



Alinma Bank Governance Manual

CG MNL-01

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Article (1): Preface

Alinma Bank believes that corporate governance is a set of rules, policies and procedures through which the bank is effectively and consistently managed. Corporate governance affects the methods of preparing and monitoring risks, assessing the bank's objectives and improving its performance. The fundamentals of corporate governance pursued by the bank include high level of integrity, timely and accurate disclosure of information, setting high standards of accountability and effective management and oversight by the Board of Directors. Corporate governance enables the creation of basic structures for respecting shareholders, maintaining their rights, promoting positive communication with the investment community, adding value to shareholders' rights and ensuring fair and equal treatment of all shareholders.


It is agreed that applying sound corporate governance often improves the bank's performance and profitability and effectively maximizes its market value. This is achieved through the ability to manage and take decisions by members of the Board of Directors and senior executives, which, in turn, increases revenues and decrease costs. On the other hand, corporate governance ensures the protection of the rights of minority shareholders, enhances the reputation of the bank and mitigates risks.

Article (2): Purpose

This manual has been prepared to reinforce the principles of good governance within the bank. The Board of Directors, the Executive Management and shareholders believe that good governance is one of the basic prerequisite for the success of the bank and its group and that applying the rules of governance is of the most important foundations upon which the bank relies in conducting its business.

Article (3): Responsible Party

The Board of Directors shall be responsible for approving and applying the principles of good governance and international best practices within the bank and its group. The Board of Directors shall also be liable for the periodical review and update of the rules of ethics and professional conduct. This ensures the implementation of the best practices that meet the bank's requirements and promote corporate values and other internal policies and procedures applicable to members of the Board of Directors, Executive Management and the bank's employees.

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Article (4): Compliance with Governance Principles

Due to the increasing developments of regulatory requirements related to corporate governance, the Corporate Governance Management is keen on discipline, follow up and coordination with the concerned parties to ensure compliance with the foregoing requirements by applying them and finalizing all necessary and relevant procedures.


Article (5): Governance within the Bank

5.1 Governance Definition

Governance refers to the framework and organizational and information structure used to identify the appropriate means upon which the Board of Directors and the Executive Management rely to organize the bank's entire strategies and activities. Governance also identifies the roles, responsibilities, jurisdictions and rights of the Board of Directors, the Executive Management and their committees and shows the relationships with shareholders, regulatory bodies, stakeholders and other relevant parties. The bank's governance plays a role beyond fulfilling compliance requirements. Therefore, the bank has developed a general framework for its governance, which defines the roles and responsibilities, the method of decision taking, initiation and monitoring. The framework also includes the components of the main governance and shows the relationship between them and how they are integrated and coordinated.

Governance framework also includes the rights of shareholders and methods of exercising them in light of regulatory provisions and the best international governance practices; including enhancing communication with shareholders and providing necessary tools that enhance effective communication.

The structure of the Board of Directors includes six (6) committees, namely, the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, the Risk Committee, the Governance and Sustainability Committee and the Sharia'h Committee. The performance of the Board and its committees shall be subject to periodical review to enhance effectiveness and thereby achieving the desired objectives.

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5.2 Governance Significance

The importance of sound governance lies in several aspects, namely:

5.2.1 Raising the level of performance efficiency due to its vital role in achieving financial stability, raising the level of transparency, attracting domestic and international investments and mitigating risks;

5.2.2 Creating a healthy work environment that helps, together with good management, in achieving a better performance and thereby raising the economic value of the bank. Sound governance helps in mitigating risks and building trust with stakeholders; and

5.2.3 Protecting investments against losses arising out of authority misuse as well as maximizing investment returns and investment value and controlling cases of conflict of interest.

This manual establishes an effective regulatory framework for the governance of the bank. The principles of governance could be summarized as follows:

5.3.1 Activating the role of shareholders and facilitating the exercise of their rights;

5.3.2 Statement of the jurisdictions and responsibilities of the Board of Directors and the Executive Management related to managing the bank;


5.3.3 Activating the role of the Board of Directors and its committees and developing their competences to enhance the decision-making mechanisms within the bank.;

5.3.4 Achieving transparency, integrity and justice in the capital market and its transactions and business environment as well as enhancing disclosure therein;

5.3.5 Developing a general framework for dealing with stakeholders and observing their rights as well as providing effective and balanced tools to deal with conflict of interest cases;

