

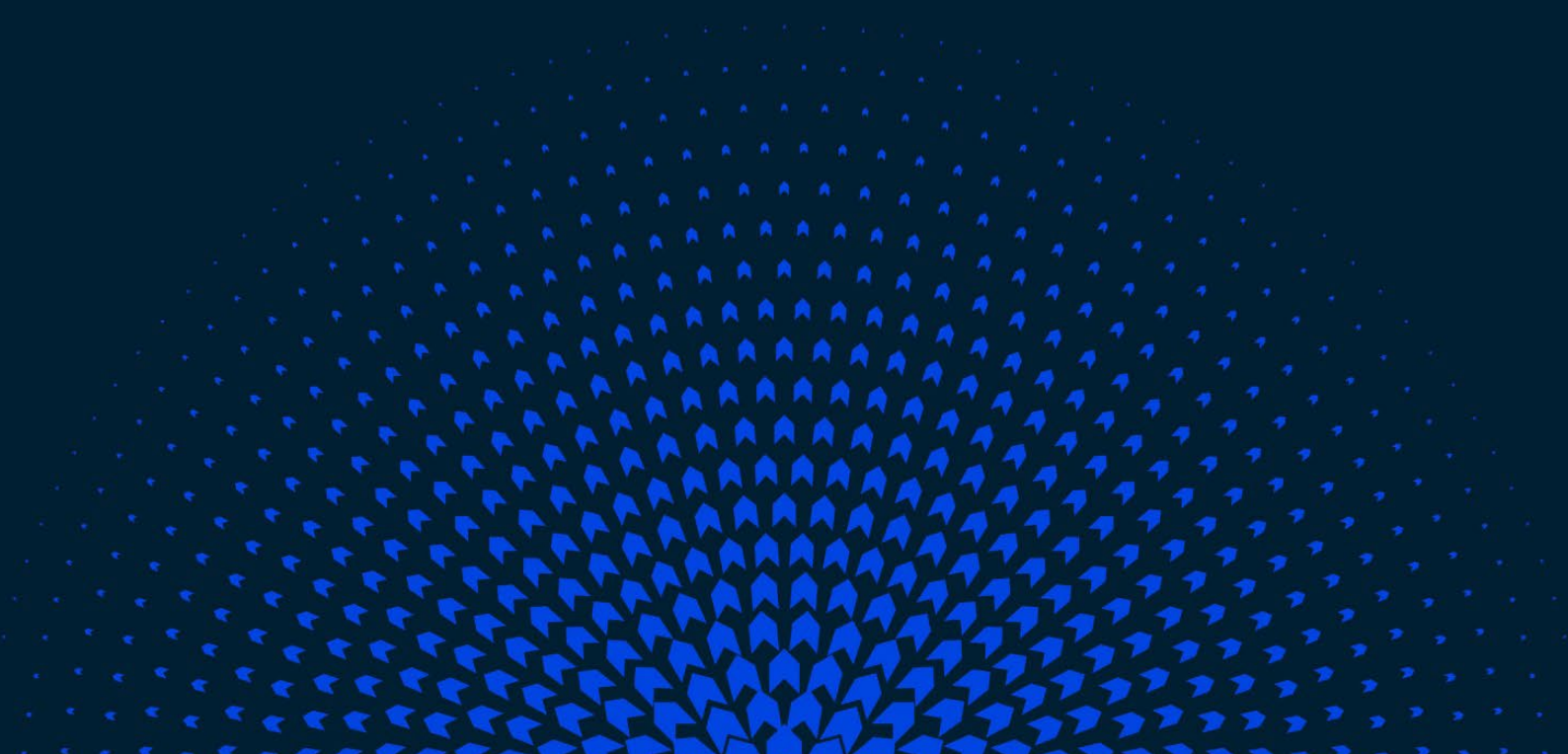
**Saudi Tadawul Group Holding Co.**  
**Ordinary General Assembly Meeting**  
**(First Meeting)**

