Governance & Ethics

Decision-Making & Escalation Matrix Policy

Purpose

The purpose of this policy is to establish a unified, transparent, and risk-sensitive approach to decision-making and escalation across B&S Investments. As a Saudi-rooted, globally active holding group operating in exhibitions, manufacturing, tourism, creative content, hospitality, and digital ventures, B&S requires a structured framework that ensures decisions are made by the appropriate authority, at the right time, with due consideration to risk, impact, and cross-functional dependencies. This policy enhances efficiency, clarity, and governance discipline throughout the organization

Scope

This policy applies to all executive leadership, department heads, project owners, subsidiary CEOs, functional managers, and relevant support roles across B&S Investments and its subsidiaries, both in domestic and international operations. It applies to all types of decisions—strategic, operational, financial, contractual, human capital, legal, and reputational—and covers day-to-day decisions as well as critical incident response.

Policy Statement

B&S Investments is committed to embedding disciplined, agile, and well-escalated decision-making across all levels of the organization. Every decision must align with the company's risk appetite, governance thresholds, and accountability structure. This policy ensures:

- Decentralized empowerment for timely execution within approved limits

- Escalation protocols for decisions with material impact or risk exposure

- Clear visibility of who decides what, how, and when

- Real-time responsiveness in crisis or exception scenarios

- Consistency and fairness in organizational accountability

No employee or team may make a decision beyond their designated authority without escalation and documented approval. Failure to escalate appropriately may result in disciplinary action or compliance intervention.

Roles & Responsibilities

Role	Responsibility
Board of Directors	Approves strategy, Group-wide risk thresholds, and critical escalations (e.g., M&A, litigation, reputational crises, non-budgeted investments exceeding SAR 50M)
Group CEO	Makes enterprise-level decisions in line with the Board-approved mandate and escalates high-risk issues to the Board
Executive Committee	Reviews and approves strategic decisions within approved thresholds; cross-functional escalation body for disputes, exceptions, or sectoral misalignment
Subsidiary CEOs & Business Unit Heads	Accountable for decision-making within approved limits; must escalate material risks, reputational threats, and policy deviations to the Group level
Functional Heads (Finance, HR, Legal, IT, Procurement)	Make or support functional decisions; act as escalation reviewers and advisors for their respective domains
Compliance & Legal	Must be consulted and included in escalation paths involving legal exposure, non-compliance, or governance breaches
Internal Audit	Monitors adherence to matrix, reports misuse or decision paralysis due to failure to escalate or excessive centralization
All Staff with Delegated Authority	Must act within their authorized limits, maintain supporting documentation, and escalate decisions beyond their scope

Procedures & Implementation

1. Decision Categories

Each decision is categorized by nature and associated risk, triggering different review and escalation routes:

Category	Examples	Escalation Trigger
Strategic	M&A, market entry, divestment, JV formation	Always requires ExCo or Board approval
Operational	Project scope changes, vendor delays, facility expansion	Escalate if impact > SAR 5M, delay > 60 days, or breach of SLA
Financial	Budget reallocations, investments, unplanned spending	Escalate if outside budget scope or > %10 cost deviation
Contractual	Signing major contracts, customer terms changes	Escalate if legal risk is high or value > SAR 2M
Legal/ Compliance	Breach of law, internal policy, or Code of Ethics	Must escalate immediately to Legal, Compliance, and Group CEO
Human Capital	Senior hires, terminations, restructuring	Escalate director-level+ HR changes to Group People Office
Reputational	Negative media, whistleblower cases, public incidents	Immediate escalation to CEO, Legal, Comms
Technology	Cyberattack, system failure, data privacy breach	Immediate escalation to IT Security + Legal

2. Escalation Levels

Escalation follows a structured chain:

Level	Decision Type	Escalated To
Level 1	Routine, within function	Department Head
Level 2	Cross-functional or above limit	Executive Committee or Functional CxO
Level 3	Strategic, sensitive, or critical	Group CEO

Level	Decision Type	Escalated To
Level 4	Enterprise-wide, Board-mandated	Board of Directors

3. **Documentation Requirements**

   - All escalated decisions must be accompanied by:
     - Brief description of the issue
     - Risk assessment (financial, reputational, operational)
     - Proposed recommendation(s) and alternatives
     - Sign-off trail with timestamps
   - Use of official escalation templates is mandatory for Level +2 decisions
   - ERP and workflow systems must log all decision data for audit purposes

4. **Time Sensitivity & Exception Handling**

   - All escalated issues must be acknowledged within 24 hours
   - Critical decisions must be resolved within 3 business days unless an emergency decision protocol is activated
   - Emergency escalations may be resolved outside the matrix, but must be reported retroactively within 48 hours

5. **Technology Enablement**

   - The matrix is embedded into internal systems (e.g., ERP, procurement portals, legal review platforms)
   - Automated alerts trigger when thresholds are exceeded or when a decision remains unresolved beyond the timeline

6. **Training & Communication**

   - The matrix is introduced in onboarding for all managerial roles
   - A visual reference guide is shared company-wide
   - Functional teams receive annual refreshers during compliance and strategy training

Monitoring & Review

The Group Strategy & Governance Office will review the matrix annually in coordination with Compliance, Legal, and Business Leadership. Adjustments will be made based on:

- Shifts in enterprise risk appetite

- Internal audit findings and decision bottleneck analysis

- Feedback from senior leaders and process owners

- Regulatory or structural changes impacting authority levels

Any updates to the matrix must be communicated across business units and embedded into all digital workflows and governance manuals..

Associated Documents

- Delegation of Authority Policy

- Code of Business Ethics

- Risk Management Framework

- Group Crisis Management Protocol

- ERP Approval Workflow Manual

- Incident Escalation SOP

- Procurement & Financial Controls Policy

- Board Governance Charter