

البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



| Transparency and Disclosure Policy

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Table of Abbreviations

S. No.	Abbreviation	Expansion
1.	BSF or the Bank	Banque Saudi Fransi
2.	AC	Audit Committee
3.	BCBS	Basel Committee on Banking Supervision
4.	GMC	General Management Committee
5.	PPC	Policies & Procedures Committee
6.	IAD	Internal Audit Division
7.	CPG	Compliance Group
8.	CFO	Chief Financial Officer
9.	CCO	Chief Compliance Officer
10.	COO	Chief Operating Officer
11.	CRO	Chief Risk Officer
12.	RMG	Risk Management Group
13.	CGD	Corporate Governance Division
14.	PPU	Policies & Procedures Unit
15.	CMA	Capital Market Authority
16.	ICGN	International Corporate Governance Network
17.	CEO	Chief Executive Officer
18.	OECD	Organization of Economic Co-operation and Development
19.	OEEC	The Organization for European Economic Cooperation
20.	SAMA	Saudi Central Bank
21.	SOCPA	Saudi Organization for Certified Public Accountants
22.	IFRS	International Financial Reporting Standards
23.	DoA	Delegation of Authority Manual
24.	BoD	Board of Directors
25.	BPR	Business Processes Reengineering
26.	BL	Business Line
27.	SL	Support Line
28.	CVA	Credit Value Adjustment
29.	EAD	Exposure at Default
30.	ICAAP	Internal Capital Adequacy Assessment Process
31.	SA CCR	Standardized Approach for Counterparty Credit Risk
32.	TOD	Transformation and Organization Division
33.	NRC	The Nomination and Remuneration Committee

1. Introduction

1.1. Document Authorization Control Sheet

Document Type	Policy
Document Title	Transparency and Disclosure Policy
Version	2.0 (English)
Document Reference	
Date	1-4-2024
Policy Custodian	Corporate Governance Division (“CGD”)
Policy Owner	Corporate Governance Division (“CGD”)

1.2. Document Approval Record

Version	Approval Date	Description of Changes (Add Appendix Sheet If Needed)
1.0	April 16, 2014	New Policy
1.1	January 07, 2015	SAMA’s 1st update on Corporate Governance Principles.
1.2	27 March,2019	Comprehensive review to incorporate all regulatory & legal requirements and meet best practices
1.3	12 December, 2019	Limited review to reflect recent amendments to the Rules on the Offer of Securities & Continuous Obligations issued by the CMA, and the Related Parties Rules for Banks issued by SAMA
1.4	1-11-2020	General Periodic Review & the addition of Pillar 3 disclosure policy details as per Internal Audit finding.
1.5	30-11-2021	Based on SAMA CG Principles update.
2.0	1-4-2024	Periodic review: <ul style="list-style-type: none"> - Review to reflect the new Companies Law amendments. - Review to reflect the implementing regulations issued by CMA amendments. - Removed Pillar 3 Disclosure Requirements Framework amendments as it has been included in the relevant Finance Policies.

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

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

- 2.1. Banque Saudi Fransi (hereinafter also referred to as “BSF” or the “Bank”) has a long-standing ambition to be accountable to the relevant stakeholders (shareholders, counter-parties, regulators, general public etc.) and there are various ways in which the Bank works to ensure that the stakeholders are informed about key areas of BSF’s business;
- 2.2. The purpose of the Transparency and Disclosure Policy (hereinafter also referred to as the “Policy”) is to set out the basic guiding principles, regulatory requirements, and leading practices for the Bank when disclosing data and the Bank’s results in the public domain. It intends to ensure that all communications made to the public are timely, complete, accurate and in-line with SAMA and CMA applicable regulations to facilitate the decision-making process for market participants, keep market discipline, further build & maintain market position of BSF, maintain the positive image of BSF with respect to the principles of transparency, honesty & commitment, and to provide high quality of credible information comparable with BSF financial statements;
- 2.3. This policy applies to the following:
 - i. Documents and information filed with the regulators, government agencies including the Bank's annual and quarterly reports, news releases, letters to shareholders and stakeholders (e.g. letter relating to notifying shareholders of the Bank’s decision to increase its share capital, buy back shares etc.), presentations by senior management and information included on BSF's website and other electronic communications;
 - ii. Oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls; and
 - iii. Other documents and oral statements which would reasonably be expected to affect the market price of the Bank's stock.

3. Applicability

3.1. Applicability

This Policy extends to all Employees, Executive management and Consultants of the Bank, the Board of Directors, and others who are authorized or designated to speak on its behalf.