5.3.6 Strengthening control and accountability mechanisms within the bank; and

5.3.7 Supporting the bank's roles related to sustainability and social responsibility contributions.

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Article (6): Shareholders Rights and General Assemblies

6.1 General Rights

6.1.1 Fair and equal treatment of all shareholders by protecting their rights. There will be no discriminate between shareholders owning shares of the same type and class and no right will be withheld;

6.1.2 Obtaining by shareholders of all shares-associated rights;

6.1.3 Obtaining by shareholders of relevant information that enable them to exercise their rights fully, regularly, immediately, without prejudicing the interests of the bank;

6.1.4 Election of the members of the Board of Directors by using the cumulative voting method;

6.1.5 Receipt of dividends;

6.1.6 Discussing topics included in the agenda of the General Assembly, submitting queries to the Board members and the chartered accountant and receiving their feedback and response; and

6.1.7 Participating and voting in the meetings of the General Assembly, taking into account the topics that shareholders wish to add in such meetings.

6.2 Jurisdictions of the General Assemblies

The jurisdictions of the General Assemblies include all matters related to the bank. Legally held General Assembly represents all shareholders and their relevant powers and shall exercise its role in accordance with the provisions of the Companies Law and its Implementing Regulation as well as the Articles of Association of the bank.


6.2.1 Jurisdictions of the Extra Ordinary General Assembly

2.6.1.1 Amending the Articles of Association of the bank, except amendments that are deemed null and void according to the provisions of the Companies Law;

2.6.1.2 Increasing the bank's capital as stipulated in the Companies Law and its Implementing Regulations;

2.6.1.3 Reducing the bank's capital if it exceeds the need of the bank or if the bank suffers financial losses as stipulated in the Companies Law and its Implementing Regulations;

2.6.1.4 Deciding on the use of reserves allocated for specific purposes in the Articles of Association of the bank;

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2.6.1.5 Deciding on the continuity or dissolution of the bank prior to the deadline indicated in the Articles of Association;

2.6.1.6 Approval of purchasing the bank's shares;

2.6.1.7 Issuing preference or redeemable shares or approving the purchase of the same, changing the type or category of the bank's shares, based on a provision in the Articles of Association of the bank and in accordance with the Implementing Regulations of Companies Law for listed joint stock companies;

2.6.1.8 Issuing debt instruments or financing Sukuk that are convertible into shares and fixing the maximum number of shares that may be issued against such instruments or Sukuk;

2.6.1.9 Allocating issued shares, or part thereof, upon capital increase to the bank's employees and subsidiaries (or part of them) or any of the foregoing;

2.6.1.10 Suspension of shareholders' priority right to subscribe to capital increase in exchange for cash shares or giving priority to non-shareholders in cases it deems appropriate for the interest of the bank if this is stipulated in the Articles of Association of the bank; and


The Extra Ordinary General Assembly may issue resolutions that fall within the jurisdiction of the Ordinary General Assembly, provided that such resolutions are issued in accordance with the conditions of issuing the resolutions of the Ordinary General Assembly (i.e. by the majority of voting rights represented in the meeting).

6.2.2 Except for the Jurisdictions of the Extra Ordinary General Assembly, the Ordinary General Assembly shall have the following jurisdictions:

6.2.2.1 Election and termination of the members of the Board of Directors;

6.2.2.2 Authorizing a board member to have direct or indirect interest in the business and contracts concluded in favor of the bank in accordance with the provisions of the Companies Law and its Implementing Regulations;

6.2.2.3 Authorizing the participation of a board member in any competing business in accordance with the provisions of the Companies Law and its Implementing Regulations;

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6.2.2.4 Monitoring the compliance by the members of the Board of Directors with the provisions of the Companies Law and its Implementing Regulations, the Articles of Association of the bank and other relevant rules. Examining any damage arising from violating the foregoing rules by members of the Board of Directors or mismanaging the bank's affairs, determining the liability arising therefrom and taking any action appropriate in accordance with the provisions of the Companies Law and its Implementing Regulations;

6.2.2.5 Accessing and discussing the financial statements of the bank;

6.2.2.6 Accessing and discussing the Directors' Report;

6.2.2.7 Deciding on the recommendations of the Board of Directors regarding the method of distributing net profits;

6.2.2.8 Appointing one (or more) External Auditor and determining relevant fees, reappointment, termination, discussing the report submitted by him and providing feedback thereto;


