

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



| Board Strategy Committee Charter

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



| Board Strategy Committee Charter

Table of Contents

Table of Contents	3
Table of Abbreviations	4
1. Introduction	5
1.1. Document Authorization Control Sheet	5
1.2. Document Approval Record.....	5
1.3. Review, Update & Maintenance	5
2. General Provisions	6
3. Authority & Purpose of the Committee	6
3.1. Authority of the Committee	6
3.2. Purpose of the Committee	6
4. Roles & Responsibilities of the Committee	7
4.1. Main roles	7
4.2. Other Responsibilities	7
5. Composition of the Committee	7
5.1. Membership	7
5.2. Term of Committee members	8
5.3. Appointment of the Chairman	8
5.4. Roles & Authority of the Chairman	8
5.5. Secretary of the Committee	8
5.6. Qualifications of the Committee Members.....	9
5.7. Compensation of the Committee Members	9
5.8. Resignation & Replacement of Committee Members.....	9
5.9. Conflict of Interest.....	10
5.10. Confidentiality of Information	10
6. Meetings of the Committee	11
6.1. Frequency of Meetings	11
6.2. Quorum of Meetings	11
6.3. Attendance Guidelines.....	11
6.4. Invitees.....	11
6.5. Delegation Guidelines.....	11
6.6. Agenda of the Meeting.....	11
6.7. Meeting Methods	12
6.8. Voting Guidelines.....	12
6.9. Minutes of Meetings.....	12
6.10. Decisions by Circulation	12
7. Reporting to the Board	13
8. Relationship with Others	13
9. Appendix	14
9.1. Appendix A – Action Sheet	14

Table of Abbreviations

S. No.	Abbreviation	Expansion
1	BSC	Board Strategy Committee
2	SSC	Strategy Steering Committee
3	BoD	Board of Directors
4	DoA	Delegation of Authority
5	SEG	Secretary General

1. Introduction

1.1. Document Authorization Control Sheet

Document Type	Charter
Document Title	Board Strategy Committee Charter
Version	3.1 (English)
Document Reference	
Date	18/10/2023
Charter Custodian	Committee Secretary
Charter Owner	Corporate Governance Division

1.2. Document Approval Record

Version	Approval Date	Description of Changes
1.0	2018	New Charter
2.0	2020	Amended Charter
2.1	May 2021	Minor changes based on BSC recommendation.
2.2	30 Nov 2021	Minor changes based on BSC recommendation
3.0	24-10-2022	BSC as a permanent Committee
3.1	18-10-2023	Based on the new Companies Law and it's implementing regulations.

1.3. Review, Update & Maintenance

- 1.3.1 The authority to amend this Charter rests with the Board of Directors upon committee recommendation;
- 1.3.2 Any amendment to this document shall be as per procedure set out in the DoA;
- 1.3.3 The minimum frequency for reviewing this charter is two (2) years. However, the charter must be reviewed/updated earlier if required. CGD is responsible for ensuring that this document is reviewed & approved as required; and
- 1.3.4 This Charter shall be a permanent part of the induction program provided to the new Board and Board Committee members upon their appointment. It is the duty of the new member to understand and familiarize himself with it.

2. General Provisions

The provisions of this charter came to express the law and the applicable rules and regulations, and in the event of any amendments thereof, or any conflict or inconsistency between the provisions of this charter and the applicable laws, rules and regulations, the latter shall prevail, and the new amended provisions shall be applicable to this charter and complied with from its effectiveness date.

3. Authority & Purpose of the Committee

3.1. Authority of the Committee

The BSC has no delegated authority, unless mentioned in the Charter or specifically approved by the Board and must act only in the capacity of reviewing proposals, aligning and approving recommendations ahead of final and full Board approval.

The BSC also has the following authorities:

- Request information from Strategy Steering Committee or program owners; and
- The BSC may invite non-committee members to the BSC's meetings-when needed given that such invitation is stated in the minutes of meetings.

