

Thesis Report
on
Corporate Governance Practices of
Travelex Qatar QSC(Pvt.)

Submitted by:

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ID: MBA2001019006

Program: Master of Business Administration

Major: HRM

Semester: Fall-2020

Sonargaon University

Submitted to:

Department of Business Administration

Sonargaon University (SU)

This thesis report is submitted for the partial fulfilment of the degree of Master of Business Administration.



Sonargaon University (SU)

Dhaka - 1215.

Date of Submission: February 03, 2021.

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Date of Submission: February 03, 2021.

Letter of Transmittal

February 03, 2021

Mr Md. Rasel Hawlader

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Subject: Thesis report on 'Corporate Governance Practices of Travelex Qatar QSC.'

Dear Sir,

I am pleased to submit the Thesis report on 'Corporate Governance practices of Travelex Qatar QSC(Pvt). It is my pleasure to carry out the Thesis report under your supervision. I have prepared a report on Corporate Governance Practices conducted at Travelex Qatar QSC(Pvt). I hope this report reflects on corporate governance's contemporary issues being practiced by organizations in Financial Institutions (MNC) Globally.

I have tried my best to follow your guidelines in preparing this report. I have presented what I believe to be the most vital information to make my report as specific & coherent as possible.

I hope that this report will fulfil your requirements and hope my effort would satisfy you. It was an excellent experience for me to do this report, and I would like to thank you for your guidance and for giving me this remarkable opportunity to work on this topic.

Therefore, I would like to request you to acknowledge my dedication and hard work and kindly accept my Thesis report for further assessment.

Sincerely,

Kawsar Ahmed

ID: MBA2001019006

Master of Business Administration

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Certificate of Supervisor

This is to certify that Kawsar Ahmed, a student of MBA (Major in HRM), Faculty of Business and Session 2020, bearing Roll No. MBA2001019006 under a thesis report entitled on "Corporate Governance Practices of Travelex Qatar." under my supervision.

I also certify that I have gone through the draft copy of the report. Thoroughly found it satisfactory for submission to the department as a part of partial fulfilment of MBA degree. The report or the information will not be used for any other purposes.

I recommend the report to submit for awarding the degree of Master of Business Administration (MBA), Sonargaon University, Dhaka, Bangladesh.

I wish him every success for the days to come.

Md. Rasel Hawlader

Lecturer

Department of Business Administration.

Sonargaon University (SU).

Student's Declaration

I hereby declare that the Thesis report entitled "Corporate Governance Practices of Travelex Qatar." embodies the result of my research works and efforts, prepared under the supervision of Mr **Md. Rasel Hawlader**, Lecturer, Department of Business Administration, Sonargaon University, Dhaka, Bangladesh.

I further affirm that while preparing this report, I did not breach any copyright act internationally. I am further declaring that I did not submit this report anywhere for awarding any degree, diploma, or certificate.

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Letter of Authorization

Certified that this project report titled "Corporate Governance Practices of Travelex Qatar." is the bonafide work of Kawsar Ahmed, who carried out the research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation based on which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....

Md. Rasel Hawlader

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Acknowledgement

First and foremost, I would like to pay my gratitude to the Almighty Allah, who made each attempt fruitful. I would also like to express my gratitude to the people who gave me wholehearted cooperation with my Thesis.

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CHAPTER 1

INTRODUCTION

1. Prelude

Corporate governance refers to all the processes, systems and controls put in place, to direct and control an organization to increase performance and achieve shareholder value. The sufficiency and reliability of policies, procedures, training, internal controls, monitoring, and reporting.

Corporate governance involves balancing the interest of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and community. Corporate governance also provides a framework for attaining the company's objectives.

2. Objectives

The objectives of this report are stated below:

- 1) This report's main objective is to acquire a clear view and practical knowledge about the corporate governance practices of Travelex Qatar QSC(Pvt.)
- 2) Specific objectives of this report are stated below:
 - Knowing the meaning of corporate governance.
 - Analyzing the corporate governance posture of Travelex Qatar QSC(Pvt.)
 - To know the management style and Organization structure of Travelex Qatar QSC(Pvt.)
 - To provide some recommendations based on findings.

3. Methodology

This report has been written based on data and information which are collected from:

- 1) Sources of primary data and information
 - Practical experience gathered through working at the office of Travelex Qatar.
 - Informal conversation with Travelex Leadership Team.
 - In-depth study of the selected department.
 - Travelex Internal e-platform (The Lounge).

2) Sources of secondary data and information

- Prospectus & profile of Travelex Qatar QSC(Pvt.)
- Annual Internal/External and Regulatory Audit report of Travelex Qatar QSC(Pvt.)
- Archived Policies and procedures.
- Website of Travelex, Qatar.

4. Scope of The Study

The report's scope is limited to the overall description of the Institution, its services, its position in the industry, and its competitive advantages. The scope is also defined by the organizational set-up, functions, and performances. Corporate governance practices on Travelex Qatar confirms the overall accountability, transparency, fairness, responsibility, and interest of all stakeholders. The boards of directors design the different committees and agendas of different meeting and Travelex board. Corporate governance practices approve policies, strategies, and plan of Travelex regarding existing laws & regulations in the State of Qatar.

5. Limitation of The Study:

Some obstacles have come across while preparing this report, which can be termed as the limitation. The limitations that were faced:

- Internal and sensitive information is confidential and is not accessible.
- Lack of sufficient time of the Leadership personnel hindered the opportunity to deeply learn about certain issues or practices.
- Lack of relevant paper & document to prepare the report.
- The Thesis's period is not sufficient to learn all the corporate practices and procedures of a large organization like Travelex Qatar QSC.

CHAPTER 2

COMPANY PROFILE

2.1 Background of Travelex Ltd.

Travelex is the world's leading British foreign exchange company founded by Lloyd Dorfman and headquartered on Southampton Row in London. Its primary businesses are international payments, foreign currency exchange, issuing prepaid credit cards for travellers, and global remittance.

Travelex has grown to become the world's leading specialist provider of foreign exchange. Travelex provides cash and prepaid cards through over 37 million retail transactions each year. Travelex operates across the entire value chain of the retail foreign exchange industry across 24 countries. The Group has developed a growing network of over 1,400 ATMs and 1,100 stores at both on-airport and off-airport locations worldwide and has built a growing online and mobile foreign exchange platform. It also processes and delivers foreign currency orders for major banks, as well as for travel agencies and hotels.

Besides, the Group sources and distributes large quantities of foreign currency banknotes for customers, including central banks and international financial institutions. The Group is also active in the remittances space.

2.2 Goals and Values of Travelex Qatar QSC.

Travelex is proud to be the world's leading foreign exchange specialist and work hard every day to keep it that way. Travelex does so by striving to achieve the five strategic goals and staying true to the values that have helped build the leading position. Today, they have never forgotten the customers have a choice, being rigorous in everything they do and acting with integrity dealings.

A. Keep Travelex brand number one

Travelex continues to expand the global footprint, both organically and through acquisitions, to cover all key markets. They also take the lead in innovation and make their products and services more available to more customers than ever before.

B. Build great customer relationships

With at least one foreign exchange transaction a second, over 30 million retail customers each year trust Travelex with their foreign currency needs. Travelex does not take this for granted. They continuously look for ways to build even stronger relationships with the customers, by offering relevant products and services through a wide range of channels and giving the customers excellent service whenever they deal with Travelex Qatar QSC.

C. Use our global scale and know-how

for more than 35 years, Travelex has focused on helping its customers send and spend money worldwide. Over that time, they have built up a wealth of expertise which they share across the global network of foreign exchange specialists - so that Travelex customers can always benefit from the best ideas, wherever they come from.

D. Be a great place to work

Travelex treats the people as their greatest asset. Attracting and keeping the best people by creating a great colleague experience helps them deliver a great experience to the customers and protect the standing for honesty and integrity.

E. Continue setting the gold standard

Travelex has earned the reputation through years of consistently working with regulators to set the highest integrity standards within foreign exchange. Their reputation is the lifeblood of the business. Travelex is committed to maintaining the highest level of professional and ethical standards to keep it that way.

2.3 Legal Structure

Travelex Qatar is a limited liability company registered in Qatar with its registered address at Regus – Blue Tower (office #301-307), Building #10, Street 890 (Bank Street), Zone 6, PO Box 30808, Doha, Qatar

The issued share capital of Travelex Qatar amounted on 31st December 2020 to QAR 65,000,000.

There are two shareholders:

- 49% of the shares are owned by Travelex Ltd, registered address at 4th Floor, Kings Place, 90 York Way, London, N1 9AG, UK;
- 51% of the share is owned by Al-Bara Trading Group - a venture capital company registered in Qatar.

