

## **Explanatory Notes**

Having considered the regulatory regime governing companies incorporated in the Kingdom of Saudi Arabia and listed on the Saudi Exchange, the Exchange resolved to accept the Saudi Exchange as a Recognised Stock Exchange subject to the condition that secondary listing applicants with a primary listing on the Saudi Exchange are expected to demonstrate the fulfillment of the following principles:

1. The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation's sustainability and governance. Disclosure should include material information on company objectives and sustainability-related information. Sustainability-related disclosure should be consistent, comparable and reliable.
2. A corporation should disclose payments to external auditors for non-audit services.