



البنك السعودي للاستثمار  
The Saudi Investment Bank

**Board Corporate Governance  
Sub-Committee Charter**

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## **1. Introduction**

### **1.1 Charter Purpose**

The purpose of this charter is to provide guidance to effectively operate and manage the Board Corporate Governance Sub-Committee of The Saudi Investment Bank

### **1.2 SAIB documents for use in tandem**

- SAIB Governance Manual
- Board Nomination and Remuneration Committee Charter
- Board Audit Committee Charter
- Board Assessment Policy
- Board Performance Evaluation form
- Executive Committee Evaluation form
- Risk Committee Evaluation form
- Audit Committee Evaluation form
- Board Nomination and Remuneration Committee Evaluation form
- Individual Director Evaluation form – Board of Directors
- Individual Director Evaluation form – Executive Committee
- Individual Director Evaluation form – Audit Committee
- Individual Director Evaluation form – Risk Committee
- Individual Director Evaluation form – Nomination and Remuneration Committee
- Board Member Succession Policy

### **1.3 Regulatory Documents for Reference**

- SAMA Corporate Governance Guidelines
- Basel Corporate Governance Guidelines
- CMA Corporate Governance Regulations

### **1.4 Ownership and Amendments**

This charter is owned by the Governance function which shall be responsible for updating it in co-ordination with the General Manager – Corporate Governance, and the Board Corporate Governance Sub-Committee

## 2. Charter Body

### 2.1 Committee Introduction

- 2.1.1 The purpose of the Board Corporate Governance Sub-Committee (referred hereinafter ‘The Committee, Committee or Sub-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
- 2.1.2 In addition, the committee has the responsibility of ensuring that the bank is compliant with Saudi and international regulations at all times

### 2.2 Composition

#### 2.2.1 Requirements

- 2.2.1.1 The Board of Directors shall appoint the Board Corporate Governance Sub-Committee members for a period of three years and appoint replacements when positions become vacant or add new members if required
- 2.2.1.2 The Board Governance Sub-Committee shall be composed of at least three members including three Board members, two of whom must be independent
- 2.2.1.3 The Committee must also contain one expert member who is specialized in governance and control related topics
- 2.2.1.4 The Chairman of the Committee may not be the Chairman of the Board of Directors

#### 2.2.2 Members

- 2.2.2.1 The Board Corporate Governance Sub-Committee comprises of the following members:
1. Independent Board Member
  2. Independent Board Member

3. Board Member

4. Management Member (*secretary*)

### 2.2.3 Chairman, Vice Chairman and Secretary

2.2.3.1 The Chairman of the Committee will be:

- Selected by the Board of Directors

2.2.3.2 The Vice Chairman of the Committee will be:

- In the absence of the Chairman, his designee becomes the Chairman of the session

2.2.3.3 The Secretary of the Committee will be:

- Recommended by the CEO
- Approved by the Board Corporate Governance Sub-Committee

## 2.3 Roles and Responsibilities

### 2.3.1 Governance Responsibilities

2.3.1.1 Monitor and guide the Governance function, its ownership of Corporate Governance policies, processes and procedures

2.3.1.2 Provide the Board Nominations and Remuneration Committee with an annual report detailing the adherence of the Bank to sound corporate governance practices, the gaps that have been identified, and the corrective actions that have been taken

2.3.1.3 Conduct an annual review of the bank's overall Corporate Governance framework and associated mechanisms (e.g., board committees, management committees, or any sub-committees thereof, subsidiary (Business Associates) governance, key board and management policy and control changes) to ensure that these remain consistent with global practices, are up to date with regulatory requirements and operate effectively to meet the bank's Governance objectives