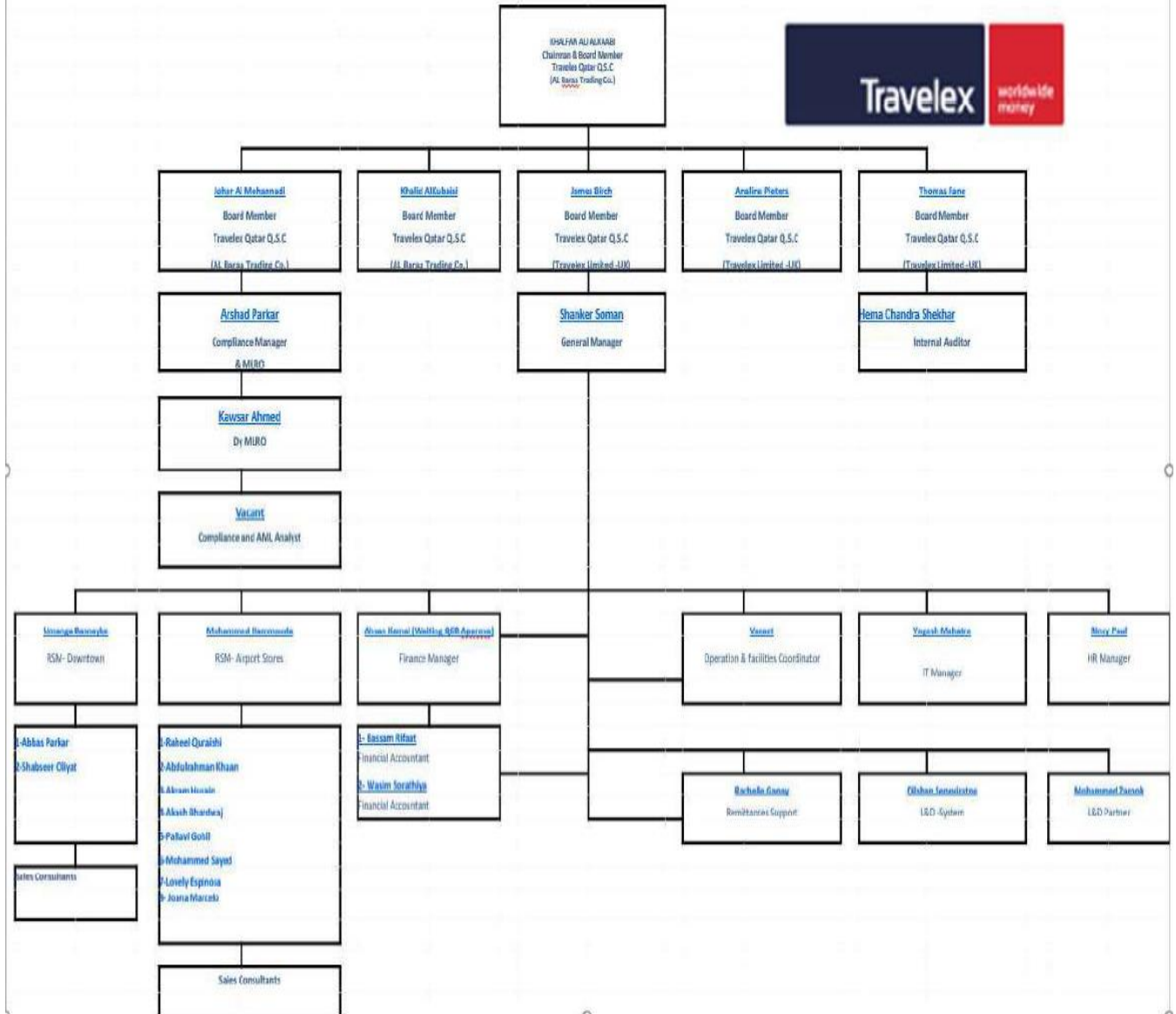
The parent company, Travelex Limited, may determine the general policy and strategy of the group, including the governance structure of Qatar subsidiary and it is the Qatar subsidiary that will carry out the business activity which has been entrusted to it, in line with the guidelines determined by the parent company.

A Board of Six Directors manages the Company whereas the day to day business operations are run by an Executive Management team headed by a General Manager, whose functions and responsibilities are clearly defined.

2.4 Organizational Structure of Travelex Qatar QSC(Pvt).

The organizational structure of Travelex Qatar QSC(Pvt). strongly reflect its determination to establish, uphold and gain a stronger footing as an organisation which is customer-oriented and transparent in its management.

Organisation Chart



CHAPTER 3

LITERATURE REVIEW OF CORPORATE GOVERNANCE

Corporate governance has received wide attention in recent years both in practical and in academic research. Nevertheless, there is a disagreement about the boundaries of the subject of corporate governance. Depending on their perspective, different authors define corporate governance in different ways.

It can be defined as an organizational control device, a hybrid of internal and external control mechanisms to achieve efficient corporate resources utilisation. The mainstream Management and finance literature define corporate governance as “the range of control mechanisms that protect and enhance the interests of shareholders of business enterprises” (Fama& Jensen, 1983). The World Bank defined corporate governance from the two different perspectives. From a corporation's standpoint, the emphasis is put on the relations between the owners, management board and other stakeholders (the employees, customers, suppliers, investors, and communities). Major significance in corporate governance is given to the board of directors and its ability to attain long-term sustained value by balancing these interests. From a public policy perspective, corporate governance refers to providing for the survival, growth, and development of the company and at the same times its accountability in the exercise of power and control over companies. The role of public policy is to discipline companies and, at the same time, to stimulate them to minimize differences between private and social interests (World Bank). The OECD (1999) original definition is “Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance.”

3.1 Evaluation of Corporate Governance

Capitalism at the beginning of the twenty-first century is a variegated collection of economic systems. In America, capitalism is a system where many independent corporations compete with each other for customers. Monopolies are illegal, though the courts are sometimes an imperfect safeguard against them. Each corporation has a chief executive officer (CEO) who dictates corporate policies and strategies to a mostly passive board of directors. The actual owners of America's great corporations, millions of middle-class shareholders, each owning a few hundred or a few thousand shares, are disorganized and generally powerless. Only a handful of institutional investors accumulate large stakes 3 or even 5 percent of an occasional large firm's stock that gives them voices loud enough to carry into corporate boardrooms. Corporate CEOs use or abuse their considerable powers in accordance with their individual political, social, and economic beliefs. In much of the rest of the world, capitalism is a system where a handful of immensely wealthy families control almost all of a country's great corporations, and often its government to boot. Competition is mostly a mirage, for few firms are genuinely independent. Professional managers are hired to help, subservient to oligarchic family dynasties that jealously safeguard their power, sometimes at significant cost to their host economies.

Such different usages of the word capitalism make for difficult communication. American economists are often baffled by the reluctance of seemingly well-educated foreigners to embrace the tenets of free enterprise, and foreign economists marvel at their American colleagues' naive simplicity. In fact, each would do well to take the other more seriously. The rest of the world is not merely like America, but usually more deficient to varying degrees. Different countries' economies are organized in very different ways, and corporate governance, which is, decisions about how capital is allocated, both across and within firms is entrusted to very different sorts of people and constrained by very different institutions. Corporate groups in developing countries. In general, low economies have corporate sectors controlled by some mixture of state organs and wealthy families. The fact that most large U.K. and U.S. firms are widely held, while most large firms elsewhere are controlled by a few wealthy families, is perhaps insufficient to explain the different perceptions of capitalism that hold force in different countries, for independent firms that compete with each other still lead to economic efficiency regardless of who controls them.

However, the second feature of corporate governance in most countries, the pyramidal business group or pyramid for short, magnifies the economic importance of this difference enough to create genuinely different economic systems, all of which go by the name of capitalism.

A pyramid is a structure in which an apex shareholder, usually a very wealthy family, controls a single company, which may or may not be listed. This company then holds control blocks in other listed companies. Each of these holds control blocks in yet more listed companies, and each of these controls yet more listed companies. Structures such as these are ubiquitous outside the United Kingdom and United States. They can contain dozens or hundreds of firms, listed and private, and put vast sweeps of a nation's economy under the control of a single family. These are the structures that permit tiny elites to control the greater parts of the corporate sectors of many countries.

Corporate governance has been a major issue in the Asia Pacific region since the 'Asian crisis of 1997-98 and in Australia following several recent high-profile corporate collapses. Governance issues affect HRM practitioners generally as business people and specifically in their role of developing policies and processes that promote the company's culture and values. A common feature of the Asian jurisdictions reviewed here is the high concentration of ownership by national governments and families operating complex corporate structures. Such concentration has direct implications for the level of share market trading and the protection of minority shareholders. The diversity of regional and local cultures will likely inhibit any short-to medium term convergence to international governance standards, although it is probably inevitable if Asian markets continue to access international finance. In the meantime there is a strong need for HRM practitioners to take the lead in shaping, communicating and representing the firm's values and behaviours, internally and externally, to reinforce ethical behaviour and business integrity.

3.2 Principle of Corporate Governance

As we all know, the Basel code of Corporate Governance for banks and financial institutions covers 8 principles. These are:

- Principle 1: Board members should be qualified for their positions, have a clear understanding of their role in Corporate Governance and be able to exercise sound judgment about the affairs of the bank.
- Principle 2: The board of directors should approve and oversee the bank's strategic objectives and corporate values that are communicated throughout the banking organization.
- Principle 3: The board of directors should set and enforce clear lines of responsibility and accountability through the organization.
- Principle 4: The board should ensure that there is appropriate oversight by senior management consistent with board policy.
- Principle 5: The board and senior management should effectively utilize the work conducted by the internal audit function, external auditors, and internal control functions.
- Principle 6: The board should ensure that compensation policies and practices are consistent with the bank's corporate culture, long-term objectives and strategy, and control environment.
- Principle 7: The bank should be governed in a transparent manner.
- Principle 8: The board and senior management should understand the bank's operational structure, including where the bank operates in jurisdictions, those that may impede transparency.

