

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

(A Saudi Joint Stock Company)

MARAFIQ GOVERNANCE REGULATIONS

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Article 1: Purpose

This Regulation shall be called the "Marafiq Governance Regulations", and it has been prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia. The aim of this Regulation is to achieve the following:

- 1.1 Clarify the rules and standards governing the management of the company to ensure adherence to best corporate governance practices that guarantee the protection of shareholders' and stakeholders' rights.
- 1.2 Establish an effective legal framework for Corporate Governance.
- 1.3 Activate the role of shareholders in the company and facilitate the exercise of their rights.
- 1.4 Define the roles and responsibilities of the Board of Directors and the Executive Management.
- 1.5 Enhance the role and efficiency of the Board of Directors and its committees to improve the company's decision-making mechanisms.
- 1.6 Promote transparency, integrity, and fairness in the company's dealings within the financial market and business environment and improve disclosure practices.
- 1.7 Provide effective and balanced tools to address conflicts of interest.
- 1.8 Strengthen control and accountability mechanisms for company employees.
- 1.9 Establish a general framework for engagement with stakeholders and consideration of their rights.
- 1.10 Increase the efficiency of oversight over the company and provide the necessary tools for such oversight.
- 1.11 Establish, adopt, and develop a concept of professional conduct suitable to the nature of the company.

Article 2: Definitions

The words and expressions used in this Regulation shall have the meanings assigned to each of them below. The masculine form shall also denote the feminine, the singular shall include the dual and plural, and vice versa, unless the context or a clear indication suggests otherwise:

Term	Definition
Companies Law	Means the Companies Law issued by Royal Decree No. 132 dated 01/12/1443 AH.
Capital Market Law	Means the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424 AH.
Rules on the Offer of Securities and Continuing Obligations	Means the Rules for the Offering of Securities and Continuing Obligations issued by the Board of the Capital Market Authority.
Listing Rules	Means Listing Rules approved by the Board of the Capital Market Authority.
Authority	Means the Capital Market Authority.
Market	Means the Saudi Stock Exchange.
Company	Power and Water Utility Company for Jubail and Yanbu (Marafiq) (Saudi Joint-Stock Company).
Board of Directors	Means the Company's Board of Directors.

Corporate Governance	Refer to the Rules for the leadership and direction of the Company, including mechanisms to regulate the various relationships between the Board of Directors, executive directors, shareholders, and stakeholders. This is achieved by establishing special rules and procedures to facilitate the decision-making process and enhance transparency and credibility, with the aim of protecting the rights of shareholders and stakeholders and achieving fairness, competitiveness, and transparency in the market and business environment.
Shareholders' General Assembly	An assembly formed by the Company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.
Executive Member	A Board Member who is a full-time member of the Company's executive management and participates in its daily operations.
Non-Executive Member	A Board Member who is not a full-time member of the Company's management and does not participate in its daily operations.
Independent Member	A non-executive board member who enjoys complete independence in his or her position and decisions and is not subject to any of the limitations of independence stipulated in these regulations.
Executive Management / Senior Executives	Persons entrusted with managing the company's day-to-day operations and proposing and implementing strategic decisions, such as the CEO, his deputies, and the CFO.
Relatives / Family Relationship	Parents, grandparents, grandmothers, and ancestors. Children and their children, and descendants. Full, paternal, or maternal brothers and sisters. Husbands and wives.
Person	Any natural or legal person recognized as such by the Kingdom's laws.
Related Parties	Affiliates of the Company, except for companies wholly owned by the Company. Major shareholders in the company. Members of the Board of Directors and senior executives of the company. Board members of the company's subsidiaries. Board members and senior executives of the major shareholders in the company. Any relatives of the persons referred to in items 1, 2, 3, or 5 above. Relatives refer to: father, mother, spouse, and children. Any company or other entity controlled by any of the persons mentioned in items 1, 2, 3, 5, or 6 above.
Group	In relation to a person, it means a person and any person affiliated with that person.

Affiliate	A person who controls another person, is controlled by that other person, or is jointly controlled by a third person. In any of the above, the control may be direct or indirect.
Stakeholders	Anyone who has an interest in the company, such as employees, creditors, customers, suppliers, and the public.
Major Shareholders	Anyone who owns 5% or more of the company's shares or voting rights.
Controlling Share	The ability to influence the actions or decisions of another person, directly or indirectly, alone or jointly with a relative or affiliate, by owning 30% or more of the voting rights in a company, and/or the right to appoint 30% or more of the members of the management body.
Administrative Body	The group of individuals who make strategic decisions in the company. The company's board of directors is its management body.
Remuneration	Sums, allowances, profits, and similar benefits, periodic or annual performance-related bonuses, short- or long-term incentive plans, and any other in-kind benefits, excluding reasonable actual expenses and costs incurred by the company on behalf of a board member for the purpose of performing their duties.
Working Days	The day on which the Authority normally conducts its business.

Article 3: Interpretation of the Regulations

3.1 Interpretation Rules

- 3.1.1 These Regulations, along with any annexes (if any), shall be considered an integral part of the Regulations and a complement to its provisions. They shall be read and interpreted together for this purpose. The schedules and annexes attached to the Corporate Governance Regulations issued by the Authority shall also be deemed part of these Regulations.
- 3.1.2 In case of any ambiguity, contradiction, or lack of clarity within the provisions of these Regulations or between these Regulations and any other policy or regulation, the Governance Department of the Company shall have sole authority to clarify the ambiguity or resolve the contradiction. Any interpretation must be in written form; no verbal interpretation, regardless of its source, shall be valid or accepted unless it is documented in writing.
- 3.1.3 These Regulations are directed toward functional positions, not the individuals occupying them.
- 3.1.4 All headings in these Regulations are provided solely for ease of reference and shall not affect the interpretation of the provisions, which must be read as a unified whole.
- 3.1.5 Whoever owns the original owns the branch and the source of the administrative decision has the right to withdraw, amend and cancel it without prejudice to acquired rights.
- 3.1.6 The Board shall establish the rules and policies implementing these Bylaws, which constitute the general Bylaws of the company.
- 3.1.7 These Bylaws shall take effect immediately from the date of their approval by the General Assembly and shall replace the old Bylaws, in accordance with the rule that the subsequent supersedes and replaces the previous.
- 3.1.8 Conflict between the Specific and the General.

These Bylaws shall be considered a general regulation of everything contained therein. In the event of a conflict between them and any of the specific policies or Bylaws stipulated in these Bylaws, the provisions of the specific policy and bylaw shall apply to the disputed matter, in accordance with the jurisprudential rule that the specific restricts the general, without prejudice to the provisions of paragraphs 3-1-9 and 3-1-10 below.

- 3.1.9 The company's application of any of the advisory materials, whether consistently or incidentally, shall not affect the text's continuity as an advisory text unless a special decision is issued by the Council to the contrary. The company has the right to alternate between applying the advisory text and not applying it in accordance with what it decides in this regard. Approval of this policy and regulations may not be considered in any way to consider the advisory texts contained therein as binding.
- 3.1.10 These Regulations are binding on the company, with the exception of provisions that are indicated as advisory. The company may apply or not apply them at its absolute discretion in this regard. In accordance with the foregoing, reference will be made to any of the provisions that are advisory, in accordance with what the Authority has decided in this regard. The company has absolute freedom to implement and not apply them.

