

## Executive Management

### Group's Executive Management biographies



#### **Eng. Khalid Al-Hussan**

Group Chief Executive Officer

Eng. Al-Hussan is a Board member and the Chief Executive Officer of Saudi Tadawul Group. He also serves as the Chairman of the Saudi Exchange, the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa), and the Tadawul Advanced Solutions Company (WAMID), an applied technology services business and the innovation arm of Saudi Tadawul Group. Additionally, Eng. Al-Hussan is a Board member in the World Federation of Exchanges (WFE) and Tadawul Real Estate Company, and E-Finance for Digital and Financial Investments (S.A.E).

Eng. Al-Hussan has more than 17 years of capital market and financial sector experience and possesses a wide range of expertise from business development and corporate planning to strategy and operations. Preceding his appointment as CEO of the Group, Eng. Al-Hussan was the CEO of the Saudi Stock Exchange (Tadawul) – now known as the Saudi Tadawul Group – for more than five

years.

Throughout his tenure at the Exchange, Eng. Al-Hussan has overseen the introduction and implementation of several key development programs, including the Qualified Foreign Investor (QFI) framework, the inclusion of Tadawul in the emerging markets' indices, the launch of Nomu and the derivative markets, the development of the fixed income market and the record-setting IPO of Saudi Aramco. Notably and, most recently, led the transformation into the Saudi Tadawul Group.

Prior to joining the Exchange, Eng. Al-Hussan worked in the insurance sector, managing areas of business product development and strategy.

Eng. Al-Hussan is an engineer and holds an MBA from the University of Colorado, where he is also a certified entrepreneur.



**Mr. Abdullah Al-Esheikh**  
Group Chief Legal Officer

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Mr. Abdullah Al-Esheikh joined in September 2018, and in March 2019, he was appointed as Chief Legal Officer. He has accumulated experience in the field of legislation, especially those related to the capital market and listed companies.

Mr. Abdullah holds an LLM in Corporate Finance Law from the University of Westminster, London, UK. He also holds a Bachelor's degree in Law from King Saud University, in addition to several training courses from reputable institutions.



**Eng. Alhasan Ashram**  
Group Chief Operations Officer

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Eng. Alhasan Ashram joined the Group in May 2021, he was appointed as Group Chief Operations Officer. Eng. Alhasan has extensive experience in information technology, cybersecurity and risk management. He assumed various technical, managerial and leadership positions in the high-tech industry, commercial banking and capital markets.

Eng. Alhasan holds a Bachelor's degree in Computer Engineering from KFUPM, and a Master's degree in Engineering Management and Leadership from Santa Clara University, California, USA. He also has many professional certifications from multiple reputable institutions in IT, security, risk management, and leadership.



**Mr. Khalid Al-Gheriri**

Group Chief Regulatory Oversight and Authorization Officer

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Mr. Khalid Al-Gheriri joined the Saudi Stock Exchange team in 2006, where he held several administrative and leading positions, until he was appointed as Chief of Regulatory Oversight and Authorization. He has extensive experience in the financial sector, where he has successfully led several roles and responsibilities. Over the last years, he has successfully led various roles and projects within the Members Relations department and Sales.

Mr. Khalid holds a Bachelor's degree in Computer Information Science from Minnesota State University, USA, in addition to several professional certifications from various respectable institutions.



**Ms. Maha Al-Besher**

Group Chief Human Resource Officer

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Ms. Maha joined Tadawul in May 2018 as Chief Human Resource Officer. She has wide experience in the field of human resources development, support services, corporate communications and leading FinTech initiatives.

Ms. Maha holds a Master's degree in HR from the Catholic University of America, USA.



**Mr. Shahrukh Qureshi**

Group Chief Financial Officer

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Mr. Qureshi joined in March 2018 as Chief Financial and Support Services Officers and in 2021, he was appointed as Chief Financial Officer. Mr. Qureshi has over 23 years of experience in strategic financial planning and management, accounting, investment management, company startups, mergers and acquisitions, and assets liabilities management.

Mr. Qureshi holds a Master's degree in Commerce from Pakistan. He is a fellow member of the Institute of Chartered Accountants of Pakistan and Institute of Public Finance Accountants.



**Eng. Raed Al-Buluwi**

Group Chief Internal Audit Officer

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Eng. Raed Al-Buluwi is the Group Chief Internal Audit Officer for the Saudi Tadawul Group and manages a comprehensive program of internal auditing within Saudi Tadawul Group and its subsidiaries.

He has over 19 years of experience and a track record of success in managing a wide spectrum of internal audit services with an aim of providing robust assurance to the Audit Committee and Board of Directors to assist in fulfilling their governance duties.

Eng. Raed holds a Bachelor's degree in Computer Engineering from KFUPM and he received various professional certificates in audit as well as in other professions. He is a member of the Information Systems Audit and Control Association (ISACA) as well as the Institute of Internal Auditors (IIA).



**Mr. Yazeed Al-Eidi**

Group Chief Risk and Security Officer

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Mr. Yazeed Al-Eidi is the Group Chief Risk and Security Officer in the Saudi Tadawul Group, where he has successfully assumed various management roles in the fields of information technology, cybersecurity, risk management and business continuity.

Mr. Yazeed holds a Bachelor's degree in Computer Science from King Saud University and Executive Master of Business Administration from Al Yamamah University, in addition to several professional and leadership certifications from various respectable institutions.



