

Title:	Terms of Reference for the Group Corporate Governance, Nominations and Remunerations Committee of the Board (CGNRC)
Approved by:	Board of Directors
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SECTION 1 - INTRODUCTION

PURPOSE

The Group Corporate Governance, Nominations and Remunerations Committee of the Board (“CGNRC” or “Committee”) is a committee of the Board of Directors of MAR Group in charge of all matters related to corporate governance, Board nominations and elections, senior management appointments, Human Resources policies, compensation, remuneration and incentives. The purpose of these terms of reference (“TORs”) is to govern the functioning of the Committee and articulate its role and responsibilities.

SCOPE

These TORs are binding for the Group and its employees.

DEFINITIONS

Word/Term	Definition
MAR/Bank	Masraf Al Rayan Q.P.S.C
Group	MAR and its subsidiaries inside and outside Qatar
AOA	Articles of Association
AGA/EGA	Annual General Assembly/Extraordinary General Assembly of Shareholders
Board/BOD	Board of Directors of Group
Board-subcommittees	Any committee formed by the Board
EXCOB	Executive Committee of the Board
CRC	Compliance and Risk Committee of the Board
ACB	Audit Committee of the Board
CGNRC	Corporate Governance, Nominations and Remuneration Committee of the Board
GHIA	Group Head of Internal Audit
EXCOM	The Group Executive Committee of the Management
GRC	Group Risk Committee of the Management
GSIC	Group Special Investigations Committee of the Management
CIC	Credit and Investment Committee of the Management
GALCCO	Group Assets, Liabilities and Capital Committee of the Management
GSSC	Group Security Steering Committee of the Management
GICTSC	Group Information, Communication and Technology Steering Committee of the Management
GCEO	Group Chief Executive Officer
GCBO	Group Chief Business Officer
GCFO	Group Chief Finance Officer
GCOO	Group Chief Operating Officer
GCRO	Group Chief Risk Officer
GHTFI	Group Head of Treasury and Financial Institutions
GCHRO	Group Chief Human Resources Officer
GHCO	Group Head of Compliance and AML Officer
CG	Corporate Governance
QCB	Qatar Central Bank
QFMA	Qatar Financial Market Authority
QSE	Qatar Stock Exchange
GM	General Manager
SEO	Senior Executive Officer

CCL	Qatari Commercial Companies Law No. 11 of 2015 amended by law No (8) of 2021, as amended form time to time
TORs	Terms of Reference
DOA	Delegation of Authority Matrix and Policy approved by the Board
CS	Company Secretary
NED	Non-Executive Director/Board member
IND	Independent Director/Board member
SSB	Sharia Supervisory Board

LEGISLATIVE CONTEXT

These TORs are in accordance with the Corporate Governance provisions stipulated under QCB Instructions to Banks, QFMA Corporate Governance Code, CCL and international Corporate Governance standards and practices applicable on banks and shareholding companies.

SECTION 2 – TERMS OF REFERENCE

1.	CONSTITUTION AND MEETINGS
1.1	Formed by: Board of Directors of the Group
1.2	Reporting line: The Committee Chairperson shall report directly to the Board.
1.3	<p>Members: The Committee shall comprise three members. Majority of the members of the Committee shall be Non-Executive Directors with at least one Independent Director. The Chairperson of the Committee must be a Non-Executive or Independent Director and shall be nominated by the Chairman of the Board. The Chairman of the Board shall not be a member of the Committee (Hereinafter individually referred to as a “Member” and collectively as “Members”).</p> <p>Appointments to the Committee shall be for the duration of the directorship term of the members unless it is otherwise decided by the Board, provided the Member remains independent and/or non-executive director during such term.</p>
1.4	<p>Delegations:</p> <p>In the absence of any Member, he/she may appoint another Member as his/her delegate. This must be communicated in writing to the Secretary prior to meetings to be recognized by the Chairperson. An appointed delegate representing an absent Member shall have a voting right equivalent to such absent Member unless such absent Member decides otherwise in writing to the Secretary.</p>
1.5	<p>Quorum: At each meeting, 2 Members present (of which at least must be the Chairperson or his/her appointed delegate) shall form a quorum. Attendance may be in person or by any other electronic communication means. A Member may also attend by written proxy, provided, however, that proxy is issued only to an attending Member and that no Member shall deputize for more than one Member. In such case, the deputy shall have two votes and in case of equal division of votes, the Chairperson shall cast the deciding vote. Proxies shall be duly recorded in the minutes and maintained in the Company Secretary files.</p>
1.6	<p>Decision Making (IN MEETINGS ONLY NOT IN RESOLUTIONS BY CIRCULATION): Majority of Quorum. In case of equal votes, the Chairperson or his/her appointed delegate shall have a casting vote. In cases where only two Members are present, decisions shall be made unanimously.</p>
1.7	Secretary: Company Secretary or his/her delegate.
1.8	Frequency of Meetings: Twice a year. Additional meetings may be called, as and when required by the Chairperson, any Member, Chairman or Vice Chairman of the Board, any Board member, GCEO or GCHRO.
1.9	<p>Notice of Meetings: Meetings of the Committee shall be summoned by the Company Secretary or his/her delegates at the request of any of its Members or at the request of external or internal auditors, or at the request of other persons stated in paragraph 1.8 if they consider it necessary. Unless otherwise agreed, notice of each meeting confirming the form of meeting (physical or electronic/virtual), venue (for physical meetings), contact details (for virtual/electronic meetings via any platform), time and date together with an agenda of items to be discussed shall be forwarded to each Member and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers/pack shall be sent to Members and to other attendees as appropriate, at the same time. Notices and</p>

