

Emirates NBD Bank PJSC

Board Credit and Investment Committee

**Terms of Reference**

## Terms of Reference of the Board Credit and Investment Committee

### 1. Definitions

In these Terms of Reference, the following words and phrases shall have the meaning assigned to them below:

“Bank”	Emirates NBD Bank PJSC;
“Board”	the Board of Directors of the Bank;
“Central Bank”	the Central Bank of the United Arab Emirates;
“Corporate Governance Regulations”	all applicable regulations and standards on corporate governance, including, but not limited to, the Central Bank’s Corporate Governance Regulation and Standards for Banks and the Securities & Commodities Authority (SCA) Public-Joint-Stock Companies Governance Guide (and their amendments from time to time);
“Chairman”	the Chairman of the Board Credit and Investment Committee;
“Committee”	the Board Credit and Investment Committee;
“Director”	a member of the Board;
“EXCO”	the Bank’s Management Executive Committee;
“GCAO”	the Group Chief Audit Officer of the Bank;
“GCEO”	the Group Chief Executive Officer of the Bank;
“GCRO”	the Group Chief Risk Officer of the Bank;
“Group”	a group of entities which includes the Bank and (a) any subsidiary of the Bank, and (b) any affiliate and joint venture of the Bank;
“Independent Director”	a Director who is assessed as independent pursuant to the Central Bank of UAE Corporate Governance Regulations and Standards;

“MCC”	Management Credit Committee
“MIC”	Management Investment Committee
“Non-Executive Director”	a Director who does not have any management responsibilities within the Bank, and may or may not qualify as an Independent Director;
“Senior Management”	the executive management of the Bank responsible and accountable to the Board for the sound and prudent day-to-day management of the Bank;
“Staff”	all employees working for the Bank, including the members of Senior Management, except for the members of the Board;

## 2. Purpose

The purpose of the Committee is to enable the Board to fulfil its responsibilities with respect to the management of the Credit and Investment portfolio of Emirates NBD Group (excluding Emirates Islamic and DenizBank).

## 3. Membership

- 3.1. The Committee has been constituted by the Board and its members shall be appointed by the Board, after duly considering the recommendations of the Nomination, Remuneration and ESG Committee. Any member of the Committee may be removed or replaced at any time by the Board.
- 3.2. The Committee shall consist of a minimum of three and maximum of five Board members.
- 3.3. The members of the Committee shall elect from among its members a Chairman who shall be distinct from the chairman of the Board. The chairman of the Board may not be a member of the Committee.
- 3.4. The Committee members shall be appointed for an initial period of three (3) years. Following expiration of that period, the Committee members may be re-appointed by the Board, provided that such appointment does not compromise the Corporate Governance Regulation's independence requirements.
- 3.5. The GCEO, GCRO and, Group Chief Credit Officer, Group Head Wholesale Banking, shall be the permanent invitees from Senior Management to attend the Committee's meetings. The GCEO / GCRO may, with the agreement of the Committee's Chairman, invite members of the Senior Management and Staff, or third parties, to attend certain items being presented.
- 3.6. Other attendees may include additional invitees from the subsidiaries / affiliates or other entities.
- 3.7. Retirement/Resignation
  - 3.7.1 A member of the Committee who wishes to retire or resign should provide sufficient written notice to the Committee so that a replacement may be appointed in a reasonable timeframe.
  - 3.7.2 In the event of any vacancy in the Committee due to retirement or resignation, the Committee shall fill the vacancy within three (3) months of the retirement or resignation.

## 4. Administration

### 4.1. Meetings

- 4.1.1 Meetings of the Committee shall be held at the head office of the Bank, by means of telephone or video-conference, or at any other place deemed appropriate by the

Committee. Committee meetings (in case of existing agenda items) shall take place every week on pre- arranged dates, or more frequently as may be required.

- 4.1.2 Committee meetings may be held virtually, using any medium deemed appropriate by the Committee.
- 4.1.3 The Committee's secretary shall circulate the agenda for each Committee meeting to all members of the Committee sufficiently in advance of the meeting, along with adequate supporting materials on the topics to be discussed.
- 4.1.4 Other member of the Board of the Bank shall be permitted to attend meetings of the Committee, where they so wish, for the purposes of understanding the Committee's activities.
- 4.1.5 A Committee meeting shall not be valid unless a majority of its members are in attendance or represented.

