Qatar Central Bank

Corporate Governance Guidelines for Banks and Financial Institutions

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FOREWORD

Principles of corporate governance have gained international importance. International organizations like the OECD, the Basel Committee of the BIS, and the supervisory authorities in most of the countries around the world also evinced keen interest. Implementation of corporate governance principles is an indication for a sound and effective management system in any financial or non-financial institution.

Corporate Governance, given the importance of supervisory authorities and financial institutions are concerned, signifies the manner in which the business is managed by the Board of Directors and Executive Management. It sets the structure for attaining objectives and monitoring performance of these institutions.

Qatar Central Bank has pleasure in introducing the first edition of the principles titled, "Corporate Governance Guidelines for Banks and Financial Institutions". These guidelines are part of QCB's continuous efforts to develop the regulatory tools to cope with the best international standards which shall result in achieving financial and banking stability, mitigating business risks, and maintaining acceptable capital adequacy ratio, in accordance with QCB Law No. 33 of 2006 and other related laws. These guidelines have been drafted, in order to explain the rules and standards on corporate governance to be complied, taking into account the international standards.

All banks and financial institutions should comply with these guidelines and implement the policies and bylaws according to their requirements.

These guidelines focus on the responsibilities of the board of directors, and the executive management, the independence of the board's committees, separation of duties and responsibilities of the board of directors and those of executive management, the independence of the internal auditing, cooperation with supervisory authorities and external auditing and the assurance of the transparency of information.

QCB, being the supervisory authority, achieving the utmost benefit in accordance with Article No. (71) of QCB Law No.33 of the year 2006, ensures that the board and the executive management in banks and financial institutions abide by all the following guidelines which should be effectively implemented, and included in their annual reports and websites. Accordingly, this will lead to transparency that helps in safeguarding depositors and shareholders rights and proper assessment for financial institutions.

QCB would like to take this opportunity to express their gratitude to His Highness The Amir **Sheikh Hamad Bin Khalifa Al Thani,** His Highness The Heir Apparent **Sheikh Tamim Bin Hamad Al Thani**, and His Excellency Prime Minister and Foreign Minister **Sheikh Hamad Bin Jassem Al Thani** for their valuable directions and endless support extended to Qatar Central Bank.

Abdullah Bin Saud Al-Thani

Governor

Qatar Central Bank

Corporate Governance Guidelines
For Banks & Financial Institutions

1- Introduction

1- Given the importance of financial intermediation by banks and financial institutions, their high sensitivities to potential difficulties and risks, the need to safeguard the interest of depositors, corporate governance for banks and financial institutions has gained importance. Basel Committee on Banking Supervision published guidance on corporate governance in 1999 for adoption of sound corporate governance practices in banks and financial institutions (revised in February 2006). While multilateral organizations like the World Bank and the Asian Development Bank have evinced keen interest in the subject of corporate governance, the intellectual lead in this area has been given by the OECD in evolving a set of principles of corporate governance in June 1999 (revised in April 2004). The OECD Principles of Corporate Governance have been accepted as an international benchmark.

2- Since the publication of these principles, issues related to corporate governance attracted considerable national and international attention. Corporate Governance is defined as a set of relationships between management, its board, its shareholders, and other stakeholders. Corporate Governance also provides the structure through which objectives of the banks and financial institutions are set, and the means of attaining those objectives and monitoring performance are determined. The compliance and implementation of these principles have become the test of safety and soundness of management in banks and financial institutions.

3- Qatar Central Bank (QCB) fully supports the implementation of the core principles for effective banking supervision. One of the principles concerns the risk management underlying the banking functions and also the risk of insufficient governance in the banks and financial institutions. In addition, implementation of the revised framework, commonly known as Basel II, has been developed setting forth a three pillars concept for significantly more risk sensitive capital requirements taking account of credit, market, operational risk. The revised framework ensures adequate corporate governance with Board oversight over the risks inherent in the business and transparency in financial reporting. Thereby, the revised framework seeks to narrow the gap between the regulatory capital and economic capital and assess comprehensively all material risks faced by the banks. Therefore, implementation of the principles established by the above agencies for good corporate governance can help the Board of Directors and Executive Management in effectively managing banks and financial institutions.