6.2.2.9 Considering the violations and errors committed by the External Auditors in the performance of their duties and any difficulties reported by them with respect to enabling them to access books, records, documents, statements and clarifications necessary to perform their duties and taking any action it deems appropriate in this regard;

6.2.2.10 Deciding on the use of the bank's reserves (if they are not allocated for a specific purpose in the Articles of Association of the bank) as proposed by the Board of Directors and in areas that benefit the bank or shareholders;

6.2.2.11 Creation of the bank's reserves and deciding on their uses;

6.2.2.12 Deducting sums of the net profits of the bank for social purposes for the employees as provided for in Article (123) of the Companies Law; and

6.2.13 Approving the sale of more than (50%) of the bank's assets, whether in a single or several transactions, within twelve (12) months from the date of the first sale transaction. If the sale of such assets includes anything that falls within the jurisdiction of the Extra Ordinary General Assembly, the consent of the latter should be obtained.

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Article (7): Governance of the Board of Directors


The Board of Directors shall supervise the management of the bank's affairs and taking resolutions related to the major policies of the bank in accordance with the provisions of the Articles of Association of the bank, taking into account the standard conditions and the authorities of the General Assembly, even in cases where the Board of Directors delegates some of its powers to its affiliated committees or to the Executive Management. In all cases, the Board of Directors may not issue a general or open mandate to any entity, whether it is an individual or a group. The Board of Directors shall also approve the bank's vision, objectives and strategy.

The Board of Directors shall follow an appropriate system for supervising the risks and internal controls of the bank. The members of the Board of Directors work hard to take the right decisions that realize the interests of shareholders through available and relevant information that they have access to in a timely manner. The Board of Directors shall also be liable for appointing the CEO and assessing his performance, so that the Board of Directors ensures regular and timely communication with shareholders and to the extent it deems appropriate and in the best interest of the bank.

In order to do so, the Board of Directors shall be responsible for applying the highest standards of governance at the level of the bank and its subsidiaries. Upon the formation of the Board of Directors and as a general requirement, it is extremely important to take the diversity of skills and experiences into account. Accordingly, members of the Board of Directors should collectively have professional, scientific and administrative skills, financial expertise, leadership qualities and appropriate personality.

The Board of Directors shall develop and review the comprehensive policies and charters of the bank, including the bank's core objectives, strategic plans and KPIs, such as sustainability, social responsibility and governance. The Board of Directors shall also approve business plans and annual budgets and ensure the availability of necessary financial and human resources.

In addition, the Board of Directors shall be fully liable for determining the optimal capital structure of the bank, the major capital expenditures and decisions related to ownership and disposal of assets. The Board of Directors shall also supervise the implementation and monitoring of the internal control systems.

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The bank is managed by a Board of Directors composed of nine (9) members elected by the Ordinary General Assembly for no more than three (3) years. The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. The compensation and allowances of the members of the Board of Directors shall be in accordance with the Companies Law, the rules and instructions issued by competent regulatory and supervisory authorities. The compensation, allowances and financial or in-kind benefits shall also be determined according to the policies approved by the General Assembly of the bank.

7.1 Responsibilities of the Board and its Committees

7.1.1 Identifying the bank's objective, vision, mission and strategy, appointing the members of the Executive Management and fixing their remuneration, reviewing the performance of the Executive Management, ensuring that an appropriate succession plan is in place;

7.1.2 Ensuring the bank's compliance with its Articles of Association, internal charters and other relevant rules and regulations issued by regulatory and supervisory authorities;

7.1.3 Setting clear boundaries for liability and accountability and compliance with them at all levels of the bank. Responsibilities should be totally segregated at the level of the Executive Management;

7.1.4 Ensuring the safety and financial solvency of the bank and maintaining good relations with regulatory and supervisory authorities;


7.1.5 Approving business strategies, verifying the quality and integrity of financial control, internal audit, monitoring compliance and internal control of the bank;

7.1.6 Ensuring the implementation of governance principles in accordance with the bank's business, activities, position in the market and other relevant economic factors;

7.1.7 Ensuring the credibility and adequacy of financial statements and accounting policies, including those related to financial reporting;

7.1.8 Establishing an organizational framework within the bank, especially with respect to the rules of organizational structure and business practice, including the mechanism of distributing competencies and cadres to all sections of groups and sectors;

