



البنك السعودي للاستثمار  
The Saudi Investment Bank

# Corporate Governance Manual

Prepared by Owner

Approved by Board of Directors

December 2021

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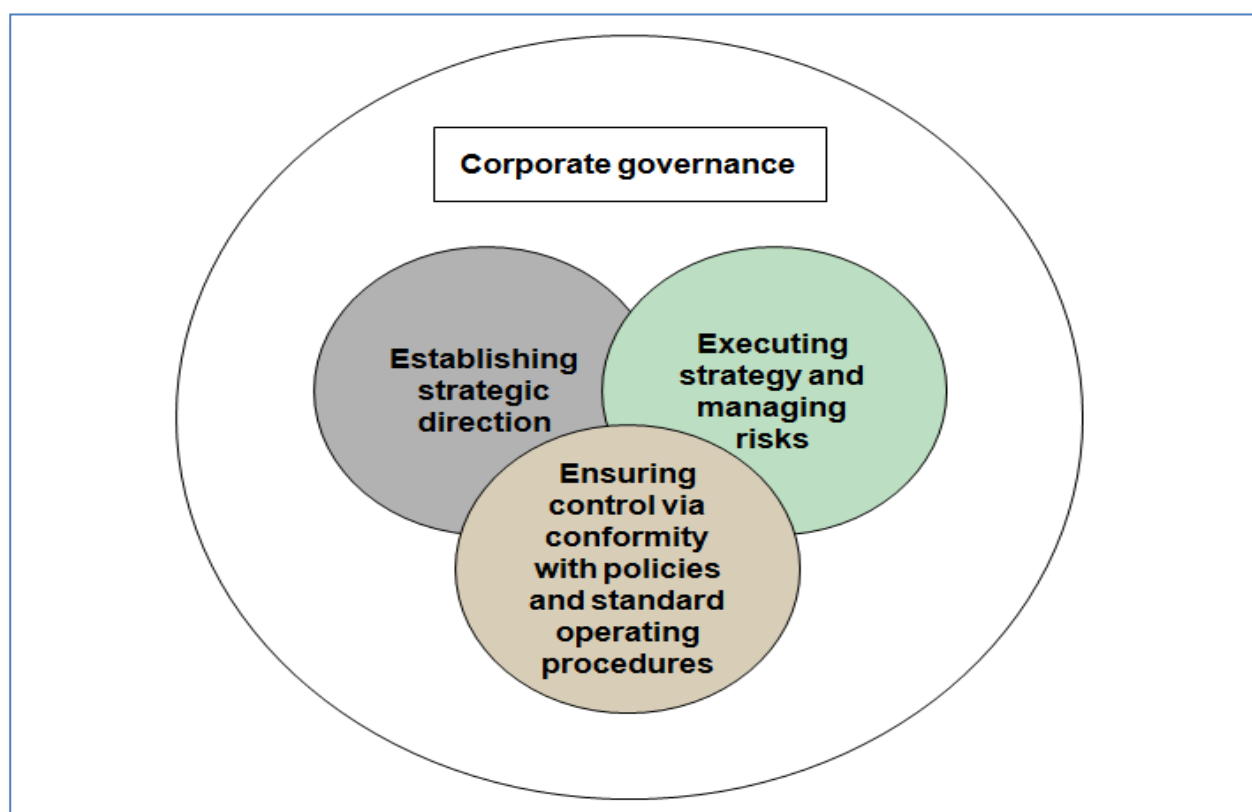
## 1. INTRODUCTION

### 1.1 Scoping of Corporate Governance

#### 1.1.1. What corporate governance is

Corporate governance is the system of rules, practices and processes by which a bank is directed and controlled. Corporate governance essentially involves fair treatment and balancing the interests of the many stakeholders in a bank - these include its shareholders, management, employees, customers, suppliers, financiers, the government (including regulatory entities such as SAMA, CMA, and MoC, etc.) and the community.

#### Exhibit A: Corporate governance in brief



#### 1.1.2. Why corporate governance is important

Sound corporate governance practices can help improve the performance of the bank in multiple ways:

- 1.1.2.1 **Improvement in performance and profitability:** Governance often leads to improved performance. Effectively it increases the Board's and Executive Management's ability to make optimal decisions that can drive an increase in revenue and a reduction in costs.
- 1.1.2.2 **Mitigation in risk of failure:** When executed effectively, governance can prevent corporate scandals, fraud or any civil and criminal liability of the bank. It also enhances a bank's reputation in the market as a self-policing bank that is responsible and worthy of investor capital.

- 1.1.2.3 Protection of minority shareholders:** Sound governance practices ensure that rights of minority shareholders are protected, particularly the right to seek information, voice an opinion and vote in general assembly meetings.

### 1.1.3. Principles of governance at The Saudi Investment Bank

**Control environment** – the internal control mechanics, driven by the Board's responsibilities toward stakeholders, supported by guidelines documented in simple and accessible policies, procedures, and authorities that guide actions and govern practices

**Risk management** – the framework, independent function, and associated processes to effectively identify, monitor and to control the impact of material and emerging risks facing the bank in its operating landscape, and with its stakeholders

**Transparency and Disclosure** – the timely and accurate flow of information impacting the Bank to internal and external stakeholders including employees, regulators, and investors

**Commitment and follow-up** – the commitment to the tenets of a strong Governance culture across the Bank through continuous monitoring, evaluation and follow-up to maintain effectiveness and to identify opportunities for improvements

**Code of Conduct and Ethics** – the commitment of implementing the values and ethical principles on professional conduct is enforced throughout the organization as set out in Code of Conduct and Ethics Policy.

**Stakeholders Rights** – the commitment to ensure protection and implementation of necessary shareholder rights as well as the rights of other stakeholders is imposed as set out in the Stakeholders Management Policy.

**Conflict of Interest** – the commitment to segregate duties and implementation of appropriate controls to minimize the risk of potential conflicts of interest which might impact the Bank or its operations are maintained within the Bank.

**Social Responsibility** – the Bank recognizes the importance of Social contribution and is committed to put in place Social programs.

### 1.1.4 Regulatory Guidelines:

Regulatory Documents	Authority
Key Principles of Governance In Financial Institutions	SAMA
Requirements for Appointments to Senior Positions in Financial Institutions Supervised by SAMA	SAMA
Guidelines for Banks for Organizing Audit Committees	SAMA
SAMA Rules on Compensation Practices	SAMA
Rules on the Offer of Securities and Continuing Obligations	CMA
Corporate Governance Regulations	CMA
Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies	CMA
Listing Rules	Tadawul
Companies Law	MOC
Saudi Investment Bank Bylaws	SAIB General Assembly

## 1.2 Scoping the Corporate Governance Manual ("The manual")

### **1.2.1. Purpose of the manual**

The purpose of the Governance Manual is to institutionalize clear, robust and effective Governance as the foundations for The Saudi Investment Bank's future market leadership, continued profitability and long-term stability.

Specifically, it includes a comprehensive and detailed record of the Bank's Governance framework, the Board and Executive Management governance structures, as well as the key policies, guidelines and control functions at the Bank.

