

UNITED ARAB EMIRATES  
MINISTRY OF CABINET AFFAIRS  
GENERAL SECRETARIAT OF THE CABINET



الإمارات العربية المتحدة  
وزارة شؤون مجلس الوزراء  
الأمانة العامة لمجلس الوزراء

# Guide to Board Governance in the UAE Federal Government 2020

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Approved by virtue of Cabinet Resolution No (2/9g) for 2020.

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## **Preface**

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The concept of governance is widely accepted as the basis for sustainability and corporate excellence. Governance is an integrated system by which authorities and organizations are managed and supervised. Governance promotes justice, transparency, integrity and the achievement of the common good. Boards are at the heart of the governance system, being the entity entrusted with implementing and supervising governance. This guide is designed to organize the work of the board overseeing entities at the federal level, in accordance with international best practices, and in line with the general direction of the state.

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## Definitions

When applying the provisions of this guide, the following words and expressions shall have the respective meanings shown against each of them, unless the context otherwise indicates:

<b>The State:</b>	The United Arab Emirates.
<b>The Government:</b>	The United Arab Emirates' government.
<b>Federal Entities:</b>	The federal entity or institution or company wholly owned by the Federal Government.
<b>Federal For-Profit Entities:</b>	The federal entities that provide public goods or services at market prices. There is a profit-making purpose explicitly stated in their establishment legislation.
<b>Federal Non-Profit Entities:</b>	The federal entities that provide public goods or services in exchange for a fee or free of charge. There is a profit-making purpose explicitly stated in their establishment legislation.
<b>Affiliate Company:</b>	A company that is 100% owned by the government, not listed in any federal financial market in the UAE.
<b>The Board:</b>	The Board of Directors of a Federal entity, regardless of its type.
<b>The Chairperson:</b>	The Chairperson of the Board of any federal entity.
<b>The Board Secretary:</b>	The Board Secretary is the Rapporteur of board meetings and is appointed - from within or outside the federal entities - by the Chairperson. The Board Secretary should possess sufficient legal experience and high efficiency to prepare boardroom files, follow-up on reports and document all board meetings.
<b>The Director General:</b>	The Director General or a holder of a similar position of the federal entity who holds the highest executive level position.
<b>Non-Executive member:</b>	A non-executive member is a member of the federal entity's Board who is not an employee of the said entity and does not receive a salary or periodic fees, except for the Board remuneration.
<b>Independent member:</b>	A non-executive board member who has no ties to the entity by a spouse, relative or direct kin to second degree to a member of any supervisory, management or administrative body of the entity, its auditor, or any of its affiliated companies, other than his/her membership in the entity's Board of Directors.
<b>Executive Management:</b>	The Director General of the federal entity or any personnel with executive responsibilities affiliated to the same federal entity.
<b>Audit and Risk Committee:</b>	A committee comprised of the non-executive board members that possess professional independence, and is formed by the Board of Directors to enhance the board's ability to carry out its duties by effective reviewing internal monitoring and control systems and assessing the effectiveness of (internal and external) audit of the federal entity's actions and cooperation with the State Audit Institution, in addition to its tasks related to ensuring the adequacy and integrity of financial reports and comprehensive review of financial statements.

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## Article (2)

### Scope of Implementation

The provisions of this guide shall apply to all federal entities and subsidiary companies, except those exempted by a resolution of the UAE Cabinet.

## Article (3)

### Board of Directors Formation and Selection of Board Members

1. All federal entities must have a Board of Directors. However, the cabinet may appoint a chair for the board only for the federal entity without having a Board of Directors, if necessary.
2. The federal entity shall be advised and supervised by a Board of Directors, whose chairperson and members are appointed by virtue of a Cabinet resolution.
3. The Chairperson serves as the legal representative of the federal entity and exercises his/her authority in accordance with the provisions stated in this guide and the rules issued in the implementation thereof, and as stipulated by the founding decree of the federal entity.
4. The board shall select a vice chairperson at its first meeting.
5. Selection of board members for federal entities shall take into consideration the need for diverse expertise and skills, to enable the Board of Directors to strategically advise and supervise the entity.
6. Selection of board members should ensure that individuals have the time and desire to serve the entity's board. They should exhibit the highest standards of ethics and integrity that qualify them to become eligible members of the federal entity's Board of Directors. Board members must exhibit independent thinking, transparency, and an ability to initiate constructive dialogue and generate ideas. They must possess the appropriate expertise and knowledge relevant to the entity with whom they are seeking board membership. This includes, but is not limited to, one or more of the following:
  - 6.1. Expertise in the entity's field of activity.
  - 6.2. Expertise in strategy, goal setting and performance indicators.
  - 6.3. both executive and advisory capacities.
  - 6.4. Adequate knowledge of government work, guidance systems and management in government entities.
  - 6.5. Leadership skills and the ability to guide others.
  - 6.6. The ability to challenge the management and discuss the established axioms and assumptions.

