

ADCB SECURITIES LLC

# Terms of Reference of the Board of Managers

Approved by the Board of Managers on 6 August 2025

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## TERMS OF REFERENCE OF THE BOARD OF MANAGERS

### 1. Definitions

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

“ADCB”	means Abu Dhabi Commercial Bank PJSC;
“Board”	means the Board of Managers of the Company;
“Company”	means ADCB Securities LLC;
“Chairman”	means the Chairman of the Board;
“Central Bank”	means the Central Bank of the United Arab Emirates;
“Companies Law”	means UAE Federal Law No. 32 of 2021 concerning Commercial Companies (and its amendments from time to time);
“Competent Authority”	means the local authority concerned with the affairs of the Company in the relevant emirate;
“Member”	means members of the Board;
“Duty of Care”	means the duty to decide and act on an informed and prudent basis with respect to the Company;
“Duty of Confidentiality”	means the duty to observe confidentiality which applies to all information of a confidential nature with which a Member is entrusted by the Company or which is brought to his/her attention during or at any time after the carrying out of his/her assignment;
“Duty of Loyalty”	means the duty to act in good faith in the interests of the Company. The duty of loyalty should prevent individual Members from acting in their own interests, or in the interests of another individual or group, at the expense of the Company and shareholders;
“Fit and Proper Process”	means the evaluation of a Company’s proposed member of the Board and the General Manager as to expertise and integrity;

“General Manager”	means the General Manager of the Company, responsible and accountable to the Board for the sound and prudent day-to-day management of the Company;
“Staff”	means all persons working for the Company, including the General Manager, except for the Board; and
“Stakeholder”	means any person who has an interest in the Company, including shareholders, Staff, creditors, clients, suppliers and investors or potential investors.

## **2. Purpose of these Terms of Reference**

These Terms of Reference set out the authority, responsibilities, and composition of the Board. They supplement, and do not override, the Company’s articles of association and applicable laws or regulations in the UAE. In the event of any conflict between these Terms of Reference and the Company’s articles of association or any law or regulation, the relevant provisions of the Company’s articles of association, law or regulation shall prevail.

## **3. Authority**

The Board consists of the Members of the Company and derives its authority to act from the Company’s articles of association, and other applicable laws or regulations in the UAE.

## **4. Reliance on ADCB**

The Board recognises that the Company, being a wholly owned subsidiary of ADCB Group and has an element of reliance on ADCB’s staff, policies, processes and frameworks, in order to discharge their duties and responsibilities effectively.

## **5. Board’s overall duties & responsibilities**

The Company’s overall strategic objectives and governance framework are reliant on its parent, ADCB, while respecting the independent legal and governance responsibilities within the Company.

The Board has overall responsibility for the Company and is also responsible for providing oversight of the General Manager. The Board’s overall responsibilities include, but are not limited to, the following:

### **5.1. Governance**

- 5.1.1. Ensure effective control over the Company’s entire business.
- 5.1.2. Act with integrity and exercise Duty of Care, Duty of Confidentiality and Duty of Loyalty.
- 5.1.3. Facilitate effective, entrepreneurial and prudent management that can deliver long-term success for the Company.

- 5.1.4. Liaise and work closely with ADCB's Board Secretariat function to ensure that the Company's corporate governance framework, policies and processes are in accordance with applicable regulatory requirements and remain appropriate.
- 5.1.5. Approve clear policies for the delegation of authority and the actual delegations to the General Manager and their executives.
- 5.1.6. Ensure that any applicable conduct risk and consumer protection frameworks, policies and procedures are implemented.
- 5.1.7. Ensure that any governance related policy or procedure that ADCB Group implements are either implemented or reflected on the Company's activities.
- 5.1.8. Ensure that decisions requiring shareholder approval are escalated to the General Assembly.

## **5.2. Strategy**

- 5.2.1. Develop an in-depth understanding of the Company's business.
- 5.2.2. Ensure that the Company's business objectives, strategic plans and applicable policies are implemented, in line with the direction received from its parent, ADCB.
- 5.2.3. Ensure that the Company's strategic plans are clearly defined and that measurable performance metrics are developed and embedded throughout the Company.

## **5.3. Commercial and financial responsibilities**

- 5.3.1. Ensure that any applicable commercial and financial policies are implemented.
- 5.3.2. Approve the annual and interim financial statements, recognising that the final responsibility for the preparation of proper accounts is not able to be delegated and lies with the Board, not the external auditors.

## **5.4. Past performance review**

- 5.4.1. Review business results and monitor any applicable budgetary control in order to evaluate the Company's activities and management.
- 5.4.2. Review, approve and monitor any necessary corrective actions and processes.