3.2 Sources of Judgment in Practice

- 3.2.1 The provisions of these Regulations apply to the matters addressed by these provisions, wording and meanings, and there is no room for interpretation in the context of the text.
- 3.2.2 The provisions of these Regulations may not conflict with the legislative systems in the Kingdom of Saudi Arabia. In the event of a conflict, the provisions of the mandatory legislative systems shall apply, provided that a written decision is issued by the company's governance department stating the existence of this conflict and the mechanism for applying the provisions of the legislative systems that replace the conflicting provision.
- 3.2.3 If there is no provision in this policy regarding the matter, the following legislative sequence shall apply:
- 3.2.3.1 The mandatory rules in the Corporate Governance Regulations issued by the Authority shall apply.
- 3.2.3.2 The provisions of the Companies Law and its Implementing Regulations shall apply.
- 3.2.3.3 The provisions of the company's articles of association shall apply.
- 3.2.3.4 The decisions of the company's general assembly shall apply.
- 3.2.3.5 The decisions of the board of directors shall apply.
- 3.2.3.6 The governance department shall exercise its discretion according to the circumstances surrounding each issue for which there is no text.

3.3 Governance of Administrative Decisions in the Company (Principle of Legitimacy)

The effects of internal governance in the company are divided into administrative decisions, internal policies, organizational regulations, and senior management decisions. They are divided hierarchically, starting from the lowest to the highest, according to the following hierarchy:

- 3.3.1 Administrative decisions issued by competent authorities below the rank of CEO. These decisions are issued by the entity authorized within the company to issue administrative decisions, in accordance with the delegation of powers regulations issued by the CEO to the departments under his authority. The administrative decision must be issued by a competent employee authorized in accordance with the approved authority schedule. The subject of the decision must

be within the geographical and temporal jurisdiction, comply with the legal form and procedures specified in the relevant company regulations, be free from any defects in administrative decisions, and not violate the provisions listed below, in order.

- 3.3.2 The administrative decision issued by the CEO. The administrative decision must be issued within the geographical and temporal jurisdiction, comply with the legal form and procedures specified in the relevant company's Bylaws, be free from any defects of the administrative decision, and not violate the provisions listed below.
- 3.3.3 Decisions Issued by the Board
- 3.3.4 The company's internal policies established by the competent authorities within the company within the limits of their jurisdiction, provided that they do not violate the provisions listed below.
- 3.3.5 The regulatory regulations that the Authority has obligated the company to develop and approve, provided that they do not violate the provisions listed below.
- 3.3.6 The company's articles of association, provided that they do not violate the provisions listed below.
- 3.3.7 Resolutions of the Ordinary General Assembly.
- 3.3.8 Resolutions of the Extraordinary General Assembly.
- 3.3.9 Provisions of the Companies Law and its Executive Regulations.
- 3.3.10 The mandatory rules in the Corporate Governance Regulations issued by the Authority.

Article 4: Fair Treatment of Shareholders

- 4.1 The Board of Directors is committed to protecting shareholders' rights in a manner that ensures fairness and equality among them.
- 4.2 The Board of Directors and the Company's executive management are committed to not discriminating between shareholders who own shares of the same type and class, and not to withhold any rights from them.
- 4.3 The Company sets forth in its internal policies the procedures necessary to ensure that all shareholders exercise their rights.

Article 5: Rights Attached to Shares

Shareholders are entitled to all rights associated with shares, particularly the following:

- 5.1 Receiving their share of net profits, which may be distributed in cash or by issuing shares.
- 5.2 Receiving their share of the company's assets upon liquidation.
- 5.3 Attending general or special shareholders' meetings, participating in their deliberations, and voting on their decisions.
- 5.4 To dispose of their shares in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
- 5.5 To inquire and request access to data and information related to the company's operations and strategic and investment plans, provided that such access does not harm the company's interests or conflict with the Companies Law, the Capital Market Law, or their implementing regulations.
- 5.6 To monitor the company's performance and the activities of the Board of Directors.
- 5.7 To hold members of the Board of Directors accountable, file liability claims against them, and challenge the validity of resolutions of general and special shareholder assemblies, in accordance with the terms and conditions set forth in the Companies Law and the company's Bylaws.

- 5.8 To have preemptive rights to subscribe to new shares issued for cash, unless the Extraordinary General Assembly suspends this right, if stated in the company's Bylaws.
- 5.9 To register their shares in the company's shareholder register.
- 5.10 To request a copy of the company's Articles of Association and Bylaws, unless these documents are published on the company's website.
- 5.11 To nominate and elect members of the Board of Directors.

Article 6: Shareholder Access to Information

- 6.1 The Board shall ensure the provision of complete, clear, accurate, and non-misleading information to enable shareholders to fully exercise their rights. This information must be provided in a timely manner and regularly updated.
- 6.2 The method of providing information to shareholders must be clear and detailed and should include a statement of the types of company information available to shareholders. This information must be made available equally to all shareholders of the same class or category.
- 6.3 The most effective means of communication with shareholders must be used, and no discrimination shall occur among shareholders in the provision of information.

Article 7: Communication with Shareholders

- 7.1 The Board of Directors shall ensure communication between the Company and shareholders based on a shared understanding of the Company's strategic objectives and interests.
- 7.2 The Chairman of the Board of Directors and the Chief Executive Officer shall inform the other members of the Board of Directors of the views of shareholders and discuss them with them.
- 7.3 No shareholder may interfere in the work of the Board of Directors or the work of the Company's executive management unless they are a member of the Board of Directors, work in its executive management, or intervene through the General Assembly and in accordance with its mandate.
- 7.4 The Company shall appoint an official specialized in investor relations within the Company to ensure effective and fair communication between the Company and shareholders.¹

Article 8: Election of Board Members

- 8.1 The Company shall publish information about candidates for Board membership on the market website when announcing or inviting them to the General Assembly meeting. This information shall include a description of the candidates' experiences, qualifications, skills, current and previous positions, and memberships. The Company must provide a copy of this information at its headquarters and on its website.
- 8.2 Voting at the General Assembly shall be limited to candidates for Board membership whose information has been published by the Company in accordance with paragraph (8.1) of this Article.

¹ Guidance Paragraph: However, the company has appointed a consultant for this purpose at the present time.

Article 9: Entitlement to Dividends

- 9.1 The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
- 9.2 The Board of Directors must establish a clear policy regarding the distribution of dividends that serves the interests of both shareholders and the Company, in accordance with the Company's Articles of Association.
- 9.3 A shareholder is entitled to their share of the profits according to the General Assembly's decision on profit distribution or the Board of Directors' decision to distribute interim dividends. The decision shall specify the entitlement date and the distribution date. The decision shall be implemented in accordance with the provisions of the Executive Regulations of the Companies Law applicable to listed joint-stock companies.

Article 10: Shareholder Representation in the General Assembly

The General Assemblies of shareholders are responsible for all matters related to the company. The General Assembly, convened in accordance with legal procedures, represents all shareholders in exercising their authorities related to the company and performs its role in accordance with the provisions of the Companies Law, its executive regulations, and the Company's Articles of Association.

