

## Remuneration and Compensation

The determination of remuneration and compensation policies and the disclosure of the same are based on the laws and regulations governing listed joint-stock companies. This includes the executive regulations of the companies' system, corporate governance regulations, and updates. Additionally, decisions are made in accordance with the rules, principles, and regulations set by the Central Bank of Saudi Arabia, approved international standards, bank policies, and related documents. Here is an overview of how the annual remuneration and compensation for members of the Board and its committees are determined, along with information on what members of the Board, its committees, and senior management receive:

### Remuneration Policy for Board Members and Committees:

The remuneration of members of the Board of Directors, its committees, and senior management is determined in accordance with applicable laws and regulations, including the executive regulations of the corporate system for listed joint stock companies, updated corporate governance regulations, relevant circulars, principles and rules of the Central Bank of Saudi Arabia, and the bank's bylaws. The provisions and standards are set based on the Bank's relevant policies and documents.

The following are the key provisions and mechanisms for determining the remuneration of members of the Board of Directors and its committees:

#### 1. General Remuneration

1.1 The total financial or in-kind remuneration and benefits received by a member of the Board of Directors should not exceed the maximum limit set by the bylaws, regulations, and instructions of regulatory and supervisory bodies .

1.2 The actual expenses incurred by the member to attend the meetings of the Board of Directors and its committees, including accommodation expenses and travel expenses, are not subject to the maximum remuneration limits mentioned earlier. These expenses are determined in accordance with this policy and other applicable policies and documents.

1.3 A member of the Board of Directors is entitled to receive compensation for any professional work they undertake, whether it is in an executive, technical, administrative, or advisory capacity. This remuneration is in addition to the compensation they receive as a member of the Board of Directors and any committees they serve on. These arrangements are governed by the relevant rules and regulations, the bank's bylaws, and this policy.

1.4 The report that the Board of Directors presents to the bank's General Assembly at its annual meeting must contain a detailed statement of the compensation received or entitled to be received by each board member during the bank's fiscal year. This encompasses lump-sum bonuses, attendance allowances, expense allowances, and any other monetary or non-monetary benefits. The report should also outline the payments received by the Board members who are also authorized employees of the bank, as well as any compensation they received for providing technical or administrative services or consultations. Furthermore, it should include a record of the Board meetings attended by each member. The annual report should encompass the Board of Directors' disclosure of remuneration

policies and the methods used to determine them.

1.5 Board members are not permitted to cast votes on the remuneration clause regarding members of the Board of Directors during the General Assembly.

1.6 If a member of the Board of Directors is absent from three consecutive meetings or five separate meetings without a legitimate excuse, the General Assembly has the authority to terminate their membership. In such cases, the member will not receive any remuneration for the period after their last attended meeting, and they will be required to return any remuneration that was already disbursed to them during that period, if applicable.

1.7 The remuneration for members of the Board of Directors may vary depending on factors such as their experience, expertise, assigned tasks, level of independence, attendance at sessions, and other relevant considerations.

1.8 If it is determined by the Audit Committee, the Authority, or any relevant supervisory or controlling body that the remuneration given to a member of the Board of Directors or one of its committees is based on false or misleading information provided to the General Assembly or included in the annual report, then the individual must return the funds to the bank, and the bank is entitled to request the return of the funds.

1.9 The remuneration for independent members of the board of directors should not be tied to the bank's profits or its overall financial performance.

<sup>2</sup>According to Circular No. 391000083183 issued by the Central Bank of Saudi Arabia on 1439/28/7 AH, it is clarified that Circular No. 381000063670 dated 1438/14/6 AH, which sets a maximum limit for the remuneration of Board of Directors and committee members (five hundred thousand riyals annually), does not include the remuneration of the Chairman of the Board of Directors.

#### 2. Mechanisms for determining the remuneration of members of the Board and its committees:

2.1. In accordance with the rules previously mentioned, rules and the regulations established by the companies' system for listed joint-stock companies, the revised corporate governance regulations, and the applicable circulars and principles of the Central Bank of Saudi Arabia, the remuneration for members of the Board and its committees is determined based on the policies, mechanisms, and decisions issued by the Board of Directors.

2.2. Each member of the Board of Directors will receive a lump sum annual remuneration and an attendance allowance in accordance with the specified controls. Additionally, they will be reimbursed for the actual expenses incurred to attend the Board of Directors and its committee meetings, including accommodation and first-class air travel.