In addition, the appendices include all of the charters for the Bank's Board committees, and the Saudi Investment Banks' authority' matrix.

### **1.2.2. Custodianship of the manual**

In respect of Corporate Governance affairs, the Chief Governance Officer, overseen by the Board Corporate Governance Committee, is responsible for ensuring that the governance manual is up-to-date

The Chief Governance Officer shall maintain a repository which shall contain the corporate governance manual its appendices and associated control documents including the bank's authorities' matrix

This repository and the associated documents shall be accessible to the bank's employees through the intranet. The repository shall also include links to the full set of the bank's policies and procedures

### **1.2.3. Revisions and amendments to the manual**

The Chief Governance Officer shall be responsible for reviewing the contents of the corporate governance manual on an ongoing basis and shall recommend updating it as necessary

The Chief Governance Officer shall conduct a full review every two years at least under the supervision of the Board Corporate Governance Committee

## **2. GOVERNANCE FRAMEWORK AT THE SAUDI INVESTMENT BANK**

### **2.1 Saudi and Global Regulatory References**

This manual is in complete conformity with the SAMA and CMA guidelines for governance and must be kept as such at all times. Additionally, the manual reflects in spirit and specifics the principles for enhancing corporate governance as published in the latest guidelines by the Basel Committee on Banking Supervision. Should there be any contradiction between the contents of this manual and its appendices on one hand and any of regulations stipulated in the charters and principles issued by the regulatory entities on the other hand, then the latter shall prevail

The General Manager of Corporate Governance is accountable for ensuring that the necessary updates are consistently introduced to maintain absolute conformity with SAMA, CMA and Basel guidelines

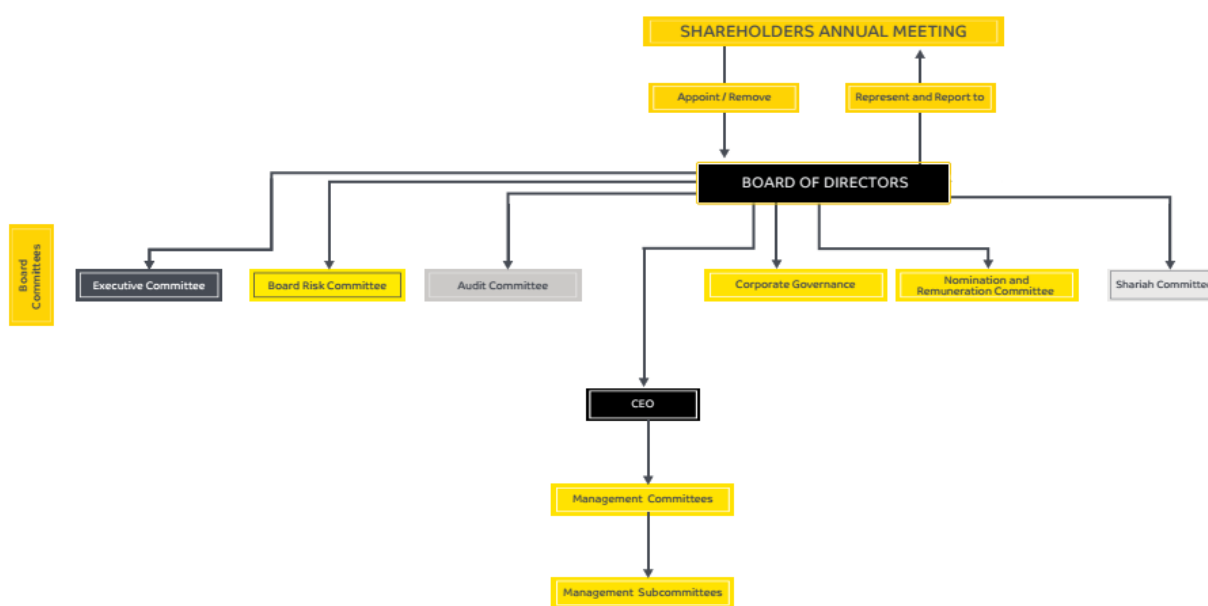
### **2.2 Committees' Structure and Reporting Lines**

The Saudi Investment Bank corporate governance framework is based on six Board Committees', Management Committees, and Management Sub-Committees. This governance structure is underpinned by a series of governance enablers which constitute the core to ensuring the required clarity and discipline of good corporate governance: corporate values,

organization structure design, policies and procedures, the bank's authorities' matrix and effective internal and external communication.

Other than the Board Committees, the CEO may, at his discretion, establish and cancel Management and Sub-Management Committees to oversee and to provide guidance and direction to key businesses, processes or functions. Committees' charters are developed by the respective Management and Sub-Management Committee as recommended by the Committee Chairman, with the approval of Governance Group and CEO. In the case of Board Committees, the charter is developed by the relevant Board Committee as initiated by the Committee Secretary and approved by the Board of Directors or General Assembly as the case may be. Charters are developed to provide guidance by defining applicable limits, parameters, standards and reporting to be complied with and in line with the Bank's strategic direction.

### Exhibit B: The Saudi Investment Bank committees' structure and reporting lines



## 2.3 Governance Oversight Responsibility

Corporate governance oversight ultimately is the responsibility of the Board of Directors which shall exercise its oversight through the Board Corporate Governance Committee. At the executive level, the Chief Governance Officer shall be in charge of ensuring daily abidance by the sound practices stated in this manual and of periodically reporting progress and breaches to the Board's Corporate Governance Committee.

## 3. BOARD GOVERNANCE MODEL

### 3.1 Board of Directors

The ultimate responsibility for The Saudi Investment Bank shall rest with the Board of Directors (Board). Members of the Board are responsible for the overall promotion and safeguarding of SAIB's interests. In doing so, the Board shall be in charge of upholding the highest standards of

corporate governance across the bank; including its departments and subsidiaries (business associates).

### **3.1.1. Guiding Governance principles for the Board of Directors**

- 3.1.1.1** The Board plays a key role in approving the vision, purpose and strategies of the Bank. It is accountable to the organization's shareholders as a whole and must act in the best interests of the Bank.
- 3.1.1.2** The Board sets the cultural and ethical tone for the Bank
- 3.1.1.3** All Directors should exercise independent judgment and provide independent oversight of management
- 3.1.1.4** The Board comprises an appropriate number of Directors with a minimum of 9 members and a maximum of 11 members; who have the relevant and diverse range of skills, expertise, experience and background and who are able to effectively understand the issues arising in the Bank's business. The Chairman of the Board should be a non-executive member or preferably independent according to best practices.
- 3.1.1.5** The Board ensures that the Bank has an appropriate system of risk oversight and internal controls put in place.
- 3.1.1.6** Directors act diligently on an appropriately informed basis and have access to accurate, relevant and timely information.
- 3.1.1.7** The Board is responsible for the appointment of the CEO and the continuing evaluation of his performance.
- 3.1.1.8** The Board ensures that the Bank communicates with shareholders and other stakeholders in a regular and timely manner, to the extent that the Board thinks is in the best interests of the Bank, so that they have sufficient information to make appropriately informed decisions regarding the organization.
- 3.1.1.9** An executive member (if any) shall provide full information to the Board when requested.
- 3.1.1.10** The Board shall, at the beginning of each year, set a specific schedule for receiving reports from committees and internal and external auditors, and shall ensure that the mechanism for drafting, collecting, and submitting reports is appropriate and consistent with the approved internal policy, including submitting the same to the Board at the due times.
- 3.1.1.11** If a member resigns and he has comments on the performance of the bank, he shall submit a written statement to the Chairman of the Board. Said statement shall be presented to the rest of the members, and a copy thereof shall be furnished to the Central Bank.
- 3.1.1.12** Ensure that significant and major topics are included in the Board meeting agenda;