Article 11: Authorities of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to:

- 11.1 Amend the Company's Articles of Association, except for amendments that are void under the provisions of the Companies Law.
- 11.2 Increase the company's capital in accordance with the conditions stipulated in the Companies Law and its executive regulations.
- 11.3 Decrease the company's capital if it exceeds the company's needs or if the company suffers financial losses, according to the conditions stipulated in the Companies Law and its executive regulations.
- 11.4 Decide on the use of reserves allocated for specific purposes in the Company's Articles of Association.
- 11.5 Decide on the continuation or early dissolution of the company as provided in its Articles of Association.
- 11.6 Approve the purchase of the company's shares.
- 11.7 Issue preferred shares or redeemable shares, approve their purchase, or convert one type or class of the company's shares to another type or class, based on a provision in the Company's Articles of Association and according to the Executive Regulations of the Companies Law applicable to listed joint-stock companies.
- 11.8 Issue debt instruments or convertible sukuk (Islamic financial certificates), and determine the maximum number of shares that may be issued against these instruments or sukuk.
- 11.9 Allocate the shares issued upon capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of the above.

- 11.10 Suspend shareholders' pre-emptive rights to subscribe to the capital increase against cash shares or grant priority to non-shareholders in cases deemed appropriate in the interest of the company, if so stated in the Company's Articles of Association.
- 11.11 The Extraordinary General Assembly may issue decisions that fall within the jurisdiction of the Ordinary General Assembly, provided that such decisions are issued according to the conditions for issuing Ordinary General Assembly decisions, by a majority of the voting rights represented at the meeting.

Article 12: Authorities of the Ordinary General Assembly

Except for what falls under the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent for all company affairs, particularly the following:

- 12.1 Electing and removing members of the Board of Directors.
- 12.2 Authorizing a Board member to have a direct or indirect interest in the company's contracts and business, in accordance with the provisions of the Companies Law and its executive regulations.
- 12.3 Authorizing a Board member to participate in any business that may compete with the company or compete in any branch of activity the company practices, in accordance with the provisions of the Companies Law and its executive regulations.
- 12.4 Monitoring the compliance of Board members with the provisions of the Companies Law, its executive regulations, other relevant regulations, and the Company's Articles of Association; examining any damage resulting from their violations or mismanagement of the company's affairs; determining the resulting responsibility; and taking appropriate measures in this regard according to the Companies Law and its executive regulations.
- 12.5 Reviewing and discussing the company's financial statements.
- 12.6 Reviewing and discussing the Board of Directors' report.
- 12.7 Deciding on the Board of Directors' proposals regarding the distribution method of net profits.
- 12.8 Appointing one or more auditors for the company, determining their fees, reappointing or dismissing them, reviewing their reports, and making decisions regarding them.
- 12.9 Considering violations and errors committed by the company's auditors in performing their duties, and any difficulties reported by the auditors related to enabling the Board of Directors or company management to access the books, records, and other documents, data, and clarifications necessary for performing their tasks, and taking appropriate measures in this regard.
- 12.10 Reporting on the use of the company's reserves if they are not allocated for a specific purpose in the Company's Articles of Association, provided that the use of these reserves is based on a proposal from the Board of Directors and in ways that benefit the company or the shareholders.
- 12.11 Formation of company reserves and determination of their uses.
- 12.12 Deducting amounts from the company's net profits to achieve social purposes for the company's employees in accordance with the Companies Law.
- 12.13 Approving the sale of more than 50% of the company's assets, whether in a single transaction or several transactions within twelve months from the date of the first sale. If the sale includes assets subject to the jurisdiction of the Extraordinary General Assembly, approval of the Extraordinary General Assembly must be obtained.

Article 13: Shareholders' General Assembly

- 13.1 The Ordinary General Assembly of Shareholders shall be convened according to the conditions and circumstances stipulated in the Companies Law, its executive regulations, and the Company's Articles of Association.
- 13.2 The Annual Ordinary General Assembly shall be held at least once during the months following the end of the company's financial year.
- 13.3 General and special assemblies of shareholders are convened by invitation from the Board of Directors, in accordance with the provisions stipulated in the Companies Law, its executive regulations, and the Company's Articles of Association. The Board of Directors must invite the Ordinary General Assembly to convene within thirty days from the date of a request by the auditor, the audit committee, or a number of shareholders representing at least 10% of the company's shares with voting rights. The auditor may also call for the Ordinary General Assembly to convene if the Board of Directors does not issue the invitation within thirty days from the auditor's request.
- 13.4 Subject to the provisions of the Companies Law and its executive regulations, the date, place, and agenda of the General Assembly meeting must be announced at least twenty-one days before the meeting date. The invitation must be published on the market's website and the company's website. Additionally, the company may invite its shareholders to convene the General or Special Assemblies through modern technology means.
- 13.5 The company may amend the agenda of the General Assembly during the period between the publication of the announcement referred to in paragraph (13.4) of this article and the date of the General Assembly meeting, provided that the company announces this amendment in accordance with the procedures set forth in paragraph (13.4) of this article.
- 13.6 Shareholders must be given the opportunity to actively participate and vote in the General Assembly meetings. General Assembly meetings may be held, and shareholders may participate in discussions and vote on decisions, via modern technology means, in accordance with the executive regulations of the Companies Law for listed joint-stock companies.
- 13.7 The Board of Directors shall work to facilitate the participation of the largest possible number of shareholders in the General Assembly meeting, including by selecting an appropriate time and venue.
- 13.8 The company must verify the registration of shareholders wishing to attend at the company's headquarters prior to the scheduled time of the assembly meeting, unless the Company's Articles of Association specify another method.

Article 14: Agenda of the General Assembly

- 14.1 When preparing the agenda of the General Assembly, the Board of Directors shall take into account the matters that shareholders wish to include. Shareholders holding at least 10% of the company's shares with voting rights may add one or more items to the agenda during its preparation.
- 14.2 The Board of Directors must allocate each item on the agenda as a separate topic and must not combine materially distinct matters under one item. Business and contracts in which any Board member has a direct or indirect interest must not be grouped under a single item for the purpose of obtaining shareholder approval on the item as a whole.

- 14.3 Shareholders must be able to access information related to the items on the General Assembly's agenda - particularly the Board of Directors' report, the auditor's report, the financial statements, and the Audit Committee's report - via the company's website and the market's website when the invitation to the meeting is published, enabling them to make informed decisions. The company must update this information in the event of any changes to the agenda.
- 14.4 The Authority may add any items it deems necessary to the agenda of the General Assembly.

Article 15: Management of the Shareholders' General Assembly

- 15.1 The General Assembly meetings of shareholders shall be chaired by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or by a person delegated by the Board of Directors from among its members. If this is not possible, the General Assembly shall be chaired by a person elected by the shareholders from among the Board members or others, by vote.
- 15.2 The Chair of the Shareholders' Assembly must ensure shareholders are given the opportunity to actively participate and vote in the General Assembly meetings, and must avoid any actions that could hinder attendance or the exercise of voting rights. Shareholders must also be informed of the rules governing the conduct of the meetings and voting procedures.
- 15.3 Shareholders have the right to discuss the items listed on the General Assembly's agenda and to ask questions about them to the members of the Board of Directors and the auditor. These questions must be answered to the extent that doing so does not harm the company's interests.
- 15.4 Shareholders must be allowed to review the minutes of the General Assembly meeting, and the company must provide the Authority with a copy of the minutes within ten days from the date of the meeting.
- 15.5 The company shall publicly disclose and notify the Authority and the Exchange of the results of the General Assembly immediately upon its conclusion, in accordance with the regulations set by the Authority.

Article 16: Composition of the Board of Directors

The composition of the Board of Directors shall observe the following:

- 16.1 The number of members must be appropriate to the size of the company and the nature of its activity, without prejudice to the provisions of this Regulation.
- 16.2 The majority of the Board members must be non-executive members.
- 16.3 The number of independent members shall not be less than two, or one-third of the Board members, whichever is greater.