2.3. In addition to the lump sum annual remuneration and the amount of attendance allowance in accordance with the controls specified above, each external member of the Board Committees – Not a member of the Board of Directors - will be paid the value of the actual expenses incurred by the member to attend the Committee's meetings, including accommodation and first-class air travel.

#### 3. The remuneration policy for executive management members and the mechanisms for determining it

3.1. Taking into consideration the applicable general rules and standards previously mentioned in the "Remuneration Policy for Board Members, Committees, and Senior Management" approved by the Bank's General Assembly. This policy complies with the relevant laws and regulations in general, and with the principles and rules of the Central Bank of Saudi Arabia in particular, the determination of the remunerations of employees in general and the senior management in particular is conducted in accordance with the relevant standards and controls detailed in "Bank Remuneration Rules" issued by the Central Bank of Saudi Arabia, especially the ones related to linking the granting and type of remuneration with risks, including short- and long-term remunerations as per the ratios and time periods specified to them, in addition to the following:

3.1.1 To be consistent with the Bank's strategy and objectives.

3.1.2 To establish criteria for awarding remuneration, a system for disclosing it, and ensuring its enforcement.

3.1.3 Performance should be the key factor when determining remunerations.

3.1.4 Remuneration should be determined by considering factors such as the job level, assigned tasks and responsibilities, educational qualifications, practical experience, skills, and performance level.

3.1.5 The remuneration should align with the scale, characteristics, and level of risks at the bank.

3.1.6 The allocation of remuneration and incentives tied to performance shall be based on the profit rate associated with the level of risk, and in compliance with the applicable regulations, rules, and principles set forth by the Central Bank of Saudi Arabia regarding remuneration, incentives, principles, and standards.

3.2. The Board of Directors will develop the employee remuneration policy, based on the Nominations Committee's recommendation. This policy will include mechanisms for determining remuneration, taking into consideration the special standards and controls outlined in the bank remuneration rules set by the Central Bank of Saudi Arabia.

The policy sets out the bank's approach to implementing, reviewing, and assessing its effectiveness in achieving its objectives.



#### 4- Remunerations of the members of the Board of Directors

Remunerations of the members of the Board of Directors:

	Fixed Remunerations						Variable Remunerations						End of Service Remuneration	Gross Total	Expense allowance	
	A certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind Bonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total	Profit Rate %	Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Granted Shares				Total
<b>First: Independent Members</b>																
Adeeb Bin Muhammad Abanmi	320,000	35,000	35,000	-	-	-	390,000	-	300,000	-	-	-	300,000	-	690,000	-
Ziad Bin Othman Alhogail	320,000	35,000	25,000	-	-	-	380,000	-	110,000	-	-	-	110,000	-	490,000	-
Nasser Bin Suleiman Alnasser	320,000	35,000	65,000	-	-	-	420,000	-	60,000	-	-	-	60,000	-	480,000	-
Haitham Bin Muhammad Alfayez	320,000	35,000	65,000	-	-	-	420,000	-	80,000	-	-	-	80,000	-	500,000	-
Moaz Abdulrahman Alhossiny	320,000	35,000	50,000	-	-	-	405,000	-	95,000	-	-	-	95,000	-	500,000	-
<b>Total</b>	<b>1,600,000</b>	<b>175,000</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,015,000</b>	<b>-</b>	<b>645,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>645,000</b>	<b>-</b>	<b>2,660,000</b>	<b>-</b>

**4- Remunerations of the members of the Board of Directors** (Continue)

Remunerations of the members of the Board of Directors:

	Fixed Remunerations						Variable Remunerations						End of Service Remuneration	Gross Total	Expense allowance	
	A certain amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind Bonuses	Remuneration for technical, administrative, and consulting work	Remuneration of the Chairman of the Board, Managing Director, or Secretary (member only)	Total	Profit Rate %	Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Granted Shares				Total
<b>Second: Non-Executive Members</b>																
Nasser bin Mohammed Al-Subaie	320,000	30,000	65,000	-	-	-	415,000	110,000	-	-	-	110,000	-	-	525,000	-
Khalid bin Abdulrahman Al-Rajhi	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
Haitham bin Sulaiman Al-Suhaimi	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
Mohammed bin Abdulrahman Al-Rajhi	320,000	35,000	25,000	-	-	-	380,000	60,000	-	-	-	60,000	-	-	440,000	50,199.94
<b>Total</b>	<b>1,280,000</b>	<b>135,000</b>	<b>220,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,635,000</b>	<b>290,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,000</b>	<b>-</b>	<b>-</b>	<b>1,925,000</b>	<b>-</b>