**Mr. Lee Hodgkinson**

Group Chief Strategy Officer

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Mr. Lee Hodgkinson joined the Group in August, 2022, as Group Chief Strategy Officer. He has more than 33 years of capital markets experience and possesses a wide range of expertise from business development and corporate planning to strategy, mergers and acquisitions, and operations. In addition, Mr Hodgkinson has extensive experience of working in Europe, America, China, Russia,

and India across listed companies, consortia, joint ventures, and nonprofit entities.

Mr. Hodgkinson studied at the London School of Economics and Political Science and Harvard Business School.

### Ownership of Executive Management

It is worth noting that there is no ownership of the Executive Management and their relatives in the Group shares.

### Board of Directors Committees

The Company has four Committees in place: the Audit Committee; the Nomination and Remuneration Committee; the Governance, Risk and Compliance Committee; and the Investment Committee. A charter for each committee has been adopted, which sets out its role and responsibilities, powers and delegations, and how to conduct meetings for the purposes of exercising the duties of each Committee and enabling each Committee to properly perform its tasks.

### Audit Committee

The Audit Committee has been formed by a resolution of the Ordinary General Assembly dated 28 December 2022 effective from the date of the OGM until 1 January 2026.

### Committee composition

In accordance with the Audit Committee's Charter:

- The Committee shall consist of three to five members from among the Shareholders or from others, provided that it does not include any of the Executive Board members, and one of them should have experience in financial and accounting affairs, in accordance with the process determined at the Nomination and Remuneration Committee. The appointment of the Committee shall be by a resolution of the Board.
- The Chairperson of the Board shall not be a member of the Committee.
- The members of the Committee must have at least one independent member.
- It is not permissible for a person who works or has been working for the past two years in the executive or financial management of the Holding Company, or with the Holding Company's auditor, to be a member of the Committee.
- A member of the Audit Committee shall not be a member of the Audit Committees of more than five listed joint stock companies at the same time.

- The Committee shall resolve any case of conflict of interest that may face its members regarding any of the matters brought before the Committee in a manner that achieves justice and efficiency and is in conformity with any other related policies or charters approved by the Holding Company.
- The term of membership in the Committee shall be similar to the term of the Board and it may be renewed only once.

The Audit Committee meetings shall take place according to an annual schedule approved by the Committee, provided that at least four (4) meetings are held during the Company's financial year.

### Committee duties and responsibilities

The Audit Committee is responsible for monitoring the Company's business and verifying its reports, financial statements and internal control systems. The responsibilities of the Audit Committee are summarized as follows.

### Financial statements:

- Examining the initial, quarterly and annually financial statements of the Holding Company and reports presented by the Auditor and recommending thereabouts to the Board.
- Giving a technical opinion, upon request of the Board, about whether the Board's report and financial statements of the Holding Company are fair, balanced, and understandable and includes the information that would enable the Shareholders and investors to evaluate the financial position, performance, business model, and strategy of the Holding Company.
- Examining the accounting policies followed by the Holding Company, give an opinion and make a recommendation thereon to the Board.

### Internal audit:

- Study the internal control system and the financial system, disclosure and information technology systems of the Holding Company, ensure it is sufficient to run the Holding Company's business, and submit a recommendation to the Board thereon.

- Overseeing and supervising the performance and activities of the internal auditor and the Holding Company's Internal Audit division to verify the availability of the necessary resources and their effectiveness in performing the tasks assigned to them. If the Holding Company does not have an internal auditor, the Committee must submit its recommendation to the Board regarding the need for this appointment.

**Ensuring compliance:**

- Reviewing the findings of the reports of monitoring authorities, and ensuring the Holding Company has taken the necessary measures.
- Ensuring compliance of the Holding Company and its employees with relevant laws and regulations and recommending the appropriate measures in case of non-compliance.

**Results of annual internal audit procedure**

**Committee governance:**

- Updated Audit Committee Charter and ensured confirmation of independence.
- Declared potential conflicts.

**Compliance reports:**

- Reviewed all Code of Conduct violation cases presented to AC.

**Financial statements:**

- Reviewed Financial Policies.
- Reviewed Financial Auditors Selection Proposals.
- Endorsed the Consolidated Financial Statements for Saudi Tadawul Group Holding Company.

**Internal audit governance:**

- Reviewed internal audit strategy.
- Ensured that internal audit governance documents are updated and relevant.
- Reviewed and approved Internal Audit divisional KPIs and performance assessment.
- Reviewed and approved Internal Audit's proposition of aligning Internal Audit's risk rating criteria with the rating criteria approved by the Group Risk and Compliance Committee, is being followed by the Group Enterprise Risk Management function.

**Internal Audit operations:**

- The Internal Audit division carried out planned audits in accordance with the Internal Audit plan and changes required during the year, as approved by the Saudi Tadawul Group Holding Company Audit Committee to evaluate, objectively and independently, the adequacy and effectiveness of Internal Control Systems.
- Internal Audit division reports functionally to the Audit Committee and administratively to the Chief Executive Officer of Saudi Tadawul Group Holding Company. In carrying out its duties, Internal Audit ensured its independence and objectivity.
- The Internal Audit division operates in accordance with International Internal Auditing (IIA) Standards. As part of its mandate, during the year, the Audit Committee reviewed/approved the following, but not limited to, deliverables/outputs:
  - Reviewed and approved Annual Risk Assessment.
  - Reviewed and approved Internal Audit Plan.
  - Reviewed Internal Audit progress reports.
  - Reviewed resolution progress of observations.
- Furthermore, Internal Audit maintains an internal quality assurance and improvement program, covering all aspects of the Internal Audit activities, to evaluate and continuously improve these activities.

Internal Audit division regularly issued audit progress reports to the Audit Committee during the year covering the audit plan progress, audit activities/outcome and overall update/view on internal controls effectiveness and related subjects.