Article 17: Appointment of Board Members

- 17.1 The company's Articles of Association shall specify the number of Board members, provided that it is not less than three.
- 17.2 The General Assembly elects the members of the Board of Directors for the term specified in the company's Articles of Association, provided that it does not exceed four years. Re-election is permitted unless otherwise stipulated in the Articles of Association.
- 17.3 A member of the Board of Directors must not hold membership on the board of more than five publicly listed joint-stock companies simultaneously.

17.4 The company shall notify the Authority of the names of the Board members and their membership statuses within five working days from the start of the Board's term or from their appointment date, whichever is earlier, and notify any changes in membership within five working days from the date the changes occur.

Article 18: Conditions for Board Membership²

A member of the Board of Directors must possess professional competence, including the necessary experience, knowledge, skills, and independence to efficiently and effectively perform their duties. In particular, the following should be ensured:

- 18.1 Leadership ability: The member should have leadership skills that enable them to delegate authority effectively, motivating performance, applying best practices in effective management, and adhering to professional values and ethics.
- 18.2 Competence: The member should have appropriate academic qualifications, professional and personal skills, relevant training, and practical experience related to the company's current and future activities or in management, economics, accounting, law, or governance, as well as a willingness to learn and train.
- 18.3 Ability to guide: The member should have technical, leadership, and managerial capabilities, decisiveness, the ability to understand technical requirements related to workflow, and be capable of strategic guidance, planning, and having a clear future vision.
- 18.4 Financial knowledge: The member should be capable of reading and understanding financial statements and reports.
- 18.5 Health fitness: The member should not have any health impediment that prevents them from performing their duties and responsibilities.
- 18.6 The General Assembly must consider, when electing Board members, the recommendations of the Nominations Committee and ensure that members possess the personal and professional qualifications necessary to perform their duties effectively as outlined in this article.

Article 19: Factors Affecting Independence

- 19.1 An independent member of the Board of Directors must be able to perform their duties, express opinions, and vote on decisions objectively and impartially, assisting the Board in making sound decisions that contribute to achieving the company's interests.
- 19.2 The Board of Directors must conduct an annual evaluation to verify the member's continued independence and ensure the absence of any relationships or circumstances that affect or may affect their independence.
- 19.3 The following, among others, are considered incompatible with the necessary independence of an independent Board member:
 - 19.3.1 Owning 5% or more of the company's shares or shares of another company within its group, or having a family relationship with someone who owns this percentage.
 - 19.3.2 Having a family relationship with any member of the Board of Directors in the company or in another company within its group.

¹ Guidance Article

- 19.3.3 Having a family relationship with any senior executive in the company or in another company within its group.
- 19.3.4 Being a member of the Board of Directors in another company within the company's group to which they are nominated for board membership.
- 19.3.5 Working or having worked as an employee during the past two years for the company or another company within its group or owning controlling shares in the company or any related party dealing with the company or another company within its group, such as auditors or major suppliers during the past two years.
- 19.3.6 Having a direct or indirect interest in the business and contracts conducted by the company.
- 19.3.7 Receiving financial amounts from the company in addition to the board membership or committee fees exceeding 200,000 SAR or 50% of the member's total fees received in the previous year for board or committee membership, whichever is less.
- 19.3.8 Participating in any work that competes with the company or trading in any branch of activity practiced by the company.
- 19.3.9 Having spent more than nine consecutive or non-consecutive years as a member of the company's Board of Directors.
- 19.3.10 The following are not considered as interests negating the independence of a board member, which require approval from the ordinary general assembly: transactions and contracts conducted to meet personal needs if these transactions and contracts are conducted under the same conditions and terms the company follows with all contractors and counterparties, and are within the company's usual business, unless the nominations committee decides otherwise.

Article 20: Responsibilities of the Board of Directors

The Board of Directors represents all shareholders and must exercise due care and loyalty in managing the company and everything that preserves its interests, develops it, and maximizes its value. The Board of Directors bears responsibility for the company's actions even if it delegates some of its powers to committees, entities, or individuals. In all cases, the Board may not issue a general or indefinite delegation.

Article 21: Key Functions of the Board of Directors

Subject to the competencies assigned to the General Assembly in the Companies Law, its executive regulations, and the Company's Articles of Association, the Board of Directors has the broadest powers to manage the company and direct its affairs to achieve its objectives. The duties and powers of the Board include the following:

- 21.1 Developing the company's main plans, policies, strategies, and objectives, supervising their implementation, periodically reviewing them, and ensuring the availability of the necessary human and financial resources to achieve them, including:
 - 21.1.1 Developing the company's overall strategy, main work plans, risk management policies and procedures, reviewing, and directing them.
 - 21.1.2 Determining the company's optimal capital structure, financial strategies and objectives, and approving various budgets.
 - 21.1.3 Periodic review and approval of the company's organizational and functional structures.

- 21.1.4 Supervising the company's major capital expenditures, ownership of assets, and their disposal.
- 21.1.5 Setting performance targets and monitoring implementation and overall performance in the company.
- 21.1.6 Verifying the availability of human and financial resources necessary to achieve the company's objectives and main plans.
- 21.2 Establishing internal control systems and regulations and overseeing them, including:
 - 21.2.1 Establishing a written policy to address actual and potential conflicts of interest for members of the Board of Directors, executive management, and shareholders. This includes misuse of company assets and facilities, and misconduct arising from transactions with related parties.
 - 21.2.2 Ensuring the integrity of financial and accounting systems, including those related to financial reporting.
 - 21.2.3 Ensuring the implementation of appropriate control systems to measure and manage risks by developing a general overview of the risks the company may face, creating an environment aware of risk management culture at the company level, and transparently presenting them to stakeholders and related parties.
 - 21.2.4 Conducting an annual review of the effectiveness of the company's internal control procedures.
- 21.3 Developing clear and specific policies, standards, and procedures for Board membership, without conflicting with the mandatory provisions of this Regulation, and implementing them after approval by the General Assembly.
- 21.4 Establishing a written policy regulating the relationship with stakeholders in accordance with the provisions of this Regulation.
- 21.5 Developing policies and procedures to ensure the company's compliance with laws and regulations and its commitment to disclosure of material information to shareholders and stakeholders and verifying that the executive management adheres to them.
- 21.6 Supervising the company's financial management and cash flows, as well as its financial and credit relations with third parties.
- 21.7 Proposing to the Extraordinary General Assembly, whatever it deems appropriate regarding:
 - 21.7.1 Increasing or decreasing the company's capital.
 - 21.7.2 Dissolving the company before the term specified in the company's articles of association or deciding on its continuation.
- 21.8 Proposing to the ordinary general assembly regarding:
 - 21.8.1 Using the company's reserves if not allocated for a specific purpose in the articles of association.
 - 21.8.2 Creating additional reserves or financial provisions for the company.
 - 21.8.3 Method of distributing the company's net profits.
- 21.9 Preparing and approving the company's initial and annual financial statements before publishing them.
- 21.10 Preparing and approving the board of directors' report before publishing it.
- 21.11 Ensuring the accuracy and integrity of the data and information required to be disclosed, according to the disclosure and transparency policies and procedures in place.

