

Governance & Ethics

Delegation of Authority Policy

Purpose

The purpose of this policy is to define clear and accountable decision-making authority across B&S Investments. As a diversified, Saudi-rooted holding group operating across exhibitions, manufacturing, tourism, creative content, hospitality, and digital ventures, it is essential to establish structured delegation principles that support operational agility while maintaining oversight, internal control, and governance integrity. This policy ensures that all financial, contractual, legal, and strategic decisions are made at appropriate levels of responsibility and risk tolerance.

Scope

This policy applies to all executives, board members, department heads, functional leaders, subsidiary CEOs, and relevant staff across all B&S Investments business units and entities, both within Saudi Arabia and internationally. It governs the delegation and exercise of authority related to strategic approvals, financial commitments, operational contracts, human capital decisions, legal matters, and risk management.

Policy Statement

B&S Investments requires that all approvals and decisions with financial, legal, or strategic implications be exercised only by those with clearly assigned authority. This authority must be documented, transparent, auditable, and aligned with the Group's governance framework.

Delegation of authority does not relieve the delegator of accountability. All delegated actions must comply with applicable laws, corporate policies, and fiduciary responsibilities. No employee may approve or authorize any transaction from which they derive direct or indirect personal benefit.

The policy promotes:

- Transparency and efficiency in organizational decision-making
- Risk-aligned financial and contractual controls
- Operational empowerment with embedded accountability
- Prevention of unauthorized or duplicative commitments
- Alignment with the Group's risk appetite and internal control systems

Roles & Responsibilities

Role	Responsibility
Board of Directors	Approves the overall Delegation of Authority (DoA) matrix, reviews changes annually, and retains ultimate authority over Group strategy, mergers & acquisitions, and executive appointments
Group CEO	Holds executive authority for all operations within the approved strategy and risk appetite, may further delegate within defined limits
Executive Committee	Exercises decision rights delegated by the Board and CEO, especially on cross-functional or high-value matters
Group CFO	Ensures financial thresholds and controls are incorporated into the DoA; reviews financial impact of major decisions and commitments
Group General Counsel	Reviews legal exposures, approves delegation clauses in external contracts, and ensures decisions are compliant with legal frameworks
Group COO and Business Unit Heads	Exercise authority within sector-specific thresholds, report material decisions to the CEO, and escalate any exceptions or deviations
Internal Audit	Reviews application of the DoA for compliance and effectiveness; flags inconsistencies or abuse of delegated authority

Role	Responsibility
All Staff with Delegated Authority	Must act within their authorized limits, maintain supporting documentation, and escalate decisions beyond their scope

Procedures & Implementation

1. Delegation Matrix Structure

- The DoA matrix defines approval levels by:
 - Business function (Finance, HR, Legal, Operations, Procurement, etc.)
 - Category of decision (CapEx, OpEx, hiring, legal disputes, contracts, asset disposals)
 - Monetary thresholds (e.g., up to SAR 500K, SAR 1M, SAR 5M, etc.)
 - Risk category (Low, Medium, High Risk based on internal criteria)
- Each level of authority requires secondary oversight (dual signatories or committee co-approval) for sensitive transactions

2. Delegation Documentation

- All delegated authorities must be formalized via internal memos or Board-approved matrices
- Any changes must be reviewed by the Compliance team and authorized by the next level of authority

3. Cross-Functional Alignment

For joint ventures, partnerships, or multi-entity operations, shared delegation must be documented in the JV governance framework

Dual reporting roles (e.g., dotted line to a subsidiary CEO) must clarify primary authority and escalation protocol

4. Exceptions Handling

- Any requests to exceed authorized limits must be approved in writing by the Board or designated executive committee
- Emergency authorizations (e.g., in business continuity events) must be regularized within 72 hours and formally documented

5. Technology Integration

- All ERP systems (e.g., SAP, Oracle) must embed delegation thresholds and approval workflows
- Digital signatures and audit logs are mandatory for contract approvals exceeding SAR 250,000

6. Training & Awareness

- All new managers and senior staff must undergo Delegation of Authority training as part of onboarding
- Refresher sessions are conducted annually in line with policy updates

Monitoring & Review

The Delegation of Authority Policy is reviewed annually by the Governance, Compliance, and Internal Audit teams in coordination with the Group CEO. Additional reviews may be triggered by:

- Structural or operational changes (e.g., new subsidiaries, sector expansion)
- Post-incident investigations or audit findings
- Shifts in regulatory or financial risk exposure

Changes to the Delegation of Authority Matrix must be approved by the Board and updated across all internal systems and employee handbooks.

Associated Documents

- Board Governance Charter
- Financial Approval Matrix
- Procurement Policy & Contracting Protocol
- Risk Management Framework
- Anti-Bribery & Corruption Policy
- Conflict of Interest Policy
- Employee Handbook
- Enterprise Resource Planning (ERP) Approval Workflows Manual