

# **Innovation Committee Mandate**

**Gulf International Bank B.S.C.**

**Approved 21 February 2023**

## Innovation Committee Mandate – GIB B.S.C.

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### 1 INTRODUCTION

This is the mandate (“Mandate”) for the Innovation Committee (“Committee”) of the Board of Directors (“Board”) of the Gulf International Bank B.S.C. (“Bank”).

It shall assist the Board in its oversight of the strategic goals and objectives of the Bank’s Financial Technology (“FinTech”) innovation and market understanding and technological initiatives and research.

#### PURPOSE

The purpose of the Committee is to review the Bank’s overall capabilities and strategic direction in matters of FinTech, innovation, including investment in research and development and other technological initiatives, and to identify opportunities that could have a significant impact on Bank’s operations in pursuit of its long-term strategic goals.

The aim of the Committee is:

- a) To assist the Board in its oversight responsibilities relating to FinTech matters and innovation;
- b) Overseeing management’s development and implementation of the Bank’s FinTech and Innovation strategy, capability, architecture and execution;
- c) Reviewing emerging FinTech innovations and trends for potential application within the Bank;
- d) Identify opportunities that not only create a point of differentiation in the GCC, but potentially provide a first mover advantage regionally; and
- e) To raise awareness about the challenges and opportunities offered by the digital revolution;

### 2 MANDATE

#### 2.1 REVIEW

2.1.1. The Board will, in consultation with the Committee, conduct an annual review of the Mandate to ensure that the Mandate continues to reflect the current processes and guidance utilised. The Board will need to approve any amendments to the Mandate that stem from the review.

2.1.2. The Committee’s Secretary or Group Head of Governance may recommend as and when required any changes to be incorporated in this Mandate due to change in regulations, or as the Group Head of Governance may deem appropriate as a measure of good governance.

#### 2.2 COMPOSITION

2.2.1 The Committee will be appointed by a decision of the Board and may be constituted of both directors and executive management

2.2.2 The Committee will consist of at least five members, a majority of whom shall be Board members and have scientific, technological and relevant experience. Members of the Executive Management may also be appointed to the Committee as voting members.

2.2.3 The chair of the Committee will be nominated by the Board.

#### 2.3 REMOVAL OR RESIGNATION

If a member of the Committee retires, is removed or resigns from the Board or from the Committee, that member ceases to be a member of the Committee once the retirement or resignation is approved by the Board. The Board may then appoint a successor, ensuring at all times that the composition of the Committee is in line with the requirements of Clause 2.2.2.

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### 2.4 INVITEES

- 2.4.1 The committee may invite any individuals to participate in, but not vote at, a committee's meetings so that the committee may gain the benefit of their advice and expertise in financial or other areas as it deems necessary.
- 2.4.2 The invitees cannot be present at any discussion in relation to themselves unless the Committee has invited them to discuss these issues with them. None of the invitees shall be considered members of the Committee.

### 2.5 SECRETARY

- 2.5.1 The Committee shall appoint a secretary from the Bank's employees. The Secretary will only be present in an administrative capacity and will only participate in the discussions of the Committee if he is invited to participate in such discussions.
- 2.5.2 The Secretary will not participate in any decision or vote of the Committee.

### 2.6 MEETINGS

#### Frequency

- 2.6.1 The Committee shall meet a minimum of four times within a year, and there is no maximum number of meetings that may be held. The Committee Chairman or no fewer than any other two members of the Committee may call a Committee meeting.

#### Calling Meetings and Notice

- 2.6.2 A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee at least five working days before the date of the meeting. The notice for the Committee members will include relevant supporting papers for the agenda items to be discussed.

#### Quorum and Voting

- 2.6.3 A quorum will comprise of the majority of the Committee members. In the absence of the Committee's Chairman or an appointed delegate, the Committee will elect one of its members to act as Chairman for that meeting.
- 2.6.4 Resolutions are passed by majority of attending members' votes. Each member will have one vote and the Chairman of the Committee will not have a second or casting vote. In case of a tie, the matter will be referred to the full Board for a decision.
- 2.6.5 Resolutions by Circulation - When necessary, the Committee may make resolutions by way of consultation through e-mails and such decisions taken in this manner, unless a member has requested in writing that the Committee be convened to deliberate on such resolutions, shall be recorded in the minutes of the subsequent meeting of the Committee. Notwithstanding that, a decision will be deemed to be approved, if a decision of the majority of the members of the Committee (entitled to vote) has been received.
- 2.6.6 The invitees to the meeting will not have the right to vote on any matters being discussed by the Committee.
- 2.6.7 Participation in Meetings via teleconference or any electronic or virtual means of communication that permits all Directors present to be heard by all others present, is regarded as attendance and may be recorded as such. The Chairman may consider, for purposes of determining a quorum, that any Director participating by telephonic or electronic means is present during the entire meeting.

