

Emirates NBD Bank PJSC

Directors Fit and Proper Policy

1. Objectives:

The Bank recognizes that an effective Board is critical to ensuring that the Board meets its primary responsibility to promote the success of the Group. The objective of this Policy is to set out the criteria of 'fit and proper' as stipulated in Corporate Governance Regulations for the purposes of identifying, assessing and selecting new Directors to be appointed to the Board and extend their term of appointment to undertake an evaluation of the existing Directors who wish to extend their term appointment, against such criteria.

2. Scope and application

- 2.1 This Policy is intended to supplement, any applicable legal or regulatory rules or requirements governing the Director selection process, including any requirements set out in the Bank's articles of association, the Companies Law, and Corporate Governance Regulations.
- 2.2 This Policy sets out the minimum 'fit and proper' criteria. Where local laws are more stringent and/or supersede the requirements contained herein, then such more stringent requirements should be applied in addition to the criteria in this Policy.

3. Selection of Directors

3.1 The Board Nomination, Remuneration & ESG Committee plays an important role in the selection and recommendation of potential Directors for appointment to the Board and ensuring that the Board is comprised of individuals with a balance of skills, diversity and expertise who collectively possess appropriate qualifications according to the size, complexity and risk profile of the Bank. A candidate for appointment as a Director may be shortlisted in the following manner:

- (a) renewal of term of an existing Directors of the Bank;
- (b) recruitment from outside the Bank;
- (c) nomination from any shareholder of the Bank in compliance with the applicable laws; or
- (d) any other manner as governed and directed by the prevailing policies of the Bank.

3.2 In identifying qualified candidates for nomination to the Board, the Board Nomination, Remuneration & ESG Committee shall consider prospective candidates based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by the Board as being important in fostering a diverse and inclusive culture, which solicits multiple perspectives and views, free of conscious or unconscious bias and discrimination.

3.3 The Board Nomination, Remuneration & ESG Committee must also take into account legal and regulatory requirements, such as those relating to citizenship, independence, and outside board memberships and give due consideration to characteristics, such as ensuring gender diversity.

3.4 Other fit and proper requirements.

In selecting candidates for election to the Board, the Board Nomination, Remuneration & ESG Committee shall:

- (a) assess current and future needs of the Bank to develop an ideal profile;
- (b) evaluate current profiles against the ideal profile, recognizing that each candidate individually will not necessarily fulfill each criteria;
- (c) use a gap analysis to map out future needs and identify candidate profiles to compliment those already represented on the Board collectively;

- (d) conduct a fit and proper assessment to ensure that all candidates for membership of the Board have sufficient competence, knowledge and experience to effectively carry out their duties and this shall involve consideration of:
- (i) the current mix of skills, experience and knowledge of the Bank by the existing Board at individual and collective levels;
 - (ii) the restrictions on outside Board memberships of candidates placed by the Central Bank;
 - (iii) the business and strategic needs of the Bank;
 - (iv) the need to cater for replacement Directors ahead of scheduled retirements and general prudent succession planning;
 - (v) the opportunities to obtain the services of particular persons with desirable skills at the time of their availability;
 - (vi) the ability of the candidate to devote and commit sufficient time to the appointment;
 - (vii) suitability and added value to the Board;
 - (viii) the requirement for “Independent Directors” as defined by the Corporate Governance Regulations;
 - (ix) the requirements of UAE corporate laws and regulations, in particular the requirements for national representatives on the Board;
 - (x) the specific needs and interests of the Bank’s stakeholders;
 - (xi) the commitment to regular updating of knowledge through ongoing professional development;
 - (xii) fit and proper requirements required by applicable legislation or determined by the Board; and
 - (xiii) the desire to achieve diversity of perspective within the Board.

3.5 The Board Nomination, Remuneration & ESG Committee shall assess candidates with a view to improving the Board’s effectiveness.

4. Criteria for appointment of Directors

4.1 Ideal Profile:

The following is the criteria which the Bank’s Board considers for an Ideal Profile:

- (a) long term senior executive level experience in the financial services industry (preferably from a commercial bank, with similar key business areas as the Bank’s, including but not limited to wholesale banking, consumer banking, treasury, investments, corporate finance, infrastructure, other);
- (b) successful, experienced leader of a large corporate organization (preferably in the financial services industry);
- (c) good understanding of local, regional and global economic and market forces and of the legal and regulatory environments applicable to the Bank’s operations;

- (d) regional knowledge of and connections in the banking sector (priority to UAE markets) in the following areas;
- (A) finance;
 - (B) accounting and financial audit or reporting;
 - (C) legal;
 - (D) corporate governance;
 - (E) operations;
 - (F) IT strategy and security, digitization;
 - (G) capital markets;
 - (H) financial analysis;
 - (I) financial stability;
 - (J) financial reporting;
 - (K) strategic planning;
 - (L) risk management;
 - (M) compensation;
 - (N) management;
 - (O) Shari'ah rules and principles; and
- (e) Prior experience as a director of a public joint stock company.

