



**QNB (Switzerland) Ltd**

**Corporate Governance Report - 2019**

## **Group Structure and Shareholders**

### **Description of the issuers' operational Group structure**

QNB (Switzerland) Ltd, formerly QNB Banque Privée (Suisse) SA, (the "Bank"), a Swiss limited liability company, based in Geneva, is a wholly owned private banking subsidiary of Qatar National Bank (Q.P.S.C.), Doha, the largest Qatari bank and a leading financial institution in the Middle East North Africa and South-East Asia.

The Bank was incorporated on September 28, 2007 and received its banking and securities dealer license on May 19, 2009.

The Bank is regulated by the Swiss Financial Market Supervisory Authority ("FINMA") and subject to Swiss banking rules and regulations. The Bank offers a full range of private banking and wealth management services.

### **Significant shareholders**

See note 3.10 to the financial statements, within the 2019 Annual Report.

### **Capital Structure**

Please refer to the following sections within the 2019 Annual Report:

- Statement of changes in equity
- Note 3.8 to the financial statements

### **Board of Directors**

As at December 31, 2019, the Board of Directors had six members, three of whom were independent members, in line with prevailing Swiss laws and regulations governing corporate governance for financial institutions.

The other three, non-independent, board members hold senior management positions in Qatar National Bank (Q.P.S.C.), Doha:

- Adel Khashabi, General Manager Group Asset & Wealth Management, QNB (Q.P.S.C.)
- Abdulla Mubarak Al-Khalifa, Group Chief Executing Officer, QNB (Q.P.S.C.)
- Khaled Farouk Salhab, Assistant General Manager, Domestic Corporate Banking, QNB (Q.P.S.C.)

**Board of Directors**

Abdulla Mubarak Al-Khalifa	Chairman
Paul-André Sanglard	Vice-Chairman
Henri Danguy des Déserts	Member
Markus Dörig	Member
Adel Khashabi	Member
Khaled Farouk Salhab	Member
Lionel Lafeuille	Secretary until April 2019
Ioanna Lazanaki	Secretary since April 2019

**Audit and Compliance Committee**

Paul-André Sanglard	Chairman
Henri Danguy des Déserts	Member
Khaled Farouk Salhab	Member
Karim Tasso	Secretary

**Executive Management Committee**

Ghadeer Abu Hijleh	Chief Executive Officer
Lionel Lafeuille	Former Head of Finance, member until October 2019
David Ryan	Head of Finance, appointed as an EMC member in November 2019
François Foliguet	Head of Risk  Appointed as an EMC member in November 2019 (EMC member ad interim from May to October 2019)
Luca Beretta	Head of Centralized Operations  EMC member ad interim from May to October 2019
Line Al-Acha	Secretary since January 2019

**Remuneration Committee**

Paul-André Sanglard	Chairman
Henri Danguy des Déserts	Member
Adel Khashabi	Member
Ghadeer Abu Hijleh	Member
Ioanna Lazanaki	Secretary

**Auditors**

KPMG - Geneva

### **Members of the Board of Directors**

#### **Abdulla Mubarak Al-Khalifa**

**Chairman of the Board of Directors since December 19, 2018.**

**Nationality:** Qatari

**Key qualifications:** Over 22 years of comprehensive and widespread banking sector experience, having worked with Qatar National Bank (QNB) since inception from 1996 to date.

He has an extensive experience in all aspects of banking services with companies and institutional clients, Relationship Management, Banking Transactions and Operations.

