3.1 Nomination and Remuneration Committee Charter

Approved by Board of Directors on September 5, 2024

1.1 Nomination and Remuneration Committee Charter

This charter defines the main tasks and objectives of the Nomination and Remuneration Committee in accordance with the bank's bylaws and all applicable regulations, as well as the relevant rules, controls, and principles issued by regulatory and supervisory authorities.

1.1.1 *Committee Structure and Membership Terms:*

1.1.1.1 The Nomination and Remuneration Committee shall be formed by a resolution of the Board of Directors, consisting of no fewer than three and no more than five members, who are non-executive board members. At least two of them must be independent, including one who is an independent board member. A chairperson shall be appointed for the committee. Members must meet the requirements and conditions for appointment as stated in this charter and in the bank's policies and mechanisms for board and committee member nomination and replacement, without violating applicable laws, regulations, and instructions. The Chairman of the Board may not serve as chairperson or member of the committee. If the committee chair loses board membership or independence for any reason, they shall lose their position as chairperson of the committee.

1.1.1.2 The chairperson and independent members of the committee must refrain from any actions that may affect their independence. They must avoid accepting any position, job, transaction, contract, or conduct that may compromise or affect their independence, unless they notify the Board of Directors and obtain a resolution from the Board granting permission, in accordance with the rules and conditions set by the Board, provided that the minimum number of independent committee members required by regulations is maintained.

1.1.2 *Committee Membership Term*

The term of committee membership is three years or the duration of the Board's term, or the remaining period thereof—whichever is shorter.

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1.1.3 *Provisions for Termination and Replacement of Committee Members*

1.1.3.1 The termination and replacement of committee members shall be governed by the bank's bylaws, the approved replacement policy and mechanism, and in accordance with the regulatory requirements and rules of the relevant supervisory authorities.

1.1.3.2 In the event of termination or expiration of a committee member's term, the Saudi Central Bank and other regulatory authorities must be notified within the specified timeframes and in accordance with applicable laws, regulations, and instructions.

1.1.3.3 No appointment or replacement shall take place without prior non-objection from the Saudi Central Bank. The new member shall complete the term of their predecessor.

1.1.4 *Responsibilities and Duties*

The primary purpose of the Nomination and Remuneration Committee is to identify and recommend candidates to the Board of Directors for election to the Board and its subcommittees, including members of the Sharia Committee, ensuring the minimum required competencies and skills are met. The committee also sets the bank's plans and policies for rewards and compensation, ensuring the protection of shareholders' and stakeholders' interests, and compliance with regulatory and supervisory instructions.

The committee's fixed agenda outlines its responsibilities and the periodic schedule for presenting and reviewing matters, in alignment with this charter and without conflict with applicable laws, regulations, rules, and instructions.

1.1.4.1 Responsibilities Related to Nominations for Board Membership, Committees, CEO, and Senior Executives:

1.1.4.1.1 Propose clear policies and standards for membership in the Board, its committees, and senior executive positions.

1.1.4.1.2 Recommend to the Board the nomination and re-nomination of members to the Board and its committees, in accordance with approved policies and standards.

1.1.4.1.3 Prepare a description of the required qualifications and competencies for Board membership, CEO, and senior executives.

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1.1.4.1.4 Define job descriptions or responsibilities (as applicable) for Board members, committee members, and senior executives, including the time commitment expected.

1.1.4.1.5 Periodically review the required skills and expertise for Board, committee, and executive roles.

1.1.4.1.6 Annually verify the independence of independent members and ensure no conflicts of interest or breaches of independence.

1.1.4.1.7 Prepare, review, and update policies and mechanisms for replacing Board members, committee members, and senior executives, in line with regulatory requirements, and recommend them for Board or General Assembly approval as needed.

1.1.4.1.8 Ensure compliance with nomination rules, bylaws, replacement policies, governance documents, and regulatory requirements.

1.1.4.1.9 Review the structure of the Board and executive management and recommend changes.

1.1.4.1.10 Coordinate with the CEO to meet with senior executives who resign individually, if deemed necessary, as per the bank's financial and administrative authority matrix.

1.1.4.2 Request clarifications or statements from Board members or executive management without interfering in decision-making or participating in executive tasks.

1.1.4.3 Seek external advisory or legal opinions on matters that may affect the bank's financial position.

1.1.4.4 Invite bank executives and employees, in coordination with the CEO, as well as external auditors to discuss reports, observations, and other relevant matters.

1.1.4.5 Request the Board to convene a General Assembly meeting if its work is obstructed or if the bank suffers significant damage or losses.