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## Article (4)

### Board Membership

- 1.** The board shall consist of an appropriate number of qualified members of not less than seven (7) and not more than eleven (11). Exceptions to this requirement are federal entities that have a special law stipulating otherwise.
- 2.** All Board members shall be non-executives, including at least two independent members.
- 3.** The Board of Directors shall include at least one young member under 30 years of age and one female member, to be selected among highly qualified professionals.
- 4.** Members of the board shall serve for three-year terms, renewable to a maximum of 2 terms. A member who reaches nine consecutive years of service must be justified. The Cabinet may completely reconstitute the board, add, replace, or remove members in accordance with work requirements.
- 5.** A board member shall be prohibited from serving as a member in more than three boards of federal entities, and shall not serve as chairperson in more than three federal entities, provided that he does not serve in six boards as chairperson or member, Cabinet may appoint a board member to more than three boards and a chairperson to more than three federal entities, if public interest so requires.
- 6.** Federal entities' board members and chairmen shall not serve as board members in listed companies in the State if their respective entities supervise those companies or regulate their activity.
- 7.** If a board position becomes vacant for any reason, the Cabinet shall appoint a replacement to serve the remainder of that board position's term upon the recommendation of the chairperson.
- 8.** The Board of Directors is entitled to invite any person with sufficient appropriate experience and specialization to attend its sessions, however, the vote of these persons shall not be counted when making decision or recommendation.

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## Article (5) Board Meetings

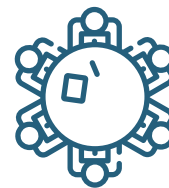
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# 6

The board shall meet at least six times a year, or whenever the need arises, at least once every two months, upon invitation from the Chairperson or, in case of his absence, his Deputy.



Board members shall agree in advance at the beginning of the year on the dates of the board and committees' meetings, to enable members to manage their obligations in an optimal way.



Meetings of the Board of Directors shall be held only if attended by more than half of the members, including the chairperson or his/her deputy, either in person or via technological means.



Board decisions shall be passed by a majority of attendees. In the event of a tie-vote, the Chairperson of the Board shall have the tie-breaking vote.



The board may, in special cases as approved by the chairperson, make decisions by consensus among board members, provided that these decisions are registered in the board meetings' minutes at the time. However, this would not be considered a board meeting.



Board members may participate in meetings using modern technology.



If a member is absent from meetings three times in a row or four separate times during the year, the chairperson shall submit a memo to the Cabinet to take the necessary action in this regard.



If remunerations are approved for board members, the value assigned to each member shall be calculated according to the number of times he attended the Board of Directors' meetings.

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## Article (6)

### Board's Work System

- 1.** The Chairperson shall invite board members to convene for a meeting at least fifteen working days prior to the meeting date.
- 2.** The Chairperson shall be responsible for preparing the board sessions' agenda, with the help of the Board Secretary.
- 3.** The agenda shall include the various items to be discussed by the board, and the proposed time to discuss each item according to Template (1).
- 4.** The Board Secretary shall prepare the meeting's file, which shall include the necessary information, reports and presentations to allow members to make the right decisions. The file should be entirely sent to board members, at least ten working days prior to the meeting date to allow them the opportunity to read, review, inquire or request more information.
- 5.** The chairperson shall be responsible for running the board's sessions in an effective manner and ensuring participation of all board members in the discussions, while ensuring proper management of the allocated time.
- 6.** The Board Secretary shall be responsible of documenting the board's work, discussions, decisions, and recommendations in the board meeting's minutes report, which will be used by the board's members in the next session. The final version shall be signed by the board's chairperson and the Board Secretary in accordance with Template (2).
- 7.** In each session, the board shall evaluate and expeditiously follow up on actions taken at previous Board meetings, and take the necessary measures to amend these decisions, if necessary.
- 8.** The board shall be responsible for evaluating the performance of the Director General General, while the chairperson shall be responsible for evaluating the board and board members' performance annually, based on a specific mechanism developed by the chairperson in cooperation with the Board Secretary and any external entity if necessary, in addition to the annual evaluation carried out by the General Secretariat of the UAE Cabinet.