3.2. Purpose of the Committee

3.2.1. The Board Strategy Committee ("BSC") is a Board committee. Its primary objective is to govern the development of all BSF's strategy and review their implementation, including the 5 Year Strategy for 2019-2023, and to support its implementation.

3.2.2. The Strategy Steering Committee ("SSC") will report material recommendations into the BSC for decision, as per the DOA Manual of the bank. The BSC shall evaluate said material recommendations ahead of formal presentation of the final strategy to BSF's Board of Directors.

4. Roles & Responsibilities of the Committee

The following represent the duties and responsibilities of the Committee:

4.1. Main roles

- 4.1.1. To carry out on quarterly basis a business review focused on the financial performance against budget and 5Y strategy number and strategic project implementation.
- 4.1.2. Monitor and suggest remedial action during the implementation of all BSF's strategy including our 5 Year Strategy.
- 4.1.3. Review and make recommendations to the Board with respect to BSF's overall strategy and business plan and all strategy related matters.

4.2. Other Responsibilities

- 4.2.1. Perform any other activities consistent with this Charter, DoA Manual, BSF's bylaws, as the Board deems necessary and appropriate;
- 4.2.2. Review & approve previous Committee minutes of meeting and follow up on decisions taken and documented in the action sheet of prior Committee meetings in order to ensure that matters raised have been resolved (**Appendix A**); and

5. Composition of the Committee

5.1. Membership

- 5.1.1. The members of the Committee shall be appointed by a majority vote of the Board.
- 5.1.2. Members can be from inside or outside the BoD
- 5.1.3. The Committee shall be comprised of five (5) members of Board. The number of members shall not be less than three (3) members at any point in time.
- 5.1.4. The Chairman of the Committee can designate any Committee member as a Vice Chairman for the purpose to chair the Committee meetings in his/her absence.
- 5.1.5. It is preferable that a member is not a member in more than two committees.
- 5.1.6. The committee member must work with a sense of intent with the necessary care and attention to benefit the stakeholders in addition to performing his duties away from any external influence, whether from within or from outside BSF, and he must not provide personal reconciliation or the interests of those he represents to the interests of BSF, shareholders and other stakeholders.

5.2. Term of Committee members

5.2.1. The term of the committee members is equivalent with that of the Board, where the Committee members are elected for a period of three (3) years.

5.3. Appointment of the Chairman

5.3.1. The Chairman of the Committee shall be appointed by the Board based on majority of the votes.

5.4. Roles & Authority of the Chairman

- 5.4.1. Oversee the planning and preparations for the Committee meetings, including approving the agenda of the meetings;
- 5.4.2. Ensure that appropriate information from management are presented to the Committee during the meeting to enable the Committee to exercise their accountabilities based on sufficient information;
- 5.4.3. Ensure that all items requiring the Committee's approval and recommendations to the Board are appropriately tabled;
- 5.4.4. Ensure proper flow of information to the Committee and reviewing adequacy and timing of documentary materials in support of management's proposals;
- 5.4.5. Oversee reporting and verbal presentations to the Board from the Committee;
- 5.4.6. Involvement in selection of Committee members as appropriate; and
- 5.4.7. Ensure that the Committee has direct access to members of Executive Management as deems necessary and appropriate.

5.5. Secretary of the Committee

The Committee should appoint a Committee Secretary whose term of service is the same as that of the Committee, it is preferable that the secretary is not a secretary of other BoD committees, and is responsible for the following:

- 5.5.1. Acting as a primary point of contact and source of information and advice for Committee members regarding BSF's relevant activities, in order to support the decision making process;
- 5.5.2. Staying fully aware of the Committee's activities, and ensuring the Committee members take decisions after being provided with the necessary briefings and information/documents;
- 5.5.3. Maintaining the Committee's Charter, and guiding the Committee to carry out its activities in compliance with the Charter.
- 5.5.4. Preparing communication letters, in coordination with the Committee's Chairman as the need arise, and addressing the same to the Committee members, Board of Directors and relevant parties. This includes handling the required communications to schedule/call for Committee meetings;
- 5.5.5. Preparing the Committee's reporting packs that should be circulated to the Committee members with the

meeting's agenda five (5) working days prior to the meeting date;