### **3.1.2. Service on other Boards and in executive positions at other corporations**

- 3.1.2.1** Board members shall at all times keep the Chairman of the Board and the Chairman of the Board Corporate Governance Committee informed about all participation on other Boards outside the bank and about executive positions they hold in other corporations.
- 3.1.2.2** No Board member of The Saudi Investment Bank shall serve on the Board of another Saudi bank licensed and incorporated in the Kingdom of Saudi Arabia, , , or on the Board of more than five listed companies at any given time including SAIB.
- 3.1.2.3** All Board members must consult with the Chairman of the Board and the Chairman of the Board Corporate Governance Committee before accepting a position on an outside Board.
- 3.1.2.4** In the case of an external Board membership, the Bank must ensure the disclosure of the names of any joint stock company or companies in which any Board of Director member of the Bank also acts as a member of its Board of Directors.
- 3.1.2.5** The Chairman of the Board will annually inform the Board of all outside Board memberships accepted by any of the bank's Board members or any of the bank's senior managers (CEO and CEO direct reports).
- 3.1.2.6** The membership of Board members who are on the Boards of other joint stock companies must be stated in The Saudi Investment Banks annual report.

### **3.1.3. Board members' confidentiality principles**

One important aspect of the fiduciary duties of a Board member is the responsibility to protect and hold confidential all non-public information obtained in the role of a Board member. Therefore:

- 3.1.3.1** No Board member shall use any confidential information for his or her own personal benefit or to benefit any person or entity inside and/or outside the bank; and
- 3.1.3.2** Should a Board member, during the course of their service obtain access to confidential information, the Board member shall not disclose this information to any person or entity inside and outside the bank, either during or after his or her service as a Board member of the bank, except after granted prior written approval from the Chairman of the Board.

### **3.1.4. Composition**

- 3.1.4.1** The Saudi Investment Bank's Board shall comprise of a minimum nine members and shall be appointed by the General Assembly for a term of three Gregorian calendar years after receiving a no-objection letter from SAMA on all members.

- 3.1.4.2** Board members should collectively have a range of experience, background, and knowledge as outlined below in section 3.1.5.
- 3.1.4.3** Board members must be of high reputation, competence and integrity with an ability to oversee, follow up and direct the bank to achieve its strategic goals. In addition, Board members shall remain qualified through regular participation in training on relevant topics.
- 3.1.4.4** The Board member qualifications and expertise shall be stated and kept up to date in the succession planning registry for Board members, which is adopted by the Nomination and Remuneration committee. The Nomination and Remuneration Committee is responsible for ensuring that the Board members are continuously suitably qualified to fulfill their roles effectively.
- 3.1.4.5** At least three of the Board members shall be independent.
- 3.1.4.6** The Board must inform SAMA and the CMA about the independence impairment of any of its independent members within 5 days of the impairment
- 3.1.4.7** No more than two members can be executives of the bank
- 3.1.4.8** A judicial person, who is entitled under the Bank's Bylaws to appoint representatives to the Board of Directors, is not entitled to a nomination vote of other members of the Board of Directors.
- 3.1.4.9** The Board must choose a Non-Executive Director as Chairman of the Board, and also the Board must select a Non-Executive Director as Vice-Chairman. This selection, or removal, shall be conducted by a simple vote of Board members.
- 3.1.4.10** The Board is responsible for ensuring at any given time that its composition is in conformity with the SAMA's key principles of governance, the CMA's corporate governance and International standards.
- 3.1.4.11** The Board must also ensure that the curriculum vitae of all Board members are appropriately disclosed to the public as per these guidelines and principles.
- 3.1.4.12** It is prohibited to conjoin the position of the Chairman of the Board of Directors with any other executive position in the Bank, such as the Chief Executive Officer.

### **3.1.5. Collective skill-set guidelines**

- 3.1.5.1** The Board should be composed of members who collectively have the right skills, expertise and experience to ensure proper oversight and management of the bank at all times, have clear understanding of their roles, and have the ability to make decisions impartially and objectively without any external influence whether from inside or outside the bank. The required collective skills should have a mix of professional, practical and managerial skills, financial experience, high reputation and competence,

integrity and ability to oversee, follow up and direct the bank to achieve its strategic goals. **Banking:** At least three to four members of the Board should have strong banking skills and experience as follows:

- Preferably a banking experience of over 15 years domestically or internationally
- Been previously a bank Board member, or bank CEO, or bank senior level executive (Direct CEO report)
- At least one member should have strong risk management and cybersecurity expertise
- At least one member should have strong IT expertise

**3.1.5.2 Commercial:** Three to four members of the Board should have strong commercial skills and experience as follows:

- Extensive commercial experience and network within the Saudi market
- Collective experience should cover key Saudi economic sectors (i.e., oil and gas, construction, real estate, wholesale trade and retail trade)

**3.1.5.3 Regulatory:** One to two members of the Board should have strong regulatory skills and experience as follows:

- Ten to fifteen years of banking regulatory experience or,
- Previously experienced Central Bank regulatory senior or senior banking executive with deep regulatory focus

**3.1.5.4 Audit/Governance:** One to two members of the Board should have strong Audit/Governance skills and experience as follows:

- Over 15 years of audit, compliance or governance related experience
- Previously a Partner at a Big 4 accounting firm, or as an executive with senior audit, compliance or governance role

Other relevant skills that Board members must possess include (but are not limited to):

- Capital Markets
- Financial stability issues
- Strategic planning
- Compensation
- Corporate Governance

The Board may choose to appoint external, non-voting permanent or temporary experts to participate in its meetings or within its committees as a means to complement and reinforce its collective skill-set, in case of gaps in any of the above required skills.

