

البنك
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Banque
Saudi
Fransi



| Code of Conduct Policy for Board and Board Committees' Members

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Table of Abbreviations

S. No.	Abbreviation	Expansion
1	SAMA	Saudi Central Bank
2	CMA	Capital Market Authority
3	BSF	Banque Saudi Fransi
4	BoD	Board of Directors
5	DoA	Delegation of Authority Manual
6	CGD	Corporate Governance Division

1. Introduction

1.1. Document Authorization Control Sheet

Document Type	Policy
Document Title	Code of Conduct Policy for Board and Board Committees' Members
Version	4.0 (English)
Document Reference	
Date	April 1, 2024
Policy Custodian	Corporate Governance Division
Policy Owner	Corporate Governance Division

1.2. Document Approval Record

Version	Approval Date	Description of Changes
1.0	February 22, 2018	New Policy
2.0	March 27, 2019	Comprehensive review to incorporate all regulatory & legal requirements and meet best practices
2.1	December 12, 2019	Limited review to reflect recent amendments to the Rules on the Offer of Securities & Continuous Obligations issued by the CMA.
3.0	November 30, 2021	General Periodic Review
4.0	April 1, 2024	Periodic Review, alignment with Companies Law & Implementing Regulations

1.3. Review, Update & Maintenance

- 1.3.1 The authority to amend this Policy rests with the Board of Directors;
- 1.3.2 Any amendment to this document shall be as per procedure set out in the DoA Manual; and
- 1.3.3 The minimum frequency for reviewing this Policy is two (2) years. However, the Policy must be reviewed / updated earlier if required. CGD is responsible for ensuring that this document is reviewed & approved as required.

2. Purpose of the Policy

The purpose of this document is to set out Banque Saudi Fransi's (also referred to as "BSF" or the "Bank") key ethical principles and policies that Board of Directors (BoD) and the Board Committees "The Committees" are expected to adhere to in relation to their activities with BSF.

The above purpose seeks to:

- a) Endorse and promote BSF's commitment to honest and ethical conduct, including fair dealing and ethical handling of conflicts of interest;
- b) Promote full, fair, accurate, timely and understandable disclosure;
- c) Promote compliance with applicable laws and regulations;
- d) Ensure the protection of BSF's business interests, including corporate opportunities, assets and confidential information; and
- e) Act as a deterrent for wrongdoing.

3. Applicability and Statement of Commitment

3.1. Applicability

This Policy applies to all members of the BoD and members of the Board Committees.

3.2. Statement of Commitment

BSF and its Board expects the highest standard of ethical behaviour by its employees and recognizes that such standards must equally apply to representatives of the Board and Board Committees.

4. Laws, Regulations, Related Policies & Supporting Procedures

4.1 Laws & Regulations

A fundamental aspect of this Policy is ensuring compliance with all laws and regulations issued by competent authorities.

Key laws and regulations include:

Law/Regulation	Authority
Companies Law	Ministry of Commerce
Capital Markets Law	CMA
Corporate Governance Regulations	CMA
Key Principles of Corporate Governance for Financial Institutions Under the Control and Supervision of Saudi Central Bank	SAMA
Requirements for Appointments to Senior Positions	SAMA
Rules on the Offer of Securities and Continuing Obligations	CMA
Market Conduct Regulations	CMA
Code of Conduct and Work Ethics in Financial Institutions	SAMA

4.2 Related Policies

There are various other BSF policies that are related to this Policy. This Policy should be read in conjunction with such other policies. The key related policies include, but are not limited to:

Policy
Board Charter
Board Committees Charters
Compliance Policy
Related Party Transactions Policy
Transparency and Disclosure Policy
Conflict of Interest Policy
Control of Inside Information Policy

4.3 Supporting Procedures and Requirements

This Policy is not intended as a procedure document. Where this Policy document contains procedural information, it is because it has been deemed that such information is relevant to an understanding of the underlying Policy. As such, knowledge of this Policy is not a substitute for relevant individual having a detailed understanding of the procedures relevant to their role.

The key procedures implemented to support compliance with this Policy include, but are not limited to:

Procedure
Board procedures as contained in the Board Charter
Board Committee procedures as contained in the charters of the Board Committees

5. Policy

5.1 Policy Statement

It is BSF's policy that Board members and Board Committee members, are required to act with the highest ethical standards when engaged in BSF business and always act in accordance with the duties of their office and to take measures to avoid conflicts of interest impacting their ability to properly discharge their duties.