Internal Audit continued its significant progress, verifying and closing audit findings along with strengthening the follow-up/closure process.

**Audit Committee opinion**

- The internal control system has an important role to play in the success of any organization. Saudi Tadawul Group Holding Company is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction and adherence to regulatory requirements.

- The Audit Committee oversees the internal audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor's reports and management letter, which might include any weakness in internal controls noted by the External Auditor as part of his internal controls assessment.
- Based on the above, the Audit Committee believes the internal control system within Saudi Tadawul Group Holding Company is appropriately designed and effectively serves organizational objectives, operational efficiency, financial reporting reliability, and regulatory compliance without any material deficiency or material weakness.

The Audit Committee also extends its sincere thanks to the Board of Directors for its support to the Committee to fulfill its roles and responsibilities, and to the Executive Management for providing all the data requested to perform the duties of the Committee.

#### Audit Committee members

##### **Mr. Omar Al-Hoshan** Chairperson, Non-Board member

Mr. Omar Al-Hoshan is a Certified Public Accountant, and is the founder and Managing Partner of AlHoshan Russell Bedford CPA & Consultants in Saudi Arabia. Mr. Omar has contributed to many of the top 100 companies in Saudi Arabia and GCC countries in the areas of accounting, auditing financial planning, business performance measurement, business restructuring, corporate governance, regulatory compliance, risk assessment, HR, financial and business solutions and technology.

Mr. Al-Hoshan is instrumental in the business improvement initiatives in the Kingdom of Saudi Arabia and served on numerous boards and committees, including Tadawul, Alawwal Invest, AbuNayyan Holding, Cruise Saudi Arabia, MEDGULF, SAMBA Financial Group, Saudi Investment Recycling Company (SIRC), ABR AlKhaleej Marketing. In addition, Mr. Al-Hoshan is a regular contributor to the World Bank's annual project "Doing Business". With strong cross-functional expertise in finance, organization performance, aviation, and technology, Mr. Al-Hoshan has a keen interest in improving performance in all aspects of

an organization. As such, Mr. Al-Hoshan has been invited to speak at various local and international functions.

##### **Mr. Hashem Al-Hekail** Member, Independent

Kindly refer to the Board of Directors' biographies.

##### **Eng. Sultan Al-Deghather** Member, Independent

Kindly refer to the Board of Directors' biographies.

##### **Mr. Abdulhameed Al-Muhaidib** Member, Non-Board member

Mr. Abdulhameed Al-Muhaidib serves as the Chief Financial Officer at ACWA Power. With more than 14 years' experience in ACWA Power, Mr. Al-Muhaidib is a skilled leader, having held several positions in both project execution and corporate finance.

During the initial years of his career within the Group, Mr. Al-Muhaidib worked in Corporate Finance and served several roles on project boards and in committees, including NOMAC. Mr. Al-Muhaidib was then primarily involved in managing projects under execution in the UAE, including Noor Energy, which is the world's largest CSP project. Before joining the Company, he worked at HSBC Middle East – Saudi Arabia in Global Investment Banking and Advisory.

Mr. Al-Muhaidib served as Board member, Audit Committee member and Risk Committee member in many organizations including HSBC Saudi Arabia, Saudi Arabian British Bank (SABB), Tadawul Group, Savola Group and several ACWA Power subsidiaries.

Mr. Al-Muhaidib holds a BBA Finance Major from University of Miami as well as an MBA from Pepperdine University Graziadio School of Business and Management. He was also selected and completed KSA Leadership 2030 program sponsored by HRH Mohammed bin Salman Foundation (MISK).



**Ms. Latifah Al-Sabhan**

**Member, Non-Board member**

Ms. Latifa Al-Sabhan began her career in banking in 1998, after she joined the Saudi British Bank as Manager and head of asset and liability reporting. Ms. Al-Sabhan has also served as Manager of the Compliance division and Assistant General Manager of SAMBA Financial Group from 1999 to 2007. She then moved to serve as Chief Financial Officer at ANB Invest and Arab National Bank, respectively.

Ms. Al-Sabhan has served as Chief Financial Officer and Head of the Finance and Planning division at the Arab National Bank. She also served as a member of several management committees, including the Audit Committee of ANB Capital, having more than 20 years of experience.

Ms. Al-Sabhan holds a Bachelor's degree in Business Administration and Accounting from the University of Kansas in 1989, and a CPA Certificate from Illinois.

**Audit Committee meetings:**

The Audit Committee held four (4) meetings. The following table illustrates the names and attendance of the Committee members.

Member Name	Position	20-02-2023	13-04-2023	20-07-2023	18-10-2023
Mr. Omar Al-Hoshan	Chairperson	✓	✓	✓	✓
Mr. Hashem Al-Hekail	Vice-Chairperson	✓	✓	✓	✓
Eng. Sultan Al-Deghaither	Member	✓	✓	✓	✓
Mr. Abdulhameed Al-Muhaidib	Member	✓	✓	✓	✓
Ms. Latifah Al-Sabhan	Member	✓	✓	✓	✓

**Governance, Risk and Compliance Committee**

The Governance, Risk and Compliance Committee was formed pursuant to the Board of Directors' resolution dated 02-01-2023.

**Committee composition**

In accordance with the Governance, Risk and Compliance Committee's Charter, the Committee shall be composed of three to five members, appointed by a Board of Directors' resolution, and the Chairperson and the majority of its members are Non-Executive members of the Board. The Chairperson of the Board shall not be the Chairperson of the Committee.

Meetings of the Committee shall meet periodically at least every six months. The chairperson of the Committee may convene a meeting at any time or at the request of two or more members of the Committee.