## **5.5. Integrity of external reporting**

- 5.5.1. Liaise and work closely with ADCB's Finance department to ensure that the Company's accounting and financial records and statements are accurate and are prepared in line with applicable regulations and requirements.

## **5.6. Internal Control Functions (Internal Audit, Compliance, Risk)**

- 5.6.1. Liaise and work closely with ADCB's Group Risk Function to ensure that any applicable risk management processes and policies are implemented and monitored across the Company.
- 5.6.2. Liaise and work closely with ADCB's internal control functions to ensure that any applicable internal control processes and policies are implemented and monitored across the Company.
- 5.6.3. Liaise and work closely with ADCB's Compliance department to ensure that any applicable compliance policies, processes and programmes are implemented and monitored across the Company, in line with applicable laws, regulations and related cabinet decisions and guidelines.

## **5.7. Management oversight, executive review, remuneration and succession planning**

- 5.7.1. Approve appointments of the General Manager.
- 5.7.2. Monitor the General Manager's actions to ensure that they are consistent with the Company's strategic objectives and any applicable policies.
- 5.7.3. Set appropriate performance standards for the General Manager, consistent with the long-term strategic objectives, prudent risk taking and the financial soundness of the Company.
- 5.7.4. Review and monitor the performance of the General Manager.
- 5.7.5. Ensures that the General Manager's knowledge and expertise remain appropriate given the nature of the business and the Company's risk profile.
- 5.7.6. Ensure the necessary human resources are in place.

## **6. Board qualifications and composition**

### **6.1. Board composition**

- 6.1.1. The size of the Board will be determined in accordance with the Company's constitutional documents, and by reference to local laws and regulations.
- 6.1.2. The Board composition must allow the exercise of objective and independent judgement.
- 6.1.3. Members should be and remain qualified, individually and collectively, for their positions. They should understand their oversight and corporate governance role and be able to exercise sound, objective judgement about the affairs of the Company.

6.1.4. The Board shall comprise of up to 7 Members or as may be stipulated by the Company's articles of association and any amendments thereto.

6.1.5. Collectively, the Board shall have knowledge of all significant businesses of the Company and an appropriate balance of skills, diversity and expertise commensurate with the size, complexity and risk profile of the Company.

## **6.2. Duration of appointment**

Members shall hold office for a term of three years, at the end of which they shall resign, but shall be eligible for re-election or re-appointment, as the case may be, on each occasion.

## **6.3. Chairman**

6.3.1. The Board shall elect from their members a Chairman.

6.3.2. The tasks and responsibilities of the Chairman shall include without limitation:

- Providing leadership to the Board and ensuring proper and effective overall functioning of the Board, including maintaining a relationship of trust with fellow Members.
- Encouraging and promoting critical discussion and ensuring that dissenting views can be freely expressed during the decision-making process.
- Ensuring Board decisions are taken on a sound and well informed basis and that adequate and timely information is provided prior to meetings, with the help of the Secretary of the Board.
- Ensuring the efficiency and timely performance and discussion of any and all material issues by the Board.
- Being mainly responsible for approving the agenda of every meeting of the Board taking into consideration any matter proposed by the other Members, with the support of the Secretary of the Board and ensuring that the content, organization, quality of documentation and time allocated to each topic allows for sufficient discussion and decision making.
- Encouraging all Members to fully and efficiently participate in handling the affairs of the Board and ensuring that the Board is working in the best interests of the Company.
- Ensuring alignment with the ADCB Group strategy.
- Allowing efficient participation of the Members and promoting constructive relations between the Members and the General Manager.

#### **6.4. Authority of the Board**

- 6.4.1. The Board shall have full power and authority to do everything which may be required or desirable for the Company's management and operations and to attain its objectives. Such powers shall not be limited except as provided by any applicable laws or regulations and the Company's articles of association.

#### **6.5. Delegation to the General Manager**

- 6.5.1. The Board delegates to the General Manager the authority and power to manage the day to day business affairs of the Company, subject to such specific delegations and limits that the Board makes from time to time. The General Manager has authority to sub-delegate such authority and power to such members of the management team as he/she shall determine from time to time.
- 6.5.2. Clear instructions shall be given by the Board as regards to the management's authorities and particularly in relation to the circumstances in which the management shall obtain the Board's approval before taking any decisions or entering into any obligations on behalf of the Company.
- 6.5.3. The General Manager shall be responsible for obtaining the Board's approval for anything beyond the previously delegated scope that was approved by the Board.