	<p>packs may be sent by e-mail, fascimile or post mail.</p>
<p>1.10</p>	<p>Permenant Attendees (without voting rights):</p> <ul style="list-style-type: none"> - GCEO - GCHRO <p>Ad Hoc Attendees (as and when required and without voting rights):</p> <ul style="list-style-type: none"> - Any other person from inside or outside the Bank by invitation from any Member of the Committee. This must be communicated in writing to the Secretary prior to meetings to be recognized by the Chairperson.
<p>1.11</p>	<p>Minutes: The Secretary shall minute the proceedings and resolutions of all meetings of the Committee including a summary of the discussions, the decisions taken and the information on which the decision was based, recording the date and names of those present or in attendance in person or by proxy as well as the absentees. Attendance via teleconference or telephone or any other modern communication tool that allows a member to efficiently participate in the meeting is permissible. Non-physical attendance shall be explicitly recorded in the Minutes. Dissenting opinions of members shall be recorded in the minutes. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. A conflicted Member may not deliberate or vote on an agenda item to which he/she is conflicted. No director or manager shall be involved in any decisions as to their own remuneration. The Minutes of a meeting will be circulated via e-mail or facsimile transmission for the members' review and shall be signed jointly by the Chairperson, the Secretary and all Committee's members attending that meeting at the next meeting of the Committee. Extract of minutes, copies of resolutions or minutes of resolutions shall be valid if signed solely by the Chairperson, a Member or the Secretary. The Minutes of the meeting or summary of main resolutions passed by the Committee shall be reported to the Board following each meeting of the Committee by the Chairperson or the Company Secretary. The Minutes or summary of main resolutions passed by the Committee shall be included in the agenda of the first meeting of the main Board immediately following the Committee meeting, whether for information of or formal endorsement by the Board of the resolutions passed by the Committee.</p>
<p>1.12</p>	<p>Resolutions by Circulation: Resolutions by circulation are those decisions passed by the Committee when no meeting is taking place. In order for a resolution by circulation to be valid, it shall satisfy the below conditions as a minimum requirement:</p> <ol style="list-style-type: none"> a) It shall be triggered in emergency cases only i.e. when a decision needs to be made within 48 hours or for any other reasonable justifications. In no event whatsoever the Committee is permitted to pass resolutions by circulation of more than 10% of its overall activity during a year. Any Member of the Committee to which a request is sent for resolution by circulation may call the Committee for a meeting to discuss the concerned request. In this event, the request must be considered on hold and the Secretary is obliged to call the Committee for a meeting to resolve on the request sent by circulation; b) It requires unanimity of the Members i.e. the request sent for a resolution by circulation <u>must</u> be approved by <u>ALL</u> Members of the Committee. If for any reason whatsoever a Member remains silent, declines or refuses to sign a resolution by circulation, the request must be considered on hold and the Secretary is obliged to call the Committee for a meeting to resolve on the request sent by circulation; <p>A resolution by circulation may be passed by one or more of the following means:</p> <ol style="list-style-type: none"> 1. By email circulation: in this event, the Secretary shall (i) send a request for approval to ALL Members of the Committee including sufficient supporting documents that ensure the Member takes an informed decision; (ii) minute the resolutions of the Members- such minutes may take the same form of the minutes of meeting provided that it clearly states that the resolution was passed by email circulation (iii) enclose to the minutes such supporting documents circulated in the email together with the approval emails received from the Members (iv) maintain the same in the secretary files; and/or