3.3 Importance of Corporate Governance

Today success of the business largely depends on good corporate governance. Corporate governance may be defined all about practical, transparent, and accountable administration of affairs of an organisation by its management, while protecting its stakeholders' interests, such as shareholders, creditors, regulators, and the public. Modern corporate governance practice has evolved over time. Simultaneously, several fundamental Corporate Governance Principles have now evolved and have received worldwide acceptance, and guidelines under each such principle have been comprehensively developed by Corporate Governance activists, practitioners, researchers, and others.

The need, significance or importance of corporate governance is listed below:

- **Changing Ownership Structure:** in recent years, the ownership structure of companies has changed a lot. Public financial institutions, mutual funds etc. are the single largest shareholder in most of the large companies. So, they have effective control over the management of the companies. They force the management to use corporate governance. They put pressure on the management to become more efficient, transparent, accountable etc. They also ask the management to make consumer-friendly policies, protect all social groups, and protect the environment. So, the changing ownership structure has resulted in corporate governance.
- **Growing Number of Scams:** in recent years, many scams, frauds, and corrupt practices have taken place. Misuse and misappropriation of public money are happening every day in worldwide. It is happening in the stock market, banks, financial institutions, companies, and government offices. in order to avoid these scams and financial irregularities, many companies have started corporate governance.
- **Globalization:** Today, most big companies are selling their goods in the global market. So, they must attract foreign investment and foreign customers. They also must follow foreign rules and regulations. All this requires corporate governance. Without Corporate governance, it is impossible to enter, survive and succeed in the global market.

- Takeovers and Mergers: Today, there are many takeovers and mergers in the business world. Corporate governance is required to protect the interest of all the parties during takeovers and mergers.
- Goodwill and Market Reputation: Many organizations spend vast sums of money building their brand image because it is imperative for their long-term success. Goodwill and the reputation can be improved through various tactics such as marketing, corporate social responsibility, healthy relationship with the stakeholders etc. Corporate Governance also develops the goodwill of the company over a period.
- Training of Directors: It is challenging for the organizations to find the right people for the jobs, and train them once they are selected. When the directors are selected, they come up with different experiences, expertise and qualifications. It is therefore essential to train the directors so that they adhere to the acceptable corporate governance practices. Directors are the major integral part of an organization. They have a significant role in the decision-making process, and thus, the success or failure of an organization depends on them.

CHAPTER 4

CORPORATE GOVERNANCE OF TRAVELEX QATAR QSC(PVT).

4.1 Annual General Meeting (AGM)

According to the [Qatar Commercial Companies Law], a general meeting of shareholders is held within four months following the end of every financial year, including the following agenda points:

- the management report by the Board of Directors,
- the reports from the auditors and the annual and consolidated financial statements.
- The approval of the annual statements.
- The profit distribution.
- The discharge to the directors of the company.
- Director's remuneration.
- The discharge to the auditor(s).
- The election or re-election of the members of the Board.
- The election or re-election of the auditors and determine their remuneration.

Each shareholder can request to include any issue in the agenda for discussion; however, AGM shall not discuss any matter other than those listed in the agenda unless it is a serious matter that requires a debate.

The AGM is held each year in April on a date agreed between shareholders at the company's registered office or at any other venue indicated in the notice convening the meeting.

Attendance of the General Meeting by shareholders can be either in person or by proxies appointed in writing.

4.2. Extraordinary General Meeting

An extraordinary general meeting may also be held at the request of the Board of Directors or the auditor(s) or Ministry of Industry and Commerce as often as is deemed necessary or at the request of shareholders representing at least one-fourth of the company's stated capital.

An Extraordinary General Meeting is held on the date and at the venue indicated in the notice convening the meeting.

An extraordinary general meeting must be convened where related resolutions must be passed with the consent of all shareholders concerning below matters:

- Amendment of the Memorandum of Association.
- Purchase, lease or other acquisition of assets or any interest therein exceed the value of [QAR-1,000,000].
- Entry into any contract, transaction, or arrangement without complete disclosure to the shareholders of a value greater than [QAR-1,000,000].
- Alternatively, any other matter requires all shareholders' consent, as mentioned in the shareholder's agreement or company's Memorandum of Association.

4.3. Notice Convening the Meeting

The general assembly invitation shall be made by registered mail with a delivery note or by any other way mutually acceptable to all shareholders at least one week before the date of the proposed meeting.

The convocation notice contains the General Meeting's agenda, which lists the matters to be dealt with and the proposed decisions drafted by the Board of Directors. The notice also contains all the details regarding the holding of meetings and the terms and conditions of attendance.

Under the Qatar law, the General Manager, one of the board members and the auditor are allowed to attend the meeting without any voting rights and the registered shareholders. The Ministry of Industry and Commerce will send its representative to witness the meeting when necessary.

4.4. Voting Rights

Each share gives the right to one vote.

The Ordinary General Meeting agenda items are approved if they obtain most votes cast (for an Ordinary General Meeting, abstentions are discounted).

4.5. Board of Directors

The Board of Directors bears the primary responsibility for creating and enhancing the long term shareholder value of Travelex Qatar and ensuring that this objective is achieved in all its business activities. In as much as the parent company can give instructions for the Qatar subsidiary to implement, the Board of Directors must ensure that such implementation complies with the rules and obligations imposed upon the Qatar subsidiary as an autonomous legal entity and as a regulated institution.

The Board of Directors of Travelex Qatar must, among other things, remain alert to any group-level decision or practice that is in breach of:

- a legal or regulatory provision or prudential rule imposed upon the subsidiary
- any such technical rule or prescription or any such code that governs the activity under the prudential supervision
- the sound and prudent management as well as the financial health of the institution or
- the interests of the subsidiary's stakeholders, the protection of depositors, insurance policyholders or investors, and the market's integrity.

4.6. Composition

The Board shall have six **(6) members** nominated by shareholders entitled to vote at the General Assembly. Three members are representing Travelex Limited, and three members are representing Al-Bara Trading. **Their appointment shall be subject to prior approval from the Qatar Central Bank**, the regulators of money changing business in Qatar.

Appointment of Directors is for three (3) years and is renewable. A Chairman of the Board will be elected among the board members for one year or more.

4.7 Appointed Board of Directors

Name	Designation	Company
1. Brigadier Khalid Al Kubaisi	Chairman of the Board	Al-Bara Trading
2. Brigadier Khalfan Al Kaabi	Member of the Board	Al-Bara Trading
3. Brigadier Johar Muftah Al Muhannadi	Member of the Board	Al-Bara Trading
4. James Birch	Member of the Board	Travelex Limited.
5. Thomas Fane	Member of the Board	Travelex Limited.
6. Analine Pieters	Member of the Board	Travelex Limited.

4.8. Qualification of Directors

A director of Travelex Qatar shall have the following qualifications:

- ❖ Prior approval received by the Qatar Central Bank for the appointment as Director.
- ❖ Holding a relevant professional qualification or several years of service (at senior management level) in the financial industry.
- ❖ Experience to demonstrate sound business decision-making and a good understanding of the industry and its regulatory environment.
- ❖ Professional competence, experience, and expertise, sufficient for the controlled function considering the scale, complexity and nature of the licensee concerned.
- ❖ Financial soundness.
- ❖ No potential conflict of interest or time due to other offices, directorships, memberships, or positions in other corporations.
- ❖ A director shall not have a precedent of disciplinary termination from any administrative or executive position.
- ❖ A director shall not have a precedent of disciplinary action by any supervisory body.

- ❖ A director shall not have a precedent of an indictment of a disgracing crime unless cleared afterwards.
- ❖ Over the last five years, a director shall not be a person who has caused any loss to the banking system by means of debt compromises for purposes of striking off debts.

4.9 Disqualifications for Directors

Qatar Central Bank has the right to remove any Board member that is unqualified or unsuitable for the assigned position. The following shall be deemed unfit and disqualified from serving as a Director:

- ❖ The conviction by a court, whether in Qatar or elsewhere, for a crime affecting honesty;
- ❖ A declaration of bankruptcy by a court of law;
- ❖ A court ruling that the approved person's legal capacity is totally or partially impaired;
- ❖ The sanction by a professional body of a fine, suspension, expulsion or censure.

4.10 Policy on Multiple Board Seats

A director shall exercise due discretion in accepting and holding directorships outside of Travelex Qatar QSC. A director may hold any number of directorships outside of Travelex provided that, in the director's opinion, these other positions do not detract from the director's capacity to diligently perform his duties as a director of Travelex Qatar QSC. A director shall not be an incumbent director with another exchange house. A director shall not combine directorship and auditing roles for the same exchange house. No potential conflict of interest or time due to other offices, directorships, memberships or positions in other corporations. Any limitations in the number of directorships outside of Travelex shall not include directorships in Travelex's subsidiaries, affiliates, parent company, and affiliates and subsidiaries of the parent company.