**Location:** Riyadh - via modern technology (Remotely)

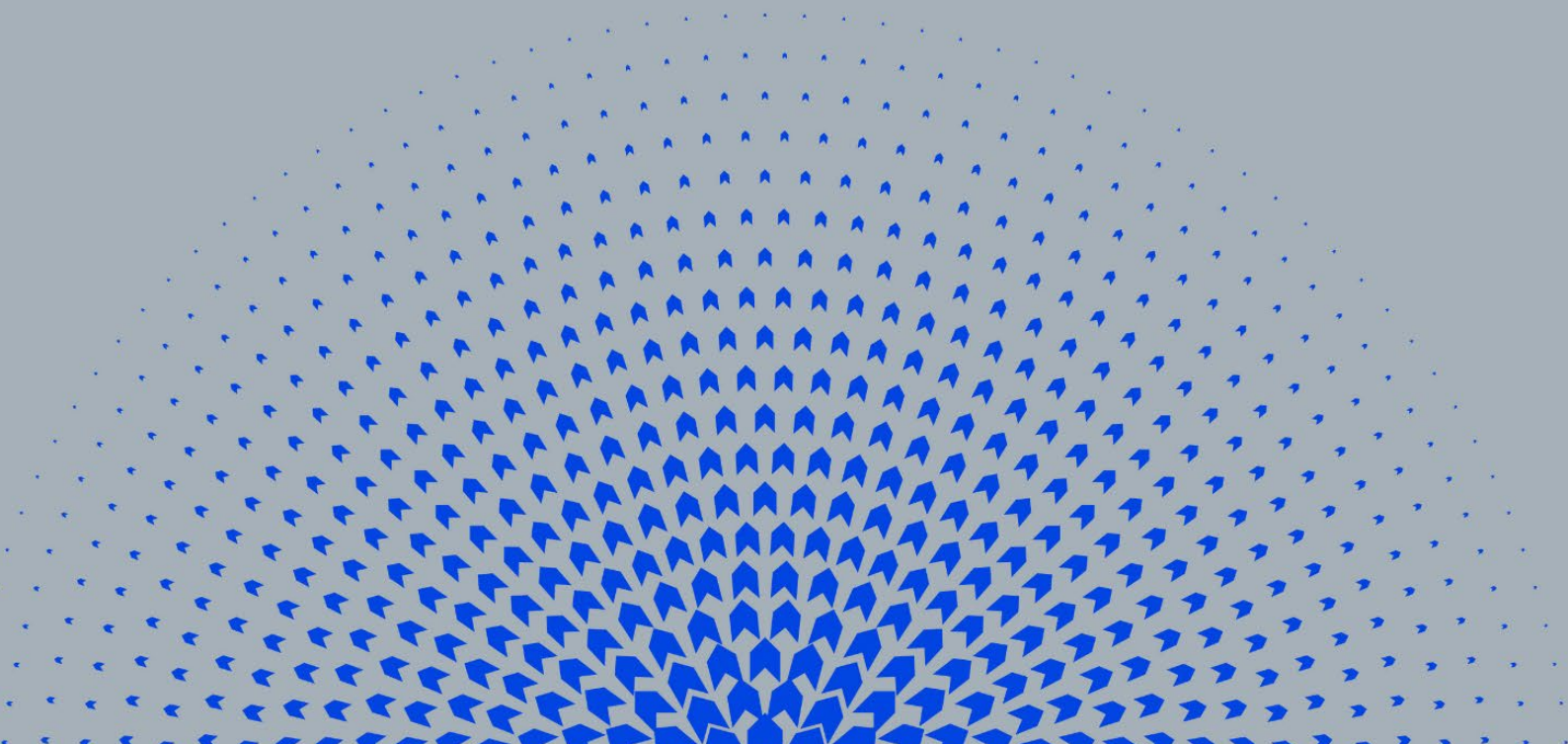
**Date:** Thursday, 25 April 2024

**Corresponding to 16 Shawwal 1445 AH**

**Time:** 07:00 PM



# Ordinary General Assembly Meeting Agenda



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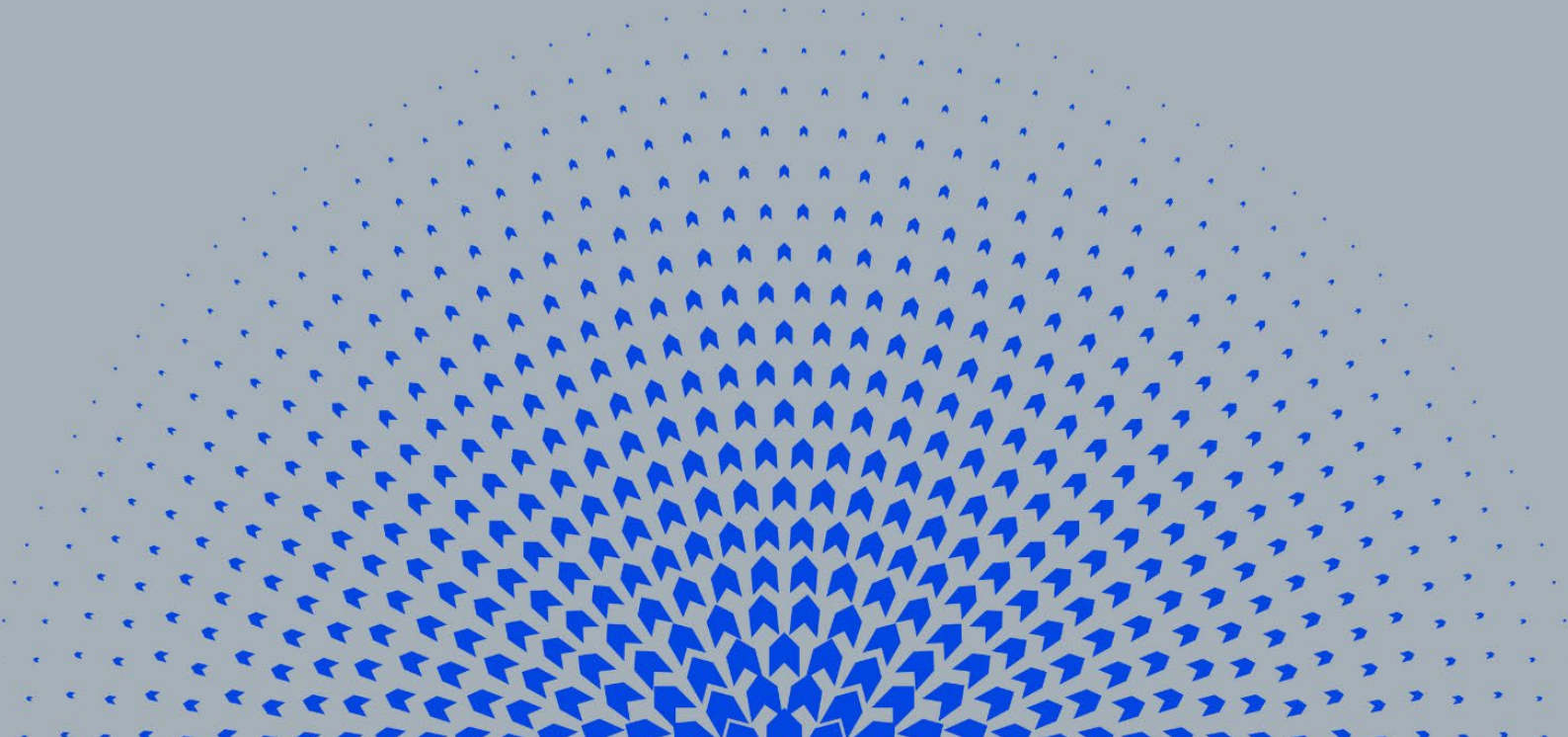
## Agenda of the Ordinary General Assembly Meeting

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1. Review and discuss the Board of Directors' report for the fiscal year ending on 31 December 2023. [\(attached\)](#)
2. Voting on the external Auditors report for the fiscal year ending on 31 December 2023 after discussing it. [\(attached\)](#)
3. Review and discuss the financial statements for the fiscal year ending on 31 December 2023. [\(attached\)](#)
4. Voting on agreeing to absolve the members of the Board of Directors from their liabilities for the fiscal year ending on 31 December 2023.
5. Voting on distribute of dividends to shareholders with total amount of (SAR 276,000,000) for the fiscal year ending on December 31, 2023, with (SAR 2.30) per share and (23% share par value) as the percentage of dividend, provided that the dividends eligibility is for the shareholders who own the Company's shares at the end of trading day on the day of the general assembly and registered in the company's register at the Securities Depository Center Company (Edaa), the distribution date will be announced later. [\(attached\)](#)
6. Voting on paying an amount of SAR 4,000,000 as remuneration to the Board members for the fiscal year ending on 31 December 2023.
7. Voting on the appointment of the company's external Auditor, among the recommended candidates, by the Audit Committee, to examine, review and audit the financial statements and data for the years 2024, 2025, 2026 and the first quarter of the year 2027 and determine its fees.
8. Voting on Delegating the Board of Directors by Ordinary General Assembly of its authorization power referred to in Paragraph (1) of Article (27) of the Companies Law, for a year from the date of Ordinary General Assembly's approval to the delegation or until the end of the current term of the Board of Directors, whichever is earlier. Such delegation or until the end of the requirements stipulated in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

**Item #1:**

**The Board of Directors' report for the  
fiscal year ending on 31 December 2023**



## The Board of Directors' report for the fiscal year ending on 31 December 2023

To review and read the Board of Directors' report for the fiscal year ending on 31  
December 2023, please follow the below link:

