an essential element to enhance shareholder confidence, specifically that of minority shareholders and stakeholders, by increasing the level of transparency of the ownership and control, and the implementation of effective monitoring systems for strategic business management. Hence, during 2024, all necessary efforts were focused towards continuing to create and maintain awareness of the importance of corporate governance within QNB Group and on enhancing corporate governance measures.

In application of article (4) of the QFMA Corporate Governance Code, this annual Corporate Governance Report submitted annually to both regulators (QCB and QFMA) aims to ensure a transparent disclosure of the governance practices within QNB Group. It embodies the Group's values and policies that all parties must conform to. The report includes and covers areas including: the capital structure, control measures, key corporate governance achievements, shareholders' rights and fair treatment, description of BOD charters and its committees, related party transactions policy, succession planning, and periodic review of professional conduct principles, in order to ensure the application of best professional practices that meet QNB Group's needs and objectives.

## 2. QNB Group Achievements during 2024 to strengthen the Corporate Governance Framework

QNB Group's corporate governance framework and related practices continue to be shaped by leading internal corporate governance principles and the latest regulatory requirements issued by QCB, QFMA, and QFCRA. In an effort to maintain regulatory compliance and strengthen QNB Group's corporate governance framework, the following key actions were taken during 2024 to support the Group's existing corporate governance framework and related practices:

### 2.1 Supported core corporate governance practices and initiatives across QNB Group

QNB Group recognizes that building a solid foundation on sound corporate governance principles and practices enables the Group to safeguard shareholder interests, maintain internal control adequacy and reduce the likelihood of non-compliance and governance related risk. In accordance with that, the following topics summarize key activities and actions taken in support of QNB Group's corporate governance framework:

#### Evaluated Board independency requirements and conflict of interest elements in 2024

QNB conducted a comprehensive assessment of BOD member independency and conflict of interest in 2024, in an effort to examine how current BOD members fair against QFMA and QCB independency requirements, then highlight key findings of the assessment to the Board of Directors. In line with that, QNB Group also evaluated conflict of interest aspects at the Board-level to check whether any conflict of interest situation has occurred during 2024, evaluate how this situation was handled and whether the BOD was notified of this instance or the absence of any such instances occurring during the year.

#### Performed the annual BOD performance assessment for 2024

QNB Group conducted the annual BOD performance assessment for 2024 to highlight each BOD members' key considerations or observations regarding the overall performance of the Board, its committees or its members in a confidential and systematically measured way.

The annual BOD performance assessment is comprised of two components, the individual self-assessment form and the collective Board-level assessment form. Both of these forms cover a wide array of different topics to measure Board effectiveness, Board member engagement within each respective committee and the flow of information from each committee member to the Board (as a whole).

It is important to note that the assessment examines BOD performance comparatively evaluating how the Board performed back in 2023 to how it fared in 2024. This systematic approach allows QNB Group to measure, which BOD performance aspects have improved from the previous year, and which aspects can be further enhanced in the future.



### Enhanced the conflict of interest and insider dealing framework across QNB Group

In line with QFMA's circular concerning insider trading rules and QCB's 2022 corporate governance instructions for banks, QNB Group updated existing policies and procedures related to conflict of interest (COI) and insider dealing. QNB has also established new forms and mechanisms to further clarify what conflict of interest and insider dealing actually is, and how QNB approaches the management, disclosure and prohibitions of COI-related scenarios and insider dealing risks across all management levels whether be it employees, third party suppliers, executive management team and the BOD.

### Conducted an assessment of QNB representative directors on subsidiary and affiliate Boards

To assess whether QNB representatives on subsidiary and affiliates Boards have fulfilled their Board responsibilities effectively, QNB Group conducted 'the assessment of QNB representative directors on subsidiary and affiliate Boards' in 2024.

The assessment focused on evaluating two hierarchies of Board memberships - with the first being representatives who were appointed as the Chairman of a subsidiary or affiliate while the second was for those appointed as members. Where QNB representatives acting as the Chairman had to complete both a 'self-assessment form' and a 'full-Board evaluation form' considering they were operating from a position of ultimate accountability and leadership in the Board, while Board member representatives had to only fill the 'self-assessment form'.

In turn, the Group analysed all the completed forms received from QNB representatives comparatively against the previous year's findings as well as, against current set metrics and scales then raised all key findings to the executive management team for opinion, guidance and further actions.

### Continued to strengthen QNB's corporate governance documentation infrastructure

To ensure the Group's corporate governance documents remain in full adherence with ever-changing regulatory requirements, QNB Group continues to update and strengthen various policy frameworks related to ethical behaviour and professional conduct in 2024. These policies include (but are not limited to) the following:

- Group Board Policy;
- BOD Charter;
- Group Compliance Policy;
- Group Compliance Charter;
- Anti-Bribery and Corruption Policy;
- Conflict of Interest and Insider Dealing Policy;
- Disclosure and Transparency Policy;
- AML & CTF Policy;
- Know Your Customer (KYC) Policy;
- Stakeholders' Rights Policy;

- Fraud Control Policy;
- Data Protection Policy;
- Code of Conduct (Ethics);
- Internal Controls Over Financial Reporting Framework;
- Third Party Risk Management;
- Procurement and Supplier Management Policy;
- Executive Management Succession;
- Chinese Walls Policy;
- Remuneration Policy for Board, Executive Management & Employees Policy;
- Internal Control Charter; and
- Whistleblowing Policy.

The Group reviews these policies against current regulations, laws and international best practices to ensure the current documentation infrastructure QNB has in-place is compliant and up-to-date with all the relevant regulatory changes. It is through updating aforementioned policies that QNB Group strengthens the procedures and frameworks used in compliance reporting methods and mechanisms.

### Evaluated overseas branches implementation of QNB's corporate governance guidelines

QNB Group has corporate governance guidelines set in-place to guide overseas branches (henceforth referred to as "the guidelines") as they establish clear communication / reporting lines with QNB Head Office divisions, effective governance frameworks, sound corporate governance principles including efficient management committee practices and terms of reference.

In accordance with these guidelines, QNB Group annually reviews overseas branches' corporate governance structure and related practices to ensure QNB Group has a consolidated supervisory approach across QNB's overseas branches. The assessment serves to highlight both consistencies and inconsistencies found across overseas branches implementation of QNB's corporate governance guidelines, frameworks, systems and controls.

In 2024, QNB Group evaluated overseas branches corporate governance practices against the principles described in the guidelines and shared all key findings with the executive management team for review, guidance and subsequent action (if any).

### Published multiple disclosures on QNB's website

Disclosure and transparency are fundamental pillars of QNB Group's corporate governance framework. It is through fostering a culture of openness and transparency that QNB Group can maintain shareholder trust, ensure fairness in access to information and communicate changes with its stakeholders, regulators and depositors in a timely manner.



QNB Group has in-place a 'Disclosure and Transparency Policy' to set the standard, process and guidelines around publishing financial, strategic, governance and performance related disclosures to the public using QNB's Website.

In adherence with this policy, QNB published the Group's quarterly financial results, press releases on corporate governance activities in addition to, the minutes of the meeting, agenda and voting results of the Annual General Assembly Meeting (AGM) during 2024.

## 2.2 Introduced multiple enhancements to the Group's financial crimes combating framework

Having a strong financial crimes combating framework plays a vital role in effectively detecting, mitigating and preventing money laundering, terrorist financing and sanction-related threats.

Recognizing this importance, QNB consistently introduces multiple enhancements to the Group's existing financial crimes combating framework comprised of an AML/CTF framework and a sanctions compliance program. The following represent some of the key activities performed during 2024 to substantiate the bank's existing financial crimes combating framework:

### Enhanced AML/CTF risk appetite statements for overseas branches

QNB Group has reviewed and aligned the AML/CTF risk appetite statements for overseas branches since doing so, allows the Group to set well-defined thresholds for acceptable risk levels thereby guiding decision-making and aligning risk management practices across the Group. By setting these parameters, the Group can effectively allocate resources, prioritize high-risk areas, and maintain compliance with regulatory standards, which strengthens QNB's overall risk management framework.

QNB Group has significantly improved upon existing AML/CTF investigation processes by recalibrating the current advanced transaction-monitoring tools and enhancing the bank's ability to detect complex money laundering and terrorist financing schemes.

### Conducted staff trainings on AML/CTF concepts

QNB Group believes that developing employee awareness and knowledge is the first key step in maintaining ethical conduct and mitigating AML/CTF risks. In accordance with that, QNB Group developed up-to-date training programs to educate employees on AML/CTF risks and challenges, as well as to cover essential topics such as customer due diligence, suspicious activity reporting, and regulatory requirements.

Furthermore, QNB Group tailored its training materials to specific roles and positions within the Group's business and operational lines, as doing so ensures effective employee knowledge is maintained on AML/CTF reporting procedures and mechanisms in relation to an employees' own respective position.

Additionally, QNB has also developed local versions of its training program to comply with jurisdiction-specific regulations, ensuring QNB's global workforce is uniformly prepared to deal with AML/CTF challenges.

### Invested in advanced (AI) sanctions compliance systems

Technology remains a cornerstone of QNB's sanctions compliance program so much so that the Group collaborated with a highly reputable vendor to implement a tailored screening solution for sanctions aimed at minimizing potential sanctions risks. Additionally, QNB Group has initiated projects to integrate artificial intelligence (AI) and robotic solutions to further enhance critical sanctions processes and trade finance systems.

### Updated QNB's sanctions documentation infrastructure

QNB has updated its sanctions documentation in 2024 by including newly established regulations and guidelines into the bank's existing policies, guidelines, and reference documents. Doing so allows QNB to align its' sanctions documentation with the latest industry standards and best practices in financial crime compliance, and to ensure full compliance with global sanctions authorities (UN, EU, US, UK), FATF guidelines including the latest local regulatory requirements.

### Improved sanctions risk awareness

The Group has focused on raising employee awareness of sanctions risks by updating training materials tailored to high-risk functions. These updates have defined and addressed sanctions risk exposures across different business lines offering a more comprehensive understanding of sanctions risks relevant to specialized functions.

## 2.3 Applied further enhancements to QNB's fraud control framework and related program

QNB Group has established a robust fraud control framework, program and investigative capabilities that demonstrates the expectations of the BOD and executive management team and emulates QNB's commitment toward high integrity and ethical values regarding fraud risk management.

During 2024, QNB Group supported overseas entities by building-up their fraud control framework and related programs to ensure alignment and maintain good homogeneity with QNB's Group Fraud Policy framework and standards. The following key developments describe efforts taken by QNB Group during the year to apply further enhancements to fraud control standards and anti-bribery & corruption areas:

### Fraud monitoring, prevention, detection and training

QNB Group performs ongoing monitoring and investigation of alerts, referrals and exception reports to mitigate the risk of fraud events occurring or not detected in a timely manner. Furthermore, the Group also well-embedded fraud reporting mechanisms across its international network. Group Compliance is constantly taking proactive actions and collaborating with internal stakeholders and external parties to protect customers and the bank against social engineering attacks and to keep potential financial losses to a minimum.

Furthermore, QNB continuously analyzes the external fraud trends and the modus operandi of the events in order to take proactive mitigating actions to reduce

fraud exposure on the bank. In 2024, QNB implemented a set of online banking controls, which visibly decreased the amount of external fraud, also the bank rolled out e-learning including role-specific training (when necessary) to employees on anti-fraud principles, whistleblowing, anti-bribery & corruption principles.

#### **Anti-bribery & corruption (ABC) actions and activities**

QNB Group's ABC framework includes the Anti-Bribery & Corruption Policy and the anti-bribery & corruption assessment program, both of which work together to outline the actions and outcomes QNB must take to detect, deter, and prevent bribery and corrupt payments across the Group.

QNB also has well-designed policies and rules governing hospitality acceptance and gifts. Where all gifts and hospitalities above certain monetary value threshold are subject to declaration and approval by the relevant level of senior management in the chain of hierarchy. Group Compliance assesses all gift & hospitality declarations on case-by-case basis considering potential conflict of interest risks then maintains a register along with the relevant evidences for approval or rejection of each case.

#### **2.4 Tax reporting: advancing transparency and compliance in a global regulatory environment**

In 2024, QNB Group continued its strong commitment to transparency and compliance with international tax regulations across its operations. Where the Group consistently enhanced reporting mechanisms to meet the rigorous standards set by local and global tax authorities. This included adherence to the General Tax Authority regulations in Qatar, the United States Foreign Account Tax Compliance Act (FATCA), the OECD Common Reporting Standard (CRS), and the European Union's Mandatory Disclosure Regime (MDR), ensuring full alignment with evolving global standards.

#### **Strengthened compliance with international tax reporting standards**

As part of QNB's ongoing efforts to maintain transparency and accountability, the Group made significant strides in furthering its compliance with global tax reporting frameworks. In 2024, QNB ensured the Group adhered to the following standards:

- The US Foreign Account Tax Compliance Act (FATCA): Ensuring due diligence processes and reporting obligations were met for all reportable accounts;
- OECD Common Reporting Standard (CRS): Facilitating the automatic exchange of financial information between jurisdictions;
- The EU Mandatory Disclosure Regime (MDR): Implementing required measures for disclosing cross-border arrangements in line with EU Directive for Administrative Cooperation (DAC6).

QNB Group's approach focused on maintaining accuracy, transparency, and timeliness in all tax-related data submissions, ensuring that all compliance efforts remain robust and adaptive to global regulatory shifts.

#### **Enhanced QNB's compliance programs and combating tax evasion**

QNB remains deeply committed to combatting tax evasion and ensuring full regulatory compliance. In 2024, QNB Group launched several initiatives aimed at enhancing the bank's adherence to global and local tax regulations.

This involved an active collaboration between internal teams and regulatory bodies to implement necessary corrective actions and prevent potential risks associated with non-compliance. The Group reinforced its focus on key compliance priorities included the following:

- Accurate and timely tax reporting across all jurisdictions;
- Comprehensive due diligence procedures for FATCA and CRS; and
- Ongoing remediation programs to address any gaps in reporting obligations.

#### **2.5 Group internal control framework for international entities**

QNB has established a robust internal control framework that aligns with international standards, including the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework and the Basel Accords. This framework serves as a critical element of management strategy and a cornerstone for operational effectiveness across QNB international entities. It also promotes compliance with applicable laws, regulations, and internal policies, thereby reducing the risk of unforeseen losses and safeguarding the bank's reputation.

The implementation process involves creating an annual internal control plan for each international entity that outlines pre-identified risks and covering controls to be assessed and tested throughout the year. Each entity will perform controls testing to ensure the design and operating effectiveness for these controls and creating an action plan to remediate any weaknesses or deficiencies identified. Additionally, ongoing risk assessment procedures are conducted to evaluate both existing and newly emerging risks arising from operations. This proactive approach allows QNB to adapt its internal control framework continually, ensuring that risks are managed effectively and operational integrity is maintained across all international branches and subsidiaries.

#### **2.6 Internal controls over financial reporting (ICOFR)**

QNB has established an enhanced internal control system to identify and timely remediate internal control failures whether wholly or partly, and properly highlight weaknesses or contingencies potentially affecting the bank's financial performance. QNB Group successfully implemented an automated compliance management and internal control system (COMICS), which is used for enhanced documentation and reporting of work on internal controls testing. Furthermore, the system incorporates data analytics, conventional testing techniques and automation into internal control oversight thus making the process more efficient. QNB





Group will add enhanced features to the tool using robotics and machine learning in the near future for improved reporting.

QNB undertook the ICOFR management assessment for 2024 in coordination with key stakeholders and with direct reporting to Group Board Audit and Compliance Committee (GBACC). The ICOFR testing cycle intends to figure out whether an effective governance culture remains active at QNB Group. Through testing and scenario analysis, the Group improves the bank's internal control procedures and policies, as well as its record keeping and financial reporting processes. Thereby, protecting QNB Group from various potential material risks.

## 2.7 Global data protection and privacy program

QNB Group places a strong emphasis on protecting personal data, which is integral to achieving the company's long-term vision. QNB is committed to upholding the highest standards of data ethics, prioritizing responsible data stewardship thereby ensuring that personal data is collected, processed and stored in accordance with the relevant laws and ethical guidelines. QNB Group's data ethics framework emphasizes transparency, fairness, and accountability, QNB actively seeks to minimize biases in data-driven decision-making.

A dedicated data protection function within Group Compliance Division is responsible for ensuring compliance with data protection regulations and overseeing all data privacy activities. The following represent some of the key standards QNB Group upholds.

### Empowered the individual

QNB provides all individuals with the same right of access, rectification, deletion, portability and right to object automated processing. The Group gathers explicit consent using an 'opt in' method for using data other than what is necessary for the service provided or legal purposes. Furthermore, QNB does not rent, sell or share personal data to third parties for unlawful purposes.

### Strengthened privacy controls

The Group ensures privacy standards are adopted by all third parties and suppliers via periodic onsite inspections and information audits to ensure compliance with QNB standards. Moreover, when data is no longer necessary as required by the law, it is deleted accordingly.

### Enabled innovation

QNB Group integrated stringent measures to safeguard user data in its digital wallet services. With the increasing reliance on AI technology for operational efficiency, the Group prioritizes ethical data usage, ensuring that AI implementations do not compromise individual privacy. QNB's governance framework emphasizes transparency, fairness, and accountability in the processing of personal data, aligning with global data protection standards. By embedding data ethics into the Group's AI and digital solutions, QNB continues to protect the rights and interests of stakeholders while maintaining regulatory compliance.

## 2.8 Reinforced QNB Group's relationship with regulators

QNB Group remains committed to reinforcing the relationship it has established with local regulators by remaining in regular contact and having open and transparent communication on all regulatory correspondences including analyses and studies complied on new regulations. During 2024, Group Compliance reinforced the relationship QNB has with its regulators using the following measures:

### Adaptation with ongoing regulatory developments

QNB Group took multiple steps to identify and implement various measures across all business functions aiming to ensure business continuity and implement all necessary regulatory actions outlined in local directives and recommendations. Furthermore, QNB has developed its documentation and reporting capabilities by improving the response templates used for ad-hoc regulatory reporting and disclosure.

During 2024, QNB acknowledged and incorporated as applicable key QCB's instructions:

- Environmental, social and governance supervisory principles for banks; which follows the latest international standards and practices detailing guidelines for banks to follow. Such guidelines contained board oversight, data and reporting, strategy and risk materiality, credit risk management, operational risk, stress testing & scenario analysis and disclosure requirements.
- Responsibility of BOD members and executive management for the accuracy of reports and statements sent from the bank; which requires QNB to have in place policies, procedures and frameworks to ensure the correctness and accuracy of all data and information provided to QCB.
- QCB artificial intelligence guidelines; emphasized the need for responsible governance and management of AI technologies in line with regulatory standards, ethical practices, and risk management frameworks.

### Liaison with regulatory bodies and local authorities

QNB Group reviews, adopts and implements on an ongoing basis the regulatory requirements issued by (but are not limited to) QCB, QFMA and QFCRA. In turn, the Group implemented a robust mechanism to monitor implementation of new regulations.

Furthermore, QNB Group is in consistent communication with QCB and other regulatory body officials in order to keep them informed about QNB Group's response to dealing with global disruptions in the market. The Group will continue to have adequate and timely responses against local and global monetary policies updates, climate change, global political tension and global inflation volatility.

## 2.9 Enhanced the Group's compliance oversight and monitoring mechanisms

### The compliance self-assessment framework

QNB maintains the compliance self-assessment framework, which clearly outlines the roles and responsibilities of the Group Compliance Division in accordance with the compliance charter approved by the BOD. This framework contains multiple controls, processes and mechanisms that help QNB Group fulfil the following key responsibilities:

- Enhance QNB's compliance risk mitigation strategy.
- Spread the compliance culture across the Group.
- Map out risks then prioritize proper resource allocation to properly mitigate said risks across QNB.
- Minimize compliance-related risks and exposure, as per the regulatory requirements.
- Enhance the usage of a risk based approach where risks are classified and prioritised based on their criticality.

This framework allows QNB Group to use a risk-based and dynamic approach to comprehensively and proactively identify then assess categories of "compliance risk" in head office divisions, overseas branches and across QNB's international subsidiaries.

### The compliance self-awareness questionnaire (CSAQ)

The compliance self-awareness questionnaire (CSAQ) serves as a risk-management tool whereby QNB Group assesses risks that have the greatest potential impact for legal, financial, operational, or reputational damage on an annual basis. The CSAQ exercise helps assign the right resources to mitigate risks and highlight potential opportunities for improvement or increased oversight.

Furthermore, the CSAQ covers a wide array of aspects linked directly or in-directly to regulatory compliance, financial crimes, tax transparency, business continuity planning, internal controls, privacy and data protection and QNB Group's internal policies and procedures. QNB Group uses an intricate scoring matrix methodology to reflect the actual compliance rate per compliance pillar.

Questions included within the CSAQ stem from laws, rules and regulations issued by key legislative and regulatory authorities located in the domestic and international policymaking arena. As these regulations are dynamic and change from time to time, the Group updates the CSAQ accordingly.

### The compliance-monitoring program (CMP)

In response to the continuously evolving global landscape and heightened regulatory scrutiny, it is essential for QNB Group to maintain a robust and adaptable compliance mechanism. The compliance monitoring program (CMP) is designed to address these dynamic conditions providing a structured framework for QNB to establish a proactive compliance culture. Through holistic evaluations, the CMP addresses compliance risks and related regulatory requirements to ensure that QNB is fully compliant.

