

# POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)

(A Saudi Joint Stock Company)

DISCLOSURE, ANNOUNCEMENT AND TRANSPARENCY POLICY

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## Article 1: Purpose

This Policy shall be referred to as the “Disclosure, Announcement, and Transparency Policy”, and it has been prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia. It aims to promote transparency with all relevant stakeholders, including shareholders, counterparties, regulators, the general public, and others, and to ensure that stakeholders are informed about the key areas of the company’s business. This Policy sets out the core guiding principles, regulatory requirements, and key practices followed by Marafiq when disclosing data and financial results to the public. It is intended to ensure that all disclosures made to the public are timely, complete, accurate, and in compliance with CMA regulations and other applicable laws. The Policy is designed to facilitate decision-making by market participants, maintain market discipline, enhance and sustain the company’s market position, uphold its positive image, and reinforce Marafiq’s values of transparency, integrity, and accountability, while providing high-quality, reliable information.

### This Policy applies to the following:

1.1 Documents, information, and disclosures provided to stakeholders, the public, regulatory bodies, and government authorities, including Marafiq’s annual and quarterly reports, in accordance with mandatory CMA requirements. These are disclosed via Tadawul or any other platform approved by the Authority.

1.2 Disclosures made to shareholders and other stakeholders (e.g., notifications regarding Marafiq’s decisions to increase capital, share buybacks, etc.), including announcements on Marafiq’s official website and social media platforms.

1.3 Verbal statements made during meetings and conference calls with analysts and investors, interviews with the media, speeches, press conferences, earnings calls, social media posts, and any other verbal disclosures reasonably expected to influence Marafiq’s share price.

## Preliminary Chapter: Definitions and Interpretation

### Article 2: Definitions

The terms and expressions used in this Policy shall have the meanings assigned to each of them. The masculine form includes the feminine, and the singular includes the dual and plural, and vice versa, unless the context or a specific indication suggests otherwise.

Term	Definition
<b>Disclosure</b>	Disclosure of material financial and non-financial information of interest to shareholders, investors, and stakeholders, which helps investors make their investment decisions.
<b>Transparency</b>	Full disclosure of the true financial and operational picture of the company. Transparency requires that the financial statements or material events announced reflect the true state of the company in a transparent and understandable manner for all parties in the market.

<b>Announcement</b>	Announcing or publishing through the Saudi Stock Exchange (Tadawul) website, local newspapers, media outlets, websites, or social media, the company's activities and interactions with the local community, the company's achievements, the difficulties it faces, or any information or news related to the company in terms of its structure, operations, profits, losses, operational activities, and financial and human resources.
<b>Sensitive/Confidential/Essential Information</b>	Confidential information is all material information related to the company's activity and level of performance, and information that directly or indirectly affects the value of the company's securities, or that has an impact on the decisions of the investment community, or information required to be disclosed in accordance with the corporate governance system. Confidential information is characterized as: accurate, not yet announced, and the decision to assess whether this information is considered internal information (sensitive) is in the hands of the company's authorized person. Examples include, but are not limited to: structural changes, mergers, acquisitions, major investments, major restructuring, takeover offers, major investment decisions, dividend distributions, a significant decrease in dividend distributions or non-distribution, or changes in the current dividend policy, large and unusual expenses or revenues, or any other matter that may have a significant impact on the balance sheet or profit and loss, business-related changes, such as exiting a major business area or agreeing to an alliance that has an impact on the business, or amendments to or termination of important contracts, major legal disputes or competitive investigations, job changes related to executive management, the board of directors, the internal auditor, or any other important position, and the signing of major contracts.
<b>Governance Department</b>	Corporate Governance Department within the Company.
<b>General Assembly</b>	The Company's Ordinary General Assembly.
<b>Policy</b>	Disclosure, Announcement, and Transparency Policy.
<b>Company</b>	Power and Water Utility Company for Jubail and Yanbu (Marafiq) (Saudi Joint-Stock Company).
<b>Board or Board of Directors</b>	Board of Directors of the Company.
<b>Authority</b>	The Capital Market Authority.
<b>Audit Committee</b>	The Audit Committee appointed by the Board.
<b>Conflict of Interest</b>	Situations in which a person has or is likely to have a direct or indirect interest or relationship with any matter under consideration for action or decision, where such interest or relationship prevents or is perceived to prevent such person from expressing his or her opinion or taking action independently and impartially, without regard to such interest

	<p>or relationship. This concept also applies to all means and methods of exploiting the company's property and information, regardless of whether the company intends to benefit from such property, information, or opportunities. It can arise when a person has an interest (whether financial, personal, professional, or otherwise) that actually or potentially conflicts with the company's interest or with such person's professional duties or responsibilities to the company and its shareholders, and where it is likely to serve one interest at the expense of the other.</p>
<b>Regulatory Controls</b>	The regulatory controls and procedures issued by the Capital Market Authority in implementation of the Companies Law for listed joint-stock companies, as amended from time to time.
<b>Relatives</b>	<p>Any of the following persons:</p> <ul style="list-style-type: none"> <li>- Father, mother, grandfather, grandmother, and ancestors.</li> <li>- Children, grandchildren, and descendants.</li> <li>- Full and half-siblings from the father or mother.</li> <li>- Husbands and wives.</li> </ul>
<b>Related Parties</b>	<p>All of the following:</p> <ol style="list-style-type: none"> <li>1. Affiliates of the Company, excluding wholly-owned companies.</li> <li>2. Major shareholders of the Company.</li> <li>3. Members of the Board of Directors and senior executives of the Company.</li> <li>4. Members of the Boards of Directors of the Company's affiliates.</li> <li>5. Members of the Boards of Directors and senior executives of major shareholders of the Company.</li> <li>6. Any relatives of the persons referred to in 1, 2, 3, or 5 above. Relatives include father, mother, husband, wife, and children.</li> <li>7. Any company or other entity controlled by any person referred to in 1, 2, 3, 5, or 6 above.</li> </ol>
<b>Senior executives or executive management</b>	People responsible for managing the company's day-to-day operations, proposing and implementing strategic decisions, such as the CEO, his deputies, and the CFO.
<b>Major shareholders</b>	Any person who owns 5% or more of the company's shares or voting rights.
<b>Trading or market</b>	The Saudi Stock Exchange (Tadawul).
<b>Dealing or transactions</b>	Any transaction, agreement, or arrangement, whether related to facilitating a purchase order, a sale order, a transfer order of assets, goods, or services, or establishing any other commercial or financial relationship between a utility company and any other person.