4.11 Board Meetings and Quorum Requirements

Members of the Board should meet at least four (4) times a year. The Board can only make decisions if a minimum of 3 board members is present, and at least one Director representing each shareholder. The board meetings can be held in person or via teleconference or videoconference or by any other technological means allowed by law; **however, two meetings must be held within Qatar for any 12 calendar months.** The meeting minutes are signed by fax or by email and after that send in original for signature. The original signed copies of minutes of the meeting are held in the records at the Head office.

4.12 Duties and Responsibilities of The Board

The Board is ultimately accountable and responsible for the management and performance of the Company's activities. Specific duties and responsibilities of Boards shall include the following:

- a) Appointment of competent General Manager for the effective management of the business.
- b) Review and approve at least annually the companies:
 - ✓ Strategic plans.
 - ✓ Management structure and responsibilities.
 - ✓ Systems and controls framework (including its policies and procedures).
- c) Regular review of:
 - ✓ Implementation of the company's strategy and operational performance.
 - ✓ Performance of its executive management.
 - ✓ Level of risk.
- d) Implement effective policies and processes in place for:
 - ✓ Ensuring a formal and transparent Board nomination process.
 - ✓ Appointing senior managers, and ensuring that they have the necessary integrity, technical and managerial competence, and experience.
 - ✓ Overseeing succession planning and minimizing undue reliance on key individuals.

- ✓ Reviewing critical senior management and Board remuneration packages and ensuring such packages are consistent with the corporate values and strategy of the licensee and encourage prudent risk-taking;
 - ✓ Monitoring and evaluating management's performance in implementing agreed strategy and business plans, and ensuring appropriate resources are available; and
 - ✓ Approving budgets and reviewing performance against those budgets.
- e) Set out and regularly review who has authority to commit the licensee to contractual obligations.
- f) Set a materiality threshold so that contractual obligations above this set threshold are regularly reported to the Board.
- g) Set out effective policies and processes in place to address its members' potential or actual conflicts of interest, including matters such as:
- ✓ Related party transactions; and
 - ✓ The misuse of assets belonging to the licensee.
- h) Ensure that all communications are fair, transparent, comprehensive, and timely.
- i) Mandate to implement the Travelex Group's principal mission, vision and strategic objectives and adequately communicate them to the entire organization.
- k) Implementation of the Travelex Ethical Conduct Policy with its fundamental core values of excellence, integrity, customer service orientation, loyalty to the institution, teamwork, and colleagues' concern.
- l) Oversight and approval of all significant policies, appropriate policies on risk management, internal controls, outsourcing, business continuity and disaster recovery.
- m) Approval of the Audit plan and review of the management of the control systems and processes adopted by the Executive Management.
- p) Ensuring that all Travelex activities are following all pertinent laws and regulations and are within the bounds indicated in its Articles of Association and By-Laws and the Industry's best practice principles.

q) Discharging Board functions diligently by meeting regularly, defining a clear agenda, keeping a record of minutes, and encouraging independent views and discussions to ensure balanced deliberations and decisions.

r) Approval budget plans and monitoring of expenditure.

4.13 Appointing and Supervising the Internal Auditing Personnel:

The Board shall create an internal auditing department and the personnel that shall be well experienced and highly qualified across all walks of exchange house operations. Moreover, the Board shall supervise the abovementioned department through the following:

- ✓ Ensuring neutral and independent internal auditing and avoiding any influence by the Executive Management. This shall be attained through the direct organizational reporting of the internal auditing department to the Board, which shall be responsible solely for the determination of internal auditing employees' salaries, remunerations and bonuses, assessment and further development of their performance and the sufficiency of their respective professional qualifications, skills and experiences.
- ✓ Ensuring that internal auditing activities are conducted in line with comprehensive and professional auditing programs aligned with the most up-to-date international auditing standards.
- ✓ e. Ensuring that the internal auditing department does keep safe and sound internal reporting reports and instruments for easy reference to that by the Board. QCB inspectors and external auditors shall be given access to any such reports and instruments.

4.14 Provision of An Independent External Auditor:

The Board shall be responsible for nominating, contracting, and setting the remuneration of a well-experienced and highly qualified independent external auditor upon approval by the general assembly and meeting relevant QCB requirements.

External auditors' reports shall be submitted directly to the board, which shall refer to the Executive Management for review and answer purposes. Afterwards, the Board shall give its instructions to address the comments derived from such reports.

4.15 Appointed Approved Persons of The Management Team:

<p>1. Appointed General Manager Mr Shanker Soman</p>	<p>7.Appointed Internal Auditor Hema Chandrasekhar</p>
<p>2. Appointed Compliance & MLRO Manager Mr Arshad Parkar</p>	<p>8.Appointed Finance Manager Mr Adnan Samad</p>
<p>3. Appointed Deputy Compliance & MLRO Manager Mr Kawsar Ahmed</p>	<p>9.Appointed HR Manager Rincy Paul</p>
<p>4. Appointed Remittance Manager Mrs Rachelle Ganoy</p>	<p>10.Appointed Retail Sales Managers Mohammed Hammouda (Airport) Umanga Basnayake (Downtown).</p>
<p>5. Appointed Operation & Facilities Manager Kristina Mata</p>	<p>11.Appointed IT Manager Yogesh Mhatre</p>
<p>6. Appointed L&D Partner Mohammed Zarook Dilshan Seneviratne</p>	

CHAPTER 5

MANAGEMENT TEAM OF TRAVELEX QATAR QSC(PVT).

A. The General Manager

The General Manager has the overall responsibility for the business's management and conduct within the board's delegated authorities. The function of General Manager, being an approved person, will be appointed only with prior approval from the Qatar Central Bank.

The General Manager shall manage the business with the support of a management team. The General Manager shall serve as the board's operating arm in all matters relating to corporate governance. The General Manager is accountable for ensuring that all activities comply with all regulatory regulations, operational management, marketing, optimization of benefits, and the introduction of new products and customer service.

A.1 Qualifications of General Manager

The General Manager should be experienced in the industry and must have a clear understanding of the role and responsibilities associated with this position. He must possess a good understanding of the business, the broader industry, and its regulatory environment. The General Manager shall have Qatar Central Bank pre-approval and must have below qualifications:

- Holding a relevant professional qualification; or
- A minimum length of service at least 3 years at a relatively senior position in the financial industry.
- Possessing integrity, probity and being diligent and assiduous in the performance of his functions.
- Adequate competence and understanding of the business fundamentals or sufficient experience and competence in management.

A.2 Disqualifications for General Manager

Qatar Central Bank has the right to remove the General Manager or any official in an executive position who is unqualified or unsuitable for the assigned position. The following shall be deemed unfit and disqualified from serving as a General Manager:

- The conviction by a court, whether in Qatar or elsewhere, for a crime affecting honesty.
- A declaration of bankruptcy by a court of law.
- A court ruling that the approved person's legal capacity is totally or partially impaired; or
- The sanction by a professional body of a fine, suspension, expulsion, or censure.

A.3 Executive Management Meetings

The General Manager will lead the management team through weekly and monthly meetings in person or by teleconference to discuss the financial performance in addition to various operational aspects of the business. Action plans are put in place, if necessary, after these meetings. Independent views and discussions are encouraged to ensure balanced deliberations and decisions. All acts and decisions of the Management meeting must be taken following the authorities delegated by the Board of Directors to the Management.

A.4 Duties and Responsibilities of The General Manager

The General Manager's specific duties and responsibilities shall include the following:

- ❖ Understanding and internalizing the Travelex Group's core values and implementing the strategies set out by Travelex Qatar's Board of Directors.
- ❖ Adopting management and control systems on internal and outsourced processes to identify and measure all major risks impacting the business.
- ❖ Maintaining an excellent working understanding of the various Travelex businesses and the risks associated with those businesses.
- ❖ Ensuring that all activities of Travelex comply with all pertinent laws and regulations.
- ❖ Monitoring and assessing the performance of line management.
- ❖ Implementing an appropriate administrative and organizational structure in compliance with the legal requirements.

- ❖ Conducting regular quality assessments of the internal control mechanisms and procedures.
- ❖ Assuring regular quality assessments of the internal Business Continuity and Disaster Recovery plans.
- ❖ Producing reports for the Board of Directors and actively advising them on the strategy and policy.

B. Compliance Manager / MLRO – Money Laundering Reporting officer.

The Compliance Manager (MLRO) is appointed after the licensee has tested that the individual is 'fit & proper' for this function. To be effective, The Compliance Manager/ MLRO monitors the day-to-day operations regarding policies and procedures concerning financial crime and responds promptly to reasonable requests for information by QCB (Qatar Central Bank) and QFIU (Qatar Financial Information Unit) and other law enforcement agencies.

Qatar Central Bank AMLCFT supervision and control department is notified with the names of MLRO and Deputy MLRO of the organisation, and their information is updated periodically to the QCB and QFIU. If the role of Compliance Manager/ MLRO falls vacant, an interim arrangement (subject to approval by the QCB) is made to ensure continuity of the Compliance Manager /MLRO function or deputy MLRO shall replace MLRO if the MLRO office is vacant and MLRO is absent. A permanent replacement, following QCB approval, will be appointed.