4. Laws, Regulations, Related Policies & Supporting Procedures

4.1. Laws & Regulations

As well as reflecting BSF's approach, a Transparency and Disclosure Policy is required by Regulations. The key regulations are as follows:

Law/Regulation	Authority
Companies Law	Ministry of Commerce
Corporate Governance Regulations	CMA
Implementing Regulation of the Companies Law for Listed Joint Stock Companies	CMA
Rules on the Offer of Securities and Continuing Obligations	CMA
Key Principles of Governance in Financial Institutions	SAMA
Requirements for Appointments to Senior Positions in Financial Institution	SAMA
Listing Rules	Tadawul
Related Parties Rules for Banks	SAMA
Bank remuneration Rules	SAMA

4.2. Related Charters & Policies

Certain other Policies, Procedures and Charter are relevant to Transparency and Disclosure. These include, in particular:

Policy
Board of Directors Charter
Related Party Transactions Policy
Conflict of Interest Policy
Remuneration and Compensation Policy for Board, Board Committees and Senior Executives

5. Policy

5.1. Policy Statement

It is BSF's policy that the data and the Bank's results disclosed to the public, are transparent and disclosed in a timely, complete and accurate manner and in accordance with applicable laws and Regulations.

5.2. BSF Policy Principles

The high-level principles applied by BSF in respect to Transparency and Disclosure Policy are as follows:

- 5.2.1 BSF shall disclose the information that concerns depositors, investors and shareholders, through the annual report of the Bank, website or via an appropriate channel. Type and nature of information published shall be in-line with the size and activities of the Bank and legal requirements;
- 5.2.2 The Board shall provide stakeholders with comprehensive information, which could assist them in identifying the future trends and strategic plans of BSF;
- 5.2.3 There shall be proper disclosure methods that enable the shareholders and other stakeholders to access the financial and non-financial information pertaining to the Bank's performance and information in respect of ownership of shares, and to obtain a comprehensive view of the Bank's position;
- 5.2.4 Disclosure to shareholders and investors shall be made without discrimination in a clear, correct and non-misleading fashion, and in a timely, regular and accurate manner in order to enable shareholders and other stakeholders to exercise their rights to the fullest extent;
- 5.2.5 BSF's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods; and
- 5.2.6 Reporting rules shall be established and shall describe the information required to be disclosed and the method of its classification in terms of its nature, and the frequency of its disclosure.

6. Policy Details

6.1 Disclosure Requirements

The Saudi Central Bank (SAMA), the Capital Market Authority (CMA) & the Exchange (Tadawul) dictate several requirements regarding the publication of information for listed companies.

6.2 Clear Fair and Not Misleading Disclosure

- 6.2.1 All disclosures made by BSF to the public, SAMA & CMA must be complete, clear, accurate and not misleading, and shall comply with all disclosure requirements prescribed by the Capital Market Law, its Implementing Regulations, the Exchange Rules & SAMA;
- 6.2.2 Disclosures to the public must be in Arabic and English. In case of any contradiction between the Arabic

version and the English version, the Arabic version shall prevail;

- 6.2.3 All disclosure to the public must be made through the system specifically designated by the Exchange for such purpose;
- 6.2.4 A disclosure to the public must identify BSF clearly and the parties related to the disclosure, and the subject matter, the time and date of the disclosure in accordance with the Implementing Regulations and the Exchange Rules;
- 6.2.4 BSF determines the content of disclosures it makes to the public. However, any disclosure it makes to the public must include a statement to the effect that the BSF accepts full responsibility for the accuracy of the information included in it and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts or information the omission of which would make the disclosure misleading, incomplete or inaccurate; and
- 6.2.5 Disclosures to the public shall be made as soon as possible following the occurrence of an event that is required to be disclosed pursuant to Exchange Rules or the Capital Market Law Implementing Regulations. In all cases, the disclosure has to be made before the start of the trading period that follows the occurrence of the relevant event.

6.3 Material Development Disclosure

- 6.3.1 The Bank must disclose to the CMA and the public without delay any material developments in its sphere of activity which are not public knowledge and which may have an effect on the assets and liabilities or financial position or on the general course of business of the Bank or its subsidiaries and which may:
 - a) Lead to movements in the price of BSF listed securities; or
 - b) Significantly affect the Bank's ability to meet its commitments in respect of listed debt instruments.

In determining whether a development falls within the scope of the above, the Bank must assess whether any investor would be likely to consider information about the development in making his investment decisions.

6.4 Disclosure of Specific Events

- 6.4.1 BSF must immediately and without delay disclose to the CMA and the public any of the following developments:
 - 1) Any transaction to purchase or sell, lease or mortgage an asset at a price equal to or greater than 10% of the net assets of the Bank according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
 - 2) Any debt outside the Bank's ordinary course of business, of a value equal to or greater than 10% of the Bank's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
 - 3) Any losses equal to or greater than 10% of the Bank's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;