**Committee duties and responsibilities**

The responsibilities of the Governance, Risk and Compliance Committee include governance, risk and security compliance, but are not limited to the following:

- Making recommendations to the Board on approving policies and rules related to governance that are required by related laws and regulations.
- Establishing governance rules for the Holding Company in accordance with the provisions of the Companies Law and Corporate Governance Regulations issued by the Capital Market Authority.
- Keeping Board members abreast of developments in corporate governance and best practices. Making recommendations to the Board about the adoption of necessary policies for risk management and security in the Holding Company, including but not limited to, Risk Management Policy, Risk Appetite Policy, Business Continuity Policy, Anti-fraud Policy, and Cybersecurity Policy.
- Reviewing and assessing the Holding Company's risk and security policies and risk appetite, and reviewing and approving the Holding Company's key risk indicators (KRI) which are regularly submitted by the Risk and Security division.
- Making recommendations to the Board on approving policies related to compliance.

- Following up on the implementation of current policies to verify the Holding Company's compliance with the applicable laws, regulations and resolutions based on the reports submitted by the Governance and Compliance department.
- Assessing the measures and policies adopted to prevent and monitor compliance violations, ensuring they are adequate for the Holding Company, following up on corrective actions and submitting necessary recommendations to the Board.

#### Governance, Risk and Compliance Committee members

##### Ms. Rania Nashar

Chairperson, Non-Executive

Kindly refer to the Board of Directors' biographies.

##### Mr. Xavier Rolet

Member, Non-Executive

Kindly refer to the Board of Directors' biographies.

##### Eng. Khalid Al-Hussan

Member, Executive

Kindly refer to the Board of Directors' biographies.

##### Dr. Yahya Al-Jabr

Member, Non-Board member

Dr. Yahya Al-Jabr is a member of Risk Management Committee at Saudi Tadawul Holding Group. He is an Associate Professor of Accounting and served as the Deputy Secretary General, Saudi Organization for Certified Public Accountants (SOCPA).

Dr. Al-Jabr obtained a Bachelor's in Accounting from King Saud University and a Master's degree in Accounting from University of Miami, in addition to a Ph.D. in Accounting from University of Melbourne. He is also a Certified Public Accountant by the Saudi Organization for Certified Public Accountants (SOCPA), Certified Management Accountant (CMA) and Certified in Financial Management (CFM) by the US Institute of Management Accountants.

##### Ms. Maha Al-Sudairi

Member, Non-Board member

Ms. Maha Al-Sudairi, Chief Governance and Risk Officer of KAFD DMC, is a seasoned professional with proven leadership and technical experience in corporate governance, compliance risk and risk management spanning 14 years across mid-large size international market leading banks within Saudi Arabia.

Most recently, Ms. Al-Sudairi was the Chief Risk Officer and Chief Compliance Officer at the Saudi British Bank. Ms. Al-Sudairi serves as a Board member in NUPCO, Deutsche Securities Saudi Arabia and stcPay.

Ms. Al-Sudairi holds an MSc in International Finance from Kingston University, UK and a Bachelor of Arts in English Translation from King Saud University in Saudi Arabia.

#### Governance, Risk and Compliance Committee meetings

The Governance, Risk and Compliance Committee held four (4) meetings. The following table illustrates the names and attendance of the Committee members.

Member Name	Position	27-02-2023	16-05-2023	05-09-2023	27-11-2023
Ms. Rania Nashar	Chairperson	✓	✓	✓	✓
Mr. Xavier Rolet	Member	✓	✓	✓	✓
Eng. Khalid Al-Hussan	Member	✓	-	✓	✓
Dr. Yahya Al-Jabr	Member	✓	✓	✓	✓
Ms. Maha Al-Sudairi	Member	✓	✓	✓	✓

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reformed pursuant to the Board of Directors' resolution dated 02-01-2023.

### Committee composition

Pursuant to the charter of the Nomination and Remuneration Committee, the Committee consists of three to five members, including at least one independent member. The Chairperson of the Board of Directors shall not be the Chairperson of the Nomination and Remuneration Committee. The members and Chairperson of the Committee shall be appointed and dismissed by the Board of Directors.

### Committee duties and responsibilities

The responsibilities of the Nomination and Remuneration Committee include, but are not limited to, the following:

- Examining the organizational structure of the Holding Company and its subsidiaries, and making the necessary recommendations to the Board.
- Annually ensuring there is not any conflict of interest between the Chairperson, Board members and other critical administrative positions; whether the member is also a member of the Board of Directors of another company; as well as the independence of independent members of the Board and Committees.
- Assist the Board in assessing the performance of the Board, its Committees and Executive Management in terms of strengths and weaknesses, and in setting and implementing plans to define and enhance the competencies of Board members by recommending the necessary procedures.
- Nominating the Board members of the subsidiaries to the Holding Company's Board for approval and to obtain the CMA approval prior to nominating them to the General Assembly in accordance with the relevant laws and regulations.
- Nominating the GCEO of the Holding Company, and recommending the Board of Directors in accordance with the relevant regulations and regulations.
- Identify the remuneration of Board and Committee members and Executive Management, in accordance with the policy and relevant regulations, and make the necessary recommendations to the Board and the General Assembly where applicable.

## Nomination and Remuneration Committee members

### Eng. Sultan Al-Deghaither

Chairperson, Independent

Kindly refer to the Board of Directors' biographies.

### Mr. Mark Makepeace

Member, Non-Executive

Kindly refer to the Board of Directors' biographies.