This program is underpinned by a formalized and thoroughly documented compliance policy, with clear directives on the roles and responsibilities of the relevant stakeholders. Any identified gaps are promptly addressed, with the necessary updates integrated into corresponding policies and procedures; noting that the enhanced CMP is now under process to be integrated with the compliance management and internal controls system (COMICS) to ensure that it is updated on an ongoing basis.

### Compliance review and testing

QNB Group implements an annual compliance review plan, which is approved by the Group Board Audit and Compliance Committee (GBACC). The plan enables QNB Group to conduct compliance review assignments and assessments utilizing a risk-based approach and leveraging insights from the CMP to define the scope, depth and frequency of assessments.

The assessments focus is on the inherent compliance risks associated with business units, as well as residual risks previously identified through compliance reviews, audit examinations, and regulators' reports. The compliance testing process employs a variety of techniques including (but not limited to) the review of records and documentation, testing of internal controls, and observation of operational practises, as to ensure all applicable laws, regulations and standards are consistency applied.

### Support local subsidiaries to integrate new regulatory requirements into application

The Group worked closely with its domestic subsidiaries such as, QNB Financial Services (QNBFS) and QNB Capital (QNBC) to help them implement various regulatory instructions issued during the year. Wherein, QNB provided proper supervision and guidance to the aforementioned subsidiaries as they worked to ingrain new regulatory instructions into their own policies, procedures and frameworks.

Furthermore, QNB Group also enhanced the reporting mechanism established at these local subsidiaries to strengthen the communication and coordination they have established with head office.

QNB also has adequate control methodologies established at local subsidiaries to effectively identify and oversee compliance risks.



## 2.10 Upheld strong oversight mechanisms over QNB's international entities

QNB is committed to upholding a consistent and standardized approach across the Group's international entities, aiming to establish an effective framework for compliance supervision. This endeavour encompasses the integration of compliance frameworks containing principles of sound corporate governance reinforced by an adherence to regulatory requirements, ethical behaviour, transparency and collaboration. The following represent some of the key supervisory activities conducted by Group Compliance Division during 2024 to support QNB's international entities:

### Applying risk-based approach methodology on overseas branches supervision

A risk-based approach to compliance is a strategy that involves assessing and managing compliance risks based on their likelihood and potential impact on the bank. It involves prioritizing the most serious threats and applying appropriate controls, policies, and procedures to reduce them to acceptable levels.

Using this approach, the branches identify compliance risks across different areas and prioritize them based on their level of risk. This allows the branches to focus their resources and efforts on addressing the most significant compliance risks first. QNB Group's risk-based approach methodology for overseas branches will focus on (4) main risk categories:

- Financial crimes;
- Regulatory compliance;
- Internal control; and
- Data protection.

It is through adopting a risk-based approach that QNB Group significantly enhances its ability to identify, assess and monitor risks in order to, proactively identify potential threats, assess their potential impact, and develop appropriate risk response strategies. QNB Group supervise overseas branches with clear quantifiable outcomes.

### Compliance-monitoring programme (CMP) for overseas branches

The compliance-monitoring program (CMP) aims to monitor compliance risks and develop a strong compliance culture, by holistically assessing where the key risks are, and what mitigating actions are undertaken. QNB does ongoing enhancements for CMP across its' overseas branches in order to monitor efficiently the Group's compliance with applicable regulatory requirements and update the framework, methodology and guidelines on a frequent basis to ensure they are adequate and in line with best practices.

QNB Group is working on implementing automated tools for the regulatory directives and compliance-monitoring program through the "compliance management and internal control system". The system has become essential given that the scope of responsibilities is growing and demanding enriched control for compliance with the developments in the regulations worldwide, which need higher efficiency in compliance monitoring activities

### Outsourcing and third parties activities framework at overseas branches

QNB Group maintains an outsourcing framework based on international standards and core pillars that are vital in ensuring a robust outsourced framework is in place from compliance point of view. On a regular basis, the Group reviews the framework at a high-level against best practices or recent developments to ensure the current framework captures key compliance issues.

The framework identified several key elements in its outsourcing and third parties' activities framework to be reflected in the management of outsourcing & third parties activities covering regulatory compliance, internal control, and data privacy aspects. These elements are related to regulatory requirements, documentation infrastructure, appropriate approvals, and risk assessment, due diligence / enhanced due diligence, key controls, contracts / authentications, contingency plan, documentation / archiving, custody, and ongoing assessment.

### Conducting compliance reviews and testing for international entities

QNB's Group Compliance Division performs compliance offsite / onsite reviews on overseas branches and small and medium international subsidiaries along with high-level visits for the large international subsidiaries according to the Annual Compliance plan.

The compliance testing conducted in these entities includes reviewing records and documentation, testing and observing processes and practices to ensure that applicable laws, regulations and standards are being applied. The information obtained during testing would be supported with documented evidence to provide a sound basis for observations, violations and recommendations.

Compliance review scheduling and frequency is determined based on the perceived risk level of business entities as well as, the level of pre-identified compliance risks based on issues reported, audit examinations, and regulatory reports.

### The Compliance self-assessment questionnaire (CSAQ) for international entities

QNB Group revises the "compliance self-assessment questionnaire (CSAQ)" guidelines and related template on an annual basis by considering the developments in Group Compliance Division frameworks to assess the QNB's international entities outcome and compliance risk profiles.

Furthermore, QNB Group widened the scope of the local CSAQ framework and template application to cover international subsidiaries, as this helps QNB evaluate the activities subsidiaries are doing in order to build a robust compliance framework that aligns with core compliance pillars.

The CSAQ Framework is constructed in line with international standards, which represent the fundamental building blocks for subsidiaries to consider and choose to adopt the same approach to enhance their annual compliance, training, internal control and compliance monitoring programs. This allows QNB to identify key gaps across the key compliance pillars, strengthen data privacy measures, and fortify internal controls. Additionally, QNB Group also provides comprehensive guidance to address regulatory concerns and resolve the compliance-related identified issues.



## 2.11 Risk Governance: strategic and operational risk management measures

QNB Group recognizes the importance good risk management mechanisms, frameworks and tools have in protecting the bank against a multitude of varying risks. Accordingly, QNB Group Risk Division undertakes various initiatives and activities to identify, monitor, evaluate and manage the bank's financial and non-financial risks in. The following represent some of the key initiatives and activities established by QNB's Group Risk Division, to enhance the Group's approach to risk governance:

### Operational risk management initiatives and activities

During 2024, QNB Group supported QCB's "Stay Aware" campaign, an initiative focused on enhancing the public's awareness of information security threats. In response, Group Operational Risk established the Qatar Banks Fraud Management Forum (QBFMF) to enhance cooperation among the leading banks in Qatar. This cooperation focused on collaboratively highlighting and combating various fraud types including (but not limited to) card, merchant, payment, cheque, insider, investment, and insurance fraud.

In support of the bank's commitment to sustainable operations and ESG objectives, Group Operational Risk Division have introduced welfare assessments for local labor providers and attestation processes for similar engagements across the international branch network. These initiatives promote fair labor practices, ethical treatment of staff including compliance with labor standards, risk mitigation. This further helps QNB Group reinforce its dedication to sustainability and social corporate responsibility.

QNB Group introduced significant improvements on the Third-Party Risk Management (TPRM) framework it currently has in place, these improvements focused on automating key processes through workflow. This shift from manual to semi-automated operations has reduced human error, increased efficiency, and streamlined risk management. This helps strengthen the Group's ability to assess third-party risks more effectively, ensuring alignment with our operational and compliance commitments.

### Strategic risk management initiatives and activities

Group Strategic Risk Division introduced various key enhancement to the Group's risk appetite such as updating the bank's strategic risk objectives (SROs) for climate risk then aligning these objectives with the Group's strategic intent on embedding climate-related risk into the Bank's risk management framework and decision-making processes. The Group also enhanced documented procedures related to financial recovery planning to ensure good governance in the preparation of recovery triggers and actions.

In relation to climate risk, the bank has become the first bank in Qatar to join the 'partnership for carbon accounting financials' (PCAF) membership. This reinforces QNB Group's commitment to climate action and responsible finance thereby enhancing the bank's credibility among stakeholders.

QNB Group's risk appetite framework comprises a top-down articulation of the Board risk appetite and tolerance, aligned to Group's strategic assertions, and risk appetite monitoring is operationalized through pre-defined key risk metrics deployed across the bank's international network. Through automation, QNB has enhanced both international risk oversight and process due diligence.

Group Risk Division recognizes industry best practice and the need to address potential regulatory expectations therefore; the Group reviewed liquidity adequacy as outlined in the bank's liquidity risk framework. This allowed QNB Group to identify potential opportunities related to liquidity adequacy and to enhance liquidity risk capabilities, modelling and management practices.

QNB Group completed an assessment on the banks compliance level with the "environmental, social and governance supervisory principles (ESG Principles)" released by QCB including a stock-take of efforts currently underway to align with QCB requirements going forward.

### Effective systems and mechanisms to mitigate and monitor risks

With the growing sophistication of cyber threats like ransomware, to QNB it is no longer a matter of "if" but "when" an attack will occur. While prevention is important, organizations also need strong technological capabilities to maintain data integrity and ensure business continuity in case of a breach. In accordance with that, QNB Group implemented a cyber-resilience system (i.e., Cyber Vault) to enhance the bank's current cyber security capabilities by providing a secure backup to protect the bank against cyber-destruction, ransomware, and data manipulation. The Vault will isolate critical data, detect suspicious activity, and speed up recovery, ensuring a swift return to normal operations after a system compromise.

QNB Group is targeting digital transformation in core banking processes through a phased project to deliver an end-to-end loan origination system. The project covers various aspects related to loan origination, credit administration and collateral management functions. The aims of the project are to derive benefits in standardization across Head office and in QNB international branches, as well as improving auditability, task assignment, delegations and approval tracking.

### Effective risk management structures incorporated at overseas entities

The bank launched a program focused on rolling out a set of enhanced operational key risk indicators (KRIs) to small and medium QNB Group subsidiaries with the aim to create alignment and consistency in the operational risk KRI programs deployed in various parts of the QNB Group while also ensuring effective oversight and governance on said programs.

Group Risk Division continues to play a key role in ensuring appropriate oversight of relevant policies across international subsidiaries and overseas branches. Where the Group continued to implement group-wide risk systems across the international network including standardization of risk dashboards and reporting processes, strengthening risk governance and oversight.



QNB Group introduced multiple measures to promote improved oversight and closer interaction between the bank and its subsidiaries. In a rapidly changing environment, this will improve the bank's appreciation of their operating environments and ensure that QNB is taking the appropriate actions to resolve or mitigate risks on a timely basis.

## 2.12 Cyber and Information Security Initiatives

QNB recognizes that digital platforms motivate cybercriminals to launch their attacks targeting both the clients and even QNB itself. Which is where the Group Information Security Division come into focus, the Group spares no effort to create multiple tools, controls, systems and initiatives that effectively mitigate cyber security related risks and challenges. In 2024, the following activities were completed to strengthen existing cybersecurity controls and protocols including the bank's cybersecurity governance framework:

### Built-up key aspects of QNB's cybersecurity governance framework

In 2024, the bank included a series of key enhancements to QNB's existing governance maturity such as adding new programs to enhance cybersecurity governance and creating an organization-wide cybersecurity governance framework that also aligns with local and international best practices. In addition to that, QNB also ingrained cybersecurity risk management into the Group's enterprise-risk-management framework to ensure a united and aligned approach between both types of risks existed.

People and competency development is yet another key area QNB Group focused on in 2024. Wherein, Group Information Security Division built-up capacity planning for both people and technologies in accordance with national and international best practices. Furthermore, it was a mandatory requirement for all QNB Group employees to undergo cybersecurity trainings on an annual basis and to receive email security tips and phishing tests to ensure they remained vigilant, protected and secured.

### Enhanced information security systems and controls

QNB Group established a rapid security assessment process to verify the security controls and re-assessment of existing processes including security reviews and the setup and actual evaluation criteria for products, applications, from design and provide the required controls to be practiced by the Group.

The Group also focused on achieving good alignment between risk management, data protection, value chain creation, innovation, agility and securing a sound digital space in 2024. To achieve such alignment, the Group initiated the establishment of a cybersecurity operating model, which will cover various aspects related to the bank, such as the following:

- Strategy and governance;
- Technology and architecture;
- Enhancing cyber Capabilities (people, processes and technology); and

- Performance measurement and monitoring.

The elements outlined within the Group's cybersecurity operating model intend to achieve the target maturity as outlined by (and in alignment) with bank's existing cybersecurity strategy.

## 2.13 Internal audit - a key component of corporate governance

### Internal Audit strategic plans and key governance initiatives

In 2024, QNB embedded ESG-related risks and ethical standards within the Group's internal audit reviews to evaluate how environmental regulations, social responsibility, or governance issues could affect the bank's financial stability or reputational risk. In addition to that, the Group also included ESG risks within core audit engagements and audit scope to help the bank remain proactive in meeting evolving regulatory and market demands for sustainable practices. Internal audit reviews help identify areas of the bank that may need improvement, which helps QNB mitigate risks associated with ESG early on.

Financial crime remains a major systemic risk for financial institutions worldwide. In accordance with that, GIAD improved its coordination with the overseas entities' internal audit functions to deal with matters related to auditing financial crime. This included knowledge sharing regarding financial crime risks and supporting other lines of defense in preventing money laundering, fraud, bribery and corruption and other financial crimes across the bank's global operations.

Considering the fact that audit functions operate at a foundational level, they are able to provide valuable insights on the overall quality of reviews conducted on financial crime. Therefore, the focus was placed on knowledge sharing both in inter-departmental work and across international auditing functions to ensure auditors remain upskilled and able to identify emerging risks, making the audit process more adaptive and dynamic.

### Key internal audit and risk governance reporting mechanisms

As part of QNB's digital innovation and adaption strategy, Group Internal Audit Division (GIAD) initiated the automation of the follow-up process over the reported audit findings through its audit system. This enhances the efficiency and accuracy of tracking management's actions to address audit recommendations, ensuring timely resolution. The automation of the follow-up process strengthens QNB's oversight by providing real-time visibility into the status of open issues, reducing the risk of unresolved ones, and supporting compliance with regulatory and internal policies.

### Organized an international planning audit week for internal auditors

In 2024, GIAD organized an international planning week focused on inviting internal auditors from overseas entities to join the GIAD in Head Office and evaluate whether all internal audit strategies are aligned across the Group's entities based on set goals and compliance requirements. Doing so helps QNB Group maintain consistency in the audit approaches utilized across Group entities.

In addition, this initiative created a forum for internal auditors to share best practices and exchange knowledge about regional issues, emerging risks, and local regulatory landscapes. Moreover, this fostered stronger relationships, enhanced collaboration, and promoted a sense of unity to achieve QNB goals and objectives.

This gathering also helped to standardize audit procedures across overseas entities, ensuring that each overseas internal auditor adheres to uniform policies, methodologies, and reporting structures. Thereby promoting accurate comparisons and improving the overall quality of audits across the Group. Internal auditors also benefited from attending this gathering, as they now can effectively customize their audit plans to fit the specific risks, regulations, and market conditions where they operate.

### Reviewed internal audit frameworks and policies of overseas entities

In 2024, GIAD improved upon the bank's existing competencies and work force by recruiting a greater number of experienced internal auditors at overseas entities since auditors who are familiar with the local regulatory environment and market conditions contribute efficiently to entity-specific assessments of compliance and risk. The local expertise they hold can help tailor the audit process to fit regional specifics thereby leading to more relevant findings and recommendations.

Employing more auditors at overseas entities allows for greater consistency in the audit practices and methods utilized across QNB Group. It must be noted that, resident auditors provide better oversight on the bank's overseas operations and that can help identify risks more effectively and mitigate potential issues before they escalate, this also increases the depth of coverage in audits ensuring no critical areas are overlooked. Overall, this recruitment enhances the internal audit function, allowing GIAD to maintain strong governance, improve control effectiveness, and better support the strategic growth of overseas entities.

## 2.14 Enhanced sound governance principles into QNB Group's business operations and initiatives

Corporate governance is the stable foundation whereon all Group activities, initiatives, strategic plans and operations flourish. It is through instilling good corporate governance principles such as transparency, creditability, ethicalness and fairness that QNB's financial services, products, operations receive the trust of shareholders, depositors and other stakeholders. In 2024, QNB Group business divisions seized the following opportunities, business ventures and designed newer products and services to meet client expectations, reinforce good governance and support the bank's business strategy:

### International corporate banking initiatives

QNB has multiple international branches that operate under the overarching governance framework of the Group. These branches continuously fulfill various international banking services and activities in adherence to local laws and regulatory requirements.

QNB Group remains committed to implementing strong internal controls to prevent fraud and ensure the integrity of financial reporting across its overseas operations. During 2024, QNB Group promoted a culture of integrity and ethical behavior within its overseas branches by regularly assessing key performance indicators against set goals to align interests ensuring good governance is maintained. Furthermore, QNB Group also supported the integration of (ESG) sustainability framework into international branches to ensure green banking practices and eco-friendly initiatives are considered in the Group's international banking services and transactions.

### Asset and wealth management (Private banking) practices

QNB Group developed a comprehensive dashboard that offers an inclusive view on customer's data, providing relationship managers and executives with easier and faster access to critical information. This tool delivers real-time insights into performance metrics, client portfolios, and sales analytics, streamlining decision-making and enhancing operational efficiency.

By simplifying access to key data, the dashboard enables more effective client management and accelerates the identification of new growth opportunities, ultimately benefiting the overall performance.

In 2024, QNB Group established a new private banking service designed to not only meet but also, surpass client expectations; doing so helped QNB remain a leading private bank in Qatar. Importantly, also in 2024, QNB Private was selected by Euromoney to be the best private bank in Qatar.





## Treasury operations

QNB Group participated in a new project focused on the development of an infrastructure for the Central Bank Digital Currency Project (CBDC). This project serves as a proactive step for QCB to keep pace with the rapid global developments in the field. QNB Group's participation came in the testing phase of the project, where QCB worked on testing and developing selected applications for the CBDC to settle large payments in a trail environment designed according to the latest advanced technologies.

QNB Group also incorporated multiple enhancements to the bank's current treasury operations such as improving the bank's fund transfer pricing model and planning to increase the execution of various green products including bonds and deposits. Furthermore, the bank also worked to involve new hires with diversified experience and backgrounds into current treasury operations to expand upon the wealth of knowledge currently in QNB.

### 2.15 Supported the establishment of new ESG practices within QNB's sustainability framework

QNB Group Strategy Division serves as the primary advisory body for all matters related to sustainability and ESG-reporting. The division actively engages with both internal and external stakeholders taking the lead in preparing disclosures and reports on ESG matters, as well as interacting with various relevant international institutions, investors, and partners. During 2024, QNB Group took the following actions and initiatives to build upon the bank's existing sustainability framework:

#### Restructured the BOD-level governance framework on ESG

The Group's Board of Directors approves the sustainability programme, which is comprised of the strategy, roadmap and material topics on ESG. In 2024, Board-level governance of ESG matters was restructured in order to further ensure that the right Board and executive management committees address respective ESG topics. ESG-focused BOD responsibilities were restructured from the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC) to have:

- Environmental and social topics covered by the Group Board Risk Committee (GBRC) while;
- Governance topics are handled by the Group Board Audit and Compliance Committee (GBACC)

This restructuring was further cascaded down to QNB's operational level (i.e., within QNB's management committees). The Group Senior Management Committee (SMC) oversees the overall ESG framework, strategy and any new ESG-related topics while the Group Management Risk Committee (GMRC) oversees updates, achievements and reporting with regard to risk-related topics including climate risk. This helped QNB effectively embed ESG responsibilities and topics into the bank's business and operational model.

## Strategic initiatives to improve upon QNB's sustainable governance framework

This year, Group Strategy Division continued to update and improve upon the Group's existing strategic planning framework for international branches and subsidiaries, broadening the scope of countries within the framework. This allowed QNB to harmonize the way in which the following activities are managed throughout the Group:

- Business plan development and execution.
- Performance management and monitoring.
- PMO/project management/portfolio management.

Additionally, QNB Group expanded the yearly business plan and capex cycle to a three-year rolling plan, following international best practice. This will enable greater transparency and improve the cohesion and preparedness for our business and support functions.

#### Key developments in ESG reporting disclosures:

In line with commitment to transparency, QNB Group annually reports on the bank's sustainability performance, adhering to the latest Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB) standards, and incorporating the recommendations of the Taskforce on Climate related Financial Disclosures (TCFD). Furthermore, QNB Group has obtained an independent limited assurance under ISAE 3000 (Revised) on select ESG KPIs. Doing so helps ensure that, the preparation of the Group's sustainability report aligns with GRI standards. This year, QNB reports in line with the IFRS S1 and S2 sustainability-related financial disclosures, including financed emissions.

#### Strategic sustainability and ESG-focused plans for the future

Looking ahead, Group Strategy Division will continue to support executive management in key strategic topics. In 2025, with the closing of the current strategy cycle, the Group will embark on the definition of a new aspiration and strategy for the next few years. This new strategy will be cascaded down throughout the bank via the business plan and performance monitoring mechanisms. Additionally, QNB will continue to foster an innovative ecosystem and support the bank in its journey towards a more sustainable future.