- 21.12 Establishing effective communication channels that allow shareholders to continuously and periodically review the company's various activities and any material developments.
- 21.13 Forming specialized committees emanating from the board by decisions that specify the committee's duration, powers, responsibilities, and how the board supervises them. The formation decision must include naming the members, defining their tasks, rights, and duties, along with evaluating the performance and work of these committees and their members.
- 21.14 Defining the types of rewards granted to the company's employees, such as fixed rewards, performance-related rewards, and rewards in the form of shares, provided that this does not conflict with the executive regulations of the Companies Law for listed joint-stock companies.
- 21.15 Informing the ordinary general assembly at its meeting of the transactions and contracts in which any member of the board of directors has a direct or indirect interest. This notification shall include the information provided by the member to the board in accordance with this Regulation and must be accompanied by a special report from the company's external auditor.
- 21.16 Establishing the values and standards that govern the work within the company.

Article 22: Allocation of Responsibilities and Duties

The company's organizational structure must define the distribution of competencies and tasks between the Board of Directors and the Executive Management in a manner consistent with best corporate governance practices, improving the efficiency of decision-making and achieving a balance in powers and authorities between them. To this end, the Board of Directors shall:

- 22.1 Approve and develop internal policies related to the company's operations, including defining tasks, competencies, and responsibilities assigned to the various organizational levels.
- 22.2 Approve a written and detailed policy specifying the powers delegated to the Executive Management, along with a schedule outlining these powers, the method of implementation, and the duration of delegation. The Board may request periodic reports from the Executive Management regarding the exercise of delegated powers.
- 22.3 Identify the matters reserved for decision by the Board itself.

Article 23: Separation of Positions

- 23.1 Subject to the provisions of the Company's Articles of Association, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman. It may also appoint from among its members a Managing Director or Chief Executive Officer (CEO).
- 23.2 It is not permitted to combine the position of Chairman of the Board with any executive position in the company - including the position of Managing Director, CEO, or General Manager - even if the Company's Articles of Association state otherwise.
- 23.3 The Board of Directors shall clearly and in writing define the competencies and responsibilities of the Chairman, Vice Chairman, Managing Director, or CEO, if not specified in the Articles of Association.
- 23.4 In all cases, no single person shall have absolute authority to make decisions in the company.

Article 24: Oversight of Executive Management

The Board of Directors is responsible for forming the company's executive management, organizing its operations, supervising and overseeing it, and ensuring that it performs the tasks assigned to it. To this end, the Board shall:

- 24.1 Establish the necessary administrative and financial policies.
- 24.2 Ensure that the executive management operates in accordance with the policies approved by the Board.
- 24.3 Select and appoint the company's Chief Executive Officer (CEO), and supervise their work.
- 24.4 Appoint, dismiss, and determine the remuneration of the head or unit of internal audit or the internal auditor.
- 24.5 Hold regular meetings with the executive management to discuss business progress, obstacles and problems encountered, and to review and discuss important information regarding the company's activities.
- 24.6 Establish performance standards for the executive management that align with the company's goals and strategy.
- 24.7 Review and evaluate the performance of the executive management.
- 24.8 Develop succession plans for the company's management.

Article 25: Responsibilities and Duties of Executive Management

Subject to the powers assigned to the Board of Directors under the Companies Law and its Implementing Regulations, the Executive Management is responsible for implementing the company's plans, policies, strategies, and main objectives to achieve its purposes. The powers and duties of the Executive Management include the following:

- 25.1 Implementing the internal policies and systems of the company approved by the Board of Directors.
- 25.2 Proposing the company's comprehensive strategy, primary and interim work plans, investment and financing policies and mechanisms, risk management policies, and contingency management plans, and executing them.
- 25.3 Proposing the company's optimal capital structure, strategies, and financial goals.
- 25.4 Proposing the company's main capital expenditures and asset acquisitions and disposals.
- 25.5 Proposing the organizational and functional structures of the company and submitting them to the Board of Directors for approval.
- 25.6 Implementing internal control systems and procedures and overseeing them in general, including:
 - 25-6-1 Implementing the conflict-of-interest prevention policy.
 - 25-6-2 Proper application of financial and accounting systems, including those related to the preparation of financial reports.
 - 25-6-3 Applying appropriate control systems to measure and manage risks by developing a general concept of the risks the company may face, establishing a company-wide risk-awareness culture, and transparently communicating them to the Board of Directors and other stakeholders.
 - 25-6-4 Effectively implementing the company's corporate governance rules, without contradicting the provisions of this Regulation, and proposing amendments when necessary.
 - 25-6-5 Implementing policies and procedures that ensure the company's compliance with regulations and its commitment to disclose material information to shareholders and stakeholders.

- 25.7 Provide the Board of Directors with the necessary information to exercise its powers and submit recommendations regarding the following:
- 25.7.1 Increasing or decreasing the company's capital.
 - 25.7.2 Dissolving the company before the date specified in its Bylaws or deciding on its continuation.
 - 25.7.3 Utilizing the company's reserves in case they are not allocated for a specific purpose in the company's Bylaws.
 - 25.7.4 Creating additional reserves for the company.
 - 25.7.5 The method of distributing the company's net profits.
- 25.8 Proposing the policy and types of rewards granted to employees, such as fixed bonuses, performance-based bonuses, and stock-based incentives.
- 25.9 Preparing periodic financial and non-financial reports on the company's progress in light of its strategic plans and goals and presenting these reports to the Board of Directors.
- 25.10 Managing the company's daily operations and running its activities, as well as managing its resources optimally in line with the company's objectives and strategy.
- 25.11 Actively participate in building and fostering a culture of ethical values within the company.
- 25.12 Implement internal control and risk management systems, ensure their effectiveness and adequacy, and maintain compliance with the risk level approved by the Board of Directors.
- 25.13 Propose internal policies related to the company's operations and their development, including defining tasks, authorities, and responsibilities assigned to various organizational levels.
- 25.14 Propose a clear policy for the delegation of tasks and the method of execution.
- 25.15 Propose the powers to be delegated to it, decision-making procedures, and the duration of the delegation, while submitting periodic reports to the Board of Directors on the exercise of such powers.

Article 26: Responsibilities and Duties of the Chairman of the Board

Without prejudice to the powers of the Board of Directors, the Chairman shall lead the Board and oversee its operations and the effective performance of its duties. The Chairman's specific responsibilities and powers include the following:

- 26.1 Ensuring that Board members receive complete, clear, accurate, and non-misleading information in a timely manner.
- 26.2 Ensuring that the Board discusses all essential matters effectively and in a timely manner.
- 26.3 Representing the company before others, in accordance with the provisions of the Companies Law, its implementing regulations, and the company's Bylaws.
- 26.4 Encouraging Board members to perform their duties effectively in a way that serves the interests of the company.
- 26.5 Ensuring the existence of effective communication channels with shareholders and conveying their views to the Board.
- 26.6 Promoting constructive relationships and effective engagement between the Board and executive management, and among executive, non-executive, and independent members, while fostering a culture that encourages constructive criticism.
- 26.7 Preparing the agenda for Board meetings, taking into account any matters raised by Board members or the external auditor, and consulting with Board members and the CEO during the preparation of the agenda.