	<p>2. By circulation of a written resolution in one copy to all the Members of the Committee or by drafting the resolution and circulating more than one copy so that all of the signatures of the Members of the Committee are collected on all or some of these copies which are compiled together and deemed to be one copy signed by all the Members of the Committee;</p> <p>Any resolution passed by the Committee through any of the means from (1) to (2) above shall be (i) deemed to be valid as if it had been taken in a meeting of the Committee duly held; (ii) received from all Members of the Committee in any writing form (including emails) in order to be effective; (iv) shall be deemed effective starting from the date of last approval received from a Member and (iii) reported to the earliest meeting of the Committee for endorsement and to be included in the official minutes.</p> <p>The Secretary shall communicate any resolution passed by circulation by the Committee to concerned stakeholders, as and when necessary. For the purpose of such communication, the Secretary or his/her delegate may (i) communicate such resolution through a simple briefing email to the concerned stakeholder; and/or (ii) provide a copy of the minutes of resolution/extract of minutes to the concerned stakeholder.</p>
1.13	Advice: CGNRC may seek appropriate independent professional advice at MAR expenses as and when it considers it necessary.
1.14	Training: The Members will be given induction and continuing training, which should cover, among other things, the topics that fall under its remit.
1.15	AGA Attendance: The Chairperson, or in his/her absence, his/her delegated deputy, must attend the AGA prepared to respond to any shareholder questions on the Committee's activities.
1.16	Authority: The Committee is authorized to seek any information it requires from any employee of the Group in order to perform its duties and to call any employee to be questioned at a meeting of the Committee as and when required.
2.	Duties and Responsibilities
	In general, the Committee is authorized by the Board to consider and resolve on any matter that must fall under its remit in accordance with the relevant applicable laws and regulation, in particular, the QCB CG Circular 68/2015 and the QFMA CG Code No. 5 of 2016. The Committee is authorized by the Board to:
2.1	Corporate Governance Duties
2.1.1	Oversee, update and monitor implementation of the CG Framework and follow-up on the subject matter with the Senior Management and Audit Committee, where applicable;
2.1.2	Review the effectiveness of the Bank's governance practices and any relevant governance issues, including opportunities for improving the governance framework and submit recommendations for BOD approval;
2.1.3	Submit reports and recommendations to the BOD on the Group's compliance with the CG Framework and propose amendments, as applicable, including review and recommendation for BOD approval of the annual Corporate Governance Report;
2.1.4	Review the Delegation of Authority structure across the Group and recommend amendments to the BOD and approve, in emergency cases or when the BOD is not in session, any changes to the DOA Matrix subject to BOD endorsement;
2.1.5	Review and recommend for BOD approval an appropriate succession plan for key positions within the Group;
2.1.6	Review and recommend for BOD approval any changes to the Group's organizational chart

	and approve, in emergency cases or when the BOD is not in session, any changes to the Org Chart subject to BOD endorsement;
2.1.7	Approve, in emergency cases or when the BOD is not in session, any related parties' transaction and transactions that involve conflict of interest subject to BOD endorsement;
2.1.8	Review the effectiveness of conflict of interest policies and code of conduct and report its findings to the BOD at least annually;
2.1.9	Develop and recommend for BOD approval the BOD Nomination and Election policy;
2.1.10	At the request of the BOD and in consultation with the Chairman of the BOD, lead the BOD in assessing and planning for BOD composition and succession, in accordance with the applicable laws and regulations, including: <ul style="list-style-type: none"> (i) Considering the fitness, properness, competencies and skills that the BOD considers to be necessary for the BOD, as a whole, to possess; (ii) The competencies and skills that the BOD considers each existing Director to possess; and; (iii) Review the profiles of new candidates to BOD elections to determine the competencies and skills that each new candidate would bring to the BOD, whether they meet the requirements under the BOD-approved Nomination and Election policy and submit recommendations report on the subject matter to the BOD
2.1.11	Review and oversee the induction program for new Directors and on-going development of existing Directors;
2.1.12	Develop processes for and undertake, in coordination with the Chairman of the BOD, the evaluation of the BOD and sub-committees and engage external consultants for this purpose if necessary;
2.1.13	Determine Independent and Non-Executive Directors based on an appropriate process developed in accordance with the applicable laws and regulations and review the status of such Directors at least annually;
2.1.14	When asked by the Board, review and recommend for BOD approval appointments of the members of the Senior Management (except for the Group Head of Internal Audit who shall be recommended by the Audit Committee) and approve, in emergency cases or when the main BOD is not in session, such appointments subject to BOD endorsement;
2.1.15	Develop, review and recommend for BOD approval any performance assessment methodologies of the Group and the Senior Management including, but not limited to, the Balanced Scorecard components and scores achieved;
2.1.16	Approve, in emergency cases or when the BOD is not in session, the resignation, dismissal or termination of any member of the Senior Management subject to BOD endorsement;
2.1.17	Review and submit recommendations to the BOD on the resignation or dismissal of any Director provided that such Director is not a member of the Committee. In such case, the full BOD shall consider the case in the absence of the concerned Director;
2.1.18	At the request of its Chairperson or the BOD, undertake such other CG initiatives as may be necessary or desirable to contribute to the success of the BOD;
2.2	Remunerations and Incentives Duties
2.2.1	Review and recommend for BOD approval all HR policies within the Group;
2.2.2	Review and recommend for BOD approval any policy or methodology for remunerations, compensations, bonuses, salary pays/increases, wages, promotions, or any other form of short or long term incentives and schemes or plans with financial impact and benefits for the