## **Article 3: Policy Interpretation**

### **3.1 Interpretation Rules**

- 3.1.1 This Policy and any attached appendices (if any) are considered an integral part of it and shall be read and interpreted together as a unified document.
- 3.1.2 This Policy is directed toward functional positions rather than the individuals occupying those positions.
- 3.1.3 All headings in this Policy are provided solely for ease of reference and shall not affect the interpretation of the Policy's provisions as a cohesive whole.
- 3.1.4 This Policy shall take precedence over any other policy on the same subject that may conflict with it.
- 3.1.5 The Board of Directors may establish implementing rules and policies related to this Policy.
- 3.1.6 This Policy is drafted in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. If the Authority decides at any time to treat a provision in the Corporate Governance Regulations as mandatory rather than supplementary, this Policy shall be interpreted accordingly, and such provision shall become binding by force of law and an integral part of this Policy. If a supplementary provision is included in this Policy in the form of a mandatory rule, that shall not alter its nature - it will remain non-binding unless the Authority decides otherwise.
- 3.1.7 The company's consistent or occasional application of any guidance-based provision shall not make such provision binding, unless a specific decision is issued by the Board or the Authority to that effect. The company may alternate between applying or not applying the guidance-based provision at its discretion. Under no circumstances shall the approval of this Policy or regulation be construed as rendering its guidance-based provisions mandatory.

### **3.2 Sources of Judgment in Practice**

- 3.2.1 The provisions of this Policy shall apply to the matters explicitly addressed by their wording and meaning. There is no room for interpretation where a clear provision exists.
- 3.2.2 The provisions of this Policy must not contradict the legislative regulations in the Kingdom of Saudi Arabia. In the event of a conflict, the mandatory legislative provisions shall prevail.
- 3.2.3 If this Policy lacks a provision on a specific matter, the following legislative hierarchy shall apply:
  - 3.2.3.1 The mandatory provisions of the Corporate Governance Regulations issued by the Authority.
  - 3.2.3.2 The provisions of the Companies Law and its implementing regulations.
  - 3.2.3.3 The provisions of the company's Articles of Association.
  - 3.2.3.4 The resolutions of the company's General Assembly.
  - 3.2.3.5 The resolutions of the Board of Directors.
  - 3.2.3.6 Interpretations by the Corporate Governance Department, based on the specific circumstances of each matter not covered by a provision.

## **Article 4: Principles Governing this Policy**

- 4.1 Disclosure of information relevant to shareholders through the company's annual report, website, or any appropriate channel, with the type and nature of disclosed information aligned with the size and activities of Marafiq and regulatory requirements (including the Companies Law and Corporate Governance Regulations).

- 4.2 Providing stakeholders with comprehensive information that may assist them in understanding Marafiq's strategic plans and future direction.
- 4.3 Adopting appropriate disclosure methods that allow shareholders and other stakeholders to access financial and non-financial information related to Marafiq's performance, stock ownership, and overall status.
- 4.4 Disclosure to shareholders and investors must be made without discrimination, and in a clear, accurate, and non-misleading manner, in a timely, regular, and precise fashion to enable stakeholders to exercise their rights to the fullest. Marafiq's website must include all legally required disclosures and any additional data or information released through other disclosure channels. All mandatory disclosures must be published alongside periodic financial statements and made publicly available. Mandatory disclosures from the previous fiscal year and the last five fiscal years must be accessible via the website: [www.marafiq.com.sa](http://www.marafiq.com.sa).
- 4.5 Disclosure must comply with the regulations of the Capital Market Authority, other applicable laws and regulations, and Marafiq's internal policies and procedures.
- 4.6 Reporting systems must define what information must be disclosed, how it is classified, and the frequency of disclosure.

## Chapter I: Mandatory Disclosure Rules and Regulations in Accordance with Regulatory Requirements

### Article 5: Disclosure Must Be Clear, Fair, and Non-Misleading

- 5.1 Disclosures to the public or the Capital Market Authority must be complete, clear, accurate, and not misleading. All disclosures must comply with the requirements specified in regulatory rules (including the CMA's instructions regarding company announcements).
- 5.2 Public disclosures must be made in both Arabic and English. Arabic is the official language for interpreting and explaining notices and disclosures. In the event of a discrepancy, the Arabic version shall prevail.
- 5.3 Disclosures must be made to the public through the IFSAH system approved by the Saudi Stock Exchange (Tadawul).
- 5.4 Disclosures shall clearly identify related parties, the subject of disclosure, its timing, and date, in accordance with regulatory rules.
- 5.5 Disclosure must be made to the public as soon as possible after the occurrence of an event that requires disclosure under market rules and regulations. In all cases, disclosure must occur before the next trading session following the event.
- 5.6 The Saudi Stock Exchange may request in writing that the company provide certain information or data related to its compliance with listing rules. The company must provide such information within the specified timeframe, format, and method. The exchange may also require the company to disclose this information to the public at the company's expense.