26.8 Holding regular meetings with non-executive Board members in the absence of any company executives.

Article 27: Appointment of the CEO as Chairman of the Board after Termination of Services

The Chief Executive Officer (CEO) may not be appointed as Chairman of the company's Board of Directors within the first year following the end of their service.³

Article 28: Duties and Responsibilities of Board Members

Each member of the Board of Directors shall, through their role on the Board, perform the following duties and responsibilities:

- 28.1 Propose ideas to develop the company's strategy.
- 28.2 Monitor the performance of executive management and the extent to which it achieves the company's objectives and purposes.
- 28.3 Review reports related to the company's performance.
- 28.4 Ensure the accuracy and integrity of the company's financial statements and information.
- 28.5 Ensure that the financial controls and risk management systems in the company are robust.
- 28.6 Determine appropriate levels of compensation for executive management members.
- 28.7 Express opinions regarding the appointment and dismissal of executive management members.
- 28.8 Participate in developing succession and replacement plans for executive roles within the company.
- 28.9 Fully comply with the provisions of the Companies Law, Capital Market Law and their executive regulations, relevant regulations, and the company's Bylaws while performing board duties, and refrain from engaging in or participating in any activity that constitutes mismanagement of the company's affairs.
- 28.10 Attend board and general assembly meetings and not be absent except for a legitimate excuse notified in advance to the Chairman of the Board, or due to emergency circumstances.
- 28.11 Allocate sufficient time to fulfill responsibilities, prepare for and actively participate in board and committee meetings, including asking relevant questions and engaging with the company's senior executives.
- 28.12 Study and analyze information related to matters under consideration by the board before expressing opinions on them.
- 28.13 Enable other board members to express their opinions freely, encourage deliberation within the board, and seek the input of specialized members of executive management or others when necessary.
- 28.14 Promptly and fully disclose to the board any direct or indirect interest in the company's business or contracts, including the nature and extent of the interest, the names of any involved persons, and the expected financial benefit or otherwise. The member must abstain from voting on any resolution related to such interest, in accordance with the Companies Law and Capital Market Law and their executive regulations.
- 28.15 Promptly and fully disclose to the board any direct or indirect participation in activities that may compete with the company, or any direct or indirect competition with the company in any area

¹ Guidance Article

of its activity, in accordance with the Companies Law and Capital Market Law and their executive regulations.

- 28.16 Refrain from disclosing or revealing any confidential information acquired through their membership on the board to any shareholder, except during general assembly meetings, or to any third party, in accordance with the provisions of the Companies Law, Capital Market Law, and their executive regulations.
- 28.17 Act based on complete information, in good faith, and with the necessary care and diligence in the interest of the company and all its shareholders.
- 28.18 Understand the duties, roles, and responsibilities associated with board membership.
- 28.19 Develop knowledge of the company's business activities and operations, as well as related financial, commercial, and industrial fields.
- 28.20 Resign from the board if unable to fully perform board duties.

Article 29: Duties of the Independent Board Member

With due consideration of Article 28 of this Regulation, the independent board member shall actively participate in performing the following tasks:

- 29.1 Provide independent opinions on the company's strategic matters, policies, performance, and the appointment of executive management members.
- 29.2 Ensure that the interests of the company and its shareholders are considered and presented whenever any conflict of interest arises.
- 29.3 Oversee the development of the company's governance rules and monitor their implementation by the executive management.

Article 30: Board of Directors Meetings

- 30.1 With due regard to the Companies Law and its executive regulations, the Board of Directors shall hold regular meetings to effectively perform its duties. It shall also convene meetings whenever necessary.
- 30.2 The Board must hold at least four meetings per year, with no fewer than one meeting every three months.
- 30.3 The Board meetings shall be convened by the Chairman or at the request of any board member. The invitation to the meeting must be sent to each board member at least five days prior to the meeting date, accompanied by the agenda and necessary documents and information, unless urgent circumstances require holding the meeting on shorter notice, in which case the invitation along with the agenda and necessary documents may be sent less than five days before the meeting.
- 30.4 A meeting shall not be valid unless at least half of the board members attend in person or by proxy, with no fewer than three attendees, unless the company's Bylaws specify a higher number or percentage.

Article 31: Board Member Notes or Comments

- 31.1 If any board member has remarks regarding the company's performance or any of the topics presented and these remarks were not addressed in the board meeting, they must be recorded

along with the actions taken or proposed by the board concerning them in the minutes of the board meeting.

31.2 If a board member expresses a dissenting opinion from a board decision, this opinion must be detailed and recorded in the minutes of the meeting.

Article 32: Regulation of Attendance at Board Meetings

32.1 The process of attendance at board meetings must be organized, and cases of irregular attendance by members should be addressed.

32.2 Independent board members must ensure to attend all meetings where important and significant decisions affecting the company's status are made.

Article 33: Agenda of the Board Meeting

33.1 The board of directors approves the agenda upon convening. If any member objects to the agenda, this objection must be recorded in the minutes of the board meeting.

33.2 Every member of the board of directors has the right to propose the addition of any item to the agenda.

Article 34: Exercise of the Board of Directors' Powers

34.1 The board of directors shall exercise its powers and duties in leading the company within prudent and effective controls that allow for measuring risks, managing them, and mitigating their impacts.

34.2 The board of directors may, within its powers, delegate one or more of its members, committees, or others to directly carry out specific tasks or works.

34.3 The board of directors shall establish an internal policy outlining the working procedures of the board aimed at encouraging its members to work effectively and fulfill their duties towards the company.

34.4 The board of directors shall organize its work and allocate sufficient time to undertake its assigned tasks and responsibilities, including preparation for board and committee meetings, and ensuring the coordination, recording, and preservation of meeting minutes.

Article 35: Secretary of the Board of Directors

35.1 The board of directors shall appoint a secretary from among its members or others. The secretary's powers and remuneration shall be determined by a board decision—unless the company's articles of association include provisions on this matter. These powers shall include the following:

35.1.1 Documenting the board meetings and preparing minutes that include the discussions and deliberations, specifying the place, date, start and end times of the meeting, documenting board decisions and voting results, preserving them in a special organized register, recording the names of attending members and any reservations they expressed (if any), and having these minutes signed by the chairperson of the meeting, all attending members, and the secretary.

35.1.2 Keeping the reports submitted to the board and those prepared by the board.

- 35.1.3 Providing board members with the agenda, working papers, documents, related information, and any additional documents or information requested by any board member related to the meeting topics.
 - 35.1.4 Ensuring that board members comply with the procedures approved by the board.
 - 35.1.5 Notifying members of the board of directors of the dates of board meetings sufficiently in advance of the scheduled date.
 - 35.1.6 Presenting draft minutes to board members to provide their views before signing them.
 - 35.1.7 Ensuring that board members receive a complete and prompt copy of the board meeting minutes and related company information and documents.
 - 35.1.8 Coordinating among members of the board of directors.
 - 35.1.9 Organizing a register of disclosures for members of the board and executive management according to the provisions of this Regulation.
 - 35.1.10 Providing assistance and advice to board members.
- 35.2 The secretary of the board of directors may only be dismissed by a decision of the board of directors.

Article 36: Qualifications of the Secretary

The board of directors shall determine the qualifications required for the secretary of the board, which shall include one or more of the following:

- 36.1 The secretary must hold a university degree in law, finance, accounting, management, or an equivalent field, and have relevant practical experience of no less than three years.
- 36.2 The secretary must have relevant practical experience of no less than five years.

Article 37: Training

The company shall pay adequate attention to training and qualifying members of the board of directors, committee members, and executive management, and develop the necessary programs for this, taking into account the following:

- 37.1 Preparing orientation programs for newly appointed members of the board, committees, and executive management to introduce them to the company's operations and activities, especially the following:
 - 37.1.1 The company's strategy and objectives.
 - 37.1.2 Financial and operational aspects of the company's activities.
 - 37.1.3 The obligations, duties, responsibilities, and rights of board members.
 - 37.1.4 The tasks and authorities of the company's committees.
- 37.2 Establishing mechanisms to ensure that all members of the board, committees, and executive management continuously receive training programs and courses aimed at developing their skills and knowledge in fields related to the company's activities.