#### **Professional Experience:**

Since November 2018 Group Chief Executive Officer

2013 – 2018 Executive General Manager – Chief Business Officer

2007 – 2013 General Manager, Corporate Banking

2005 – 2006 Assistant General Manager, Corporate & Institutional Banking

2002 – 2005 Relationship Manager, Corporate

1996 – 2002 Officer/Sr. Officer, Trading & Customer Services

## **Paul-André Sanglard**

**Vice-Chairman of the Board of Directors since April 22, 2016**

**Chairman of the Audit and Compliance Committee**

**Chairman of the Remuneration committee**

**Nationality:** Swiss

**Key qualifications:** PhD, Doctorate degree in Economics at Université de Genève

### **Professional Experience:**

Since 2017	Vice Chairman, then Chairman, Banque Heritage
Since 2016	Board member, Millennium Banque Privée BCP Suisse
Since 2014	Board member, de Pury Pictet Turrettini
Since 2014	Board member, then Vice Chairman, Société Générale Private Banking Suisse
Since 2008	Board member of Edmond de Rothschild Asset Management Switzerland SA
Since 2008	Board member, Baader Helvea
Since 2002	Board member, then Vice Chairman, Banque Cantonale Vaudoise
Since 2001	Board member, TSM Compagnie d'Assurances
Since 1994	Board member, then Chairman, Groupe Vaudoise Assurances
2000 – 2012	Board member, then Chairman, British American Tobacco Switzerland
1998 – 2016	Chairman, Ophthalmologic Network Organization
1995 – 2016	Chairman, Banque Cantonale du Jura
1982 – 1995	Lecturer in public finance, University of Geneva
1984 – 1989	Member of the executive board, World Economic Forum
1979 – 1984	Head of Treasury, Canton of Jura

## Henri Danguy des Déserts

**Member of the Board of Directors since April 22, 2016**

**Member of the Audit and Compliance Committee**

**Member of the Remuneration Committee**

**Nationality:** French

**Key qualifications:** Institut Supérieur de Commerce in Paris

### **Professional Experience:**

Current	Board member, Limmat Stiftung
2007 – 2018	Board member, SG Private Banking (Suisse) SA
2005 – 2010	In charge of an important Family Office in Geneva
2000 – 2004	Member of General Management of HSBC, Geneva, Switzerland
1994 – 2004	Group Deputy General Manager CCF, Paris, France
1986 – 1994	General Manager Crédit Commercial de France (Suisse) SA, Geneva, Switzerland
1981 – 1986	Manager International Branch CCF, Paris
1978 – 1981	Manager Trade Finance, Banque International pour l’Afrique Occidentale, Paris
1975 – 1978	Trader then Deputy Manager Finance Europe, BUNGE N.V, Antwerp, Belgium
1972 – 1975	Trader, BUNGE, Paris

## Markus Dörig

**Member of the Board of Directors since March 27, 2018.**

**Nationality:** Swiss

**Key qualifications:** Thesis passed and graduated magna cum laude Doctor Iuris, Law School of Zurich University and Admitted to the bar in 1987.

### **Professional Experience:**

Since 1996      Founding partner of Badertscher Attorneys, a Zurich law firm

1993 – 1996      Partner with Umbricht & Badertscher, a Zurich law firm

1989 – 1993      Associate with a Zurich law firm

1988 - 1989      Associate with Gardner Carton & Douglas, Chicago

1985 – 1987      Associate with a Zurich law firm

1984 – 1985      Clerk at District Court

1982 – 1984      Lecturer Business School of Zurich



## **Adel Khashabi**

**Member of the Board of Directors**

**Member of the Remuneration Committee**

**Nationality:** Qatari

**Key qualifications:** Bachelor degree in Business Administration, University of Arizona

### **Professional Experience:**

- Since 2009 GM Assets & Wealth Management, Qatar National Bank, Doha, Qatar
- 2008 – 2009 AGM Private Banking & Wealth Management, Qatar National Bank, Doha, Qatar
- 2007 – 2008 Head of Private Banking, Ansbacher & Co Ltd, Doha, Qatar
- 2006 – 2007 Senior Assistant GM & Deputy Chief, Commercial Bank, Doha, Qatar
- 2004 – 2006 Head of HSBC Amanah Middle East, Doha, Qatar
- 2003 – 2004 Head of Personal Banking HSBC, Doha, Qatar
- 2001 – 2003 Business Development Manager & Deputy Personal Banking Manager, HSBC, Doha, Qatar
- 1996 – 2001 Manager HSBC, Doha, Qatar

## **Khaled Farouk Salhab**

**Member of the Board of Directors since December 19, 2018.**

**Member of the Audit Committee**

**Nationality:** Lebanese

**Key qualifications:** Bachelor of Science (Business Administration – emphasis in Banking & Finance), Lebanese American University, 1991.

### **Professional Experience:**

- Since 2012 Assistant General Manager, Domestic Corporate Banking, Qatar National Bank.
- 2009 – 2012 Chief Executive Officer, BLOMINVEST SA (Banque Du Liban et D'Outre-Mer).
- 2006 – 2009 Head of Project & Structured Finance, Arab National Bank – Saudi Arabia.
- 1994 – 2006 Twelve year tenure from a Relationship Manager to his last post as a Division Head/ Team Leader in the Corporate bank – Central Region, Arab National Bank.

1992 – 1994 Credit Officer, Bank of Lebanon & Kuwait, Head Office.