### Article 6: Disclosure of Material Developments

- 6.1 The company shall immediately disclose to the Authority and the public any material developments not previously known to the public that may impact the company's assets, liabilities, financial position, or the overall business trajectory of the company or its subsidiaries, and that may significantly affect the company's ability to meet its obligations regarding listed debt instruments.

- 6.2 If the company intends to modify its share capital or undertake any action that may affect the market price of its listed securities, it must disclose to the public the details, results, and impact of such actions.

### **Article 7: Disclosure of Specific Events**

- 7.1 The company must immediately and without delay disclose to the Authority and the public any of the following developments:
- 7.1.1 Any transaction involving the purchase, sale, lease, or mortgage of an asset at a value equal to or greater than 10% of the company's net assets, based on the latest reviewed interim financial statements or audited annual financial statements (whichever is more recent). The disclosure by Marafiq must include where applicable:
- 7.1.1.1 Details of the transaction, terms, involved parties, and method of financing.
- 7.1.1.2 A description of the business activity related to the transaction.
- 7.1.1.3 Three (3) years of financial information for the assets in question.
- 7.1.1.4 Reasons for the transaction and expected impact on Marafiq's operations.
- 7.1.1.5 A statement regarding the use of proceeds.
- 7.2 Any debt incurred outside Marafiq's ordinary course of business, equal to or greater than 10% of the company's net assets, based on the latest reviewed interim or audited annual financial statements.
- 7.3 Any losses incurred that are equal to or greater than 10% of Marafiq's net assets, based on the latest reviewed interim or audited annual financial statements.
- 7.4 Any significant change in Marafiq's production or business environment, including, but not limited to, resource availability and access.
- 7.5 Any changes in the composition of the Board of Directors, the Audit Committee, or in the positions of Chairman or Chief Executive Officer of Marafiq.
- 7.6 Any dispute, including legal, arbitration, or mediation proceedings, where the amount involved equals or exceeds 5% of Marafiq's net assets, based on the most recent financial statements.
- 7.7 Any judicial ruling issued against the Board or any of its members, if the ruling is related to Board responsibilities at Marafiq.
- 7.8 Any increase or decrease in Marafiq's net assets equal to or exceeding 10%, based on the latest financial statements.
- 7.9 Any increase or decrease in Marafiq's gross profit by 10% or more, based on the latest audited financial statements.
- 7.10 Any unexpected signing or termination of a contract that generates revenue equal to or greater than 5% of Marafiq's total revenue, based on the latest audited annual financial statements.
- 7.11 Any transaction or arrangement between Marafiq and a related party to invest in a project or asset where the value equals or exceeds 1% of Marafiq's total revenue, based on the latest audited financial statements.
- 7.12 Any interruption of core operations by Marafiq or its subsidiaries equal to or exceeding 5% of total revenue, based on the latest audited financial statements.
- 7.13 Any change in Marafiq's Articles of Association, location, or head office.
- 7.14 Any change of external auditors.

- 7.15 Filing of a liquidation petition, issuance of a liquidation order, or appointment of a liquidator for Marafiq or its subsidiaries under the Companies Law, or initiation of procedures under the Bankruptcy Law.
- 7.16 Approval of any resolution by Marafiq or its subsidiaries to dissolve or liquidate, or the occurrence of an event or expiration of a period that obligates Marafiq to liquidate or dissolve.
- 7.17 Issuance of any recommendation or resolution by an authorized person at Marafiq to petition the court to initiate any bankruptcy procedures, including an explanation of its impact on the company's financial status or overall business direction.
- 7.18 Receipt of a court notice indicating a third-party filing to initiate financial restructuring, liquidation, or administrative liquidation of Marafiq under the Bankruptcy Law, including its impact on financial status or business trajectory.
- 7.19 Filing of a petition with the court by Marafiq to initiate any bankruptcy procedures under the Bankruptcy Law, including subsequent steps, timelines, and financial/business impact.
- 7.20 Issuance of a first instance or final court ruling to initiate bankruptcy proceedings for Marafiq under the Bankruptcy Law, including related steps, durations, and expected impacts.
- 7.21 Issuance of a first instance or final court ruling rejecting a bankruptcy petition for Marafiq, or refusal to initiate bankruptcy procedures, with an explanation of the reason for rejection and its financial or operational impact.
- 7.22 Issuance of a court ruling to terminate Marafiq's financial restructuring or preventive settlement procedures, or to initiate appropriate bankruptcy proceedings instead, including the impact on the company's finances or operations.
- 7.23 Filing an objection with a competent court regarding the initiation, rejection, termination, or continuation of bankruptcy, restructuring, or preventive settlement procedures, and its impact on Marafiq's financial position or business direction.
- 7.24 A court ruling upholding or overturning a prior bankruptcy-related decision, and rendering a final judgment, with an explanation of the implications for Marafiq's financial and business status.
- 7.25 Any material developments stated in reports submitted by Marafiq during ongoing bankruptcy procedures under the Bankruptcy Law, unless deemed confidential by the bankruptcy trustee, committee, or competent authority, pursuant to the Executive Regulations.
- 7.26 Issuance of any judgment, order, or declaration by a court or judicial body, whether at the primary or appellate level, that may negatively affect Marafiq's ability to use any portion of its assets equal to or exceeding 5% of its net assets, based on the latest reviewed interim or audited annual financial statements.
- 7.27 Calling for a General Assembly (ordinary, extraordinary, or special) and announcing its agenda.
- 7.28 Results of the General Assembly (ordinary, extraordinary, or special).
- 7.29 Any proposed change in Marafiq's share capital.
- 7.30 Any resolution to declare dividends or a recommendation to declare or pay dividends or make other distributions to holders of listed securities.
- 7.31 Any resolution or recommendation not to pay dividends that were otherwise expected.
- 7.32 Any resolution to call, repurchase, withdraw, or redeem any securities, or to propose such actions, with a statement of the total number and value of such securities.
- 7.33 Any resolution not to make payment related to debt instruments or convertible debt securities.
- 7.34 Any change in the rights associated with any class of listed shares or convertible debt instruments.