### Mr. Bandar bin Mogrin

Member, Non-Board member

Mr. Bandar bin Mogrin has 16 years of experience in shared services, participated in many conferences in the Middle East, such as the Opportunities in the Age of Globalization conference. During 2018 and 2019, he established several initiatives, the most important of which is the Leadership Visions Initiative for Human Capital. Mr. Bin Mogren is Chief of Operations, Joint Services at the Public Investment Fund, representative of the Public Investment Fund and its subsidiaries, and current member of the Nominations Committee since 2016.

Member of the Board of Directors and Chairperson of the Nominations and Remunerations Committee at King Abdullah Financial District for the Management and Development of King Abdullah Financial District (KAFFD), 2016-present.

Member of the Nominations and Remuneration Committee of the Saudi Tadawul Group, 2017-present.

Member of the Board of Directors and the Nominations and Remunerations Committee of Gulf International Bank, Bahrain and Saudi Arabia, 2018-present

Chairman of the Board of Directors and the Nomination and Remuneration Committee of Jasara Company, 2019-present.

Member of the Nominations and Remunerations Committee of the National Center for Privatization (NCP) 2019-present.

Member of the Nominations and Remunerations Committee at Qiddiya Company, 2020-present.  
Member of the Nominations and Remunerations

Committee at the Decision Support Center at the Royal Court (DSC), 2020-present.

Member of the Nominations and Remunerations Committee at NEOM Company. 2021-present.

Nomination and Remuneration Committee member at Riyadh Air, 2023-present.

Nomination and Remuneration Committee member at Newcastle United Football Club (NUFC), 2022-present.

Nomination and Remuneration Committee member at ROSHN, 2023-present.

Nomination and Remuneration Committee member at Savvy Games Group, 2021-present.

Chairperson of the Board of Directors of the Sports Investment Company, 2022-present.

Member of the Nominations, Remuneration, and Governance Committee (NRGC) of the Saudi Military Industries Company, 2021-present.

Mr. Bin Mogren was also the Head of Human Resources at Jadwa Investment and the General Manager, Human Resources and Support Services department of National Commercial Bank Capital, in addition to his membership of the Nominations and Remunerations Committee at the Downtown Development Company in Riyadh.

Mr. Bin Mogren obtained a Bachelor's degree in a Double Major in Human Resources and Business Administration, Eastern Washington University, 2000.

#### **Nomination and Remuneration Committee meetings:**

The Nomination and Remuneration Committee held six (6) meetings. The following table illustrates the names and attendance of the Committee members.

<b>Member Name</b>	<b>Position</b>	<b>02-02-2023</b>	<b>29-05-2023</b>	<b>07-06-2023</b>	<b>01-10-2023</b>	<b>08-11-2023</b>	<b>05-12-2023</b>
Eng. Sultan Al-Deghaither	Chairperson	✓	✓	✓	✓	✓	✓
Mr. Mark Makepeace	Member	✓	✓	✓	✓	✓	✓
Mr. Bandar bin Mogrin	Member	✓	✓	✓	✓	✓	✓

## Investment Committee

The Investment Committee was reformed pursuant to the Board of Directors' resolution dated 02-01-2023.

### Committee composition

In accordance with the Investment Committee's Charter, the Committee shall be composed of three to five members by a resolution of the board, including Board members with experience in mergers and acquisitions. The Committee shall include an independent member, who specializes in mergers and acquisitions in addition to the CEO. The term of membership in the Committee shall be the same as the term of the Board.

### Committee duties and responsibilities

The Committee shall assume the following duties and responsibilities in accordance with the Investment Policy and the authority matrix approved by the Board:

- Provide recommendations to the Board of the Holding Company to approve the necessary policies for the department.
- Recommend to the Holding Company Board to approve the Investment Policy and the authority matrix.
- Review and approve the investment strategy and decide on relevant matters.
- Overseeing the Holding Company's investments in line with the approved investment policy.
- Recommend to the Board strategic investments (including mergers and acquisitions, and joint ventures) that were not mentioned in the approved Investment Policy.
- The approval of the nomination process of the external advisors for the strategic investments and to approve their appointment and fees in accordance with the management recommendation.
- Appoint and dispose external investment managers for the Holding Company, follow up on their performance, approve their fees and terminate their duties.

## Investment Committee members

### Mrs. Sarah Al-Suhaimi Chairperson, Independent

Kindly refer to the Board of Directors' biographies.

### Mr. Yazeed Al-Humaid Member, Non-Executive

Kindly refer to the Board of Directors' biographies.

### Mr. Sabti Al-Sabti Member, Non-Executive

Kindly refer to the Board of Directors' biographies.

### Eng. Khalid Al-Hussan Member, Executive

Kindly refer to the Board of Directors' biographies.

### Mr. Fahad Al-Jomaih Member, Non-Board member

Mr. Fahad Al-Jomaih is a Director at MENDA Direct Investments in the Public Investment Fund, Mr. Aljomaih has several other positions, serving as a Board member on D360 and as a Board member on Yanbu Cement Company as well as an Investment Committee member on Saudi Tadawul Group, Board member at Pergola Holding, International Refreshment 29/Company and at Aljomaih Equipment Company.

Mr. Aljomaih has held several other positions serving as a Director and Head of Investments at Abdul Latif Jameel Investments, Investment Committee member at Abdul Latif Jameel Land, as well as Vice President at Saudi Fransi Capital.

Mr. Aljomaih holds a Bachelor of Science in Business Administration from Northeastern University, and a Master of Science in International Securities, Investments, and Banking from University of Reading and Master's in Business Administration (MBA) from the University of Portsmouth.

#### Investment Committee meetings:

The Investment Committee held four (4) meetings. The following table illustrates the names and attendance of the Committee members.