### 2.16 Global governance practices across QNB Group's international business network

To support the growing international footprint and expansion strategy of QNB, Group International Business Division (IBD) consistently oversees the business practices and operational activities of QNB's overseas entities. Where, in 2024, IBD launched a series of different initiatives, activities and strategies targeted at developing and subsequently strengthening overseas subsidiaries and branches capabilities and practices:

### **Streamlined newer monitoring and oversight practices at QNB subsidiaries and affiliates**

In an effort to improve governance, streamline regional oversight, and increase operational efficiency, the Group has placed QNB's Shanghai representative office directly under supervision of QNB Hong Kong (QNBHK) branch. This move is indicative of IBD's consistent strive to maximize efficiency across QNB's international entities and boost local responsiveness especially as both the QNB Shanghai representative office and QNBHK are closely associated with one another, in terms of geography and culture.

This move also further leads to better enhancements in regulatory compliance and operational efficiency, as Hong Kong and Shanghai both function within the larger China market yet, due to Hong Kong's closer proximity and status as a preeminent financial hub in Asia, Hong Kong is better equipped to manage China's regulatory environment.

Furthermore, QNBHK can supervise QNB Shanghai's business more successfully because of its strong financial regulatory structure, knowledge with regional legislation, and wealth of expertise handling both mainland Chinese and international operations. Due to geographical proximities, both QNB Shanghai and QNB Hong Kong will find communication to be easier and response times to operational problems to be quicker. Group IBD will continue to reinforce oversight and drive compliance, assisting in the resolution of governance-related challenges and enhancing decision-making processes.

### **Implemented a new corporate governance digital solution for QNB H.O and overseas entities**

Group IBD implemented a new corporate governance-centric digital solution, in both QNB Head Office and a number of overseas subsidiaries and affiliates. Doing so, marks an important step forward in enhancing QNB's corporate governance practices, operational efficiency, and oversight. One of the primary advantages of implementing this solution is, the centralization and standardization of governance processes, where the bank can standardize its governance and board activities across all entities, creating a consistent framework for managing board meetings, agendas, minutes, and resolutions. This uniformity not only reduces the risk of discrepancies between different subsidiaries but also streamlines communication between the HO and its overseas network.

Having multiple key stakeholders on the same platform, information flows more efficiently, improving coordination, decision-making, and governance oversight. The platform's digital nature enhances security and compliance, both of which are crucial for a bank managing sensitive financial information. The system also provides robust data protection features, ensuring that confidential documents and communications between the board and executive management remain secure and accessible only to authorized personnel.

Another notable benefit is that the application promotes better decision-making and accountability. Through real-time access to information and the ability to track board decisions, actions, and follow-ups, the bank can ensure that all governance-related activities are transparent and accountable as well as the increased efficiency and reduced administrative burden that comes with automating corporate secretary tasks.

### **Supported QNBs overseas entities with establishing a good corporate governance framework**

Throughout the year, Group IBD was providing continuous support to a number of overseas subsidiaries and branches by assisting them in the appointment of new branch executives to ensure compliance with the requirements of local and international regulatory authorities. Additionally, Group IBD has been involved in the creation, review, and validation of various policies for overseas network, either to address specific local regulatory mandates or to strengthen the internal governance framework.

Furthermore, Group IBD intends to continue working on implementing a comprehensive development plan for overseas entities Board Directors. Since doing so will allow QNB Group to enhance governance across overseas entities by equipping directors with the necessary skills and insights to navigate regulatory challenges vis-à-vis, improve overall accountability.

### **2.17 Innovated new procurement arrangements, systems and practices**

QNB Group Procurement Division establishes effective procurement solutions and systems, create value, mitigate risks and manage subsequent supplier relationships across QNB Group. In 2024, Group Procurement Division preformed the following activities and actions in support of the bank's procurement and supplier management framework and related policy:

#### **Implemented a new procurement governance monitoring system**

QNB Group successfully launched the 'spend management system' in 2024 and the roll out happened across four International QNB branches in June 2024 (Kuwait, Lebanon, Yemen and Oman). Furthermore, the system implemented now completely governs and stores end-to-end spend and procurement processes, this includes a centralized supplier and contracts database for ease of information and reporting access.

All sourcing events over a set threshold must go through the system's approval process in alignment with the Group procurement policy and the financial authority matrix set in-place. Doing so further improves QNB's compliance posture, as automating key areas of compliance activities in the system itself brings a great deal of benefit to QNB Group's monitoring and oversight abilities. By the end of 2024 the spend management system will be rolled out to all QNB international branches.

#### **Set new organizational structure developments and business targets**

QNB Group meticulously segmented its supplier base to identify strategic suppliers, conduct business review meetings with them then appropriately manage the relationship QNB has with them. Furthermore, QNB Group discusses supplier performance with its strategic partners to reinforce accountability and provide the bank with a transparent platform for continued engagement between QNB and its strategic suppliers. This helps QNB maintain governance standards and track performance across all procurement activities.



In response to increased procurement demands and rapid ramp up of the Group Procurement division activities, additional resources were hired in 2024 to support the Group's growing procurement practices and to better manage work alignment and streamline the procurement processes.

## 2.18 Financial Disclosure regimes as an integral part of the corporate governance framework

The bank's financial reporting and disclosure infrastructure hinges on transparency and openness. The Group maintains a trustful relationship with its regulators, shareholders, external auditors and stakeholders.

QNB's Group Financial Control Division prepares the bank's disclosures timely and comprehensively in line with regulatory requirements and requested for more substantive disclosures. During 2024, Group Financial Control Division (FCD) worked to address the following regulatory requirements:

### QNB Group share buyback

In 2024, QNB Group received regulatory approval on its share buyback initiative wherein, the Group decided to approve a buyback of QNB's shares up to a value of QR 2.9 billion on the Qatar Stock Exchange, as part of the evolution of QNB Group's disciplined capital distribution and allocation policy.

The decision to initiate a repurchase of QNB's own shares arose after careful consideration of several factors including current and future shareholders expectations, strength of QNB Group's financial position, growth strategy, strong return on equity, high quality and superior earnings, financial ratios associated with equity and liquidity, and continued confidence of the investor community.

QNB's share buyback is a confidence building measure, which is expected to raise investors' trust in QNB's robust capital allocation process, improve market liquidity and enhance returns. QNB Group intends to fund its share buyback from its retained earnings and surplus liquid funds available with QNB.

### Disclosure standards: implement Basel 4 guidelines

In 2024, QCB released new guidelines related to Basel 4 (also known as Basel III reforms). In consequence, Group FCD worked to integrate the principles as outlined in the guidelines into QNB Group disclosure activities and practices. QNB Group remains compliant with regulatory requirements related to disclosure, as the Group works diligently to ensure that all disclosures on Basel framework and different types of Basel ratios are issued quantitatively and qualitatively in compliance of Basel implementation requirements.

## 2.19 QNB's continued dedication to corporate social responsibility

QNB believes that corporate social responsibility (CSR) is the cornerstone to creating long-term beneficial effects for the societies, communities, environments and economies where the bank operates. To produce an inclusive positive impact on society, QNB works to support CSR-focused initiatives and activities, the following represent some of the key activities done by Group Communications Division in 2024:

### A. Participated in youth and educational events

#### Kawader Malia program 2024

QNB was the diamond Sponsor of Kawader Malia 2024 graduates program launched by Qatar Finance and Business Academy (QFBA) to qualify graduates or recently recruited employees to assume leadership positions in the financial services sector in line with Qatar's national vision 2030.

#### Ramadan Camp 2024

QNB Group launched a Ramadan Camp that took place every Saturday on the holy month of Ramadan to teach kids about the importance of financial literacy and giving back to society during Ramadan.

#### Injaz Al-Arab's 17th Entrepreneurship

QNB Group was the official sponsor of Injaz Al-Arab's 17th Entrepreneurship Celebration "Generation Next" under the patronage of Ministry of Education. The celebration focused on examining the financial literacy and entrepreneurship projects created by various students then awarding three winners with a prize for the innovative ideas they came up with in regards to financial literacy.

#### Seasonal camps for children on sustainability 2024

QNB Group launched two seasonal camps for kids in 2024, one in the summer and the other around winter. In the summer camp, children got a chance to create their own ATMs from sustainable materials while, in the winter camp children were taught the importance of money and ways to save more.

### B. Organized arts and culture activities

#### Qatar University science week 2024

In collaboration with Qatar University, QNB had sponsored and participated the 9th Cultural and Scientific week for GCC Universities and Institutions of Higher Education in Doha under the theme "Towards a Promising Gulf Knowledge Economy"

#### Garangao event 2024

QNB Group organized multiple Garangao events as per of their commitment toward culture initiatives where they distributed Gragao gifts and celebrated along with special need kids at Al Shaffalah, Al Noor Center for Blind, QNB Staff and the visitors of Souq Wakef.



### Eid Al Fitr and Eid Al Adha festival

QNB had sponsored and participated in Eid Al Fitr and Eid Al Adha festival to celebrate the special occasion with the wider community and foster a sense of togetherness during these festive holidays. QNB Group remains committed to supporting cultural events in an effort to spread the joy across local communities.

### C. Supported social and humanitarian initiatives

#### Ramadan Iftar event

QNB Group organized and sponsored a Ramadan Iftar for elderly patients and their families at “Daam” specialized care center of Hamad Medical Corporation to support these families during the holy month of Ramadan and continue to care for Qatar’s wider communities.

#### Eid outfit

QNB Group provided support for the “Eid outfit” campaign for people with disabilities, in cooperation with the Qatar Society for the Rehabilitation of Special Needs. QNB Group remains committed to supporting social and humanitarian events in an effort to spread the joy across local communities

#### Early intervention program

In collaboration with the Qatar autism association, QNB Group became the exclusive partnership for “Early Intervention Program” for autistic children and their families. The program provides early identification and intervention services for infants and toddlers who have, or are at risk for developmental delay or disability.

#### Celebrating Eid Al Fitr with patients

QNB Group’s corporate social responsibility team visited kids staying in Sidra hospital as patients to celebrate Eid Al-Fitr with them and spread the joy of this special occasion with the wider community.

### D. Sponsored sport events

#### The Amir Racing and Equestrian Sword festival 2024

QNB was the platinum sponsor of the 2024 Amir Racing and Equestrian Sword festival, and the gold sword race organized by the Qatar racing and equestrian club. The Group supported these events considering how embedded horseracing is in the Qatari culture.

#### The H.H Amir Father Sword race festival 2024

QNB is the diamond sponsor of H.H the Amir father’s sword festival in collaboration with the camel race committee. The sponsorship aimed at further enhancing the bank’s partnership with the camel racing organizing committee and support Qatar’s deep-rooted traditional sports.

#### Sponsored Paris Saint Germain Football team and Doha Academy

QNB is the premium sponsor for the Paris Saint Germain Football team and Doha Academy where this sponsorship continues to show QNB’s dedication to supporting sports activities across Qatar, as well as a keen commitment to provide QNB staff and their families with sporting programs at a premium rate.

### E. Supported health and environment initiatives

#### Kidzania event on sustainability 2024

As part of QNB CSR strategy toward Sustainability and in collaboration with Kidzania Doha, QNB was the official sponsor for Kids for Greener World Event 2024. QNB Group had a sustainability center in Kidzania that had various different eco-friendly activities such as a sustainable city with virtual reality powered up with a kinetic bike. This taught children about the concept of renewable energy in an interactively fun way.

Moreover, QNB Group was also the official sponsor of Inclusive Qatar, a Kidzania program aimed at empowering the youth. The focus of the program was on how to merge special needs children with the community and instill core sustainability values into the activities special needs children will perform.

#### Earthna panel on climate change 2024

QNB was the Strategic Partner for Earthna “Qatar National Dialogue on Climate Change 2024” panel. Where QNB’s Group Chief Risk Officer participated in invigorating discussion regarding the role of “Women Leadership in Climate Change”. The panel discussion further reinstates QNB Group’s commitment to ESG and sustainability knowledge building.



### 3. Key corporate governance participants: the Board of Directors (Board/BOD)

Effective corporate governance requires a clear establishment and understanding of the respective roles of the Board, management and shareholders, their relationships with each other and their relationships with other corporate stakeholders. In addition to the core guiding principles of corporate governance described above, this report describes the roles of the key corporate governance participants in the following sections, with particular focus on the Board of Directors and the Executive Management.

#### 3.1 Roles and responsibilities of the Board of Directors

The Board of Directors are responsible for the leadership, oversight, control, development and long-term success of the Group. They are also responsible for instilling the appropriate culture, values and behaviour throughout the organisation. The BOD are entrusted by the shareholders with the authority to govern QNB Group and to discharge the following responsibilities:

- governing QNB Group and overseeing its operations;
- setting the Group's vision, mission and objectives;
- providing effective governance over the bank's key affairs;
- setting the overall strategic direction and oversight through the reviews and approvals of Board level policies and various Group policies to ensure the adherence to specific standards;
- minimising the Group's risk exposure, including the appointment and the oversight of the Executive Management;
- establishing compensation, performance evaluation and ensuring succession planning;
- ensuring the accuracy of the Group's financial statements including the timely reporting and disclosure of financial information to regulators and shareholders;
- providing a system by which information on unlawful or unethical behaviours can be reported to the Board; and
- ensuring compliance with new laws and regulations as well as QNB Group Articles of Association.

The Board of Directors have the vital role of overseeing the Bank's management and business strategies to achieve long-term value creation. Selecting a well-qualified Group Chief Executive Officer (GCEO) to lead the Bank, monitoring and evaluating the GCEO's performance and overseeing the GCEO succession planning process are some of the most important functions of the Board.

The Board also has an oversight role on the proper monitoring and design of the internal controls pertaining to combatting the financial crimes including but not limited to aspects such as, money laundering, terrorism financing, know your customer (KYC) measures, sanctions, fraud control, data protection, governance aspects, etc. and receive/consider annual report of the Money Laundering Reporting Officer (MLRO) as stipulated by relevant laws and regulations.

A balance between the roles and responsibilities of the BOD and Executive Management is achieved through segregation of duties. The BOD provides overall strategic direction and oversight through the review and approval of major strategic initiatives, policies and objectives while day-to-day management of QNB Group is entrusted to the GCEO.

The Board delegates to the GCEO and through the GCEO, to other Executive Management, the authority and responsibility for operating the Bank's daily businesses. BOD members exercise vigorous and diligent oversight of the Bank's affairs, including key areas such as strategy and risk, but they do not manage or micromanage the Bank's business by performing or duplicating the tasks of the GCEO and Executive Management team.

The Board has also adopted the Board Charter that is reviewed every three years or earlier if needed, which provides a framework on how the Board operates as well as the type of decisions to be taken by the Board and which decisions should be delegated to management with periodic reports submitted to the Board on the exercise of the delegated powers. The Board Charter can be found on the QNB Group website and is available in print to any shareholder upon request.

In line with QNB's processes, all Board members are informed and updated on latest banking developments and on key regulatory matters.

#### 3.2 Board of Directors structure and composition

According to the Articles of Association, ten (10) members of the BOD are elected or nominated for three years renewable for the same period. The major shareholder in QNB, which is the Government of Qatar, through the Qatar Investment Authority (QIA) (holding 50% equity stake) is entitled to appoint five (5) of these members while the other shareholders have the right to elect the remaining five (5) members. The BOD members shall elect the Chairman and Vice-Chairman among its members by a majority secret vote of the Board. The Board of Directors have the widest authority to manage the Bank and also have the right to appoint several managers or authorised persons and to vest in them the right to sign jointly or separately on behalf of the Bank.

In November 2021, Qatar Investment Authority appointed H.E. Mr. Ali Bin Ahmed Al-Kuwari to the Bank's Board of Directors. H.E. was subsequently elected as the Chairman of Board of Directors. He has extensive experience working in the government, financial and banking sectors, which spans more than 33 years during which he served as CEO of QNB Group from July 2013 to November 2018. During that time, the bank became the largest bank in the Middle East and Africa.

Based on the QCB Corporate Governance instructions (Circular 25-2022), the bank is considering the areas related to the board composition and their independency requirements, which will be aligned with the new instructions. QNB has coordinated with the relevant regulatory authorities to implement the new instructions and reflect the same in its articles of association (AOA) during the next Extraordinary General Assembly meeting.

### 3.3 Board term and renewal

During the QNB Annual General Assembly Meeting (AGM) held on 13 February 2022, Board elections were held in line with the regulatory requirements on Board composition, wherein five members were elected to the QNB Group Board of Directors representing the private sector and five were appointed through the Qatar Investment Authority (QIA). The Board members were elected for a three-year term from 2022 to early 2025. The results of the AGM were disclosed on the QNB website in QNB's pursuit to advocate transparency. The next Board elections will be held in early 2025, after which any new members will undergo an induction program on their roles and responsibilities, related regulatory requirements and on other key matters.

The Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC) is responsible to adopt the highest transparency standards in the nomination process for Board membership. This committee is in charge of recommending Board members for election in the General Assembly Meeting based on the applicable QCB and QFMA requirements as well as initiating the annual performance self-assessment of the Board and Board Committees. The candidate for Board membership shall provide a written acknowledgment stating that he is not undertaking any legally prohibited job position to combine it with the QNB Board membership.

In coordination with the Group Board Nomination, Remuneration, Governance and Policies Committee, Group Compliance ensures the preparation and the submission of the induction file to the new Board members to ensure proper awareness of all the responsibilities and assigned tasks.

Nominations and appointments are made in accordance with an approved mechanism to accept candidates in line with the Commercial Companies Law, QCB and QFMA requirements. Moreover, for this specific purpose, the BOD has adopted a clear policy in light of international professional and technical standards to measure the eligibility of individuals that apply for Board membership.

### 3.4 Board qualifications

Members of the BOD have the requisite expertise and management skills that qualify them to conduct their duties towards the Bank's best interests. Board members are selected according to the criterion of 'the right person in the right place', taking into account the efficiency and competence of the members. They are also committed to investing the required amount of time and attention towards the accomplishment of their duties for the duration of their term.

During 2024, QNB Board members were provided with appropriate trainings in line with the Board training plan. The trainings included topics in relation to risk management, ESG, cyber-security and sanctions compliance.

### 3.5 Independent and non-executive Board members

In 2024, all of QNB Group's BOD members are non-executive members and none of them assume executive responsibilities, moreover, the number of independent BOD members is in line with the minimum regulatory requirements and none of these members holds a full-time or part-time job within the Group.

BOD members challenge management proposals constructively; they also examine and review management performance in meetings against agreed objectives and targets. In addition, they draw on their experience and knowledge in respect of any challenges facing the Group and in relation to the development of proposals on strategy.

The Board has the appropriate blend of skills, knowledge and experience, from a wide range of industries and backgrounds, necessary to lead the Group.

### 3.6 Prohibition of combining positions

In 2024, none of the Board members served as a Board Chairman or a Vice-Chairman for more than two companies that have their headquarters located in the State of Qatar and none of them have Board membership in a company with an activity similar to the bank's business. In addition, none of them served as a BOD member for more than three joint-stock companies, which have their headquarters located in the State of Qatar and none of them served as a managing director in more than one company, which is headquartered in the State of Qatar.

The Chairman and the members of the Board provide an annual acknowledgment that none of them combines the prohibited positions according to the regulatory requirements. The Board Secretary maintains such acknowledgements in the file prepared for this purpose.





### 3.7 Board members' duties

All Board members comply with the following duties:

- attending meetings of the Board and committees regularly and not withdrawing from the Board;
- giving priority to the interests of QNB Group shareholders and all stakeholders over their own interests;
- providing opinion on the bank's strategic matters, policy of project implementation, staff accountability systems, resources, key appointments and operation standards;
- monitoring the bank's performance in realising its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports;
- supervising the development of the procedural rules for the Group's governance to ensure their implementation in an optimal manner in accordance with QFMA and QCB requirements;
- using their diversified skills and experience along with diversified specialties and qualifications for effective and productive management of the Group, and working to achieve the interests of the bank, partners, shareholders and other stakeholders;
- effective participation in the general assemblies, and achieving its members' demands in a balanced and fair manner;
- no-one makes any statements, shares data or information without prior written permission from the Board of Directors, and an official spokesperson will be appointed for the Group for this purpose; and
- disclosure of financial and trade relations, and litigants, including the judicial recourses that may affect negatively on carrying out the tasks and functions assigned to them.

The Board members, at the bank's expense, may request an opinion of an independent external consultant in issues relating to any of the bank's affairs.

Each Board member owes the bank the fiduciary duties of care, loyalty and compliance with the rules set out in related laws and regulations, including QCB corporate governance instructions, QFMA corporate governance code and the Board Charter, Board Policy, Terms of Reference and Code of Ethics and Conduct.

Board members shall act at all times on an informed basis, judiciously, in good faith, with due diligence and in the best interests of the Group and all shareholders, exercise independent judgement and observe confidentiality and act effectively to fulfil their responsibilities towards QNB Group.

### 3.8 Board and committee evaluations

The Board has an effective mechanism for evaluating its performance on a continuing basis. Meaningful Board evaluation requires an assessment of the effectiveness of the full Board, the operations of Board committees and the contributions of individual Directors on an annual basis. The results of these evaluations are reported to the full Board, and there will be a follow-up on any issues and concerns that emerge from the evaluations. The Board, under the leadership of the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC), periodically considers what best approach will result in a meaningful assessment of the Board and its committees.