## Article 8: Disclosure of Financial Information

- 8.1 Marafiq must disclose its annual financial statements and interim financial statements for Q1, Q2, and Q3 to the Authority and the public after their approval and before releasing them to shareholders or external parties. Approval of financial statements shall be as follows:
- 8.1.1 Annual financial statements are considered approved once endorsed by the Board of Directors and signed by the Chairman, CEO, and VP of Finance.
- 8.1.2 Interim (quarterly) financial statements are considered approved once endorsed by the Board or the Audit Committee (if authorized by the Board) and signed by a designated Board member, the CEO, and the VP of Finance.
- 8.2 Marafiq must disclose its interim and annual financial statements through the IFSAH disclosure system, approved by the Saudi Stock Exchange (Tadawul).
- 8.3 Marafiq must prepare its annual financial statements in accordance with the International Financial Reporting Standards (IFRS) and disclose them to the public within 30 days of the end of the fiscal period covered. The company must also publish the annual financial statements at least 21 calendar days before the date of the annual General Assembly.
- 8.4 The external auditor or auditing firm reviewing Marafiq's financial statements must be registered with the Authority in accordance with the rules for registering auditors of entities subject to the Authority's supervision. Marafiq must ensure that the external auditor, audit firm, and any of its partners comply with the rules and regulations of the Ministry of Commerce, the Capital Market Authority, and the Saudi Organization for Chartered and Professional Accountants (SOCPA) regarding the ownership of shares or securities in Marafiq or its subsidiaries, to ensure the auditor's independence.
- 8.5 Disclosure of the Audit Committee Report
- 8.5.1 The Audit Committee report must include detailed performance of its duties and responsibilities under the Corporate Governance Regulations, along with its recommendations and opinions on the adequacy of Marafiq's internal controls, financial systems, and risk management.
- 8.5.2 The Board of Directors must file sufficient copies of the Audit Committee report at the company's headquarters and publish it on Marafiq's website and the market's website when announcing the General Assembly meeting, enabling shareholders to obtain a copy. A summary of the report must be read during the General Assembly meeting.

## Article 9: Disclosures Related to Board of Directors

- 9.1 Marafiq must maintain a register, managed by the Board Secretary, to record disclosures made by Board members and executive management. This register must be regularly updated in line with the requirements of the Companies Law and applicable regulatory rules and must be made freely accessible to shareholders when needed.
- 9.2 The Board of Directors must disclose the remuneration policy approved by the General Assembly or outlined in the company's Articles of Association and explain the method of determining the remuneration of Board members, committee members, and executive management.
- 9.3 Marafiq must provide the Authority and disclose to shareholders, within three (3) months after the end of the fiscal year, a report issued by the Board of Directors containing all information required under the Authority's regulations. This includes a review of Marafiq's operations during

the past fiscal year and all relevant factors affecting its business that investors may need to evaluate the company's assets and financial position.

- 9.4 The Board of Directors' report must include a summary of its activities during the previous fiscal year and all factors affecting the company's business. It must specifically include:
- 9.4.1 A statement of implemented governance provisions and any not implemented, with justifications.
  - 9.4.2 Names of Board members, committee members, and executive management along with their qualifications, experiences, and current and previous roles.
  - 9.4.3 Names of companies, inside or outside the Kingdom, where Board members serve or have served on board or held management positions.
  - 9.4.4 The composition of the Board and classification of its members as executive, non-executive, or independent.
  - 9.4.5 Actions taken by the Board to inform its members, especially non-executive members, of shareholder suggestions and comments regarding Marafiq and its performance.
  - 9.4.6 A brief description of the mandates and responsibilities of Board committees, such as the Audit Committee and the Nomination and Remuneration Committee, including the names of the committees, their chairpersons and members, number of meetings held, their dates, and member attendance records for each meeting.
  - 9.4.7 Where applicable, the methods used by the Board to evaluate its own performance, the performance of its committees and members, and the identity and relationship (if any) of the external party that conducted the evaluation.
  - 9.4.8 Full, transparent, and detailed disclosure of all forms of remuneration granted to Board members and executive management, whether direct or indirect, without concealment or misrepresentation, including cash amounts and other benefits of any kind. If such benefits include shares in Marafiq, the value disclosed should reflect the market value on the vesting date. All remuneration disclosures must be included in the Board report in accordance with the timeline specified in the Corporate Governance Regulations.
  - 9.4.9 A statement on the link between granted remuneration and the approved remuneration policy, and a disclosure of any significant deviation from that policy.
  - 9.4.10 Detailed disclosures on remuneration and compensations granted to each of the following categories, separately:
    - 9.4.10.1 Members of the Board of Directors.
    - 9.4.10.2 The five highest-paid executive officers, including the CEO and the CFO / VP of Finance.
    - 9.4.10.3 Members of Board committees.
  - 9.4.11 Any penalty, sanction, precautionary action, or enforcement measure imposed by the Authority or any other supervisory, regulatory, or judicial body on Marafiq, including the reason for the violation, the issuing authority, and corrective measures taken or planned to prevent recurrence.
  - 9.4.12 Results of the annual review of the effectiveness of Marafiq's internal control procedures, and the Audit Committee's opinion on the adequacy of the internal control system.
  - 9.4.13 Any recommendation from the Audit Committee to appoint an internal auditor at Marafiq, if such recommendation was made during the last fiscal year.
  - 9.4.14 Any recommendations by the Audit Committee that conflict with Board resolutions, or which the Board chose not to adopt, particularly those regarding the appointment, dismissal, or evaluation

of the external auditor, or setting their fees, with justifications for those recommendations and the reasons for their rejection.

