

بنك دبي التجاري
Commercial Bank of Dubai



DIRECTORS CODE OF CONDUCT

VERSION 1.2



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1. Introduction

1.1 Table of Abbreviation

Abbreviation	Description
Board	Board of Directors
CBD	Commercial Bank of Dubai
CBUAE	Central Bank of United Arab Emirates
COI	Conflict of Interest
CLO	Chief Legal Officer
HR	Human Resource
KPI	Key Performance Indicator

1.2 Purpose

The Board of Directors ('the Board') of Commercial Bank of Dubai PSC ("CBD" or "Bank") has adopted this Directors Code of Conduct ('the Code') to set the tone for the conduct of the whole organization and to ensure that CBD is committed to conducting its business in accordance with the highest ethical standards and in accordance with relevant legislation and regulation, including the Corporate Governance Regulations as defined in the Corporate Governance Manual.

This means ensuring that Board members act with integrity, exercising their duty of care, duty of confidentiality and duty of loyalty in the best interests of its various stakeholders, whilst meeting regulatory expectations. In keeping with the principles set out in the Corporate Governance Regulations and the different governing documents, the Board adopts the following Code of Conduct for all Directors, which is acknowledged in writing by them on their appointment or re-appointment to the Board. It is intended that this Code will inform and guide Directors in the way in which they undertake the tasks for which they are responsible and set the tone for how all in CBD deal with their responsibilities.

The purpose of this Code is to assist Directors in understanding, and to promote adherence to, the standards of conduct and ethical behavior expected of them. No code can offer a complete guide to cover all situations that might arise, and Directors must exercise judgment in applying principles to any given situation. The provisions in the Code are a guide but not a substitute for any other obligation a Director may have according to the different applicable laws and regulations.

This Code, therefore, provides guiding principles for the Directors of the CBD Board to follow. It will enable each Director to identify areas, which have the potential to create legal, regulatory or reputational issues for CBD, the Board, or Directors personally.

1.3 Scope

This Code is applicable to all the Board members including those appointed by the Government of Dubai. Senior Management and all other employees of the Bank must follow the Code of Conduct for Employees.



1.4 Definition

Term	Definition
Gifts & Entertainment	The term “Gifts” includes business entertainment as well as gift items. The giving of business gifts is a customary way to strengthen business relationships, and with some restrictions, is a lawful business practice.

1.5 Reference

S.no	Reference
1	Acknowledgment Form
2	Consumer Protection Policy
3	Consumer Protection Regulations



2. Policy Provisions

2.1 Guiding Principles

- 2.1.1 The Bank is a listed financial institution. Directors have responsibilities to fellow Directors, officers and employees of the Bank, customers, shareholders, authorities, and the public.
- 2.1.2 Directors shall be guided by high standards of business conduct and ethical behaviour in the performance and exercise of their responsibilities, in order to maintain and enhance public confidence in the integrity of the Bank. Each Director shall understand the business of the Bank and the statutory framework within which it operates and shall be familiar with the processes, structures and information used for directing and overseeing the management of the Bank.
- 2.1.3 A Director is expected to act honestly and in good faith with a view to the best interests of the Bank, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 2.1.4 Each Director shall review the requirements and obligations imposed by the different laws and regulations including the Corporate Governance Regulations and shall become familiar with the Bank, its business and its organizational structure. The Chief Legal & Governance Officer is available to assist Directors with their statutory and other requirements and obligations.
- 2.1.5 Members of the Board of Directors shall discharge their duties professionally, with due diligence and efficiency and to the best of their abilities.
- 2.1.6 In discharging their duties to the Bank, members of the Board shall, in particular, endeavour to:
- comply with applicable laws and regulations and with CBD's rules, policies and guidelines;
 - only act in the interest of the Bank, without allowing themselves to be influenced by personal interests or relationships;
 - avoid any situation which may give rise to a conflict of interest;
 - respect the obligation of confidentiality in respect of information received in the course of their duties and shall continue to be bound by this obligation after termination of their mandate;
 - refrain from overstepping the powers conferred upon them;
 - respect the dignity and private lives of their colleagues, members of the other governing bodies of the Bank, staff members and anyone whom they come in contact with during the discharge of their duties to the Bank; and
 - make use of the Bank's name and resources only in the interest of the Bank.



