

Terms of Reference of the Corporate Governance Committee

1 Definitions

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

“Bank”	means Abu Dhabi Commercial Bank PJSC and its subsidiaries;
“Best Practices”	means best practices in corporate governance as determined by the Board from time to time and includes regulatory requirements applicable to the Bank;
“Board”	means the Board of Directors of the Bank;
“Committee”	means the Board’s Corporate Governance Committee;
“Directors”	means members of the Board;
“Chairman”	means the Chairman of the Committee;
“Executive Director”	means a director who dedicates his activity on a full time basis to the management of or receives a monthly or yearly salary from the Bank;
“Independent Director”	means a director who is independent as defined by applicable regulation or legislation and the Best Practices determined by the Board;
“Non-Executive Director”	means a director who neither dedicates his activity on a full time basis to the management of nor receives a monthly or yearly salary from the Bank;
“Senior Management”	means the senior management of the Bank; and
“SCA Guidelines”	means the Securities & Commodities Authority (SCA) Resolution No. (7R.M.) of 2016 concerning the standards of institutional discipline and governance of public shareholding companies.

2. Purpose

The purpose of the Committee is to enable the Board to fulfil its responsibilities in relation to the oversight of:

- 2.1 the development of corporate governance (including framework, policies, procedures and Best Practices) within the Bank;
- 2.2 oversight of the Bank’s corporate sustainability strategy;
- 2.3 the Bank’s compliance with regulatory requirements relating to corporate governance;
- 2.4 the Bank’s Board evaluation and adoption and monitoring of the action plan arising from it;
- 2.5 the Bank’s disclosure, transparency and publication of corporate governance information;

- 2.6 the Bank's public reporting on corporate governance matters; and
- 2.7 the Bank's corporate culture and values, including its governance culture.

3. Membership

- 3.1 The members of the Committee will be appointed by the Board, duly considering the recommendations of the Nomination, Compensation & HR Committee of the Board.
- 3.2 The Committee shall be formed of not less than four Non-Executive Directors, of which the majority should be Independent Directors.
- 3.3 It is recommended (but not mandatory) that committee members appointments shall be rotated every three years, although this may be extended by two additional periods of up to three years, subject to the member continuing to meet any requirements (such as independence) for membership of the Committee.
- 3.3 The Committee shall comprise only members of the Board, but shall be permitted to require any members of the Bank's management, or third parties, to attend meetings on a temporary or permanent basis, as shall be required to assist the Committee with its duties.
- 3.4 Any member of the Committee may be removed or replaced at any time by the Board.
- 3.5 Where a director who is a member of the Committee leaves office, the Board shall appoint a new member to the Committee. Where a director who is a member of the Committee is no longer classified as an Independent Director such director shall, at the request of the Board, resign as a member of the Committee and be replaced with an Independent Director, as necessary to satisfy Best Practices' independence requirements.

4. Meetings

4.1 Meetings

- 4.1.1 Meetings of the Committee shall be held at the head office of the Bank or at any other place deemed appropriate by the Committee. Meetings shall be convened upon a written notice of the Chairman . Committee meetings may also be convened by the Chairman or the secretary on the request of 2 members of the Committee.
- 4.1.2 The Chairman will develop the agenda for each meeting with contribution from the secretary and Board Secretary, and circulate it to all members of the Committee sufficiently in advance of the meeting by the Board ipad portal, along with adequate supporting materials on the topics to be discussed.
- 4.1.3 The Committee may invite any staff member of the Bank, or any other person, to attend meetings and to assist in its discussions.
- 4.1.4 A Committee meeting will 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 or represented. In the event of a tie, the Chairman shall have a casting

vote.

4.2.2 An absent Committee member may authorize another member to vote on his behalf provided that the member present does not hold more than one proxy.

4.2.3 Without prejudice to the above clause, the Committee may exceptionally take some decisions based on resolutions by circulation, provided that:

- (a) 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; and
- (b) any resolution by circulation must be agreed upon by a majority of the members and must be submitted to the next meeting of the Committee to be included in the minutes of such meeting.

4.3 Minutes

4.3.1 Minutes of Committee meetings should be recorded in a minute register and signed by the members attending the meeting and the secretary. A dissenting member may enter his objections in the minutes of the meetings. In case one of the members refuses to sign the minutes, his objection shall be recorded in the minutes together with the reason/s of his objection, if given, and a copy of the minutes (as per SCA Guidelines Article 8a).

4.3.2 Drafts of the minutes of Committee meetings shall be circulated to the members for comments, which shall be incorporated, and approved by the Committee at the subsequent Committee meeting.