- 9.4.15 Details of Marafiq's social contributions, if any.
- 9.4.16 A list of the dates of General Assembly meetings held during the last fiscal year, along with the names of Board members who attended.
- 9.4.17 A description of the main business activities of Marafiq and its subsidiaries. If there is more than one business line, a statement should be provided for each, including its impact on Marafiq's overall business volume and results.
- 9.4.18 A description of Marafiq's key plans and decisions, including structural changes, expansion or suspension of operations, and future business outlook.
- 9.4.19 Information related to any risks facing Marafiq, whether operational, financial, or market-related, along with the policy for managing and monitoring such risks.
- 9.4.20 A summary in table or chart form of Marafiq's assets, liabilities, and performance over the last five fiscal years or since incorporation, whichever is shorter.
- 9.4.21 A geographical breakdown of revenues for Marafiq and its subsidiaries.
- 9.4.22 An explanation of any material deviations in operating results compared to the previous year or any forecasts previously announced by Marafiq.
- 9.4.23 An explanation of any departure from accounting standards adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- 9.4.24 The name of each subsidiary, its capital, Marafiq's ownership percentage, main business activity, country of operation, and country of incorporation.
- 9.4.25 Details of any shares or debt instruments issued by each subsidiary.
- 9.4.26 A description of Marafiq's and its subsidiaries' approved dividend distribution policy.
- 9.4.27 A description of any interest in voting shares held by persons other than Board members, senior executives, or their relatives, including any changes during the last fiscal year, as reported to Marafiq.
- 9.4.28 A description of any interests, contractual securities, or rights to subscribe held by Board members, senior executives, or their relatives in Marafiq shares or debt instruments, or those of its subsidiaries, and any changes during the last fiscal year.
- 9.4.29 Information about any loans, whether on-demand or otherwise, along with a debt schedule showing Marafiq's and its subsidiaries' total indebtedness, any amounts repaid during the year, principal amount, lender name, loan duration, and outstanding balance. If no loans exist, a formal statement must be provided.
- 9.4.30 A description of the types and quantities of any convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Marafiq during the fiscal year, along with any consideration received in return.
- 9.4.31 A description of any conversion or subscription rights under convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by Marafiq.
- 9.4.32 Description of any redemption, repurchase, or cancellation by Marafiq of any redeemable debt instruments, the value of remaining securities, distinguishing between those purchased by Marafiq and those by its subsidiaries.
- 9.4.33 Number of Board meetings held during the last fiscal year, their dates, and attendance records for each meeting, including names of attendees.
- 9.4.34 Number of requests made by Marafiq to access shareholder records, the dates of such requests, and the reasons behind them.

- 9.4.35 Description of any transaction between Marafiq and a related party.
- 9.4.36 Information on any business or contract in which Marafiq is a party, and in which any current or former Board member, senior executive, or related person had or has a vested interest. This includes names of individuals involved, the nature of the business/contract, terms, duration, and value. If no such transactions exist, a statement to that effect must be disclosed.
- 9.4.37 Description of any arrangement or agreement under which a Board member or senior executive waived any remuneration.
- 9.4.38 Description of any arrangement or agreement under which a shareholder waived any dividend rights.
- 9.4.39 Statement on the value of statutory payments paid and outstanding, including zakat, taxes, fees, or any other dues that remained unpaid at the end of the fiscal year, with a brief explanation and justification.
- 9.4.40 Statement on the value of any investments or reserves allocated for the benefit of Marafiq's employees.
- 9.4.41 Declarations regarding the following:
- 9.4.41.1 That the accounting records have been properly prepared.
- 9.4.41.2 That the internal control system was properly designed and effectively implemented.
- 9.4.41.3 That there is no significant doubt about Marafiq's ability to continue as a going concern.
- 9.4.42 If the external auditor's report includes reservations on the annual financial statements, the Board report must disclose those reservations, their reasons, and any related information.
- 9.4.43 If the Board recommends changing the external auditor before the end of the current appointment term, the report must state this along with justifications for the recommendation.
- 9.4.44 Information on any business competing with Marafiq or any of its business segments, currently or formerly conducted by any Board member. This must include names of those involved, the nature of the competing activities, and their terms. If no such activities exist, a statement must be disclosed.

#### **Article 10: Disclosure of Influential Information**

- 10.1 If Marafiq believes that disclosing any matter required under listing rules would unjustifiably harm the company and that withholding such disclosure is unlikely to mislead investors about facts and conditions necessary to evaluate the relevant securities, Marafiq may apply for an exemption or deferral of the disclosure. Marafiq must submit a confidential statement to the Authority, justifying the request and explaining why disclosure is not appropriate at that time.
- 10.2 All material information and developments required to be disclosed must be kept confidential until formally disclosed. Marafiq must not share such information with any party not bound by a confidentiality obligation and must take all necessary precautions to prevent leaks prior to official disclosure.
- 10.3 Marafiq must evaluate the need to publicly respond to market rumors regarding any material development. The Capital Market Authority (CMA) may require Marafiq to disclose such information as deemed necessary.
- 10.4 Marafiq must send copies of any notices, documents, or information that are made available to shareholders to the Authority unless they are already disclosed in the market.