### **7. Board meetings**

#### **7.1. Attendance**

- 7.1.1. A Board meeting shall not be valid unless a majority of its members are in attendance.
- 7.1.2. Members may participate in meetings by means of telephone or video conference provided that (a) all participants can be heard simultaneously and (b) the video conference is held in compliance with the Securities & Commodities Authority (SCA) Chairman's Resolution No. 03/TM of 2020 Regarding the Approval of the Public Joint-Stock Companies Governance Guide.
- 7.1.3. Members are expected to prepare adequately, attend, and participate at the Board meetings.
- 7.1.4. Members shall be provided with adequate materials on topics to be discussed at Board meetings sufficiently in advance of the meeting date. Members shall also be kept informed of developments between Board meetings.

#### **7.2. Board meeting notices and agendas**

- 7.2.1. A minimum of four (4) Board meetings shall be held on an annual basis at the head office of the Company, by means of telephone or videoconference, or at any other



place deemed appropriate by the Board. Board meetings shall be convened upon a written notice of the Chairman or the Secretary of the Board. Board meetings may also be convened at the request of the Chairman or at least two Members.

- 7.2.2. Where practicable, the notice of the meeting shall be given, together with the agenda, at least one week before the meeting is held. The Board meeting materials may be circulated to the Members by way of an electronic portal, email or other secure means. Members have the right to add any matter that he/she may deem necessary, for discussion in the meeting, subject to prior consultation with the Chairman.
- 7.2.3. As part of the agenda, the Board shall review strategy and the achievement of financial and other goals. The Board may receive a detailed overview of the performance and significant issues, including risk factors of business and support units.
- 7.2.4. The Board shall receive detailed financial, operational and performance reporting presentations from the General Manager during the year; management will be available to discuss the reports with the Board.

### **7.3. Resolutions**

- 7.3.1. An absent Member may authorize another Member to vote on his behalf provided that the Member present does not hold more than one proxy.
- 7.3.2. Resolutions of the Board shall be adopted by majority of the Members present or represented, and if there are an equal number of votes the Chairman or acting Chairman shall have a casting vote.
- 7.3.3. Without prejudice to the above paragraph, the Board may exceptionally take some decisions based on resolutions by circulation, provided that:
  - the resolution is delivered to the Members in writing and accompanied by all the supporting documents and papers as necessary for revising it;
  - any resolution by circulation must be agreed upon by a majority of the Members; and
  - the resolution must be submitted to the succeeding meeting of the Board to be included in the minutes of such meeting.

### **7.4. Minutes**

- 7.4.1. Minutes of Board meetings shall be recorded and circulated to all Members for comments, which shall be incorporated and approved by all Members at the succeeding meeting of the Board. Once approved, the minutes shall be signed by the Members attending the meeting and the Secretary of the Board before being placed in a minute book and published on the Company's iPad portal or workspace by the

Secretary of the Board. The signatories to such minutes shall be liable for the validity of the statements contained therein. The meeting minutes shall include details of issues discussed, recommendations made, decisions taken, dissenting opinions and the person responsible for completion of tasks discussed. In case one of the Members refuses to sign, his/her objection shall be recorded in the minutes together with the reason(s) for his/her objection, if given, after which, the minutes shall be signed by all Members, and a copy shall be sent to the Members.

- 7.4.2. Members, ADCB's Board Secretary and delegated officers of the Board Secretariat function, are each authorised by the Company individually to provide certified copies of extracts taken from the minutes of any Board meeting, by signing such extracts, identifying that it is a certified true copy of the original and including the date that the certification is provided. Any party dealing with the Company may rely absolutely on such certified copy as being a true and accurate copy of the original document.

## **8. Members remuneration**

Members who are considered employees of ADCB shall not be compensated for holding the office of a Member in the Company's Board, unless otherwise decided by the Company's shareholders.

## **9. Selection, appointment and re-election of Members**

- 9.1. All candidates for Board membership will be subject to a Fit and Proper Process to ensure they have sufficient competence, knowledge and experience to effectively carry out their duties. All candidates shall be assessed against the approved fit and proper criteria.
- 9.2. The Company's shareholders may by ordinary resolution dismiss some or all of the members of the Board and appoint new members to the Board and notify the Competent Authority of the new appointees.
- 9.3. In the event of a vacancy, the Board shall identify candidates with the appropriate expertise and experience. The most suitable candidate will be appointed by the Board, subject to the shareholders' approval at the forthcoming annual general assembly meeting.
- 9.4. The Board has set a limit of 12 years for which an individual may serve as a Member. The Board generally regards this as an appropriate period of service, however recognizes that Members who have served on the Board for an extended period of time have gained valuable experiences, insights and historical perspectives concerning the Company which cannot be easily replaced.

