



Board Executive Committee Mandate – GIB KSA

Executive Committee Mandate

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1 Introduction

1.1 Purpose

- 1.1.1 This is the mandate (“Mandate”) for the Executive Committee (“Committee”) of the Board of Directors (“Board”) of the Gulf International Bank Saudi Arabia (“GIB KSA” or “Bank”).
- 1.1.2 The primary purpose of the Executive Committee is to have oversight and management responsibility of the bank’s business operations and make prompt decisions on pressing issues in relation to the bank’s businesses.
- 1.1.3 It governs the procedures of the Committee and outlines the procedures and guidelines in relation to approving credit limits that exceed the authority of the CEO and exercise the power of the Board in certain circumstances.

1.2 Review and update of policy

- 1.2.1 The Executive Committee Mandate shall be reviewed by the Chairman of the Board in consultation with the Committee members, conduct an annual review of the Mandate to ensure that the Mandate continues to reflect the current processes and guidance utilised.
- 1.2.2 The Board members to take into account new regulatory requirements on Board Committees.
- 1.2.3 Any amendment to this Mandate shall be endorsed and recommended by the Committee members and sent to the Board of Directors through the Corporate Governance Committee for their review and approval.

1.3 Evaluation Process

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 provided at the regularly scheduled Board meetings.

2 Delegation of Power

The Committee has been established pursuant to the Principles of Corporate Governance for Banks Operating in Saudi Arabia issued by the Saudi Central Bank (“SAMA”) and Article 26 of the Bank’s Articles of Association (“Bylaws”).

3 Composition

The Executive Committee shall be comprised of three to five directors appointed by the Board. The Chairman of the Board shall be the Chairman of the Committee. It may also be chaired by the Chief Executive Officer.

The members of the Board Executive Committee shall be appointed by the Board of Directors for a period of three years renewable for a maximum of two additional periods. However, a member’s tenure may be less than three years where his tenure as a Board member is less than this period.

4 Removal or Resignation

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board shall then appoint a successor.

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5 Invitees

- 5.1 The Committee may invite any person, it deems necessary, to attend a meeting of the Committee.
- 5.2 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.

6 Secretary

- 6.1 The Secretary to the Board shall act as Secretary to the Committee meetings. The Secretary will only be present in an administrative capacity and will only participate in discussions of the Committee if he is invited to participate in such discussions.
- 6.2 The secretary will not participate in any decision or vote of the Committee.
- 6.3 The secretary of the Committee may be recommended by the CEO and approved by the Board Executive Committee.

7 Meetings

7.1 Frequency

- 7.1.1 The Committee shall meet no less than six times a year. It can be summoned at any time if the need arises. The Chief Risk Officer may be invited to attend the Executive Committee meetings with no right to vote.

7.2 Calling Meetings and Notice

- 7.2.1 The Chairman of the committee shall report to the Board on any major issue. He/she shall determine, after consultation with the Chairman of the Board, the items that shall be included in the Agenda of the Board meetings.
- 7.2.2 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 (less, in case of emergency). The notice for the Committee members will include relevant supporting papers for the agenda items to be discussed.
- 7.2.3 Participation in Board 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.

7.3 Quorum and Voting

- 7.3.1 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.
- 7.3.2 Resolutions are passed by majority of attending members' votes. Each member will have one

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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.

7.3.3 Resolutions by Circulation - When necessary, the Committee may make resolutions by way of consultation through letters 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.

7.3.4 The invitees to the meeting will not have the right to vote on any matters being discussed by the Committee.

7.4 Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the Secretary. Minutes will be distributed to all Committee members and the Chairman of the Board, after the Committee Chairman has given the preliminary approval no later than 7 working days from the date of the meeting. Minutes, agenda and supporting papers will be made available to any director upon request to the Secretary, providing no conflict of interest exists.

8 Authority & Responsibilities

8.1 Resources

8.1.1 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 management. The Bank shall provide appropriate funding for the compensation of any such persons.

8.1.2 The Committee may meet with these external advisers without the management being present.

8.2 Authority

8.2.1 Subject to the provisions of this Mandate, the Committee is authorized to formulate executive policy of the Bank and control the implementation of the executive policy.

8.3 Responsibilities

8.3.1 The committee shall assist the Board by reviewing, evaluating and making recommendations to the Board regarding key strategic issues such as mergers, acquisitions, privatisation, or material changes in key strategic objectives or direction.

8.3.2 The committee shall be responsible for approving credit limits that exceed the authority of the Chief Executive Officer subject to the limits approved by the Board.

8.3.3 Other additional responsibilities specifically mandated to the Committee by resolution of the Board.

8.3.4 Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with its Mandate.

8.3.5 Annually review the Committee's Mandate and recommend to the Board any changes, where

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applicable.

- 8.3.6 The Committee shall update the Board on its significant discussion items, issues, deliberations and decisions.
- 8.3.7 Exercise, in circumstances in which it is impossible or impractical to convene a meeting of the Board and subject to applicable law and the Bank's Agreement of Establishment & Articles of Association, the powers of the Board on matters for which the Board has not otherwise given specific direction.
- 8.3.8 In all cases, the members of the Committee shall exercise their business judgment to act in what they reasonably believe to be in the best interest of the Bank and its shareholders.

9 Report to the Board

- 9.1 Regularly report to the Board about Committee activities, issues and related recommendations.
- 9.2 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 8 of this Mandate.
- 9.3 The Committee will review for approval by the Board any report on the matters set out in Section 8 that may be:
 - (a) Required by any legislation, regulatory body or other regulatory requirement, or
 - (b) Proposed for inclusion in the annual report.
- 9.4 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.