### **Article 11: Other Reporting Requirements**

- 11.1 Marafiq must notify the relevant authorities and the Capital Market Authority (CMA) of any sanctions or penalties imposed on the company by any supervisory, regulatory, or judicial body that could affect its operations.
- 11.2 The Board of Directors must disclose and announce the portion of regular dividends approved for distribution to shareholders on the specified dates.
- 11.3 When a decision is made to distribute interim dividends, Marafiq must disclose and announce the decision immediately.
- 11.4 Marafiq must notify the relevant authorities and the CMA within five (5) business days if any independent Board member loses their independence for any reason.
- 11.5 Marafiq must inform the relevant entities and the CMA in writing of any accepted resignation, termination, or cessation of service of any Board member, committee member, or senior executive, within five (5) business days of the occurrence.
- 11.6 The Board of Directors must disclose the CVs of all board members and its committees, as well as all candidates under consideration for these positions, to enable shareholders and investors to evaluate their competence and ability to perform their duties effectively. The Board must also disclose the mechanism used to monitor the integrity and performance of members, ensuring that no candidate with a criminal conviction or who has committed a breach of honor or integrity is nominated.

## **Chapter II: Internal Disclosure to the Company**

### **Article 12: Disclosure of Matters Affecting Independence Criteria**

An independent board member must notify the board if any condition arises that compromises the independence criteria. The member shall be liable for any damages the company may suffer as a result of such a violation.

### **Article 13: Disclosure of Conflict of Interest**

All Board members, committee members, and executive management are required to continuously disclose any potential or actual conflicts of interest at the time they occur. They must notify the Board of Directors, which will act according to applicable regulations. A nominated board member must also disclose such matters to the Board and the General Assembly as per the prescribed procedures. If any member of the Board or executive management intends to engage in any activity that may compete with the company or one of its business sectors, they must notify the Board, Risk, Compliance, and Governance departments, in line with applicable laws and regulations. Failure to disclose such interest entitles the company and any interested party to claim compensation as permitted under applicable laws.

### **Article 14: Shareholder-Related Disclosure**

Any related party must notify the company and the Capital Market Authority (CMA) by the end of the trading day on which any of the following events occurs:

- 14.1 When they acquire 5% or more of any class of voting shares or debt instruments convertible into shares.
- 14.2 When there is an increase or decrease in their ownership or interest by 1% or more.
- 14.3 When a board member, senior executive, or any of their affiliates becomes an owner of shares or debt instruments in the company.
- 14.4 When there is any increase or decrease in the ownership or interest of any board member or senior executive by 5% or more of the total they hold, or 1% or more of the company's total shares or debt instruments, whichever is lower.
- 14.5 Notifications to the CMA must be submitted using CMA disclosure forms and sent to the General Directorate of Trading Supervision and Oversight via fax. The sender must keep evidence of submission within the specified deadline. Incomplete notifications will not be accepted. The company must be informed immediately via the following email:  
[InvestorRelations@marafiq.com.sa](mailto:InvestorRelations@marafiq.com.sa)
- 14.6 A person who becomes the owner of 10% or more of any voting class of shares or convertible debt instruments may not dispose of them unless approved by the CMA. This requires submitting a request using the relevant CMA form.

#### **Article 15: Internal Access to Information**

Any employee, supplier, contractor, or business associate who qualifies as an insider must immediately inform the company's Governance Department, in accordance with the company's internal insider policy and the details provided therein.

### **Chapter III: Rules and Regulations for Media and Social Media Announcements by Executive Management**

#### **Article 16: Governance of Announcements and Publications**

- 16.1 All announcements and publications must be prepared by the Corporate Communications Department and approved following the procedures set forth in this Policy.
- 16.2 The announcement must not be misleading and should include accurate and truthful information, to the extent reasonably available to the company and in line with professional standards and research.
- 16.3 No announcement may be made in advance about any matter requiring disclosure unless it has first been disclosed on Tadawul (Saudi Stock Exchange).
- 16.4 No department or employee within the company has the right to publish or announce any content unless explicitly authorized, as specified in Article 18 of this Policy.
- 16.5 The announcement must meet the technical and governance standards defined for corporate communications (advertising governance requirements).
- 16.5.1 Resorting to advertisements or sponsored publications is prohibited except in cases of absolute necessity and only after the approval of the Board, based on proper justification and clear grounds.
- 16.5.2 The advertisement or publication must not include any promises or specific commitments by the company under any circumstances, except in cases where the purpose of the announcement is

to disclose information about a commitment, such as the distribution of interim or annual dividends to shareholders.

- 16.5.3 Marketing the company's tools or services in regions outside the Kingdom of Saudi Arabia may be prohibited or require official approvals from regulatory authorities in those regions. Therefore, the utmost caution must be exercised. If the publication or advertisement includes any hint regarding such marketing beyond the borders of Saudi Arabia, a legal opinion from a local advisor in those regions must be obtained whenever possible. It must also include a disclaimer paragraph as approved by the company's Corporate Governance Department from time to time.
- 16.5.4 The advertisement or publication must include the phrase: "Reproduction is not permitted without written approval from the competent authority within the company." If published on social media directly by the company, it must only be done through the company's owned or affiliated accounts, with the reposting feature disabled whenever possible.
- 16.5.5 If the advertisement or publication relates to the company and is connected to other ministries or regulatory bodies within the Kingdom, prior written approval of those entities must be obtained before publishing.
- 16.5.6 Under no circumstances may any image of any employee or individual be used in the publication except for the official image of the issuer or images related to the company's facilities only, as a precaution to prevent misuse for personal promotion, rumor spreading, or personal gain.
- 16.5.7 The company's trademark must be used wherever possible in statements, advertisements, and publications related to the company.
- 16.5.8 In discussion panels, the chain of command must be followed in managing the discussion, with the Chairman of the Board being the official spokesperson for the company. If he is unavailable, then his deputy, followed by a delegate appointed by the Chairman, and if unavailable, the CEO, then the Deputy CEO or whomever the CEO delegates for this matter.
- 16.5.9 Televised, filmed, or written interviews must comply with the conditions stated in this section and align with the nature of the specific media outlet. It is preferable to receive the questions in advance to provide accurate and well-prepared answers.