	Senior Management and staff within the Group including but not limited to: <ul style="list-style-type: none"> a. The overall market positioning of the remuneration package; b. The individual base salaries and increases; c. The annual and long-term incentive/bonus arrangements, d. the relevant targets for performance related schemes; and e. The pension arrangements
2.2.3	Review, at least annually, the BOD Remuneration Policy, exercise its authorities set forth under such Policy and at the request of the BOD, review the Directors' and Chairman's compensation or any other form of incentives, and, where applicable, recommend changes for BOD approval;
2.2.4	Oversee implementation of and revise at least annually any BOD-approved policy or methodology set forth under 2.2.1, 2.2.2 and 2.2.3 above through the Internal Audit Department or an external consultant as the Committee may decide to measure the appropriateness and compliance thereof with the applicable laws and regulations and submit the outcome to the BOD for actions, if applicable;
2.2.5	Ensure adherence of any policy or methodology referred to under 2.2.1, 2.2.2 and 2.2.3 to the relevant applicable laws and regulations and best international practices including, but not limited to, QCB and QFMA regulations on remunerations and make recommendations accordingly for BOD approval;
2.2.6	Ensure any policy or methodology referred to under 2.2.1, 2.2.2 and 2.2.3 considers all types of risks the Bank is exposed to, the long term objectives of the Bank and is based on the outcome of the BOD and Group performance assessment exercises, as applicable;
2.2.7	Review and recommend for BOD approval the individual packages and employment/service contracts/terms and conditions of any appointment recommended by the Committee under 2.1.14 above in the event where these are exceptions to or not in accordance with the BOD-approved HR policies;
2.2.8	Approve the annual bonus pool or any other pay/remuneration/incentives pool for the Group as long as it is based on a Board-approved policy or methodology recommended by the Committee as per 2.2.1 and 2.2.2 above;
2.2.9	Conduct annual benchmark of the remuneration structure across the Group and recommend potential changes for BOD approval including discussion on any recommendations by Management on risk-based incentives or remunerations schemes/methodologies/frameworks, if any;
2.2.10	Review and approve terms of engagement of any consultant who advises the Committee and obtain reliable, up-to-date information about remuneration in other banks in the region. The Committee shall have full authority to commission any reports of surveys which it deems necessary to help it fulfill its obligations at the Bank's cost;
2.2.11	The Committee's Chairperson to attend the Annual General Meeting to respond to shareholders' questions on the Committee's activities;
2.2.12	The Committee may approve, in case of emergency or when the BOD is not in session, any of the matter reserved for BOD approval herein provided that a notification is served to the Chairman of the BOD and subject to BOD endorsement at its earliest meeting;
3.	Reporting responsibilities
3.1	Report formally to the BOD on its proceeding after each meeting on all matters within its duties and responsibilities;
3.2	At the request of the BOD, oversees the preparation of the remuneration report included in

	the integrated annual report to ensure that it is accurate, complete and transparent and provides sufficient information to the shareholders in accordance with the applicable laws and regulations;
4.	COMPENSATION
4.1	CGNRC Members shall be compensated for their services as per the Board Remuneration Policy. Committee members cannot receive any compensation from the Bank except for the sitting fees and annual remuneration they receive for their services as members of the Board or the Committee and except for reimbursement of their expenses, if any.
5.	DISCLOSURE
5.1	CGNRC TORs will be made available internally on Intranet or externally (on website, if so required by any regulation). The membership of the Committee and a description of its duties and activities during the year shall be disclosed in the Annual Report of the Group.
6.	Amendments to Terms of Reference
	CGNRC must review, at least annually, these TORs. Chairman or Vice Chairman of the Board to approve any immaterial amendments to these TORs. Exceptions or material amendments to these TORs to be approved by the Board. Materiality is defined as per DOA. A Request for Approval must be submitted to Company Secretary to process any amendment.

SECTION 3 – DOCUMENT GOVERNANCE

RESPONSIBILITY

TOR Owner:	Board of Directors
TOR Custodian:	Company Secretary- Corporate Governance

VERSION CONTROL AND CHANGE HISTORY

Version Number	Approval Date	Approved by	Description of Change
V.0	12 December 2021	Board of Directors	New release
V.1	21 March 2023	Board of Directors	Revised TOR upon election of new Board for 2023-2025. For details, refer to Board Minutes dated 21 March 2023.