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## CORPORATE GOVERNANCE

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### Executive Management Committee

**Member of the General Management**

### **Ghadeer Abu Hijleh**

**Chief Executive Officer**

**Member of the Remuneration Committee**

**Nationality:** Canadian - Jordanian

**Key qualifications:** 2011 CISI International Introduction to Investment Award

2007 MBA with Distinction, University of Wollongong (Dubai Campus)

1993 Bachelor of Accounting & Business Administration, University of Jordan

### **Professional Experience:**

Since 2018	Chief Executing Officer, QNB (Switzerland) Ltd, Geneva, Switzerland
2015 - 2018	Head of Private Banking, QNB (Switzerland) Ltd., Geneva, Switzerland
2014 – 2015	First Vice President, Head of North Africa, Private Banking, BSI SA, Switzerland
2013 – 2014	Market Area Head of North Africa, NBAD Private Bank (Suisse) SA, Geneva, Switzerland
2007 – 2013	Senior Vice President, Head of Private Banking, National Bank of Abu Dhabi, UAE
2003 – 2007	Relationship Manager, Abu Dhabi Commercial Bank, Abu Dhabi, UAE
2002 – 2003	Operations Officer, First Gulf Bank, Abu Dhabi, UAE
2002 – 2002	Customer Service Officer, ABN AMRO Bank, Abu Dhabi, UAE
1993 – 2000	Assistant Head of Section, Jordan Gulf Bank, Amman, Jordan

## Lionel Lafeuille

**Former Head of Finance**

**Secretary of the Board of Directors until April 1, 2019.**

**Nationality:** French

**Key qualifications:** Swiss Law for foreign accountants May 2009

DU de gestion fiscal de l'Université de Dijon June 2006

Diplôme d'expertise comptable May 2000

### **Professional Experience:**

Since 2014	Chief Financial Officer, QNB (Switzerland) SA, Geneva, Switzerland
2010 – 2014	CFO / Risk Officer / Directeur Suppléant, Banque Profil de Gestion, Geneva, Switzerland
2010 – 2010	Expert-comptable indépendant, Fidexpert, Annecy, France
2008 – 2010	Audit Manager, Deloitte, Geneva, Switzerland
2005 – 2008	Audit Manager, Mazars, Annecy, France
2000 – 2005	Chartered Account Employee / Audit Manager, Coffra Group, Paris, France
1999 – 2000	Senior, Gestionphi, Paris, France
1995 – 1999	Trainee Chartered Accountant, Sofideec, Paris, France

## David Ryan

### Head of Finance

**Nationality:** Irish

**Key qualifications:** Chartered Accountant (FCA)  
Diploma in International Financial Reporting Standards  
Diploma in Corporate Finance

### Professional Experience:

Since 2019 Head of Finance, QNB (Switzerland) Ltd., Geneva, Switzerland  
2018 - 2019 Finance Project Manager, EFG Bank AG, Switzerland  
2014 - 2017 General Manager & Chief Financial Officer, Faisal Private Bank, Switzerland  
2008 – 2014 Chief Financial Officer, Faisal Private Bank, Switzerland  
2006 – 2008 Chief Financial Officer, Merrill Lynch Bank (Suisse) SA, Switzerland  
2005 – 2006 Head of Finance, Merrill Lynch Bank (Suisse) SA, Switzerland  
2001 – 2005 Associate Director, Internal Audit, HSBC Private Banking (Suisse) SA, Switzerland  
1998 – 2001 Accountant, United Nations Compensation Commission, Switzerland  
1996 – 1998 Chartered Accountant, Audiconsult SA, Switzerland  
1991 – 1995 Trainee Chartered Accountant, Deloitte, Ireland

## François Foliguet

### Head of Risk

**Nationality:** French

**Key qualifications:** Master in Finance, ESCP, Ecole Supérieure de Commerce de Paris (1997)  
Graduated in Mathematics and Computer Science, EISTI, Ecole International des Sciences du Traitement de l'information (1996)

### Professional Experience:

Since 2018 Head of Risk, QNB (Switzerland) Ltd., Geneva, Switzerland  
2017 – 2018 Head of Risk and Governance for Wealth Management, Deutsche Bank, Switzerland  
2016 – 2017 Deputy Head of Compliance Advisory, Deutsche Bank, Switzerland  
2009 – 2016 Chief Risk Officer, Bank Morgan Stanley AG, Switzerland  
2004 – 2009 Managing Director, Financial Product Risk Management, Royal Bank of Canada, London  
2001 – 2004 Senior Risk Manager, Fixed Income Markets, BNP Paribas, London  
1999 – 2001 Structured Products Risk Manager, Tokai Bank Europe, London  
1998 – 1999 Quantitative Analyst, Proprietary Trading Group, BNP Paribas, London