- 3.1.5.5 Leadership:** leadership skills that enable him to delegate powers in order to promote performance, to apply best practices in effective management, and to disseminate professional values and ethics.
- 3.1.5.6 Guidance:** technical and administrative capabilities, speed in making decisions, understanding of the technical requirements related to workflow, ability to provide strategic orientation, long-term planning, and a clear future vision.
- 3.1.5.7 Financial Literacy:** the skills to read and understand financial statements and reports and the ratios used to assess performance.
- 3.1.5.8 Physical Fitness:** be in best of health condition which enables exercising the duties and competencies effectively.
- 3.1.5.9 A member shall have the following qualities:**
- **Truthfulness:** an honest professional relationship with the bank, and shall disclose thereto any relevant information before conducting any transaction or entering into a contract with the bank or with any of its affiliates.
  - **Loyalty:** avoid transactions that may entail a conflict of interest, and shall ensure the fairness of dealings and their conduct for the benefit of the bank and stakeholders.
  - **Care:** perform the duties and responsibilities effectively, and shall be keen to provide all the information that would ensure that the decisions made are in the interest of the bank. In order to achieve the foregoing, shall undertake the following responsibilities:
  - Attend Board meetings regularly, and not be absent without a justifiable excuse, and prepare for such meetings and effectively participate therein, including raising relevant questions and holding discussions with senior executives;
  - Make decisions on the basis of complete information and in good faith. A member shall not be relieved of responsibility if abstains from voting without clarifying their opinion on the decision in question;
  - Develop the knowledge of the bank's activities and other related areas;

### 3.1.6. Fit and proper criteria

All members of the Board and its committees must fit the regulators' guidelines for fit and proper. The Saudi Investment Bank has translated these guidelines into specific criteria of which the application shall be an ongoing process and shall be in effect throughout the term of the Board.

- 3.1.6.1 Honesty, Integrity and Reputation:** The following criteria are relevant to the assessment of honesty, integrity and reputation, but they do not represent an exhaustive list of criteria. The Board shall exercise good judgment in its assessment of individuals beyond these criteria.

A Board member must not:

- Be or have been prohibited from operating in any jurisdiction by any regulatory authority in Saudi Arabia or abroad
- Be or have been censured, disciplined or suspended from membership by any Saudi or foreign regulator
- Be or have been convicted of any offence by a Saudi or foreign court
- Have confessed liability for fraud or misrepresentation under any law in any Saudi or foreign jurisdiction
- Have contravened or abetted another person in breach of any Saudi or foreign laws or regulations, business rules or codes of conduct
- Have demonstrated an unwillingness to comply with any Saudi or foreign regulatory requirement or to uphold any professional and ethical standards
- Have been untruthful or provided false or misleading information to Saudi or foreign regulators or been incompliant with any dealings with Saudi or foreign regulators

**3.1.6.2 Competence & capability:** The following criteria are relevant to the assessment of competence and capability, but they do not represent an exhaustive list of criteria. The Board shall exercise good judgment in its assessment of individuals beyond these criteria.

Nonetheless, a Board member must possess the following attributes:

- Have satisfactory past performance or expertise. Expertise and skill-set requirements are listed in section 3.1.5 of this manual
- Have no factor that could impair his ability to discharge his duties
- Have satisfactory educational qualification or practical experience

**3.1.6.3 Financial soundness:** The following criteria are relevant to the assessment of financial soundness, but they do not represent an exhaustive list of criteria. The Board shall exercise good judgment in its assessment of individuals beyond these criteria.

A Board member must:

- Have never been unable to fulfill any of his financial obligations
- Have not entered into a legal settlement or scheme of arrangement with his creditors
- Not be or have not been involved in a bankruptcy petition
- Not be subject to a judgment debt which is unsatisfied

A Board member shall be considered resigned if any of the above four conditions are met.

**3.1.6.4 Autonomy – Ability to act independently of external influence:** The following criteria are relevant to the assessment of a member's autonomy, but they do not represent an exhaustive list of criteria. The Board shall exercise good judgment in its assessment of individuals beyond these criteria.

A Board member must:

- Have the necessary independence to perform the responsibilities and duties
- Not have business interests, financial interests, employment obligations, or any other situations which might give direct or indirect rise to conflict of interest or which could in any way impair the person's independence and ability to perform the duties
- The nominees for the Board's membership must disclose any of the above mentioned incidents in the nomination form prepared by the Bank

### **3.1.7. Individual Board member responsibilities**

**3.1.7.1 Diligence:** Members of the Board of Directors must ensure diligence in conducting their directorship role.

#### **3.1.7.1.1 Attendance of Board and Committee meetings:**

- Board members must attend meetings regularly and may do so by technological means to be updated on the latest business developments and shall only be absent with an acceptable reason to be reported to the Chairman of the Board in advance
- Board members must participate meaningfully by leveraging their expertise and background knowledge to serve the Bank's interests
- In the event that a member fails to attend three meetings per year without a valid reason, another member shall be appointed to replace his membership.

#### **3.1.7.1.2 Request and review meeting materials:**

- The Bank's Board Secretary shall provide Board members with information, documents and data needed to stay informed of bank's condition
- The Bank's Board Secretary shall also provide Board members with the Board's meeting's agenda and appendices at least 10 days prior to the meeting for them to review the documents and to adequately prepare for meeting

#### **3.1.7.1.3 Ask questions and seek explanations of problems:**

- Board members must constructively challenge management to address problems
- Board members must request information especially for exceptions from Board policies

#### **3.1.7.1.4 Understand audit and supervisory communication:**

- Board members must review significant communications from the bank's auditors and regulators and ensure deeper understanding of important issues

#### **3.1.7.1.5 Obtain external help:**

- When necessary, Board members must obtain expert assistance, through the use of external attorneys, consultants, accountants, appraisers and investigators

**3.1.7.2 Loyalty to The Saudi Investment Bank:** Members of the Board of directors must prioritize the bank's interests and reputation at all times

#### **3.1.7.2.1 Concept of fair dealing**

- Board members must ensure fair arm's length in business dealings between
  - their own business and their personal relationships and the bank
  - the bank's relationship with other Board members

#### **3.1.7.2.2 Conflict of interest & inside information**

- Board members must structure personal and business dealings with the Bank to comply with legal requirements.
- The directors and senior executives of the Bank and any person related to them may not deal in any securities of the Bank during the following periods:
  - During the 15 calendar days preceding the end of the financial quarter and until the date of the announcement and publication of the interim results of the Bank.
  - During the 30 calendar days preceding the end of the financial year and until the date of the announcement of the Bank's annual results.
  - Or any other prohibition period imposed by the respective regulatory bodies.

- Must comply with the Conflict of Interest Policy.

#### **3.1.7.2.3 Insider laws and regulations**

- Board members must strictly adhere to insider regulations, charters and policies. Violation may lead to reputational risks.

#### **3.1.7.2.4 Exemplary conduct:**

- Board members must ensure that their conduct & behavior is guided by independence, objectivity, candor, good faith, diligence and integrity.

#### **3.1.7.2.5 Duty of loyalty**

- Board members must place the interest of the bank and its shareholders above their own self-interest or the interests of any other person.

### **3.1.8. Collective Board role, responsibilities and authority**

The bank shall have an effective Board to direct its activities, safeguard its interests, and develop its values. The Board shall bear responsibility for its businesses, the ultimate responsibility for the success, soundness and solvency of the bank, and is accountable for protecting depositors' and shareholders' funds, even if it delegates its authorities to committees, agencies, or individuals to exercise some of its powers. In all cases, the Board may not issue a general or indefinite delegation.

The main responsibilities of the Board members are:

#### **3.1.8.1 Strategy responsibilities:**

- Constructively challenge and contribute to the development of strategy.
- Approve and monitor the implementation of the business strategy of the Bank, taking into account the Bank's long-term financial interests, its exposure to risks, and its ability to manage risks effectively.