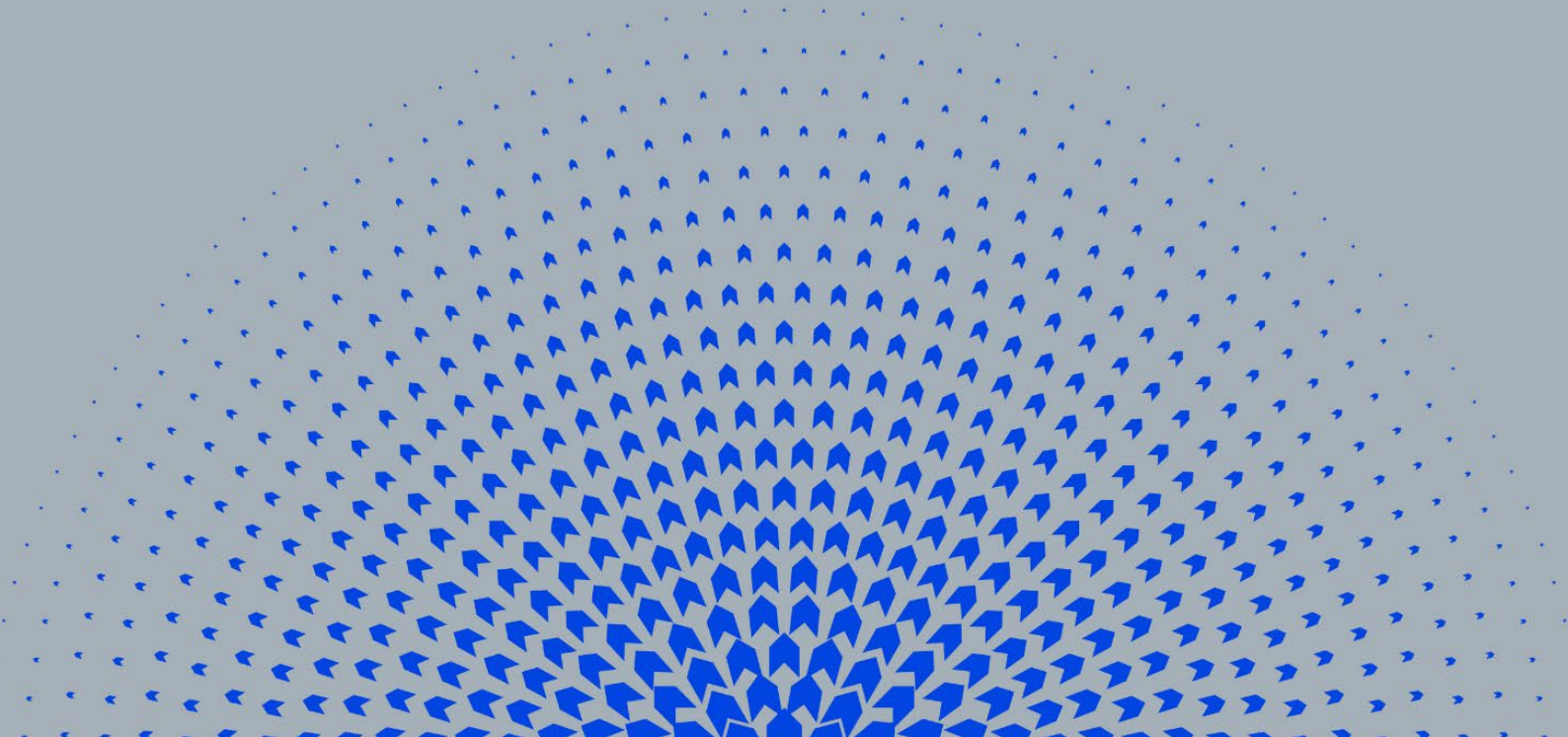
Board of Directors' report for the fiscal year ending on 31 December 2023





**Item #2:**

**The external Auditors report for the fiscal  
year ending on 31 December 2023**





Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)  
Head Office  
Al Faisaliah Office Tower, 14<sup>th</sup> Floor  
King Fahad Road  
P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

C.R. No. 1010383821  
Tel: +966 11 215 9898  
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Fax: +966 11 273 4730  
[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)  
[ey.com](http://ey.com)

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY

### Opinion

We have audited the consolidated financial statements of Saudi Tadawul Group Holding Company, (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (CONTINUED)**

**Key Audit Matters (continued)**

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <p><b>Revenue recognition</b></p> <p>Revenue is key element of consolidated financial statements due to its materiality and is a key metric for the user of the Group's consolidated financial statements. Due to its scale and significance to the consolidated financial statements revenue recognition is determined as key audit matter.</p> <p>The Group has recognised revenue of SR 1,073 million for the year ended 31 December 2023 (2022: SR 1,090 million).</p> <p>The Group's revenue comprises of trading services, listing services, technology and information services, membership services and post-trade services. The recognition of certain revenue streams is automated while others revenue streams is through manual processing, therefore, controls around revenue recognition process are critical for correct recognition of revenue.</p> <p><i>Refer to note 3.16 for the accounting policy related to revenue recognition and note 24 for the related disclosure.</i></p> | <p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> <li>– Obtained our understanding of the revenue recognition process including the recording of the different revenue streams;</li> <li>– Tested design and implementation of relevant key controls around the revenue recognition process including the recognition of revenue streams;</li> <li>– Involved our IT specialists to test the operating effectiveness of general IT controls and IT application controls around the revenue recognition of trading services, technology and information services and major post-trade services (clearing, settlement and trading related custody services);</li> <li>– Performed recalculation of revenue recorded from trading services, listing fees (annual) and part of post-trade services (in relation to trading activity);</li> <li>– For a sample of transactions, we performed test of details to verify that the revenue recorded from listing fees, technology and information services and other post-trade services exists and is accurate through vouching to sales invoices;</li> <li>– Evaluated the accounting policies around the recognition of revenue under each revenue stream to determine if the recognition meets the point in time or over the period revenue recognition criteria; and</li> <li>– Assessed the appropriateness of the presentation and disclosures in the consolidated financial statements with respect to revenue and the relevant accounting policies.</li> </ul> |