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**9.** The Chairperson shall submit an annual report to the Cabinet at the end of the fiscal year as per the Template (3), including the following as a minimum:

**1**

The name of the Chairperson, his/her deputy, members, and composition of committees emanating from the board

**2**

The number of board meetings, the number of committee meetings, and a copy of meeting minutes

**3**

Any observations pertaining to non-compliance with the provisions of this decision and the measures taken to address the matter

**4**

A brief of the initiatives implemented by the board, as well as the board committees' activities

**5**

The board committees' performance evaluation results

**6**

The entity's financial performance against the approved budget

**7**

Financial and non-financial plans for the upcoming year

**8**

A report on goals attained by the board and the entity, stating the reasons for not achieving other goals

**9**

The most important risks and challenges facing the entity

**10**

Opportunities to develop and improve performance proposed by the entity

**11**

The performance evaluation report of the Director General and Board of Directors

**12**

Any important topics with potential negative or positive strategic impact on the federal government

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## Article (7)

### Board Roles and Responsibilities

The Board of Directors is the federal entity's highest authority and is responsible for achieving goals and implementing policies for which the entity was established. The Board exercises the necessary powers and authorities to achieve its objectives. Without prejudice to the federal entity's establishing decree, it is particularly in charge of the following:

- 1.** Nominate the Director General of the federal entity and submit the nomination to the competent authority of appointments.
- 2.** Propose the annual budget, strategic and executive plans, and general policies of the federal entity to be approved by the Cabinet on specified dates.
- 3.** Advise and support the Executive Management in implementing strategic and operational plans and achieving strategic objectives, while also periodically revising the set objectives and amending them if necessary.
- 4.** Verify the adequacy of internal systems and procedures necessary to achieve the entity's objectives and work regularity. This includes regulations and procedures, internal control system, and risk management, as well as the laws and regulations compliance system to which the entity is subject and those issued by the Cabinet according to the Decree on the Establishment of the federal entity.
- 5.** Propose the federal entity's organizational structure and submit it to the Cabinet, with respect to Federal Entities whose decree require the Cabinet's approval of the organizational structure.
- 6.** Approve and ensure compliance with financial and non-financial authorities matrix pertaining to the Board of Directors and executive management and approve any adjustments thereof.
- 7.** Establish relevant board committees to assist the Board of Directors in carrying out its duties. The board shall determine the competencies or tasks of these committees, their work methodology, objectives, and performance evaluation criteria.
- 8.** The Council shall be responsible for implementing and developing governance within the Federal Government entity and ensuring the accuracy of statements issued by the federal entity, especially the ones submitted to the Cabinet.
- 9.** Monitor the performance of the Executive Management using the approved performance assessment indicators. This assessment shall be included in the annual report, which is submitted to the Cabinet.
- 10.** Recommend and submit to the Cabinet the decision to dismiss or accept the resignation of the Director General, if the appointment of a Director General or a holder of a similar position falls within the competence of the Cabinet and in line with the Law on the Establishment of the federal entity.

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**11.** Submit the federal entity's final balance sheet to the Cabinet within four months of the end of the fiscal year, in accordance with applicable laws in for-profit entities, which stipulate the Cabinet's approval of the final balance sheet; or in accordance with the circular issued by the Ministry of Finance in this regard.

**12.** Contact regulatory and supervisory entities related to the entity's activities if the Board deems it necessary.

## **Article (8)**

### **Board Secretary**

The Board Secretary undertakes a vital role in ensuring the board's effectiveness and is a valuable component of the governance within the entity.

#### **8.1 General rules**

The Board Secretary shall fulfill the following minimum requirements:

- 8.1.1.** Should be from within or outside the federal entity, appointed at the sole discretion of the board chairperson. However, the federal entity's Director General may not be the board's secretary.
- 8.1.2.** Must have broad expertise in the federal entity's activity.
- 8.1.3.** Must have legal expertise and be familiar with the entity's legislative framework.
- 8.1.4.** Must have an appropriate university degree.
- 8.1.5.** The entity must continuously enroll the secretary in training programs to boost his skills and qualify him to fully carry out the tasks entrusted to him.

#### **8.2 Role of the Board Secretary**

The Board Secretary shall be in charge of performing several functions that affect the efficiency of the Board of Directors, including but not limited to the following:

- 8.2.1.** Submit a report to the Board's Chairperson, with respect to members' role in implementing the board's governance system, in accordance with the attached Template 5, hereinafter.
- 8.2.2.** Work with the board chairperson on preparing the the board's agenda and sending invitations and reminders to members at the right time.
- 8.2.3.** Prepare files for the Board of Directors to include all the necessary reports and information and send them to members on time.