The Compliance Manager (MLRO) will support and co-ordinate senior management's focus on managing the money laundering/terrorist financing risk. The Compliance Manager (MLRO), under delegation from management, is responsible for:

- ❖ Oversight on the implementation of AML/CFT policies, procedures, systems and controls, including the risk-based approach to ML/FT risks;
- ❖ Ensure that appropriate policies, procedures, systems and controls are established, developed and maintained to monitor day-to-day operations for compliance with AML/CFT laws, regulations, policies, procedures, systems and controls;

- ❖ Assess and review annually the effectiveness of the compliance program (i.e. Policies and procedures, system, regulations and controls to prevent money laundering and terrorist financing and submit a report on deficiencies identified to Board of Directors.
- ❖ Possession of timely, unrestricted access to all information which is relevant to customers' transactions and obtaining this information in order to identify, analyses, and monitor transactions effectively.
- ❖ Ensuring the AML/CFT monitoring and accountability within the business;
- ❖ Disclosing Suspicious Activity Reports to QFIU and provide the SAR to the QCB as per their request.
- ❖ Act as the focal or central point of contact of Travelex Qatar with QFIU, QCB and other Government authorities concerning AML and CFT issues; and verify the data provided to QCB and QFIU
- ❖ Compliance Manager/MLRO and Deputy MLRO provides AML training to new joiners within first few weeks of their joining. Refresher training will be provided through E-learning (Workday) tools and face to face or external trainer.

B.1 Deputy MLRO – Money Laundering Reporting officer

QCB's Anti-Money Laundering and Combating Terrorist Financing Regulations One Deputy Compliance officer/ Deputy MLRO has to be appointed to undertake the responsibilities of the Compliance officer (MLRO) as support or in his absence. Fit & proper' screening prior to appointment is applied to all staff employed in areas relevant to the AML/CFT control environment.

The Deputy MLRO can undertake the responsibilities of the Compliance Manager/ MLRO as his support or in his absence or when the position is vacant. The Deputy Compliance officer /Deputy MLRO will be resident in the State of Qatar unless approved by the QCB.

Qatar Central Bank AMLCFT supervision and control department is notified with the name of Deputy MLRO of the organisation and their information are updated periodically to the QCB and QFIU.

C. AML/CFT Program

Travelex is firmly committed to complying with all applicable laws and regulations designed to combat money laundering, terrorist financing and other severe or financial crimes, collectively referred to as "Money Laundering". Although the specific anti-money laundering ("AML") requirements differ by geographical location, Travelex has adopted a Global AML Policy as a reflection of its commitment to preventing its products and services being misused and facilitating Money Laundering.

C.1 -AML / CFT Regulation in Qatar

Travelex Qatar Q.S.C (P) is a member of the Travelex group and; consequently, it is required to comply with the Travelex Group AML (Consumer & Corporate) Risk-Based Approach (RBA) policy. As Travelex Qatar is based in the State of Qatar, it is also required to comply with the Qatar AMLCFT Law [Law(20). 2019] and Qatar Central Bank AML/CFT regulations, which has been developed by the Qatar Central Bank. To extend a helping hand to the international regulatory authorities responsible for combating money laundering and counter-terrorist financing or related crime. Failure to comply with this policy could:

- ❖ Result in inadvertently facilitating Financial Crime.
- ❖ Expose Travelex and/or individual employees at Travelex to civil and criminal liability.
- ❖ Impact Travelex's reputation with its customers, partners, and severe circumstances are prohibited from conducting business.

C.2 Importance of Compliance and Anti Money Laundering

Qatar has designed numbers of laws, rules, regulations, Cabinet decisions, Federal Decrees regarding the criminalization of Money Laundering and Terrorist financing as per FATF recommendations. Employees of Travelex Qatar Exchange QSC including Member of Board of Directors (QATAR Based), Senior Management and all other staff are to abide by all these laws, and there may be a criminal prosecution in the result of failure to do so.

C.3 Overview of ML/ TF and Willful Blindness

Criminal individual or enterprises generate cash from illegal/illicit activities such as the sale of drugs, robberies, theft, extortion and other criminal activities. Specific corrupt political figures have also been known to have stolen funds from national governments and moved the proceeds to offshore accounts in jurisdictions that have provided anonymity. Money Laundering is the process where criminals disguise this origin of funds.

Money Laundering activities may also involve using legally derived proceeds rather than criminally derived proceeds for financing terrorist or other illegal activities. Although the underlying motivation behind terrorist financing and money laundering may differ, the techniques employed by both are often similar and closely related.

When an employee knows that the proceeds of illicit activity are involved in a transaction, the activity will need to be escalated immediately to compliance to ensure that appropriate actions are taken to ensure that Travelex does not launder the proceeds of crime; therefore adhering to both the letter and spirit of the rules. Failure to do such could also result in criminal charges being levied against the employee.

Even where there is no direct evidence of that knowledge, circumstantial evidence showing that an employee had reasonable grounds to know or suspect, or was "willfully blind" to such information, may be sufficient to result in criminal or civil liability.

Given Travelex's global business scope, the firm and its employees must be vigilant in preventing and detecting money laundering. One of the critical challenges for Travelex is to identify illicit transaction among the large volume of transfers and other transactions activity occurring daily. Employees should recognise that money laundering is the disguising of illegally obtained funds to reintroduce the funds into the economy to give the appearance of legitimacy. To determine the Money Laundering risk of its products, Travelex has considered the traditional elements of a money laundering cycle: placement, layering and integration.

C.4 Anti-Money Laundering Framework

Travelex Group Policy requires establishing an Anti-Money laundering (AML) and Counter-Terrorist Financing (CTF) program within each local operating entity to underpin it to ensure each group's operating entity maintains a sufficient and adequate AML & CTF Programme.

Travelex strives to demonstrate, through its AML programme, adherence to both the letter and the spirit of the rules by advocating a risk-based approach (RBA) that consists of the following:

- Risk Assessments
- ID & Verification ("ID&V"), Customer Due Diligence ("CDD"), and Enhanced Due Diligence ("EDD")
- The designation of a Money Laundering Reporting officer and AML Compliance officer.
- Internal policies, procedures, and controls to ensure compliance with all applicable laws.
- Suspicious activity monitoring.
- Record Retention and adherence to data protection requirements
- Sanction screening in accordance with the Global Sanctions Policy.
- Training programme for all relevant employees.
- Effective monitoring and reporting.
- Testing of the AML programme

C.5. Risk Assessment

To maintain a practical Risk-Based Approach (RBA) programme, appropriate risk assessments of Travelex Products and offerings should be completed to identify the vulnerability and attractiveness to money launderers and terrorist financiers. Travelex Group incorporates several risk factors to assess its inherent and residual risk adequately. The Risk Assessment must effectively demonstrate the strength of the control framework. Travelex executes separate risk assessments for its corporate and consumer business as through experience, the risks and controls are markedly dissimilar across the corporate and consumer portfolios, and therefore the risk assessments are more effective when reviewed as such.

C.6 ID & V, CDD and EDD

A risk-based approach to Customer Due Diligence (CDD) will be executed for all customers, consumer, or corporate relationships. The level of due diligence applied as stipulated in the respective AML Risk Assessments as, the various risks associated with customers, corporate clients, products, channels and business models will dictate the appropriate level of due diligence.

C.7. Internal Policies and Procedures

Each Travelex entity must develop risk-based approach AML policies, procedures and controls to ensure compliance with local laws and regulations. These policies, procedures and controls should be reviewed every year unless there is a change in legislation/product that will result in an immediate revision. This ensures that,

- (i) any amendments to local AML legislation or regulations, or the enactment of new AML legislation or regulations, are appropriately considered and put into application and
- (ii) any amendments or additions to the Group Financial Crime Policies are similarly reviewed and adopted.

C.8 Monitoring and Suspicious Activity

A programme of transaction monitoring of activity to identify unusual and potentially suspicious transaction/behaviour patterns must be in place in Travelex; this applies to all employees, customers, partners and agents of the local operating entity.

A programme for and to enable reporting of unusual and potentially suspicious activity to the Compliance & Risk Country officer; this individual will hold Nominated officer/MLRO at country and or legal entity level.

Travelex must have procedures, systems, and tools for monitoring, escalating, and reporting suspicious and criminal activity in a timeframe and manner consistent with local legislation and regulations. Travelex employees must immediately report any knowledge or suspicion of money laundering, including terrorist financing or other financial crimes by raising an "Internal Unusual Activity Report" (IUAR) to their local Compliance officer or MLRO as soon as reasonably practicable.

C.9 Sanctions Screening

The Travelex Global Sanctions Policy requires, amongst other things that each location has in place robust sanctions screening procedures, processes and controls that are integrated with Travelex's POS systems through to Travelex's strategic financial crime platform. The platform will be designed to review all new and existing client and employee data coupled with any transactions and or fund transfers that apply to the Group Sanctions Policy. This ensures that funds are not received from or transferred to, or the firm facilitates or conducts business with any sanction's targets. This should also include compliance with any Wire Transfer / Electronic Payments requirements.

Travelex must ensure customers and related parties' screening to determine whether they are politically exposed and satisfy internal watch list requirements. Entities should also consider payment screening for AML purposes.

C.10 Training Programme

Travelex requires that AML training be provided for all relevant employees, initial and ongoing training on a minimum of the annual basis for all employees, appropriate for their role within the organisation, including senior management and local entity board directors. All employees are expected to complete all training course within the prescribed time frame, with training courses being actively monitored and tracked for completion.