1.1.4.2 Responsibilities Related to Rewards and Compensation:

1.1.4.2.1 Prepare, review, and update clear policies for rewards and compensation for Board members, committees, executive management, and all bank employees. Recommend them for Board approval or General Assembly endorsement as required. These policies

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must comply with all relevant standards and regulations, including those from the central bank, and must:

1.1.4.2.1.1 Align with the bank's strategy and objectives.

1.1.4.2.1.2 Define criteria for granting rewards, disclosure mechanisms, and implementation verification.

1.1.4.2.1.3 Link reward criteria to performance.

1.1.4.2.1.4 Base rewards on job level, responsibilities, qualifications, experience, skills, and performance.

1.1.4.2.1.5 Reflect the bank's risk profile and local market practices.

1.1.4.2.1.6 Aim to attract, retain, and motivate talent without excess.

1.1.4.2.1.7 Define the committee's mechanism for applying, reviewing, and evaluating policy effectiveness.

1.1.4.2.1.8 Establish a performance-linked reward pool based on profit adjusted for risk.

1.1.4.2.1.9 Regulate the granting of shares to Board members, executives, and employees under long-term incentive programs.

1.1.4.2.1.10 Specify conditions for withholding or reclaiming unearned rewards.

1.1.4.2.1.11 Define expected time commitments for Board and committee members based on planned sessions and workload.

1.1.4.2.1.12 Outline criteria for granting additional compensation for extra contributions, committee participation, or professional roles.

1.1.4.2.2 Clarify the relationship between granted rewards and the approved reward policy, and disclose any significant deviations.

1.1.4.2.3 Periodically review the reward policy and assess its effectiveness.

1.1.4.2.4 Review and evaluate annual short- and long-term employee rewards and recommend them to the Board.

1.1.4.2.5 Ensure regular evaluation of the bank's incentive system, coordinated between HR and Risk departments, under committee supervision, to avoid encouraging high-risk short-term gains.

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1.1.4.2.6 Work closely with the Risk Committee and/or Chief Risk Officer to assess annual incentives and rewards, ensuring compliance with Basel Committee guidelines and central bank regulations.

1.1.4.2.7 Conduct semi-annual reviews of policy implementation to ensure objectives are met.

1.1.4.2.8 Recommend Board member, committee member, and executive compensation in line with approved policies and relevant decisions.

1.1.4.2.9 Ensure the bank's compliance with reward and incentive policies, standards, and principles to protect the interests of shareholders, investors, depositors, and other stakeholders, and support the bank's strategic goals.

1.1.5 *General Responsibilities of the Committee:*

1.1.5.1 Prepare an annual report on the committee's overall activities and achievements and submit it to the Board of Directors.

1.1.5.2 Coordinate with executive management to develop a succession planning policy and ensure compliance with it.

1.1.5.3 Review and evaluate the performance of Board members and its committees, and propose replacements based on the results of internal and external evaluations.

1.1.5.4 Oversee the evaluation of the performance of the Board, its committees, and members by an external party, if possible, at least once every three years.

1.1.5.5 The committee may seek assistance from consultants or experts, either internal or external to the bank, to carry out certain tasks such as member evaluations or conducting training sessions for the Board, its committees, and senior executives.

1.1.6 Committee Meetings:

The Nomination and Remuneration Committee shall hold its meetings as follows:

1.1.6.1 The committee shall meet at least twice annually and may convene whenever necessary. Deliberations, decisions, and recommendations shall follow the procedures outlined in the general provisions for Board committees.

1.1.6.2 The committee may invite individuals to attend its meetings without granting them voting rights.

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1.1.7 Reporting Provisions:

The committee is required to submit its minutes and reports to the Board of Directors, in accordance with the procedures outlined in the general provisions for Board committees in the Governance Manual Appendix.

1.1.8 Rewards and Compensation for the Committee Chair and Members:

The rewards and compensation for the Chair and members of the committee are subject to the relevant provisions of the Companies Law and its executive regulations for listed joint-stock companies, the Corporate Governance Regulations issued by the Capital Market Authority, and the bank's bylaws.

The compensation for the Chair and members is determined according to the policy and mechanism for compensating Board members and their committees, as approved by the Board of Directors, the General Assembly, and relevant resolutions.

1.1.9 Provisions for Amending the Charter:

This charter shall be reviewed and updated based on recommendations from the Nomination and Remuneration Committee and the Compliance and Governance Committee to the Board of Directors, for submission to the Ordinary General Assembly for approval, in accordance with the bank's relevant procedures.

1.1.10 General and Final Provisions:

1.1.10.1 The committee's work, meetings, and mechanisms are subject to the general rules and provisions for Board committees as outlined in the Governance Manual Appendix, provided they do not conflict with the specific rules applicable to the committee and relevant laws, regulations, and instructions.

1.1.10.2 The provisions of this charter reflect the laws, regulations, rules, and controls issued by the relevant regulatory authorities in force at the time of issuance. In the event of any amendments or new regulations, the committee shall comply with the updated provisions within the specified deadlines.

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