- 5.5.6. Attending Committee meetings for the objective of preparing the minutes of meeting and circulating the said minutes to all Committee members for approval;
- 5.5.7. Documenting and following up on the issues requiring Committee's action as raised in subsequent Committee meetings and recorded on the related meeting action sheet (**Appendix A**);
- 5.5.8. Arranging with the parties that the Committee invites to the Committee meetings. This includes consultants, legal advisors, or any other party;
- 5.5.9. Circulating Committee decisions to the concerned parties; and
- 5.5.10. The Secretary shall ensure that meetings are properly documented and the minutes are retained. After the end of this Committee, the Secretary shall hand-over the minutes and all relevant materials to SEG, which shall keep it for a minimum of ten (10) years.

5.6. Qualifications of the Committee Members

- 5.6.1. Committee members collectively shall be knowledgeable of the matters presented to the Committee, have relevant work experience and appropriate qualifications and have a thorough understanding of the roles and responsibilities of the Directors and Executive Management. The Committee shall be able to devote adequate time to their duties as members of this Committee.

5.7. Compensation of the Committee Members

- 5.7.1. The Committee members are entitled to receive compensation as per Remuneration Policy approved by the General Assembly
- 5.7.2. Committee members who are resident in a city outside the meeting location are entitled to all out of pocket expenses incurred by them to attend the meeting. Such expenses include first class tickets as well as any accommodation and transportation expenses incurred by them otherwise. BSF will arrange for the above.
- 5.7.3. Board of Director's Report that is presented to the General Assembly will disclose the remunerations and other payments made to the Committee members.

5.8. Resignation & Replacement of Committee Members

- 5.8.1. The Office of a member of the Committee shall be vacated:
 - a) If the person holding it resigns his/her office or dies;
 - b) If the person at any time has been bankrupt or insolvent, or compounds with his/her creditors or suspends payment;
 - c) If the person is facing mental challenges, or become rationally unfit;
 - d) If the person has been absented from three (3) consecutive meetings or five (5) non-consecutive meetings of the Committee, as the case may be, or from all such meetings for a continuous period of six (6) months, whichever is longer, without leave of absence from the Committee concerned, or without good cause; and

e) If the person incurs any of the disqualifications mentioned in Article (19) of the Bank's bylaws.

5.8.2. Any Committee member may resign upon giving written notice to the Chairman of the Committee and the Chairman of the Board and the resignation shall be effective at the time such notice is given (unless the notice specifies a later time for the effectiveness of the resignation); and the resigned member may propose a successor; and

5.8.3. If any seat of the Committee becomes vacant for any reason, the BoD shall have the authority to appoint a new member in the vacant seat to continue the term of the previous member, based on NRC's recommendation.

5.9. Conflict of Interest

5.9.1. All members of the Committee must follow the policies, standards and procedures on conflict of interests as stipulated in the "Conflict of Interest Policy", and the Bank's Code of Conduct for the Board; and

5.9.2. No Committee member shall simultaneously serve on any Committee of a competitor of BSF or have any role in any of the organization's competitors. Furthermore, no member shall have any significant contractual or business relationship with BSF that could be seen as materially impairing his/her capacity to act in an independent manner.

5.10. Confidentiality of Information

5.10.1. In discharging their responsibilities, Committee members shall maintain the confidentiality of their activities, and shall exercise their business judgment to act in a manner that they believe is in the best interest of BSF; and

5.10.2. The members shall maintain the confidentiality of the Bank trade secrets gained through performing their duties and shall not publicize confidential information to shareholders as per Control of Inside Information Policy. In such cases, the member shall be dismissed from the Committee and can be held responsible for the financial damages caused by such announcements.

6. Meetings of the Committee

6.1. Frequency of Meetings

- 6.1.1. The Committee will meet quarterly (two weeks prior to a Board meeting). Additional meetings may be scheduled as the Committee or its Chairman deem advisable; and
- 6.1.2. Urgent items for decision can be actioned outside of the formal meeting via circulation.

