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Impact Driven Governance

BOARD PERSPECTIVES · KINGDOM OF SAUDI ARABIA

Same duties, new decisions

How AI is changing every responsibility of the Saudi Board. Why directors need to consider AI in the decisions they make, and what they can do to prepare.

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THE MAIN POINT

The Board has the same responsibilities. AI changes the decisions it must make.

Saudi Boards need to consider how AI affects each of their responsibilities. It is already part of many decisions on the agenda, even when the Board paper does not mention it.

WHAT THIS PAPER COVERS

1. Your responsibilities are fixed
The CMA regulations and the Companies Law set what the Board must do and the care directors must take. Nothing here is new.
PAGE 3

2. AI is now inside the decisions they cover
It reaches the Board through budgets, contracts, vendors, staff and software updates, mostly without a label.
PAGE 4

3. So every responsibility has an AI dimension
Ten responsibilities, each with what changes, a dilemma, the questions to ask and what good looks like.
PAGES 5–10

4. A prepared Board oversees and directs
It reviews AI risks and guides its use of AI by setting clear limits on its authority.
PAGES 11–12

5. Where to start
Four decisions for the next Board meeting, and a self-assessment.
PAGES 13–14

WHAT DIRECTORS CAN TAKE FROM THIS

- Recognize AI in proposals that reach the Board under a different name.
- Challenge management and identify a weak answer or a well-supported one.
- Decide how much authority AI may have for each type of decision.
- Record the information and reasoning behind decisions.

WHO THIS IS FOR

Chairs, directors and committee members of listed companies, family groups and government-related entities in the Kingdom, and the executives who report to them on AI.

STEP 1 · YOUR RESPONSIBILITIES ARE FIXED

The law sets the Board's responsibilities. AI changes what directors need to understand.

The CMA's Corporate Governance Regulations set out the main functions of the Board, from strategy and risk to disclosure. The Companies Law, in force since January 2023, sets every director's personal duties. These duties also apply when decisions involve AI. Three are especially relevant.

Art. 26

Care and loyalty

Act within powers, in the company's interest, independently, and with due skill and diligence.

Art. 28

Personal liability

Liability for losses caused by negligence or failure in the role. Absence is no defense.

Art. 31

The informed-decision defense

Protection for directors who had no interest, were adequately informed, and firmly and rationally believed the decision served the company.

> **When AI affects the data, risks or expected value of a decision, directors need to understand its role before they can consider themselves adequately informed.**
>
> This is Hyphen's interpretation, not a court ruling. Ask counsel how it applies to a specific decision.

REGULATORY UPDATE

Boards need to oversee AI as Saudi requirements continue to develop

ENFORCED NOW	**Personal Data Protection Law.** Fully enforceable since September 2024. SDAIA reported 48 enforcement decisions for 2025; a notice allows five days to respond. The company stays the controller even when processing happens in a vendor's AI.
EXPECTED PRACTICE	**AI Ethics Principles 2.0 and the National AI Risk Management Framework.** SDAIA's risk framework applies to all government and private organizations, with seven risk categories and a likelihood-by-impact method. The principles call for a named Responsible AI Officer and AI system assessor.
IN FLIGHT	**Draft Responsible AI Policy** (consultation closed May 2026; not yet final) and **NCA AI cybersecurity guidelines** (consultation closed August 2026). Sector regulators such as SAMA, SFDA and CST add their own expectations.

Sources: Companies Law (Royal Decree M/132), as summarized by Clyde & Co; SDAIA; Gowling WLG (2026); Digital Policy Alert. Regulatory status as at October 2026; Arabic texts are authoritative. Not legal advice.

STEP 2 · AI IS NOW INSIDE THE DECISIONS

AI already affects the decisions Boards make, even when it is not named in the proposal.

A Board may approve AI through a budget, contract or software purchase without discussing it explicitly. The proposal may look routine, while the underlying AI use goes unexamined.