Accordingly, the GBNRGPC initiate the annual assessment exercise of the BOD committees and the BOD members. The BOD undertakes the process of an annual assessment according to the BOD performance methodology. The assessment allows the BOD to demonstrate that it is accountable for its decisions and the overall operations of QNB Group.

Moreover, all BOD members completed a self-evaluation exercise indicating to what extent they are comfortable with both their individual performance as members of the BOD, and the BOD committees' performance they served in.

The BOD annual performance assessment for 2024 was conducted. Upon assessment finalization, the Group (including the full Board, the individual members and Board committees) found the operative nature of BOD decision-making, flow of information from BOD committees to the Board, committee engagement and BOD member behaviour to be adequate and efficient.

### 3.9 Board Secretary

The BOD is supported by a Secretary who, under the direction of the Chairman, ensures that communication and information flows between Board members. The Board Secretary is also responsible, for assisting the Chairman in all matters relating to corporate governance, and provides assistance for the Chairman and all members in conducting their duties.

The BOD has appointed a Secretary of the Board that can be removed only by Board resolution. The BOD Secretary is entrusted to record, coordinate and register all the Board's meetings, in addition to keeping custody of records, books and reports sent and received by the Board. The Secretary's functions also include the distribution of information and coordination among members of the Board and between the Board and stakeholders within the Group, including shareholders, executive management and employees, and to ensure the timely access of members of the Board to all minutes of meetings, information, documents and records related to the Group. The Secretary may, upon the Chairman's approval, require the assistance of any employee of the bank to perform his duties.

Mr. Mohamed Mahmoud Muslim Arar – Secretariat Management Diploma – is the Secretary of the Board of Directors since 1990. He has previous experience in banking and secretarial work, as he has been a member of the bank since 1974 in the Current Accounts Department, then moving to Credit Facility Management in 1980. He was appointed as Office Manager of the Group CEO in 1988.

Mr. Faisal Mubarak Al-Hitmi – Diploma in Business Administration, Accounting and a Master’s Degree of Arts – is a Manager at the Board Office since June 2016. He has previously worked in the Tenders and Vendors Management section in the Legal Department under Group Risk Division since June 2014.

### 3.10 Board meetings

According to QNB Group’s Articles of Association, the Board should hold at least six meetings during the year. The meetings are held regularly or when called for by the Chairman or by two Board members. The invitation to the Board meeting should be communicated to all members at least (10) days prior to the meeting. In this regard, any member can add a subject to the meeting’s agenda. The Group’s Articles of Association also provide detailed information on the attendance, quorum, voting and meeting requirements.

In line with QFMA requirements, QNB Articles of Association (Article 28) state that the absent member may, by written request to the Chairman, delegate any other Board member to represent him in attendance and voting. A Board member cannot represent more than one member.

The Board meets periodically in order to ensure that it is adequately fulfilling its roles and responsibilities. The number of BOD meetings held annually are in compliance with the minimum times required by the Commercial Companies Law (CCL) (currently six (6) times a year) Article (104) and are as per Article (14) of QFMA Governance Code. Furthermore, three months must not elapse without convening a meeting.

In 2024, the BOD held **six** meetings with an average attendance rate of 95%.

### 3.11 Board members’ resignation

Following the Commercial Companies Law No. 11 for the year 2015 (and its subsequent amendments), the provisions of the article (105) have been considered in QNB Articles of Association article (27), stating that in the event that a Board member is absent in three consecutive (or four non-consecutive) Board meetings, with no acceptable excuse by the Board, the member shall be legally considered as having resigned, to be in line with QFMA requirements.

Moreover, QNB BOD policy aligned with QCB requirements, where it is stating that a Board member may resign by delivering written notice, signed by the Board member, to the Chairman and transmitted to the Board. In case of resignation for reasons of irregularities observed by the member, the written letter should be addressed with a statement explaining all related details and must be documented in the Board of Directors minutes of meeting.

### 3.12 Board decisions

In line with QFMA requirements, QNB Articles of Association (Article 29) state that the resolutions of the Board of Directors shall be passed by a majority of votes of the members who are present. If the votes are equal, the vote of the Chairman or his substitute shall prevail. The Board, in case of urgency, may pass its resolutions by circulation, provided the consent of all members is procured in writing and the resolutions are discussed in the next meeting and recorded in the minutes of the meeting.

### 3.13 The committees of the Board

As per leading corporate governance practices, regulatory (QCB and QFMA) requirements, QNB Group BOD has established several committees to assist in carrying out its supervisory responsibilities composed of members of the Board who report directly to the BOD. In application of Article (7) of the QFMA corporate governance Code, the Chairman of the Board of Directors is not a member in any of these committees.

Each Board committee is assigned to handle one or more of the tasks of the Board. The responsibilities of the Board committees are duly documented in the terms of reference, which are approved by the BOD. The ultimate responsibility for QNB Group rests with the Board even if it sets up committees. During the year 2024, the Board of Directors has not delegated any of its power to a third party and does not issue a general or an open-ended delegation.

QNB Group BOD committees are the following:

- A. Group Board Executive Committee (GBEC);
- B. Group Board Audit and Compliance Committee (GBACC);
- C. Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC);
- D. Group Board Risk Committee (GBRC).

QNB Board of Directors conducts periodic evaluations of its committees’ achievements and maintains that the BOD committees have clear roles, well understood and supported by all Board members. BOD committees serve as a valuable resource to the Board Chairman and the GCEO in guiding the organisation and improving the overall Board performance.

The following is a summary on the composition, duties and the working mechanism of these committees.



### 3.13.1 Group Board Executive Committee (GBEC)

The Group Board Executive Committee is composed of three Board members; one of them is selected by the BOD as Chairman. The Group Chief Executive Officer attends all meetings, without voting rights.

The composition of GBEC for 2024 was as following:

- H.E. Sheikh Hamad Bin Jabor Bin Jassim Al-Thani - Chairman of the Committee
- Mr. Bader Abdulla Darwish Fakhroo - Member
- Mr. Adil Hassan H A Al-Jufairi- Member

GBEC main responsibilities are the following:

- review and endorse for the Board approval the long-term strategy of QNB Group based on economic and market conditions and Board of Directors' directives;
- review and endorse for the Board approval annual business plans and budgets across QNB Group in line with the long-term strategy and changes in economical, market, and regulatory environments;
- review and approve budgetary reallocations against budget approved items as per the quarterly management reports;
- monitor QNB Group quarterly performance against strategy, business plan and budgets;
- review and approve QNB brand vision and defined values with all associated brands across the Group;
- review and approve QNB corporate social responsibility strategy in light of QNB brand values across the Group;
- review and consolidate marketing and communication plans and resource distribution plans to efficiently and effectively align it to support QNB business development and growth;
- facilitate the effective supervision and overall control of the Group's business by reviewing overall customer credit and investment exposures;
- review and consolidate business development, products alignment, and resources distribution across QNB Group;
- authorise those individual transactions and sectorial limits that fall within the authority delegated to the Group Board Executive Committee by the Board of Directors;
- review credit proposals as per the QNB Group approved authority matrix;
- review and recommend the action to be taken on impaired loans in line with the delegated limits and authorities as approved by the BOD and in line with QCB regulations; and
- report the committee's activity to the BOD on a periodic and annual basis, including the identified and key issues/approved decisions and recommended actions to be taken by the Board of Directors when required.

The Committee held **five** meetings during 2024 with an average attendance rate of 100%.

### 3.13.2 Group Board Audit and Compliance Committee (GBACC)

The Group Board Audit and Compliance Committee is composed of three Board members, the majority are independent members. The Chairman of the Group Board Audit and Compliance Committee must be a financial expert and the other Board members must have a financial reporting background and knowledge. Members of the GBACC cannot be a member of any other Board committee, and the Chairman of the GBACC cannot be a member of any other Board committee.

The composition of GBACC for 2024 was as following:

- H.E. Sheikh Fahad Bin Faisal Bin Thani Al-Thani - Chairman of the Committee
- Dr. Abdulrahman Mohammed Y Jolo - Member
- Mr. Ali Yousef H A Kamal - Member

The Committee has the following responsibilities pertaining to **financial statements**:

- review significant accounting and reporting issues, including complex or unusual transactions, in the light of regulatory directives and professional pronouncements and correlate their impact on the financial statements of the Group;
- review judgements by Executive Management in relation to responsibilities pertaining to financial statements;
- review and endorse the annual financial statements and consider whether they are complete, consistent and reflect appropriate accounting standards and principles before submission to the BOD for final approval;
- review the Group's financial statements, notes thereto, related regulatory filings, and consider the accuracy and completeness of the information before release;
- review with management and the external auditors all matters required to be communicated or disclosed under generally accepted auditing standards or regulatory requirements;
- understand how management develops interim financial information and the nature and extent of internal and external auditor involvement;
- review with relevant parties any tax related matters and adequate disclosures that could significantly impact the Group financial statements;
- review interim financial reports with management and the external auditors and consider whether they are complete and consistent before filing with regulators;
- review any legal matters that could significantly impact the financial statements of the Group; and
- review with Group Compliance and external auditors any fines imposed by the regulators and/or other bodies.



The Committee has the following responsibilities pertaining to **internal control**:

- Oversee appropriateness and effectiveness of the “Internal Controls over Financial Reporting” (ICOFR) framework applied at QNB Group.
- understand the scope of internal and external auditors’ review of internal controls over financial reports and obtain reports on significant findings and recommendations, together with management’s responses;
- obtain explanation from management and internal and external auditors on whether the Group’s financial and operating controls are functioning adequately and effectively;
- in coordination with the Group Board Risk Committee, consider the effectiveness of the Group’s management of risks and internal controls over annual and interim financial reporting, regulatory and other reporting, including information technology security and controls (including that at overseas branches and subsidiaries); and
- consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown.
- Consider with Group Internal Audit, External Auditors and Group Compliance any fraud, illegal acts or deficiencies in internal control or other similar areas.

The Committee has the following responsibilities pertaining to **internal audit**:

- appoint/remove the Group Chief Audit Executive;
- review and approve the charter, plans, activities, staffing and organisational structure of the Group Internal Audit Division;
- ensure the independency of the Audit function and that there are no unjustified restrictions or limitations on the functioning of Group Internal Audit, as well as on internal audit’s access to the Group’s records, documents, personnel as and when required in performance of their functions;
- review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors’ Standards for the Professional Practice of Internal Auditing and other applicable standards and best practices;
- on a regular basis, review the results of internal audit and meet separately with the Group Chief Audit Executive to discuss any matters that the Committee or internal audit believes should be discussed privately and follow-up on the corrective action to any identified issues and ensure proper implementation of measures to prevent recurrence and report the results of the Committee review to the BOD on a regular basis; and

- ensure that management responds to recommendations by the internal auditors and that all information, records etc. sought for and required by internal auditors in the performance of their formal duties is/are made available to them by management in an unhindered manner.

The Committee has following responsibilities pertaining to **Compliance**:

- appoint/remove the Group Chief Compliance Officer;
- review and approve the charter, plans, activities, staffing and organisational structure of Group Compliance Division;
- ensure the efficiency of the compliance function in detecting the deviations and breaches within the Group, and ensure the non-existence of any factors that would impact its independence and objectivity as well as proper reporting of the compliance function with appropriate consideration to Basel Committee requirements and FATF (Financial Action Task Force on Money Laundering) recommendations;
- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigation and follow-up (including disciplinary action) of any instances of non-compliance within the Group;
- review the findings of any inspection by QCB and any other regulatory body and follow-up on the corrective action to any identified issues and ensure proper implementation of measures to prevent recurrence;
- review the communication and enforcement of the Code of Conduct to Group personnel and monitoring compliance therewith;
- ensure there is an effective framework in place across the Group for managing and monitoring financial crime compliance related risks, in line with regulatory requirements and international leading practices;
- ensure there is an effective mechanism for control, monitoring and reporting on the anti-money laundering and combating terrorism financing as well as international sanctions programmes and related issues;
- ensure that Group Compliance has oversight on the assessment of the appropriateness and effectiveness of the ‘Internal Controls over Financial Reporting’ (ICOFR) implemented in the Bank;
- review the Group policies and framework pertaining to data protection and make sure a proper oversight is in place to protect QNB data from leakage or inappropriate or unauthorised use;
- review the effectiveness of the Whistle-blowing Policy and recommend related actions/amendments to the BOD;
- review the Group level of compliance to comply with tax compliance risks related to automatic exchange of information;
- review and approve the annual corporate governance report, prepared by Group Compliance in accordance with regulatory requirements; and



- on a regular basis, review the results of the compliance reviews and meet separately with the Group Chief Compliance Officer to discuss any matters that the Committee or Group Compliance believes they should be discussed privately and follow-up on the corrective action to any identified issues and ensure proper implementation of measures to prevent recurrence.

The Committee has the following responsibilities pertaining to **external audit**:

- review the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit to ensure that the proposed scope and approach take in consideration the size of the bank and in line with the regulatory requirements and best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA);
- Verify that the External Auditor's report includes an explicit mention if it had obtained all the necessary information and the bank's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not.
- ensure timely reply by the Board to the queries and matters contained in the external auditor's letters and reports;
- review the performance of the external auditors;
- make recommendations to the Board of Directors regarding the appointment/reappointment/removal of the external auditors and their fees;
- on a regular basis, review the results of the external auditors and meet separately with them to discuss any matters that the Committee or external auditors believe should be discussed privately, including management responses to their reports and follow-up on the corrective action to any identified issues and ensure proper implementation of measures to prevent recurrence; and
- review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Group, including non-audit services.

The Committee has the following responsibilities pertaining to **reporting responsibilities**:

- evaluate the critical issues reports submitted by the Group Chief Compliance Officer and Group Chief Audit Executive, including those critical issues related to QNB Group subsidiaries;
- regularly report to the Board of Directors about the Committee activities and result of the Committee review of issues identified by regulators, external auditors, internal audit and compliance and related recommendations;
- subject to applicable regulatory requirements, report annually to the shareholders, describing the Committee's composition, role and responsibilities and how they were discharged, and any other information required by regulations (as described in this report); and

- Keep the Board of Directors informed of 'Governance' related topics as it pertains to Environmental, Social and Governance (ESG), sustainability opportunities and challenges
- review any other reports the Group issues that relate to Group Board Audit and Compliance Committee's area of responsibility.

During 2024, the Committee met **eight** times with an attendance rate of 96%.

### 3.13.3 Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC)

The Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC) is composed of three Board members, the majority of which are non-executive and independent members.

The composition of GBNRGPC for 2024 was as following:

- H.E. Mr. Fahad Bin Mohammed Bin Fahad Buzwair - Chairman of the Committee
- H.E. Sheikh Abdulrahman Bin Saud Bin Fahad Al-Thani - Member
- H.E. Sheikh Hamad Bin Jaber Bin Jassim Al-Thani - Member

GBNRGPC's main responsibilities consist of the following:

- Identify eligible and qualified candidates for Board and Senior Executive Management positions according to the fit-and-proper criteria set by the Committee in addition to the independency/non-executive requirements.
- All candidates will be assessed as per QCB, QFMA, and Commercial Companies law conditions and minimum requirements where applicable;
- ensure that a list of all accepted/rejected candidates along with their supporting documents are sent to QCB for prior approval before election and detailing the reasons/justifications for acceptance/rejection;
- ensure that all new Directors receive a proper induction programme upon joining the Board by issuing a formal appointment letter and providing all Directors with the induction handbook containing all important information and documents that are relevant to the Director;
- monitor the induction, training and continuous professional development of Directors pertaining to corporate governance matters;
- Re-nominate of Board members based on their contribution and performance (attendance, readiness, participation and behaviour).
- assess and review annually the independency/non-executive criteria of each Board member;
- Decide if a director who has multiple board representations is able to and has been adequately carrying out his/her duties as director of the Bank.

- Ensure that the Board induction process allows for the effective and informed performance of each Board member. This will enable the new Board members to immediately begin their responsibilities after appointment, by focusing on QNB's business and strategies, governance and management issues, internal control, risk management system and compliance models.
- submitting the list of BOD membership candidates to the Board including its recommendations and sending a copy to QFMA;
- put in place the remuneration policy for the BOD, Executive management and the Employees in line with the related regulatory requirements and the Board's guidelines taking into consideration the balancing between achieved and realised profits and risk associated with the business activities;
- approve and review the Group's remuneration and incentives policy and ensure that the remuneration of the Board of Directors, Executive Management and Employees are in line with the criteria and limits set forth by QCB/QFMA and Commercial Companies law;
- ensure that the Directors' remuneration is in line with QCB criteria and limits. The remuneration of the BOD members is presented on an annual basis to the General Assembly for approval;
- assess on an annual basis the adequacy and appropriateness of the remuneration and incentives policy and coordinate with Group Board Risk Committee in the assessment of risk-based incentives;
- maintain overall oversight of management's implementation of the remuneration system for the entire Bank
- arrange the annual evaluation of the performance of the Board, its committees and individual Directors consistent with BOD policy and provide related information at the Annual General Assembly Meeting;
- direct and oversee the preparation and update of the Corporate Governance Manual in collaboration with the Executive Management and Group Board Audit and Compliance Committee;
- prepare required recommendations and proposals to the Board of Directors for approval pertaining to the scope of work of related management committees dealing with the GBNRGPC as well as other recommendations raised by Executive Management through appropriate channels;
- review on a regular basis the BOD structure and composition and consider/assess the need to appoint independent BOD members;
- review and assess on a periodic basis any changes to international and local corporate governance practices that could have an impact on how the QNB Group operates and manages its governance policies;
- oversee the overall Human Capital Policies and ensure the BOD and Senior/Executive Management succession planning; and
- oversee the annual review of all major policies across the Group.

The Committee held **seven** meetings during 2024 with an attendance rate of 96%.

### 3.13.4 Group Board Risk Committee (GBRC)

The Group Board Risk Committee is intended to meet BOD oversight responsibility over the Risk Management and in accordance with QCB and other related regulatory requirements. The Committee is composed of three members, one of them is selected by the BOD as Chairman.

The composition of GBRC for 2024 was as following:

- H.E. Mr. Mansoor Bin Ebrahim Al-Mahmoud - Chairman of the Committee
- Mr. Bader Abdulla Darwish Fakhroo - Member
- Mr. Adil Hassan H A Al-Jufairi- Member

GBRC's main responsibilities consist of the following:

- review and endorse for Board approval, the risk management strategy of the Group as well as Group Risk Appetite and Portfolio Strategies recommended by the Group Management Risk Committee (GMRC) and review any changes in risk strategy/risk appetite arising;
- review and compare the Group portfolio risk profile with the approved Group risk appetite and endorse the GMRC recommended portfolio strategies for approval by the Board;
- approve risk frameworks and Group risk policies and control structures in accordance with the approved strategy by the Board and oversee implementation of policies pertaining to the bank's internal control system;
- approve the Group's principle risks and risk taxonomy identified as part of the Enterprise Risk Management Policy and framework;
- approve the Group's annual ICAAP regulatory submission, related processes, test elements and Recovery and Resolution Planning that outlines credible options for recovery. Oversee the implementation of policies pertaining to the bank's ICAAP, capital and liquidity plans, policies and obligations;
- ensure the effectiveness of the risk control framework and oversee the evaluation outcomes of the GMRC;
- approve and oversee stress testing scenarios and results, as well as management action plans;
- approve the Group's capital management framework and any further enhancement proposed by GMRC;
- oversee the monitoring processes performed by GMRC and control framework for risk management and the defined related roles and responsibilities across the Group;
- evaluate the monitoring process made by GMRC on Group entities in the identification of operational, credit, market, strategic, legal and reputational risks, and action plans implemented to monitor and manage these risks;
- evaluate and approve the Contingency Funding Planning (CFP) document and ensure if any material conditions occur that will invoke the CFP;





- oversee the monitoring process of legal issues including major litigation cases and compliance with laws, policies and procedures;
- oversee the monitoring process performed by GMRC on fraud and other operational losses across the Group and ensure adequacy of the controls to mitigate/avoid the risk;
- oversee and approve parameters for contingency plans for all Group entities in order to ensure adequate business continuity and address the risk involved;
- carry out any other function that may arise from time to time as a result of Board directions, QCB, QFMA, QFCRA regulation, and applicable foreign regulation or market developments;
- approve country risk limits for the Group in line with QCB as well as internal country risk appetite allocation requirements;
- Keep the Board of Directors informed of 'Environmental & Social' topics, as it pertains to Environmental, Social and Governance (ESG), sustainability opportunities and challenges;
- ensure that no material impact/risk identified by GMRC related to anti-money laundering and terrorist financing as well as the 'know your customer' (KYC) requirements; and
- review any breaches of risk limits or internal control failures (if any) and review investigation results performed by GMRC.

The Committee held **five** meetings during 2024 with an average attendance rate of 100%.

#### 4. Segregation of the Chairman and Chief Executive Officer roles

The role of the Chairman of the BOD and Group Chief Executive Officer (GCEO) at QNB are distinct and separate in accordance with leading practices, such as the QFMA corporate governance code, Article (7), and the corporate governance instructions issued by QCB.

