








# Directors Remuneration Policy of The Commercial Bank (P.S.Q.C) (the “Bank”)

01-01-POL-005  
December 2023  
Version 5.0



| <b>Revision History</b> |                      |  |                       |                           |
|-------------------------|----------------------|--|-----------------------|---------------------------|
| <b>Revision Number</b>  | <b>Revision Date</b> | <b>Amendment Description</b>   | <b>Date Effective</b> | <b>Next Revision Date</b> |
| 1                       | Dec 2020             | Amendment to comply with Qatar Central Bank Circular No. 68/2015 Principle 9, including an evaluation of the Bank's corporate performance against various metrics and clawback   |                       |                           |
| 2                       | September 2022       | Amendment to comply with QCB Circular 25/2022, Principle 7 5/4   |                       |                           |
| 3                       | January 2023         | Amendment to reflect Chairman cannot be on a Board Committee   |                       |                           |
| 4                       | December 2023        | Amendment to reflect: <ul style="list-style-type: none"> <li>• QCB letter 1507/2023 dated 11 June 2023: ceilings and determinants for estimating the remunerations of the members of the Board of Directors and the Executive Management</li> <li>• QCB's Performance Assessment Matrix</li> </ul> |                       |                           |

| Review  |            |   |
|---|------------|---|
| Authorised Reviewer                                     | Date       | Signature(s)  |
| Head of Corporate Affairs                               |            |    |
| Group Chief Executive Officer                           |            |   |
| Board Remuneration, Nomination and Governance Committee | 14/12/2023 | M. Mandani      Tariq Al Malki   |
| Board of Directors                                      | 24/12/2023 | abdulla al thani      Jabor Al Thani      Mohammed Almosallam<br>Hussain Alfardan <br> ijalothman      M. Mandani<br>  Tariq Al Malki |

## **Directors Remuneration Policy of The Commercial Bank (P.S.Q.C.) (the “Bank”)**

The Board of Directors of the Bank (the “Board”) hereby approves the following Director Remuneration Policy:

### **1. Governance**

- 1.1 The Board Remuneration, Nomination and Governance Committee (“BRNGC”) shall recommend the directors’ annual remuneration to the Board.
- 1.2 The Board shall approve the directors’ annual remuneration and subject to Qatar Central Bank approval, recommend it for shareholder approval at the Bank’s Annual General Meeting.

### **2. Ceilings for participation on the Board and Board Committees**

- 2.1 The maximum annual remuneration of the Chairman of the Board for participation in the Board of the Bank shall be QAR 2,500,000.
- 2.2 The maximum annual remuneration of a member of the Board for participation in the Board of the Bank shall be QAR 2,000,000.
- 2.3 The annual remuneration of the Chairman and each member of the Board for participation on the Board of the Bank shall be determined by the BRNGC following their performance assessment of the Bank in accordance with Article 3 below.
- 2.4 The maximum annual remuneration of each member of the Board for participation on any of the Board Committees shall be QAR 300,000 per member, in addition to the remuneration in 2.2. If the Board member is a member of more than one Board Committee then he shall be entitled to one Board Committee Remuneration in the maximum amount of QAR 300,000.

### **3. Performance Assessment**

- 3.1 When determining the amount of directors' annual remuneration in Article 1.1, 2. above, the BRNGC shall evaluate the Bank's performance measured against the Corporate Performance Scorecard.
- 3.2 The BRNGC, in conjunction with the Board Risk & Compliance Committee and Executive Management, and reviewed by Internal Audit, shall prepare the Corporate Performance Scorecard at the beginning of the financial year.
- 3.3 The Corporate Performance scorecard shall be weighted for each performance measure relative to its importance to the Bank's Board-approved strategy and shall include:
- Profitability KPIs
  - Risk KPIs
  - Efficiency KPIs
  - Average of performance scores for last 3 years
  - Long Term External Rating
  - Digital transformation KPIs
  - Environmental, Social & Governance (ESG) KPIs

#### **4. In Advance Fees**

The Board may recommend (conditional on subsequent Shareholder approval) the advance payment of remuneration to any member of the Board who is required to spend a substantial amount of time on behalf of the Board on work related to the Bank provided however that any such amounts received by a member of the Board shall be deducted from the Annual Remuneration due and payable to such Board member at the end of such financial year.

#### **5. Payment of Director's fees**

5.1 The total value of remuneration amounts set out in Articles 1 to 5 (the “Director Remuneration”) - received collectively by all members of the Board shall not exceed 5% of the net profits after deduction of depreciation, transfers to Legal reserves and distribution of a dividend payment not less than 5% of the paid-up capital of the Bank.

5.2 Such Director Remuneration shall only be paid upon obtaining the approval of Qatar Central Bank.

5.3 The policy set out above is established in accordance with Qatar Central Bank Circular No. 18 of 2014, Qatar Central Bank Circular No. 25/2022 Principle 7, QCB letter 1507/2023 dated 11 June 2023, QCB’s Performance Assessment Matrix, QFMA Governance Code for Companies and Legal Entities listed on the Main Market Article (18) and is in compliance with the Commercial Companies Law (Law No. (11) of 2015) and the Bank’s Articles of Association.

## **6. Clawback**

Director Remuneration paid shall be subject to clawback in the event that the basis on which the remuneration was set involved unacceptably high risks which exceeded the Bank’s acceptable risk limits.

## **7. Approval and disclosure of this policy**

7.1 This policy shall be reviewed annually by the Board, and shall be presented for approval annually to the Annual General Meeting of Shareholders held for considering and approving the Bank’s financial statements.

7.2 This policy supersedes any previous directors remuneration policies.