



I Remuneration and Compensation Policy for Board and Board Committees

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Table of Abbreviations and Definitions

S. No.	Abbreviation and Definitions	Expansion
1	AC	Audit Committee
2	NRC	Nomination and Remuneration Committee
3	BoD	Board of Directors
4	CGD	Corporate Governance Division
5	CMA	Capital Market Authority
6	DoA	Delegation of Authority Manual
7	MoC	Ministry of Commerce
8	SAMA	Saudi Central Bank
9	Executive Director	A member of the Board who is a full-time member of the executive management team of BSF and participates in its daily activities.
10	Non-Executive Director	Member of the Board who is not a full-time member of the management team of BSF and does not participate in its daily activities.
11	Independent Director	A non-executive member of the Board who enjoys complete independence in his/her position and decisions and none of the independence affecting issues stipulated in SAMA and CMA CG regulations apply to him/her.
12	Executive Management/ Senior Executives	Persons responsible for managing the daily operations of the Bank, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her direct reportees.

1. Introduction

1.1. Document Authorization Control Sheet

Document Type	Policy
Document Title	Remuneration and Compensation Policy for Board and Board Committees
Version	5.0 (English)
Document Reference	
Date	19-5-2026
Policy Custodian	Corporate Governance Division
Policy Owner	Corporate Governance Division

1.2. Document Approval Record

Version	Approval Date	Description of Changes
1.0		New Policy
1.2	May 1, 2019 (GA)	Comprehensive review to incorporate all regulatory & legal requirements and meet best practices
2.0	Dec 8, 2021 (GA)	General Periodic Review
3.0	May 22, 2024 (GA)	General Periodic Review, to reflect SAMA's Remuneration Rules, the new Companies Law & it's implementing regulations, SAMA circular dated Feb 2024 as well as the removal of senior executives from policy scope.
4.0	Dec 23, 2024 (GA)	New approved remuneration.
5.0	May 19, 2026 (GA)	General Periodic Review

1.3. Review, Update & Maintenance

- 1.3.1 The authority to amend this policy rest with the General Assembly upon Board of Directors recommendation;
- 1.3.2 Any amendment to this document should be as per the process set out in the DoA; 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. NRC is responsible for ensuring that this document is reviewed and approved as required.

1.4. Policy Implementation & Disclosure

- 1.4.1 Banque Saudi Fransi's (also referred to as "BSF" or the "Bank") shall commit to this policy which shall be implemented from the date of its approval by the General Assembly, and shall be duly disclosed in accordance with the disclosure requirements issued by the relevant regulators.

2. Purpose of the Policy

The purpose of this document is to set out BSF policy on the remuneration and compensation of the Board and Board Committees' members to ensure that they are rewarded fairly, in-line with the Bank's objectives and in accordance with the Companies Law issued by a Royal Decree, regulations of the Saudi Central Bank (SAMA), as well as regulations of the Capital Market Authority (CMA).

3. Applicability & Definition

3.1. Applicability

This policy applies to members of the BoD and members of the Board Committees' (including the external members).

3.2. Remuneration Definition

Remunerations are: Amounts, allowances, dividends and the like, periodic or annual bonuses linked to performance, long or short-term incentive plans and any other in-kind benefits except the actual reasonable expenses and fees incurred by the Bank to enable the Board & Committee member to perform his/her duties.

4. Laws, Regulations, Related Policies & Supporting Procedures

4.1 Laws & Regulations

A fundamental aspect of this Policy is ensuring compliance with the relevant laws and regulations in relation to remuneration & compensation. Below are the main Regulations that need to be considered:

Law/Regulation	Authority
Companies Law	MoC
Key Principles of Governance for Financial Institutions under the Control and Supervision of the Saudi Central Bank	SAMA
Corporate Governance Regulations	CMA
Implementing Regulation of the Companies Law for Listed Joint Stock Companies	CMA
Banks Remuneration Rules	SAMA
Circular # 45048798 (Board and Board committees remuneration guidelines)	SAMA

4.2 Related Policies & Procedures, and Internal Documents

Certain other policies and procedures are relevant to this policy. These include, in particular:

Policy
Board of Directors Charter
Board Committees Charters
Board Nomination, Membership, Assessment and Succession Policy
Bank's Bylaws
The Delegation of Authority Manual
Transparency & Disclosure Policy

5. Policy

5.1. Policy Statement

It is BSF's policy that the Board and Board Committees' members are compensated fairly and in accordance with applicable laws and regulations.

5.2. Policy Principles

- The remunerations shall be provided with the aim of encouraging the Board members and Board Committee members to achieve the success of BSF and its long-term development;
- The remuneration must be reasonable sufficient to attract, motivate and retain highly qualified and experienced members to serve on the BoD and to assume the roles entrusted to the Bank's Committees, based on their personal knowledge, experience, and aspirations;
- The remunerations provided shall be consistent with the prevailing domestic practices, control system, BSF Risk Policy, the Bank's long-term strategic objectives and goals;
- Take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations;
- The remuneration shall be consistent with the magnitude, nature and level of risks faced by the Bank and shall be proportionate to the Bank's activities and the required skills for its management;
- The remuneration should not be solely based on industry practices but should also take into account the business model, financial condition, operating performance and business prospects of BSF;
- Situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or a Board Committee, in order to prevent abuse of power to obtain unmerited remunerations;
- The Bank shall compensate Board/Board Committees members for the actual expenses incurred by them to attend the Board/Board Committees meetings including airfare, transportation and accommodation expense;
- Board members shall not on his/her personal capacity or on others behalf vote on the agenda item relating to the Remuneration of Board members at the General Assembly's meeting.