Article 38: Providing Information to Board Members

The company's executive management must provide the board members, particularly non-executive members, and the company's committees with all necessary information, data, documents, and

records. These must be complete, clear, accurate, non-misleading, and provided in a timely manner to enable them to perform their duties and responsibilities effectively.

Article 39: Evaluation

- 39.1 The board of directors shall, based on a proposal from the Remuneration Committee, establish the necessary mechanisms for annually evaluating the performance of the board, its members, its committees, and the executive management. This should be done using appropriate performance indicators that are linked to the achievement of the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, and other relevant factors. Strengths and weaknesses should be identified and solutions proposed in a way that aligns with the company's interests.
- 39.2 The performance evaluation procedures must be written, clear, and disclosed to the board members and the individuals subject to the evaluation.
- 39.3 The performance evaluation must include the skills and expertise possessed by the board and identify its strengths and weaknesses. Weaknesses should be addressed through possible means, such as nominating professional competencies capable of enhancing the board's performance. The evaluation must also cover the effectiveness of the board's work mechanisms in general.
- 39.4 The individual evaluation of board members should take into account the extent of the members' effective participation and commitment to performing their duties and responsibilities, including attending board and committee meetings and allocating the necessary time for them.
- 39.5 The board of directors shall make the necessary arrangements to obtain an external specialized party's evaluation of its performance every three years.
- 39.6 The non-executive members of the board shall conduct a periodic evaluation of the chairman's performance, taking into account the views of the executive members, provided that the chairman does not attend the discussion dedicated to this purpose. Strengths and weaknesses shall be identified, and suggestions for addressing them made in a manner consistent with the company's best interests.

Article 40: Handling Conflicts of Interest and Related Party Transactions

In accordance with the provisions of the Companies Law and its implementing regulations, conflicts of interest and transactions or dealings with related parties shall be handled in accordance with the provisions set forth in this Regulation.

Article 41: Conflict of Interest Policy

The Board of Directors shall establish a clear and written policy to manage actual or potential conflict of interest situations that may affect the performance of Board members, its committees, executive management, or other employees when dealing with the company or other stakeholders. This policy shall specifically include the following:

- 41.1 Emphasizing to Board members, committee members, major shareholders, senior executives, and other employees the necessity of avoiding situations that may lead to a conflict of interest with the company's interests and dealing with them in accordance with the Companies Law and its implementing regulations.

- 41.2 Providing illustrative examples of conflict-of-interest situations relevant to the nature of the company's activities.
- 41.3 Clear procedures for disclosing conflicts of interest in transactions that may involve a conflict and obtaining the necessary license or approval.
- 41.4 A binding obligation for continuous disclosure of any actual or potential conflict of interest situations.
- 41.5 An obligation to abstain from voting or participating in decision-making when a conflict of interest exists.
- 41.6 Clear procedures when the company contracts or deals with a related party, including notifying the Capital Market Authority and the public without delay if the transaction equals or exceeds 1% of the company's total revenue according to the latest audited annual financial statements.
- 41.7 Measures to be taken by the Board of Directors upon identifying any violation of this policy.

Article 42: Avoiding Conflicts of Interest

A member of the Board of Directors must:

- 42.1 Perform their duties with honesty and integrity and must not prioritize their personal interests over the interests of the company and its shareholders, nor exploit their position to achieve personal gain.
- 42.2 Avoid conflict of interest situations and disclose to the Board any conflicts that may affect their impartiality when considering matters presented to the Board. The Board must ensure that such member is not involved in deliberations or voting on these matters in Board meetings or shareholder assemblies.
- 42.3 Maintain the confidentiality of information related to the company and its activities and must not disclose such information to any person.
- 42.4 It is prohibited for a Board member to exploit or benefit, directly or indirectly, from any of the company's assets, information, or investment opportunities presented to them in their capacity as a Board member or offered to the company. This includes investment opportunities that fall within the company's scope of activities or those the company seeks to pursue. The prohibition also applies to any Board member who resigns in order to exploit such investment opportunities, directly or indirectly, known to them during their term on the Board.

Article 43: Disclosure of Conflict of Interest by Board Nominee

Anyone wishing to nominate themselves for membership on the Board of Directors must disclose to the Board and the General Assembly any case of conflict of interest, according to the procedures set by the Authority, including the following:

- 43.1 A direct or indirect interest in the business and contracts conducted for the company to which the individual seeks nomination.
- 43.2 Participation in an activity that competes with the company, or competition with the company in any of the areas of activity it engages in.

Article 44: Controls on Competing with the Company

In accordance with the Companies Law and the relevant provisions of these Regulations, if a Board member or a member of one of its committees wishes to engage in an activity that competes with the company or with one of its business sectors, the following must be observed:

- 44.1 The Board member must inform the Board of Directors of the competing activity they wish to engage in, and this notification must be recorded in the minutes of the Board meeting.
- 44.2 The member with a conflict of interest may not participate in voting on the decision related to this matter in the Board, its committees, or shareholder assemblies.
- 44.3 The Board of Directors must inform the Ordinary General Assembly, when it convenes, of the competing activities undertaken by the Board or committee member, after verifying that these activities indeed compete with the company or its business sectors, in accordance with criteria issued by the General Assembly based on a proposal from the Board and published on the company's website. These activities must be reviewed annually.
- 44.4 A license must be obtained from the company's Ordinary General Assembly, or from the Board of Directors based on a delegation from the Ordinary General Assembly, authorizing the Board member to engage in competing activities.

Article 45: Concept of Competitive Activities

The concept of engaging in any activity that competes with the company or with one of its business sectors includes the following:

- 45.1 A Board member establishing a company or sole proprietorship or owning a significant share or stake in another company or establishment that practices an activity similar to that of the company or its group.
- 45.2 Accepting membership on the board of directors of a company or establishment that competes with the company or its group or managing a sole proprietorship or any type of company that competes with the company, except for subsidiaries of the company.
- 45.3 The member obtaining a commercial agency, or anything equivalent, whether explicitly or implicitly, for another company or establishment that competes with the company or its group.

Article 46: Acceptance of Gifts

Board members, committee members, and senior executives are prohibited from accepting gifts from any individual who has commercial dealings with the company if such gifts could lead to a conflict of interest.

Article 47: Formation of Committees

- 47.1 The Board of Directors shall form specialized committees based on the needs, circumstances, and conditions of the company in a manner that enables them to perform their tasks effectively.
- 47.2 Committees shall be formed according to general procedures established by the Board, which must include defining the mandate of each committee, its term, the powers granted to it during that term, and the method of oversight by the Board. The committee must report its findings or decisions transparently to the Board, and the Board must regularly monitor the work of the committees to ensure they are carrying out their assigned tasks.

- 47.3 Each committee shall be responsible to the Board for its work. This does not exempt the Board from responsibility for the actions and powers it has delegated.
- 47.4 Each committee must have no fewer than three and no more than five members.
- 47.5 The heads of committees, or their designated representatives, must attend general assemblies to respond to shareholders' questions.
- 47.6 The company must notify the Authority of the names of the committee members and their membership status within five business days of their appointment and of any changes within five business days of such changes occurring.
- 47.7 The company may merge the Nomination and Remuneration Committees into one committee called the Nomination and Remuneration Committee. In this case, the merged committee must meet the requirements for both committees as outlined in these Regulations and must meet at least once every six months.