4.3.3 The Committee will keep minutes of its meetings, and these will be submitted to:

- (a) the Board for consideration at the next full Board meeting; and
- (b) the General Counsel and Board Secretariat for filing and publishing on the Bank's Board ipad portal.

4.3.4 A member of the Bank's Legal and Board Secretariat department shall act as secretary to the Committee.

5. Reporting

5.1 The Committee shall report to the Board and will provide periodic updates to them on corporate governance issues as provided for in this clause.

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 be required to make short presentations to the Board on a semi-annual basis, or when required by the Board, more regularly.

6. Powers of the Committee

The Committee shall have the authority appropriate to discharge its duties and responsibilities as set out in these terms of reference and to 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 governance, legal, accounting, or other matters, to the extent it deems necessary or appropriate.

7. Responsibilities: corporate governance procedures

- 7.1 The Committee will propose to the Board developments in the Bank's corporate governance framework, policies and procedures. The Committee will work closely with other Board committees and Senior Management, as necessary to monitor the implementation of such developments on behalf of the Board.
- 7.2 Such corporate governance policies and procedures will include, amongst other things, the operations and functions of the Board and its committees, the structure of management committees, the relationship between the Board and management, the disclosure practices of the Bank including directors' conflicts of interest, measures to implement accepted culture and ethics within the Bank, and the governance of other areas and issues within the Bank as the Committee may consider of importance from time to time (such as risk governance, remuneration governance, product and services governance, financial transparency, procurement governance, subsidiary governance, complaint-handling processes and IT governance).
- 7.3 The Committee will monitor developments in corporate governance practices both in the local market amongst the Bank's competitors, and in the international markets, and report appropriately to the Board, with recommendations for the Bank's own development plan.
- 7.4 The Committee will assist the committees of the Board in their annual self-assessment procedures. The Committee will coordinate a regular review of the terms of reference for the committees of the Board and ensure that the publication of appropriate and up-to-date information relating to such committees is contained on the Bank's website and in the annual report.
- 7.5 The Committee will work with management (as designated by the Group Chief Executive Officer) who shall be responsible for such day-to-day implementation or monitoring of the corporate governance framework, policies and procedures as may be required.
- 7.6 The Committee will support the Board in establishing the Bank's corporate culture. In particular, it will create expectations that all business is conducted in an ethical manner and compliance with laws, regulations and internal rules that will promote a strong governance culture.
- 7.7 The Committee, assisted by the Board Secretary, will oversee the availability of professional development schemes to the Board and specialist training to committee members or individual Directors, to enable Directors to regularly update and refresh their skills and knowledge, as determined by the Board.
- 7.8 The Committee will review the Bank's compliance with Best Practices.

8. Responsibilities: code of conduct

- 8.1 The Committee will propose to the Board measures to implement accepted culture and ethics within the Bank.

- 8.2 The Committee will work with management (as designated by the Group Chief Executive Officer) who shall be responsible for such day-to-day implementation or monitoring of the Bank's code of conduct, which shall reflect the Bank's accepted culture and ethics.
- 8.3 The Committee will periodically review the Directors code of conduct and the Bank's code of conduct against developments both in the local market amongst the Bank's competitors, and in the international markets, and report appropriately to the Board with any recommendations.

9. Responsibilities: sustainability

The Committee shall review and approve the sustainability strategy as presented by the management and assess management's progress in implementing the sustainability strategy.

10. Governance Report

The Committee shall be responsible for compiling any annual governance report as may be required by Best Practices.

11. Disclosure and Transparency

The Committee will review with management and approve or, if appropriate, recommend for approval by the Board before the Bank publicly discloses this information:

- 11.1 the statements and information on corporate governance, including management's discussion and analysis relating to corporate governance, contained in the annual report and the interim financial statements, or on the Bank's website, including statements on the Bank's compliance with regulatory requirements in respect of corporate governance; and
- 11.2 all corporate governance information in material public disclosure documents including press releases, prospectuses, and other public offering documents.

12. Publicly available information

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:

- the Board Committee's Terms of Reference;
- the code of corporate governance;
- the names, details of the qualifications and independence of the members of the Committee;
- the number of meetings of the Committee and the names of those attending;
- disclosure of the Directors' code of conduct;
- the Board's performance evaluation; and
- the Directors' conflicts of interest.

13. Self-Assessment

The Committee will annually conduct an evaluation of its performance.

These Terms of Reference are dated 22 October 2017 and supersede any Corporate Governance Committee Terms of Reference or charter previously in force.