**Third: Executive Members**

Abdulaziz bin Mohammed Al-Onaizan	320,000	35,000	65,000	-	-	-	420,000	60,000	-	-	-	60,000	-	-	480,000	-
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## 2- Remunerations of the Committee members

Committee Members	Fixed Remuneration (Except for attendance allowance)	Allowance for Attending Meetings	Total
<b>Members of the Nominations and Remunerations Committee:</b>			
Khalid Bin Saleh Alhathal	110,000	30,000	140,000
Sameer Bin Omar Baissa	110,000	40,000	150,000
<b>Total</b>	<b>220,00</b>	<b>70,000</b>	<b>290,000</b>
<b>Members of the Nominations and Remunerations Committee:</b>			
Mohammed Bin Farhan Bin Nader	150,000	35,000	185,000
Abdulaziz bin Abdullah Al-Aql	150,000	35,000	185,000
<b>Total</b>	<b>300,000</b>	<b>70,000</b>	<b>370,000</b>
<b>Members of the Risk Committee:</b>			
Faisal Bin Taleb Bin Humaid	110,000	25,000	135,000
<b>Total</b>	<b>110,000</b>	<b>25,000</b>	<b>135,000</b>
<b>Members of the Compliance and Governance Committee:</b>			
Sameer Bin Omar Baissa	110,000	25,000	135,000
<b>Total</b>	<b>110,000</b>	<b>25,000</b>	<b>135,000</b>
<b>Members of the Sharia Committee:</b>			
Sheikh Prof. Abdullah bin Musa Al-Ammar	350,000	110,000	460,000
Sheikh Prof. Mohammed bin Saud Al-Osaimi	300,000	110,000	410,000
Sheikh Prof. Yousef bin Abdullah Al-Shubaily	300,000	110,000	410,000
<b>Total</b>	<b>950,000</b>	<b>330,000</b>	<b>1,280,000</b>

## 5- Details of remunerations, salaries, allowances, and other compensation paid to senior executives

Statement	Five senior executives including the CEO and CFO (Thousands of Saudi riyals)
Salaries and compensation	15,186
Periodic and annual allowances and remunerations	32,433
<b>Total</b>	<b>47,620</b>

### Mechanisms and means for evaluating the performance of the Board of Directors, its committees, and their respective members:

The Board of Directors assesses its own performance and the performance of its committees and members through a comprehensive mechanism. This includes the Nominations and Remuneration Committee, which conducts an annual evaluation of the Board and its committees. The Committee, along with an affiliated work team, has developed specific models and evaluation mechanisms for this purpose. Additionally, an external party evaluates the Board and its committees every three years. The Committee oversees, studies, and discusses the evaluation results, identifying strengths and recommending ways to enhance them, as well as addressing weaknesses and recommending improvement strategies. A summary of the results, along with the Committee's recommendations, is then presented to the Board of Directors. In 2023, the Board of Directors and its committees underwent evaluation by a specialized company, following the aforementioned mechanism.

## Internal Audit

The internal audit department operates independently and provides an objective assessment of the bank's operations. It reports directly to the audit committee, which is formed by the bank's general assembly. Its goal is to provide the audit committee and senior management of the bank with reliable assurances regarding the sufficiency and efficiency of the internal control system, by using a structured and methodical approach to assess and enhance the effectiveness of governance, control, and risk management procedures. The Internal Audit department utilizes a risk-based audit methodology when planning and implementing audit work. The department diligently addresses the necessary corrections outlined in the reports of internal audit, external auditors, and regulatory and supervisory bodies. These corrections are promptly implemented according to the established timetable and specific procedures, ensuring the utmost integrity of internal audit controls. The Internal Audit department implements a comprehensive quality assurance program that encompasses all internal audit activities. This program aims to enhance performance, ensure compliance with internal audit standards, and promote the adoption of best practices.

The internal audit department is responsible for overseeing all of the bank's activities and departments. In 2023, the department carried out its internal audit work in line with the plan approved by the Audit Committee. This plan was developed after a detailed study and comprehensive risk assessment of the units to be audited at the bank level. Additionally, the Internal Audit Department successfully fulfilled various tasks assigned to it by the bank management or the Central Bank of Saudi Arabia.