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- 8.2.4.** Organize and manage the board members' and committees' disclosure reports regarding conflict of interests.
  - 8.2.5.** coordinate between board members, committees, and the Executive Management, to schedule meetings or exchange information and reports. He/She shall also provide members with information and reports they might request from the federal entity.
  - 8.2.6.** Document the meetings of the Board of Directors and its various committees and write the detailed minutes of those meetings, including the date, time and location of the board's meeting, the list of attendees (those present and absent with apologies), in addition to the discussions that took place, the reports, and the decisions taken.
  - 8.2.7.** Review details of the meeting minutes with the chairperson and then send a draft to members of the board /committee for any comments or amendments.
  - 8.2.8.** Present the previous meeting's minutes at the beginning of the meeting for approval. The board chairperson and the Board Secretary shall then sign the final copy and send a copy to the Cabinet.
  - 8.2.9.** Keep a record of the Board of Directors and committees' meetings, as well as the decisions taken.
  - 8.2.10.** Prepare a follow-up report on the Board of Directors' decisions to be presented during the next board meeting.
  - 8.2.11.** Maintain continuous coordination with the councils and committees affairs section at the General Secretariat of the Cabinet.

## Article (9)

### Board Member Independence

Board members should be independent, impartial, and neutral to ensure that decisions are not affected by personal interests or benefits.

#### **9.1 The board member shall not be deemed independent in any of the following cases:**

- 9.1.1.** If he is an employee at the federal entity or any of its affiliated company or institution during his membership on the board or during the previous two fiscal years.
- 9.1.2.** If he has a connection through marriage or direct kin to second degree with the Director General or any member of the Executive Management at the entity or any affiliated company or institution during his membership on the board.
- 9.1.3.** If there is a professional advisory relationship or direct or indirect commercial or financial benefit between the board member and the federal entity or any affiliated company or institution over the past two years.

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- 9.1.4.** If he is an employee or partner at the external audit company or a sponsor of any companies that provide other services to the federal entity or one of its subsidiary companies over the past two years.
  - 9.1.5.** If the member received a salary, financial reward, or compensation from the federal entity or one of its affiliated entities, other than the Board of Directors' remuneration over the past one or two fiscal years.

## **9.2 Conflicts of Interest and Independence Disclosures:**

- 9.2.1.** The board member shall disclose in writing any existing, potential, or questionable conflict of interest upon joining the Board of Directors, and whenever there is a change that results in a conflict of interest during his term on the board, according to Template (4).
- 9.2.2.** The board member shall disclose any event that affects or may affect his or her independence as it occurs.
- 9.2.3.** The Board Secretary shall keep a copy of the board chairperson and members' disclosures.
- 9.2.4.** The chairperson shall assess board members' independence annually or whenever a new event that may undermine their independence occurs. This assessment shall be included in the annual report that he submits to the Cabinet.

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## Article (10) Board Committees

- 1.** The Board of Directors shall form committees consisting of its members to help it better undertake its duties. As a minimum, the committees shall include:
  - An Audit and Risk Committee.
  - A Policy and Strategy Committee (where necessary).
- 2.** Board committees shall assist the Board of Directors, but do not replace it, and have no decision making power unless duly authorized to do so by the board, in which case, the board shall remain responsible for the committees' decisions.
- 3.** A committee shall be formed by virtue of the Board of Directors' decision, which determines the committee's scope of work and work mechanisms.
- 4.** The committee shall consist of at least three members. The chairperson or his deputy should not be among the members of such committees, which shall include at least one independent member and some members from outside the board.
- 5.** Article (6) of this decision shall apply to board committees' activities.
- 6.** Mandatory committees shall meet before the Board of Directors' meeting, in case they have to make presentations related to their mandate.

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## Article (11)