7.1.9 Ensuring the submission of financial reports required by regulatory and supervisory authorities;

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7.1.10 Ensuring the provision by the Executive Management of adequate and timely information about its operations to the Board's members in order to enable them to carry out their duties efficiently and effectively;

7.1.11 Approving a written and detailed policy that identifies the authorities delegated to the Executive Management, provided that it includes a clarification, implementation method and duration of the delegation. The Board may require the Executive Management to submit periodical reports regarding its exercise of the delegated authorities; and

7.1.12 Ensuring the adequacy of human and financial resources to achieve the bank's financial objectives and main plans.

In assuming its duties and responsibilities, the Board of Directors is backed by specialized committees that assist it in carrying out its tasks and improving its efficiency in accordance with regulatory requirements of corporate governance. Each of the Board's committees undertakes one or more tasks of the Board. The responsibilities of these committees shall be documented in writing within their respective charters to be approved by the Board of Directors. The Board Committees are as follows:

7.2 Audit Committee

The responsibilities of the Audit Committee include but are not limited to:

7.2.1 Integrity and fairness of financial reporting;

7.2.2 Internal audit and internal control;

7.2.3 Compliance with applicable rules, laws, regulations and rules of professional conduct;

7.2.4 Consulting with the Sharia'h Committee regarding the objectives of internal Sharia'h audit;

7.2.5 Auditors' engagement and independence; and


7.2.6 Annual assessment of the Committee's performance.

7.3 Executive Committee

The responsibilities of the Executive Committee include but are not limited to:

7.3.1 Assisting and advising the Board in the matters it requests;

7.3.2 Studying issues submitted to it by the Executive Management and fall within its jurisdictions;

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7.3.4 Conducting any strategic studies and projects assigned to it by the Board of Directors and inform the Board of the results accordingly; and

7.3.5 Reviewing and evaluating strategic investments and recommending the approval of the same by the Board of Directors.

7.4 Nomination and Remuneration Committee

The responsibilities of the Nomination and Compensation Committee include but are not limited to:

7.4.1 Developing policies for the nomination and remuneration of the members of the Board of Directors, its committees and senior executives in accordance with the relevant instructions of SAMA and CMA;

7.4.2 Overseeing and following up the implementation of rewards and incentives of the bank's staff in such a manner that guarantees protection of the interests of shareholders, investors and other stakeholders. Additionally, such rewards and incentives should be in line with the instructions of regulatory and supervisory authorities;

7.4.3 Supervising succession plans of the senior management of the bank;

7.4.4 Managing the appraisal of the members of the Board of Directors, its committees and senior executives;


7.4.5 Recommending to the Board of Directors the nomination or appointment of the Bank's representatives and independent members in the Boards of Directors of subsidiaries and sister companies in which the Bank has investments in excess of SAR 25 million; and

7.4.6 Approving the nomination or appointment of the bank's representatives and independent members in the Boards of Directors of subsidiaries and sister companies in which the Bank has investments of less than SAR 25 million. The Committee may authorize the CEO to nominate or appoint the Bank's representatives and independent members in the Boards of Directors of subsidiaries and sister companies.

7.5 Risk Committee

The responsibilities of the Risk Committee include but are not limited to:

7.5.1 Assisting the Board in carrying out its responsibilities related to risk management;

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7.5.2 Reviewing, making recommendations to the Board, and ensuring continuous supervision of the risk appetite framework and policy and the risk management framework supporting the same;

7.5.3 Protecting the interests of the bank by ensuring the application of effective risk management standards and framework as well as prudent and realistic risk management policies and practices;

7.5.4 Advising the Board of Directors on current and future plans and strategies for managing its risks and overseeing the implementation of such plans and strategies; and

7.5.5 Assisting the Board in all activities and resolutions related to risk management, including the effective performance of the Board responsibilities related to the risks of business, market, credit, equity and investment as well as managing financial, operational, liquidity and reputation risks and assessing the adequacy and distribution of the Bank's capital.