2.2 Compliance with the Code and Applicable Legislation

- 2.2.1 The Code sets out ethical principles and refers to the legislation applicable to Directors, but it cannot provide rules for every situation that a Director may encounter. When faced with a situation where the proper conduct is not self-evident, a Director may consult the Board Secretary or Corporate Governance Unit.
- 2.2.2 Directors must comply with all applicable laws, rules and regulations. Directors must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Board Secretary. Violations of applicable governmental laws, rules and regulations may subject Directors to individual criminal and/or civil liability. Such individual violations may also subject CBD to civil and/or criminal liability and/ or the loss of business.
- 2.2.3 Where necessary, Directors shall seek independent advice to assist them in fulfilling their responsibilities. Directors are subject to the relevant laws and regulations including the Corporate Governance Regulations & Standards.
- 2.2.4 Each Director, upon his/her appointment, shall be provided with a copy of the Code and s/he shall acknowledge his/her understanding of and commitment to abide by its provisions. In addition, every year, each Director shall complete a form disclosing his/her affiliations with other entities, and declare that s/he has read the Code and complies with it.
- 2.2.5 A Director shall report to the Chairman of the Board and Board Secretary any information that the Director believes, in good faith, could show that a breach of the Code has been, or is about to be, committed by another Director, or that another Director has been asked to take action that could constitute a breach of the Code.
- 2.2.6 A Director shall report to the Board Secretary any information that the Director believes, in good faith, could show that a breach of the Code has been, or is about to be, committed by an officer, employee or agent of the Bank, or that an officer, employee or agent of the Bank has been asked to take action that would constitute a breach of the Code of Conduct for Employees.
- 2.2.7 In their dealings with Bank staff, or with members of the Bank's Senior Management, members of the Board shall refrain from any form of discrimination prohibited. They shall also refrain from exerting any pressure, which might result in any infringement of regulations or deviation from procedures, for example in management of the Bank's assets, award of contracts, management of human resources or financial transactions. They have an obligation to inform the Chairman when they become aware of cases of discrimination, harassment or bullying.



2.3 Confidentiality and Communications

2.3.1 No Director shall communicate or allow to be communicated to any person not legally entitled to it any information relating to the affairs of the Bank, including the proceedings of the Board and its committees.

2.3.2 Each Director undertakes and affirms that he/she will not:

- communicate or allow to be communicated, to any person not entitled to it, any confidential information that relates to the business or affairs of the Bank that he/she may learn in the course of performing those duties;
- use any such information for any purpose other than to perform those duties; and
- allow any person to inspect or have access to any books and records that belong to, or that are in the possession of, the Bank and that relate to the business or affairs of the Bank, unless the person is legally entitled to inspect them or to have access to them.

2.3.3 Only the Chairman or Vice-Chairman of the Board or other Bank-designated spokespersons are authorized to issue statements or make comments about the Bank's position on a given subject. Any enquiries from the media received by a Director shall be directed to the Chief Executive Officer.

2.3.4 Members of the Board of Directors shall not divulge any confidential information or data coming to their knowledge during the performance of their duties to persons or bodies outside the Bank, other than the Chairman or persons assisting them in the discharge of their duties as Board Members, provided that such persons are subject to an equivalent duty of confidentiality. They shall continue to be bound by this obligation after termination of their mandate.

2.3.5 Members of the Board of Directors shall protect the integrity of the Bank's decision-making process. In particular, they shall refrain from disclosing at the proceedings of Board of Directors' meetings, Committees' meetings or at meetings of other governing bodies. They shall refrain from disclosing the voting behaviour of individual Board members to persons or bodies outside the Bank, other than the Chairman or persons assisting them in the discharge of their duties as Board Members, provided that such persons are subject to an equivalent duty of confidentiality. They shall continue to be bound by this obligation after termination of their mandate.

