



البنك السعودي للاستثمار  
The Saudi Investment Bank

**Board of Directors Conduct and Ethics Code**



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## **The Saudi Investment Bank - Board of Directors Conduct and Ethics Code**

### **Introduction**

SAIB has been successful in achieving its strategic goals since its establishment in 1976. To enhance and support the continued growth, the Board of Directors of SAIB ('the Board') has adopted this Directors Code of Conduct ('the Code'). The purpose of the Code is to establish the rules governing the business and ethical conduct for members of the Board of Directors (Director) of the Saudi Investment Bank (SAIB).

SAIB strives to conduct its business ethically and in accordance with relevant rules, legislation and regulations within the Kingdom of Saudi Arabia. This Code reflects a commitment to the Bank's core values of Integrity, Build and Empower and provides a framework to guide Director's conduct in a way that upholds the integrity and reputation of the Bank.

### **Compliance with applicable laws**

Each Director shall comply with all applicable laws, rules and regulations of the Kingdom of Saudi Arabia and to appropriately report any possible violations.

### **Duty to act honestly, with due care and with loyalty**

- A Director owes a fiduciary duty to SAIB, including a duty of honesty, a duty of loyalty and a duty of care and needs be diligent in discharging his duties as a Director of SAIB. Each Director must be professionally honest and should disclose any relevant information before executing any transaction or contract with the bank and its subsidiaries.
- A Director has a responsibility to ensure that SAIB remains in a sound financial and operational condition and properly managed so as to protect and enhance the interests of SAIB and its shareholders over the time.
- A Director shall ensure that the Board considers the interests of key stakeholders through timely, effective and unbiased communications with such persons where appropriate.



- In situations where obligations to various stakeholders may preclude a Director from taking an independent position on an issue, he should disclose the position to the Board who will determine whether or not he should take part in the Board's consideration of the issue.
- A Director will conduct himself with truth, honesty, loyalty and paying attention to the Bank's interests.
- A Director needs to accept collective responsibility and implement the decisions of the Board as a loyal member of the Board.
- A Director is responsible to continually develop his knowledge, skills and expertise in order to regard himself as adequately equipped to perform his duties as a Director of SAIB.

### **Attendance**

Each Director should devote sufficient time and effort in maintaining a strong understanding and awareness of issues affecting SAIB and to endeavor to attend all scheduled Board of Directors meetings.

### **Conflicts of interests**

Directors should avoid conflicts of interest between themselves and SAIB. A "conflict of interest" exists when a Director's private interest interferes or reasonably appears to interfere with the interests of SAIB. Conflicts of interest arise when a Director, or a member of his or her family, receives improper personal benefits as a result of the Director's position as a member of the Board. They may also arise when a Director takes actions or has interests that may make it difficult to carry out his or her duties to SAIB objectively and effectively.

A Director should avoid any activity at SAIB or elsewhere which creates or appears to create a conflict between a Director's own interests and the interests of SAIB.

A Director who becomes aware of an actual or potential conflict of interest must:



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- timely bring the conflict of interest matter to the attention of the Chairman of the Board, and
- abstain from any and all involvement in that matter, including excusing himself from participating in any debate or voting on the matter or attending the relevant meetings associated with the matter.

### **Bank facilities**

A Director, his immediate family or a related party are not prevented from having banking facilities with SAIB, including loans, provided that the banking facilities should not exceed the limits stipulated by the SAMA Principles of Corporate Governance for Banks operating in Saudi Arabia.

### **Employment of immediate family members at SAIB**

Immediate family members of a Director may be employed by SAIB provided that the:

- Director is not involved in the decision to employ the individual at SAIB;
- Director is not involved in any decisions concerning the individual's remuneration, promotion or career progression; and
- Director is not directly supported by that individual as he discharges his duties as a Director of SAIB.
- Director does not receive any benefit for a decision to be taken by such employee doing his normal course of duties.

### **Gifts, benefits, business courtesy and hospitality**

The receipt of gifts, benefits or entertainment could create a conflict of interest or the reasonable appearance of a conflict of interest in certain circumstances. In addition, the giving of some gifts may be inappropriate in a business setting. No Director in his or her capacity as a representative of SAIB may solicit, offer or give anything that is or may present the appearance of inappropriate conduct or a conflict of interest.



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### **Confidentiality**

In carrying out their responsibilities to SAIB, Directors often learn about confidential or proprietary information pertaining to SAIB, its suppliers and others who do business with SAIB. Directors must maintain the confidentiality of all such information entrusted to them, except when disclosure is authorized or legally mandated.

Confidential information is to be used exclusively for SAIB's business purposes and never for the personal use or benefit of a Director or a third party or in order to compete with SAIB.

No Director may be a Director of more than one Bank in the Kingdom of Saudi Arabia.

### **Insider trading**

A Director may, from time to time, have access to material, nonpublic information concerning SAIB, its customers or suppliers, or other companies.

A Director must not buy, sell, recommend or otherwise trade in SAIB securities, either personally or on behalf of others, while in possession of material, nonpublic information relating to such security, or communicate or disclose, in any manner, material, nonpublic information to others in violation of a duty to keep such information confidential.

### **Fair, Accurate and timely reporting and disclosures**

No Director shall knowingly and deliberately conceal or omit information:

- required by any regulatory or supervisory body in accordance with the laws and regulations of the Kingdom of Saudi Arabia
- from any document to be released to the SAIB's shareholders (including the annual report and accounts).

A Director shall fully co-operate with regulators and supervisory bodies in accordance with the laws and regulations of the Kingdom of Saudi Arabia.

### **Observance of this Code**

A Director is expected to honor this Code. If a Director is in any doubt about the application of this Code, he should immediately seek advice.

This Code shall be reviewed and updated from time to time by the Board.