4- In this regard, the Board of Directors and Executive Management at the banks and financial institutions have an obligation to understand the risk profile and ensure that the capital levels adequately reflect such risks. The OECD principles define the roles and responsibilities of the Board of Directors and Executive Management. The Board of Directors of banks and financial institutions is responsible for establishing corporate objectives, risk management policies, devising appropriate policies and strategies for protection of depositors, etc.

5- The Corporate Governance Guidelines seek to explain the bases and standards organizing and structure of the Board of Directors and Executive Management. They aim at the best governance practices for protection of depositors, shareholders and other stakeholders, taking into account the size, volume and types of business activities undertaken by banks and financial institutions. The governance structure and policies should emphasise on differentiating the roles and responsibilities of the BOD and Executive Management.

6- QCB is the supervisory authority of the country's banking and financial institutions. By applying Articles 71 of Decree No. 33 (2006), it will take appropriate preventive and corrective measures for the protection of depositors' rights. QCB will also ensure that the Board of Directors and Executive Management in banks and financial institutions are carrying out their duties and responsibilities in a sound and effective manner and as stipulated by Qatari law and relevant directives.

7- The principles outlined in these Guidelines will be used during the supervisory process in order to evaluate the feasibility of application and effectiveness of corporate governance in banks and financial institutions.

2- Definitions

The provisions of these Guidelines and all terms and vocabularies, shall have the following meaning unless otherwise indicated in the text.

QCB	:	Qatar Central Bank.
Banks	:	All national banks licensed by QCB to operate in Qatar in accordance with the law.
BOD	:	Board of Directors of a bank or of a financial institution.
Compliance	:	Adherence to legal, regulatory and internal standards, as well as the adherence to common standards and rules of professional conduct.
Executive Management	:	Group of persons with operational responsibility for a bank or for a financial institution appointed by the BOD (e.g. CEO, GM, Asst. General Manager or any person acting on behalf of them).
Financial institutions	:	Investment, financing companies and exchange houses licensed by QCB to operate in Qatar in accordance with the law
First kinship	:	Father, mother, husband, wife, sons and daughters.
Governance of banks and financial institutions	:	Frameworks, organizational structures and information used to identify sound methods based on which the BOD and the Executive Management administer all strategies and operations undertaken by the bank or the financial institution. Governance also defines the role, responsibilities, powers and rights of the BOD and Executive Management of the

bank or of the financial institution. Governance further relates to the inter-relationship between the bodies of the bank or financial institution, as well as between the shareholders, the QCB and other stakeholders.

Independent Member : A member of BOD who is independent of management and free from any business or other relationship that could materially affect his independent judgment and has no actual or potential conflict of interest. Further, Independence is not warranted if a person:

- owns directly or indirectly a major share in the bank or the financial institution or in any company of the respective group;
- has been member of management, during the last two years before appointment to the board, of the bank or the financial institution or in any company of the respective group;
- is in a first kinship to any BOD or member of management of the bank or the financial institution or of any company of the respective group;
- is member of a BOD of any company within the bank's or financial institution's group or who has been nominated to such a body;
- has been working, during the last two years, with any party connected with the bank or the financial institution, or any company of its group, e.g. chartered

accountants, major importers, or who has been a major shareholder of any of these parties during the last two years before appointment to the board.

Non-executive member : A member of BOD appointed to provide effective checks and balances and objective professional advice who is not in any way involved in the bank's or the financial institution's management.

Stakeholders : Anyone who has an interest in the bank or the financial institution, e.g. depositors, creditors, shareholders, employees, investors, customers, and other parties concerned.

3- Principles of the Guidelines

1- The Guidelines set the principles for corporate governance and ensure adoption of sound corporate governance practices for banks and financial institutions.