#### **3.1.8.2 Risk responsibilities (including Compliance & AML) :**

- Approve and oversee the implementation of the Bank's overall risk strategy, including, but not limited to:
  - Its risk tolerance and appetite.
  - The policies for risk.
  - The risk management and compliance.
  - The internal controls system.
  - The corporate governance framework.



- Principles and corporate values (including a code of conduct or comparable documents).
  - The bank's compensation system (specifically ensuring it doesn't incentivize disproportionate risk-taking).
  - Alignment with the Bank's short and long term strategy.
- Ensure the independence of internal and external auditors; and ensure compliance with the requirements of disclosure and transparency with regards to reports and financial information.
  - Ensure that a policy to identify, measure and manage related-party exposures is in place.
  - Ensure that the bank is operating with integrity and in compliance with applicable laws , regulations and internal policies.
  - Ensure that the bank is following all applicable regulations in terms with combating money laundering and the financing of terrorism (AML/CFT)

#### **3.1.8.3 Performance management responsibilities:**

- Monitor and oversee bank's managers performance and risks, including subsidiaries and Business Associates.
- Ensure that financial information is accurate and that financial controls and systems of risk management are robust and defensible.
- Develop a corporate social responsibility program and oversee its implementation.
- Oversee the development and maintenance of a business continuity plan at all times.

#### **3.1.8.4 Organizational responsibilities:**

- Approve the organizational and functional structures of the bank that clarify the role, powers, and responsibility of the various positions within the executive management, including the CEO.
- Appoint and remove:
  - The Chief Executive Officer (CEO).
  - The Deputy Chief Executive Officer (Deputy CEO).

The Board Nomination and Remuneration Committee approve the appointments, remuneration and removal of the following positions:

- Executive managers (primarily those who report directly to the CEO).
- Ensure succession planning for all critical positions including the CEO, and those who report to the CEO. The Board must work directly with The Nomination and Remuneration Committee as well as with the Human Resources Department to achieve this.
- Determine the appropriate level of remuneration across the bank and approve the bank's compensation system, including the annual performance bonus. The remuneration system must be consistent with the bank's culture, its long-term business and risk strategy, its performance, as well as with any legal or regulatory requirements and it must not encourage excessive risk taking.

The Board Audit Committee shall:

- Recommend to the Nomination and Remuneration Committee the appointment of the Chief Internal Auditor.
- Recommend to the Nomination and Remuneration Committee remuneration of the Chief Internal Auditor.

The Board has the authority to decide on the delegation of authority to Board committees and to the management of the bank as it deems fit.

### **3.1.9. Meetings, quorum and decision mechanisms**

**3.1.9.1** The number of Board meetings shall be at least in accordance with local laws and regulations, and shall be scheduled at the beginning of each year.

**3.1.9.2** Additional or extraordinary meetings can be convened upon the request of the Chairman or two or more Board members.

**3.1.9.3** The agenda and information packs for the Board meetings shall be sent out, at a minimum, 10 days in advance. For extraordinary meetings, the agenda and information pack will be sent out as soon as it is feasible and complete.

**3.1.9.4** The meetings of the Board can take place either face-to-face, by teleconference or by videoconference. The Board may, when urgent or necessary, adopt resolutions by submitting them to members separately by circulation outside of a meeting. Any resolutions so adopted shall be submitted to the Board at the first subsequent meeting for acknowledgment and inclusion in the meeting's minutes.

**3.1.9.5** A Board meeting quorum is considered valid if all the following conditions are met:

- At least 5 Directors attend either in person or through representation by a Board member by means of a written notice.
- The Chairman or Vice Chairman of the Board is present in the meeting.

A Board member shall not represent more than one member in attending the same meeting.

Board decisions shall be adopted by a simple majority of the votes of attending and represented members.

When votes are equally divided, the side on which the vote of the Chairman of the Board (or Vice Chairman in the Chairman's absence) lies shall prevail.

### **3.1.10. Internal Board management**

#### **3.1.10.1 Nomination and election of Board members**

The Board, with inputs and recommendations by the Nomination and Remuneration committee, shall approve nominees for Board membership,

and present the shortlist at the General Assembly, to vote for Board members.

### **3.1.10.2 Election term, re-election and mandatory retirement**

**3.1.10.2.1** The General Assembly shall appoint the members of the Board of Directors in accordance with the Policies, Standards, and Procedures for Board Membership approved by the General Assembly.

**3.1.10.2.2** The Board membership term is 3 years, and the preference is for not more than 12 consecutive years as per SAMA's key principles of banks' governance

**3.1.10.2.3** Unless otherwise provided for in the Bylaws of the Bank, members of the Board may be reappointed.

**3.1.10.2.4** All executive, non-executive and independent directors, wishing to get re-elected, shall be required to submit themselves for re-election every three years.

**3.1.10.2.5** Reappointment should not be automatic, but the result of a conscious decision of the Bank's shareholders in the General Assembly.

**3.1.10.2.6** Regulators shall be notified of all Board member appointments within the legal terms stipulated in regulations and instructions.

**3.1.10.2.7** The Board must consider – if made possible by the available Board members' range of expertise – rotating the membership for its key committees especially for the Audit Committee and the Nomination and Remuneration Committee. Members of these Board committees are typically considered for rotation after two terms.

**3.1.10.2.8** The Bylaws of the Bank specify the manner in which membership of the Board of Directors terminates in Article 19 thereof. At all times, the General Assembly may dismiss all or any of the members of the Board of Directors even if the Bylaws provide otherwise.

### **3.1.10.3 Induction for new members of Board**

**3.1.10.3.1** Members of the Board shall receive appropriate induction that explains the mission, strategic objectives and activities of the bank, and training upon appointment

**3.1.10.3.2** The Board must ensure the development and continuous updating of an induction program to the new members on the Bank's business in particular, the financial, risk and legal aspects.

**3.1.10.3.3** All Board members shall get a copy of the Bank's corporate governance manual, its appendices, and major policies such as the code of conduct, the conflict of interests' policy, disclosure and transparency principles, governance charter issued by the CMA and SAMA's key principles of banks' governance.

**3.1.10.3.4** The new member shall also get a policy manual and sample for evaluating the Board, its committees and the members

**3.1.10.3.5** Each Board member shall be asked to sign a statement that he/she understands and acknowledges his/her duties and responsibilities

#### **3.1.10.4 Continuing education and training**

**3.1.10.4.1** Members of the Board shall participate in ongoing Board training programs.

**3.1.10.4.2** The Nominations and Remuneration committee shall oversee the development of this program

**3.1.10.4.3** The program shall include training seminars on relevant topics (e.g., Risk, Basel III, AML & Compliance requirements), business briefings on emerging banking and commercial trends and bulletins on new regulations/ corporate governance requirements

#### **3.1.10.5 Board evaluation:**

**3.1.10.5.1** The Board, Board Committees and Committee members' effectiveness shall be evaluated as per the Board and Committees' Evaluation Policy.