### Audit and Risk Committee

1. It is a mandatory committee established upon the Board of Directors decision, which also determines its authorities and responsibilities.
2. The committee shall consist of at least three members, two of whom should be board members (except the chairperson and his deputy), and one skilled expert from outside the entity.
3. The Executive Management shall not be among the committee members, but the committee chair may invite them to attend if necessary.
4. The committee shall convene at least one meeting every quarterly and submit its report and recommendations to the Board of Directors for approval.
5. The Board Secretary shall oversee the committee's secretariat and shall keep all documents in a safe place.
6. The tasks of the committee must include at least the following:
  - 6.1. Monitor the integrity of the entity's financial statements and verify their compliance with the Federal Government's accounting standards or International Financial Reporting Standards (IFRS).
  - 6.2. Review any important feedback or opinions related to the entity's financial reports.
  - 6.3. Work with the external auditor to ensure they receive the necessary cooperation from the management and that they obtain all the information they request.
  - 6.4. Ensure that the external auditor submits the annual report to the Board of Directors within three months of the end of the fiscal year, including their observations and recommendations.
  - 6.5. Verify the independence of the external auditor and evaluate their performance.
  - 6.6. Approve any additional work requested by the executive management from the external auditor and approve the corresponding financial equivalent.
  - 6.7. Submit a recommendation to the Board of Directors to renew the mandate of the external auditor or replace them and suggest auditor fees.
  - 6.8. Investigate any financial or non-financial violations reported to the committee, or that the committee was assigned to investigate and explore by the Board of Directors and report the outcomes and recommendations to the Board to take the necessary action.
  - 6.9. Conduct an annual assessment of the quality and adequacy of the internal audit system and its compatibility with international systems and standards.
  - 6.10. Conduct an annual assessment of the entity's risk management system and policy and internal control procedures and update them regularly in concert with the executive management.
  - 6.11. Any other authorities and responsibilities entrusted to it by the Board of Directors.

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## Article (12)

### Policy and Strategy Committee

1. An optional committee established whenever the need arises by virtue of a decision by the Board of Directors, which also determines its authorities and responsibilities.
2. The committee shall consist of at least three members, most of whom are non-executives, and shall include one expert on policies and strategies.
3. The executive management shall not be represented in the committee, but the committee chair may invite them to attend committee meetings if necessary.
4. The committee shall convene at least one meeting per quarter and submit its report and recommendations to the Board of Directors for approval.
5. The Board Secretary shall oversee the committee's secretariat and shall keep all documents in a safe place.
6. The committee's tasks shall include at least the following:
  - 6.1. Reviewing proposed amendments to plans, policies, procedures, and work systems before being submitted to the Board of Directors.
  - 6.2. Recommending amendments to the Board of Directors' current plans, policies, strategies and work systems.
  - 6.3. Coordinating with advisory bodies and the management regarding any reports or studies prior to presenting to the Board.
  - 6.4. Suggesting any amendments or developments in the governance system within the federal entity.
  - 6.5. Any other authorities and responsibilities entrusted to it by the Board of Directors.

## Article (13)

### Internal Audit

Internal audit is mainly designed to give the Board of Directors the necessary guarantees pertaining to the efficiency of the entity's internal audit systems, governance, and risks. As such:

1. The federal entity shall establish a relevant organizational unit in charge of internal audit that would report directly to the Audit Committee (Board of Directors) and administratively to the Director General. The compensation of the internal audit head and team are determined based on the federal entity's framework.
2. The Audit and Risk Committee shall nominate the head of the internal audit and approve the organizational structure of internal audit, which will need to be approved by the Board of Directors.



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**3.** Internal audit tasks shall be specified by virtue of a decision issued by the Board of Directors, and shall include at least the following:

- 3.1.** Verify the adequacy and efficiency of the entity's internal control and risk management systems.
- 3.2.** Verify the institution's compliance with all laws, legislations and decisions that govern and regulate its activities.
- 3.3.** Ensure that there is a complete and updated policies and procedures system that governs the entity's activities, such as financial regulations, procurement regulations, and human resources.
- 3.4.** Monitor commitment of all the federal entity's departments and employees with the approved systems, procedures, and regulations, and call for updating them as necessary.
- 3.5.** Assist all departments and employees in properly understanding the systems and regulations and advising them on how to implement them.
- 3.6.** Assurance of the adherence of the federal entity's leaders and employees to the Authority Matrix as approved by the Board of Directors.
- 3.7.** Cooperate with the external auditor and discuss any comments he may have and provide him with any information or reports he may request.
- 3.8.** Propose the internal audit annual plan to the Audit and Risk Committee for discussion and approval. This plan should focus on high-risk activities.
- 3.9.** The internal auditor shall submit a quarterly report to the Audit and Risk Committee, highlighting the key activities implemented, and issues that require the committee or Board of Directors' intervention.

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## Article (14)

### External Auditor

1. The Board of Directors may appoint one or more external auditors, based on the size of the federal entity's operations and work requirements. External auditors should be licensed by the relevant authorities in the UAE.
2. The external auditor should be independent from the federal entity and its management, in accordance with the criteria stated in Article (9) of this guide.
3. The external auditor shall audit the federal entity's accounts and financial statements in accordance with the approved accounting rules and principles. He shall submit his report to the Board of Directors within three months after the end of the fiscal year.
4. In his report, the external auditor's report must state his opinion as to the accuracy of the financial statements and how they reflect the entity's true financial position. The report should also include the auditor's recommendations to the federal entity's Board of Directors on ways to improve the entity's internal control, risk, and internal audit systems.