- 4) Any significant change in the Bank's production environment or activity including (but not limited to) the availability of resources and the possibility of obtaining them;
- 5) Any changes in the composition of the directors, the Audit committee or to the Chief Executive Officer (CEO) position of the Bank;
- 6) Any dispute including any litigation, arbitration, or mediation where the value involved is equal to or greater than 5% of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 7) Any judicial decision issued against the Board or any of the directors where the subject of the decision involved relates to the business of the Board or any of the directors in BSF;
- 8) The increase or decrease in the net assets of the Bank equal to or greater than 10% according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 9) The increase or decrease in the gross profit of the Bank equal to or greater than 10% according to the latest audited financial statements;
- 10) The entering into, or the unexpected termination of, any contract with revenues equal to or greater than 5% of the gross revenues of the Bank according to the latest audited annual financial statements;
- 11) Any transaction between the Bank and a related party or any arrangement through which the Bank and a related party invest in any project or asset therefore if this transaction or arrangement is equal to or greater than 1% of the gross revenues of the Bank according to the latest audited annual financial statements;
- 12) Any interruption in the principal activities of the Bank or its subsidiaries equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements;
- 13) Any changes in the Bank's bylaws, location, or principal office;
- 14) Any change of the external auditors;
- 15) The presentation of any winding-up petition, the making of any winding-up order or the appointment of a liquidator in respect of the Bank or its affiliates under the Companies Law, or the commencement of any proceedings under the Bankruptcy Regulations;
- 16) The passing of a resolution by the Bank or its affiliates that it be dissolved or liquidated, or the occurrence of an event or termination of a period of time which would require the Bank to be put into liquidation or dissolution;
- 17) Upon the issuance of any recommendation or a resolution by the person of authority in the Bank to submit an application to the court for commencing any of the bankruptcy procedures under the Bankruptcy Law, with a statement of its impact on the Bank's financial position or the general course of its business;
- 18) Upon receiving a notification from the court regarding others registering an application with the court for commencing a financial restructuring procedure or commencing the liquidation procedure or the administrative liquidation procedure for the Bank in accordance with the Bankruptcy Law, with a statement of its impact on the Bank's financial position or the general course of its business;
- 19) Upon registering an application with the court for commencing any of the bankruptcy procedures for

the Bank in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the Bank's financial position or the general course of its business;

- 20) Upon the issuance of the court's decision (first instance or final) ordering the commencement of any of the bankruptcy procedures for the Bank in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the Bank's financial position or the general course of its business;
- 21) Upon the issuance of the court's decision (first instance or final) rejecting the application of commencing any bankruptcy procedures for the Bank in accordance with the Bankruptcy Law, or rejecting any of them and commencing the appropriate bankruptcy procedure, with a statement of the reasons for such rejection and a statement of its impact on the Bank's financial position or the general course of its business;
- 22) Upon the issuance of the court's decision (first instance or final) terminating the financial restructuring procedure or the protective settlement procedure for the Bank in accordance with the Bankruptcy Law, or terminating any of them and commencing the appropriate bankruptcy procedure in accordance with Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business;
- 23) Objecting before the competent court regarding the commencing or rejecting of the commencement of any bankruptcy procedures under the Bankruptcy Law, or the termination or non-termination of the protective settlement procedure or the financial restructuring procedure under the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business;
- 24) Upon the issuance of the court's decision in the objection referred to in paragraph (23) of this Article to affirm or reverse the Court decision and to adjudicate the case under the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business;
- 25) Any material developments included in the reports the Bank provides during the commenced bankruptcy procedures in accordance with the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business, unless the officeholder, the bankruptcy committee or the competent authority decides that such developments are confidential according the Implementing Regulation of the Bankruptcy Law;
- 26) The making of any judgement, decision, order or declaration by a court or judicial body, whether at first instance or on appeal, which may adversely affect the bank's utilisation of any portion of its assets which in aggregate value represents a value in excess of 5% or more of the net assets of the Bank according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later;
- 27) The call for convening a general or special assembly and its agenda;
- 28) The outcome of the general or special assembly;
- 29) Any proposed change in the capital of the Bank with a statement of its impact on the holders of convertible debt instruments (as applicable);
- 30) Any decision to declare, recommend to declare or pay dividends or to make any other distributions

to the holders of its listed securities;

- 31) Any decision or a recommendation not to pay dividends which would otherwise have been expected to have been paid;
- 32) Any decision to call, repurchase, draw, redeem or propose to buy any of its securities and the total amount and value thereof;
- 33) Any decision not to make payment in respect of debt instruments or convertible debt instruments;
- 34) Any change in the rights attaching to any class of listed shares or to the debt instruments convertible to such shares.

- 6.4.2 Please refer to section 9 in this Policy for the mechanism & roles of relevant departments in the disclosure of the specific events;
- 6.4.3 The Bank, after obtaining the Authority's approval to issue Depositary Receipts out of the Kingdom, must notify the Authority and the Exchange with no delay of the listing, suspension, or delisting of its Depositary Receipts in the Foreign Market;
- 6.4.4 The Bank must disclose to the Public in the Kingdom all information that must be disclosed to the Public under the Capital Market Law, its Implementing Regulations and the Exchange Rules, and all information disclosed in the Foreign Market simultaneously in a way that ensures that no information or material developments are leaked to the Foreign Market before disclosing them to the Public in the Kingdom in accordance with the Listing Rules; and
- 6.4.5 If the Bank submits a prospectus or any other equivalent document in the Foreign Market, the issuer must make such information available, with no delay, as a document available for the Public in the Kingdom.