5.2 BSF Policy Principles

The high-level principles applied by BSF in respect of this Policy are as follows:

- a) The Board and Board Committee members are expected to act with honesty, integrity, and not prioritize his/ her own interests over the interests of the Bank and its Shareholders, and not use his/her position to achieve personal interests;
- b) All Board and Board committee members shall have the ability to make decisions impartially and objectively without any external influence whether from inside or outside the Bank;
- c) BSF is committed to a framework in which conflicts of interest can be appropriately avoided or managed;
- d) Board and Board Committee members are expected to act to promote transparency and disclosure in accordance with applicable regulations and standards;
- e) Each member of the Board and the Board Committee Members should act diligently and in the best interest of BSF, perform their duties of loyalty, care and truth to the Bank, undertake the measures that may protect the Bank's interests, contribute to its development and increase its value;
- f) Board and Board Committee members shall represent all shareholders of the Bank and take all actions to achieve the best interests of the Bank and its shareholders, while protecting the rights of the other stakeholders rather than only the interests of the group that elected them;
- g) Board and Board Committee members shall comply with all relevant laws, regulations and instructions; and make themselves familiar with it;
- h) Board and Board Committee members shall not abuse their positions with the aim of achieving benefits for themselves or a third party;
- i) Board and Board Committee members should ensure that the Bank's assets and resources are only used to achieve the Bank's purposes and objectives, and not to achieve personal interests; and
- j) BSF should establish accurate, well-formed, and clear rules regulating the authority to access the Bank's internal information and timing to access it, in a way that prevents the Board and Board Committee members and others from making personal use or disclosing the same to any person, except within the prescribed limits or as permitted by law.

5.3 Policy Details

The following sets out, in more detail, policy requirements covering the Policy statement and BSF policy principles outlined above.

5.3.1 Standard of Conduct

The Board and Board Committee members are required to undertake their duties diligently and professionally and to the best of their abilities. In particular, when undertaking their duties, Board and Board Committee members should:

- a) Act with the utmost confidentiality with regards to BSF's business and its proprietary information and that of its customers and stakeholders;
- b) Have an honest & professional relationship with BSF, and disclose any relevant information before conducting any transaction or entering into a contract with BSF or one of its subsidiaries;
- c) Disclose any direct or indirect interest he/she has in the business and contracts executed for the Bank's account immediately upon becoming aware thereof, and shall comply with the provisions relating to disclosure of interest in business and contracts in the relevant laws and regulations;
- d) Exercise their powers and carry out their duties in such a way as to serve the interest of BSF;
- e) Become familiar with key legal and regulatory requirements applicable to BSF as well as BSF business and develop his/her knowledge of the Bank's activities, and other related areas;
- f) Perform his/ her duties objectively and independently in relation to managing the Bank and making decisions, and shall avoid cases that affect his/her independence in making decisions or voting on them;
- g) Perform his duties and responsibilities effectively, and ensure that the integrity and impartiality of all the information of the Bank in order to take decisions that contribute to achieving the interest of BSF;
- h) To act in the interests of BSF and not be influenced by personal interests or relationships;
- i) Shall avoid any transactions that may entail a conflict of interest, and shall ensure the fairness of dealings and their conduct for the benefit of BSF and its stakeholders;
- j) Ensure at all times they act only within the bounds of the powers conferred on them;
- k) Only use BSF's name and resources in the interest of BSF business;
- l) Ensure exerting all efforts to promote the success and growth of the Bank and maximize its value on the long term for the benefit of its shareholders; and
- m) Perform his/her responsibilities in accordance with the relevant laws and regulations, and in accordance with the diligence and care that should be exercised by a diligent person with the general knowledge, skill and experience that the member of the Board has and that are expected of a person carrying out the functions carried out by the member of the Board.

5.3.2 Active Participation

- a) Attend the meetings of Board regularly & Board Committees where he is a member and prioritize it & should not miss a meeting without a justifiable excuse;
- b) Board members shall attend the meetings of the General Assembly except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;
- c) Board Committees chairmen or whom they delegate from each committee shall attend the meetings of the General Assembly and answer any questions raised by the shareholders;
- d) Board and Board Committees' members must allocate sufficient time to fulfill their responsibilities, prepare for meetings and effectively participate therein, including raising relevant questions and carrying discussion with Senior Executives;
- e) Board and Board Committee members shall work/make decisions on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Bank and all Shareholders. The member shall not be relieved of responsibility if he abstains from voting without clarifying his/her opinion on the decision in question;
- f) Ensure that significant and important topics are included in the meeting agenda;
- g) Putting the interests of BSF above personal interests;
- h) Cooperating with and respecting the opinions of fellow members, and leaving personal prejudices out of all board discussions, as well as supporting actions of the Board / Board Committees even when the member personally did not support the action taken;
- i) Showing respect and courteous conduct in all Board and Board Committee meetings;
- j) Refraining from intruding on administrative issues that are the responsibility of management, except to monitor the results and ensure that procedures are consistent with BSF internal regulation and applicable laws/regulations;
- k) The Board or a Committee member shall be deemed to have fulfilled his/her duty in the decision made or voted on in good faith if the following is achieved:
 - If the member has no personal interest in the subject matter of the decision;
 - If the member understands and is familiar with the subject matter of the decision to an extent he deems reasonable according to the circumstances of the decision
 - If the member firmly and rationally believes that the decision achieves the interests of the Bank.