## Article (15)

### Whistleblowing System

The Board of Directors is responsible for ensuring the federal entity's adherence to the highest integrity and accountability standards. Therefore, the board should establish a whistleblowing system, not only for its employees, but also for customers, partners, service providers and other stakeholders dealing with the federal entity.

#### 15.1 Areas of use of the Whistleblowing System

The system covers the following areas, including but not limited to:

- 15.1.1 Crimes and criminal behavior.
- 15.1.2 Non-compliance with laws and regulations.
- 15.1.3 Dishonestly obtaining financial or in-kind benefits for oneself or someone else by deception.
- 15.1.4 Unjust treatment.
- 15.1.5 Occupational health and safety hazards.
- 15.1.6 Environmental damage.
- 15.1.7 Serious breach of internal control rules, work systems, or applicable regulations.
- 15.1.8 Manipulation or deception in the use or presentation of the entity's financial statements.
- 15.1.9 Any unethical behavior.
- 15.1.10 Hiding any information related to any of the above-mentioned topics.

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## 15.2 Whistleblowing System Usage Controls

- 15.2.1. Anyone exposed to any of the aforementioned incidents or others, must discuss it with their direct manager, and if critical, he can file a complaint directly with the Board of Directors Audit and Risk Committee through a private email or anonymous message including all necessary information to verify the complaint validity.
- 15.2.2. The Executive Management may not in any way be part of the System.
- 15.2.3. All reported complaints must be handled through the Whistleblowing System in strict and total confidentiality. The person reporting these complaints shall receive the adequate response, in line with applicable laws and legislation.

## Article (16)

### Rules of Code of Conduct for Managing Conflicts of Interest

Members of an entity's Board of Directors, leaders and employees should adhere to the highest standards of ethical and professional behavior. The Authority and all employees shall also adhere to the "Code of Ethics and Professional Conduct for Civil Service" issued by the Federal Authority for Government Human Resources (FAHR) and any subsequent documents that may be issued later in this regard.

Members of the Board of Directors of any entity shall:

1. Act fairly, in good faith and honestly, with due care and attention in all their dealings, for the benefit of the entity and its customers.
2. Work only within the scope of the duties entrusted to them.
3. Have proper understanding of the entity's business and dedicate the necessary time to conduct the duties assigned to them.
4. Maintain the confidentiality of the information they have possession of, or access to by virtue of their employment or position, and preserve the secrecy of the Board of Directors' discussions and deliberations they take part in.
5. Avoid misuse of the information obtained due to their position as members of the entity's Board of Directors.
6. Not take advantage of their position as board members to gain special benefits for them or others.
7. Avoid all travels at the entity's expense without prior approval from the Board of Directors and without an additional budget.
8. Stay informed and maintain sufficient and adequate knowledge of the entity's work and performance to be able to make informed decisions.
9. Be independent in all aspects of decisions and actions and take all appropriate measures to ensure the integrity of his decisions.

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- 10.** Not agree to carry out any actions that may result in significant risks, losses or damages to the entity, its employees, or others.
  - 11.** Treat their colleagues and co-workers fairly and respectfully.
  - 12.** Not accept any gifts from the entity's management intended to them or anyone associated with them.
  - 13.** Shall not accept gifts from customers of the federal entity. If they are compelled to accept certain gifts from stakeholders, they must immediately inform the Chairperson of the Board and submit the received gift to the federal entity's management.
  - 14.** Shall disclose to the Board of Directors any possible conflict of interest.

## **Article (17)**

### **Disclosure and Transparency**

- 1.** The federal entity's Board of Directors shall adopt its own disclosure and transparency system and potential amendments. This includes disclosure policies for stakeholders and partners, such as employees, customers, business partners and other entities that has any business with the federal entity.
- 2.** For federal entities that regulate or supervise listed companies, members of the Board of Directors and executive management should disclose their shares in such companies, register those disclosures and any amendments thereof within the Board meeting minutes, while complying to the regulations and decisions issued by the Securities and Commodities Authority, with respect to those shares and relevant transactions.
- 3.** The Cabinet may request a quarterly or semi-annual report, if it deems it necessary.

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## Article (18)

### Introducing the Entity and Board Members' Professional Development



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The Chairperson must ensure that new Board members receive a comprehensive briefing to introduce the federal entity within one month from the notification of the decision to the entity.