Member Name	Position	19-03-2023	30-04-2023	05-10-2023	12-12-2023
Mrs. Sarah Al-Suhaimi	Chairperson	✓	✓	✓	✓
Mr. Yazeed Al-Humaid	Member	✓	✓	✓	✓
Mr. Sabti Al-Sabti	Member	✓	-	✓	✓
Eng. Khalid Al-Hussan	Member	✓	✓	✓	✓
Mr. Fahad Al-Jomaih	Member	✓	✓	✓	✓

#### Remuneration Policy for the Board of Directors and Committee members and Executive Management

In accordance with the Remuneration Policy for the Board of Directors and Committee members and Executive Management, which was approved in the Extraordinary General Assembly dated 13-12-2023:

- A. Each Board member is entitled to an annual compensation of SAR 400 thousand.
- B. The Chairperson of the Board is entitled to an annual compensation with an amount of SAR 800 thousand.
- C. Each Chairperson of the Board Committees is entitled to an annual compensation of SAR 250 thousand.
- D. Each Board member is entitled to an annual compensation of SAR 200 thousand for their membership in one or more committee.
- E. A member of the Board of Directors may obtain an additional remuneration for any executive, technical, administrative or advisory work that the Holding Company independently entrusts to him, provided that the member obtains the necessary approval to carry out such work.

#### Remunerations mechanism

The Remuneration Policy for the Board of Directors and Committee members and Executive Management shall follow performance-related standards, disclosure and verification of their implementation, taking into account the following:

- Being consistent with the Company's strategy and objectives.
- Being consistent with the magnitude, nature, and level of risks faced by the Company.
- Acquiring and maintaining the Board members and Executive Management, and encouraging them to achieve the success of the Holding Company, its Shareholders and its long-term development.
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills, and level of performance.

## Details of remuneration

Allowances for members to attend Board meetings for the year 2023

(SAR)	Fixed Remunerations						Variable Remunerations									
	Specific amount	Allowance for attending Board meetings	Total allowance for attending Committee meetings	In-kind benefits	Remunerations for technical, managerial, and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a member	Total Fixed Remunerations	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total Variable Remunerations	End-of-service award	Aggregate amount	Expenses allowance
<b>First: Independent Directors</b>																
Mrs. Sarah Al-Suhaimi	800,000	-	-	-	-	-	800,000	-	-	-	-	-	-	-	-	-
Mr. Hashem Al-Hekail	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
Eng. Sultan Al-Deghaither	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,600,000</b>						<b>1,600,000</b>									
<b>Second: Non-Executive Directors</b>																
Mr. Yazeed Al-Humaid	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
Ms. Rania Nashar	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
Mr. Sabti Al-Sabti	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
Mr. Mark Makepeace	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
Mr. Xavier Rolet	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,000,000</b>						<b>2,000,000</b>									
<b>Third: Executive Directors</b>																
Eng. Khalid Al-Hussan	400,000	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>400,000</b>						<b>400,000</b>									

## Remuneration of Committee members for their membership in the Board's Committees in (SAR):

Member Name	Fixed Remuneration	Meetings Attendance Allowance	Total
<b>Audit Committee</b>			
Mr. Omar Al-Hoshan	250,000	-	250,000
Mr. Hashem Al-Hekail	200,000	-	200,000
Eng. Sultan Al-Deghaither	200,000	-	200,000
Mr. Abdulhameed Al-Muhaidib	200,000	-	200,000
Ms. Latifah Al-Sabhan	200,000	-	200,000
<b>Total</b>	<b>1,050,000</b>		<b>1,050,000</b>
<b>Nomination and Remuneration Committee</b>			
Eng. Sultan Al-Deghaither	250,000	-	250,000
Mr. Mark Makepeace	200,000	-	200,000
Mr. Bandar bin Mogrin	200,000	-	200,000
<b>Total</b>	<b>650,000</b>		<b>650,000</b>
Governance, Risk and Compliance Committee			
Ms. Rania Nashar	250,000	-	250,000
Mr. Xavier Rolet	200,000	-	200,000
Eng. Khalid Al-Hussan	200,000	-	200,000
Dr. Yahya Al-Jabr	200,000	-	200,000
Ms. Maha Al-Sudairi	200,000	-	200,000
<b>Total</b>	<b>1,050,000</b>		<b>1,050,000</b>
<b>Investment Committee</b>			
Mrs. Sarah Al-Suhaimi	250,000	-	250,000
Mr. Yazeed Al-Humaid	200,000	-	200,000
Mr. Sabti Al-Sabti	200,000	-	200,000
Eng. Khalid Al-Hussan	200,000	-	200,000
Mr. Fahad Al-Jomaih	200,000	-	200,000
<b>Total</b>	<b>1,050,000</b>		<b>1,050,000</b>
<b>Aggregate amount</b>	<b>3,800,000</b>		<b>3,800,000</b>



**Paid remunerations to the top five Senior Executives 2023 (including CEO and CFO) in (SAR):**

		<b>Amount (SAR)</b>
Fixed remunerations	Salaries	7,448,725
	Allowances	3,004,319
	In-kind benefits	548,898
<b>Total</b>		<b>11,001,942</b>
Variable remunerations	Periodic remunerations	-
	Profits	-
	Short-term incentive plans	9,196,000
	Long-term incentive plans	-
	Granted shares	-
<b>Total</b>		<b>9,196,000</b>
<b>End of service</b>		<b>-</b>
<b>Total remunerations for Board executives</b>		<b>400,000</b>
<b>Aggregate amount</b>		<b>20,597,942</b>

**Risk management**

The Group has exposure to the following risks from its activities and use of financial instruments:

- Market risk.
- Credit risk.
- Operational risk management.
- Liquidity risk.