The Chairman of the Board is responsible for heading the Board of Directors meetings and ensuring the proper functioning of the Board in an appropriate and effective manner, including timely receipt by the Board members of complete and accurate information. He also has to approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board member. This may be delegated by the Chairman to a Board member, but the Chairman remains responsible for the proper discharge of this duty by the said Board member. The duties of the Chairman, in addition to the provisions of the Board Charter, also endeavour to encourage all Board members to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the company in addition to ensuring effective communication with shareholders and the communication of their opinions to the Board of Directors. The Chairman is also responsible for inspiring effective participation of all the Board members and promoting constructive relations between them.

The GCEO is tasked with the authority and responsibility for operating the bank's daily business. The GCEO is assisted in his duties by a specialised and highly-qualified team from the Executive Management. BOD Chairman and members exercise vigorous and diligent oversight of the bank's affairs, including key areas such as strategy and risk, but they do not manage or micromanage the bank's business by performing or duplicating the tasks of the GCEO and Executive Management team.

## 5. Remuneration of the Board of Directors and Executive Management members

The remuneration system within QNB Group forms a key component of the governance and incentive structure through which the Board and Executive Management promote good performance, convey acceptable risk-taking behavior and reinforce the Bank's operating and risk culture.

Consequently, there is a separate 'QNB Group Remuneration Policy for Board, Executive Management & Employees' that defines the mechanism whereby the remuneration is directly linked to the effort and performance at both department and employee levels including that of the Board, through the achievement of assigned goals and objectives in accordance with the profitability, risk assessment and the overall performance of the Group. Moreover, the policy takes into consideration malus and clawback in circumstances where misconduct, failures or poor performance have resulted in, contributed to, or failed to prevent a loss to the business or expose it to a major risk. This policy is applicable to the Chairman, Board members, Senior Executive Management and employees of QNB Group.

The BOD will follow regulatory guidelines and leading practices on compensation and remuneration. The Board, through its Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC) (by delegation), is responsible for the overall oversight of management's implementation of the remuneration system for the entire Bank. The GBNRGPC regularly monitors and reviews outcomes to assess whether the bank-wide remuneration system is creating the desired incentives for managing risk, capital and liquidity. The Board reviews the remuneration plans, processes and outcomes on an annual basis.

In accordance with applicable laws and regulations, such as the Commercial Companies Law provisions, as well as the QCB circular (02/2023) related to the remuneration of the Board of Directors' Chairman, members and the executive management and QFMA requirements, QNB Group's adopted a remuneration policy for the BOD in line with the said regulations, whereby the Group's Articles of Association have established a framework for the Board members' remuneration which is in line with the limits referred to in the applicable regulations.

The remuneration policy for QNB BOD members is duly acknowledged to be in line with QCB instructions and QFMA requirements. The BOD will present at the annual general assembly meeting for approval, the remuneration/salaries, fees (if any), amounts received or other material advantages received for approval, in accordance with the Commercial Companies Law, QCB and QFMA instructions.

For 2024, the total BOD remuneration proposed (inclusive of all fees and allowances) is QAR 23.2 million divided as per the table below. This remuneration is consistent with the provisions of Article (119) of Commercial Companies Law, Article (50) of QNB's Article of Association, Qatar Central Bank (QCB) circular (18/2014) as amended by QCB circular (02/2023) and Qatar Financial Markets Authority (QFMA) circular issued in June 2023 related to Remuneration Determination for Board of Directors in the Listed Entities. Moreover, the remuneration amount is subject to the approval of QCB and the 2025 General Assembly.

No.	BOD Member	As BOD Member	As Committee Member	Total (for 2024)
1	H.E. Mr. Ali Bin Ahmed Al-Kuwari	2,500,000	-	2,500,000
2	H.E. Sheikh Fahad Bin Faisal Bin Thani Al-Thani	2,000,000	300,000	2,300,000
3	Broog Trading Company represented by H.E. Sheikh Abdulrahman Bin Saud Bin Fahad Al-Thani	2,000,000	300,000	2,300,000
4	H.E. Sheikh Hamad Bin Jabor Bin Jassim Al-Thani	2,000,000	300,000	2,300,000
5	Mr. Ali Yousef H A Kamal	2,000,000	300,000	2,300,000
6	Mr. Bader Abdulla Darwish Fakhroo	2,000,000	300,000	2,300,000
7	H.E. Mr. Fahad Bin Mohammed Bin Fahad Buzwair	2,000,000	300,000	2,300,000
8	H.E. Mr. Mansoor Bin Ebrahim Al-Mahmoud	2,000,000	300,000	2,300,000
9	Dr. Abdulrahman Mohammed Y Jolo	2,000,000	300,000	2,300,000
10	H.B.H. Al Mulla & Sons Trading Company represented by Mr. Adil Hassan H A Al-Jufairi	2,000,000	300,000	2,300,000
<b>TOTAL (in QAR)</b>		<b>20,500,000</b>	<b>2,700,00</b>	<b>23,200,000</b>

QNB also discloses the remuneration of the GCEO and the Executive Management team in the Annual Report.



## 6. Key corporate governance participants: Executive Management

### 6.1 Governance and structure

The Board of Directors of QNB Group appointed, in November 2018, Mr. Abdulla Mubarak Al-Khalifa as the Group Chief Executive Officer. Prior to being appointed as the GCEO of QNB Group, Mr. Abdulla Mubarak Al-Khalifa was the Executive General Manager - Chief Business Officer at QNB Group. He joined QNB in 1996 and has more than 28 years of diverse banking experience.

The GCEO is assisted in his duties by a specialised, seasoned and highly-qualified Executive Management team. Four chiefs report directly to the GCEO:

- Group Chief Business Officer;
- Group Chief Operating Officer;
- Group Chief Financial Officer;
- Group Chief Risk Officer;

There are two (2) independent chiefs appointed by the Group Board Audit and Compliance Committee, who are responsible for generating reports and reporting on violations and concerns to the GBACC and GCEO, i.e. the Group Chief Compliance Officer and the Group Chief Audit Executive. The Group Chief Compliance Officer and the Group Chief Audit Executive report directly to the Board through the GBACC.

QNB's Executive Management team is fully aware of their role in terms of corporate governance through their commitment to implementing the legislative requirements and the BOD's instructions in a way that strengthens the control environment in the various processes and banking activities; this includes determining the deviations from the objectives, ensuring the convergence of operations to achieve the desired goals and implementing corrective actions when required.

Executive Management is also committed to assessing the behaviour of individuals and organisational units through the development of effective internal controls, which enhance the monitoring of business performance and risk measurement. In addition, soft controls have been implemented, such as incremental audit checks, segregation of duties, and restriction of powers, in addition to the implementation of ceilings on all banking operations through the adoption and monitoring of an authority matrix.

### 6.2 Executive and management committees

The Executive Management team at QNB Group have formed a number of executive and management committees in order to effectively and efficiently handle their responsibilities and run the day-to-day activities of the bank.

The committees are suitably endowed with full executive powers that give them the authority to make decisions and actions related to their field, scope and structured hierarchy.

Currently, the executive and management committees established at Head Office are structured as follows:

- Tier 1 'Executive Committees' - the '**decision-making**' committees which include: Risk, Credit, ALCO, Senior Management, Strategy, Procurement Tender, Cyber Security and Financial Recovery Management who report to the Board via the appropriate Board of Director-related committee;
- Tier 2 'Management Committees' - the '**working committees**' which include: Business Development, IT, HR and Operations and Services, and who report to the appropriate parent committee in Tier 1; and

QNB Group **subsidiaries** form their respective management committees according to their own needs, size and nature taking into consideration the corporate governance framework of QNB Group. For supervision and coordination purposes, those committees report and coordinate directly with the corresponding Division at QNB Group Head Office level.

The **overseas branches** form one or more committees to strengthen their control environment in the various processes and banking activities. Such committees depend on the volume of business and the country risk where QNB Group operates and are decided by QNB management. The overseas branch committees report the critical issues handled by them to the relevant QNB Head Office division.

A summary of the key tasks of the various committees is highlighted in the following section.

#### 6.2.1 Group Management Risk Committee

The Group Management Risk Committee (GMRC) establishes, reviews and recommends QNB Group's risk management strategy and defines the risk appetite and risk policies. It reviews the processes and control framework for the management of risks and defines related roles and responsibilities across the QNB Group. The Committee also reviews and monitors the climate-related and Environmental risk included as part of strategic risk objectives along with the Group portfolio risk profile and recommends portfolio risk management strategies to the Group Board Risk Committee for endorsement in order to obtain BOD approval, reviews the effectiveness of the operation of the risk control framework and submits to the Group Board Risk Committee the annual evaluation for approval by the Board, monitors risk management activities from several perspectives: operational, credit, market, strategic, IT risk, legal and reputational and ensures implementation of action plans to monitor and manage these risks. The review of the Committee's policies and supervision of its activities falls under the responsibilities of the Board. The Committee reviews compliance with policies and procedures, audit recommendations, regulatory requirements, including combating money laundering and counter terrorist financing requirements when these requirements change necessitating a review.

The Committee also provide strategic direction during a business continuity crisis situation, including the management of external communications, liaising with media, regulatory authorities, emergency services and government agencies. It also provides the Group risk report and dashboards to the Group Board Risk



Committee as and when required. It reviews the approach of the Group Risk Department regarding effective monitoring and coordination at overseas branches and reviews the formation of risk committees at the subsidiary level in line with the corporate governance structure/framework adopted by QNB Group.

The Group Management Risk Committee (GMRC) is headed by the GCEO, with the Group Chief Risk Officer as the Vice-Chairman. The Committee also includes the Group Chief Business Officer, Group Chief Operating Officer, Group Chief Financial Officer and SEVP - Group Strategy. The Group Chief Audit Executive and Group Chief Compliance Officer attend the meetings as non-voting observers. EVP - Group Strategic Risk Management acts as Secretary for this Committee. The Committee holds quarterly meetings, provided that the majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The committee held **four** meetings during 2024.

### 6.2.2 Group Credit Committee

The Group Credit Committee (GCC) reviews, recommends and implements approved credit policies, guidelines and procedures related to corporate, financial institution and retail assets across the Group. The Committee also reviews and recommends the investment strategy, policies and procedures to the Group Board Executive Committee and BOD. The Committee reviews the delegated authorities related to credit and investments and recommends amendments to the BOD where appropriate. It also reviews and takes decisions pertaining to credit facilities, proprietary investments and underwriting proposals (within its delegation of authority and in line with QNB's business strategy) or escalates proposals to the Group Board Executive Committee/BOD for those that exceed its authority. The Committee also assumes the responsibility to review and approve the range of credit and investment products across the Group and approves acceptable brokers/dealers and custodians for the Group. It also monitors and reviews the performance of all the investment portfolio activities. The Committee also ensures Group entity compliance with investment limits and ratios approved by the Board of Directors, QCB, foreign regulators and senior management. In addition, the Committee monitors and reviews country risk exposures for compliance with the approved investment limits and ratios. The Committee also provides investment and credit risk reports to the Board as and when required.

The Group Credit Committee is headed by the GCEO, with the Group Chief Risk Officer as the Vice-Chairman (non-voting). The Committee also includes the Group Chief Business Officer, SEVP - Group Corporate and Institution Banking, EVP - International Corporate Banking, EVP - Domestic Corporate Banking (non-voting), EVP - Group Credit and the three SVPs from Regional Credit one of them is a non-voting member. Senior staff of Group Risk act as Secretary for this committee. The Committee meets monthly at a minimum, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions are taken by unanimous approval.

The Committee held **thirty-four** meetings during 2024.

### 6.2.3 Senior Management Committee

The Senior Management Committee functions to assist the Board of Directors in overseeing the activities of the related management committees, discuss critical topics and strategic matters related to QNB Group activities. The Committee facilitates an information flow to the Board at any time an adequate basis for steering the bank as a whole and for meaningful and up-to-date information on its risk positions, and responsible for aligning all IT and operational activities across the Group with QNB's vision, mission and business plan and to review Group-wide IT standards.

The Senior Management Committee is headed by the GCEO, and includes the Group Chief Business Officer, Group Chief Operating Officer, Group Chief Risk Officer, and Group Chief Financial Officer. SEVP - Group Strategy acts as Secretary for this committee. The Committee meets quarterly, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **twelve** meetings during 2024.

### 6.2.4 Group Asset and Liability Management Committee

The Group Asset and Liability Management Committee (ALCO) monitors, manages and devises the strategy to manage the assets and liabilities of the Group against various risks. It reviews and recommends the strategies, policies and procedures related to asset liability management across the Group to the Group Board Executive Committee. It also monitors and reviews performance of all Treasury activities and products across the Group, including banking and trading book portfolios, interest rate risk, liquidity risk and foreign exchange risk. The Committee also ensures compliance with the Treasury's limits and ratios. The Committee oversees inter-Group transfer pricing policy. It also monitors monthly financial performance and budget targets and market share targets against performance.

The Group Asset and Liability Management Committee (ALCO) is headed by the GCEO, with the Chief Financial Officer as the Vice-Chairman. The Committee also includes the Group Chief Business Officer, Group Chief Operating Officer, Group Chief Risk Officer, SEVP - Group Strategy, SEVP - Treasury as well as SEVP - Corporate. EVP - Trading (Group Treasury) acts as the Secretary for this Committee. The Committee meets at a minimum once every month, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **twelve** meetings during 2024.



### 6.2.5 Group Strategy Committee

The Group Strategy Committee (GSC) works to develop the vision and business strategy for QNB Group, which is submitted to the BOD for review and approval. The Committee monitors and analyses market developments and the competitive positioning against peers, particularly in the Middle East, Africa and Southeast Asia Regions. The Committee also reviews and consolidates business development, products alignment, and resources distribution across the QNB Group. The Group's strategic plan is approved by the BOD and communicated to the Group.

The Group Strategy Committee is headed by the GCEO, with the Group Chief Business Officer as the Vice-Chairman. The Committee also includes the Group Chief Operating Officer, Group Chief Risk Officer, Group Chief Financial Officer and SEVP - Group Strategy. EVP - Strategy and Business Development acts as Secretary for this Committee. The Committee is scheduled to meet on a quarterly basis at a minimum, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.

### 6.2.6 Group Procurement Tender Committee

The Group Procurement Tender Committee (GPTC) Committee will ensure that contracts awarded follows the Group Procurement policy, ensuring decisions taken regarding the procurement of goods and services will be executed in an efficient, effective standardized manner with probity, transparency and equality, thereby ensuring that QNB maintains a reputation for fair and transparent dealings in all contracts with 3rd parties. It also ensures the compliance of the Group with the Procurement and Supplier Management Policy directives, manages relevant contractual relations.

The Group Procurement Tender Committee is headed by the Group Chief Risk Officer, with the Group Chief Financial Officer as Vice-Chairman. The Committee includes the Group Chief Business Officer, Group Chief Operating Officer and SEVP - Group Procurement. The Group Chief Audit Executive and Group Chief Compliance Officer as required observers in this Committee, in addition to a representative from the concerned department attend as an observer. The Executive Secretary of Group Procurement acts as a Secretary for this committee. The Committee meets monthly as and when required provided that at least (3) members of the Committee should attend including the Chairman of the Committee or the Vice-Chairman.

### 6.2.7 Group Cybersecurity Committee

QNB Group established the Cybersecurity Committee to develop and implement the Group's cybersecurity strategy in line with the threat landscape and expectations of the Board. The key objectives of this Committee are to develop and monitor the implementation of the IT security and cybersecurity governance and framework, including strategy, plans, policies, controls, capabilities, skills and roles and responsibilities across the Group. The Committee will monitor the implementation of the cybersecurity strategy, initiatives and plans across the Group.

The Group Cybersecurity Committee is headed by the GCEO, with the Group Chief Operating Officer as the Vice-Chairman. The Committee also includes the Group Chief Business Officer, Group Chief Risk Officer, SEVP - Information Technology and EVP - Information Security Officer. The Group Chief Audit Executive attends the meetings as a Non-voting observer. EVP - Information Security Officer acts as Secretary for this committee. The Committee meets quarterly at a minimum, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.

### 6.2.8 Group Financial Recovery Management Committee

QNB established the Group Financial Recovery Management Committee (GFRMC) for a better risk management in case any critical issues happens that require the activation of the Recovery Plan, Contingency Funding Plan (CFP) and/or Capital Contingency Plan (ICAAP). The main functions of this Committee is to monitor and manage the implementation of the recovery plan once it is activated and to ensure that there is timely information sharing with Board of Directors, and relevant management (as applicable) with regard to the potential recovery measures and other mitigating plans during activation of the respective plans

The Group Financial Recovery Management Committee is headed by the GCEO, with the Group Chief Risk Officer as Vice-Chairman. The Committee includes the Group Chief Business Officer and Group Chief Financial Officer. The Group Chief Operating Officer, SEVP - Group Treasury and Financial Institutions and SEVP - Corporate Banking attend the meeting as invitees. Both the EVP of Group financial strategy and business planning and the EVP of group treasury act as Secretaries for this committee. The Committee meets as and when required, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by absolute majority, with the Chairman's vote deciding in case of a tie.

### 6.2.9 Group Information Technology Committee

The Group Information Technology Committee (GITC) is responsible for establishing IT standards and aligning all IT activities across the Group to meet business plans and objectives. The Committee also formulates and monitors the implementation of the annual IT strategy throughout the Group, including capital and operating expenditure budgets assigned to IT projects and services. It is also the responsibility of the Committee to prioritise the management of IT projects across the Group and to monitor the progress towards their implementation. In addition, this Committee sets, monitors and reports on the aspects related to technology key performance indicators (KPIs) and key risk indicators (KRIs). The Committee also makes relevant recommendations for enhancing the value and contribution of the Group's information systems, as appropriate.

The Group Information Technology Committee is headed by the Group Chief Operating Officer, with SEVP - Group Information Technology as Vice-Chairman. The Committee includes SEVP - Group Strategy, SEVP-Group Operations, SEVP - Group Administration and General Services, SEVP - Group Retail, SEVP - International Banking, the EVP - Group Operational Risk, and EVPs of Infrastructure and Development and User services. SVP - Governance & Group Project Portfolio Management acts as a Secretary for this committee. The Committee meets quarterly at minimum, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.

### 6.2.10 Group Business Development Committee

The Group Business Development Committee (GBDC) formulates the implementation framework for realising expansion plans and aligns the required regulatory, business, support and marketing resources. The Committee develops the international expansion plan in line with QNB Group's strategy and business plans. It also reviews mergers and acquisitions to implement appropriate integration standards across QNB Group's business. The Committee reviews the new business and product initiatives, as well as market share and competitor information and recommends business plan amendments as needed. It also reviews regulatory developments and their impact on business strategy and products. The Committee develops and monitors the implementation of operational standards across the Group and reviews the performance of Business Departments. It maintains inter-Group working priorities in areas of business and operations, at the same time it reviews support units' delivery against business objectives.

The Group Business Development Committee is headed by the Group Chief Business Officer, with SEVP - Corporate Banking as Vice-Chairman. The Committee includes SEVP - Asset and Wealth Management, SEVP - Group Retail, SEVP - International Banking, SEVP - Group Treasury and Financial Institutions, SEVP - Group Strategy, SEVP - Group Communications and the CEO of QNB Capital. Vice President - Group Corporate Institutional Banking MIS-PMO acts as a Secretary for this committee. The Committee meets quarterly, provided that a majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.

### 6.2.11 Group Operations and Services Committee

The Group Operations and Services Committee (GOSC) ensures follow-up and conducts regular reviews of the bank's operational activities, transaction monitoring, procedure execution and improvements, operational efficiencies, oversight of premises and facilities, and insurance and back-office centralisation initiatives. It creates and reviews the operations strategy across the Group. The Committee aligns all operation activities with QNB Group's vision, mission and business plans. It conducts a regular re-engineering programme to support continuous process and service improvement. The Committee prioritises the management of relevant projects and manages QNB Group's real estate interests. It reviews and monitors branch, office and ATM expansions across the Group. It also defines and monitors the implementation of security and safety standards across the Group. It reviews outsourcing activities to ensure sufficient quality assurance and monitoring.

The Group Operations and Services Committee is headed by the Group Chief Operating Officer, with SEVP - Group Operations as Vice-Chairman. The Committee includes SEVP -Group Administration and General Services, SEVP - Group IT, SEVP - Group Retail Banking, SEVP -Group International Business, SEVP - Group Corporate and Institution Banking, EVP - Operations Control and EVP - Operations Excellence. The EVPs of Group Operational Risk, Central Operations, Treasury and Assets Operations and International Operations Affairs are observers. VP/AVP - Operations Excellence are acting as a Secretary/Vice Secretary for this committee. The Committee meets quarterly, provided that the majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.





## 6.2.12 Group Human Capital Committee

The Group Human Capital Committee (GHCC) handles all human capital matters across the Group, including workforce planning, recruitment, job evaluations, promotions, disciplinary actions, and compensations and benefits review. The Committee also handles the integrated performance management and development, learning and development initiatives, staff rewards and recognition, and the implementation of staff suggestion schemes. The Committee regularly reviews the human resources policies and recommends changes as needed, and deals with the fulfilment of the nationalisation programme objectives.

The Group Human Capital Committee is headed by the Group Chief Operating Officer, with SEVP - Group Human Capital as Vice-Chairman. The Committee includes SEVP - Group Strategy, SEVP - Group Retail and SEVP - International Business, EVP - Human Resources Strategy and Integration and EVP - Human Resources Services and SVP - International Human Resources Integration. AVP - HR change & integration specialist acts as a Secretary for this committee. The Committee meets quarterly at minimum and as required, provided that the majority of the Committee members attend including the Chairman of the Committee or his deputy. The decisions taken are by majority, with the Chairman's vote deciding in case of a tie.