## **10. Resignation of Members**

- 10.1. A Member shall cease to be a Member if he/she resigns in writing from his/her position and shall be deemed to have resigned in the following instances:

- If he/she absents himself/herself from more than three consecutive Board meetings without a justifiable excuse acceptable to the Board during the term.
  - If he/she is convicted of any crime or other offence involving dishonesty or immorality unless reinstated or following receipt of amnesty from the applicable authorities.
  - If he/she is declared bankrupt or ceases to pay his/her commercial debts, even if the same has not resulted in the announcement of their bankruptcy.
  - If he/she discloses to any third party any information detrimental to the Company's interests which he/she became aware of in the course of his/her being a Member.
  - If he/she is dismissed pursuant to the provisions of the Company's articles of association.
  - If he/she is not re-elected after the expiry of their term of membership.
  - If he/she is dismissed by a resolution adopted by the Company's shareholders.
  - If he/she dies or becomes legally incapacitated.
  - If his/her membership is contrary to the provisions of the Companies Law, or any other law or regulation.
- 10.2. In the event of resignation, a Member should provide a written statement to the Chairman identifying his/her concerns, if any, for circulation to the full Board.
- 10.3. The annual general assembly meeting shall have the right to dismiss any Member and elect new members.

## **11. Access to management**

Members will have complete and open access to members of management.

## **12. Access to Board Secretary**

All Members shall have direct access to the Secretary of the Board.

## **13. Codes of Conduct**

- 13.1. The operations of the Company are governed by ADCB's Code of Conduct. ADCB's Code of Conduct is important and covers aspects of daily financial service practices.
- 13.2. ADCB's Code of Conduct applies to the Members and Staff, as well as to temporary workers and other independent consultants when engaged by or otherwise

representing the Company and its interests, and each respective party must familiarize themselves with ADCB's Code of Conduct to ensure compliance.

- 13.3. Members shall, during the exercise of their powers and performance of their tasks, behave ethically and professionally, always taking into consideration the Company's and shareholders' interests, and take such due care, diligence and skill as would be taken by a professional person in similar circumstances, and comply with all applicable laws, regulations and decisions as well as the Company's articles of association.

## **14. Confidential information**

- 14.1. Members shall regard the confidentiality of information as highly important and ensure that internal control systems are monitored and Staff integrity is fostered to ensure that confidential information is not improperly disclosed outside the Company or used for individual personal gain.
- 14.2. When the Members are serving on the boards of other companies and undertaking private transactions, they are to have regard to their confidentiality obligations to the Company at all times.

## **15. Conflicts of Interest**

- 15.1. Members must not have any conflict of interest that may impede their ability to perform their duties independently and objectively, or be subject to any undue influence from:
- Other persons/business;
  - Previous or current positions held; or
  - Personal, professional or other economic relationships with other Members or the General Manager, or
  - Other entities within the ADCB group.
- 15.2. A Member who has any direct or indirect interest or duty which conflicts or may conflict with the interests of the Company relating to any contract or other transaction made or proposed to be made with or by the Company, must give the other Members notice of such interest. Such notice should be confirmed in writing.
- 15.3. This notification shall be recorded in the Board's meeting minutes and the Member having such interest may not be counted in the quorum for the matter at hand nor be permitted to take part in the discussion or voting. If he/she does vote, his/her vote shall not be counted.

- 15.4. If a significant conflict of interest with a Member exists and cannot be resolved, the Member is expected to tender his resignation after consultation with the Chairman.

## **16. Liability of Members**

- 16.1. The Company shall be bound by the actions of the Board within the limits of the Board's authority and shall be liable to compensate for loss or damage arising from breach of the Companies Law, the Company's articles of association, the SCA regulations, the Central Bank's regulations or any other illegal acts committed by the Members in the course of their management of the Company. The Members shall not be held personally liable in connection with the Company's undertakings by reason of them having carried out their duties provided that they do not exceed the scope of their authorities.
- 16.2. Members shall be liable toward the Company, the shareholders and third parties for all acts of fraud, power abuse, violation of the Companies Law, the SCA regulations, the Central Bank's regulations, or the Company's articles of association and acts of mal-management in accordance with the provisions of the Companies Law.

## **17. Communications**

The Board believes that the Chairman and the General Manager speak for the Company. Individual Members are expected not to meet or otherwise communicate with representatives of the press without prior consultation with the Chairman.

## **18. Publicly available information**

The following information will be made publicly available, and updated as required, by posting the material on the Company's website:

- Terms of Reference for the Board; and
- Members profiles.

## **19. Review and administration of these Terms of Reference**

The Board shall review this Terms of Reference on a regular basis and at least once every two years and amend it if and when required.

These Terms of Reference are dated 6 August 2025 and supersede any Board Terms of Reference or charter previously in force.