**3.1.10.5.2** The Board Nominations and Remuneration committee shall be responsible for conducting the evaluation, report its findings to the Chairman of the Board and then recommend a plan to address identified areas of improvement. The performance evaluation process shall be circulated to all members upon their joining the Board

**3.1.10.5.3** The Board, through the Board Nominations and Remuneration committee, shall also ensure that each Board committee conducts a regular self-evaluation of its performance and the performance of its members

**3.1.10.5.4** The Board shall conduct an annual evaluation of the extent of independence of the independent member, and shall ensure that there are no relationships or circumstances that affect or may affect his independence; the member shall also inform the Board in the event that circumstances affecting his independence may arise.

### **3.1.10.6 Board members' Compensation**

Compensation to Board members shall be in accordance with the SAMA regulations on Board members' compensation

Other local regulations, including those from the Ministry of Commerce that define guidelines for Board member compensation must also be considered

The compensation of the Audit Committee external members (Non-Board members), hired as external experts, shall be determined by the General Assembly, as for other external non-board members shall be determined by the Board and shall be comparable to market rates to ensure an adequate expert caliber is attracted

The Bank must ensure that Board members' remuneration details, as well as the mechanism used to calculate it, be made public as per regulatory requirements

### **3.1.10.7 Board Secretary**

The Board Secretary is appointed by the Board, and shall perform the responsibilities as per the directives of the Chairman of the Board, and is tasked with the role to support the Chairman in ensuring the smooth functioning of the Board. The responsibilities of the Board Secretary are to:

**3.1.10.7.1** Assist the Chairman of the Board in the logistics of the Board and Board committee meetings.

**3.1.10.7.2** Ensure meeting agenda and the information pack – in its entirety – is sent at least 10 days in advance of meeting date.

**3.1.10.7.3** Maintain detailed meeting and decision records of the Board with the necessary archiving Meeting minutes must include all discussions and votes made during the meetings, including objections or abstention from voting.

**3.1.10.7.4** Distribute to concerned parties the final minutes of the Board meetings no later than 15 working days from the meeting date.

**3.1.10.7.5** Act as authorized channel of communication and coordination with the related department to notify the executive management of all decisions of the Board.

**3.1.10.7.6** Ensure follow up on the Board decisions and ensure its implementation by the executive management

**3.1.10.7.7** Ensure regulatory compliance of Board affairs

**3.1.10.7.8** Retaining the reports submitted to the Board and the reports prepared by it.

### **3.1.11. Disclosure and transparency rules**

The Board should ensure the release of information as highlighted in the requirements of SAMA and the CMA in a timely manner.

Through ensuring adherence to the Transparency & Disclosure Policy, The Saudi Investment Bank's Board should demonstrate its commitment to achieving the highest standards with regards to disclosure, and by acting in accordance with the spirit, intention and purposes of the applicable regulatory requirements, and by looking beyond form to substance. The Disclosure Policy should at all times reflect relevant obligations under applicable SAMA guidelines, CMA listing rules and legislation.

For disclosure purposes, price-sensitive information is information that a reasonable person would expect to have a material effect on the price or value of The Saudi Investment Bank's securities. The Board has the ultimate responsibility for reviewing proposed disclosures and in making decisions in relation to what information can be, or should be, disclosed to the market.

### **3.1.12. Retaining of Documents**

SAIB shall retain all minutes, documents, reports and other papers required to be maintained in the Bank's head office for at least ten years as per these Regulations. This shall include the Board report and audit committee report. Without prejudice to this period, a Bank's, in case of any lawsuit (filed or threatened to be filed) or ongoing claim or any investigation relating to those minutes, documents, reports and other papers, shall maintain them until the end of the ongoing lawsuit, claim or investigation.

## **3.2 Board Committees**

Complying with Saudi regulators and Basel guidelines, the Board has established the following Six Board committees:

- Board Executive Committee
- Board Risk Committee
- Board Audit Committee
- Board Nomination and Remuneration committee
- Board Corporate Governance Committee
- Sharia Committee

### **3.2.1. Executive Committee**

The primary purpose of the committee shall be to oversee The Saudi Investment Bank's business strategy and its execution.

The committee shall be responsible for the reviewing, monitoring and approving key financial and non-financial business, investment and operational decisions for the bank within the authority defined by the Board.

### **3.2.2. Risk Committee**

The purpose of the Board Risk Committee is to advise the Board regarding current and future plans and strategies for the bank's risk management, and provide oversight on the execution of such plans and strategies

The committee is responsible for assisting the Board in all activities and resolutions related to risk management, such as assisting the Board in the effective discharge of its responsibilities for business, market, credit, equity, financial, operational, liquidity and reputational risk management

### **3.2.3. Audit Committee**

The primary purpose of the Audit Committee of the Board is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control including IT system control, the internal and external audit process

The Committee shall also assist the Board of Directors through the Management Compliance Committee to monitor compliance with laws, regulations and the code of conduct

### **3.2.4. Nomination and Remunerations Committee**

The primary purpose of the committee shall be to provide recommendations to the Board for new Board members and members of senior management; co-lead the assessment of Board effectiveness; and oversee the bank's personnel or human resource and remuneration policies.

The committee shall oversee the compensation system's design and operation, and ensures that compensation is appropriate and consistent with the bank's culture, long-term business and risk strategy, performance and control environment, as well as with any legal or regulatory requirements

### **3.2.5. Corporate Governance Committee**

The purpose of the Board Corporate Governance Committee is to enhance and maintain best-in-class corporate governance practices by ensuring, on behalf of the Board, that these practices are implemented across all activities undertaken by the bank

In addition, the committee has the responsibility of ensuring that the bank is compliant with Saudi and relevant international corporate governance regulations at all times.

### **3.2.6 Sharia Committee**

The purpose of the committee is providing Sharia opinions on submitted applications and related contracts and forms.

The committee is also responsible for ensuring the bank is in compliance with Sharia principles. In addition, the Sharia committee should deal with any Sharia related enquiries from the bank and its customers.

## **4. MANAGEMENT GOVERNANCE MODEL**

### **4.1 Management Committees**

The Bank has formed a number of management and sub-management Committees to assist the Executive Management in executing its responsibilities regarding the day-to-day management of the Bank. These Committees provide forums for expertise, challenge and decision making within the authority granted by the Bank authority matrix. These Committees also act as a day-to-day check and balance to ensure power and authority within the Bank is adequately distributed and to ensure a robust decision making process.

The detailed composition, roles, responsibilities and authorities of each management and sub-management committee are as contained in their respective charters.

The Board, and the Bank's CEO may establish other committees and or groups designed to assist in oversight and decision making from time to time. Where these committees have official authority in respect of the business and operations of the Bank.

## 5. SEPARATION OF RESPONSIBILITIES

### 5.1 Separation of Board and Management

Board and management complement each other's responsibilities but do not interfere in one another's. Board interference in executive responsibilities contradicts sound governance practices and must be avoided.

*Board responsibilities are driven by two main responsibilities:*

1. **Set direction:** Engage constructively with management in setting the direction for the business and approve the strategic direction of the business
2. **Provide oversight:** Monitor the performance of the bank across all functions through robust review mechanisms

The comprehensive list of Board responsibilities are outlined in the Banks's Bylaws, SAMA key principals of Governance and CMA regulations.