**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (CONTINUED)**

**Other information included in The Group's 2023 Annual Report**

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (CONTINUED)**

**Other information included in The Group's 2023 Annual Report**

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

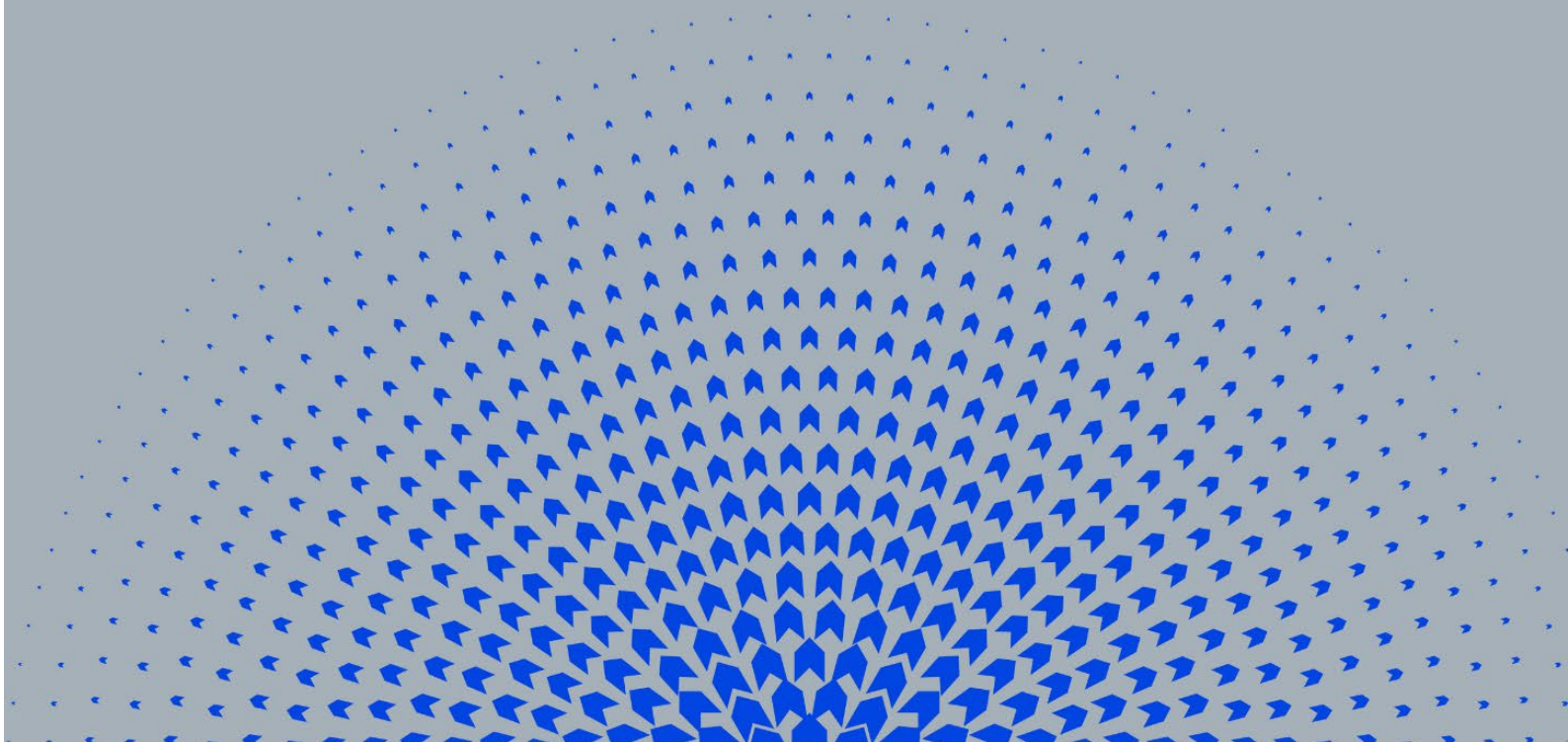


Waleed G. Tawfiq  
Certified Public Accountant  
License No. (437)

Riyadh: 1 Ramadhan 1445H  
(11 March 2024)



# The Audit Committee Report for fiscal year 2023



# The Audit Committee Report for Fiscal Year 2023

## INTRODUCTION

In 2023, the Audit Committee (AC) oversaw efficiency and effectiveness of the internal control environment at Saudi Tadawul Group Holding Company. To assess that, a number of meetings were held during 2023 with the Chief Internal Audit Officer, Senior Management and External Auditors. This report briefly summarizes the AC roles and responsibilities, composition of the AC, meetings conducted, important outcomes and decisions, internal audit coverage and AC opinion on internal control system.