6.5 Disclosure of Financial Information

- 6.5.1 The annual financial statements and the first, second, and third interim financial statements of BSF must be disclosed to the CMA and the public upon their approval and prior to their publication to shareholders or third parties. The Financial Statements are approved as follows:
 - a) The interim and annual financial statements of the Bank are deemed approved when its approved by the BoD, and signed by a Director authorized by the BoD, by the CEO and the Chief financial Officer (CFO), and approved by SAMA; and
 - b) Annual financial statements are deemed approved when they comply with any applicable requirements under the Companies Law and Corporate Governance Regulations and approved by SAMA.
- 6.5.2 The Bank shall disclose its interim and annual financial statements through the electronic system specifically designated for such purpose by the Exchange;
- 6.5.3 The Bank must prepare its interim financial statements in accordance with the accounting and auditing standards adopted by SOCPA and IFRS, and disclose them to the public within a period not exceeding thirty (30) days after the end of the financial period included in such financial statements;
- 6.5.4 The Bank must prepare its annual financial statements in accordance with the accounting and auditing

standards adopted by SOCPA and IFRS, and disclose them to the public within a period not exceeding three (3) months after the end of the annual financial period included in such financial statements. The bank must disclose these annual financial statements not less than twenty-one (21) calendar days before the date of convening BSF's annual general assembly;

6.5.5 The certified public accountant or the accounting firm that audits the Bank's financial statements must be registered with the CMA in accordance with the Rules for Registering Auditors of Entities Subject to the Authority's Supervision, and the Bank must ensure that the certified public accountant or the accounting firm that audits its financial statements and any of their partners comply with the MoC, CMA & SOCPA rules and regulations in relation to the ownership of shares or securities of the Bank or any of its subsidiaries in order to ensure the independency of the certified public accountant or the accounting firm and any partner or employee of that firm;

6.5.6 The bank shall disclose in its Annual Financial Statements the aggregate quantitative information on remuneration paid to various categories of employees and their number with breakup of fixed and variable components and the forms of payment. The categorization of employees includes at least senior management, employees engaged in control functions and outsourced employees; and

6.5.7 BSF is committed to disclose in its Annual Financial Statements the salient features of its Remuneration Policy and its implication on the bank's risk profile as well as the composition and the mandate of the Nomination and Remuneration Committee "NRC". The disclosure should also provide information on the overall design of remuneration system and manner of its implementation, description of the manner of risk adjustment, linkage of remuneration with actual performance, deferral policy and vesting criteria, parameters for allocating cash versus other forms of remuneration, and achievement of the stated policy objective.

6.6 Disclosure of the Audit Committee Report

6.6.1 The report of the Audit Committee (AC) shall include details of its performance, of its competencies, and duties stated in the Companies Law and its Implementing Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Bank; and

6.6.2 The Board shall make available sufficient copies of the AC's report at the Bank's head office, and publish them on the Bank's and the Exchange's websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.

6.7 Board of Directors Disclosure

- 6.7.1 The Bank shall maintain a register that is regulated by the board secretary for the disclosures of the Board members and the Executive Management and update it regularly based on disclosures required as per the Companies Law, the Capital Market Law and their implementing regulations; such register shall be available for review by the Bank's shareholders free of charge;
- 6.7.2 The Board shall disclose the remuneration policy and the method by which remunerations of the Board and Executive Management are determined;
- 6.7.3 The Bank must provide the CMA with, and disclose to the shareholders, within three (3) months from the end of the financial year, a report issued by the BoD containing the required information pursuant to the Corporate Governance Regulations issued by CMA and Key Principles of Governance in Financial Institutions issued by SAMA.

6.8 Board of Directors Annual Report

The Board's report shall include the Board's operations during the last fiscal year and all factors that affect the Bank's business which an investor requires to assess the assets, liabilities and financial position of the Bank, such report shall include the following:

- The implemented provisions of Corporate Governance Regulations issued by CMA as well as the provisions, which have not been implemented, and the justifications for not implementing them;
- Names, current and previous jobs, qualifications, and experience of the Board and committees' members and Executive Management;
- Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager;
- Formation of the Board of Directors and classification of its members as follows: executive board member, non-executive board member, or independent board member;
- Procedure taken to the Board to inform its members, non-executive Directors in particular, of the shareholders' suggestions and remarks on the Bank and its performance;
- A brief description of the competencies and duties of the Board Committees, such as the Audit Committee, the Nomination & Remuneration Committee indicating their names, names of their chairmen, names of their members (including independent members), the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting;
- Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relation with BSF, if any;
- An accurate, transparent and detailed disclosure on the remunerations, the mechanism for setting the remuneration, sitting fees, expense allowance, and any other benefits granted or deserved to be granted to the Board members and Executive Management, directly or indirectly, without any omission or misleading information, and whether these were in cash, percentage of net profit or other benefits of any nature. In case

they were shares of the BSF, the value of the shares is the market value on the due date; the disclosures of the remunerations and compensation in the Board report shall be pursuant to the schedule specified by the Corporate Governance Regulations and any other regulatory authority;