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### Minutes

- 2.6.8 Minutes of proceedings and resolutions of Committee meetings will be kept by the Secretary. Minutes will be distributed to all Committee members within 3 business days following the meeting and the Chairman of the Board, after the Committee Chairman has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the Secretary, providing no conflict of interest exists.

### 2.7 RESOURCES

- 2.7.1 The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside independent professionals and advisors as it deems necessary and appropriate, without seeking approval of the Board or the management. The Bank shall provide appropriate funding for the compensation of any such persons/entities.
- 2.7.2 The Committee may meet with these external advisers without the management being present.

### 2.8 REPORT TO BOARD

- 2.8.1 The Committee Chairman, or delegate, will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in Section 2.9 of this Mandate.
- 2.8.2 The Committee will review for Board approval any report on the matters set out in Section 2.9 that may be:
- a) Required by any legislation, regulatory body or other regulatory requirement; or
  - b) Proposed for inclusion in the annual report.
- 2.8.3 The Committee may delegate the role of preparing any such report to the management provided that any such report would be considered, reviewed and approved by the Committee before being sent to the Board.

### 2.9 RESPONSIBILITIES AND DUTIES

- 2.9.1 Review and recommend to the Board the approval of the Bank's FinTech & Innovation strategy.
- 2.9.2 Review the Bank's technology capabilities and intellectual property, assess short-term and long-term needs and provide guidance on the Bank's FinTech and innovation strategy and approach in view of the Bank's business strategies and plans.
- 2.9.3 Oversee management's development and implementation of the Bank's FinTech & Innovation strategy and its alignment with the Bank's overall strategy and objectives.
- 2.9.4 Review opportunities that could deliver potential market differentiation and/or commercial benefits across all operating units of the Bank.
- 2.9.5 Review key external technology changes, innovations and trends and potential to adopt them with the Bank.
- 2.9.6 Review and discuss the measures the Bank uses to ensure robust innovations and marketing programs.
- 2.9.7 Review and provide guidance on such other technology-related issues of the Committee in carrying out its duties.

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- 2.9.8 Assist the Board in its oversight of the Bank's investments in technology, including through acquisitions and other business development activities.
- 2.9.9 Assess the Bank's risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.
- 2.9.10 Review, evaluate and make recommendations to the Board regarding the Bank's major technology plans and strategies, including its research and development activities, the technical and market risks associated with product development and investment.
- 2.9.11 Monitor and review, in conjunction with management the:
  - a) Post implementation results of all key technology projects, including the achievement of expected benefits and returns on investment;
  - b) Effectiveness of incident response plans as they relate to technology and cyber security risks;
  - c) The delivery of technology services, including performance outcomes for quality, stability and reliability and the Bank's performance relative to its global peers; and
  - d) FinTech & Innovation strategy and its implementation.

### **2.10 REPORTING RESPONSIBILITIES**

- 2.10.1 Report regularly to the Board about the Committee's activities, issues, and related recommendations.
- 2.10.2 Report annually to the Board, describing the committee's composition, responsibilities and how they were discharged, and any other information required by law.
- 2.10.3 Review any other reports the Bank issues that relate to the Committee's responsibilities.
- 2.10.4 Confirm annually to the Board that responsibilities outlined in this Mandate have been carried out.
- 2.10.5 Report to the Board on the significant items covered at each Committee meeting.

### **2.11 OTHER RESPONSIBILITIES**

- 2.11.1 The Committee may recommend to the Board any changes to this mandate. Any amendments to this mandate must be approved by the Board.
- 2.11.2 Perform other activities related to this Mandate as requested by the Board.

### **2.12 EVALUATION PROCESS**

#### **Performance**

- 2.12.1 The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which will compare the Committee's performance with the above requirements. The report must be in the form of a written report made at the regularly scheduled Board meetings.

#### **Review**

- 2.12.2 The Chairman of the Board will, in consultation with the Committee, conduct an annual review of the Mandate to ensure that the Mandate continues to reflect the current processes and guidance utilised. The Board will need to approve any amendments to the Mandate that stem from the review.