EXHIBIT 1

Five ways AI enters routine Board decisions

ROUTE	WHAT THE BOARD SEES	WHAT IT DOES NOT SEE
Budget	"Productivity software upgrade" in the IT budget	An AI assistant for every employee, with access to company data
Contracts	A renewal above the approval limit: price and term	A clause allowing the vendor to use our data to improve its models
Vendors	An outsourced service, priced per transaction	The supplier's AI making decisions about our customers, staff or applicants
Staff and software	Nothing at all	Personal AI accounts used on company work; AI features switched on by updates
Strategy and restructuring	"Automation efficiencies" in a savings plan	The AI decisions, risks and workforce effects behind the savings

THE SAUDI PICTURE

33.1%
of Saudi establishments used AI in 2025, up from 27.6% a year earlier

61%
in information and communications, and 53% in finance and insurance

62%
of Saudi organizations have a documented Responsible AI framework, against 47% globally…

30%
…yet functional AI returns trail the 37% global average. Governance on paper is ahead of value in practice.

> **Boards are already making decisions about AI. They need to know where and how it is being used.**

Sources: GASTAT ICT Access and Usage Survey, 2024 and 2025 waves; PwC Middle East AI maturity research, 2026. See page 15.

STEP 3 · EVERY RESPONSIBILITY HAS AN AI DIMENSION

AI affects responsibilities that Boards already hold under Saudi governance rules. Here is what changes in practice.

EXHIBIT 2

What changes, and what directors should ask

	RESPONSIBILITY	LEGAL BASIS	THE SHIFT	THE QUESTION THAT MATTERS
01.	**Strategy**	CGR Art. 21(1)	Advantages built on labor cost and scale erode	*What would an AI-native entrant do to our margins?*
02.	**Risk**	CGR Arts. 21(1)–(2), 68–69	Risk becomes correlated, behavioral and fast	*What error rate have we accepted, and who decided?*
03.	**Internal control**	CGR Arts. 21(2), 70–76	Assurance moves from transactions to models	*How do we know it still works as approved?*
04.	**Capital allocation**	CGR Art. 21(1), 21(6)	Costs follow usage; value arrives late	*What evidence would make us stop funding this?*
05.	**Compliance**	CGR Art. 21(5)	Governing while the rules are being written	*Which uses change category under the draft policy?*
06.	**Overseeing management**	CGR Art. 21(1), 21(13)–(14)	Incentives decide how AI is used	*What on the scorecard stops a reckless saving?*
07.	**People and Saudization**	CGR Arts. 21(16), 83	The entry-level roles AI removes are the ones Saudization fills	*What do our AI plans do to our Nitaqat position?*
08.	**Reporting and disclosure**	CGR Art. 21(9)–(11)	Models support more judgments	*Which judgments in our accounts are model-assisted?*
09.	**Stakeholders**	CGR Arts. 21(4), 21(12), 80	Data sovereignty becomes a commercial question	*Can we show our AI governance in a tender tomorrow?*
10.	**Board effectiveness**	CGR Arts. 18, 37, 39	Directors' own AI use is ungoverned	*How may directors use AI with Board papers?*

CGR = CMA Corporate Governance Regulations, as amended January 2023. They bind listed companies; unlisted family groups and government-related entities follow the Companies Law and their own governance frameworks, where the same responsibilities apply in substance. Saudization obligations arise under labor regulation.

01. Strategy and direction

CGR Art. 21(1): plans, strategies and main objectives, and monitoring their implementation

AI can change the value of established advantages in labor cost, scale and customer relationships.

THE DILEMMA A competitor offers an AI-based service at [X]% lower cost. Matching it would reduce revenue from a profitable product; doing nothing could mean losing customers. Management asks the Board which risk to accept.

WHAT CHANGES

- AI is changing the cost of knowledge work. New entrants may start without the same staffing costs.
- Build, buy or partner choices create long-term dependence on a few model providers and on where data is hosted.
- 71% of Saudi enterprises call themselves fast followers. That is a strategy only if the Board has chosen it.

QUESTIONS THAT TEST MANAGEMENT

What would an AI-native entrant do to our margins in three years?

WEAK ANSWER "Our relationships protect us."