## Chapter IV: Internal Procedures Governing Disclosure and Announcement by the Executive Management

### Article 17: Formation and Procedures of the Virtual Working Group

- 17.1 A working team chaired by the CEO shall be formed to prepare disclosures and announcements. The CEO selects representatives from the Finance Department, Governance Department, Investor Relations, and Corporate Communications. Each member must sign a confidentiality agreement in favor of the company, and these agreements are retained by the Corporate Governance Department.
- 17.2 When disclosure, announcement, publication, or media interview is needed, the working team assesses the matter's nature. The Investor Relations or Corporate Communications representative (as applicable) sends the proposed draft via the team's unified email: [discann@marafiq.com.sa](mailto:discann@marafiq.com.sa). Edits are made per responsibility, and once finalized, the draft is approved by the team leader (in both Arabic and English), then announced or disclosed as outlined in this Policy through the designated authority.

- 17.3 The CEO shall assign a team member to provide a copy of the disclosure or announcement to the Board Secretary to inform the Board simultaneously with the release.
- 17.4 Any official disclosure to regulatory bodies must also be published on the company's website concurrently with the regulatory disclosure.
- 17.5 The team is not bound by timeframes, prior procedures, or legal quorum due to the sensitive and critical nature of its work and the need for prompt and immediate response to events.

#### **Article 18: Authorized Representative for Announcements, Publications, and Press Interviews**

- 18.1 The Chairman of the Board, his deputy, the CEO, or the Deputy CEO for Finance & IT is the official spokesperson for the company across all media outlets, public platforms, and the investor community. Coordination among them is allowed, and they may delegate others within the company to speak or respond to specific inquiries when necessary.
- 18.2 No other individual, unless authorized, is permitted to make public statements regarding the company's strategies, plans, operations, key activities, current or future financial performance, or other related matters.
- 18.3 It is known that some non-authorized employees may interact with the public for certain purposes, such as trade shows or forums. Therefore, such employees must receive training or guidance to understand the restrictions imposed by this Policy.
- 18.4 Any disclosure made by an authorized party must ensure compliance with applicable laws and all related regulations imposed by official authorities. It must also ensure that the disclosed information is highly accurate, truthful, and clear, contributing to the development and reinforcement of a strong and sound disclosure culture. The disclosure must align with standards that meet regulatory requirements.
- 18.5 The official spokesperson or the person authorized to disclose bears the responsibility for maintaining the confidentiality of the information to be disclosed and protecting it until it is published. They must ensure that all necessary steps are taken to prevent any leakage of such information in accordance with regulatory requirements.
- 18.6 The official spokesperson of the company or their delegate must refrain from making any public statements, announcements, or declarations without first referring the matter to the virtual committee whenever possible.
- 18.7 Any material information must be disclosed and all necessary steps regarding it must be completed within the specified timeframe for disclosure, in accordance with regulatory requirements.
- 18.8 All inquiries received from various media outlets, financial institutions, and shareholders must be forwarded to the Investor Relations Department, which will in turn refer them to the relevant team as specified in this Policy.

#### **Article 19: Internal Governance of Board Disclosures**

The Board and its members are authorized to make disclosures, publications, announcements, and must follow the mechanism outlined in this Policy regarding executive management disclosures. No disclosure, announcement, or publication may be made until the executive management is notified of its content with sufficient lead time to allow the necessary arrangements and procedures to be taken by the executive team.

## Final Chapter: Policy Amendment and Enforcement

### Article 20: Review and Amendment

20.1 The company's management shall review this Policy periodically and recommend any amendments to the Board for approval.

20.2 The company's Governance Department is responsible for retaining the original, formally signed version of this Policy.

### Article 21: Effective Date of the Policy

This Policy shall be effective and implemented from the date of its approval by the Board of Directors.

<b>Name of the Policy</b>	Disclosure, Announcement, and Transparency Policy			
<b>Reviewed and Amended by the Governance Department</b>	Akram Ibrahim Hamdan	Signature:	Date	02/08/2023
	Abu Bakr Ahmed Al-Khateeb	Signature:	Date	02/08/2023
<b>Board Secretary</b>	Muhammed Abdulhamid Al-Mulhim	Signature:	Date	02/08/2023
<b>Date of Policy Approved by the Board of Directors</b>	02/08/2023			
<b>Official Language of the Policy</b>	Arabic is the language and English, if available, is for guidance only.			

### Annex No. (1) Specific Disclosure Mechanism

The table below illustrates the mechanism and roles of relevant departments in disclosing specific events.

Related Management	Role
Investor Relations	<p>A. The Investor Relations Department must obtain the financial report from the Finance Department.</p> <p>B. The Investor Relations Department must obtain the names of coordinators from the relevant departments.</p> <p>C. The Investor Relations Department must maintain a record of all reported disclosure events.</p> <p>D. The Investor Relations Department must forward the financial statements for the balance sheet received from the Finance Department to the relevant department, as shown in the table below.</p>
Procurement and Contracts Department	<p>A. The Procurement and Contracts Department must appoint a coordinator to receive the financial limit from the Investor Relations Department.</p> <p>B. The Procurement and Contracting Department coordinator must report the events specified below to the Investor Relations Department as soon as they occur, to be announced on Tadawul, and a copy sent to the Internal Audit Department:</p> <ul style="list-style-type: none"> <li>- Any transaction to purchase, sell, lease, or mortgage any asset at a price equal to or greater than 10% of Marafiq's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- Any unexpected conclusion or termination of any contract involving revenues equal to or greater than 5% of Marafiq's total revenues, according to the latest audited annual financial statements.</li> <li>- Any transaction between Marafiq and a related party, or any arrangement whereby the company and any related party invest in any project or asset, if the value of such transaction or arrangement is equal to or greater than 1% of the source's total revenues, according to the latest audited annual financial statements.</li> </ul>
Finance Department	<p>a. The Finance Department, through a designated team, must provide the Investor Relations Department with the following information every three months after the publication of the audited financial statements (including the value of each):</p> <ul style="list-style-type: none"> <li>- 10% of net assets or its equivalent</li> <li>- 5% of net assets or its equivalent</li> <li>- 10% of gross profit or its equivalent</li> <li>- 1% of total revenue or its equivalent</li> <li>- 5% of total revenue or its equivalent</li> </ul>