Failure to complete any mandatory training course may result in an employee being reported to both line and senior management, this may result in them being unable to undertake activity that is aligned with their role; but may also lead to the employee being disciplined, in line with local HR policies and procedures.

Travelex Qatar shall provide regular training to ensure that appropriate employees are familiar with money laundering systems and controls, as well as with any recent developments in AML regulation and legislation.

C.11 Record Keeping

All operating business and support functions and Point of Sale (POS) & related operating systems will maintain relevant records for a period as determined by local laws and regulation. However, at minimum, relevant records are to be kept for **10 years** following the completion of the transaction or the end of the business relationship. The information recorded will include transactional, customer, business relationship, and related suspicious activity reporting and internal Compliance & Risk control reporting data.

Records should be maintained at a minimum, securely and electronically and in compliance with local confidentiality and data privacy requirements. Should paper records be mandated by local legislative or regulatory requirements, then these will need to be met.

C.12 Reporting

Compliance & Risk reporting/summaries will be produced monthly by the Compliance & Risk Function, reviewed monthly by the Local Country Management, Heads of Business and Group Management. Summary reports will also be reviewed quarterly by the board and directors of each legal operating entity and quarterly by the Group Risk and Group Risk and Audit Committees.

C.14 Exclusions/Prohibitions

❖ **Circumstances where CDD / EDD cannot be established but is required**

The Group does not permit transactions or ongoing business relationships with parties who fail to identify themselves as appropriately required by policy and in cases of concern/suspicion.

❖ **Sanctioned Parties**

The Group does not permit transactions or relationships with Sanctioned Parties as outlined in the Global Sanctions Policy.

❖ **No Deal Jurisdictions**

The Group does not permit transactions or maintenance of relationships within specific geographies as assessed and outlined in the Country Risk Standard & Programme.

❖ **Breaching Risk Appetite**

Travelex has no appetite for breaches of the agreed risk-based approach to KYC processes, nor does it have an appetite to launder the proceeds of Crime and or fund terrorism.

D. Internal Audit

Report to the Board and Group Head of Internal Audit provide independent Third Line of Defence Reviews as relevant and applicable to Travelex Qatar. Responsible for highlighting, escalating and reviewing action plans in place for any risks, issues and deficiencies identified by a review. Internal auditing shall annually review the effectiveness of procedures and regulatory controls applied by the Organisation for AML-CFT purposes. All appropriate measures shall be taken to bridge any gaps and update and enhance the said procedures and regulations to ensure their effectiveness and adequacy. An annual review plan shall be developed as per the risk defined by the organisation. The organisation compliance with the developed risk mitigation plan shall be assessed and will report any findings or results to the Chief Risk and Compliance officer, relevant MLRO, Regional Financial Crime Team and senior management.

E. Human Resource

The Human Resource function is undertaken internally, with the General Manager taking final decisions on all recruitment and is supported by the Regional HR team. An approved recruitment procedure is in place to ensure that appropriate screening and proper background, Criminal Checks/ Sanction Checks are completed prior to recruiting new employees and officials

The Human Resource function is responsible for:

- ❖ Manage role profiles and responsibilities
- ❖ Ensure the recruitment process is robust and adhered to, including:
 - ✓ Receiving and screening curriculum vitae.
 - ✓ Conduct appropriate tests and interviews to select suitable candidates;
 - ✓ Undertaking all reference checks, background checks and credit check, Criminal check and sanction check etc.;
- ❖ Issuing of employment contracts;

- ❖ Arranging employment visas and permits;
- ❖ Arrange induction and training etc. for new joiners;
- ❖ Maintaining personnel files;
- ❖ Issue the Ethical Conduct policy and Whistleblowing policy
- ❖ Manage payroll functions
- ❖ Manage disciplinary actions in case of breaches
- ❖ Managing staff leave, vacation, holidays, resignation and replacements and provide legal advice concerning employment matters.

HR should perform Sanction check and police check on our staffs periodically and continuously.

E.1: Know Your Employee

The Human Resources (HR) functions play a vital role in hiring and maintaining appropriate staff for Travelex Qatar Exchange QSC. It is vital to have a firm KYE policy to hire polished, experienced, and most appropriate staff with integrity, honesty, equality and devotion for the betterment and growth of Travelex Qatar QSC.

Travelex is committed to ensuring that it complies with all applicable legislation and that there is no unlawful discrimination, in particular on the grounds of:

- age,
- disability,
- gender or gender identity,
- marriage,
- civil partnership,
- maternity,
- pregnancy,
- race or ethnicity,
- religion or belief, or

At any stage during the recruitment and selection process or in respect of the term and conditions offered to new colleagues or promoted colleagues.

E.2. Travelex Selection and Recruitment Policy :

A. The Vacancy

Prior to submitting roles for recruitment, consideration must first be given to the role's necessity (and the impact of not filling the role). Only roles considered essential to business operations should be submitted.

B. Where applicable, approval must be obtained:

- ✓ in accordance with the People Cost Approval Process (“PCA”); and
- ✓ Obtained by your Country HR Manager and the Line Manager of the hiring manager in Workday as part of the Requisition process.

C. Hiring Manager

The hiring manager must create a job description, which outlines the job function, objectives and the general requirements for the position and complete a Job Requisition in Workday, ensuring all relevant sections are completed. Any spend on recruitment advertising needs prior written approval by the appropriate cost center owner.

Note: Recruitment will not commence until all of the above actions have taken place.

D. Advertising/Sourcing

Travelex’s policy is that vacancies are initially posted using all internal methods, including The Lounge site in Your Next Move (unless exceptional circumstances apply, i.e. appointments made from succession plans). Travelex is committed to advertising all roles internally and considering talent pool candidates for an appointment before proceeding with any external avenues. Internal advertising is via Workday on the Career Icon found on your homepage. External job offers should not be made before the internal advertising period has expired, as agreed with your local HR or Recruiter.

Unsuccessful internal candidates should have access to development feedback. In addition to Travelex’s external career pages, HR may request the vacancy to be advertised via relevant online media, e.g. job boards and employ other active sourcing techniques, i.e. LinkedIn.

E. Recruitment Agencies

If necessary, Travelex may engage a recruitment agency to search on our behalf. Any use of agencies must be pre-authorized and only after all other avenues have been exhausted or reviewed and where applicable considered appropriate (e.g. confidential search).

F. Unsolicited CVs and Calls

Unsolicited CV's or calls from recruitment agencies that are not on preferred supplier lists ("PSL") should be referred to the local HR team to avoid unnecessary contractual issues. All agencies on Travelex's PSL must sign Travelex's terms and conditions ("T&C's").

G. Referrals

Encouraging colleagues to refer their industry and professional contacts is one of the many ways that Travelex employs the best possible talent. Your HR Partner/ Recruiter will be able to share details. Candidates for vacancies, referred by a colleague, will be required to go through the same selection methods and processes as all other candidates to ensure that the hiring decision is entirely merit-based.

H. Selection and Interview

All job applications should be screened against current role requirements. The interview process will be carried out as agreed between the hiring manager and recruitment/HR team and may include, but is not limited to, some or all of the following selection methods:

- a) A series of telephone and face-to-face interviews;
- b) Assessment centres that are specific to the nature of the role; and
- c) Psychometric testing (e.g. online numerical, aptitude and verbal reasoning testing, online personality questionnaire completion).

I. Feedback

Candidates can request feedback, which will be provided where feasible, either directly or through the recruitment agency concerned.

J. Selection

Selection is based on hiring the best person for the job, and those decisions are objective and based on:

- a) the role's requirements.
- b) Skill-based questions asked during the interview process, during which the candidate may meet multiple individuals from Travelex; and
- c) based on the applicant's past career experience, technical skills, professional ability and aspirations.

Once a decision has been made, no formal offer should be made until all relevant country-specific compliance requirements have been met.

K. Compliance

The following minimum background checking requirements must be met for all candidates before they can be offered or confirmed in employment:

- a) 2 x reference checks with previous/current employer/s
- b) Criminal history check
- c) Working visa check (for non-local hires) or Authority to Work (depending on local legislation)
- d) Validation on required qualifications
- e) There will be extended checks for some locations and airports.

L. Promotion

All colleagues will be made aware of promotion and career opportunities available, and such roles will be advertised on Workday. The promotion will be determined by merit and performance against objective criteria. Unsuccessful candidates can request feedback. Managers should ensure that where appropriate, colleagues enter into a new contract appropriate to their new role's seniority and requirements. Local HR should be consulted during the promotion process.

M. offer of Employment

Once the Compliance requirements have been met, the recruitment team will inform all relevant parties and confirm the new joiner and hiring manager's starting arrangements. The recruitment

team will generate a written offer for successful candidates and delivered to the successful candidate in a soft (electronic) copy.

N. Re-employment of former Colleagues

Re-employment of former colleagues: applications from former colleagues are welcome with the following exceptions:

- a) Subject to thorough internal checking by the recruitment team with the former manager or HR team.
- b) If the colleague has been dismissed for the cause, they may not be re-employed under any circumstance.

O. Employment of Relatives

Travellex does not permit the employment of relatives in a position where there could be a potential conflict of interest. Each colleague has a responsibility to report promptly, any change in relationships with an existing colleague/ potential new joiner.