### 1. AC Composition and Meetings

The following are the details of the AC meetings held in 2023 for Saudi Tadawul Group Holding Company:

#### AC Membership:

The AC consists of the following members:

| NAME                        | MEMBERSHIP                               |
|-----------------------------|--|
| Mr. Omar Al Hoshan          | Committee Chairperson – Non-Board Member |
| Mr. Hashem Al Hekail        | Independent Member                       |
| Eng. Sultan Al Deghaier     | Independent Member                       |
| Mr. Abdulhameed Al Muhaidib | Non-Board Member                         |
| Ms. Latifah Al Sabhan       | Non-Board Member                         |

#### Attendance Record:

The AC conducted (4) meetings as below:

| NAME                        | 20/02/2023 | 13/04/2023 | 20/07/2023 | 18/10/2023 |
|-----------------------------|------------|------------|------------|------------|
| Mr. Omar Al Hoshan          | ✓          | ✓          | ✓          | ✓          |
| Mr. Hashem Al Hekail        | ✓          | ✓          | ✓          | ✓          |
| Eng. Sultan Al Deghaier     | ✓          | ✓          | ✓          | ✓          |
| Mr. Abdulhameed Al Muhaidib | ✓          | ✓          | ✓          | ✓          |
| Ms. Latifah Al Sabhan       | ✓          | ✓          | ✓          | ✓          |

## 2. AC Roles and Responsibilities

Following are the main responsibilities of the AC in line with the mandate assigned through its approved charter:

- Oversight of financial reporting, including i) reviewing the consolidated financial statements of Saudi Tadawul Group Holding Company; ii) providing technical opinions as to Board Report and financial statements in terms of their compliance with the regulatory requirements; iii) examining unusual transactions in the financial statements; iv) verifying accounting estimates; and (v) reviewing financial and accounting policies.
- Oversight of internal control systems, including: i) reviewing internal and financial control and risk management systems and ensuring their effectiveness through regular reports from the Internal Audit Division (or External and Regulatory Auditors) and following up on the implementation of recommended action; and iii) reporting to the Board of Directors in respect of adequacy of internal control systems.
- Oversight of Internal Audit, including: i) supervising the IAD and verifying its effectiveness in carrying out its role and responsibilities; ii) reviewing and approving the annual audit plan; iii) reviewing reports prepared by IAD and following up on the implementation of recommended actions; iv) ensuring independence of IAD; and v) evaluating performance of IAD and Chief of IAD.
- Oversight of external auditors, including: i) recommending the appointment or dismissal of the external auditor and determining their fee after assessing their performance, independence, scope of work and terms of engagement; ii) verifying the independence of the external auditor; iii) reviewing the external audit plan and verifying its compliance with the applicable regulations; iv) answering external auditor's queries and providing requisite support for conducting the external auditing; and v) reviewing reports prepared by the external auditor and following up on the implementation of recommended actions.
- Oversight of compliance, including: i) reviewing reports prepared by regulatory bodies in respect of Saudi Tadawul Group Holding Company's compliance with the applicable regulations and following-up on the implementation of recommended actions; ii) establishing appropriate procedures for internal reporting of violations of internal control systems; and v) establishing appropriate procedures for follow-up on any reported violation (including independence of such procedures), and where relevant, making recommendations to Board of Directors in respect of the foregoing.



### 3. Accomplishments in 2022

#### Committee Governance:

- Ensured Confirmation of Independence;
- Declared Potential Conflicts.
- Updated Audit Committee Charter.

#### Compliance Reports:

- Reviewed all Code of Conduct Violations 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:

- Ensured that Internal Audit Governance documents are updated and relevant.
- Reviewed and Approved Internal Audit Divisional KPIs and Performance Assessment.

#### 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 Standards (IIA Standards).
- As part of its mandate, during the year, Audit Committee reviewed/approved following, but not limited to, deliverables/outputs:
  - Reviewed and Approved Annual Risk Assessment
  - Reviewed and Approved Internal Audit Plan
  - Reviewed Internal Audit Progress Reports; and
  - 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. The Internal Audit continued its significant progress made verifying and closing audit findings along with strengthening the follow-up /closure process.