7.6 Governance and Sustainability Committee

The responsibilities of the Governance and Sustainability Committee include but are not limited to:

7.6.1 Assisting the Board of Directors in monitoring the implementation of the general framework of governance and ensuring that it effectively supports the business of the bank;

7.6.2 Studying issues submitted to it by the Executive Management and fall within its jurisdictions;

7.6.3 Supervising the review of policies to be by the Board of Directors and its committees and updating them in line with regulatory requirements and best practices;


7.6.4 Reviewing and developing the rules of professional conduct that represent the bank's values and other internal policies and procedures in a way that meets the bank's need and conforms to best practices;

7.6.5 Reviewing the bank's corporate social responsibility policy and the related budgets;

7.6.6 Supervising the implementation of the strategies, plans, programs and KPIs related to the promotion of social responsibility;

7.6.7 Following up developments in governance requirements issued by the relevant regulatory authorities and ensuring compliance of both the bank and the board with the same; and

7.6.8 Providing an objective opinion on the process of evaluating the performance of the Board and assisting it in improving its performance in collaboration with the Nomination and Compensation Committee.

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7.7 Sharia'h Committee

The responsibilities of the Sharia'h Committee include but are not limited to:

7.7.1 Defining Sharia'h provisions related to all transactions executed by the bank;

7.7.2 Verifying that the bank transactions are Sharia'h –compliant;

7.7.3 Participating in any effort that promotes the bank's performance in relation to Sharia'h - compliance as well as maintaining the Islamic identity of the bank in terms of policies, procedures and standards; and

7.7.4 Enhancing the bank's contribution in the introduction and development of Islamic banking.


7.8 Remunerations of the Board of Directors Members and its Committees Members

The Members of the Board of Directors and its committees shall receive attendance allowance for each meeting of the Board of Directors and its committees as provided for in the Policy of Compensation of the Members of the Board of Directors and its Committees and the Executive Management approved by the General Assembly. The said compensation shall be governed by the regulations issued by supervisory and regulatory authorities.

7.9 Evaluation of the Members of the Board of Directors and its Committees

The Board of Directors should have in place an effective mechanism for the continuous assessment of its performance as well as for increasing the effectiveness and efficiency of the Board and ensuring that the Board's members perform their duties and responsibilities as required. A fair assessment of the Board requires evaluating individual and collective performance of the Board's members as well as evaluating the performance of the Board committees.

The Board of Directors shall assign the Nomination and Compensation Committee to conduct a periodic study to determine the best approach for evaluating the performance of the Board and its committees. The results of evaluation and analysis should be submitted to the Board for evaluation and recommendations to enhance transparency and performance development.

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7.10 Secretaries of the Board of Directors and its Committees

The Board of Directors shall appoint a Secretary for the Board and secretaries for the committees from among its members or otherwise and shall report to the Chairman of the Board of Directors. The duties, responsibilities, compensation and evaluation of the Board's Secretary shall be based on a decision issued by the Board. The responsibilities of the Secretary-General include recording and keeping meeting minutes and reports submitted to/from the Board. The Board's Secretary and secretaries of the Board's committees shall also be liable for ensuring easy and timely access by the members of the Board and its committees to meetings minutes, information, documents, data and records as well as coordinating communication between members of the Board, its committees and the Executive Management.


Article (8): Governance of the Executive Management

8.1 The Executive Management

The Executive Management shall be composed of a group of senior executives who will be liable and accountable before the Board of Directors for the effective oversight of the day-to-day management of the bank.

The principles of governance and methods of decision-making by the Executive Management should be clear and targets the enhancement of effective management of the bank. This includes clarifying the role and powers of the various positions in the Executive Management, including the position of the CEO.

The Executive Management team should significantly contribute, through their personal behavior, to the establishment of sound governance within the bank. The team should also supervise and control the business they manage and ensure that the bank's activities are consistent with its strategy, risks and policies approved by the Board.

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8.2 Qualifications

Members of the Executive Management should have knowledge, experience, academic qualifications as well as integrity and neutrality. They should apply the best standards of ethics and professional behavior and abide by the distribution of powers and responsibilities between the strategic level (the Board of Directors) and the executive level (the Executive Management). They should be fully aware of their governance-related roles as well as their duties and responsibilities in a way that fulfills statutory requirements and the instructions of the Board of Directors and serves the interests of the bank.