- An explanation of the relationship between remunerations granted and applicable remuneration policy, highlighting any significant deviation from such policy;
- A description of the necessary details with respect to the remunerations and compensations granted to each of the following, separately:
 - a. Board members;
 - b. Five Senior Executives who have received the highest remuneration from the Company provided that the Chief Executive Officer and Chief Financial Officer are among them; and
 - c. Members of Committees.
- Any punishment, penalty, precautionary procedure or preventive measure imposed on BSF by CMA, SAMA, or any other Supervisory, Regulatory or Judiciary Authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future;
- Results of the annual review of the effectiveness of the internal control procedures of BSF and the opinion of the AC with respect to the adequacy of BSF's internal control system;
- The AC recommendation on the need for appointing an Internal Auditor for BSF, if it has made such recommendation in the last financial year;
- The AC recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an External Auditor, as well as justifications for those recommendations and reasons for disregarding them;
- Details of BSF's social contributions, if any;
- A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board Members who attend the General Assembly;
- A description of the main scope of business of BSF and its affiliates. If there are two or more, a statement showing each activity and how it affects BSF businesses and results shall be attached;
- A description of BSF's significant plans and decisions (including changes to the structure, expanding the BSF's operations or halting them) and the future expectations;
- Information on any risks facing BSF (operational, financial or market related) and the policy of managing and monitoring these risks;
- A summary in a form of table or graph showing BSF's assets, liabilities and results of the last five fiscal year or since the incorporation date, whichever is shorter;
- Geographical analysis of BSF's and its affiliates' revenues;
- Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by BSF;
- Any inconsistency with the standards approved by the Saudi Organization for Chartered and Professional

Accountants;

- Name of each affiliate company, its capital, the Bank's ownership percentage, the main scope of business, country of operation and country of incorporation;
- Details of shares and debt instruments issued for each affiliate Company;
- A Description of the dividends distribution policy;
- A description of any interest in a class of voting shares held by persons (other than BSF's directors, Senior Executives and their relatives) who have notified BSF of their holdings, together with any change to such interests during the last fiscal year;
- A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of BSF or its affiliates, and any change on these interest or rights during the last fiscal year;
- Information on any loans (payable upon request or not), a statement of the total indebtedness of BSF and its affiliates, any amounts paid by BSF in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented;
- A description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by BSF during the fiscal year, as well as stating any compensation obtained by BSF in this regard;
- A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by BSF;
- A description of any redemption, purchase or cancellation by BSF of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by BSF and those purchased by its affiliates;
- The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of the attendees;
- Numbers of BSF's requests of shareholders records, dates and reasons thereof;
- A description of any transaction between BSF and any Related Party;
- Information relating to any business or contract to which BSF is a party and in which a director of the Bank, a Senior Executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the business or contract. If there are no such businesses or contracts, BSF must submit a statement thereof;
- A description of any arrangement or agreement under which a director or a Senior Executive of BSF has waived any remuneration;
- A description of any arrangement or agreement under which a shareholder of BSF has waived any rights to dividends;
- A statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief

description and the reasons therefore;

- A statement as to the value of any investments made or any reserves set up for the benefit of the employees of BSF;
- Declarations that:
 - a) Proper books of account have been maintained;
 - b) The system of internal control is sound in design and has been effectively implemented; and
 - c) There are no significant doubts concerning BSF's ability to continue its activity.
- If the External Auditor's Report contains reservations on the annual financial statements, the Board Report shall highlight this mentioning the reasons and any relevant information;
- If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation; and
- Information relating to any competing business with the Bank or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses, including the names of persons in relation, the nature, conditions of such competing businesses. If there are no such competing businesses, the Bank must submit a statement thereof.

6.8 Miscellaneous Provisions

- 6.8.1 If BSF believes that the disclosure of any matter required by the Exchange's Listing Rules would be unduly detrimental to the Bank, and omission is not likely to mislead investors with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question, BSF shall apply for a waiver from the relevant requirement or otherwise request to delay the disclosure. BSF must in that case provide to the CMA on a strictly confidential basis a statement of the requested waiver or delay together with the reasons why the Bank believes that the information should not be disclosed at that time. CMA may approve or reject the application for a waiver or delay. If CMA approves the application for a waiver or delay, CMA may at any time require the Bank to disclose any information in relation to the waiver or delay.
- 6.8.2 All information and material developments required to be disclosed shall be deemed confidential until they are disclosed. Before disclosing such information and material developments, the Bank shall not communicate such information to parties not bound by a confidentiality obligation and an obligation to protect such information. BSF must also take all necessary steps to prevent the leakage of any information and material developments before disclosing them as required and described in the Listing Rules.
- 6.8.3 BSF must determine the need to publish a disclosure to the public in response to rumours related to any material developments, and the CMA may require such publication to be made by BSF as CMA sees appropriate.
- 6.8.4 The Bank must send copies to the CMA of any notices, documents, or information that are sent or otherwise made available to its shareholders, unless they were disclosed on the Exchange.