#### 4. 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.

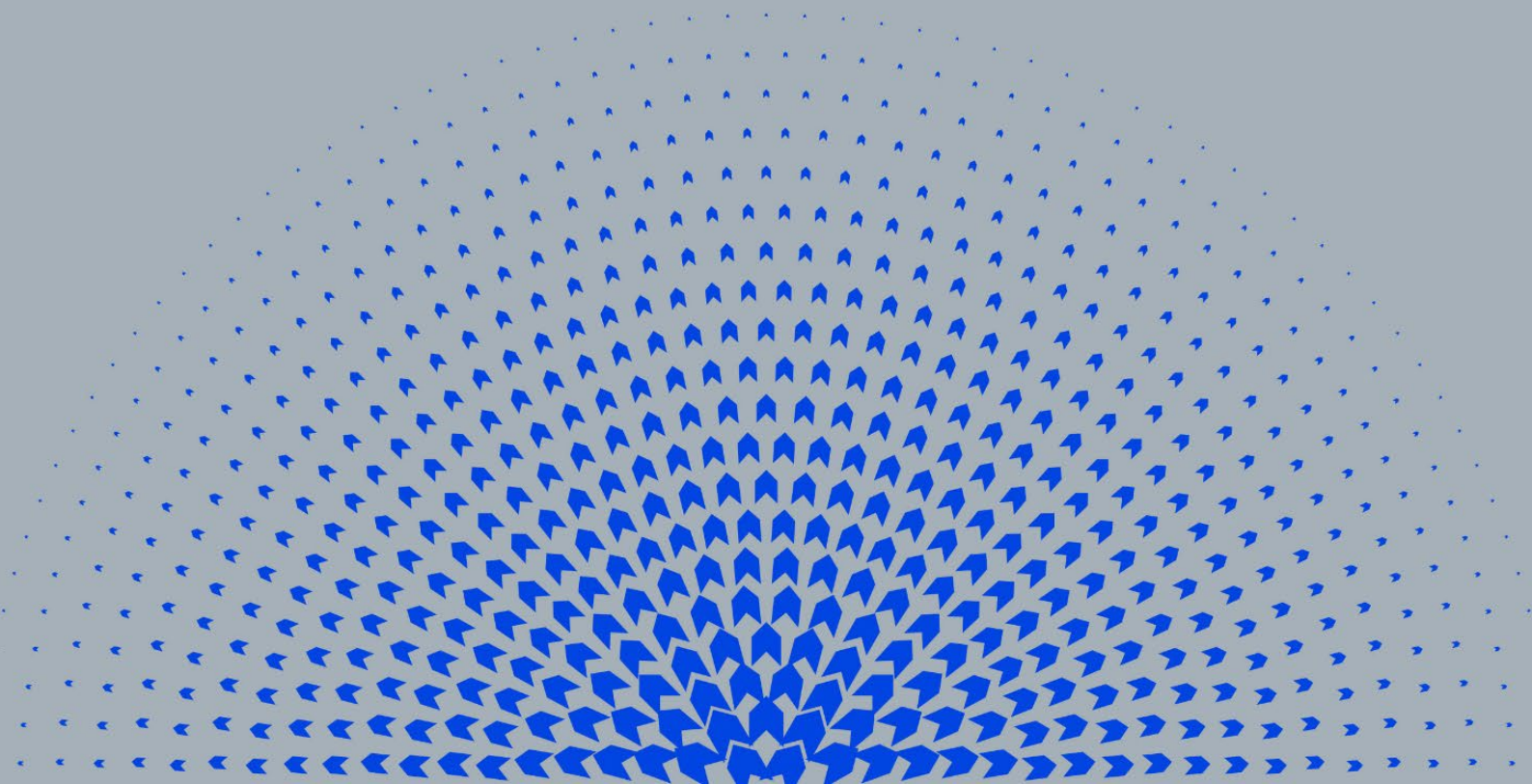
The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor's reports and management 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 that the internal control system within Saudi Tadawul Group Holding Company are 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 the Executive Management for providing all the data requested to perform the duties of the Committee