> **STRONG ANSWER** "Our model shows an AI-based entrant could serve [segment] at about [X]% lower cost within three years. We are changing two business lines and waiting in one. Here are our reasons."

Which strategic plans depend on one AI provider or a data location we do not control?

WEAK ANSWER "We use a market-leading platform."

> **STRONG ANSWER** "Two plans depend on one provider. We have exit terms, a tested second option, and customer data stays in the Kingdom."

SIGNS OF MATURITY AI scenarios are part of the strategy review. The Board has agreed where to lead, follow or wait in each core business.

02. Risk oversight and risk appetite

CGR Arts. 21(1)–(2), 68–69: risk management, risk assessment and the Risk Committee

AI failures can spread quickly across systems. A risk-register entry is not enough.

THE DILEMMA Management wants to accept a model with a known error rate because the manual process makes more mistakes. The risk appetite statement does not say whether this trade-off is acceptable.

WHAT CHANGES

- Many vendors run on the same few foundation models, so one flaw can surface across suppliers at once.
- Model performance can deteriorate without an obvious incident to alert management.
- SDAIA's National AI Risk Management Framework now gives a common method and seven risk categories management should be using.

QUESTIONS THAT TEST MANAGEMENT

What error rate have we accepted for this decision, and who decided?

WEAK ANSWER "The vendor says it is 98% accurate."

> **STRONG ANSWER** "We accepted [X]% against [Y]% for the manual process; the Risk Committee approved it in [month]. Above [Z]% the model is paused automatically."

Which AI-driven decisions cannot be reversed once made?

WEAK ANSWER "Everything is reviewed."

> **STRONG ANSWER** "Three types: credit declines, payments and customer commitments. Each needs a named person's sign-off before it takes effect."

SIGNS OF MATURITY Risk appetite sets clear decision rights and limits on the delegation ladder. Material AI is assessed against the national framework.

03. Internal control and assurance

CGR Arts. 21(2), 70–76: internal control rules and an annual review of their effectiveness

Transaction sampling alone cannot show whether a changing AI system remains effective.

THE DILEMMA Automated invoice matching cut processing time by [X]% and reduced headcount. The external auditor now wants evidence the model performs as intended. Internal audit helped design it.

WHAT CHANGES

- Assurance needs to cover outputs as well as the model, its data and the way changes are managed.
- Segregation of duties breaks when one agent can prepare, approve and post.
- If internal audit helped build the system, its assurance role needs safeguards to protect independence.

QUESTIONS THAT TEST MANAGEMENT

How do we know the model still works as it did when we approved it?

WEAK ANSWER "It hasn't caused any problems."

STRONG ANSWER "We track accuracy and drift monthly against the approval baseline. Any material change goes back through approval; internal audit tested this last quarter."

Where are AI limits enforced: in the agent, or in the systems it calls?

WEAK ANSWER "It's instructed not to exceed them."

STRONG ANSWER "In the systems it calls. The payment system rejects anything above the limit, whatever the agent asks."

SIGNS OF MATURITY Material AI has evidence that internal audit can test independently and external auditors can review.

04. Capital allocation and budgets

CGR Art. 21(1), 21(6): budgets, major capital expenditure and the company's finances

AI costs often rise with usage, while benefits take time. License-based budgets can miss this.

THE DILEMMA First-year AI spending is [X]% over budget because usage grew faster than expected. Benefits have not yet appeared. Management wants more funding, saying that stopping would waste the investment.

WHAT CHANGES

- Usage increases costs, sometimes before the company can measure the benefits.
- Saudi organizations lead on documented AI governance (62% vs 47% globally) but trail on functional returns (30% vs 37%). The value gap is real.
- Choosing not to invest also has consequences when competitors are investing.

QUESTIONS THAT TEST MANAGEMENT

What evidence would make us stop funding this, and when will we see it?

WEAK ANSWER "It's strategic. We need to be in AI."

STRONG ANSWER "If cost per case has not fallen [X]% by month nine, we stop. That condition is in the business case you approved."