5.3.3 Compliance with Laws, Rules and Regulations

Compliance to rules, regulation, instruction, and policies is one of the main principals at BSF that helps maintain its reputation and credibly. Therefore, all Board and Board committee members are required to act in compliance with all applicable laws, rules and regulations in respect of BSF business and it is the personal responsibility of each Board and Board Committee member to be familiar with such requirements and to ensure their compliance therewith and all Board and Board committees members shall follow the new developments and changes of such requirements.

Where a Board or Board Committee member becomes aware of a violation of any of the requirements outlined above, consistent with their obligation to act in the best interests of BSF, such member must inform the Chairman of the Board immediately.

Where a Board or Board Committee member becomes aware of conflict of interest (direct or indirect), such member must inform the Board immediately & should not participate in voting on the regarding matter.

When a board member independency is affected by any of the stipulated conditions as per CMA & SAMA definition of independency, the BoD member should inform the Board immediately.

5.3.4 Fair Dealing

The Board and Board Committee members are required to endeavor to act fairly in all dealings with BSF's employees, customers, suppliers and should not take unfair advantage through manipulation, concealment, abuse of confidential information or misrepresentation of material facts or other unfair dealing practice.

5.3.5 Confidentiality

Board and Board Committee members shall not disclose any confidential information in any way relating to BSF, its business or customers outside of the Bank he/she came across through his/her membership to any shareholder of the Company and will use such information solely for the purposes of discharging their duties as Board or Board Committee members (disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations). This obligation continues beyond an individual member's term as a Board Director or Board committee member.

Board and Board Committee members shall protect the integrity of BSF's decision-making process. This means, keeping in confidence the discussions at meetings of the Board or similar interactions or the views or votes of other Board or Board Committee members.

Notwithstanding the above, Board and Board Committee members are subject to the contractual agreement signed by them at the time of their appointment.

Moreover, information can be disclosed in case of any legal dispute/court order and whenever is deemed required by regulators.

5.3.6 Public Statements

Board and Board Committee members should act with diligence, caution and care in relation to any public statements (including, any statements made on social media) regarding BSF, its business or performance. Indeed, such statements should generally be avoided without coordination with the Chairman of the Board, who should remain the primary spokesperson.

Moreover, great care must be taken to ensure that any and all public statements are fair, clear and not misleading. As a listed Company, BSF is subject to the Capital Market's Authority Regulations. Any person who makes, or is responsible for another making, orally or in writing, an untrue statement of material fact or omits to state that material fact, if it causes another person to be misled in relation of a sale or a purchase of a security, shall be liable for the compensation of the damages.

5.3.7 Inside Information and Insider Dealing

BSF is a listed company on the Saudi Stock Exchange (Tadawul) and therefore dealing in its shares is subject to the rules and regulations of the CMA. In particular, the Rules on the Offer of Securities and Continuing Obligations and Market Conduct Regulations.

Board and Board Committee members, in the context or course of their duties, have direct or indirect access to Inside Information, as defined below, or are in possession of inside information in respect of BSF.

Board and Board Committee members must ensure that, where they are in possession of Inside Information:

- a) They do not disclose such Inside Information to any other person;
- b) They do not trade in securities related to such Insider Information, either directly or indirectly; and
- c) They shall not engage in any act, or participate in or encourage the performance of any conduct that may give false idea of any investment, price or value of something by using or leaking Insider Information to obtain personal benefits for their own or for third parties.

Insider Information means information obtained by the insider and which is not available to the general public, has not been disclosed and such information is of the type that a normal person would realize that in view of the nature and content of this information, its release and availability would have a material effect on the price or value of a security related to such information and the insider knows that such information is not generally available and that, if it were available, it would have a material effect on the price or value of such security.

BSF's policy on Inside Information and Insider Dealing is set out in more detail in its **Control of Inside Information Policy**.