4.2 Individually, each Director must have the following traits:

- (a) have records of the highest personal and professional ethics, integrity and good character;
- (b) have proven achievement, and competence in the nominee's field and the ability to exercise sound business judgment;
- (c) have the ability to devote and commit sufficient time necessary to diligently carry out his/her duties and responsibilities;
- (d) have skills that are complementary to those of the existing Board;
- (e) have the ability to assist and support management and make significant contributions to the Bank's success;
- (f) have a good understanding of local, regional and global economic and market forces applicable to the Group's activities;
- (g) have an understanding of the fiduciary responsibilities (including but not limited to the duty of care, the duty of confidentiality and the duty of loyalty) that are required of a member of the Board;

- (h) have a record of financial soundness;
- (i) not have been previously convicted of a felony or misdemeanor against honor and trust, or the crime of money laundering or terrorist financing;
- (j) add value to the Board by having leadership skills in order to contribute to the effective communication, collaboration and critical debate in the meetings of the Board and the Board Committees;
- (k) be responsible for their actions (as a Board member and member of the Board Committees thereof) regarding the Bank; and
- (l) be transparent in carrying out their roles, responsibilities and tasks.

5. Evaluation of fit and proper criteria

- 5.1 Prior to the appointment of any person as a Director, or the re-appointment of any Director, or, if necessary, throughout the continuance of the appointment of a Director, the Board Nomination, Remuneration & ESG Committee shall:
- (a) obtain the necessary information and declaration from the prospective Director or the existing Director in the format given in Schedule 1 to this Policy (the “Information and Declaration”);
 - (b) obtain the necessary information on Conflicts of Interest from the prospective Director or the existing Director in the format given in the Conflict Declaration Form attached to Schedule 2 of this Policy (“Conflict Declaration”); and
 - (c) provide the acceptance of nomination on the Board in the format given in Schedule 3 to this Policy (“Acceptance of Nomination”).
- 5.2 The Board Nomination, Remuneration & ESG Committee shall scrutinize all information available to it about the candidate, including the Information and Declaration and the Conflict Declaration as necessary, and provide its recommendation to the Board on the appointment, re-appointment, or continuance of the Director after applying the fit and proper criteria set out in this Policy and the Corporate Governance Regulations.
- 5.3 The Board Nomination, Remuneration & ESG Committee shall ensure that female candidates constitute at least 1 (or such percentage required by regulation from time to time) of the total candidates being considered for appointment. Such information shall be disclosed in the Bank’s annual corporate governance statement as required under Corporate Governance Regulations.
- 5.4 The Board Secretariat shall obtain no-objection from the Central Bank prior to the appointment or nomination of any candidate for membership of the Board. In all cases, the Bank must immediately notify the Central Bank if it becomes aware of any material information that may negatively impact the fitness and properness of a Director..

6. Review and administration of the Policy

Board Nomination, HR & ESG Committee shall review this Policy regularly to ensure compliance with any notification and directive issued by the Central Bank or under any other law applicable to the Bank, and recommend amendments, if required or as deemed appropriate, to the Board for approval.

7. Updates

This policy shall be revised should any of the above regulation requirements be amended or replaced.

8. Definitions

In this Policy: :

“Bank”	means Emirates NBD PJSC;
“Board”	means the Board of Directors of the Bank;
“Chairman”	means the Chairman of the Board;
“Central Bank”	means the Central Bank of the United Arab Emirates;
“Controlling Shareholder”	means a shareholder who has the ability to directly or indirectly influence or control: <ul style="list-style-type: none"> (a) the appointment of the majority of the Board; or (b) the decisions made by the Board; or (c) the decisions made by the general assembly of the Bank, through the ownership of a percentage of the shares or stocks or under an agreement or other arrangement providing for such influence;
“Corporate Governance Regulations”	means all applicable regulations and standards on corporate governance, including, but not limited to, the Central Bank’s Corporate Governance Regulations and Standards for Banks (Circular No.: 89/2019 dated July 18, 2019) and the Securities and Commodities Authority (SCA) Chairman of Authority’s Board of Directors’ Decision no. (3/Chairman) of 2020, regarding the Approval of the Public Joint-Stock Companies Governance Guide;
“Companies Law”	means UAE Federal Law No. 32 of 2021 concerning Commercial Companies (and its amendments from time to time);
“Duty of Care”	means the duty to decide and act on an informed and prudent basis with respect to the Bank;
“Duty of Confidentiality”	of means the duty to observe confidentiality which applies to all information of a confidential nature with which a Director is entrusted by the Bank or which is brought to his or her attention during or at any time after the carrying out of his/her assignment;