The Committee held **four** meetings during 2024.

## 7. Risk management

QNB Group's reputation and continued profitability depends on our ability to identify, assess and manage risk at all levels. As a result, we have a robust risk management framework and governance structure that ensures a crucial balance between risk and reward. Risk management within QNB Group is a key focus across all levels of the bank. QNB Group adopts a centralised approach to risk management, complemented by local expertise and knowledge. This ensures proactive risk governance and management at the consolidated and the local level. Risk is an integral part of QNB's business and decision-making process. QNB Group's sustainable performance depends on its ability to manage risk at all levels. QNB's risk profile and appetite are approved by the Board of Directors (BOD) and the Group Board Risk Committee (GBRC) and then cascaded down to every division, department and employee. From a governance perspective, the Group Board Risk Committee (GBRC) is the highest management authority in QNB Group for various risk-related issues including 'Environmental & Social' topics. Whereas the Group Management Risk Committee (GMRC) will be responsible for overseeing updates, achievements and reporting about risk-related topics including climate risk in an efficient and effective manner and support the implementation of the Group's strategy. The success of QNB Group's risk management framework is focused largely on encouraging pre-determined roles and responsibilities from the BOD level, down to the various committees, executive managers, senior managers and individual employees.

QNB risk exposures are mitigated through various specific mechanisms for risk assessment. The BOD evaluates and oversees QNB Group's risk profile in coordination with the Group CEO, the Group's Management Risk Committee, the Group Financial Recovery Management Committee, the Group Credit Committee and the Group Assets and Liability Management Committee (ALCO) and Cyber-Security Committee. The BOD takes the responsibility for all aspects of QNB Group's risk management, including the management of credit, market and operational risks. The BOD has set forth policies, objectives, and frameworks for QNB Group on all risk issues and maintains oversight of all risks on a day-to-day basis through various committees. These committees are responsible for formulating QNB Group's risk management policies, in line with the overall guidelines and objectives set by the BOD. The Group Risk Division, headed by the Group Chief Risk Officer, carries out the implementation of such policies.

QNB Group's Risk Appetite Statement is central to the Group's integrated approach to risk management and articulates the risk culture, governance and boundaries of QNB Group. The Risk Appetite Statement provides a framework for QNB Group's attitude toward risk taking and is reviewed, reassessed and agreed alongside QNB Group's strategic and financial planning process. The Risk Appetite Statement is also the mechanism used to cascade the Group's risk appetite and allocations down to a regional and country level. The risk appetite framework ensures alignment with the Group's vision and strategy by tracking current performance against risk appetite targets.

Risk management policies and procedures are established in order to identify, assess and monitor the risks at Group level. The process of independent risk oversight is a part of the strategic planning for QNB Group, and includes business risks such as variables that may arise in the environment, technology and business. The BOD assumes full responsibility for the development of strategic risks and the application of the relevant principles, frameworks and policies. This includes the implementation of appropriate restrictions with respect to products, issuer, geographic location, and maturity. However, separate and independent entities responsible for the management and control of certain risks are nominated and pre-defined. Accordingly, QNB Group's Treasury, Risk Management and Internal Audit Divisions are responsible for the monitoring of the Group's commitment to trading restrictions imposed by the BOD. In this regard, detailed monthly reports are submitted to the Group Assets and Liabilities Management Committee (ALCO).

The identification of principal risks is a process overseen by Group Risk Division. The material risks are regularly reported to the Group Board Risk Committee (GBRC) and Group Management Risk Committee (GMRC), together with a regular evaluation of the effectiveness of the risk-operating controls. The day-to-day governance is delegated through an Enterprise Risk Management (ERM) oversight structure and a robust risk control framework. This framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report risk in a consistent and effective manner across the Group. The framework is essential to support QNB Group's strategic objectives and acts as a platform for growth. The centralised approach to risk management is complemented by local expertise and knowledge and every employee in the Group is responsible for highlighting and dealing with potential risks in the course of their work.

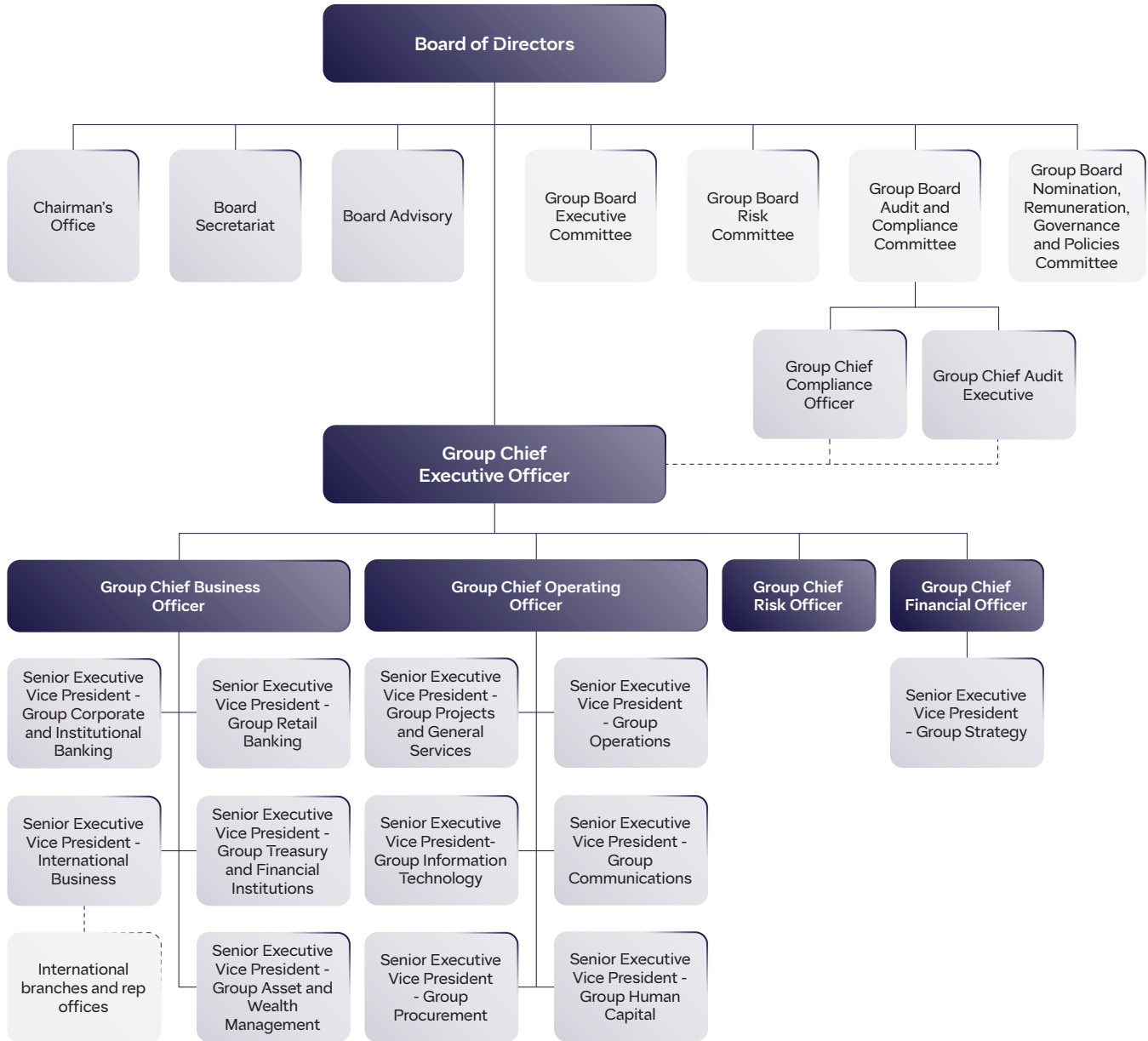
The Group Risk Division is considered the ultimate administrative authority vested to deal with the various risk aspects at Group level. The department undertakes the formulation and review of the risk management strategy, defines the risk management policies, evaluates the activities of risk management and control mechanisms, and assesses and determines the Group's operational, credit, market, strategic, legal, and reputational risks.

Group Risk Division also ensures the implementation of operational plans to monitor and manage these risks, reviews and monitors cases of fraud and operating losses, and oversees the legal disputes at all levels of QNB Group.



## 8. QNB Group organisation structure and succession plan

### 8.1 QNB Group organisation structure





## 8.2 Leadership continuity planning and organisation structure

As part of ongoing corporate governance initiatives, the BOD is keen to ensure that the organisation structure of the Bank is updated, efficient, effective and in line with international best practices to support the application of corporate governance principles and to enhance the internal control of various management levels. The updates also fulfil the regulatory requirements and covers future plans of internal and external growth as well as the development of financial and banking services locally and abroad. Changes and enhancements to the organisational structures both in business and support areas are implemented to keep pace with international business expansion plans and to ensure alignment of entities with Head Office, i.e. Qatar.

QNB Group also continues to drive leadership continuity planning as one of the strategic initiatives to ensure that a comprehensive business continuity framework is in place and to develop a capable leadership pipeline. This exercise is reviewed periodically to help identify leadership talent and further grooms the talent to assume higher and complex responsibilities that can support current business growth.

## 8.3 Training and development of future leadership

QNB Group continues to deliver the Leadership Development Programme (LDP) and Management Development Programme (MDP) for the middle management, supervisors and team leaders in Qatar and Group's international locations in collaboration with renowned global institutions to assist in fulfilling career aspirations.

## 9. Internal control system

The BOD assumes full responsibility for the QNB Group system of internal controls, whereby specific policies, guidelines and controls covering the entire Group's functions and transactions have been devised. Moreover, the determinations of responsibility limits, performance monitoring, privileges and authorisations on all banking operations have been implemented in addition to a clear policy for segregation of duties and dual control. QNB Group's Executive Management is considered responsible for the overall control of these systems in coordination with the concerned general managers, divisional managers and domestic and overseas branch managers. The responsibility of implementing efficient internal control systems at the Group level is the direct responsibility of every employee at the Group.

A sound internal control process ensures the effectiveness of Bank activities, aids maintenance of reliable financial information, and upholds compliance. This process is a critical aspect of QNB's internal control structure, it preserves the bank's financial viability and accomplishes its established goals. In light of that, QNB Group maintains a detailed internal control charter that clearly outlines the components of internal controls and related Group-wide responsibilities. The charter takes into consideration globally accepted internal control frameworks and standards issued by Basel, COSO, and the Institute of Internal Auditors (IIA). Furthermore, QNB utilized COSO's Three Lines of Defence Model to build the Bank's internal control infrastructure comprised of a

number of policies, procedures, assigned roles, responsibilities, and accountabilities.

The Group Board Audit and Compliance Committee (GBACC), on behalf of the BOD, performs on a regular basis a review of the framework of internal controls and assesses the internal systems through the evaluation of processes carried out by the Group Internal Audit Division and Group Compliance Division in addition to the reviews that the external auditors conduct. The BOD is notified on a quarterly basis of control issues (including risk management); it confirms the adequacy of the existence of effective internal controls at Group level based on the recommendations and advice presented by the Group Board Audit and Compliance Committee as supported by the Group Internal Audit and Group Compliance divisions.

As per the QFMA Corporate Governance Code Article (4), the corporate governance report should include disclosure of the internal controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal controls failures.

Based on that, during 2024 QNB management assessed the design and operating effectiveness of QNB's internal controls over financial reporting (ICOFR). Management reviewed the results of its assessment and shared it with the Group Board Audit and Compliance Committee. Based on this assessment, management determined in the "statement", which is published in the Annual Report, besides the external auditor's reasonable assurance report, that, as of 31 December 2024, QNB's internal controls over financial reporting have been designed appropriately and are operating effectively.

### 9.1 Group Internal Audit Division

Rigorous internal audit is a fundamental component of QNB Group's business practice to ensure a sound corporate governance framework, following the three Lines of Defence Model adopted by the Group and recommended by international organizations. The Group Internal Audit Division (GIAD) is an independent function within QNB Group that intends to add value to the Group's operations and improve their performance ensuring they are conducted according to the highest standards. It is the responsibility of the Group Internal Audit Division to provide an independent, objective assurance on the effectiveness of the Group governance, risk management and internal controls. The division also reviews the systems and internal controls for the activities of the Group by assessing the efficiency and effectiveness of the systems and the implemented procedures and by assessing the level of compliance with the control mechanism implemented by management. The division also ensures compliance with rules, regulations and Group policies, and reviews the validity and reliability of the information that is provided to the management during the audit assignments. Group Internal Audit Division submits its reports directly to the BOD through the Group Board Audit and Compliance Committee.

The remuneration of the division is determined by the Group Board Audit and Compliance Committee (GBACC), which enhance its objectivity and independence. The Group Chief Audit Executive is



nominated by the Group Board Audit and Compliance Committee and submits periodic reports directly to the Committee and the GCEO.

GIAD has adopted the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) as well as Basel Committee on banking supervision recommendations and other leading standards. The GIAD team is composed of individuals with experience from leading financial institutions and audit firms across the globe. Around 58% of GIAD are professionally qualified and hold globally recognised professional qualifications and certifications such as CPA, CIA, CISA, CAMS. etc. Team members undergo continuous professional development, awareness and training to have the required competencies to tackle the growing sophistication and challenges of the banking industry and to stay abreast with impact of emerging development including digitization and increase in adoption of financial technology by financial industry. GIAD maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity to increase the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. GIAD continues to develop its data analytics capability and extrapolation techniques to be able to identify systemic issues and execute efficient audits.

GIAD helps the BOD and GBACC in effective discharge of their responsibilities to serve the best interests of shareholders. GIAD is headed by the Group Chief Audit Executive who reports to the Group Board Audit and Compliance Committee (GBACC). For the purpose of fulfilling its role in its professional capacity, GIAD is authorised to have full and unrestricted access to any of the Group's records, documentation, systems, properties and personnel, including Executive Management and the BOD. The GIAD charter and policy have been enhanced to align with the Basel Committee on Banking Supervision's recommended standards and international best practises, to keep pace with the business expansion of the Group, and to provide adequate oversight of the Group's subsidiaries.

## 9.2 Group Compliance Division

Group Compliance Division within QNB Group is an independent function whose primary responsibilities are to assist the Board as well as the Executive Management to effectively mitigate the compliance and financial crime risks faced by the bank. It is characterised by an official status within the Group through a formal charter and policies approved by the GBACC and carried out by the Group Compliance Division, which undertakes its endeavours through appropriate mechanisms enabling the Group Chief Compliance Officer to perform his responsibilities in an effective manner.

The QNB Compliance strategy focuses on effective management of compliance activities across the Group in order to consolidate the Group's competitive position and build trust-based relationships with all investors and stakeholders. Moreover, a robust compliance function helps QNB Group to protect its reputation, lower the cost of capital, reduce costs and minimise the risk of investigation, prosecution and penalties in addition to building a culture that is in line with QNB Group values. On a proactive basis, the division identifies, evaluates, monitors, documents and reports on compliance risks. Including risks associated with the bank's business

activities, as well as the risk of legal sanctions, legislative and financial losses, or damage to the reputation of the Group as a result of failure to abide by laws and regulations, the charter of professional conduct and the standards of good practices. QNB's Group Compliance Division continually monitors and assesses QNB Group's operations and activities from a compliance perspective, exerting additional efforts to ensure high levels of compliance with QFMA and QCB regulations as well as local and international statutory requirements.

Group Compliance Division is also considering ways to measure compliance risks by implementing key risk indicators (KRIs) and uses such measurements to enhance the compliance risk assessment that is relevant to the second line of defence. The Compliance function assesses the appropriateness of the Group's compliance procedures and guidelines, promptly follows up any identified deficiencies, and, where necessary, formulates proposals for amendments. Group Compliance monitors and tests compliance by performing sufficient and representative compliance testing in line with internationally recognised frameworks.

The Group Chief Compliance Officer reports on a regular basis to the Group Board Audit and Compliance Committee (GBACC) and the Executive Management on compliance matters.

Group Compliance Division adopts a professional and comprehensive approach when carrying out tasks towards key stakeholders. Extra attention is paid to due diligence and the culture among the compliance staff is one of professionalism and integrity. To maintain high technical standards among the compliance staff, scheduled specialist training is assigned to all staff, including ACAMS, ICA and CISI - QFMA certifications. These courses are deemed to add a further layer of specialism to the employees of Group Compliance Division, and is reflected in the quality of work carried out by the Division.

In order to enable Group Compliance Division to efficiently perform its functions and responsibilities, the Division has been granted the authority to deal with compliance matters within the Group's activities and has been given unrestricted access to all information, employee records and Group operations in Qatar and abroad. Group Compliance Division is also empowered to conduct investigations relevant to any possible irregularity. The Division's responsibilities are carried out through the implementation of a compliance programme that specifies its activities and objectives.

The Group Board Audit and Compliance Committee (GBACC) approve the annual compliance plans, which are executed in accordance with the Group Compliance Charter and its policies and procedures. Group Compliance submits periodic reports to the GBACC and the GCEO concerning compliance issues, irregularities, and the corrective actions hence implemented.

Group Compliance Division also ensures the proper reporting to all regulatory authorities as appropriate and reports any suspicious activities to the Financial Information Unit (FIU) on a timely basis. In addition, it has established arrangements for timely interactions with the regulators for proper clarification on regulatory requirements and as appropriate. The Division also actively participates in the deliberations of the Group

Management Risk Committee (GMRC) as an observer and updates the Risk Analysis of the business as appropriate and fit for purpose.

Group Compliance is continually working to strengthen and enhance the Compliance Function with a vision to maintain a healthy environment and practices. No penalty of any kind was imposed on the bank by any regulatory authority during 2024.

## 10. External audit

According to the Commercial Companies Law number (11) of 2015 and its amendments, Article (141) provisions, and QCB instructions: QNB Group's General Assembly appoints an external auditor for one fiscal year based on recommendations made by the Group Board Audit and Compliance Committee to the BOD, where the General Assembly assesses the evaluation of his remuneration.

During 2024, QNB BOD endorsed the recommendation of Group Board Audit and Compliance Committee to appoint Ernst and Young (EY) as the external auditor for the financial year ended 31 December 2024, since the previous external auditor was appointed for (5) consecutive years. The decision has been approved by the shareholders during the General Assembly held in 11 February 2024. The appointment process of the external auditor was in accordance with the applicable QCB regulations and QFMA corporate governance requirements.

The fees paid or payable to Ernst & Young for 2024 are disclosed in appendix (3).

The external auditors inform the Board, in writing, about any risk to which the bank is exposed to or expected to be exposed to, and about all of the violations immediately upon identification, as well as sending a copy of that notice to QFMA. In this case, the external auditor shall have the right to invite the General Assembly to convene pursuant to the law provisions in this regard, provided they inform QFMA thereof.

The external auditors attend the General Assembly meetings to present their report and answer shareholders' questions. Based on QCB's instructions, and in line with international standards, the external auditor conducts the review and the audit of the financial statements quarterly and annually according to the relevant international standards on auditing. The external auditor presents reports to the BOD and the General Assembly as well as sending a copy to QFMA in line with QFMA requirements.

## 11. QNB global ratings

During 2024, Standard & Poor's, Capital Intelligence, Moody's and Fitch affirmed QNB's strong rating and outlook. The QNB Group credit rating is considered to be among the highest in the region. The following table highlights the rating of QNB Group by some of the key important rating agencies worldwide:

QNB Group	Fitch	Capital Intelligence	Standard & Poor's	Moody's
Long-term rating	A+	AA	A+	Aa2
Short-term rating	F1	A1+	A-1	P-1

## 12. Capital and shares

The authorised, issued and fully paid up share capital of the bank totalling **QAR 9,236,428,570** consists of **9,236,428,570** ordinary shares of one Qatari Riyal each. The ownership structure of QNB Group has been stable since its establishment in 1964. The Qatar Investment Authority holds (50%) of the ordinary shares of the bank with the remaining (50%) held by members of the public whereby any natural or legal person, except QIA and the General Retirement and Social Insurance Authority, cannot, at any time, possess more than (5%) of the shares. The shares are nominal and all shares issued are of the same class and carry equal rights.

This is considered as an important aspect designed to reduce the dominance of the majority shareholders on minority shareholders. Consequently, the BOD composition reflects the ownership structure whereby five members of the ten BOD members, including the Chairman and Vice-Chairman, are representatives of QIA, while the remaining five members are from the private sector and are elected by shareholders at the General Assembly meeting.

## 13. Shareholders' rights

The corporate governance practices within QNB protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority shareholders. QNB Group maintains open and transparent channels of communication with its shareholders and has published all the information for investors and stakeholders on a regular basis through its website, as well as other media. QNB Group has also developed a modern version on its website that provides detailed reports to shareholders on corporate governance, financial data and other important information on the disclosure of financial and non-financial information.

A dedicated work team, led by the Group Chief Financial Officer, is entrusted to provide analysts and shareholders with the latest updates on QNB Group's activities. The bank's Articles of Association also confirm that all capital shares hold equal rights, without discrimination, in terms of ownership in the bank's assets, profits, attendance to the General Assembly meetings and voting, in application of the principle of 'one vote per share'.

