



## REMUNERATION POLICY

LB-IMS-BOD-09, Rev 02 | 2023

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***Approved on 04 December 2023***

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		Revision	02
		Revision Date	04.12.2023

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## 1 INTRODUCTION

### 1.1 Introduction

- 1.1.1 The Remuneration Policy (the **"Policy"**) of Lesha Bank LLC (Public) (**"Lesha"** or the **"Bank"** of the **"Company"**) has been established to instill good corporate governance, as well as sustained and long-term value creation for shareholders to ensure that the Bank is able to attract, develop and retain high-performing and motivated directors and senior executive management in a competitive international market.
- 1.1.2 Remuneration includes fees, salaries, bonuses and other elements making up remuneration.
- 1.1.3 This Policy applies to all the Bank's directors and senior executive management. The Bank's board of directors (the **"Board"**) has adopted the Remuneration Policy to remunerate its directors and senior executive management fairly and responsibly.
- 1.1.4 This Policy is subject to approval by the general assembly of shareholders (**"General Assembly"**).
- 1.1.5 This Policy must be read in conjunction with other corporate governance documents and the Bank's Risk Management Framework.

### 1.2 Complementary to law and articles

- 1.2.1 The Remuneration Policy has been drafted to comply with the provisions of the Governance Code for Companies and Legal Entities Listed in the Main Market by virtue of Decision n. (5) of 2016 (as may be amended or re-enacted from time to time), (the **"Code"**) as issued by the Qatar Financial Markets Authority (**"QFMA"** or the **"Authority"**) and in accordance with the laws and regulations of Qatar Financial Centre Authority (**"QFCA"**) and Qatar Financial Centre Regulatory Authority (**"QFCRA"**).

### 1.3 Publication of the Policy

- 1.3.1 A summary of this Policy is published on the Bank's website.

## 2 GENERAL STATEMENTS

- 2.1 The Nomination, Remuneration and Corporate Governance Committee (**"NRCGC"**) shall recommend to the Board, the Bank's annual Remuneration Policy.
- 2.2 This Policy shall include the way of identifying the remuneration to be paid to the Bank's chairman and other executive, non-executive and independent board members.
- 2.3 The Board members' yearly remuneration shall not exceed 5% of the Bank's net profit after deduction of provisions, legal reserves and the distribution of the dividends (in cash and in kind) to shareholders which shall not be less than 5% of the Company's paid up share capital.
- 2.4 The compensation structure must be oriented towards the sustainable growth of the Bank. The monetary compensation elements shall comprise of fixed and variable elements. The Board shall ensure that the variable compensation elements are, in general, based on a multi-year assessment and the long-term performance of the Bank. Both positive and negative developments shall be taken into account when determining variable compensation components. All compensation components must be appropriate, both individually and in total, and, in particular, must not encourage taking unreasonable risks.
- 2.5 The Bank clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executive management, in that the Bank:

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- Remunerates the non-executive directors based on their attendance.
  - Remunerates the executive directors, key managerial personnel and senior management based on their performance.
- 2.6 The annual Remuneration Policy planned for the next financial year shall be submitted to the General Assembly for its approval. Every change to the Remuneration Policy shall also be submitted to the General Assembly for its approval.
- 2.7 As required by the Disclosure Policy, the remuneration for directors and senior executive management shall be disclosed in the Annual Report.

### 3 REMUNERATION OF NON-EXECUTIVE DIRECTORS

- 3.1 The non-executive directors of the Bank are remunerated by way of sitting fees only for attending the meetings of the board of directors and its committees. The sitting fee amount shall be determined by the NRCGC and shall be made subject to any applicable laws, regulations or instructions in this respect.
- 3.2 If applicable, non-executive directors shall be entitled to:
- board member remuneration per board meeting
  - independent board member remuneration per board meeting
  - additional fees for acting as chairman of the Board
  - additional fees for acting as vice chairman of the Board
  - board committee membership
  - additional fee for acting as chairman of a board committee.

The amounts should be decided by the Board.

- 3.3 Non-executive directors shall be entitled to reimbursement of expenses incurred in connection with attending the board meetings, board committee meetings, general meetings and in relation to the business of the Bank towards hotel accommodation, travelling and other out-of-pocket expenses.

### 4 REMUNERATION OF EXECUTIVE DIRECTORS

- 4.1 The remuneration of full-time executive directors comprises a balance between fixed and incentive pay, where it shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Bank, as well as industry standards.
- 4.2 Such remuneration shall comprise of fixed remuneration, variable bonus, prerequisites and retirement benefits.
- 4.3 **Fixed remuneration**
- 4.3.1 The fixed remuneration comprises basic salary and fixed allowances. In setting remuneration packages, the Bank takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Bank's relative performance and the performance of individual directors and key management personnel.
- 4.4 **Variable bonus**
- 4.4.1 Variable bonus is an annual remuneration component, which varies according to the Bank's and the individual's performance objectives. To link rewards to performance, the more senior the executive in the Bank, the higher the percentage of the variable bonus against total compensation.
- 4.5 If applicable, executive directors shall be entitled to:
- additional fees for acting as vice chairman (amount to be decided by the board)
  - Board Committee membership (amount to be decided by the board)
  - additional fee for acting as chairperson of a board committee (amount to be decided by the board).

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- 4.6 Executive directors shall be entitled to reimbursement of expenses incurred in connection with attending the board meetings, Board Committee meetings, general meetings and in relation to the business of the Bank towards hotel accommodation, travelling and other out of pocket expenses.

## 5 REMUNERATION OF SENIOR EXECUTIVE MANAGEMENT

- 5.1 Senior executive management includes the following, but not limited to:
- chief executive officer (CEO)
  - full-time executive directors
  - chief financial officer (CFO)
  - chief investment officer (CIO)
  - chief risk officer (CRO)
  - chief legal officer (CLO)
  - chief operating officer (COO)
- 5.2 The remuneration of senior executive management comprises of a balance between fixed and incentive pay, where it shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Bank, as well as industry standards.
- 5.3 Such remuneration shall comprise of fixed remuneration, variable bonus, perquisites and retirement benefits.

## 6 DEVIATION AND REMOVAL

- 6.1 The Board may deviate from this policy in individual cases, if justified by extraordinary circumstances, however, such deviations have to be presented before the General Assembly for shareholders' approval.
- 6.2 In case of any loss or termination of office resulting from a breach of contract, directors and senior executive management shall be entitled for compensation as determined by the board. In case of misconduct, he/she shall not be entitled to any compensation.

## 7 AMENDMENTS

- 7.1 This Policy shall be reviewed on a regular basis, or at least every three (3) years.