2- The Guidelines specify responsibility in setting the targets and objectives, means of achieving them, as appropriate for scope and size of their business activities.

3- In some instances, certain requirements in the Guidelines may not be applicable for all banks and all financial institutions. In such circumstances, the bank or financial institution will be subject to the "comply or explain" principle.

4- Shareholders

The shareholders participate in due manner in the bank's or financial institution's activities and have explicit rights, including:

1- timely receipt of an invitation in due time to participate in the regular general assembly of shareholders; such a meeting to be held during the first four months after the end of a financial year;

2- the election of the chairman and the members of the board for a term of one year minimum to four years maximum;

3- approval of the appointment of an independent and professional firm in charge of the audit of the bank or financial institution for the financial year;

4- deliberations and approval on the statutory by-law of the bank or financial institution; the by-law have to include key corporate governance issues to which the bank or the financial institution is subject;

5- deliberations and approval on the annual report of the bank or financial institution, including the financial statements, the report of the external audit firm and the risk policy;

6- annual decision making on the clearance of the members of the BOD and the members of Executive Management;

7- asking questions, especially at the general assembly of shareholders;

8- being treated equally within its class of shareholders according to Law;

9- being protected as minority shareholder from abusive actions by major shareholders;

10- unimpeded voting;

11- nominees voting in accordance with the interests of the beneficial owners;

12- consulting freely with other shareholders concerning their basic shareholders rights.

A shareholder shall receive information in due time on:

1- all relevant information in order to be able to vote or elect at the general assembly of shareholders;

2- the rights of different classes of shares, especially on significant control rights of certain classes of shareholders;

3- The rules and procedures concerning control, especially concerning protection of shareholders according to thier classes, including the measures granting fair and transparent prices in contracts made within the scope of majority controlled transactions.

4- corporate governance and voting policies of institutional investors, acting as fiduciaries;

5- the remuneration policy regarding members of the BOD and key executives;

6- the professional track record of board members proving their ability to serve on the board;

7- the independence of board members;

8- corporate governance and management of conflicts of interest regarding institutional investors, acting as fiduciaries.

The bank or financial institution has to confirm to the shareholders annually that:

1- the bank or financial institution has taken effective and appropriate measures to prevent money laundering, financing of terrorism, insider trading and abusive self-trading;

2- there are no provisions in effect that protect the BOD or executive management from accountability.

5- Board of Directors

5.1 Qualifications

1- Members of the BOD must have sufficient professional knowledge and expertise enabling them to assume their oversight functions. They must have the ability to understand and make professional contributions with regard to strategy, operational activities, risk assessment and risk management, compliance with laws and regulations, accounting and financial reporting and communication.

2- Members of the BOD must be able to act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the bank or financial institution and its shareholders.

3- The number of the BOD members must be in compliance with Commercial Companies Law and other relevant legislation and meet the professional requirements implied by the volume, sophistication and complexity of the activities of the banks and financial institutions operating in Qatar.

4- Members of the BOD must have sufficient time to fulfil their responsibilities. Multiple board seats should, therefore, be avoided except for board memberships within the same group (e.g. board of holding or subsidiary level). Such memberships should be in accordance with laws and regulations .

5.2 Functions

The BOD fulfils the following functions:

1- The BOD articulates corporate governance values, codes of conduct with standards of appropriate behaviour for the bank and financial institution. The BOD is responsible for compliance with prevailing banking laws and regulations and for the establishment of adequate policies to permanently measure and evaluate its financial performance and risk exposure in the various fields of business activities;

2- establishment or approval of strategic objectives and plans and supervision of their implementation;

3- establishment of compliance and risk strategies, policies and procedures and supervision of their implementation;

4- establishment of corporate governance policies and rules. The governance policies and rules must be approved by the general assembly;

5- periodical review of the risk policies and procedures, at least annually unless a shorter review is required;

6- decision making on budgets and business plans;

7- establishment of a transparent nomination process for the BOD members and disclosure of the process to the shareholders;

8- selection of BOD members in accordance with "**fit and proper**' criteria;

9- decision making on selecting, compensating, and monitoring key executives;

10- establishment and supervision of appropriate performance standards for members of the BOD and key executives;

11- establishment of continuity plans and supervision of their inplementation;

12- approval and supervision of internal control systems, with annual reviews concerning their effectiveness;

13- establishment and supervision of a written policy regulating conflicts of interest;

14- establishment of policies to regulate the relationship of the bank and financial institutions with stakeholders.