In accordance with the Commercial Companies Law, QNB's Articles of Association states that the General Assembly shall hold one ordinary meeting within four months following the end of each financial year. The Board of Directors may call for a meeting of the General Assembly at its own discretion or whenever requested to do so for a certain purpose by the external auditor or by shareholders holding at least (10%) of the capital.

In case of an extraordinary meeting, an application in writing shall be addressed to the Chairman by shareholders holding at least (25%) of the company share capital. Notification of the General Assembly meeting as well as the meeting agenda are published prior to its date as per the Commercial Companies Law and the bank's Articles of Association, and is published on the bank's website. Copies of the Annual Report and Financial Statements are also published at least (21) days prior to the annual General Assembly meeting, to give the shareholders reasonable time to obtain and to





discuss the bank’s performance with the Chairman of the BOD and other members of the Board.

The General Assembly may hear any proposal included in the agenda by the Board of Directors, and such proposal may be presented by a number of shareholders owning not less than (5%) of the total number of shares. Shareholders have the right to vote during the General Assembly in person or be replaced by another shareholder as a proxy. The BOD presents its suggestions on the dividends distribution to the shareholders in the General Assembly based on QNB Group’s performance and results along with the Group Strategy.

The shareholders have the sole authority to approve and decide about the profit allocation, together with the modalities.

#### 14. Transparency and disclosure

The corporate governance framework within QNB ensures timely and accurate disclosure is made on all material matters regarding the Group, including the financial situation, performance, ownership and governance of the bank. It abides by all disclosure requirements and furnishes all financial information and audit reports accurately and transparently to remain in line with international best practices as well as local regulatory requirements including financial data, such as but not limited to, Qatar Central Bank’s reports and the disclosures made to the Qatar Stock Exchange.

QNB is considered to be one of the first companies to publish its financial statements in the Middle East and North Africa region. The bank is also committed to a clear policy of transparency and disclosure, in fact the Corporate Governance Report intended for QFMA and QCB includes information on the Board of Directors along with brief summaries of their roles and qualifications, as well as their membership on other companies’ boards (see the Appendices). Since there are no major shareholders other than the Qatar Investment Authority, which owns (50%) of the bank’s capital, no further details require disclosure regarding the major shareholders. For this purpose, and in line with QCB instructions issued regarding the ownership limits and restrictions in the financial institutions, a dedicated policy has been issued to detect the excess of ownership in QNB’s capital and to monitor the process of a shareholders’ vote in the General Assembly meetings.

QNB also maintains a comprehensive ‘Disclosure and Transparency Policy’ to promote transparency and fairness across QNB Group, as well as to maintain and protect the bank’s reputation. The policy establishes the framework of disclosure to provision for information at the right time and in the appropriate manner, as required by the regulatory authorities in Qatar, such as Qatar Central Bank (QCB) and Qatar Financial Markets Authority (QFMA). The policy also considers and alludes to international standards (related to financial disclosure) issued by the Basel Committee on Banking Supervision (BCBS), International Financial Reporting Standards (IFRS) and the Organisation for Economic Co-operation and Development (OECD), to ensure that appropriate disclosures and corporate governance standards are implemented by QNB.

QNB Group affirms that all statements supplied in this regard are true, accurate and not misleading, to the best of its knowledge and belief. Moreover, all of the QNB Group

annual financial reports comply with the International Financial Reporting Standards (IFRS) and the applicable provisions of Qatar Central Bank regulations. The external auditor’s report includes affirmations that they have received all required information and that the audit was conducted in accordance with the International Standards on Auditing (ISA).

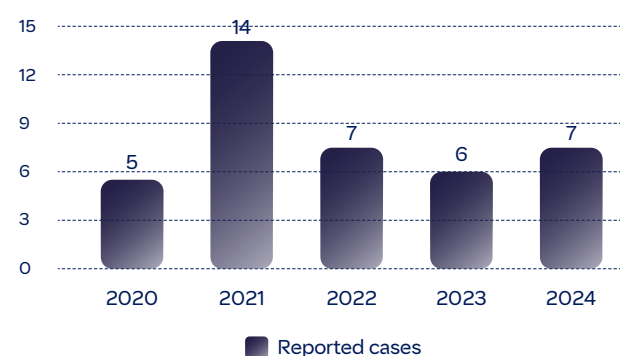
#### 15. Whistleblowing

QNB Group is committed to the highest standards of openness, probity and accountability. In line with that commitment, QNB Group maintains a robust Whistleblowing Policy and related-channels to encourage employees to report wrongdoings or violations they are aware of or have suspicions or concerns about, to a responsible and designated internal authority within QNB Group. The objective is to build a safe culture where employees feel that they can speak up when something is not right. The aim is to minimize the Group’s exposure to reputational or financial damage, which may occur when employees circumvent internal mechanisms.

The following encapsulates QNB Group’s Whistleblowing framework in 2024:

- Whistle Blowing is a core element of raising concerns at QNB. Clear reporting channels are accessible to employees including email and phone to report concern without reprisals or retaliations in any form. Employees are encouraged to report concerns and activities that do not seem right ranging from fraud, misconduct, suspicions of money laundering, workplace malpractices, insider dealing, forgery, accounting irregularities, bribery, corruption, criminal offences etc.
- QNB has established a process for receiving, evaluating, and treating alerts and investigating whistleblowing concerns. Group Compliance is the custodian of the Whistleblowing process and conducts comprehensive investigations into potential cases referred taking into account the scope, severity, plausibility, and implications of the matter reported.
- During 2024, the fraud team received and treated (7) cases related to fraud allegations and breaches of internal procedures.
- Actions are initiated depending on the nature of the concerns. Where investigations are warranted, actions are taken in light of observations identified and recommendations are shared with appropriate levels of Management so that appropriate corrective actions could be taken, including discipline, remediation asset recovery, training, civil action, and/or criminal referral.

Number of Whistleblowing Reported Cases from 2020 to 2024





## 16. Conflicts of interest and insider trading

QNB Group maintains a comprehensive policy to address conflicts of interest and insider trading aspects including disclosure requirements and restrictions (on both related party transactions and insider dealings), as outlined by QCB, QFMA and Commercial Companies Law. It is through the 'QNB conflict of interest and insider dealing policy' that the bank is able to identify actual and potential conflicts of interest and manage them fairly and appropriately to prevent any situation affecting adversely the interests of QNB, its shareholders and stakeholders.

The policy is applicable to related parties, personal account dealing, tenders, auctions, protecting the confidentiality of material non-public information and prohibiting insider trading as well. Where the policy outlines the responsibilities of different parties within QNB Group (such as the BOD, Executive Management and employees) as it pertains to, the management and/or disclosure of conflicts of interest. Furthermore, the policy also has a framework in-place for insider disclosure requirements, escalation mechanism and declaration since they are privy to material non-public information.

QNB Group's 'conflict of interest and insider dealing policy' remains in adherence with the Commercial Companies Law, Qatar Central Bank instructions and QFMA's Board Decision No. (2) Of 2024 Concerning the Issuance of Insider Trading Rules including QFMA's Corporate Governance Code as well. According to this policy, all QNB Group employees are required to periodically disclose any personal interests and dealing in the bank's shares, including third parties that have relations with the bank.

QNB's Board of Directors establish and approve the Group's conflict of interest and insider dealing policy while the Executive Management are responsible for setting up the adequate framework in place, and implementing proper controls and measures to identify, escalate and manage conflicts of interest. They are also in charge of implementing such framework in order to promote customer protection, transparency and support market integrity. Every employee is responsible for identifying and escalating potential conflicts of interest so that they may be appropriately managed and resolved.

With reference to article (4.10) of QFMA Corporate Governance Code, all the disputes, lawsuits in which the bank is a party are properly handled and tracked by Group Legal Division in the bank. During 2024, no major disputes or lawsuits occurred. These cases together with the latest updates are regularly reported to the Group Management Risk Committee and the Group Board Risk Committee for information and proper decision. As part of the regulatory scope, the external auditor also reviews all the disputes and lawsuit cases for proper assessment.

In application of article (25) of QFMA Corporate Governance Code, QNB Group has a clear policy on dealing with rumours disclosed by third parties and more generally anything that may damage the reputation of the bank.

This policy provides for a specific treatment and escalation of the rumour incidents on a case by case basis considering their origin, sources, expected impact and whether any case was filed before the courts.

Regarding Article (28) of the QFMA code, relevant to conflict of interest that requires the Board members to disclose their trading activities in the company's stocks and other financial securities, Qatar Stock Exchange discloses on a daily basis the 'Intraday Insiders Trades Report' that specify the traded volume (buy/sell) in QNB's capital.

## 17. Handling customers' complaints

Customers' complaints are a crucial source of information in order to enhance and develop the Group's activities, whereby customers are considered key to success and prosperity. Organisations consider the customer as the backbone for their survival, continuity and success; therefore, the establishment of a Customer Satisfaction Unit that addresses their complaints has become a major and crucial objective for the bank's Executive Management in developed institutions. In light of progress in legislation, laws and regulations that govern the relationship with the customers, and for the purpose of promoting and developing the transparency with stakeholders, QNB Group has established the framework and the appropriate mechanism for an independent team specialised in managing customers' complaints (Complaint Management).

## 18. Sustainability and corporate social responsibility

Sustainability has become one of the most pressing topics affecting our society today. This includes environmental aspects, such as climate change and resource scarcity, social aspects, such as human rights, financial inclusion and data privacy, and corporate governance aspects, such as board composition, anti-corruption and ethical business practices. Collectively, these are commonly referred to as ESG (environmental, social and corporate governance). There is now increasing demand from investors, customers, regulators and our own employees for greater transparency of our approach to ESG issues. And we recognise the significant contribution QNB can make to society by adopting business practices to address these, especially through our financing activities.

In response to these external demands, QNB has defined a Group-wide sustainability programme. This has been developed in alignment with national and international standards and guidelines, with particular focus on the objectives of the United Nations Sustainable Development Goals (UNSDGs), Global Reporting Initiative (GRI) Standards and the Qatar Stock Exchange (QSE) 'Guidance on ESG reporting'. Consequently, QNB publishes separate annual sustainability reports that highlight the banks initiatives on related matters.

The Group also considers spreading its social responsibility policy as a top priority, as the culture of promoting social awareness among individuals fosters interconnection between all and reflects the Group's commitment to the local and international communities in which it operates.



QNB's vision in the many domains of intervention in terms of CSR is detailed below:

**Culture and arts:** culture and arts are the medium through which a nation manifests its heritage. They also help embed past traditions in future generations.

**Economic and international affairs:** hosting and participating in conferences and knowledge-sharing activities in economic and international affairs helps diversify national revenue sources, in Qatar and in emerging economies - a key aspiration.

**Health and environment:** health infrastructure and services are fundamental to human well-being - as is a respect for the environment.

**Social and humanitarian affairs:** by promoting a spirit of volunteering, QNB Group helps create more harmonious, united communities.

**Supporting local and international sports events:** sporting participation and events are a hallmark of progress and a means to achieve healthy, vibrant people and communities.

**Youth and education:** education and how communities engage and give opportunities to their young people is a cornerstone of social and economic development.

Details of the key initiatives and events sponsored/ conducted by QNB in the above mentioned fields are presented in **Section 2** of this report.

QNB acknowledges and complies with Law No. 13 of 2008 (amended to Law No.08 of 2011), which requires companies to contribute at least 2.5% of their annual net profits to philanthropic, sports, social and charitable causes. This contribution is paid after approval at the Annual General Meeting of the shareholders and the amount is disclosed in the Annual Report. Consequently, QNB Group also adheres to Article (39) of the QFMA Governance Code to further the development of communities through CSR initiatives and activities.

## 19. Spotlight on specific corporate governance practices - Qatar Central Bank's ESG and Sustainability Strategy for the Financial Sector:

Sustainable development remains a crucial driver of growth and prosperity, allowing countries to uphold the achievements of previous generations through modern means. This enables financial institutions to adapt with rapid transformation while preserving the essential foundations of their current development.

The Qatar National Vision for 2030 places considerable importance on sustainable development in key sectors for the coming years. In response, Qatar Central Bank (QCB) launched the 'third financial sector strategic plan' in 2023, further refining its focus in 2024 by launching the 'ESG and Sustainability Strategy for the financial Sector' along with the 'ESG Supervisory Principles' within the same year. The organized release of these publications aimed to guide the actions of financial institutions towards the National Vision 2030 and to more sustainable future.

QCB's third financial sector strategic plan released in 2023 focused on creating a clear roadmap for banks to identify ESG opportunities and to address potential challenges associated with them. Furthermore, the established plan intended to strengthen the financial

sector, enhance the growth of the national economy, and achieve financial stability using the following four pillars:




- Banking;
- Insurance;
- Digital finance ecosystem; and
- Capital markets.

These four pillars were supported by five crosscutting themes related to (Governance & Regulatory Oversight, Islamic Finance, Digital Innovation, ESG & Sustainability, and Talent & Capabilities). QNB Group's sustainability framework in 2023 effectively had digital innovation including ESG and sustainability measures already in-place, which ensured QNB remained compliant with QCB's third financial sector strategic plan once it was published.

By 2024, QCB published the 'ESG and sustainability strategy for the financial sector', which built upon its predecessor regulation the 'third financial sector strategic plan', to establish three fundamental pillars that guide financial institutions on ESG and sustainability matters. Each pillar is associated with a set of aspirations and outcomes that mutually reinforce one another to broaden financial institutions understanding of the impact ESG has on financial services and initiatives, banking transactions and platforms, as well as corporate governance.

In support of QCB's strategy, the regulator also published a comprehensive set of ESG supervisory principles in 2024 strategically designed to help banks navigate the challenges posed by climate change. These supervisory principles aimed to position all banks on the path toward responsible banking, emphasizing on the importance of integrating climate-related considerations into their existing banking and financial strategies.

Approaching ESG and sustainability with these key QCB regulations in mind, QNB Group effectively worked to strengthen and enhance its existing sustainability framework by embedding the following key components of each pillar as outlined in QCB's ESG and sustainability strategy within its current practices:

Pillar	Strategic Pillars	Aspirations	Outcomes
 <b>Pillar 1</b> <b>Financial sector climate, environmental and social risks management</b>	<b>Financial sector climate, environmental and social risks management</b>	A financial sector resilient to climate, environmental and social risks	<b>A1: Established climate, environmental and social risks awareness and management</b> among banks and insurance companies <b>A2: Increased transparency on the exposure</b> of banks and insurance companies to climate, environmental and social related risks and opportunities
 <b>Pillar 2</b> <b>Capital Mobilization towards sustainable finance</b>	<b>Capital Mobilization towards sustainable finance</b>	Qatar as a leading hub for sustainable finance innovation and capital mobilization	<b>B1: Heightened transparency on the contribution of the financial sector to national sustainability objectives</b> <b>B2: Strengthened contribution of the financial sector in mobilizing capital</b> towards sustainable finance 1 <b>B3: Diversified innovative sustainable products including digital solutions</b> (eg, Fintech) brought forward by the financial sector
 <b>Pillar 3</b> <b>A Central Bank leading by example on ESG and Sustainability</b>	<b>A Central Bank leading by example on ESG and Sustainability</b>	A sustainable, globally connected, central bank resilient to climate, environmental and social risks	<b>C1: A Central Bank resilient to climate and environmental and social risks</b> in its operations and reserve portfolio <b>C2: Broadened incorporation of climate, environmental and social considerations</b> across QCB's functions, leveraging international collaborations <b>C3: Exemplary sustainability performance</b> for QCB's own operations

Cross-cutting themes  
 Capability building  
 Sustainable finance data infrastructure

As a result of QNB's longstanding efforts and progress in terms of ESG governance, the Group was already well positioned to align with, and be able to demonstrate active adherence to, the ESG and sustainability requirements stipulated by QCB where relevant.

QNB Group's sustainability framework and related practices have seamlessly aligned with the QCB pillars (where applicable), as the Group already has key ESG and sustainability principles situated well within its operating model and governance structure. The following three fundamental pillars represent the key components of QNB Group's sustainability framework:



These pillars are fundamentally built-upon and further strengthened by the leadership of the Board of Directors and Executive Management team vis-à-vis the corporate governance structure of QNB Group. Corporate governance plays a crucial role in ESG-related matters since by having good governance and 'Tone at the Top' QNB can in turn, set the ESG strategy of the Group, guide and deliver on the sustainable goals and initiatives it has set, which will enable the Group to expand upon the its own ESG footprint over the long term.

QNB's Board of Directors set and approve the Group's corporate governance framework while the Executive Management team operate within its scope. This framework includes various responsibilities governing ESG and sustainability aspects, comprised of the following:



- The Board of Directors remains informed on Environmental and Social topics from 'GBRC' and all 'Governance' related topics in GBACC, in adherence with Pillar 1 guidelines of QCB's Strategy;
- The ESG framework is cascaded down from the Board of Directors to the Group Management Risk Committee (GMRC) and the Group Senior Management Committee;
- The Executive Management team oversees ESG and sustainability related-matters, challenges and opportunities in the Senior Management Committee on a quarterly basis;
- The Executive Management team through GMRC oversee updates, achievements and reporting aspects related to risk-related topics including climate risk;
- The topic of ESG and climate risk is embedded into QNB's overall risk appetite and ERM (Enterprise Risk Management) Framework;
- Ethical practices are placed at the forefront of all actions taken across QNB, where this report details how QNB Group handles (Conflict of Interest and Insider Dealing, Whistle-blowing and Anti-Bribery and Corruption) aspects;
- QNB publishes a separate Annual Sustainability Report in accordance with national and international standards and reporting guidelines;
- QNB Group publishes multiple disclosures on the contributions made in support of national sustainability objectives and goals;
- QNB outlines the diversified and innovative sustainable products it has created to have resilient ESG practices and to align with QCB Pillar 1 and Pillar 2 guidelines.

QNB Group pioneering efforts in relation to sustainability were rewarded by obtaining the designation as "Sustainability leader" in the Middle East by Forbes during 2024 for the second time in row, which is a testament to QNB Group commitment to sustainable financing and leadership in the industry.

In conclusion, QNB Group remains in compliance with QCB's ESG and Sustainability Strategy, as the Group has various ESG financing and sustainability-based practices and initiatives established prior to the creation of QCB's Strategy. These practices and initiatives will only continue to grow and widen in their profitability, applicability and scope as a byproduct of QCB's guidance and continued effort to expand upon its ESG and sustainability Strategy.

Going forward, QNB Group intends to share the various milestones achieved in the areas of corporate governance, sustainable finance, and sustainable operations and beyond banking in accordance with QCB's ESG and Sustainability Strategy in the form of disclosures published on the bank's Website.

## 20. Compliance with the QFMA Corporate Governance Code

In accordance with Article (2) of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016 (the "Code"), Qatar National Bank Q.P.S.C ("the Bank") carried out an assessment on its compliance with the QFMA's laws and regulations and other relevant legislation applicable to the Bank including the Code.

As a result of the assessment, management concluded that there is a process in place to ensure compliance with Bank's Articles of Associations and the provisions of QFMA's laws and regulations and other relevant legislation and that it is in compliance with the provisions of the Code as at 31 December 2024.

Ernst & Young (EY), the external auditor of the Bank has issued a limited assurance report (refer Appendix 4) on their assessment of QNB's compliance with the provisions of the QFMA's law and regulations and other relevant legislation including the Code as at 31 December 2024.



## Conclusion

The Corporate Governance Report demonstrated QNB Group's relentless efforts to sustain and improve upon its existing corporate governance framework, as various initiatives and achievements shown in this Report contributed to the development of good governance systems and practices at local and international levels. Doing so, had a positive impact on the Group's reputation and financial position, as it is through these initiatives and achievements that QNB Group was able to strengthen its corporate governance framework and, in turn, enhance the confidence bestowed upon the bank by shareholders, investors and other stakeholders.

QNB Group has dedicated significant care to instilling a culture of responsibility and accountability throughout the bank, especially with regard to ethical aspects, as the Group has encouraged its employees to use whistleblowing channels to report violations once they occur. QNB Group also continued to act in line with set transparency and integrity standards in its dealings with all different parties at all levels and financial and non-financial disclosures, in order to promote its brand and preserve its legacy and the trust it has gained from all stakeholders.

QNB Group's commitment to sound corporate governance standards aim to preserve the long-term interests of shareholders, maintain integrity and a sound reputation with a strong financial performance. The application of good corporate governance principles and instructions issued by regulatory authorities have empirically shown to garner a positive and significant impact on the confidence of shareholders, investors and all other stakeholders. Accordingly, the Group has reviewed its governance system by proactively evaluating and developing key aspects of it and adopting the right principles and practices, which align the interests of the Board of Directors and executive management team with those of shareholders and other stakeholders.

In conclusion, we would like to thank Qatar Central Bank, Qatar Financial Markets Authority, and the Ministry of Commerce and Industry for all their efforts in developing the corporate governance system we operate within and continue to align our practices with. We also express our gratitude to all key stakeholders for their contribution to the success and progress QNB Group has achieved thus far.