What does each initiative cost per unit of value, and how does that change at scale?

WEAK ANSWER "The license cost is fixed."

STRONG ANSWER "Today SAR [X] per case against SAR [Y] manually; at full volume we expect SAR [Z]. Usage is capped so cost cannot run ahead of value."

SIGNS OF MATURITY AI funding is released in stages, with agreed measures of value and clear conditions for stopping.

05. Compliance and legal

CGR Art. 21(5): compliance policies, and ensuring management follows them

Boards need to understand current compliance requirements and prepare for rules that are still being developed.

THE DILEMMA A vendor offers a powerful tool hosted outside the Kingdom at half the cost of a local option. The data-transfer case is arguable today; the draft Responsible AI Policy may change the answer within a year.

WHAT CHANGES

- Enforcement is real and fast: 48 PDPL decisions in 2025, five days to respond to a notice.
- The rulebook is moving: a draft Responsible AI Policy and NCA AI cybersecurity guidelines are pending, alongside sector regulators.
- Liability does not move to the vendor; the company remains the data controller.

QUESTIONS THAT TEST MANAGEMENT

Which of our AI uses would change category under the draft Responsible AI Policy?

WEAK ANSWER "We'll deal with it when it's final."

> **STRONG ANSWER** "We have classified all [N] uses against the draft tiers. Two would be high risk, and both already have the assessments the draft requires."

Who tracks AI regulation, and how does it reach this Board?

WEAK ANSWER "Legal keeps an eye on it."

> **STRONG ANSWER** "Compliance has a named owner. We receive an AI regulatory update twice a year. The next is due on [date]."

SIGNS OF MATURITY A named owner tracks regulatory changes and updates the Board at least twice a year.

06. Overseeing executive management

CGR Art. 21(1), 21(13)–(14): performance indicators, committees and remuneration

Executive incentives influence how AI is used. Boards need to examine what those incentives reward.

THE DILEMMA The CEO's scorecard rewards automation savings. The savings are real. The risk taken and the effect on the workforce appear nowhere on the scorecard.

WHAT CHANGES

- Bonuses based only on AI savings can encourage speed without enough attention to risk or quality.
- A third of Saudi IT leaders cite weak executive sponsorship as a reason AI stalls.
- AI knowledge belongs in CEO and succession criteria, rather than being left entirely to the CIO.

QUESTIONS THAT TEST MANAGEMENT

What would stop executives from claiming AI savings that create unacceptable risks?

WEAK ANSWER "We trust the team."

> **STRONG ANSWER** "Savings only count if AI risk indicators stay within appetite and service quality holds. Both are scored alongside the saving."

Does our succession plan assess AI fluency at the top?

WEAK ANSWER "It's technical. The CIO covers it."

> **STRONG ANSWER** "Yes. It is a criterion in the CEO and executive succession profiles, assessed by the Nomination Committee."

SIGNS OF MATURITY Executive scorecards balance AI value, risk and workforce effects. AI knowledge is part of CEO succession profile.

07. People, culture and Saudization

CGR Arts. 21(16), 83: company values and the professional conduct policy; labor regulation

AI may automate entry-level jobs that give many young Saudis their first experience in the private sector. Boards need to consider that effect.

THE DILEMMA An AI program removes [X] entry-level service jobs, mostly held by Saudi nationals. The financial case is clear, but the paper does not explain the effect on our Nitaqat position or on employees.

WHAT CHANGES

- Routine knowledge work often gives people their first job. Many of those tasks can be automated.
- The same tools can move Saudi talent into higher-value roles faster, if reskilling is planned and funded.
- The code of conduct should explain how staff may use AI, including tools the company has not approved.

QUESTIONS THAT TEST MANAGEMENT

What do our AI plans do to our Saudization ratios, year by year?

WEAK ANSWER "HR will manage it."

STRONG ANSWER "[X] roles affected over three years, [Y] Saudis redeployed or reskilled, and our Nitaqat band maintained throughout. The plan is attached."

What share of AI savings is committed to reskilling Saudi staff?