<p>“Duty of Loyalty”</p>	<p>means the duty to act in good faith in the interests of the Bank. The duty of loyalty should prevent individual Directors from acting in their own interests, or in the interests of another individual or group, at the expense of the Bank and shareholders;</p>
<p>“First Degree Relatives”</p>	<p>means a person’s parents, siblings, spouse and children;</p>
<p>“Group”</p>	<p>means a group of entities which includes:</p> <ul style="list-style-type: none"> (a) the Bank; (b) any Controlling Shareholder of the Bank; (c) any subsidiary of the Bank; or (d) any affiliate, sister company, or joint venture of the Bank;

SCHEDULE 1: – INFORMATION AND DECLARATION

The enclosures are appropriate as on [*date*].

1. Personal Details

Full Name	
Date of Birth	
Permanent Address	
Current Address	
Telephone number	
Mobile number	
Email address	
Passport number	
Identification number	
Educational Qualifications	
Professional Experience	

2. Records of Professional Achievements

(a) Academic Qualification

Qualification	College / University	Graduation Date	Country

(b) Work Experience

Job Title	Employer	Duration	Country

3. Any other information relevant regarding the above

Any additional details relating to items mentioned above	
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4. Any other information relevant for assessing whether you are fit and proper for the role as a director of the Bank

Any additional information you think is necessary for judging whether you are fit and proper for the role as a director of the Bank	
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5. The Board Member to answer the following Fit and Proper questions:

Question	Yes	NO	Comments
Have you ever stopped paying your business dues even if it was not accompanied by bankruptcy?			
Have you ever been unable to pay any bank loans for commercial or personal purposes?			
Have you ever been unable to pay any financial obligations resulting from a court order?			
Do you have frequent bouncing checks due to business reasons?			
Have you faced any lawsuits, reports or prosecution investigations, whether within or outside the UAE, in relation to honesty and integrity?			
Has any judgment or order or award ever been issued by the courts or other judicial body or tribunal or the prosecution against you in relation to fidelity, fraud, cheating or otherwise which would damage the reputation?			
Have you been penalized or subject to disciplinary action by any regulatory authority?			

Have you been charged with committing criminal offences throughout your lifetime?			
Has your name been listed on the sanction lists issued by the United Nations and other international or UAE organizations, especially those concerned with anti-money laundering and counter terrorism funding?			
Have you ever been involved in money laundering?			
Have you ever been involved in any Financial Crime?			

6. Further Details

Details of any disciplinary actions, disqualification, pending or commenced, if any, or which have resulted in conviction in the past	
Details of any prosecution, or criminal prosecution, if any, pending or commenced in the past against you	
Details of any instances under which you were found guilty of any violation of rules, regulations, legislative requirements, taxes, authorities	
Details as to whether you have at any time come to the adverse notice of any regulator	

7. The Board member to provide the following:
- (a) Copy of the passport;
 - (b) Copy of the UAE ID;
 - (c) Copy of the CV;
 - (d) Copy of the Education Certificate;
 - (e) Copy of valid “No Criminal Certificate”.

Undertaking

I, [*name of board member*], confirm that the above information is, to the best of my knowledge and belief, true and complete. I undertake to keep the Bank fully informed, promptly, of all events which take place subsequent to my appointment which are relevant to the information above, or relevant in general to my position and fitness as a director of the Bank. I also undertake to promptly execute the conflict declaration provided to me by the Bank.

Name: _____

Date: _____

Signature: _____

SCHEDULE 2: – CONFLICT DECLARATION

Please refer to the Conflict Declaration Form set out in the Board Conflicts of Interest Policy

SCHEDULE 3: – ACCEPTANCE OF NOMINATION

The Board hereby accepts the nomination of _____ as a Director of the Bank based on all information provided by such director in the Information and Declaration and in the Conflict Declaration.

The Board believes that the above-named individual has the required expertise, qualifications and integrity in order to be appointed to the Board, particularly as required by the standards of the Central Bank of the UAE.

The Bank shall enter into a deed of covenant with the aforementioned individual same as a member of the Board on the terms and conditions as the Bank sees satisfactory, and in line with all regulations and standards of the Central Bank of the UAE.

On behalf of the Board of the Bank:

Name: _____

Date: _____

Signature: _____