

Governance at Saudi Tadawul Group

The Saudi Tadawul Group prioritizes good governance as a core value and practice. This drives it to actively support the implementation of best-in-class corporate governance practices across its subsidiaries while fostering a culture of transparency and integrity guided by the following:

- Companies Law.
- Capital Market Law.
- Corporate Governance Regulations.
- Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by CMA.
- Company bylaws.

Therefore, the Group updated the governance manual, which was endorsed by the Board of Directors on 29-04-1445H (corresponding to 13-11-2023G) and complying with the relevant regulations and rules.

outline the essential functions necessary for execution, promoting effective decision-making, increasing transparency, ensuring equity, and safeguarding the rights of Shareholders and all Stakeholders. The governance manual includes, but is not limited to, provisions on:

- Shareholders' rights.
- Rights related to the General Assembly Meeting.
- The Board of Directors, its structure, duties, and capabilities.
- Executive Management, its roles and responsibilities.
- Regulations relating to the committees within the Group, including their membership and meetings.

Implemented and non-implemented provisions of the Corporate Governance Regulations

The Group applies all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority ("CMA"), except the guiding provision quoted below:

The internal governance of the Group is designed to

Article No.	Article provision	Reason
		This is a guiding article.
Article 51– Clause (C)	The Chairman of the Audit Committee shall be an Independent Director.	The formation of the Audit Committee, which includes more than two independent members of the Board of Directors, achieves the independence required by the Corporate Governance Regulations manner that ensures the performance of the Committee's duties.
		This is a guiding article.
Article 67	The Company's Board shall, by resolution therefrom, form a committee to be named the Risk Management Committee. The Chairman and majority of its members shall be Non-Executive Directors. The members of that Committee shall possess an adequate level of knowledge in risk management and finance.	Referring to Article 47 clause (1) from the Corporate Governance Regulations, which stipulates that "the Board shall form specialized committees as follows; (1) as may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties". Also, it is worth mentioning that the Board of Directors of Saudi Tadawul Group Holding Company has formed a committee named the Governance, Risk and Compliance Committee.
		This is a guiding article.
Article 92	If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (91) of these Regulations. Such Committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Referring to Article 47 clause (1) from the Corporate Governance Regulations, which stipulates that "the Board shall form specialized committees as follows; (1) as may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties". Also, it is worth mentioning that the Board of Directors of Saudi Tadawul Group Holding Company has formed a committee named the Governance, Risk and Compliance Committee.