In contrast;

*Management responsibilities are driven by the following two responsibilities:*

1. **Execute:** Develop policies, procedures and frameworks to enable execution of the strategy approved by Board. Implement all initiatives and deliver results within guidelines approved by Board
2. **Report back to Board:** Report to the Board on the bank's performance across all functions and highlight key risks. Recommend plans to address bank's shortcomings across all aspects

### 5.2 Separation of Chairman and CEO

There shall be a clear division of responsibilities between the roles of Chairman of the Board and the CEO to ensure effective separation of the roles of the Board on one hand and the management on the other hand

In this respect there are two overarching governance roles:



- The oversight of The Saudi Investment Bank and its activities by the Board versus
- The day-to-day management of the bank and its activities by the CEO and by the senior management team that reports to the CEO

The **Chairman of the Board** is responsible for:

- Leading the Board
- Overseeing the Bank's strategy and management
- Overseeing that effective external relations are in place (including with stakeholders such as shareholders, creditors, financial agencies, etc....)
- Overseeing the implementation of corporate governance standards.
- Chair the Board and supervise the effectiveness of its workflow, and perform his duty effectively.
- Ensure that all Board members have timely access to complete, clear and correct information.
- Represent the Bank before third parties in accordance with the provisions of the relevant laws, regulations, and instructions, as well as the provisions of the Bank's bylaws.
- Encourage effective participation between the Board and the executive management.
- Oversee the drafting of the Board meeting agenda, taking into account any point raised by a Board member or auditor, and consult with the members upon preparing the meeting agenda.

The Chairman, together with the CEO, is co-responsible for the Bank with regards to its local regulator – SAMA, the CMA -, and to the government

The **Chief Executive Officer (CEO)**:

- Shall exercise control and supervision over the business affairs and management of the Bank, subject to the general authority delegated by the Board and the Executive Committee, up to any limits they determine.
- Shall be responsible to the Board for the implementation of the regulations, policies, and decisions of the Board and the Executive Committee and shall furnish such reports to the Board as may be requested by the Board
- Must hold at least one meeting every year with the Nomination and Remuneration Committee in order to discuss the names of potential candidates for his succession at the top position of the Bank's management hierarchy. The Nomination and Remuneration Committee should then meet separately and independently to discuss the candidates presented by the Chief Executive Officer
- Shall keep at all times records of written and other confidential procedures for the facilitation of taking over the Chief Executive Officer's responsibilities, in case he is incapacitated or if he suddenly leaves his position. The takeover procedures shall also include the replacement of future Chief Executive Officers. The Chief Executive Officer shall revise these procedures regularly with the Nomination and Remuneration Committee.

- Shall submit to the Nomination and Remuneration Committee a strategy for the replacement and succession of the Chief Executive Officer

The CEO, together with the Chairman, is co-responsible for the Bank with regards to its local regulator –SAMA and the CMA, and to the government

### **5.3 Communication Procedure between Board Members and Management**

Practical behaviors must balance the Board members' knowledge and accountability and management's operational autonomy

The guiding principle is that Board members have no individual power to tell staff what to do, including the CEO. The power comes from the collective nature of the Board as a whole, not individual member

Direct communication between Board members and management outside of Board or committee meetings must always be through the Secretary of the Board. A Board member wishing to engage individually with any member of the management team must inform the Board Secretary, who will then get the CEO's consent prior to contact/meeting

The Board member must inform the Board Secretary of the meeting date, who will then inform the CEO, and the CEO can elect to participate in the discussion

Individual, direct engagement of Board members with managers should be with the sole purpose to understand the business and/or the manager's capabilities and assess those, not to decide and direct

The CEO must raise deviations from the above principles with the Chairman who is in charge of realigning behavior with sound practice

Employees wishing to contact the Board of Directors must refer to the Board Secretary.

### **5.4 Separation of CEO and the Rest of the Management Team**

The Saudi Investment Bank believes that the ability of a CEO to manage efficiently and effectively is highly dependent on his/her ability to maximize the value added contribution of his/her management team. His success is to a great extent measured not by what he/she as an individual is able to produce but by what his/her management team produces, collectively

Clear separation of duties and proper segregation of responsibility are keynote to allowing the CEO to dedicate time for carrying out his/her value adding functions which are: planning, organizing, directing, controlling and coordinating

The CEO shall ensure the engagement of the senior management team in the overall steering of the bank through active and effective engagement and strict implementation of the delegation of authority policy and matrix.

### **5.5 Delegation of Authorities**

The organizational structure of the bank shall determine the competencies and the distribution of tasks between the Board and the executive management as per the best governance practices, improve the efficiency of decision-making, and achieve balance between powers and authorities. In order to achieve this, the Board:

- Develops and approve the internal policies related to the bank’s business; this shall include defining the tasks, competencies and responsibilities assigned to the various organizational levels.
- Approves a written and detailed Delegation of Authority Policy and matrix that defines the powers delegated to the executive management, provided that it includes an account of each power, its method of implementation, and delegation period; it may request the executive management to submit periodic reports on its exercise of the delegated powers.
- Ensures the bank's business and operations must be conducted and managed through a system of delegated authorities
- Ensures the management and employees will be delegated the authority that they need to perform their responsibilities effectively
- Ensures the bank shall store a comprehensive record of the delegated authorities in a single repository – the delegation of Authorities (DoA) matrix
- Acknowledges that delegating an authority to a subordinate does not relieve the higher authority levels of their accountability for the authorities vested in them
- Has delegated the Management personnel the **right** to exercise the authority that is attached to their position and have an **obligation** to do so in a judicious manner and in the best interests of the bank

## 6. BANK OVERSIGHT OVER BUSINESS PARTNERS

### 6.1 Business Partners Overview

The Bank’s equity investments in Subsidiaries and Associates are considered to be strategic investments with a long term investment horizon. The objective is to develop strong partnership models with investee companies with an aim to deliver strong returns on investment and a robust cross-selling/referral framework to enhance the profitability of the entire Group. The Bank aims for investment in companies with complementary financial products and services and ability to generate substantial value creation and cash flow over time.

### 6.2 Operational Separation as per Regulation

The Saudi Investment Bank's oversight of its associates shall at all times respect the domestic regulation on separation of operations between the parent and its subsidiary. In this respect, no direct managerial reporting line shall exist between the subsidiaries and the bank.

### 6.3 Business Partners Oversight Levers

Recognizing the importance of subsidiaries and associates oversight, The Saudi Investment Bank has a dedicated Business Partners Department within the Governance Group responsible for maintaining an effective oversight of the partner companies and promoting cross-selling efforts. SAIB’s Investment Policy guideline for Subsidiaries and Associates as well as Business Partners Policies and Procedures Manual guide the parent-subsidiary relationship.

Primarily, the Saudi Investment Bank shall exercise adequate oversight over its subsidiaries and associates as per the Investment Policy guideline for Subsidiaries and Associates. DIRECTION SETTING AND CONTROL LEVERS

## **7. DIRECTION SETTING LEVERS**

### **7.1 Strategy**

The Saudi Investment Bank shall put a multi-year strategy in place. This strategy is essential to having common understanding of the current state of the business, where it is heading and what resources the bank needs to deploy, to achieve its vision. Having a strategy enables clarity, focus and direction. It also allows alignment of efforts by all internal stakeholders to achieve the long term goals. The Board shall ensure that the bank has a valid and approved strategy at all times. The Board also has the responsibility to ensure that management is aligned to the strategy and that it executes the strategy as approved.