## **Karim Tasso**

**Head of Compliance and Internal Control**

**Secretary of the Audit and Compliance Committee**

**Nationality:** French - Lebanese

**Key qualifications:** Magistère des Sciences de Gestion, Université Paris IX Dauphine (1994)

DEUG de Gestion et d'Economie Appliquée, Université Paris IX Dauphine (1991)

### **Professional Experience:**

- Since 2014 Head of Compliance & Internal Control, QNB (Switzerland) SA, Geneva, Switzerland
- 2007 – 2014 Head of Internal Audit, Kepler-Cheuvreux, (Paris & Nyon)
- 2004 – 2007 Senior Auditor, Internal Control Department, HSBC France, Paris
- 2002 – 2003 Senior Auditor, Group Internal Audit, The Royal Bank of Scotland, London
- 2001 – 2002 Audit Executive, Internal Control Department, BNP Paribas, London
- 2000 – 2000 Internal Auditor, Equities Department, Deutsche Bank AG, London
- 1994 – 2000 Manager, Financial Services Group, KPMG Audit (London & Paris)

## **Corporate Governance Framework**

### **Board of Directors**

Subject to the provisions of the law, the powers of the Board of Directors are defined in the Articles of Incorporation. The Board of Directors is vested with the authority responsible for senior management, supervision and control, subject to the prerogatives of the General Assembly. It delegates operational management to the Executive Management Committee in accordance with the Organizational Rules of the Bank.

#### *The Board and its functions*

The roles, responsibilities and functioning of the Board are defined and governed by the Organizational Rules, namely the:

- Constitution of the Board and its deliberations
- Notification and conduct of meetings – resolutions
- Powers and duties
- Re-election
- Chairman of the Board’s role and responsibilities

#### *Board Committees*

The Board of Directors can create in its midst bespoke committees, whose powers are specified in the “Organizational Rules” of the Bank.

The Board has established the following committees:

- ***Audit and Compliance Committee***

The Board of Directors established an Audit and Compliance Committee consisting of at least three members with a majority of independent members and chaired by an independent board member. The Chairman of the Board of the Directors cannot participate in this committee. The roles and responsibilities of this committee are further detailed in the Organizational Rules and in its Terms of Reference.

The Audit and Compliance Committee aims to:

- Monitor and assess the integrity of the financial statements closing.
- Monitor and evaluate the robustness and adequacy of the internal control framework and risk management
- Review internal audit reports and ensure that the CEO takes adequate remedial actions based on the findings of the Internal Auditor.
- Issue to the Board of Directors a quarterly report featuring a summary of its activities, decisions and recommendations as part of the internal control framework.

#### ▪ **Remuneration Committee**

The Board of Directors established a Remuneration Committee composed of at least three members and chaired by one of the members, who shall be independent. The majority of the members of the Remuneration Committee must be independent. The Chairman of the Board of Directors cannot participate in this committee. The roles and responsibilities of this committee are detailed in the Organizational Rules and in its Terms of Reference.

The remuneration committee aims primarily to:

- Participate in the determination of the remuneration of the CEO and members of the Executive Management and submit proposals for the annual remuneration of the other employees of the Bank in conjunction with the Bank's Human Resources.
- Establish formal and transparent processes to develop a remuneration policy for the Bank as a whole and ensure that planned or actual remuneration is in line with the interests of stakeholders as well as the culture and strategy of the Bank.
- Present the remuneration policy to the Board of Directors.

#### **Executive Management Committee (EMC)**

The roles, responsibilities and functioning of Executive Management Committee are defined and governed by the Bank's Organizational Rules.

The Executive Management Committee is responsible for the day-to-day management of the Bank's business. It is made up of at least three persons, including the Chief Executive Officer ("CEO"), who are appointed by the Board of Directors. It supports the Board of Directors in developing the long-term strategy of the Bank, while at the same time monitoring its quarterly performance.

On a periodic basis, the committee reviews and assesses changes in local and international corporate governance practices and makes recommendation improvements to the Board. The committee also reviews group-wide policies and provides initial approval prior to final approval by the Board.

#### ***Committees stemming from the Executive Management Committee***

In view of the specific nature of its activities, the Bank establishes dedicated committees to delegate certain powers to them. For each committee, the Chief Executive Officer establishes the required quorum and appoints its members and Chairman.



In each committee, decisions are taken by a majority of votes and the Chief Executive Officer, or his / her deputy in his/her absence, has a casting vote, with the exception of the Compliance Committee where the vote must be unanimous. Each committee organizes itself and draws up minutes, which are made available to the Executive Management Committee.