Candidates are expected to declare the information in the pre-employment form about their relatives who are current employees of Travellex Qatar QSC.

P. Contractors

Contractors (definition below), are not to be engaged unless:

- a) you receive explicit written approval from the appropriate country Commercial Director; and
- b) you agreed on the rate at which you wish to engage them, as per the requirement via the PCA process.

Q. Processing

1. All Contractors are to be processed through Workday and the relevant information held for reporting purposes.
2. in Workday, Contractors are described as *Contingent workers*.
3. No Contractor is to be engaged for longer than **twelve (12) months**.
4. The decision to be made in advance of this point is either to:
 - ❖ Gain appropriate approval to offer a permanent position with Travellex
 - ❖ Give appropriate notice and exit

E.3 Frequency of Review and Update

The Travelex Selection and Recruitment Policy is owned by Travelex HR, who ensure that its contents remain appropriate and applicable at all times. The policy shall be reviewed at least once a year, and when there is a significant business or legislative change.

Any personal data collected, used, transferred to a third party, or otherwise processed under this policy, should be managed following the Document and Records Management Policy and relevant regional retention Schedule, and the Global Privacy Policy for Employee Personal Information (as either may be amended from time to time).

E.4 on The Job KYE Procedure and Behaviour Analysis

KYE does not mean only to know your employee before employment but also to check and understand the behaviour during employment to observe the employee's internal threats (s). Senior Management & HR of Travelex Qatar Exchange QSC must also have to check certain things during employment which are;

- ❖ Behaviour Change in Employee(s). A particular change in the lifestyle of employee which does not match with the salary/income.
- ❖ Loan / Credit facilities. Frequent and immediate request for Credit/loans should be monitored and scrutinized. This may harm the reputation of an exchange house if the employee defaults.
- ❖ Transactions. An unusual and large amount of transactions will do not reflects well with regards to income/salary.
- ❖ Duty Timing / Overstaying. Coming early and going late, staying for long working hours, reluctant to take leaves/vacation are the red flag that employee may involve in any fraudulent activities.
- ❖ Every year, sanction screening and collection of a police clearance certificate from the local police as part of staff screening.

E.5 Ethical Conduct Policy

- ❖ Ethical Conduct Policy applies to all Travelex employees, and its copy is available on Travelex intranet.
- ❖ All new employees receive a copy of this policy upon joining the company.
- ❖ All Travelex employees are expected to familiarize themselves with Ethical Conduct Policy (ECP) and follow the appropriate routes if they feel a matter should be escalated.
- ❖ The ECP outlines the proper code of conduct for the following items:
 - ✓ Relationships such as customers, colleagues, suppliers etc.
 - ✓ Alcohol/Drug Use
 - ✓ Conflicts of Interest and how we compete.
 - ✓ Bribery & Corruption
 - ✓ Use of Company Assets
 - ✓ Confidential information
 - ✓ Political Involvement & Contributions

E.6 Whistleblowing Policy

Whistleblowing policy concerns the reporting of misconduct, illegal, unethical or inappropriate activities or malpractices in the work environment and your Travelex Qatar greatly values its reputation for maintaining high ethical standards and professionalism and has high expectations of the personal integrity of its employees, contractors, representatives and agents (colleagues). Travelex Qatar takes theft, fraud, bribery, and other dishonesty types very seriously and will investigate any instances of actual or potential fraud or malpractice. We will not hesitate to take legal action and refer the matter to the police in appropriate cases. Rights/responsibilities which is commonly referred to as “Whistleblowing’ policy”.

All employees are expected to raise concerns that they may have regarding any possible illegal activities or malpractices that they encounter in their work environment.

Whistleblowing disclosure can be made by email on whistleblowing@Travelex Qatar

QSC.com or +974- 40068575

CHAPTER 6

OPERATIONAL SECURITY STANDARDS OF TRAVELEX QATAR QSC(PVT).

Travelex Qatar maintain a Standard Operating Procedures (SOP's) which need to be read in conjunction with the relevant section

6.1 Staff Safety & Security

People are our most valuable asset and keeping ourselves safe is a key priority for us all. We are committed to doing everything we can in education, awareness, and training to ensure we fulfil our colleagues' responsibilities.

a. Firearms and Weapons Attack

RUN

- ❖ Escape if you can
- ❖ Consider the safest options
- ❖ Can you get there without exposing yourself to greater danger?

HIDE

- ❖ If you cannot RUN, HIDE.
- ❖ Be aware of your exits.
- ❖ Try not to get trapped.
- ❖ Be quiet, silence your phone

TELL

- ❖ Call your local Emergency Services number
- ❖ Descriptions – Describe the attacker, numbers, features, clothing, weapons etc.
- ❖ Further information – Casualties, type of injury, building information, entrances, exits, hostages etc.

b. Bomb Threat

Unattended Packages / Baggage

- ❖ All unattended bags should be treated as suspicious
- ❖ Do not ignore suspicious behaviour and incidents
- ❖ Do not attempt to handle - do not put yourself at risk
- ❖ Call the local Emergency Services number

Bomb Warning / Threat Message

- ❖ If you receive a call of this type, then obtain as much information as possible
- ❖ Inform your Line Manager immediately, then contact the local Emergency Services
- ❖ Pass on all information and notes taken during the call to the Emergency Services

c. Robbery

During a Robbery

- ❖ Comply with the demands of the robber
- ❖ Hand over money quickly and calmly
- ❖ Make no sudden movements, make a note of the robber's appearance
- ❖ If you are not involved stay out of the way, dial local Police and advise that a robbery is taking place
- ❖ Assess when it is safe to press the panic alarm button

After a Robbery

- ❖ Lock the main door and any shutters immediately
- ❖ Call the local Emergency Services
- ❖ Call your Line Manager

d. Evacuation

Store Staff Responsibilities

- ❖ Ensure that all cash value and products are securely locked in the till.
- ❖ Make sure that you have your door, safe and till keys with you.
- ❖ Leave the store as quickly as possible by following your local procedures.

- ❖ Proceed to the designated assembly/muster point
- ❖ Stay at the assembly/muster point until instructed .by the emergency services/authorities.
- ❖ Call your Line Manager (borrow a mobile phone if need be).
- ❖ If yours is the only location being evacuated, let another store know what is going on once it is safe.

e. Earthquake

Store Staff Responsibilities

- ❖ Do not panic and stay indoors
- ❖ Drop below the level of furniture around you; get under
- ❖ Cover your head with your hands until the shaking stops
- ❖ Hold on to the table or doorframe and if the object starts to move, move with it – do not get up and run
- ❖ Stay away from glass doors/windows and if outdoors, stay away from buildings, trees and electrical wires
- ❖ When the shaking stops, and only when it is safe to do so, ensure all cash value and products are securely locked in the till
- ❖ Call your Line Manager (borrow a mobile phone if need be)
- ❖ If yours is the only location being evacuated, let another store know what is going on once it is safe to do so

IMPORTANT - The single page consolidated *Incident Action Plan* must be displayed in every store for quick reference in an emergency.

f. Kidnap and Hostage

Firstly, it must be stressed that the likelihood of you being the target of a kidnap or hostage attempt is extremely remote but all staff should be aware of some fundamental principles.

Kidnap > your response / behaviors

- ❖ Comply with the kidnapper's instructions – do not play the hero
- ❖ Do not antagonize your kidnappers
- ❖ Please do not attempt to escape, unless you are sure it is safe to do so
- ❖ Do not volunteer any information
- ❖ If you are moved from one place to another, try to leave behind a personal item, comb, clothing, etc.
- ❖ Try to leave your fingerprints on as many smooth items as possible
- ❖ Attempt to study your kidnappers and surroundings if possible
- ❖ Avoid discussion on politics, religion and other controversial subjects

Kidnap Preventive Measures

- ❖ Be alert to the possibility of:
 - ✓ being under observation
 - ✓ being followed to and from your place of work
 - ✓ unknown persons seeking to become particularly friendly
- ❖ If you feel suspicious contact your Line Manager immediately.
- ❖ You may also want to inform immediate family members to be alert to suspicious behaviors: such as:
 - ✓ Suspicious telephone calls or line faults
 - ✓ Suspicious house calls from uninvited or unknown persons
 - ✓ Request by 'unknown tradesmen' for appointments
 - ✓ Frequent appearance by the same vehicle close to the store or house

Kidnap Responsive Actions

The first indication that a kidnap has occurred, other than the victim's absence, is usually a letter or a telephone demand. on receipt of the demand, it must be passed to your Line Manager Immediately who should take the following action:

- ❖ Action on Receipt of a Letter:

- ✓ Place the letter and the envelope into a clear plastic bag or envelope. It must not be handled by any other person or handled as little as possible
 - ✓ Record the postmark and delivery details
 - ✓ Record how it was delivered, post, courier etc.
 - ✓ Contact the local Emergency Services
 - ✓ Contact the Commercial Director, who will alert the Crisis Management Team.
- ❖ Action on Receipt of a Telephone Call:
- ✓ Once the caller has declared the purpose of the call, record the conversation, if possible
 - ✓ Listen intently to detect any identifying characteristic
 - ✓ Obtain details of any organisation the caller may be representing
 - ✓ Never attempt to negotiate with the caller, state clearly that you must pass the message to a higher authority. Ensure the onus is on the caller to call back for more information
 - ✓ Contact the local Emergency Services
 - ✓ Contact the Commercial Director, who will alert the Crisis Management Team.

g. Hostage

in a situation where a member of Staff is placed under duress by persons holding their family hostage, it may not be evident that a severe incident exists. Once aware of the incident, the following must be carried out immediately:

1. Dial the local Emergency Services number and advise the Police who will assume control of the situation
2. Contact your Commercial Director, who will alert the Crisis Management Team.