6.9 SAMA Requirements

- a) The Board should inform SAMA in writing about all punishment or penalty imposed on the Bank by any other supervisory, regulatory or judicial authority, that may affect BSF business, within ten (10) business days from the date of the penalty;
- b) Notify SAMA in writing of the accepted resignation/ceasing to continue working/ or termination of the services of any holder of a leadership position, the termination of membership of any member of the board and its committees, or the independent member has impaired his independence, within five (5) business days;
- c) If the resigned board member has any notes or comments on the performance of the bank, he/she shall submit a written statement to the chairman of the board, and the statement must be presented to all board members with a copy provided to SAMA;
- d) Disclose to SAMA in writing on any relevant information that may come to the notice of the Bank regarding the fitness and propriety of its Board Members, and members of Senior Management, as well as changes affecting the accuracy, correctness, precision, or completeness of the answers provided in the Fit and Proper form, even after the issuance of SAMA's non-objection, within a maximum period of five (5) business days from the day of obtaining the information or the occurrence of the change;
- e) Disclose to SAMA & the public without any delay any transaction between the Bank and a related party if this transaction is equal to or greater than 1% of the gross revenues of the Bank according to the latest audited annual financial statements;
- f) The Board should disclose the CVs of all members of the Board of Directors as well as candidates, so that shareholders and investors can judge their competence and their ability to carry out their functions effectively. Also, the Board should disclose the mechanism used to oversee the integrity and performance of members, while ensuring not to nominate any member already sentenced by a court judgment or convicted of a crime involving moral turpitude and honesty;
- g) The Chairman of the Board shall provide SAMA with a list of all committees of the Board, their duties and work procedure as well as members' names as per the applicable laws and regulations;
- h) The Board shall provide stakeholders with financial or non-financial comprehensive information which could assist them in identifying the future trends and strategic plans of the Bank as well as Bank's credit ratings by international credit rating agencies;
- i) The Bank shall provide SAMA with a copy of the minutes of the General Assembly meetings within fifteen (15) days of the date of meeting;
- j) BSF is required to submit to SAMA all exposures/transactions to related counterparties that exceeded 5% of BSFs eligible capital base on the reporting date. It shall be submitted to SAMA each calendar quarter within thirty (30) calendar days of the end of each quarter;
- k) Disclose the mechanism used to supervise the integrity and performance of Shariah Committee members;
- l) Disclose Shariah Committee members CVs so that shareholders and investors can judge their competency and ability to carry out tasks effectively;
- m) Relevant departments should notify CPG on-time of the occurrence of the above events to ensure meeting

SAMA disclosure requirements; and

- n) BSF shall report to SAMA on an annual basis (end of March) on the total remuneration paid to the board members & board committee members in accordance to the template set by SAMA.

7. Disclosure Control

Any disclosure shall be in-line with SAMA and CMA Laws and Regulations and any other applicable laws, regulations in addition to the Bank internal policies and procedures.

8. Leading Practices on Transparency and Disclosure

8.1 Organization of Economic Co-operation and Development (OECD)

8.1.1 Introduction

The Organization for European Economic Cooperation (OEEC) was established in 1947 to run the US-financed Marshall Plan for reconstruction of a continent ravaged by war. By making individual governments recognize the interdependence of their economies, it paved the way for a new era of cooperation that was to change the face of Europe. Encouraged by its success and the prospect of carrying its work forward on a global stage, Canada and the US joined the OEEC members in signing the new OECD some Convention on 14 of December 1960. OECD was officially born on 30 September 1961, when the Convention entered into force.

8.1.2 Guidelines on Transparency and Disclosure

The OECD provides the following guidance on transparency & disclosure leading practices:

- a) Disclosure should include, but not be limited to, material information on:
 - i. The financial and operating results of the Bank;
 - ii. Bank objectives and non-financial objectives;
 - iii. Major share ownership, including beneficial owners and voting rights;
 - iv. Remunerations of members of the Board;
 - v. Information about board members, including their qualifications, the selection process, other Bank directorships and whether they are regarded as independent by the Board;
 - vi. Related Party Transactions;
 - vii. Foreseeable risk factors;
 - viii. Issues regarding employees and other stakeholders; and
 - ix. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.
- b) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosure;
- c) An annual audit should be conducted by an independent, competent and qualified, auditor in accordance with high-quality auditing standards in order to provide an external and objective assurance to the Board and shareholders that the financial statements fairly represent the financial position and performance of the Bank in all material respects;
- d) External auditors should be accountable to the shareholders and owe a duty to the Bank to exercise due professional care in the conduct of the audit; and
- e) Channels for disseminating information should provide for equal, timely and cost efficient access to relevant information by users.