15- training and development of BOD members and key executives for the purpose of enhancing and maintaining their ability to meet all of their professional rights and responsibilities.

5.3 Responsibilities

The BOD has the following responsibilities:

1- The Board has the ultimate responsibility to adhere and comply with the provisions of Article 62 and all other relevant provisions under QCB Law 33 (2006);

2- The BOD has the ultimate responsibility for the business strategy, operations, quality and integrity of accounting, auditing, internal control and financial soundness of the bank or financial institution. It must have adequate collective knowledge of all types of activities and functions of the bank or financial institution including granting of loans, accepting deposits, asset management, underwriting of and trading with securities, Islamic banking, trading in foreign exchange, commodities and financial instruments and derivatives, risk management, internal control, accounting and information technology;

3- ensure the application of the corporate governance in the bank or financial institution according to its business activities, market position and other relevant economic factors;

4- provide a regulatory framework within the bank or financial institution, in particular rules concerning the organization structure and the conduct of business, including allocating the competences to the different bodies within the bank or financial institution;

5- review periodically the arrangements with the external auditors in order to ensure their sustainability pursuant to the size and nature of the bank's and financial institution's operations;

6- ensure the integrity and appropriateness of the financial and accounting regulations, inclusive of those relating to prepration of financial reports;

7- financial reporting to the shareholders with respect to the business of the bank or financial institution;

8- ensure an appropriate process of disclosure and communication procedures; this includes the appropriate information to the general public, to creditors, investors or depositors. The mentioned reporting comprises at least the information, mandatory in the annual report. The appropriate communication procedures should include communication with the supervisory authorities in banking and finance matters by making available relevant reports enabling them to take appropriate decisions if required;

9- ensure the reporting required by the QCB as stated in the respective regulations;

10- provide an effective internal control system;

11- provide a system by which information on unlawful or unethical behaviour of the bank / financial instituations can be reported to the BOD;

12- provide a clear, efficient and effective rules, dealing with conflicts of interest;

13- submit the budget, required financial statements and recommended profit distribution of the bank or financial institution to the QCB for approval before submitting them to the general assembly;

14- The BOD ensures that the bank or the financial institution management provides sufficient and timely information about its operations to all members of the BOD, in order to enable them to carry out their duties correctly and efficiently;

15- The BOD must include a specific number of independent members.

5.4 Meetings and Organization

1- The frequency of the BOD meetings and their attendance requirements must be in compliance with the statutory by-law of the relevant banks and financial institutions. BOD should meet not less than six (6) times in a year and not less than once in a calendar quarter. Minutes of the meetings are mandatory and become part of the records of the bank or financial institution.

2- Board Committees are to be established in order to carry out some of the BOD's functions; terms of reference of the committees, their duties and their authorities are determined by the BOD itself. The keeping of minutes is mandatory.

3- Committees should apply the following general rules:

- Inform the BOD with full transparency of its performance and the decisions it has made.
- In the committees where conflicts of interest are foreseeable the majority of committee members have to be independent members of the BOD to the extent it is possible. Examples are committees which verify financial and non-financial reports, nominate candidates to the BOD or members of executive management and determine remuneration.
- The BOD reports about its committees to the general assembly in the annual report .

4- The BOD of banks and financial institutions should have the following key committees:

Executive Committee which usually handles matters which required Board's review, but may arise between full Board meetings. The Executive Committee can relieve the BOD of detailed review of information and operational activities. Generally, all major functions of the BOD can be reviewed by the executive committee which can also coordinate the activities of other BOD committees.