During this initial period:

- ❖ Do not speak to the press, TV or radio reporters
- ❖ Do not attempt to inform the person family
- ❖ Do not discuss the matter with other staff except senior management

Individuals Response:

- ❖ If you are placed under duress by a threat that your family or a colleague is being held hostage, you must:
 - ✓ Attempt to validate the threat if you are uncertain it is genuine, by contacting the alleged hostage victim
 - ✓ Agree to co-operate with the extortionists
 - ✓ Attempt to establish the criminal's level of knowledge of our systems and security procedures
 - ✓ Explain the difficulties in complying with their demands, e.g. dual control or time locks in operation
 - ✓ If you consider it safe to do so, contact the Police who will take control of the incident

6.2 Opening and Closing

A controlled opening and closing process minimize staff's risk being forced to provide access to value by criminals. The internal procedure must be followed to minimize the risk to staff and value. Below are the bullet point of Travelex practice at the premises,

- ❖ Opening Procedure
- ❖ Closing Procedure
- ❖ on The Move

6.3 Access Control & Security of Codes

Various door security systems are used to protect the staffs against unauthorized access to the work location. Generally, these may be controlled by a keypad and require a security code to open the door. Codes must not be written down or recorded so they may be identified as to their purpose. Care must be taken when entering codes to ensure persons standing in proximity cannot see the code. If you suspect a code may have been compromised, you must inform your Line Manager and have this changed immediately.

Codes must also be changed or deleted when a staff member leaves the business, including prolonged absences such as maternity/paternity leave or similar. Generic codes must be changed regularly of no more than six-monthly intervals and the date recorded on the Security Checklist.

6.4 Alarm System

All locations, except those agreed by the business, are fitted with an alarm system. Some systems are operated with a generic code, whilst others allow multiple users with individual codes or fobs. The correct operation of the alarm system at all the location is essential to provide out of hours security and daytime protection of staff and value. The employees must operate the alarm systems effectively to minimize false alarms.

6.6 Safes

Unless agreed by the business, all locations will have a safe, locked at all times. When new safes are dispatched from the factory, the lock is set with a default combination/access code; the Master User must immediately change this factory setting. There are multiple types of safe using in Travelex Qatar such as Electronic (PIN Pad) Safe, Key and Combination Safe, and Biometric Safe etc.

6.6. User Lists

Separate User Lists must be maintained for the previously mentioned systems as per the following:

- ✓ Access/door
- ✓ Alarm
- ✓ Safe

Lists must be maintained with each person's name who has been provided with a code to any of the systems for use in an emergency or for review purposes. Lists may be held in one envelope but must have a date (handwritten) and signature recorded on one of the envelope seals and taped over to avoid tampering. It is the responsibility of the person allocating codes (Master User) to ensure the lists are updated immediately.

6.7 Key Control

Keys (or swipe cards/fobs) that control or open any locking mechanisms need to be allocated to the right people, ensuring access is controlled, and assets are not placed at risk due to unauthorized entry or access.

Duplicate Key Type	Requirement
Primary	Must be stored off-site at a location as nearby as possible
Secondary	Can be stored in the safe of the location for which they belong

6 Monthly Review
(Check)

All keys (Primary, Secondary, Duplicate & ATM) must be compared against the key lists to ensure all keys are accounted for and accurate.

12 Monthly Review
(Check & Primary Rotate)

All keys (Primary, Secondary, Duplicate & ATM) must be compared against the key lists to ensure all keys are accounted for and accurate. Primary Keys MUST be rotated with the set from the Duplicate Keys.

6.8 Protection of Assets / Value

All items of value listed below must always be held securely by either keeping them in the safe or till drawer if required for trading.

These may be, but not limited to:

Category	Items	Control
Fraud Prevention	Credit/Debit Card Terminal & PIN Pad	Remove Terminal & PIN Pad and place in a locked drawer or cupboard if possible. As per the Security Checklist (weekly control), an inspection of the PIN Pad must be completed to ensure no skimming device has been fitted.
office Equipment	Telephones, calculators, till stamps or stationery	Place all listed items that might be easily removable into drawers, cupboards, or even the safe to prevent theft.
IT Equipment	PC's or laptops, monitors, note counters or UV lights	Place all listed items that might be easily removable into drawers, cupboards or even under the counter, so they are out of sight/reach.

Personal Belongings	Mobile phones, handbags or wallets	Never leave personal items in public view or where they could be easily reached by leaning over the counter.
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6.9 Movement of Value (Value Carriage)

Due to staff's risk when carrying value, Travelex where possible employs Cash in Transit (CIT) companies to complete this. Where staff is required to transport value, a valid Cash Carrying Risk Assessment must be in-place. The below procedures (and those in the 'Transfers' SOP) must be followed at all times to protect both the staff and value.

- ✓ Every attempt must be made to remove as many items as possible that links you to Travelex such as your scarf/tie.
- ✓ The use of Travelex branded lanyards is not allowed when transporting value.
- ✓ It is your responsibility to ensure you know the contents' total value to ensure you are within the allowed Carrying Limit.
- ✓ A Personal Attack Alarm must be used where provided and held on your person to activate in an emergency drawing attention to yourself. The alarm must never be placed in the carrying bag as emergency staff wellbeing is the primary priority.
- ✓ Adequate carrying bags must be used when transporting value. Bags with Travelex branding, personal bags and rucksacks are not permitted to be used.

6.10 Stock Delivery / Collection

Travelex has agreements with Cash in Transit (CIT) companies to deliver/collect value where possible. There is a risk in this process as criminals observe cash delivery/collection routines to plan illegal activity. Due care must be taken when deliveries or collections are taking place. In all cases, the CIT personnel's identity must be verified by checking the photo ID carried by the guard or following the laid down local procedures as advised by the CIT Company.

6.11 CCTV System

CCTV provides a deterrent to criminals and can provide evidence to aid in an investigation in the event of an incident. It is vital that where CCTV has been installed, it is kept in good working order and that footage is clear and able to be used as admissible evidence in a court of law.

Local laws allow CCTV footage to be used as part of any internal investigation into losses or incidents.

6.12 ATM Controls

ATMs globally are managed in one of two ways:

- ❖ Balanced and replenished by CIT / external companies
- ❖ Balanced and replenished by Travelex staff

CHAPTER 7

FINDINGS AND RECOMMENDATIONS

7.1 Findings

- ❖ Significant control weakness found in several areas.
- ❖ A number of critical controls either do not exist or are not sufficiently executed.
- ❖ The weaknesses identified, individually or in aggregate, significantly impair essential controls to the extent that prompt corrective measures are necessary to bring controls to an acceptable level.
- ❖ Historically, no formally defined process whereby responsibilities for addressing internally identified regulatory non-compliances is established between the local and regional management, such that these non-compliances may be addressed on time.
- ❖ There is no formal review of training records to ensure they are complete and up to date.
- ❖ Failure to communicate to the L&D department to set up the WD AML training module periodically.
- ❖ There is no formal procedure whereby non-compliance to the QCB rulebook, especially concerning training, is reported to the local management/Board.
- ❖ Lack of Management governance to priorities closure of open audit issues.
- ❖ Travelex IT fails to meet the needs of the business (strategic, operational, regulatory requirements)

7.2 Recommendations

- ✚ Travelex needs to improve its Management standards and its Financial control system.
- ✚ Management needs to work to improve its regulatory system so that proper laws are implemented.
- ✚ Shareholders must increase its involvement in the day to day operations and decision making more closely.
- ✚ Travelex must improve its IT Adequacy, IT Availability and Cybersecurity.
- ✚ Travelex needs to work in the area of
 - Resourcing,
 - Skills & Knowledge improvement of staffs.
 - Performance evaluation & Reward
 - Security & Safety and
 - Diversity & Inclusion.
- ✚ Need to develop in Compliance and risk control resource to prevent becoming the victim of Financial Crime such as Money Laundering, Terrorist Financing and proliferation Financing.

CONCLUSION

At present corporate governance is viewed as the total system or control mechanisms. This process ensures the accountability and transparency of those who directly control the business organization. An organizational failure largely depends on its governance body. This report aims to gain clear concrete information about the corporate governance of the Travelex Qatar QSC(Pvt). Corporate governance mainly consists of board members and management team, and board of director and management teamwork as an agent of the shareholders, so there needs protection to remove the agency problem. in the State of Qatar, Central Bank of Qatar and National Security & Exchange commission regulate this sensitive issue. This report aims to evaluate the corporate governance practices in the Travelex Qatar QSC(Pvt). The materials and data are mainly collected from the secondary sources arranged sequentially to get a clear picture of corporate governance in the Travelex Qatar QSC(Pvt).

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