This note presents information about the Group’s exposure to each of the above risks and the Group’s objectives, policies, and processes for measuring and managing these risks. Furthermore, quantitative disclosures are included throughout these consolidated financial statements.

**Enterprise Risk Management Framework**

The Board of Directors (Board) has the overall responsibility for the establishment and oversight of the Group’s Enterprise Risk Management (ERM) Framework. The Board is responsible for approving the Group’s ERM policy. Furthermore, the Board Governance, Risk and Compliance Committee is responsible for overseeing the effective implementation of the ERM policy.

The Group’s ERM policy is established to identify and analyze risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The ERM Policy and Framework are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group aims to develop a constructive risk culture in which all employees proactively engage and understand their roles and obligations.

The main components of the Group’s ERM Framework are risk governance, risk appetite and tolerance, risk management process, risk universe, risk culture, risk management tools, and relevant policies and procedures. The framework governs the processes required to identify, evaluate, and prioritize the key risks that could impact the Group and the execution of its strategy.

To ensure an integrated and consistent approach across the risk management process of the Group, risk appetite and tolerance limits are defined as per the risk universe, which classifies risks into structured categories for effective risk management. This risk classification directly influences the particular configuration of the risk appetite and other ERM Framework elements such as the ERM Policy and procedures.

**Risk management structure**

A cohesive organisational structure is established within the Group in order to identify, assess, monitor, and control risks.

### Board of Directors

The objective of risk governance is the centralised oversight of the Board of Directors, providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

### Senior Management

Senior Management is responsible for the day-to-day operations in respect of achieving the strategic goals within the Group's pre-defined risk appetite. All business functions link their risk assessment methodology in line with the risk universe and core statements. In addition, all the policies and procedures of the business functions should be aligned with all the tolerance levels stated in the Risk Appetite Statement.

The risks faced by the Group and the way these risks are mitigated by Management are summarised below:

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets. Market risk reflects price risk, currency risk, and commission rate risk.

#### Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's accounts receivables from customers, cash at banks, time deposits, and investment in debt securities.

#### Operational risk management

The Group's objective is to manage operational risk arising from failure of internal and external processes, individuals, systems, or external events. These include issuer operations risks, member operations risks, market operations risks, human resources risks, and physical asset risks. To balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness, and to avoid control procedures that restrict initiative and creativity.

In order to manage the Group's clearing services activities risks, the Group – through one of its subsidiaries (Muqassa) – has an integrated and comprehensive risk management system and ensures its risk management framework identifies, measures, monitors, and manages the risks that it bears from clearing member,s as well as other key institutions. The Group has a low risk appetite for financial, liquidity, operational, market, and credit concentration risk. This appetite helps drive the setting of conservative values when deciding on key measures such as the default fund cover or investment duration. These risk management policies, procedures, systems, and controls have been developed to adhere to the CMA's Securities Central Counterparties Regulation, as well as to align with both CPMI-IOSCO's Principles for Financial Market Infrastructures (PFMI) and international best practices.

#### Liquidity risk

Liquidity risk is the risk the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## Statutory payments, penalties and sanctions

Regulatory Body	Description	Amount (SAR)
Capital Market Authority	Annual flat fees	130,000,000
General Authority of Zakat, Tax, and Customs	Statutory payment of Zakat	64,138,768
General Authority of Zakat, Tax, and Customs	Statutory payment of withholding tax and VAT	103,445,742
General Organization for Social Insurance	Statutory payment on the employees	25,014,785

## Punishments and penalties

Saudi Tadawul Group did not incur any punishment or penalties during the year of 2023 from any oversight, regulatory, or judicial bodies.

## Loans

Details of loans as at 31 December 2023 are as follows. It should be noted that the loans are related to the subsidiary "Direct Financial Network Company (DFN)" (SAR millions):

Creditor name	Amount of the principal debts	Loan term	Amounts paid by the Company in repayments of loans during the period 07-05-2023 to 31-12-2023	Outstanding amount
Gulf Finance Corporation	7.5	36 Months	0.6	-
Saudi Orix Leasing Company	5.0	32 Months	1.3	-
Ajil Financial Services Company	5.0	30 Months	1.7	0.7
Tamweel Aloula Company	15.0	30 Months	4.0	7.0
Tamweel Aloula Company	3.9	30 Months	1.0	2.8
Arab National Bank	3.8	6 Months	0.7	-
Arab National Bank	1.0	on Demand	0.0	1.0
<b>Total</b>	<b>41.2</b>		<b>9.3</b>	<b>11.5</b>

## Financial performance for 2023

### Preparation of the financial statements

In addition, there are no differences from the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). There are no material notes from the Auditor's on the Company's financial statements for the fiscal 2023.