Audit Committee which assists the BOD in fulfilling its responsibility to oversee the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the bank or financial institution; all members of the audit committee should be independent and have knowledge in finance and accounting; the chairman should be a financial or accounting specialist;

Compliance and Risk Committee which sets forth compliance policies, criteria and control mechanism for all activities involving risks as: credit risks, market risks, operational risks, liquidity risks, and other risks deemed appropriate to be supervised;

Nomination / Corporate Governance Committee which evaluates and makes recommendations concerning candidates for membership in the BOD and in the Executive Management, and provides assessment of the effectiveness of board and directs the process of renewing and replacing board members.

Remuneration Committee which evaluates the compensation and remuneration of the members of the BOD and of executive management with regard to the long-term objectives of the bank or financial institution.

5- Whereas the Audit and Compliance and Risk Committees have become standard in all banks and financial institutions, the number of the other committees can be reduced or increased and their functions merged, according to the character and operations of the bank or financial institution.

5.5 Conflicts of Interest

The BOD adopts a policy regarding the management of conflicts of interest and implement appropriate standards and mechanisms to avoid or at least to limit conflicts of interest. This will be applied to the BOD, executive management, the staff and parties that have direct or indirect relations with the bank or the financial institution. The following must be applied:

1- BOD, members of executive management and the staff of the bank or the financial institutions must be prohibited from dealing in shares of the bank or financial institution for a certain period of time before the announcement of financial results or any other relevant financial information.

2- Dealing in shares by BOD, members of executive management and the staff must be prohibited after unexpected events affecting the activities or the financial position of the bank or financial institution until the stakeholders are informed.

3- Members of the BOD and key executives are required to disclose to the BOD whether they have, directly, indirectly or for third parties a material interest in any transaction or matter directly affecting the bank or financial institution.

4- Parallel membership of any person on the BOD and any executive position in the bank or financial institution is not allowed.

5- The BOD is not allowed to interfere with the daily management of the bank or financial institution.

6- The BOD adopts a policy with regard to granting credits to BOD members, executive management and other staff members in line with the prevailing guidelines from the QCB.

7- The BOD adopts a policy which grants equal treatment, according to law and regulations, to all customers. When granting credits and facilities to parties related directly or indirectly to the bank or financial institution preferential treatment must be avoided.

8- Staff members who prepare reports on conflicts of interest must be protected.

9- The bank or the financial institution must not grant credits or facilities to persons or any other entity related to the external auditor of the bank or financial institution.

10- Members of the BOD, executive management, staff, auditors and consultants of banks and financial institutions are prohibited from giving any information to third parties except by written approval, as laid down in the law or by order of court. This obligation remains valid also after leaving the service of the bank or financial institution.

6- Executive Management

6.1 Qualifications

1- Members of executive management must fulfil high standards regarding professional knowledge and expertise and personal qualifications. Executive management should apply high ethical standards.

2- A member of Executive management has to respect the division of power between the strategic (BOD) and the executive (management) levels within the bank or financial institution.

3- The members of Executive Management must be well aware of their role regarding the corporate governance of the banks and financial institutions. They must understand that they are obliged to implement the regulatory requirements and the BOD's instructions in the best interest of the bank or financial institution.

6.2 Functions

Executive Management has to fulfil the following functions:

1- carrying out the operative business of the bank or financial institution;

2- prepare an organizational structure which should be approved by the BOD, which allocates duties, responsibilities, authorities and reporting lines for the operations of the business; the organizational setup has to minimize conflicts of interest;

3- implementation of the relevant regulation and instructions of the BOD to the best of its ability and best interest of the bank or financial institution;

4- provide appropriate procedures for identifying, measuring, evaluating and managing the risks which the bank or financial institution is facing;

5- provide appropriate procedures for ensuring that the requirements of the compliance function are fully met;

6- provide appropriate procedures based on instructions of the BOD in order to ensure that internal controls are complete and work efficiently and effectively, and review the adequacy of internal controls regularly;

7- keeping proper records of all relevant procedures and decisions;

8- provide management information system which comprises reporting on the business activities and any findings from internal controls regularly and providing for immediate information to the BOD and internal audit about material findings.