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The introductory briefing shall include an overview of the entity, its specialization, its strategy, its activities, most important stakeholders, the challenges and risks, as well as the different laws and legislation that govern it and its governance system.



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The introductory briefing shall include field visits to strategic work destinations and sites, as well as meetings with the executive management.



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The Chairperson should ensure that board members undergo the appropriate professional development programs, especially in the fields of governance, strategy and financial analysis.



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Information pertaining to the board's professional development shall be included in the entity's annual report, which is ultimately submitted to the Cabinet.

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## Article (19)

### Remuneration to the Chairperson and Board Members

The Chairperson and members of the Board shall receive an annual remuneration to be determined by a Cabinet decision.

## Article (20)

### Approved Forms

The Boards of Directors shall adhere to using the list of templates attached hereinafter:



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Meeting Agenda  
Template.



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Minutes of Meeting  
Template.



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Annual Report Template.



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Disclosure Template to  
establish independence of  
the board member.



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Member's role report  
template to establish the role  
of the member in implement-  
ing the boardroom gover-  
nance system.

## Article (21)

### Final Provisions

Any text or provision that is contrary to the provisions of this guide shall be repealed, boards shall be compelled to implement the provisions stipulated herein.

## Template (1) Board Meeting Agenda

Key Data	Adoption of previous recommendations / decisions	Topics for Discussion	Reports to Showcase
Organization		Confidentiality level	
Meeting No.		Meeting Date	
Meeting Date		Meeting Venue	

Key Data	Adoption of previous recommendations / decisions	Topics for Discussion	Reports to Showcase
Adoption of previous meeting recommendations			
No.	Recommendations		
1			
2			
3			

Key Data	Adoption of previous recommendations / decisions	Topics for Discussion	Reports to Showcase
Topics for Discussion			
No.	Timing	Topic	Speaker
1			
2			
3			

Key Data	Adoption of previous recommendations / decisions	Topics for Discussion	Reports to Showcase
No.	Timing	Topic	Speaker
1			
2			
3			

## Template (2) Meeting Minutes

Key Data	Member's Data	Topics Agenda	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
Entity Name			Meeting Time		From: To:	
Meeting Number			Meeting Date			
Presiding chairperson			Meeting Venue			
Confidentiality Level	Normal - Confidential		Meeting Secretary			

Key Data	Member's Data	Topics Agenda	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
<b>Board Members Meeting Attendees</b>						
No.	Name	Job Position	Entity	Attendance	Absentees	Reason for Absence
1						
2						
3						
4						
5						
6						
<b>Non-Board Members Meeting Attendees</b>						
No.	Name	Job Position	Entity			
1						
2						
3						



Key Data	Member's Data	Topics Agenda	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
No.	Topic		Discussions			
1						
2						
3						

Key Data	Member's Data	Topics Agend	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
No.	Topic		Speaker			
1						
2						

Key Data	Member's Data	Topics Agend	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
No.	Speaker		Topic			
1						
2						

Key Data	Member's Data	Topics Agend	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
No.	Recommendations/Decisions		Implementing Entity			
1						
2						

Key Data	Member's Data	Topics Agend	Reports to Showcase	New Tasks	Recommendations /Decisions	Approval
A copy was sent to all members and approval has been attained on all items thereof						
No.	Board of Directors Secretary		Board of Directors' Chairperson			
Name						
Signature						
Date						

## Template (3) Annual Report

Part 1 – Board of Directors				
Member Data	Held Meetings	Initiatives/ Projects	Decisions/ Recommendations	Risks/Challenges
No.	Name	Position	Membership Status	Entity
1				
2				
3				
4				
5				
6				

Member Data	Held Meetings	Initiatives/ Projects	Decisions/ Recommendations	Risks/Challenges
No.	Meeting Date	Meeting Venue	Members Attendance Rate	periodic/ Noncyclic meeting
1				
2				
3				
4				
5				
6				

Copies of Meeting minutes shall be attached

Member Data	Held Meetings	Initiatives/ Projects	Decisions/ Recommendations	Risks/Challenges
Outlines projects, initiatives and activities undertaken by the Board of Directors throughout the year				
No.	Project/Initiative	Completion Rate %	Associated Competence	Reason for non- completion
1				
2				
3				

Member Data	Held Meetings	Initiatives/ Projects	Decisions/ Recommendations	Risks/Challenges
Outlines decisions, recommendations, achievements, and other activities undertaken by the Board of Directors throughout the year				
No.	Decision/ Recommendation	Completion Rate %	Associated Competence	Reason for non-completion
1				
2				
3				