### Profit or loss statement in (SAR)

	2019	2020	2021	2022	2023
Operating revenue	564,747,899	1,079,639,193	1,166,093,741	1,090,195,935	1,072,780,190
Operating costs	(322,805,587)	(336,748,634)	(331,786,738)	(387,725,914)	(465,938,351)
<b>Gross profit</b>	<b>241,942,312</b>	<b>742,890,559</b>	<b>834,307,003</b>	<b>702,470,021</b>	<b>606,841,839</b>
General and administrative expenses	(196,960,609)	(177,719,748)	(221,535,351)	(256,317,557)	(278,906,922)
(Allowance) / reversal of allowance for expected credit losses	(148,493)	(19,735,859)	814,878	(268,425)	390,305
<b>Operating profit</b>	<b>44,833,210</b>	<b>545,434,952</b>	<b>613,586,530</b>	<b>445,884,039</b>	<b>328,325,222</b>
Investment income	94,343,939	38,793,042	40,582,673	55,957,975	127,034,102
Share of results of associates and reversal of impairment	(1,610,095)	(2,101,685)	(3,279,208)	(9,918,562)	(17,157,777)
Finance costs	(3,174,036)	(2,525,112)	(2,695,456)	(2,371,987)	(4,246,034)
Other income	18,900,768	4,478,947	5,732,352	2,737,273	3,041,049
<b>Non-operating profit</b>	<b>108,460,576</b>	<b>38,645,192</b>	<b>40,340,361</b>	<b>46,404,699</b>	<b>108,671,340</b>
Profit for the year before Zakat	153,293,786	584,080,144	653,926,891	492,288,738	436,996,562
Zakat	-	(83,561,274)	(66,223,360)	(67,690,412)	(55,499,811)
<b>Profit for the year after Zakat</b>	<b>153,293,786</b>	<b>500,518,870</b>	<b>587,703,531</b>	<b>424,598,326</b>	<b>381,496,751</b>
<b>Profit for the year is attributable to:</b>					
Ordinary shareholders of the parent company	153,293,786	500,518,870	587,703,531	424,598,326	390,060,733
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,563,982)</b>
	<b>153,293,786</b>	<b>500,518,870</b>	<b>587,703,531</b>	<b>424,598,326</b>	<b>381,496,751</b>

### Financial position statement in (SAR)

	2019	2020	2021	2022	2023
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	268,487,867	96,798,376	86,197,458	2,118,826,096	2,050,614,074
Clearing participant financial assets	-	32,177,558	18,013,567	4,060,678,204	3,526,916,817
Accounts receivables, net	41,179,879	57,364,818	60,547,611	64,348,393	94,707,793
Advances, prepayments and other assets	102,841,000	102,271,835	108,059,619	116,105,444	136,641,059
Investments	2,660,288,572	3,103,518,964	2,631,732,808	618,569,219	269,253,058
Total current assets	3,072,797,318	3,392,131,551	2,904,551,063	6,978,527,356	6,078,132,801
<b>Non-current assets</b>					
Investments in associates	40,996,978	378,895,293	375,616,085	400,697,523	383,539,746
Property and equipment, net	13,693,404	21,381,712	56,056,384	110,404,115	217,792,547
Intangible assets and goodwill	176,516,175	179,552,282	144,727,277	139,298,385	348,988,802
Investments	231,554,876	101,267,886	55,272,377	55,809,077	391,088,818
Right of use assets	11,271,347	19,856,726	7,120,394	5,310,445	217,360,938
Total non-current assets	474,032,780	700,953,899	638,792,517	711,519,545	1,558,770,851
<b>Total assets</b>	<b>3,546,830,098</b>	<b>4,093,085,450</b>	<b>3,543,343,580</b>	<b>7,690,046,901</b>	<b>7,636,903,652</b>

Financial position statement in (SAR)

	2019	2020	2021	2022	2023
<b>Liabilities and shareholder's equity</b>					
<b>Current liabilities</b>					
Clearing participant financial liabilities	–	22,177,557	18,013,349	4,050,236,628	3,508,060,041
Lease liabilities	4,263,087	9,128,643	982,913	–	51,306,125
Current portion of long-term borrowings	–	–	–	–	10,342,741
Accounts payables	105,383,866	5,977,047	6,785,710	12,467,820	49,793,406
Balance due to Capital Market Authority (CMA)	22,330,201	32,758,785	22,280,843	19,375,330	55,137,969
Accrued expenses and other current liabilities	75,018,332	205,953,907	236,085,074	264,771,975	300,062,492
Deferred revenue	3,134,967	3,223,464	3,214,902	16,722,361	30,378,316
Zakat provision	–	83,561,274	66,663,698	67,221,868	64,221,598
<b>Total current liabilities</b>	<b>210,130,453</b>	<b>362,780,677</b>	<b>354,026,489</b>	<b>4,430,795,982</b>	<b>4,069,302,688</b>
<b>Non-current liabilities</b>					
Employees' end-of-service benefits	77,294,401	91,024,046	96,876,185	79,561,092	98,708,089
Lease liabilities	–	4,658,348	–	–	150,950,630
Non-controlling interest put option	–	–	–	–	175,363,779
Long-term borrowings	–	–	–	–	1,145,301
Deferred revenue	–	–	–	–	12,397,613
Total non-current liabilities	77,294,401	95,682,394	96,876,185	79,561,092	438,565,412
<b>Total liabilities</b>	<b>287,424,854</b>	<b>458,463,071</b>	<b>450,902,674</b>	<b>4,510,357,074</b>	<b>4,507,868,100</b>
<b>Shareholder's equity</b>					
Share capital	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Statutory reserve	326,911,746	376,963,633	360,000,000	360,000,000	–
General reserve	1,114,180,214	1,114,180,214	–	–	–
Other reserve	–	–	–	–	(161,328,401)
Retained earnings	618,313,284	943,478,532	1,532,440,906	1,619,689,827	2,090,363,953
<b>Total shareholder's equity</b>	<b>3,259,405,244</b>	<b>3,634,622,379</b>	<b>3,092,440,906</b>	<b>3,179,689,827</b>	<b>3,129,035,552</b>
<b>Total liabilities and shareholder's equity</b>	<b>3,546,830,098</b>	<b>4,093,085,450</b>	<b>3,543,343,580</b>	<b>7,690,046,901</b>	<b>7,636,903,652</b>