WEAK ANSWER "We'll decide after implementation."

STRONG ANSWER "[X]% of net savings is reserved for retraining in the approved business case, with progress reported quarterly."

SIGNS OF MATURITY Every material AI business case covers workforce and Saudization effects, with a retraining commitment approved by the Board.

08. Financial reporting and disclosure

CGR Art. 21(9)–(11): financial statements, the Board report and accurate disclosure

When AI supports estimates and commentary, directors need to understand how those judgments were reached before approving the accounts.

THE DILEMMA A provision is now calculated with an AI-assisted model. The figure is lower than last year's method produced. The external auditor asks how the model was validated, and by whom.

WHAT CHANGES

- Models increasingly support provisions, impairments and forecasts. Those judgments still need review.
- Auditors must decide whether they can rely on AI-generated evidence.
- Overstated AI claims in investor material ("AI-washing") become a disclosure risk.

QUESTIONS THAT TEST MANAGEMENT

Which judgments in our accounts are now model-assisted?

WEAK ANSWER "AI only helps with formatting."

STRONG ANSWER "Three: [a provision], [an impairment] and [the forecast]. Each model was independently validated, and the auditor reviewed the approach before year-end."

Can we support every AI claim in our annual report?

WEAK ANSWER "Marketing drafted that section."

STRONG ANSWER "Every AI claim is tied to evidence on file and reviewed by Finance and Legal before publication."

SIGNS OF MATURITY Record, validate and discuss AI used in financial reporting with the external auditor before year-end.

09. Stakeholders and reputation

CGR Arts. 21(4), 21(12), 80: stakeholder policy and shareholder communication

AI governance and data location increasingly affect commercial relationships as well as legal obligations.

THE DILEMMA A government client's tender asks how we govern AI and where its data will be processed. The answer will be scored. Nobody owns it.

WHAT CHANGES

- Public-sector AI expectations flow to suppliers through procurement.
- Data residency and sovereignty shape trust with government, partners and customers.
- A failure in a customer channel can spread before the incident team has time to respond.

QUESTIONS THAT TEST MANAGEMENT

Could we show evidence of our AI governance in a tender?

WEAK ANSWER "We'd draft something."

> **STRONG ANSWER** "Yes. A standard pack covers our AI policy, register, risk classification and data residency, refreshed every quarter."

If AI makes a harmful promise, who tells the Board, and how quickly?

WEAK ANSWER "IT would handle it."

> **STRONG ANSWER** "The incident lead alerts the CEO within [two] hours and the Chair within [24] hours, against defined thresholds. Customer remedy and regulator notice follow the plan."

SIGNS OF MATURITY Evidence of AI governance is ready for tenders, with clear thresholds for Board escalation.

10. Board effectiveness

CGR Arts. 18, 37, 39: qualifications, director training and performance assessment

Board papers contain highly sensitive information. Directors need clear rules before using AI tools to work with them.

THE DILEMMA A director uses a public AI tool to summarize a confidential Board pack before a meeting. There is no agreed rule on this, and the company may never know.

WHAT CHANGES

- Company policies may not clearly cover directors' personal use of AI.
- Training and evaluation are required by the regulations; AI rarely features in either.
- AI can help Boards test forecasts, review long papers and identify changes, if it is used with care.

QUESTIONS FOR THE BOARD ITSELF

Have we agreed how directors may use AI with Board material?

WEAK ANSWER "Directors are sensible people."

> **STRONG ANSWER** "Yes. Directors use only the approved secure tool for Board material, under a protocol the Board adopted in [month]."

Would our Board evaluation show whether we can question an AI proposal effectively?

WEAK ANSWER "We have a technologist on the Board."

> **STRONG ANSWER** "Our last evaluation covered AI oversight. It found a gap, so we introduced briefings and access to an independent advisor."

SIGNS OF MATURITY Directors follow an agreed AI-use protocol. Training and the annual Board evaluation cover AI oversight.

STEP 4 · WHAT A PREPARED BOARD DOES

A prepared Board manages AI risk and helps the company make sound use of AI.