	<p>b. The Finance Department appoints a reporting coordinator to report the aforementioned information to the Investor Relations Department.</p> <p>c. The Finance Department coordinator must report the events specified below to the Investor Relations Department as soon as they occur, for announcement on Tadawul, with a copy sent to the Internal Audit Department:</p> <ul style="list-style-type: none"> <li>- Any unexpected conclusion or termination of any contract involving revenues equal to or greater than 5% of Marafiq's total revenues according to the latest audited annual financial statements.</li> <li>- Any debt outside the issuer's normal course of business, with a value equal to or greater than 10% of Marafiq's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- Any losses equal to or greater than 10% of Marafiq's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- An increase or decrease in Marafiq's net assets equal to or greater than 10% according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- An increase or decrease in Marafiq's gross profit equal to or greater than 10% according to the latest audited financial statements.</li> <li>- Any proposed change in Marafiq's capital.</li> <li>- Any decision to declare, recommend, declare, or pay dividends, or make any other distributions to holders of listed securities, after obtaining the necessary approval in accordance with applicable laws and regulations.</li> <li>- Any decision or recommendation not to pay dividends that would otherwise have been paid, after obtaining the necessary approval in accordance with applicable laws and regulations.</li> <li>- Any decision to call, repurchase, withdraw, redeem, or propose to purchase any of its securities, including a statement of the total number and value of such securities.</li> <li>- Any decision not to pay in respect of debt instruments or convertible debt instruments.</li> <li>- Any change in the rights related to any class of listed shares or debt instruments convertible into those shares.</li> <li>- Any change in the external auditors.</li> </ul>
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Legal Affairs Department	<p>A. The Legal Affairs Department must appoint a coordinator to receive financial limits from the Investor Relations Department.</p> <p>B. The Litigation Coordinator appointed by the Legal Affairs Department must report the events specified below to the Investor Relations Department as soon as they occur, to be announced on Tadawul, with a copy sent to the Internal Audit Department.</p> <ul style="list-style-type: none"> <li>- Any dispute, including any lawsuits, arbitrations, or mediations, if the relevant value is equal to or greater than 5% of Marafiq's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- Issuance of any judgment, decision, order, or declaration by any court or judicial body, whether at first instance or on appeal, that may adversely affect Marafiq's use of any portion of its assets, the total value of which represents 5% or more of Marafiq's net assets, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.</li> <li>- Filing any liquidation petition, issuing any liquidation order, or appointing a liquidator with respect to Marafiq or its subsidiaries under the Companies Law, or initiating any proceedings under the Bankruptcy Law.</li> <li>- Upon receiving a notification from the court regarding a third party's filing of a request with the court to initiate financial restructuring procedures, liquidation procedures, or administrative liquidation procedures for a utility company in accordance with the Bankruptcy Law, stating the impact of such procedures on the utility company's financial position or the general course of its business.</li> <li>- When filing a request with the court to initiate any of the bankruptcy procedures for a utility company in accordance with the Bankruptcy Law, stating the subsequent steps, their durations, and their impact on the utility company's financial position or the general course of its business.</li> <li>- When a decision is issued by a court of first or final instance ordering the initiation of any of the bankruptcy procedures for a utility company in accordance with the Bankruptcy Law, stating the subsequent steps, their durations, and their impact on the utility company's financial position or the general course of its business.</li> <li>- When a decision is issued by a court of first or final instance rejecting a request to initiate any of the bankruptcy procedures for a utility company in accordance with the Bankruptcy Law, or rejecting any of them and initiating the appropriate bankruptcy procedure, stating the reasons for</li> </ul>
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	<p>such rejection and stating the impact on the utility company's financial position or the general course of its business. Upon the issuance of a decision by the court of first instance or final instance to terminate the financial restructuring or preventive settlement procedures for a Marafiq Company in accordance with the Bankruptcy Law, or to terminate any of them and initiate an appropriate bankruptcy procedure under the Bankruptcy Law, stating its impact on Marafiq Company's financial position or the general course of its business.</p> <ul style="list-style-type: none"> <li>- Objection before the competent court regarding the initiation or refusal to initiate any bankruptcy procedures under the Bankruptcy Law, or the termination or non-termination of the preventive settlement procedure or financial restructuring procedure under the Bankruptcy Law, stating its impact on Marafiq Company's financial position or the general course of its business.</li> <li>- Upon the issuance of a court decision on the objection referred to in the above point, upholding or overturning the court's decision and adjudicating the case under the Bankruptcy Law, stating its impact on Marafiq Company's financial position or the general course of its business.</li> </ul>
<p>Business Development Department</p>	<p>A. The Business Development Department must appoint a coordinator to receive the financial limit from the Investor Relations Department.</p> <p>B. The Business Development Department coordinator must report the events specified below as soon as they occur to the Investor Relations Department for announcement on Tadawul, with a copy sent to the Internal Audit Department.</p> <ul style="list-style-type: none"> <li>- Any interruption in the main activities of Marafiq or its subsidiaries equal to or greater than 5% of total revenues according to the latest audited annual financial statements.</li> <li>- Any transaction to purchase, sell, lease, or mortgage any asset at a price equal to or greater than 10% of Marafiq's net assets according to the latest audited interim financial statements or audited annual financial statements, whichever is later.</li> </ul>

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