#### **4.2. Resolutions**

- 4.2.1. Resolutions of the Committee shall be adopted by a majority of votes of members present. In the event of a tie the Chairman shall have a casting vote.
- 4.2.2. Members of the Committee with conflict of interest must abstain from the approval process of granting, voting and managing credit facilities/related party transaction to ensure that they are conducted on arm's length basis.
- 4.2.3. Majority of the members shall attend all meetings in person (physical attendance and by audio-visual means and shall not be represented in the meetings by proxy from other members for constitution of quorum.
- 4.2.3 Without prejudice to the above clause, the Committee may exceptionally take some decisions based on resolutions by circulation, provided that:
  - a) members unanimously agree that the case that necessitates a resolution by circulation is urgent;
  - b) the resolutions are delivered to the members in writing (which shall include delivery by email) and accompanied by all the supporting documents and papers as necessary for reviewing it;
  - c) any resolution by circulation must be agreed upon by majority of the members and must be submitted to the succeeding meeting for ratification by the Committee;
  - d) Non-members attending the meeting will not have voting rights. Moreover, voting

by proxy shall not be considered.

- 4.2.4 Decisions taken and resulting action points shall be promptly communicated to the relevant executive or Senior Management stakeholders along with deadlines and reporting expectations.

#### **4.3. Minutes**

- 4.3.1. The decisions and resolutions passed at the Committee meetings shall be circulated after the meeting on the same day, and shall be incorporated in the Committee meeting Minutes.
- 4.3.2. Minutes of Committee meetings shall be approved by the Committee at the subsequent Committee meeting and signed by the members attending the meeting and the Committee's Secretary.
- 4.3.3. The copies of the meeting minutes shall be filed and maintained by the Bank's Board Secretariat Department.

#### **4.4. Committee Secretary**

A member of the Bank's Board Secretariat department shall act as the Committee's Secretary.

### **5. Reporting**

- 5.1. The Committee shall report to the Board and shall provide periodic updates on matters which have been delegated to the Committee herein.
- 5.2. The Committee shall submit a written report to the Board specifying with absolute transparency its actions, findings and recommendations. The report shall be submitted annually or more frequently as and when requested by the Board.
- 5.3. The Committee shall make short presentations to the Board as and when required by the Board.

### **6. Powers of the Committee**

The Committee shall have the appropriate authority to discharge its duties and responsibilities as set out in these Terms of Reference and to sub-delegate those duties and responsibilities as it considers appropriate. In addition, it is specifically empowered to appoint or retain external independent professionals and consultants for advising or assisting the Committee on risk, legal, accounting, or other matters, to the extent it deems necessary or appropriate.

### **7. Responsibilities**

- 7.1 The Committee will provide oversight and manage the credit and investment portfolio of the Group.

**7.2** The Committee shall carry out following functions consistent with the credit risk strategy and long term objectives of the Group:

- 7.2.1 Periodically review and provide guidance to the management with regard to business strategies and Investment Policies;
- 7.2.2 Review and recommend delegation of lending authority for all credit and investment committees, management and staff across the Group (excluding Emirates Islamic and DenizBank).
- 7.2.3 Approve the following as per the delegated lending authority approved by the Committee:
  - (a) New products and services.
  - (b) Bank and country lines.
  - (c) Credit facilities (new, increase, renewal, renegotiated or restructured) capped at 10% of standalone Tier 1 Capital, subject to half yearly review and amendment based on changes in Tier 1 Capital.
  - (d) Investment and asset management proposals.
  - (e) Amendments to approved terms, exceptions to policies and items required to be noted by the Board.
  - (f) All debt settlement, waivers and write offs above MCC authority.
  - (g) Notwithstanding the above, the Board Credit Committee must approve exposures lower of the following:
    - > 5 % of Tier 1 Capital or
    - > AED 1 Billion.
    - Acquisition of material credit exposures in breach of Board approved Risk Appetite.
- 7.2.4 Review the portfolio composition, portfolio quality, performance and compliance.
- 7.2.5 Review any other matters deemed necessary by the Committee or referred by the management and provide guidance / approval.
- 7.2.6 Ensure any decision made by the Committee affecting the Group is subsequently adopted by the Group companies as required for the regulatory purposes.

## **8 Publicly available information**

**8.1** The following information will be made publicly available, and updated as required, by posting the material on the Bank's website or inclusion in the Bank's annual report:

- 8.1.1 The Committee's Terms of Reference;
- 8.1.2 the names and details of the qualifications of the members of the Committee;
- 8.1.3 the number of meetings of the Committee; and
- 8.1.4 a description of the Committee's responsibilities and how the responsibilities were fulfilled.

## **9 Self-Assessment**

The Committee shall annually conduct an evaluation of its performance, to be conducted as prescribed by the Nomination, Remuneration and ESG Committee of the Board, and the Committee itself.

## **10 Review and administration of the Terms of Reference**

The Committee shall review this Terms of Reference on a regular basis and at least once every two years and amend it, as and when required. These Terms of Reference are effective from 16 October 2024 and supersede any Committee's Terms of Reference or charter previously in force.