6.3 Responsibilities

- Executive management is responsible for the proper execution of the operative business. It is responsible for the relevance, integrity, completeness and timely supply of information regarding the operative business to the BOD.
- ensure that enough information on the operations of banks and financial institutions are furnished to all members of the board, in order to enable them to discharge their functions effectively.
- Executive management is responsible for making necessary arrangement for the BOD's meetings.
- Executive management is responsible to the BOD in drafting the following proposals, e.g.:

1- a proposal for the strategy of the bank or financial institution;

2- a proposal for the annual budget and the business plan;

3- a proposal for the compliance and risk policy and the enactment of a directive defining the tasks, responsibilities and reporting lines of the compliance and risk function, and this should include duties and responsibilities to support and consult with all staff, regular assessment of the compliance functions and risk controls, training and informing staff of compliance issues, and staff reporting to the executive management on all matters of material interest;

4- a proposal for the internal control system;

5- a proposal for the financial reporting;

6- a proposal for the annual report to QCB and the general assembly;

7- any other proposals.

- Executive management is responsible to the QCB for the bank's or financial institution's compliance with Decree-Law No. 33 (2006), in particular with Articles 74 and 75, and also with other laws and/or instructions of the QCB as applicable. It may also include submission of requisite data to the QCB within a stipulated timeframe in order to evaluate underlying risks, to stipulate preventive measures, evaluating performance or business results and for preparation of periodic reports.

6.4 Organization

- Executive Management ensures that controlling activities are an integral part of all business procedures. This includes controlling deviation from targets and goals in processes and results and taking corrective actions if needed, and the review of conduct of individuals and organisational units.

  The means of control are as the following:

  1- activity controls which allow the different levels of management to monitor business performance and risk behaviour;

  2- the use of physical controls, as the four-eyes principle, regular inventory taking or restricting access wherever it seems appropriate;

3- setting up and monitoring limits for different kinds of activities, e.g. credit or foreign exchange limits;

4- setting up and monitoring the system of authorities:

- While the executive management implements a compliance and risk function, the responsible staff of the compliance and risk function must have unrestricted access to all information and all locations within the scope of their function. The following rules apply to the compliance and risk function:

1- being independent from profit-generating business;

2- having adequate resources and authority in order to correctly and efficiently carry out its duties;

3- reporting directly to the executive management;

4- being compensated appropriately in order to avoid conflicts of interest;

5- cooperating closely with internal and external auditors.

- The compliance function and the risk function can be merged with other functions within the bank or financial institution if the size, the business model and other circumstances allow it. However, it must be guaranteed that the defined rules for every function are laid down separately and are properly executed.

7- Internal Audit

1- The BOD is responsible for appointing the head of the internal audit. Internal auditors must be specialized in audit matters and be of high professional and personal qualifications in order to improve the performance level of the bank or financial institution.

2- Internal audit is an instrument of the BOD in monitoring compliance. It reports directly to the BOD or the audit committee of the BOD.

3- The following rules to be applied to internal audit:

- appointment of the head of internal audit in agreement with QCB;
- communicating directly with the BOD, audit committee or QCB;
- being asked to perform some duties by the board or audit committee which are informed directly of the results of the examination;
- provide BOD with reports on the communication made by Internal Audit with other departments of bank or financial institution to enable BOD to take appropriate decision.

4- QCB may appoint an external auditor to audit the bank or financial institution if the internal auditor is seen to be not functioning adequately.

8- External Audit

1- The general assembly elects yearly, on the proposal of the BOD the external auditor and approves the fees. The appointment should be made in consultation with QCB.

2- The external auditor must be independent of the bank or the financial institution. A member of the BOD of the bank or financial institution must not be a shareholder in or a member of the BOD of the external audit company.

3- BOD approval is required if the external audit company is to carry out additional work for the bank or financial institution.