Across all ten responsibilities, Boards need to weigh both risk and value. Oversight helps prevent harm; direction helps the company use AI where it makes sense. A discussion focused only on controls can miss useful opportunities. Equally, pressure to adopt AI can lead to weak decisions. The Board needs to agree the balance for each type of use.

EXHIBIT 3

Adoption and control: a balance for the Board

71%

of Saudi enterprises describe themselves as fast followers on technology, against 52% globally (KPMG, 2026). A defensible stance only if the Board chose it.

76%

of Saudi enterprises expect measurable AI returns within twelve months, the highest globally (KPMG, 2026). Expectations are running ahead of governance.

32%

of Saudi IT leaders cite a lack of executive sponsorship as a reason AI stalls (reported August 2026). Ownership is a Board appointment question.

STEP 4 · SETTING DIRECTION

Boards give direction by deciding how much authority AI should have.

You can delegate authority, but directors remain accountable. Boards use delegation to govern daily decisions. A delegation-of-authority matrix sets out who can approve what, the value limits and the approvals needed. It allows directors to oversee decisions they do not make themselves.

AI can bypass these arrangements without anyone noticing. A model ranks credit applications, an agent raises purchase orders, or a chatbot promises refunds. Each may exercise authority the delegation matrix never assigned. In many organizations, that authority has already been granted without an explicit Board decision.

EXHIBIT 4 · THE HYPHEN DELEGATION LADDER

Five levels of authority AI can hold, and what the Board should reserve at each

LEVEL	WHAT IT LOOKS LIKE	WHAT THE BOARD RESERVES	THE QUESTION TO ASK, A WEAK AND A STRONG ANSWER
L1 **Unmanaged use**	Staff use free chatbots on personal accounts; licensed software switches on AI features in an update.	Approves the policy, not the tools.	*"How many AI systems are running here, and who keeps that list?"* Weak: "We don't really use AI." Strong: "[32], including AI inside licensed software. The CIO owns the register and reviews it quarterly."
L2 **Assists**	Relationship managers draft client letters; finance summarizes long reports before committee.	Approves the policy, not the tools.	*"What did we agree the provider may do with what we put in?"* Weak: "It's a standard enterprise agreement." Strong: "No training on our data, hosted in [region], deleted after [30] days. It is in the contract."
L3 **Recommends**	A model ranks SME credit applications; a named officer approves or declines each one.	Decides which decisions may never be supported this way.	*"How often does the reviewer disagree with it?"* Weak: "Almost never. It's very accurate." Strong: "In about [8]% of cases. We review every disagreement; a falling rate triggers a check for rubber-stamping."
L4 **Acts, exceptions reviewed**	Supplier invoices are read, matched and posted automatically; only exceptions reach a person.	Approves the policy and appetite; committee oversight.	*"If it failed on a Thursday, what happens on Friday?"* Weak: "We'd switch it off." Strong: "Work moves to a manual queue the same day. We tested the fallback last quarter."
L5 **Acts within limits**	A procurement agent watches stock and prices, then raises and sends orders within a value limit.	Approves each system; named owner; re-authorized yearly.	*"Where are the limits enforced: inside the agent, or in the systems it calls?"* Weak: "It's instructed not to exceed them." Strong: "In the payment and ERP systems. The agent cannot exceed them even if told to."

Source: Hyphen Al Arabia. The reserved powers are Hyphen's recommended allocation, not a published regulatory requirement. Principle: authority granted must be matched by capability demonstrated. Do not approve a Level 5 system in a Level 2 organization.

STEP 5 · WHERE TO START

Three Hyphen tools to help Boards put their responsibilities into practice.

DECIDE WHAT TO RESERVE

The Delegation Ladder

Five levels of authority AI can hold. The Board decides which levels management may approve and which it reserves, by type of decision. Authority granted must be matched by capability demonstrated.

SEE WHERE CONTROL SITS

The AI Exposure Map

Map each AI tool to the decisions it supports. Classify each control by where it operates in relation to the decision: within it, before it, after it, or nowhere. A control within the decision can constrain it.