5.3. Policy Details:

5.3.1 Remuneration and Compensation General Rules

NRC should take into account the following while assessing the remunerations:

- a) Remunerations shall be fair, appropriate, and commensurate with the Board member's activities and responsibilities, as well as with the objectives set by the Board, which are to be achieved during the financial year;
- b) Remunerations shall be based on the NRC's recommendations;
- c) Remunerations shall be proportionate with the Bank's activities and skills required for managing the Bank;
- d) The banking sector, the size of the bank, and the experience of the Board members;
- e) Remunerations shall be reasonably sufficient to attract and retain Board members with high qualifications and experience;
- f) A Board member may receive a remuneration for his membership in the Audit Committee, or for any additional executive, technical, administrative, or advisory functions or positions (under professional license) he assumes. Such remuneration should be in addition to the remuneration he/she may receive in his/her capacity as a member in the Board and in the committees formed by the Board, pursuant to the Companies Law and the Bank's bylaws;
- g) Remunerations of the Board members may vary according to the member's experience, competencies, responsibilities, independence, number of meetings attended, and any other considerations;
- h) The Remuneration of independent Board members shall not be a percentage of the profits that are realized by the bank, nor shall it be based directly or indirectly on the Bank's profitability;
- i) If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive or five separate Board meetings during their membership without a legitimate excuse accepted by the Board, then such member may not be entitled to any remunerations for the period commencing from the last Board meeting he attended, and he shall return the remunerations received during that period;
- j) If the Audit Committee (AC), or any regulatory authority determines that the remuneration paid to a Board member is based on false or misleading information submitted to the General Assembly or included in the Board of Directors' report, the concerned member shall return the remuneration to the Bank. Moreover, the Bank may claim refund of this remuneration; and
- k) The BoD shall disclose in its annual report the details of remuneration policies and the mechanisms used to determine such remuneration, including cash and in-kind benefits provided to each Board member in exchange for any executive, technical, administrative, or advisory position or function.

5.3.2 Remuneration for the Members of the Board of Directors

- Each member of the Board of Directors shall receive a fixed attendance fee for his attendance of each meeting (board & board committee meetings) either personally or through modern technology means as determined by the Board based on NRC recommendation.
- The total amount received for each Board member, shall not exceed SAR 1,500,000 annually. This limit

excludes costs and expenses related to travel and accommodation.

- The board based on NRC recommendation may determine special remuneration for the chairman in addition to the remuneration provided to the board members.
- The Board members shall not receive any additional remuneration for their membership in the Board committees as the annual remuneration will include any other remuneration paid for the director for his participation in any Board Committee.
- Board Members shall be compensated for their actual expenses, including travel and accommodation expenses to attend the Boards meetings and carry out their responsibilities.

5.3.3 Remuneration of the Audit Committee External Members

- External Members of the Audit Committee shall receive an annual remuneration for their membership in the Audit Committee as determined by the Board based on NRC recommendation.
- External Members of the Audit Committee shall receive a fixed attendance fee for their attendance of each Audit Committee meeting either personally or through modern technology means as determined by the Board based on NRC recommendation.
- External Members of the Audit Committee shall be compensated for their actual expenses, including travel and accommodation expenses to attend the Committees' meetings and carry out their responsibilities.

5.3.4 Remuneration of External Members of Other Board Committees'

- a) External members of the Board Committees' shall receive an annual remuneration for their membership in the Committee as determined by the Board based on NRC recommendation;
- b) External Board Committees Members shall receive a fixed attendance fee for each Committee meeting they attend either personally or through modern technology means as determined by the Board based on NRC recommendation;
- c) External Board Committee Members shall be compensated for their actual expenses, including travel and accommodation expenses to attend the Committees' meetings and carry out their responsibilities.

5.3.5 Paying Remunerations

Remunerations shall be paid in Saudi Riyals by a direct deposit in the bank account specified by the person concerned.

5.3.6 Medical Insurance

- a) To ensure the well-being of the Board of Directors and their eligible dependents, a Board member & his/her eligible dependents can be enrolled in BSF's group medical insurance policy.
- b) BSF will incur the cost of the medical insurance policy on behalf on the board member and his/her eligible dependents.

- c) The continuation of this benefit is subject to the approval of the insurance service provide and the fulfillment of its terms.
- d) The Medical Insurance Plan covers the relevant medical expenses and conditions (subject to inclusions and exclusions), as per the coverage details.

6. Disclosures of Remuneration

The Board shall ensure the following:

- 6.1 Disclosure in the Board Annual Report details of the remuneration policy, a detailed account of all the amounts board members received or were entitled to receive during the fiscal year in the form of remuneration, meeting allowances, expense allowances, and other benefits. The report shall also include an account of the amounts received by board members in exchange for any executive, technical, managerial, or advisory work or positions.
- 6.2 The disclosures of remunerations for Board and Board Committees members shall be in accordance with the disclosure requirements issued by the relevant regulatory authorities including reporting to SAMA on the total remuneration paid to the board members & board committee members on an annual basis (end of March) in accordance to the template set by SAMA.

For further details please refer to Transparency & Disclosure Policy.