8.2 International Corporate Governance Network (ICGN)

i. Introduction

ICGN was founded in 1995 at the instigation of major institutional investors, represents investors, companies, financial intermediaries, academics and other parties interested in the development of global corporate governance practices.

ii. Guidelines on Transparency and Disclosure

The ICGN suggests that every Bank should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures through the following:

- a) The Bank should disclose relevant and material information on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sale of shares;
- b) The Board of Directors and the appropriate officers of the Bank (CEO and CFO/VP Financial Affairs) should affirm at least annually the accuracy of the Bank's financial statements or financial accounts;
- c) To attract international investors (if required), the Bank should apply accounting and financial reporting standards which are generally accepted high-quality international accounting standards. The Audit & Risk Committee should maintain oversight of key accounting policies and key accounting judgments taken under those policies. The accounting policies should be disclosed in the Bank's annual report;
- d) The reporting of relevant and material non-financial information is an essential part of the disclosure required to enable shareholders and investors to make informed decisions on their investments; and
- e) In addition to financial and operating results, Bank objectives, risk factors, stakeholder issues and governance structures, the disclosures should include a description of the relationship of the Bank to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the Bank's relationships with its public shareholders.

9. Mechanism of Specific Disclosure

9.1 The below table illustrates the mechanism & roles of relevant departments in the disclosure of the specific events as mentioned in section 6.4.

Relevant Department	Role
CGD	<p>a. CGD shall receive financial threshold from finance group as mentioned in (section a) of finance role.</p> <p>b. CGD shall receive coordinators names from the relevant departments.</p> <p>c. CGD shall maintain register of all disclosure events reported.</p> <p>c. CGD shall dispatch the financial threshold received from finance to the relevant department as per the below table.</p>
Procurement	<p>a. PD shall assign a coordinator to receive financial threshold from CGD.</p> <p>b. PD coordinator shall report the below specific events once it occurs to CGD for announcements on Tadawul with a copy to SEG:</p>
	<ul style="list-style-type: none"> Any transaction to purchase, sell, lease or mortgage an asset at a price equal to or greater than 10% of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> The entering into, or the unexpected termination of, any contract with revenues equal to or greater than 5% of the gross revenues of BSF according to the latest audited annual financial statements.
	<ul style="list-style-type: none"> Any transaction between BSF a related party or any arrangement through which BSF and a related party invest in any project or asset therefore if this transaction or arrangement is equal to or greater than 1% of the gross revenues of the issuer according to the latest audited annual financial statements.

Finance	<p>a. Finance group (through a designated staff) shall provide CGD quarterly (after publishing the audited financial statements) with the below information (including the amount of each);</p> <ol style="list-style-type: none"> i. 10% of the net assets or equivalent ii. 5% of the net assets or equivalent iii. 10% of the gross profit or equivalent iv. 1% of the gross revenues or equivalent v. 5% of the gross revenues or equivalent <p>b. finance shall assign a coordinator to receive the previously mentioned information from CGD.</p> <p>c. Finance coordinator shall report the below specific events once it occurs to CGD for announcements on Tadawul with a copy to SEG:</p>
	<ul style="list-style-type: none"> • Any transaction to purchase, sell, lease or mortgage an asset at a price equal to or greater than 10% of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> • The entering into, or the unexpected termination of, any contract with revenues equal to or greater than 5% of the gross revenues of BSF according to the latest audited annual financial statements.
	<ul style="list-style-type: none"> • Any debt outside the issuer's ordinary course of business, of a value equal to or greater than 10% of BSF net assets; according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> • Any losses equal to or greater than 10% of BSF net assets; according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> • The increase or decrease in the net assets of BSF equal to or greater than 10% according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> • The increase or decrease in the gross profit of BSF equal to or greater than 10% according to the latest audited financial

	statements.
	<ul style="list-style-type: none"> The making of any judgement, decision, order or declaration by a court or judicial body, whether at first instance or on appeal, which may adversely affect the BSF's utilization of any portion of its assets which in aggregate value represents a value in excess of 5% or more of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> Upon the issuance of any recommendation or a resolution by the person of authority in the Bank to submit an application to the court for commencing any of the bankruptcy procedures under the Bankruptcy Law, with a statement of its impact on the Bank's financial position or the general course of its business.
	<ul style="list-style-type: none"> Any material developments included in the reports the Bank provides during the commenced bankruptcy procedures in accordance with the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business, unless the officeholder, the bankruptcy committee or the competent authority decides that such developments are confidential according the Implementing Regulation of the Bankruptcy Law.
	<ul style="list-style-type: none"> Any proposed change in the capital of the Bank.
	<ul style="list-style-type: none"> Any decision to declare, recommend to declare or pay dividends or to make any other distributions to the holders of its listed securities after obtaining SAMA approval.
	<ul style="list-style-type: none"> Any decision or a recommendation not to pay dividends which would otherwise have been expected to have been paid after obtaining SAMA approval.
	<ul style="list-style-type: none"> Any decision to call, repurchase, draw, redeem or propose to buy any of its securities and the total amount and value thereof.
	<ul style="list-style-type: none"> Any decision not to make payment in respect of debt instruments or convertible debt instruments.