8.3 Functions

The Executive Management shall carry out the following tasks:

8.3.1 Carrying out business and operational activities of the bank;


8.3.2 Developing an organizational structure to be approved by the Board of Directors and identify the duties, responsibilities, authorities, administrative chains of business and activities and avoid any conflict of interest;

8.3.3 Applying the relevant instructions and directives of the Board of Directors;

8.3.4 Providing appropriate procedures to ensure that all requirements for compliance with relevant regulations are met;

8.3.5 Providing appropriate procedures as instructed by the Board of Directors to ensure the adequacy and effective functionality of the internal control rules as well as the periodic assessment of the same; and

8.3.6 Providing unrestricted access to information for the independent control functions, including the Internal Audit and Compliance departments, and to cooperate with them to facilitate the performance of their tasks without compromising their independence and in line with the requirements of the control and supervisory authorities and relevant standards and the best applicable practices.

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8.4 Responsibilities

The Executive Management shall be responsible for the optimal implementation of the business, ensuring that information related to operational activities is credible and complete, availability of sufficient information about the bank's operations, and providing the board's member with timely and appropriate financial information to enable them to perform their tasks effectively and efficiently. The Executive Management shall also be responsible for making necessary arrangements for holding the Board's meetings related to deliberation and taking decisions on the following main proposals:

8.4.1 The bank's policies and strategies;

8.4.2 Annual budget and business plan;

8.4.3 Risk policy and defining communication lines for the risk function as well as identifying the duties and responsibilities of the risk staff, including the provision of support and advice to the bank's employees;


8.4.4 Assessing the mechanism and tools of the risk management function;

8.4.5 Internal control systems and mechanisms, including those related to periodic financial reports; and

8.4.6 The annual report and submitting it to the supervisory and regulatory authorities and the General Assembly of the bank.

Article (9): Independent Departments

The Internal Audit and Compliance departments represent independent functions that identify, assess, advise, monitor and prepare reports on the risks of non-compliance, including exposure to legal or administrative penalties, financial losses or damage to the reputation of the bank arising out of failure to comply with regulatory rules and controls or code of conduct and sound professional practice. The Internal Audit and Compliance departments follow up the tasks delegated to them independently of other business units. They prepare and submit reports directly to the Board of Directors through the Audit Committee.

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Article (10): Management Committees

In order to enhance the decision-making process, specialized committees may be formed, as required, at the level of the Executive Management to supervise and monitor the conduct of the bank's business and enhance the effectiveness of regulatory controls over the different types of its activities. These committees may enjoy adequate authorities to impose appropriate actions and resolutions within the scope of their work. In order to facilitate efficient supervision of different activities, a number of committees may be formed at different levels or segments in accordance with the hierarchy of powers and responsibilities.

Article (11): Relationship with Stakeholders

The Board of Directors sets clear and written policies and procedures to regulate the relationship with stakeholders, including, in particular, the following:

- 11.1 Methods of compensating stakeholders upon violating their rights established by rules or protected by contracts;
- 11.2 Methods of settling complaints or disputes that may arise between the bank and stakeholders;
- 11.3 Ways of establishing good relationships with customers and suppliers and maintain the confidentiality of their information;
- 11.4 Rules of professional conduct for the bank's managers and staff, provided that the Board of Directors sets mechanisms for monitoring the implementation of such rules and compliance therewith;
- 11.5 The social contribution of the bank;
- 11.6 Confirmation that the relationship of the bank and the members of the Board of Directors and related parties is in accordance with applicable terms and conditions;
- 11.7 Enabling stakeholders to access information related to their activities in such a way that allows them to perform their tasks, provided that such information is correct, sufficient and obtained on a regular and timely basis; and
- 11.8 Treating the bank's employees fairly and equally.

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Article (12): Conflict of Interest and Insider Trading

The bank and its Board of Directors understand the importance of the appropriate management and supervision of actual and potential conflict of interest between the personal interests of the members of the Board, its committees, the Executive Management and the employees and the interests of the bank and its customers. Therefore, the Board of Directors has approved the Conflict of Interest Policy to define the ethical standards and policies that should be followed by the aforementioned parties to avoid conflict of interest cases while exercising their duties and responsibilities.


The bank should maintain a comprehensive policy for managing conflict of interest and insider trading in order to identify actual and potential cases and manage them fairly and appropriately to prevent the occurrence of any incident that adversely affect the bank, its shareholders and stakeholders. The policy should also address the rules governing the bank's entry into any business transaction with a related party as well as personal transactions, bids, auctions and outsourcing. The rules and procedures should include the principles of transparency, justice, fairness and disclosure. Dealing with any related party should be approved by the majority votes of shareholders. The concerned party shall be excluded from the voting process.