**Ali Bin Ahmed Al-Kuwari**

Chairman of the Board of Directors

**Fahad Bin Faisal Bin Thani Al-Thani**

Vice-Chairman of the Board of Directors  
Chairman of the GBACC



## Appendix 1: The Board of Directors - biographies

Name of the Director	Brief biography summary
<p><b>H.E. Mr. Ali Bin Ahmed Al-Kuwari</b></p> <p>Chairman</p> <p>Non-Independent</p>	<p>H.E. was appointed as the Chairman of QNB Group in 2021. He is currently the Minister of Finance and Chairman of Qatar Development Bank and Katara Hospitality, as well as a member of the Supreme Council of Economic Affairs and Investment and Board member of Qatar Investment Authority and Qatar Energy. His excellency has over than 32 years of extensive experience working in the government and the financial sector. He was appointed as the Minister of commerce and Industry after being the GCEO of QNB Group from 2013 to 2018. Under his leadership, QNB Group had become the largest bank in the Middle East and Africa region. H.E. has a Bachelor's Degree in Math and Computer Science from Eastern Washington University in the United States, and a Master's Degree of Science in Management Information System from the Seattle Pacific University in the United States.</p> <p>Key previously held positions include:            Minister of Commerce and Industry in the State of Qatar            Chairman of Qatar Stock Exchange            Chief Executive Officer of QNB Group</p>
<p><b>H.E. Sheikh Fahad Bin Faisal Bin Thani Al-Thani</b></p> <p>Vice-Chairman</p> <p>Independent</p>	<p>H.E. was appointed as the Vice-Chairman of QNB's Board of Directors in 2019 and he is the Chairman of the Group Board Audit and Compliance Committee. H.E. is currently a Minister of State. H.E. holds a Bachelor's Degree in Business Administration from Portland State University in Oregon, United States and a Master's Degree in Banking &amp; Finance from the University College Dublin in Ireland.</p> <p>Key previously held positions include:            Deputy Governor of Qatar Central Bank            Chairman of the National Anti-Money Laundering Committee            Vice-Chairman of Qatar Financial Markets Authority</p>
<p><b>H.E. Sheikh Abdulrahman Bin Saud Bin Fahad Al-Thani</b></p> <p>Board member</p> <p>Non-Independent</p>	<p>H.E. was elected as a member of the Board of Directors since 2016 and he is a member of the Group Board Nomination, Remuneration, Governance and Policies Committee. H.E is currently a Minister of State, member of the Arab Thought Forum in Amman and a member of the Advisory Board at the Centre for Contemporary Arab Studies - Georgetown University - Washington. He also serves as the President of the Qatar Paralympic Committee, as well as a Board member in Qatar Insurance Company (QIC) and Qatar Navigation Company (Milaha) and Invest Corp Co. H.E. has both a Bachelor's Degree, and a Master's Degree in International Relations, and a National and International Security Diploma from John F. Kennedy School of Government, Harvard University in the United States.</p> <p>Key previously held positions include:            Chief of the Amiri Diwan            The Private Secretary to H.H. The Amir            Undersecretary - Amiri Diwan            Ambassador at the Ministry of Foreign Affairs            Director of the Political Dept. at the Amiri Diwan            Ambassador of the State of Qatar to Washington            Diplomat at the Qatar Embassy in Washington</p>

## Appendix 1: The Board of Directors - biographies

Name of the Director	Brief biography summary
<p><b>H.E. Sheikh Hamad Bin Jabor Bin Jassim Al-Thani</b></p> <p>Board member</p> <p>Independent</p>	<p>H.E. was appointed as a member of the Board of Directors in 2004 and he is the Chairman of the Group Board Executive Committee and a member of the Group Board Nomination, Remuneration, Governance and Policies Committee. H.E. is also a member of the Board of Directors of Qatar Electricity and Water (QEW), and the Chairman of the Business Advisory Council for the College of Business and Economics of Qatar University. H.E. holds a Bachelor's Degree in Business Administration from Metropolitan State College in Colorado in the United States.</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>President of the Qatar Statistics Authority</li> <li>Director General of the General Secretariat for Development Planning</li> <li>Secretary General of the Planning Council</li> <li>Director of Administration in Qatar Energy</li> <li>Manager of Human Resources in Qatar Energy</li> </ul>
<p><b>H.E. Mr. Mansoor Bin Ebrahim Al-Mahmoud</b></p> <p>Board member</p> <p>Non-Independent</p>	<p>H.E. was appointed as a member of the Board of Directors in 2004 and he is the Chairman of the Group Board Risk Committee. H.E. is currently the Minister of Public Health, the Vice Chairman of Qatar Exchange and the Vice Chairman of Qatar Airways and Vice-Chairman of Qatar Free Zones Authority. H.E. also serves as a board member in Qatari Diar, Qatar Financial Centre, Volkswagen Group and Hamed Bin Khalifa University in addition to being the Special Advisor to Qatar Museums' Chairperson. H.E. holds a Bachelor's Degree in Business Administration &amp; Finance from George Washington University in the United States.</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>CEO of Qatar Investment Authority (QIA)</li> <li>CEO of Qatar Museums</li> <li>CEO of Qatar Development Bank (QDB)</li> <li>Director of Investment Affairs for H.E. the Former Prime Minister and Minister of Foreign Affairs</li> <li>The Head of Risk Management at Qatar Investment Authority</li> </ul>
<p><b>Mr. Bader Abdulla Darwish Fakhroo</b></p> <p>Board member</p> <p>Non-Independent</p>	<p>Mr. Fakhroo was elected as a member of the Board of Directors since 2001 and he is a member of the Group Board Risk Committee and the Group Board Executive Committee. He currently serves as the Chairman and Managing Director of Darwish Holding. Mr. Fakhroo holds a Bachelor's Degree in Business Administration and a Postgraduate Degree in Finance &amp; Marketing from Kingston University in the United Kingdom.</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>Board Member of the Higher Education Institute in Qatar</li> <li>Board Member of Qatar Chamber of Commerce &amp; Industry, Chairman of the Internal &amp; Foreign Relations Committee</li> <li>Chairman of the Committee of the International Fund for the Higher Education in Iraq</li> <li>Chairman of the Commercial Arbitration Centre for the Gulf Cooperation Council</li> <li>Chairman of the Italian-Qatar Joint Business Council</li> <li>Participant Executive Director of Qatar-British Association of Businessmen (Q.B.A.B.)</li> </ul>



## Appendix 1: The Board of Directors - biographies

Name of the Director	Brief biography summary
<p><b>H.E. Mr. Fahad Bin Mohammed Bin Fahad Buzwair</b></p> <p>Board member</p> <p>Independent</p>	<p>H.E. was elected as a member of the Board of Directors in 2001 and he is the Chairman of the Group Board Nomination, Remuneration, Governance and Policies Committee. H.E. also currently serves as the Chairman of Buzwair Holding and a Board Member of Qatar Chamber of Commerce and Industry. H.E. holds a Bachelor's Degree in Business Administration &amp; Management Information System from George Washington University in the United States.</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>Member of the Qatar Advisory Council (Shura Council), State of Qatar</li> <li>Member of the Financial and Economic Affairs Committee in the Qatar Advisory Council (Shura Council)</li> <li>Member of the Cultural Affairs and Media Committee in the Qatar Advisory Council (Shura Council)</li> <li>Member of the Qatar-European Friendship Group in the Advisory Council (Shura Council).</li> </ul>
<p><b>Mr. Ali Yousef Hussain A Kamal</b></p> <p>Board member</p> <p>Non-Independent</p>	<p>Mr. Kamal was elected as a member of QNB Board of Directors in 2022 and he is a member of the Group Board Audit and Compliance Committee at QNB Group.</p> <p>Currently he is a member of the Board of Directors in Almannai Group and Qatar Insurance Company. Mr. Kamal holds a Bachelor's Degree in Sciences with emphasis in Finance and a Bachelor's Degree in Art and Science in Economics from the University of Colorado, Boulder.</p> <p>In addition to the above, Mr Ali Kamal is also the CEO of Al Kamal International Group, Al Hermas Investments and all of other family entities. These entities are engaged in diverse activities including commercial real estate development and ownership, hotel ownership and management and global equity investment management</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>Board Member of Qatar Industrial Manufacturing Co</li> <li>Board Member of Mazaya Real Estate Development Co</li> <li>Financial Analyst in Goldman Sachs.</li> <li>Financial Analyst in Credit Suisse.</li> <li>Consulate Affairs &amp; Trade Relations Officer in of Qatar Ministry of Foreign Affairs in Paris, France.</li> </ul>
<p><b>Dr. Abdulrahman Mohammed Y Jolo</b></p> <p>Board member</p> <p>Independent</p>	<p>Dr. Jolo was appointed as a member of the Board of Directors in 2019 and he is a member of the Group Board Audit and Compliance Committee. He currently serves as the Deputy Undersecretary for Financial Policies Affairs in the Ministry of Finance. Qatar. He is also Board Member in Qatar Financial Markets Authority. Dr. Jolo holds a Bachelor's Degree in Science from Texas A&amp;M University in Qatar and two Master's Degrees, one in Technology from Curtin University of Technology, and the other is in Strategic Business Unit Management from HEC Paris Business University in Qatar and a Phd Degree in Sustainable Energy from Hamad Bin Khalifa University (HBKU).</p> <p>Key previously held positions include:</p> <ul style="list-style-type: none"> <li>Director of Financial Policies in the Ministry of Finance, State of Qatar</li> <li>Research and Studies Advisor in the Ministry of Finance, State of Qatar</li> </ul>
<p><b>Mr. Adil Hassan H A Al-Jufairi</b></p> <p>Board member</p> <p>Independent</p>	<p>Mr. Al-Jufairi was elected as a member of the Board of Directors in 2019 and he is a member of the Group Board Risk Committee and Group Board Executive Committee. He is the General Director, Partner, and Board member of HBH Al Mulla &amp; Sons Trading. Mr. Al-Jufairi has also been working in the Ministry of Health since 1992. Mr. Al-Jufairi holds a Bachelor's Degree in Chemistry from Qatar University.</p>



## Appendix 2: Executive Management – biographies

Name of the Director	Brief biography summary
<p><b>Mr. Abdulla Mubarak Al-Khalifa</b> Group Chief Executive Officer</p>	<p>Mr. Al-Khalifa was appointed as the GCEO in November 2018. Prior to that, he was the Executive General Manager - Group Chief Business Officer at QNB. He joined QNB in 1996 and has more than 28 years of diverse banking experience. He is currently the Chairman of the Board of Directors of QNB Capital and QNB Suisse. In addition, he is a Board member at Ooredoo, Qatar Airways and Qatar Stock Exchange (QSE). Mr. Al-Khalifa holds a Bachelor's Degree in Business Administration from Eastern Washington University in the United States.</p>
<p><b>Mr. Ali Rashid Al- Mohannadi</b> Group Chief Operating Officer</p>	<p>Mr. Al-Mohannadi joined QNB in 1996 and currently serves as the Group Chief Operating Officer. He was previously General Manager - Retail Banking and General Manager - Information Technology. Mr. Al-Mohannadi is currently the Chairman of the Board of Directors of QNB Al Ahli (Egypt) and the Vice Chairman of the Board of Directors at CBI (Dubai). In addition, he is a Board member at QNB Capital. He also serves on several other committees within QNB Group. Mr. Al-Mohannadi has more than 28 years of experience in the financial sector, and has a Bachelor's Degree in Computer Science from Qatar University.</p>
<p><b>Mr. Yousef Mahmoud Al-Neama</b> Group Chief Business Officer</p>	<p>Mr. Al-Neama joined QNB in 2005 and currently serves as Group Chief Business Officer. Prior to joining QNB, Mr. Al-Neama held a variety of roles in financial institutions and corporate banking within Qatar and abroad, and has more than 20 years of experience in financial institutions. He is currently Vice-Chairman of the Board of Directors at Mansour Bank (Iraq) and Housing Bank for Trade &amp; Finance (Jordan) and QNB Finansbank (Turkey). In addition, he is a Board member at QNB Capital. Mr. Al-Neama holds a BS in Aviation Management from Florida Tech. in the United States and a Diploma in Business Administration from Glamorgan University in Wales.</p>
<p><b>Mr. Ramzi Mari</b> Group Chief Financial Officer</p>	<p>Mr. Mari joined QNB in 1997 from the Bank of Jordan and currently serves as the Group Chief Financial Officer. He has almost 32 years of experience in the banking sector. He is currently a member of the Board of Directors at Housing Bank for Trade and Finance (Jordan), QNB Finansbank (Turkey) and QNB Capital LLC. Mr. Mari passed the Certified Public Accountant exam (CPA) from the State of California (in 1989), and holds a Master's Degree in Accounting from California State University in the USA.</p>
<p><b>Dr. Fatma Abdulla Al-Suwaidi</b> Group Chief Risk Officer</p>	<p>Dr. Al-Suwaidi joined QNB in 2000 and currently serves as Group Chief Risk Officer; having previously held the role of Assistant General Manager of Credit Risk Management. She has almost 24 years of experience in banking and she holds a particular interest in banking innovation. She is currently a member of the Board of QNB Finansbank (Turkey) and the President Commissioner of QNB Indonesia. Dr. Al Suwaidi has a BSc in Accounting, a Master's in Business Administration from Qatar University, an MSc in Risk Management from the University of New York and a Juris Doctor Degree from Hamad Bin Khalifa University and a Doctorate in Business Administration from Grenoble University, France on the subject of 'Innovation in Banking and Financial Markets', focusing on crypto currencies.</p>
<p><b>Mr. Rogier Dolleman</b> Group Chief Audit Executive</p>	<p>Mr. Rogier Dolleman joined QNB in 2024 as the Group Chief Audit Executive. He brings 20 years of banking experience in leading banks across Europe, Asia and the GCC. Prior to joining QNB, Mr. Dolleman served as the Group Head of Audit for Ahli United Bank in Bahrain and as Audit Head Business Management for SAB in Saudi Arabia. His previous roles also include the Chief Audit Executive for ING Bank AS in Turkey and Regional Head of Audit for ING Bank Singapore. Mr. Dolleman holds a Master's degree in Auditing and Assurance from Nyenrode University in the Netherlands and is a Certified Public Accountant (CPA) registered in the Netherlands.</p>
<p><b>Mr. Riadh Al Fayech</b> Group Chief Compliance Officer</p>	<p>Mr. Al Fayech joined QNB in 2008 and currently serves as the Group Chief Compliance Officer. He has more than 23 years of banking and financial services industry experience and specializes in the compliance and audit fields. Prior to joining QNB, Mr. Al Fayech was with Ex-Arthur Andersen, Moore Stephens and, ABC Group. He is a Certified Public Accountant (CPA), holds a Master's Degree (Major in Accounting), has an International Diploma in Compliance and is Certified Anti Money Laundering Specialist (CAMS) and Certified Fraud Examiner (CFE). Mr. Al Fayech is also a Member of MENA Financial Crime Compliance Group (FCCG) Group, The Tunisian Institute of Chartered Accountants and previously Member of the International Chamber of Commerce (ICC) and the ACAMS - (MENA Task Force).</p>



## Appendix 3: QCB corporate governance disclosure requirements

Clause	Description	Disclosure	Clause		
1	Shareholding	1.1	Shareholding breakdown by nationality	Qatari 62.12%. Others 38.82% (as of 30/11/2024)	
		1.2	Shareholding breakdown by number of shareholders	Total number of shareholders 4,352 and total number of shares is 9,236,428,570 (as 30/11/2024)	
		1.3	Government's shareholding	50%	
		1.4	Principal shareholders (Above 10%)	Only QIA own more than 10%	
		1.5	Significant shareholders (Above 5%)	Only QIA own more than 5%	
2	Board of Directors and Executive Management	2.1	Board detailed functions	Please refer to Section 3	
		2.2	Types of transactions requiring Board approval	Please refer to Sections 14 and 16	
		2.3	QNB Board of Directors members	Please refer to the BOD Biographies 'Appendix 1'	
		2.4	Independent members	Please refer to section 3 and BOD biographies 'Appendix 1'	
		2.5	Executive/non-executive members	Please refer to section 3 and BOD biographies 'Appendix 1'	
		2.6	Personal BOD members Shareholding (as on 30/11/2024)	H.E. Sheikh Abdulrahman Bin Saud Bin Fahad Al-Thani	3,760,630
				H.B.H. Al Mulla & Sons Trading Company represented by Mr. Adil Hassan H A Al-Jufairi	89,670
				Mr. Ali Yousef Hussain A Kamal	407,526
				H.E. Mr. Fahad Bin Mohammed Bin Fahad Buzwair	13,398,000
				Mr. Bader Abdulla Darwish Fakhroo	15,450,460
		2.7	New Board members induction measures	Please refer to Section 3	
		2.8	Board election process	Please refer to Section 3	
		2.9	Insider trades	Qatar Exchange website, 'Intraday Insiders Trades Report'	
		2.10	Membership termination arrangements	Please refer to Section 3.11	
		2.11	Number of BOD meetings and dates	1st meeting: 11 January 2024	
				2nd meeting: 05 March 2024	
3rd meeting: 07 May 2024					
4th meeting: 08 July 2024					
5th meeting: 11 September 2024					
6th meeting: 26 November 2024					
2.12	Attendance record	Please refer to Section 3			
2.13	Board and Executive Management remuneration	Please refer to Section 5			
2.14	Key Executive Management members	Executive Management biographies section 'Appendix 2'			
2.15	Executive Management shareholding	Key executive managers do not hold any QNB shares.			
2.16	Business Ethics Charter	Please refer to QNB Code of Ethics and Conduct			
3	Board committees	3.1	Board committee names and responsibilities	Please refer to Section 3	
		3.2	Committee members' attendance	Please refer to Section 3	
		3.3	Total committee members remuneration	Please refer to Section 5	
		3.4	Committees Scope and Major issues/ outcomes	Please refer to Sections 3, 4 and 5.	

### Appendix 3: QCB corporate governance disclosure requirements

Clause	Description	Disclosure	Clause
4	ESG and Corporate Governance	4.1 Environmental disclosures	Please refer to QNB Sustainability Report
		4.2 Social disclosures	Please refer to QNB Sustainability Report
		4.3 Corporate governance disclosures	Please refer to this Report, the QNB Corporate Governance Manual and QNB Annual Report
5	External Auditors	5.1 Audit scope related fees	QR 5 million for the year 2024
		5.2 Non auditing services provided	QR 2.4 million for the year 2024
		5.3 Reasons for replacing/reappointing the external auditor	This is subject to the General Assembly Meeting decision based on the recommendation of GBACC to the BOD. Please refer to Section 10.
6	Other Disclosures	6.1 Related party transactions	Please refer to Section 16 and QNB Annual Report
		6.2 Communication with shareholders and investors	Please refer to Sections 13 and 14
		6.3 Risk management	Please refer to Section 2 and 7
		6.4 Review of internal audit procedures	Please refer to Section 2 and 9
		6.5 Financial statement	Please refer to QNB Annual Report and Website
		6.6 Balance sheet	Please refer to QNB Annual Report and Website
		6.7 Income statement	Please refer to QNB Annual Report and Website
		6.8 Cash flow statement	Please refer to QNB Annual Report and Website
		6.9 Statement of changes in equity	Please refer to QNB Annual Report and Website
		6.10 External auditor certificate	Please refer to QNB Annual Report and Website
		6.11 Statement of responsibility by the Board of Directors	Please refer to Sections 3 and BOD Charter
		6.12 Detailed steps to ensure independent decision making on related-party transactions/ agreements	Please refer to Section 16
		6.13 Evaluating the performance of the Board of Directors, BOD committees and BOD members	Please refer to Section 3



## Appendix 4: Independent Limited Assurance Report of External Auditor (EY)

### To the Shareholders of Qatar National Bank (Q.P.S.C.)

#### Report on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

##### Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance of Qatar National Bank (Q.P.S.C.) (the "Bank") with the QFMA's law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market as at 31 December 2024.

##### Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Bank is responsible for preparing the Corporate Governance Report 2024 that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

The Board of Directors provided their assessment whether the Bank has a process in place to comply with QFMA's laws and relevant legislations applicable on the bank including the provisions of the Code (the "Board of Directors' Statement"), which was shared with Ernst & Young on 13 January 2025, and to be included as part of the Corporate Governance Report 2024.

In addition, the Board of Directors of the Bank is responsible for the design, implementation and maintenance of adequate internal controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No.(5) of 2016.

##### Our Responsibility

Our responsibility is to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, the Bank's compliance with the QFMA's laws and relevant legislations applicable on the bank including the provisions of the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' Statement, taken as a whole, is not prepared in all material respects in accordance with the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform any additional procedures that would have been required if this were to be a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations including the Code; the procedures adopted by management to comply with these Requirements; and the methodology adopted by management to assess compliance with these Requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the Requirements.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations including the Code.



## Inherent Limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

## Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Bank's Corporate Governance Report 2024 which are expected to be made available to us after the date of this report. The Board of Directors' Statement and our limited assurance report thereon will be included in the Corporate Governance Report 2024.

Our conclusion on the Board of Directors' Statement on compliance with the QFMA's Requirements does not cover the other information and we do not, and will not express any form of assurance conclusion thereon. We have been engaged by the Bank to provide a separate reasonable assurance report on the Report on Internal Control over Financial Reporting, to be included within the Annual Report 2024.

In connection with our engagement of the Board of Directors' Statement, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Board of Directors' Statement or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Board of Directors' Statement do not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations including the Code as at 31 December 2024.

Ziad Nader  
of Ernst and Young  
Auditor's Registration No. 258  
Date: 28 January 2025  
Doha

# Corporate Governance Report 2024