Member Data	Held Meetings	Initiatives/ Projects	Decisions/ Recommendations	Risks/Challenges	
No.	Risk/ Challenge	Classification (High-Medium-Low)	Action Taken	Subsequent Action	Status (In Progress / Executed)
1					
2					
3					

### Part 2 – Board Committees

List of Committees	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
A report shall be prepared per committee, based on the number of established committees					
No.	Committee			Establishment Date	
1					
2					
3					
Copies of the establishment decision shall be attached					

List of Committees	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
Committee Name					
Date of Establishment					
Number of Members					
Number of Meetings Held					
Committee Chair					
Committee Specialization					

List of Committees	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
No.	Name		Membership Status		
1					
2					
3					

List of Committees	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
Outlines the tasks and specializations of the committee, the number of assigned tasks completed, and other information related to the committee's activities					
No.	Tasks/Specializations	Completion Rate %	Associated Specialization		
1					
2					
3					

List of Committee	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
No.	Meeting Date	Meeting Venue	Members Attendance Rate	Periodic/Noncyclic Meeting	
1					
2					
3					

Copies of Meeting Minutes shall be attached

List of Committees	Committee Data	Member's Data	Tasks and Specializations	Held Meetings	Decisions/ Recommendations
Outlines the committee's decisions and recommendations of the committee, the number of assigned tasks completed, and other information related to the committee's activities					
No.	Decisions/ Recommendations		Completion Rate %	Associated Specialization	
1					
2					
3					

## Template (4)

### Disclosure Template to establish independence of the board member

Member Disclosure	Current Positions and Jobs	Previous Positions and Jobs	Conflict of Interests
Disclosure of independence of nominated members to ..... Board of Directors			
I, the undersigned, Mr./Mrs. ...., hereby declare that:			
1	I have no ties to any employee at the above-mentioned entity's executive management or any of its affiliated companies by a spouse, relative or direct kinship to the second degree, and no such relationship existed during the past three years.		
2	There is no professional advisory relationship or direct or indirect commercial or financial benefit between me and the above-mentioned entity or any of its affiliated companies .		
3	I am not an employee or partner at the external audit company or former external auditors of the above-mentioned entity or any of its affiliated companies for the past two years.		

Member Disclosure	Current Positions and Jobs	Previous Positions and Jobs	Conflict of Interests
No.	Job Position	Entity	Date of Enrollment/ Appointment
1			
2			
3			

Member Disclosure	Current Positions and Jobs	Previous Positions and Jobs	Conflict of Interests
No.	Job Position	Entity	Date of Enrollment/ Appointment
1			
2			
3			

Member Disclosure	Current Positions and Jobs	Previous Positions and Jobs	Conflict of Interests
<p>A Conflict of Interest (COI) is a situation in which the personal, material or moral interest of the relevant parties might adversely overlap and affect the interests of the company / institution / entity, when a person exploits their position or official character for personal gain or benefit.</p>			
<p>Board Members are required to disclose actual or potential conflicts of interests (if any)</p>			
1			
2			
3			
<p>Member Signature</p>			
Signature			
Date			

## Template (5)

### Member's role report template to establish the role of the member in implementing the boardroom governance system

Key data	Criteria	Observations/Recommendations	Approval
Entity Name		Membership Date	
Member Name		Report Date	
Board of Directors Secretary		Timeline	

Key data	Criteria	Observations/Recommendations										Approval	
No	Criteria	Level (10 being the highest level)											
		1	2	3	4	5	6	7	8	9	10		
1	Attends board meetings regularly and on time												
2	Pitches in ideas and information that serve the board's interests												
3	Works collectively with the rest of the board members to achieve the entity's objectives												
4	Complies with the disclosure and transparency system and updates his disclosure in case of any change												
5	Provides a prior notification in case of absence												
6	Takes part and attends in board committee meetings, events and occasions in general												



No	Criteria	Level (10 being the highest level)									
		1	2	3	4	5	6	7	8	9	10
7	Uses his own social media to support the board's objectives										
8	Adheres to professional codes of conduct and avoids conflict of interests										
<b>Final Grade</b>		<b>0</b>									

Key data	Criteria	Observations/Recommendations	Approval
<b>Key observations about the member and the board chairperson recommendations (to be filled by the Board of Directors Secretary and approved by the chairperson)</b>			
1			
2			
3			
4			
5			

Key data	Criteria	Observations/Recommendations	Approval
<b>Board of Directors Chairperson</b>			
<b>Name</b>			
<b>Signature</b>			
<b>Date</b>			

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General Secretariat of the Cabinet  
United Arab Emirates