2.3.6 Each Director shall use care in the collection, use, storage, disclosure and disposal of information and documents acquired from the Bank during his/her term in office. A Director requiring advice, information or assistance in the retention or disposal of records shall contact the Board Secretary.

2.3.7 Members of the Board of Directors who, in the context or course of their duties, have direct or indirect access to Inside Information, as defined below, or are in possession of Inside Information in respect of:

- the Bank;
- one or more individuals or companies or bodies which entertain direct or indirect relations with the Bank; or
- securities of any kind whether issued by these companies/bodies or by the Bank

shall not:

- disclose such Inside Information to any other person unless such disclosure is made in the normal exercise of their duties at the service of the Bank on a strict "need-to-know" basis; and
- use, either directly or indirectly, such Inside Information in order to carry out, recommend or advise against transactions involving Financial Interests, as defined below, in the companies and securities in question, for their own account or for that of third parties.



“Financial Interests” means any right to receive interest, dividends, capital appreciation, fees or other payment or monetary or in-kind benefit;

“Inside Information” means information of a precise nature, which has not been made public/is not otherwise publicly available, relating to:

- the Bank;
- one or more individuals, companies or bodies which entertain direct or indirect relations with the Bank; and
- securities of any kind whether issued by these companies/bodies or by the Bank.

which, if made public, would be likely to have a significant effect on the price of these securities/a material impact on the market value of either Bank securities or the securities of any of these companies/bodies.

2.3.8 No Director shall use or permit to be used the fact that s/he is a Director in such a manner that could lead to the perception that the Bank supports, approves or otherwise sanctions any particular undertaking.



2.4 Conflict of Interest & Disclosure of Material Interest

2.4.1 A Director shall avoid or withdraw from participation in any activity or situation that places the Director in a real, potential or apparent conflict of interest relative to that Director's duties and responsibilities.

2.4.2 A Director who:

- is a party to a contract or transaction or a proposed contract or transaction with the Bank,
- is a director or officer of, or has an interest in, any person who is a party to a contract or transaction or a proposed contract or transaction with the Bank,
- is or is likely to be affected by any action taken or proposed to be taken by the Bank, or
- is a director or an officer of, or has an interest in, any person who is or is likely to be affected by any action taken or proposed to be taken by the Bank
- shall disclose to the Bank in writing or by requesting to have it entered in the minutes of a meeting of the Board, the nature and extent of such interest.

2.4.3 The disclosure required above shall be made as soon as the Director becomes aware of the contract, transaction or action.

2.4.4 A Director who is required to make a disclosure on any resolution to approve the contract, transaction or action unless it relates to Directors' recommended annual remuneration, shall not communicate with other Board members about the decision, shall absent him/herself from the discussion of such operation in the Board and shall abstain from voting on such decision. Any such declaration concerning a decision of the Board shall be included in the minutes of the meeting.

2.4.5 For the purposes of the required disclosure, a general verbal notice to the Board by a Director, declaring that the Director is a director or officer of, or has a material interest in, a person, and is to be regarded as interested in a contract or transaction entered into with that person or an action that affects that person, is a sufficient declaration in relation to a contract or transaction with that person, or action that affects that person.

2.4.6 Members of the Board of Directors shall also be duty bound to conduct themselves honestly and sensitively with respect to acceptance of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as Members of the Board. They shall continue to be bound by this obligation after termination of their mandate.

2.4.7 Members of the Board of Directors shall not allow other direct or indirect professional relationships to affect in any way the conduct of their activities for the Bank, and vice versa.

2.4.8 Members of the Board shall declare, in writing, at the time of their appointment to the Board Secretary any other official/professional position(s) held by them. They shall also inform immediately the Board Secretary of any changes related to the declared position(s) during the term of their mandate.