### **7.2 Planning and Budgeting**

Management shall put in place an annual profit and capital plan. The Annual Profit and Capital Plan (the Plan) is the foundation of the consolidated operational planning for the coming year for The Saudi Investment Bank (the Bank) and its consolidated subsidiaries. The purpose of the Plan is to set forth the consolidated financial objectives of the Bank for the Plan year, to generate a consolidated projected profit and balance sheet performance for the Plan year, and to provide the basis on which to evaluate the individual profit and balance sheet performance for individual business units, support units, and subsidiaries of the Bank for the Plan year.

The Plan is initiated by the Bank's Chief Financial Officer (the CFO) after consultation with the Chief Executive Officer (CEO). The Plan process generally begins in June of each year. The Plan is the responsibility of the Financial Planning and Control Unit (FPC) of the Bank.

### **7.3 Control levers**

#### **7.3.1. Governance**

The Saudi Investment Bank shall put in place the function of Chief Governance Officer who would act as the executive arm of the Board Corporate Governance Committee at management level

The Chief Governance Officer shall be in charge of ensuring that the bank continuously follows sound corporate governance practices.

The Chief Governance Officer is to be the custodian of the corporate governance manual, the delegation of authority, all policies & procedures and the conflict of interest registry

The Corporate Governance Officer shall be in charge of the Governance function and shall report to the Board Corporate Governance Committee on governance matters. The Chief Governance Officer shall report to the CEO and Corporate Governance Committee.

#### **7.3.2. Internal Audit**

The Saudi Investment Bank views Internal Audit as an agent for continually enhancing the bank's governance, risk management and controls. The Audit Committee shall ensure that the audit function is always adequately staffed with the right caliber and number of resources to conduct its responsibilities effectively.

Internal Audit is managed by the Chief Internal Auditor (CIA) whose appointment shall be approved by the Nomination and Remuneration as delegated by the Board based on the Audited Committee recommendation. The Chief Internal Auditor shall be responsible, among other things, of sharing all reports with the Audit Committee, and the CEO.

### **7.3.3. Compliance**

The Compliance Group shall be responsible for combatting money laundering, the financing of illegal activities, and the risk of market abuse, including compliance with all relevant regulatory directives as imposed by regulators (such as SAMA and CMA), and shall take any action designed to ensure integrity of the Bank towards its customers and markets. In that respect, the Compliance function shall help the management to identify, evaluate such regulatory risks and to mount an adequate response to such risks.

Compliance shall be managed by the Chief Compliance Officer who shall report to the CEO and the Board Audit Committee.

### **7.3.4. Risk Management**

The Saudi Investment Bank's Risk department shall be responsible for the identification and management of risks across all bank's activities. This shall include the areas of credit risk, market risk, liquidity risk, operational risk, and reputational risk.

Risk shall be managed by the Chief Risk Officer who shall report to the CEO and the Board Risk Committee.

### **7.3.5. Cybersecurity**

The commitment to safeguarding the personal and confidential information of customers and employees is crucial to the success of The Saudi Investment Bank. Where the bank collects, maintains and uses data, they must protect that data to the fullest extent possible by maintaining high standards of data and technology security.

Cybersecurity is governed by the Cybersecurity Policy

### **7.3.6. IT Governance**

The confidentiality, integrity and availability of information are essential for the Saudi Investment Bank to maintain its competitive edge, cash-flow, profitability, legal compliance and commercial image. This makes it necessary for the Bank to continuously define, document, communicate, implement and audit information systems' security

### **7.3.7. Internal communication**

The main goal of internal communication shall be to strengthen the organizational culture and level of commitment of bank employees. Specifically, internal communication shall also be responsible, together with the Chief Governance Officer, for raising awareness around and instilling the bank values and Corporate Governance principles

### **7.3.8. Shareholder communication**

The Saudi Investment Bank shall provide adequate and accurate information to its shareholders. The bank shall enable its shareholders to make informed decisions about their investment in the bank

In order for the market to have an understanding of the business operations and performance, the bank shall aim to provide shareholders with access to quality information, at minimum in the form of:

- Interim and final results
- Annual reports

- Shareholder newsletters
- General Assembly meetings

The bank shall ensure the availability of an extensive investor relations section on its website which includes all publishable information which concern investors, including a notification on the dates of planned General Assembly meetings

All other price sensitive information will be released to the CMA in a timely manner; and shall be published on the bank's website, and where necessary, on sources for the public to read

The Saudi Investment Bank will also provide shareholders with a comprehensive outline of the bank's corporate governance approach and the ongoing activities designed to enhance governance

## 8. Appendix

### 8.1 Appendix I: Board Committee Charters

These general provisions are valid for all Board Committees:

#### Formation and composition:

- The Board may establish Board Committees which assist it in performing its responsibilities
- The Chairman of the Committee and Committee members shall be selected by the Board
- Committee terms and membership shall be limited to a period of three years, unless otherwise stated in the respective committee charter
- Committee terms and memberships shall be renewable by the Board up to two additional terms
- Each Committee shall have a nominated Secretary approved by the Committee's members
- The Secretary shall be the authorized channel of communication of all Committee decisions

#### Meetings:

- All the annual meetings of the Committees shall be scheduled at the beginning of each year
- The meetings' agenda shall be determined by the Chairman of the Committee, and shall be provided via the Secretary of the Committee, to Committee members 10 business days in advance with the accompanying documents for the meeting. In exceptional cases, the Chairman can decide to have the agenda and/or the accompanying documents forwarded within a shorter period of time. Meetings may be held without notice if all of the members waive notice
- The Committee may conduct meetings through video or teleconferencing or by circulation, provided that meeting in person is the normal standard
- The quorum for the meeting is the majority of its members, unless otherwise specified in the committee charter

- Board Committee members may not delegate to another Board member to attend Committee meetings and vote.
- The Committees must act upon their authorities as stipulated in the Charters or as delegated by the Board of Directors.
- The decision-making process is through consensus and when there is no consensus; decisions shall be reached by a simple majority decision by a voting process. If there is a voting deadlock, the Chairman or the acting Chairman shall have the casting vote
- Minutes shall be approved by the Committee, within 10 business days from the meeting and included in the papers for the following Board meeting.. Once the Secretary has received the approval of two Committee members (apart from the Chairman), the minutes are deemed to be final
- Board Committee members shall receive attendance allowance against each Committee meeting
- Committee members who are not Board directors shall be paid competitive market rates
- All expenses incurred by members to attend Board Committee meetings shall be reimbursed

#### Performance:

- The Committee Chairman shall report to the Board on its proceedings after each meeting
- The Committee shall, once a year, review its own performance, constitution and terms of reference to ensure it is operating effectively and report to the Nominations and Remuneration Committee. The results of the evaluation of the Nominations and Remuneration Committee shall be reported to the Board
- Any member of a Board Committee may be removed and replaced at any time by the Board, and shall automatically cease to be a member when the member ceases to be a Director