4- The BOD reviews the arrangements with the external audit company periodically in order to ensure their suitability according to the size and nature of the bank's or financial institution's operations.

5- The BOD should have a policy and take measures to enable a channel of communication between the external auditor, BOD, executive management and also with the supervisory authorities. The findings of the external auditors should be utilised in a timely and effective manner.

6- External auditors should be accountable to the BOD, QCB and shareholders to exercise due professional care in the conduct of the audit in banks and financial institutions.

9- Stakeholders

1- The bank or financial institution has to respect the rights of all stakeholders. If these rights are violated the affected stakeholder should be enabled to take proper action, as established in the law.

2- Stakeholders among others are staff, customers, especially creditors or depositors, supervisory authorities, and persons with contractual arrangements with the bank or financial institution.

3- The bank or financial institution provides adequate information to stakeholders in order to enable them to participate in the corporate governance process of the bank or financial institution.

10- Transparency and Disclosure

- The BOD provides for a policy of transparency and disclosure. This policy ensures timely and accurate disclosure of information on all material matters with regard to the bank or financial institution, including its financial position, performance, ownership, and corporate governance. The policy has to be in writing and must be disclosed to the public.
- The BOD provides an annual report to the shareholders. The annual report contains at least the following elements:
  1- the financial statement of the bank or financial institution for the financial year;
  2- the description of the applied accounting standards; the standards must guarantee a true and fair view of the bank or financial institution;
  3- the compliance and risk policy, including the foreseeable risk factors;
  4- the organizational structure of the bank or financial institution including the committees set up within the BOD, the mandate assigned to them, their members and their working procedures;
  5- a full list of the members of the BOD, providing information on thier education, experience and information about thier membership in any other banks, financial institutions or companies, also stating their status, e.g. independent, non-executive member etc;
  6- a full list of the members of executive management, providing information on their education, experience and affiliations;
  7- a report on the total remuneration for each of the members of the BOD and the members of executive management and policy on promotions;

8- the policy concerning the corporate governance of the bank or financial institution;

9- the ownership structure of the bank or the financial institution, including major shareholders;

10- plans, objectives and strategies of the bank or the financial institution;

11- the annual report of the external auditor on financial data, the present and future risks, the effectiveness of internal auditing and the performance of the BOD and executive management;

12- any penalty, fine or punishment imposed on the bank or the financial institutions by the QCB or any other supervisory, organizational or legal authority;

13- material issues regarding employees and stakeholders;

14- a report on the social and environmental policies and those related to professional health and other issues.

- Shareholders, investors and participants in the market must be granted access to the information in accordance with laws and regulations. The annual report must be made available to anyone interested.

11- Conclusion

1- Corporate Governance at banking and financial institutions signifies the manner in which the business and affairs are directed and managed by the BOD and Executive Management. Banks and financial institutions differ from other entities in that most of the funds used belong to third parties, particularly their depositors. Further, there is a risk that a serious problem at one bank or financial institution may rapidly spread to another, which in turn may not only affect the stakeholders but also have a systemic impact on the stability of the entire banking and financial system. These guidelines are in accordance with QCB Law, Commercial Companies Law and other relevant Laws, and are based on the international standards issued by OECD, Basel Committee and other international organisations. Due to these reasons, QCB expects banks and financial institutions to implement corporate governance guidelines in a sound and effective manner.

2- Qatar Central Bank is the supervisory authority of the country's banking and financial institutions. By applying Articles 71 of Decree No. 33 (2006), QCB will ensure that banks and financial institutions are in sound financial status, complying with the provisions of QCB Law, banking traditions and instructions issued by QCB. Additionally, QCB will take appropriate preventive and corrective measures for the protection of depositors' rights. The Qatar Central Bank shall also ensure that the BOD and executive management in banks and financial institutions are carrying out their duties and responsibilities in a sound and effective manner and as stipulated by the laws and relevant directives.

3- The principles outlined in these Guidelines will be used during the supervisory process in order to evaluate the feasibility of application and effectiveness of corporate governance in banks and financial institutions.