2.4.9 If members of the Board envisage to undertake an activity which may give rise to a conflict of interest as regards his/her duties and responsibilities as a member of the Board of the Bank he/she shall inform in writing the Chairman of the Board, who shall determine after consulting the Board Secretary whether accepting such position would be compatible with the Directors duties and responsibilities as a member of the Board.



2.5 Gifts, Hospitality & Other Advantages

2.5.1 Directors or any first-degree relative family member may from time to time be offered hospitality and/or gifts in the course of carrying out their role as Board members of the Bank. This paragraph outlines how Directors or any first-degree relative family member are expected to act when offered gifts or hospitality.

Directors or any first-degree relative family member should be mindful that their actions may have to be accounted for. Conduct should be guided by a test of how it may be perceived if acceptance of a gift or hospitality was reported in the media, or how members of the public might judge it. Objectivity, sound judgement, and integrity should be applied whenever Directors or any first-degree relative family member are engaging with external parties. It is especially important that receiving a gift or hospitality does not influence an individual and impact decision-making of the Board, as this could be perceived as the Board acting without impartiality or integrity.

2.5.2 Directors or any first-degree relative family member shall be guided by the following rules:

- All offers of significant hospitality or gifts should be disclosed to the Board Secretary. Disclosure is the single most important and effective safeguard against allegations of impropriety.
- “Significant hospitality” for this purpose refers to hospitality such as meals, events, conferences, travel, or accommodation offered, which are likely to have a monetary value of more than AED 500 in total.
- “Significant gifts” for this purpose are items that have a monetary value of more than AED 500 in total.
- Hospitality or gifts should not be accepted at any time when the Board is seeking, or may soon be seeking, to confirm a business relationship with any party, for example through a tender or contract.
- Board members should be aware of the way that acceptance of hospitality or gifts could be perceived by other parties, for example, the media, other Board members, and members of the public.
- Board members are to be scrupulous in ensuring they do nothing that could be interpreted as soliciting hospitality, travel, or other such benefits.
- Conspicuous, lavish, excessive, or over-generous gifts or hospitality should be avoided at all times. As a guide, gifts or hospitality that might have a monetary value in excess of AED 2,000 would be considered overly generous.
- Members of the Board should not derive personal benefit from business promotions associated with repeated use of particular goods and services provided to the Board at the Bank’s expense.
- Members of the Board should be particularly careful not to receive undue personal benefit from their role, either through their access to information or through any fees or gratuities paid to them for work done in their official capacity as a Board member.
- Members are not prevented from accepting a token or modest expressions of appreciation in return for a special national or religious event such as UAE National Day, Ramadan, Eid, etc.
- The Board will ensure a gift register is maintained for their Board, detailing all gifts or hospitality in excess of AED 500 in total offered to Board members, regardless of whether or not they were accepted. The gift register is maintained by the Company Secretary and its form is provided in the table below. Note this is a multiyear register; all additions should be dated.



All offers of gifts and hospitality in excess of AED 500 total are required to be entered into the Gifts and Entertainment Register.

2.6 Expenses

Travel, hotel and/or any other miscellaneous expenses incurred by the Members of the Board of Directors in the execution of their duties for the Bank are paid by the Bank, on the basis of decisions made by the Board in this respect. Unnecessary expenses or expenses which are not in line with or justified by the results which could eventually be derived or obtained from such expenses shall be avoided.

2.7 Personal Financial Transactions

Directors are expected to manage their own personal financial affairs or affairs of companies they own, control, or manage, prudently and to arrange them in a manner that prevents real, potential or apparent conflicts of interest from arising or consequences on their classification with the UAE Central Bank.

No Director shall use, in any personal or other capacity, information acquired from or through the Bank that is not generally available to the public. A Director may obtain access to material information in relation to a public issuer before it is announced to the public. It is generally against the law in these circumstances to buy or sell securities of that issuer while in possession of undisclosed material information or to pass on, intentionally or not, material information to another person.