ANCHOR IT IN PURPOSE

Impact-Driven Governance

AI tested against six pillars: purpose and values that drive; strategy and performance management that navigate; culture, structure and rules that enable. Governance starts from the impact of the decision, not the tool.

FOUR DECISIONS FOR YOUR NEXT BOARD MEETING

Short, specific and within the Board's existing powers.

1. **Require an inventory** of AI in use, including AI inside existing software and at vendors, with one named owner for each, by a stated date.
2. **Decide the ladder:** which delegation levels management may approve, and which the Board reserves, for customer, financial, people and internal decisions.
3. **Ask for the maturity position** before approving anything at Level 4 or 5. Do not approve a Level 5 system in a Level 2 organization.
4. **Name where AI reports:** Audit, Risk or the full Board, written into the committee charter, with AI on the forward agenda.

STEP 5 · BOARD SELF-ASSESSMENT

How well does your Board oversee AI in each area of responsibility?

Choose one stage in each row. A Board may be well prepared in one area and less prepared in another. Look at the gaps between responsibilities rather than relying on an average score.

1 · Unaware
AI is not on the agenda. No inventory. Decisions involving AI are approved without being recognized.

2 · Reactive
AI is discussed when an incident, audit finding or vendor proposal forces it.

3 · Overseeing
Inventory, appetite and reporting exist. The Board sees AI risk and challenges it.

4 · Directing
AI is in strategy, decision rights are set on the ladder, and value and risk are both measured.

RESPONSIBILITY	UNAWARE	REACTIVE	OVERSEEING	DIRECTING
01. Strategy and direction	◯	◯	◯	◯
02. Risk oversight and appetite	◯	◯	◯	◯
03. Internal control and assurance	◯	◯	◯	◯
04. Capital allocation	◯	◯	◯	◯
05. Compliance and legal	◯	◯	◯	◯
06. Overseeing management	◯	◯	◯	◯
07. People and Saudization	◯	◯	◯	◯
08. Reporting and disclosure	◯	◯	◯	◯
09. Stakeholders and reputation	◯	◯	◯	◯
10. Board effectiveness	◯	◯	◯	◯

Check your self-assessment against evidence. Hyphen's AI Exposure Map turns your list of AI tools into a one-page view of the decisions they affect and the controls around them. It helps the Board test its assumptions against evidence.

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Important notice

This publication is general guidance for Board members and does not constitute legal advice. Article references are drawn from English translations and summaries; the Arabic texts are authoritative. Regulatory status is stated as at October 2026 and is changing. The reserved powers in the Delegation Ladder are Hyphen’s recommendation, not a published requirement. Bracketed figures in the dilemmas are illustrative and should be replaced with an organization’s own. Organizations should seek specific advice before acting. © 2026 Hyphen Al Arabia Business Services Limited.

Impact Driven Governance

ABOUT HYPHEN AL ARABIA

Helping Boards make informed decisions.

Since 2017, Hyphen Al Arabia has supported organizations in the Kingdom with governance, risk, compliance and assurance. We help Boards and executives understand the risks in their decisions and put governance arrangements in place for work involving people and AI.

Our AI governance work includes Board sessions, AI Exposure Maps, delegation and risk-appetite design, and oversight reporting aligned to SDAIA's frameworks and the PDPL.

OUR LEADERSHIP

Faheem Piracha, FCA

Chief Executive Officer, Hyphen Al Arabia • ISO/IEC 42001 AI Management System Lead Auditor

Faheem has built his career in governance, risk and internal control. He began at PwC and went on to hold internal control roles at a major upstream petroleum operator and at Telenor. Since 2017 he has led Hyphen's work in the Kingdom across advisory, outsourcing and solutions.

He developed the Risk Integration Blueprint 4+5 and the Impact-Driven Governance philosophy, and has led risk advisory engagements for energy projects in Saudi Arabia and the UAE totaling more than 4 GW. His focus is giving Boards the confidence to decide by clarifying the risks in key decisions and helping organizations oversee work carried out by people and AI.

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