- ***Investment Committee***

This decision-making Committee determines, within the general policy defined by the competent bodies and adopted by the Board of Directors, the Bank's investment policy in its asset management activity and ensures its application. The prerogatives and functioning of this committee are detailed in its Terms of Reference.

- ***ALCO Committee ("Asset Liability Management Committee")***

This Decision Committee is responsible for defining and monitoring the Bank's asset / liability management rules. This Committee also reviews the Bank's treasury activities and ensures that its prudential ratios are strictly adhered to. The prerogatives and functioning of the ALCO are detailed in its Terms of Reference.

- ***Risk and Credit Committee***

This Decision Committee implements the Bank's Risk Management Framework as defined in FINMA Circular 2017/01. This Committee is in particular responsible for determining the credit operations within its remit, within the framework of the Credit Policy defined by the Board of Directors of the Bank.

The main prerogatives of the Risk Committee are:

- The discussion of the Bank's framework concept for risk management.
- Monitoring the implementation of risk strategies, ensuring in particular that they are in line with the defined risk tolerance and risk limits defined in the institution-wide risk management framework
- Review progress made in the identification of Operational, Credit and Market risks
- Detailed examination of all credit activities.
- Verification of the Bank's maintenance of appropriate risk management with effective processes that meet the institution's risk situation.

- ***Compliance Committee ("KYC & AML Committee")***

This decision-making committee is responsible for approving the relationships that come under its competence, particularly those involving increased risks. It also advises the Executive Management Committee on contacts with Politically Exposed Persons (PEPs). The Compliance Committee may also decide on transactions that carry increased risks and the related clarifications. The prerogatives and the functioning of this committee are detailed in its Terms of Reference.

## **Risk Management**

The Board approves the Risk Management Policy proposed by Executive Management, which is aimed in particular at detecting, limiting and controlling credit and market risks, risks associated with the execution of transactions, liquidity matters, reputational issues, operational as well as legal risks.

Risk Management is exercised at several levels including the BOD, the EMC and the Board's committees, namely the Risk and Credit Committee.

The Risk Management Policy provides further details of risks, mitigation measures and controls exercised by the Bank. Routine assessments by the Bank's dedicated risk management team facilitate taking proactive, precautionary measures that minimize risk exposure.

The Board is updated on a quarterly basis on the major risks facing the Bank.

### **Internal Control System**

The BOD assumes full responsibility for the internal control system and devises special policies, guidelines, controls, determination of responsibility limits, monitor performance of operations, applying of privileges and authorizations to complete daily operations and verifying the segregation of duties and executions in addition to enhancing dual control on all banking operations. The BOD prerogatives are clearly delineated in the Organisational Rules of the Bank.

### ***Internal Audit***

The Board of Directors establishes an Internal Audit function, which is subordinated, and reports, to the Audit and Compliance committee, as per article 87 of FINMA's circular 17/01, "Corporate governance - Banks". Internal Audit also reports, on request, to the Board of Directors.

Internal Audit assists the Bank with ways to improve how it conducts its business, in addition to its role in verifying adherence to policies and procedures. It focuses on the effectiveness of the work systems, internal control and identification of weaknesses.

Reports and recommendations for minimizing risks are raised directly to the Audit and Compliance Committee to assist in improving risk management tools and corporate governance procedures.

### ***Compliance***

Monitors and evaluates all the policies and procedures related to the Bank. Compliance is an independent function responsible namely for:

- Increasing employees' awareness about compliance, answering queries regarding legal obligations and existing policies and procedures. Numerous workshops and training are provided to increase awareness about the principles of compliance, combating of money laundering and terrorist financing, knowledge regarding customers and their transactions (KYC and KYCT) and whistle blowing policy.
- Enhancing transparency and the adoption of the whistle blowing policy that encourages employees to report wrongful actions without fear of retribution.
- Ensuring and safeguarding the bank from any involvement in any suspicious activity in money laundering or terrorist financing.
- Implementing a number of strict and effective monitoring systems through the daily and monthly monitoring of all the financial transactions and accounts of the customers.

### ***Internal Control***

The Internal Control department is responsible for ensuring that all key internal controls are appropriate for the risk and scope of the business and that these are carried-out in accordance with the appropriate policy and/or process.

### **External Audit**

The Board of Directors appoints and terminates the mandate of the external auditors based on the recommendations issued by the Audit and Compliance Committee.

For 2019:

KMPG - Geneva