	<ul style="list-style-type: none"> Any change in the rights attaching to any class of listed shares or to the debt instruments convertible to such shares.
	<ul style="list-style-type: none"> Any change of the external auditors.
Litigation	<p>a. Litigation Division shall assign a coordinator to receive the financial thresholds from CGD.</p> <p>b. Litigation coordinator shall report the below specific events once it occurs to CGD for announcements on Tadawul with a copy to SEG.</p>
	<ul style="list-style-type: none"> Any dispute including any litigation, arbitration, or mediation where the value involved is equal to or greater than 5% of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> The making of any judgement, decision, order or declaration by a court or judicial body, whether at first instance or on appeal, which may adversely affect the BSF's utilization of any portion of its assets which in aggregate value represents a value in excess of 5% or more of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
	<ul style="list-style-type: none"> The presentation of any winding-up petition, the making of any winding-up order or the appointment of a liquidator in respect of the Bank or its affiliates under the Companies Law, or the commencement of any proceedings under the Bankruptcy Regulations.
	<ul style="list-style-type: none"> Upon receiving a notification from the court regarding others registering an application with the court for commencing a financial restructuring procedure or commencing the liquidation procedure or the administrative liquidation procedure for the Bank in accordance with the Bankruptcy Law, with a statement of its impact on the Bank's financial position or the general course of its business.
<ul style="list-style-type: none"> Upon registering an application with the court for commencing any of the bankruptcy procedures for the Bank in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the Bank's financial position or the general course of its 	

	<p>business.</p> <ul style="list-style-type: none"> • Upon the issuance of the court's decision (first instance or final) ordering the commencement of any of the bankruptcy procedures for the Bank in accordance with the Bankruptcy Law, with clarification of the subsequent steps and durations therefor and a statement of its impact on the Bank's financial position or the general course of its business. • Upon the issuance of the court's decision (first instance or final) rejecting the application of commencing any bankruptcy procedures for the Bank in accordance with the Bankruptcy Law, or rejecting any of them and commencing the appropriate bankruptcy procedure, with a statement of the reasons for such rejection and a statement of its impact on the Bank's financial position or the general course of its business. • Upon the issuance of the court's decision (first instance or final) terminating the financial restructuring procedure or the protective settlement procedure for the Bank in accordance with the Bankruptcy Law, or terminating any of them and commencing the appropriate bankruptcy procedure in accordance with Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business. • Objecting before the competent court regarding the commencing or rejecting of the commencement of any bankruptcy procedures under the Bankruptcy Law, or the termination or non-termination of the protective settlement procedure or the financial restructuring procedure under the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business. • Upon the issuance of the court's decision in the objection referred to in paragraph (23) of this Article to affirm or reverse the Court decision and to adjudicate the case under the Bankruptcy Law with a statement of its impact on the Bank's financial position or the general course of its business.
<p>RMG</p>	<p>a. RMG shall assign a coordinator to receive the financial thresholds from CGD.</p> <p>b. RMG coordinator shall report the below specific events once it occurs to CGD for announcements on Tadawul with a copy to SEG:</p>

	<ul style="list-style-type: none"> Any transaction between BSF and related party or any arrangement through which BSF and a related party invest in any project or asset therefore if this transaction or arrangement is equal to or greater than 1% of the gross revenues of the issuer according to the latest audited annual financial statements.
WBG, PBG, and Treasury & Investment Group	<p>a. Each group shall assign a coordinator to receive the financial threshold from CGD.</p> <p>b. Each group coordinator shall report the below specific events once it occurs to CGD for announcements on Tadawul with a copy to SEG:</p>
	<ul style="list-style-type: none"> Any interruption in the principal activities of BSF or its subsidiaries equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements.
	<ul style="list-style-type: none"> Any transaction to purchase, sell, lease or mortgage an asset at a price equal to or greater than 10% of the net assets of BSF according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.
SEG	<p>a. SEG shall maintain register of all disclosure events reported.</p> <p>b. SEG shall report the below specific events once it occurs to CGD for announcements on Tadawul:</p>
	<ul style="list-style-type: none"> Any changes in the Bank's bylaws, location, or principal office.
	<ul style="list-style-type: none"> The passing of a resolution by the Bank or its affiliates that it be dissolved or liquidated, or the occurrence of an event or termination of a period of time which would require the bank to be put into liquidation or dissolution.
	<ul style="list-style-type: none"> Upon the issuance of any recommendation or a resolution by the person of authority in the Bank to submit an application to the court for commencing any of the bankruptcy procedures under the Bankruptcy Law, with a statement of its impact on the Bank's financial position or the general course of its business.

	<ul style="list-style-type: none"> Any judicial decision issued against the Board or any of the directors where the subject of the decision involved relates to the business of the Board or any of the directors in BSF.
	<ul style="list-style-type: none"> Any changes in the composition of the directors, the audit committee or to the Chief Executive Officer (CEO) position of the Bank.
	<ul style="list-style-type: none"> The call for convening a general or special assembly and its agenda.
	<ul style="list-style-type: none"> The outcome of the general or special assembly.
	<ul style="list-style-type: none"> Any significant change in the Bank's production environment or activity including (but not limited to) the availability of resources and the possibility of obtaining them.