5.3.8 Dealing in BSF Shares Generally

Board and Board Committee members dealing with BSF shares shall be in accordance to **CMA Rules on the Offer of Securities and Continuing Obligations Article (86)**:

- a) The Directors, Senior Executives or Audit Committee members of the Bank and any of their associates may not deal in any securities of the Bank during the following periods:
 - i. During the fifteen (15) calendar days preceding the end of the financial quarter and until the date of the disclosure of the reviewed interim financial statement of the Bank that is required to be disclosed pursuant to paragraph (a) of Article (81) of the above- mentioned Rules; and
 - ii. During the thirty (30) calendar days preceding, the end of the financial year and until the date of disclosing the Bank's audited annual financial statements, or the interim financial statements for the fourth quarter if the Bank has disclosed them after reviewing them and fulfilling the requirements of Article (81) of the above-mentioned Rules.
- b) The prohibition referred to in paragraph (a) of this Article shall not apply to exercising the subscription's right in rights issues and the sale of such rights; and
- c) Upon end of a director's membership in the board of directors or director's dismissal from the board of directors, end of any of the audit committee's membership, or resignation of any of senior executives of the Bank during any of the periods referred to in paragraph (a) of this Article, this period (where applicable) shall apply to the director, audit committee's member, or senior executive, and any of their associates.

In addition, upon execution of a trade in BSF securities, the member may notify the Secretary of the Board of such trade so it can be recorded.

5.3.9 Gifts, Benefits & Entertainment

No member of the Board, Board Committees or Senior Executives may accept gifts from any person who has entered into commercial transactions with the Bank if such acceptance of gifts may lead to conflict of interest.

The purpose of gifts, benefits and entertainment in a commercial setting is to promote goodwill and sound working relationships, not to gain any unfair advantage with customers.

In all cases gifts, benefits and entertainment must meet the following criteria:

- a) Cash or cash equivalent (loans, shares or financial derivatives) gifts are not permitted;
- b) The gift/benefit is consistent with customary business practice;
- c) It is reasonable in value;
- d) if the gift is a fee discount or exemption, it shall be related to an invitation to attend a conference or meeting that enhances knowledge, positively reflects on the business of BSF and does not result in a conflict of interest.
- e) The gift shall not be presented due to the recipient's position or work at BSF;
- f) The person presenting the gift shall not have private or public interest that he/she wishes to get from the Bank or one of its staff;

- g) It cannot reasonably be construed as a bribe or payoff; and
- h) It does not violate any laws, regulations or applicable policies of the other party.

Therefore, Board and Board Committee members are discouraged from accepting any gift or advantage that may lead to a conflict of interest. However, it is understood that at times refusal of a gift, entertainment or advantage may cause embarrassment or offence or, that the acceptance of the gift or entertainment may be in the best interests of BSF. In such cases, the Board or Board committee member should co-ordinate with the Board Secretary to ensure the action is discussed and reviewed with appropriate authorities within BSF (e.g. Legal & Governance Group or Compliance Group) taking into consideration SAMA and other applicable regulations.

5.3.10 Use of BSF Property

Board and Board Committee members will only use BSF's property, assets, intellectual property, information, or any investment opportunity offered to him/her in his/her capacity as a member in the furtherance of BSF's interests and not for any personal use or benefit whether directly or indirectly.

5.3.11 Co-operation with Regulators

Board and Board Committee members are expected to deal openly and honestly with all governmental and regulatory bodies in respect of their activities at BSF.

5.3.12 Investigations

Board and Board Committee members are expected to fully co-operate with any investigations being undertaken by BSF employees or advisors under the approval of the Board.

5.3.13 Commissions and Referral Fees

Board and Board Committee members are prohibited from accepting anything of value or benefit in exchange for a specific act (example: referring third parties to any person, organization or group doing business with or seeking to do business with BSF) or to refrain from doing a specific act.

5.3.14 Combating Money Laundering and Terrorist Financing Crimes and Suspicious Transactions

Board and Board Committee members of BSF shall combat financial crimes, including money laundering and terrorist financing, avoid engaging in and report any unusual or suspicious activities to the Financial Investigation Unit in accordance with the legal requirements.

Board and Board Committee members shall be responsible for applying the AML/CTF instructions, including reporting suspicious transactions and activities, and not carrying implication to inform someone that he has been reported. In case of unfounded reports made in good faith, Board or Board Committee members who reported such transactions and activities shall have no liability.

5.3.15 Dealing with Bribery and Corruption

Bribery is one of the most serious crimes causing corruption in societies. Therefore, BSF condemn and fight bribery and corruption in all forms in any dealing or interaction with Stakeholders as per the relevant regulations issued by SAMA or any other authority.