6.2. Quorum of Meetings

- 6.2.1. A quorum at any Committee meeting shall be three (3) Committee members.

6.3. Attendance Guidelines

- 6.3.1. The Committee members are expected to attend all Committee meetings and in case a member was absent, his/her absence should be documented in the minutes of the meeting; and
- 6.3.2. Committee members may request a leave of absence from the Chairman of the Committee or may provide justifiable reasons/causes for not attending a Committee meeting.

6.4. Invitees

- 6.4.1. Besides the attendance of the members comprising the Committee, the attendance of non-Committee members, such as members of management is conditional upon the request and approval of the Committee's Chairman. Non-Committee members will be involved in the discussions but will not have any voting rights; and
- 6.4.2. The request for attendance of non-Committee members is to be suggested and indicated in the meetings' agendas circulated prior to meetings' dates.

6.5. Delegation Guidelines

- 6.5.1. Voting by proxy is not allowed.

6.6. Agenda of the Meeting

- 6.6.1. The Secretary of the Committee shall be responsible for drafting the meetings' agendas. These agendas should be approved by the Committee's Chairman. The Committee's Chairman can consult with the Committee's members on the meeting's agenda whenever he/she deems necessary;
- 6.6.2. An agenda, together with relevant materials relating to the subject matter of each meeting, shall be sent to members of the Committee five (5) working days prior to each meeting; and
- 6.6.3. Presentations shall be delivered to each committee member five (5) working days before the meeting.

6.7. Meeting Methods

6.7.1. The Committee may meet personally or via telephone or video conference.

6.8. Voting Guidelines

6.8.1. The voting of the Committee is determined by the majority of the members, and the invitees to the meeting have no voting rights on the resolutions; and

In the event of equal voting, the Chairman of the Committee has a casting vote.

6.9. Minutes of Meetings

6.9.1. The deliberations and resolutions of the Committee should be recorded in the minutes of meetings and subject to review by the Committee Chairman, will then be circulated to all committee members for review within a maximum period of ten (10) days;

6.9.2. Committee members will have ten (10) days to revert with comment/s, after such time that the minutes will be deemed as approved and the Committee Chairman will circulate them to the wider Board of BSF for information;

6.9.3. A copy of the minutes of meetings should be signed by chairman of the meeting and all members present at the meeting as well as the committee secretary and the names of absent members should be recorded;

6.9.4. All minutes shall be entered into a special register and be kept for a period of no less than ten (10) years;

6.9.5. All objections and abstentions from voting should be recorded in the minutes along with decisions that has been determined by the use of the Chairman's casting vote; and

6.9.6. The Secretary shall ensure that meetings are properly documented and the minutes are retained. After the end of this Committee, the Secretary shall hand-over the minutes and all relevant materials to SEG which shall keep it for a minimum of ten (10) years.

6.10. Decisions by Circulation

6.10.1. The Committee may take decisions by circulation unless a member request in writing to discuss the circulated matter in a meeting;

6.10.2. A decision shall be issued if approved in writing (physically or by email) by the majority of the Committee members;

6.10.3. All approved resolutions taken by circulation shall be recorded in the next meeting minutes.

7. Reporting to the Board

- 7.1. The Chairman of the Committee shall report to the Board, no later than the next regular Board meeting on any specific matters assigned to the Committee; and
- 7.2. The Committee shall submit its approved minutes regularly to the Board.

8. Relationship with Others

- 8.1. Communication between the Committee and other Committees should be clear to ensure a common understanding of the respective responsibilities of each Committee; and
- 8.2. The Committee may coordinate with other Board and Management Committees, if appropriate, on any area as required to support the effectiveness and efficiency of the functioning of these Committees.

9. Appendix

9.1. Appendix A – Action Sheet

Committee Meeting #	Topic	Discussion	Resolution / Required Action	Person Responsible	Targeted Deadline