- 2.3.1.4 Present findings and suggest recommendations from the annual review of Corporate Governance
- 2.3.1.5 Review and recommend to the Board, any required Corporate Governance disclosures and documentation for presentation to stakeholders including investors and regulators
- 2.3.1.6 Review, on an annual basis and when necessary, the adequacy of the Governance policies of the Bank, and recommend changes to the Board
- 2.3.1.7 Review, on an annual basis, and when necessary, adherence to the Governance policies of the Bank, and suggest improvement actions
- 2.3.1.8 Ensure that the bank has adequate processes to consider conflicts of interest in operational activities across all levels and bank areas
- 2.3.1.9 Monitor conflicts of interest and ensure that the conflict registry remains up to date
- 2.3.1.10 Review requests for any exceptional waivers on the bank's Corporate Governance requirements and recommend to the Board whether a particular waiver should be granted
- 2.3.1.11 Maximize awareness of the importance of sound Corporate Governance and of the bank's governance activities to the bank's employees, shareholders and external stakeholders
- 2.3.1.12 Support the Governance function in its annual review of Board and Management Committee (and sub-committee) Charters in co-ordination with the respective Committee (and sub-committee)
- 2.3.1.13 Recommend to the Board any amendments to the Board of Directors' charter, committee and sub-committee charters
- 2.3.1.14 Review, with the Nomination and Remuneration Board Committee, the appropriateness of the Board structure and its membership and make recommendations for enhancement

- 2.3.1.15 Participate, with the Board Nomination and Remuneration Committee, in Board and Committee related activities as necessary, with particular attention to Director nomination, succession planning, and professional development
- 2.3.1.16 Provide input, and recommend changes to the Governance function in its activities related to Delegation of Authorities
- 2.3.1.17 Ensure the annual review of the Delegation of Authorises and measure the adherence
- 2.3.1.18 Suggest corrective measures to mitigate issues arising from incorrect adherence to the Delegation of Authorities, and where necessary, refer to the appropriate internal party for further measures
- 2.3.1.19 Provide the Board Nominations and Remuneration Committee with a status on the overall adherence to Corporate Governance at the Bank
- 2.3.1.20 Ensure the development of a comprehensive Corporate Governance training program by the Governance function, in co-ordination with the Human Resources Department
- 2.3.1.21 Provide the Board Nominations and Remuneration Committee with an annual report of the results of the Corporate Governance training, and areas for improvement in the next instalment

## **2.3.2 Evaluation Responsibilities**

- 2.3.2.1 Confirm that the Governance function, in co-ordination with the Nomination and Remuneration Committee and with the Human Resources Department, is completing the annual evaluation process for Board, and Board member performance
- 2.3.2.2 Recommend, and enlist the support of external third parties for assistance in conducting independent evaluations
- 2.3.2.3 Review the output of the Director evaluations, as a result of the Governance functions analysis

2.3.2.4 Report the evaluation findings and suggest corrective action to the Board Nomination and Remuneration Committee, and to the Board

### **2.3.3 Director Nomination Responsibilities**

- 2.3.3.1 On an annual basis, and upon nomination for Board membership at the beginning of each term, verify, in co-ordination with the Nomination and Remuneration Committee, the independency of the independent members of the Board
- 2.3.3.2 Oversee and ensure the participation of the Governance function, in co-ordination with the Nomination and Remuneration Committee, and with the Human Resources Department, in the process for identifying and evaluating nominees for the Banks Board
- 2.3.3.3 Provide input to the Nomination and Remuneration Committee on all matters related to director succession and nomination

### **2.4 Meetings**

- 2.4.1 The Board Corporate Governance Sub-Committee will meet at least four times per year, and when deemed necessary by the Committee's chairman
- 2.4.2 A quorum shall be deemed present at any meeting of the Committee if at least (66%) of the Committee members are present
- 2.4.3 The Committee shall make decisions by a majority vote of members participating in the meeting
- 2.4.4 In case of a tie, the Chairman of the committee will have a casting vote
- 2.4.5 The dissenting members can register their disagreement mentioning the reasons for their dissent



## **2.5 Term**

2.5.1 The Committee's term is 3 years, or until the end of the term of the present Board, whichever comes first

2.5.2 The term of the Board member elected should also be linked to his membership term in the Board of Directors

## **2.6 Reporting Provisions**

2.6.1 The Committee shall make its minutes available to the Board Nominations and Remuneration Committee and the Chairman of the Committee shall brief the Board Nomination and Remuneration Committee on any significant matters arising