Article (13): Disclosure and Transparency

The bank has a written policy for disclosure and its procedures and supervisory rules. The policy is in line with the rules, regulations and instructions issued by supervisory and regulatory authorities. The purpose of the Disclosure and Transparency Policy is to define the basic guidelines, regulatory requirements and leading practices of the bank upon disclosing its information and results publicly. The policy also aims to ensure that communication with the public is timely, accurate, complete and in line with relevant rules and regulations. The disclosure requirements include the annual reports presented by the Board to shareholders, including information and data as required by supervisory and regulatory authorities.

Article (14): Corporate Social Responsibility

The bank allocates an annual budget to support social responsibility and sustainability programs and activities. This support, which is line with 2030 vision, is materialized in the launch of effective initiatives and programs that ensure a balance between the objectives of both the bank and the society as well as youths training and rehabilitation to prepare them for the labor market and conducting awareness programs for private and public sectors staff.

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The bank's policy in this respect aims to define its social responsibility role, as social responsibility is the foundation and core of the economic system and is a major contributor to society in general. This policy also supports the bank's activities by supporting social goals and adapts to each of the changes, developments and challenges facing the business.

Article (15): Anti- Bribery and Corruption Framework

The bank has in place an effective anti-bribery and corruption framework to avoid such cases. The bank also encourages its employees to use whistleblowing channels if they have any suspicions about bribery and corruption cases.

The bank commits to the highest standards of integrity and accountability and has, accordingly, developed a whistleblowing policy and necessary channels in order to create a safe environment that encourages employees to report actual or suspected cases of violations and abuses to the competent authority within the bank.


In addition, the bank has developed the Work Ethics Charter and Rules of Professional Conduct, which should be signed by all employees.

Article (16): Implementation

This manual shall come into force as of the date of its approval by the Board of Directors.


Article (17): Review and Update

This manual shall be amended and updated by the Corporate Governance Department and the Governance and Sustainability Committee shall recommend its approval by the Board of Directors. The manual shall be approved by the Board of Directors every three (3) years or as required.

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Article (18): Definitions

Supervisory and Regulatory Authorities	Refer to the regulatory authorities, which include the Ministry of Commerce, the Saudi Central Bank, and the Capital Market Authority.
Bank	Alinma Bank
Manual	Alinma Bank Governance Manual
Committees of the Board of Directors	These are the sub-committees emanating from the Board of Directors of the bank. The formation, membership and rules/methods of work of these committees are made pursuant to resolutions issued by the Board or the General Assembly. Their membership structure includes Board members and non-Board members. These committees assist the Board in carrying out its duties and responsibilities. The scopes of work of these committees are determined according their rules and charters.
Stakeholders	Any party having an interest with the bank, including shareholders, employees, creditors, customers or regulatory authorities.
Articles of Association	The Articles of Association of Alinma Bank.
Companies Law	The Companies Law issued under the Royal Decree No. (M/132), dated 01/12/1443.
CMA	The Capital Market Authority (“TADAWUL”).

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Document Amendments Record:

Version No.	Date	Brief Explanation
Version 1.0	November 11, 2012	Approved by the Board of Directors under resolution No. 01/24/2012, dated November 11, 2012.
Version 2.0	September 30, 2018	Revised by the Internal Audit and the Policy and Procedures Approving Committee of the bank (Sharia'h, Risk, Compliance and Business Excellence) Approved by the Board of Directors under resolution No. 08/55/2018, dated September 9, 2018.
Version 3.0	August 16, 2020	Revised by the Internal Audit and the Policy and Procedures Approving Committee of the bank (Sharia'h, Risk, Compliance and Business Excellence). Approved by the Board of Directors under resolution No. 04/66/2020, dated September 1, 2020.
Version 4.0	June 21, 2023	The document title has been amended from Alinma Bank Governance Charter to Alinma Bank Governance Manual. Recommended by the Sustainability and Governance Committee under resolution No. 02/7/2023, dated 07/06/2023. Approved by the Board of Directors under resolution No. 8/87/2023, dated June 21, 2023.

Approval Matrix:

Function	Group/Resolution Number and Date
Document Owner	Corporate Governance Department
Recommendation	Recommended by the Sustainability and Governance Committee under resolution 02/7/2023, dated 07/06/2023.
Approval	Approved by the Board of Directors under resolution No. 8/87/2023, dated June 21, 2023.