**Item #3:**

**The financial statements for the fiscal year  
ending on 31 December 2023**





## The financial statements for the fiscal year ending on 31 December 2023

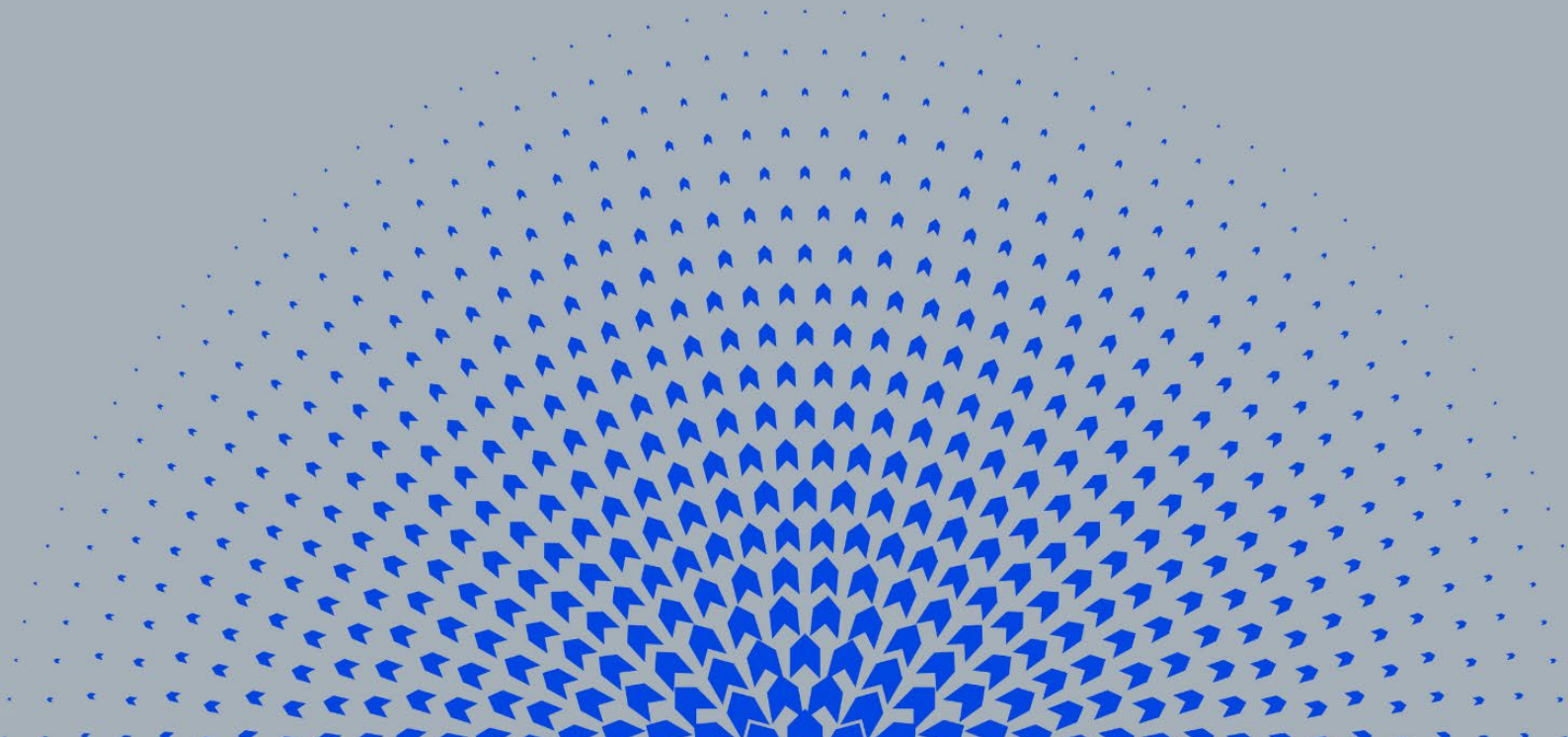
To review and read the financial statements for the fiscal year ending on 31 December 2023  
please follow the below link:

Financial statements for the fiscal year ending on 31 December 2023



**Item #5:**

**Statement of Board of Directors'  
recommendation to distribute cash  
dividends to the company's shareholders  
for the fiscal year 2023**



## Statement of Board of Directors' recommendation to distribute cash dividends to the company's shareholders for the fiscal year 2023

Saudi Tadawul Group Holding Co. (the Group) announced on 10-03-2024, corresponding to 29-08-1445 AH, the issuance of its Board of Directors resolution, which includes a recommendation to distribute cash dividends to the company's shareholders for the fiscal year 2023, as below:

Saudi Tadawul Group Holding Co. announces the Board of Directors recommendation to distribute cash dividends to shareholders for the fiscal year 2023

| Element   | Explanation  |
|---|--|
| Introduction                                      | Saudi Tadawul Group Holding Co. (the Group) announces the Board of Directors recommendation to distribute cash dividends to shareholders for the fiscal year 2023.   |
| Date of the board's recommendation                | 09-03-2024 Corresponding to 28-08-1445   |
| The Total amount distributed                      | SAR 276,000,000  |
| Number of Shares Eligible for Dividends           | 120 million shares   |
| Dividend per share                                | SAR 2.30 per share   |
| Percentage of Dividend to the Share Par Value (%) | 23%  |
| Eligibility date                                  | The eligibility of dividends shall be for the Shareholders who own the Company's shares by the end of the eligibility date, the date of the Company's General Assembly (which will be announced at a later date), and registered in the Company's register at the Securities Depository Center Company (Edaa). |



|                        |   |
|------------------------|---|
| Distribution Date      | The distribution date will be announced later.  |
| Additional Information | <p>The company urges our respected shareholders to update their banking information to ensure the deposit of the cash dividends directly into their accounts.</p> <p>In addition, we would like to draw the attention of the non-resident foreign investors that the cash dividend distribution which is transferred by the resident financial broker is subject to a withholding tax of 5% according to the provisions of Article (68) of the Income Tax Law and Article (63) of its Implementing Regulations.</p> <p>We are pleased to receive your inquiries or comments by contacting our Investor Relations Department through:</p> <p>Tel:<br/>(+966) 920013130</p> <p>E-mail:<br/>Investorrelations@tadawulgroup.sa</p> <p>Website:<br/><a href="http://www.tadawulgroup.sa">www.tadawulgroup.sa</a></p> |