Article 48: Committee Membership

- 48.1 A sufficient number of non-executive board members must be appointed to committees handling tasks that may involve conflicts of interest, such as verifying the accuracy of financial and non-financial reports, reviewing related-party transactions, nominating board members, appointing senior executives, and determining compensations. Chairpersons and members of these committees must fulfill duties of care, loyalty, and prioritize the interests of the company and its shareholders over personal interests.
- 48.2 When forming the Remuneration and Nomination Committees, members should be independent board members. Non-executive members or outsiders, whether shareholders or not, may be included, provided the committee chair is an independent member.
- 48.3 The Chairman of the Board may not be a member of the Audit Committee but may participate in other committees, provided they do not serve as chair of those committees specified in this Regulation.

Article 49: Study of Topics

- 49.1 Committees shall study the matter within their remit or those referred by the Board of Directors and submit recommendations for decisions, or make decisions if delegated by the Board, provided such delegation is specific or time limited.
- 49.2 Committees may seek assistance from experts and specialists from inside or outside the company within their authority, and this must be recorded in the committee meeting minutes, including the expert's name and their relationship with the company or executive management.

Article 50: Committee Meetings

- 50.1 No member of the Board of Directors or the executive management, except for the committee secretary and committee members, has the right to attend committee meetings unless the committee requests their opinion or consultation.
- 50.2 For committee meetings to be valid, the majority of its members must be present. Decisions are made by a majority vote of those present, and in the event of a tie, the side supported by the chairperson's vote prevails.

50.3 Committee meetings must be documented, with minutes prepared that include discussions and deliberations, document the committee's recommendations and voting results, and be kept in an organized special register. The minutes must list the names of attending members, note any reservations they expressed (if any), and be signed by all attending members.

Article 51: Formation of the Audit Committee

51.1 An audit committee shall be formed by a decision of the company's Board of Directors, consisting of shareholders or others, but must not include any executive board members. The number of audit committee members shall be no fewer than three and no more than five, including a specialist in financial and accounting affairs.

51.2 At least one member of the audit committee must be independent.

51.3 The chairperson of the audit committee must be an independent member.

51.4 Half of the audit committee members must be independent or meet the independence criteria defined in Article 19 of this Regulation.

51.5 The company's General Assembly shall issue, based on a proposal from the Board of Directors, the audit committee's Bylaws. These Bylaws must include controls and procedures for the committee's work, its tasks, rules for selecting its members, nomination processes, membership duration, compensation, and mechanisms for temporary appointments in case of vacancy.

51.6 Anyone who is currently or was employed in the company's executive or financial management, or by the company's external auditor in the past two years, is not allowed to be a member of the audit committee.

51.7 A member of the audit committee must not hold membership in the audit committees of more than five publicly listed joint-stock companies simultaneously.

Article 52: Audit Committee's Powers, Authorities, and Responsibilities

The Audit Committee is responsible for monitoring the company's operations and verifying the accuracy and integrity of financial reports, statements, and internal control systems. The committee's tasks specifically include:

52.1 Financial Reports:

52.1.1 Review the company's preliminary and annual financial statements before presenting them to the Board of Directors, provide opinions, and make recommendations to ensure their integrity, fairness, and transparency.

52.1.2 Provide a technical opinion, upon request of the Board of Directors, on whether the Board's report and the company's financial statements are fair, balanced, understandable, and contain the information that enables shareholders and investors to assess the company's financial position, performance, business model, and strategy.

52.1.3 Review any significant or unusual matters included in the financial reports.

52.1.4 Conduct a thorough investigation into any matters raised by the company's Chief Financial Officer, the person in charge of financial duties, the compliance officer, or the external auditor.

52.1.5 Verify accounting estimates related to material matters included in the financial reports.

52.1.6 Review the accounting policies adopted by the company and provide opinions and recommendations to the Board of Directors regarding them.

52.2 Internal Audit:

- 52.2.1 Study and review the internal control, financial, and risk management systems of the company.
- 52.2.2 Review internal audit reports and follow up on the implementation of corrective actions for the observations mentioned therein.
- 52.2.3 Oversee and supervise the performance and activities of the internal auditor and the internal audit department of the company to verify the availability of necessary resources and their effectiveness in carrying out the assigned tasks and duties.
- 52.2.4 Recommend to the Board of Directors the appointment of the head of the internal audit unit or department or the internal auditor and propose their compensation.

52.3 External Auditor:

- 52.3.1 Recommend to the Board of Directors the nomination or dismissal of external auditors, determination of their fees, and evaluation of their performance after verifying their independence and reviewing the scope and terms of their engagement.
- 52.3.2 Verify the independence, objectivity, and fairness of the external auditor and the effectiveness of the auditing activities, taking into account relevant rules and standards.
- 52.3.3 Reviewing the audit plan and work of the company's external auditor, ensuring that they do not perform any technical, administrative, or consulting services that fall outside the scope of auditing, and providing their views on this matter.
- 52.3.4 Responding to inquiries from the company's external auditor.
- 52.3.5 Studying the auditor's report and remarks on the financial statements and following up on the actions taken in response.

52.4 Compliance Assurance:

- 52.4.1 Reviewing the findings of regulatory bodies' reports and verifying that the company has taken the necessary actions in response.
- 52.4.2 Ensuring the company's compliance with relevant laws, regulations, policies, and instructions.
- 52.4.3 Reviewing proposed contracts and transactions between the company and related parties, and submitting their views on these to the Board of Directors.
- 52.4.4 Referring any matters they believe require action to the Board of Directors, along with recommendations on the necessary actions to be taken.

Article 53: Conflict Between the Audit Committee and the Board of Directors

If a conflict arises between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to adopt the committee's recommendation regarding the appointment, dismissal, fee determination, or performance evaluation of the company's external auditor, or the appointment of the internal auditor, the Board of Directors' report must include the committee's recommendation, its justifications, and the reasons for not adopting it.

Article 54: Audit Committee Meetings

- 54.1 The Audit Committee shall meet periodically, with a minimum of four meetings during the company's fiscal year.
- 54.2 The Audit Committee shall meet periodically with the company's external auditor and with the company's internal auditor.

54.3 The internal auditor and the external auditor may request to meet with the Audit Committee whenever needed.

Article 55: Arrangements for Providing Feedback

The Audit Committee shall establish a mechanism that allows the company's employees to confidentially submit their observations regarding any violations in financial reports or otherwise. The committee shall ensure the implementation of this mechanism by conducting an independent investigation proportionate to the severity of the error or violation and by adopting appropriate follow-up measures.

Article 56: Audit Committee Powers

In order to perform its duties, the Audit Committee shall have the following powers:

- 56.1 The right to access the company's records and documents.
- 56.2 To request any clarification or statement from the members of the Board of Directors or the executive management.
- 56.3 To request the Board of Directors to call for a General Assembly meeting if the Board hinders its work or if the company is exposed to significant harm or losses.

Article 57: Formation of the Remuneration Committee

- 57.1 A Remuneration Committee shall be formed by a resolution of the company's Board of Directors. The committee shall be composed of non-executive board members and must include at least one independent member.
- 57.2 The General Assembly of the company shall, based on a proposal from the Board of Directors, issue the Bylaws of the Remuneration Committee. These Bylaws must include the committee's procedures and rules of operation, its responsibilities, the criteria for selecting its members, the duration of their membership, and their remuneration.

Article 58: Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for the following:

- 58.1 Preparing a clear policy for the remuneration of board members, board committees, and executive management, and submitting it to the Board of Directors for consideration prior to its approval by the General Assembly. The policy must adhere to performance-related standards, include disclosure requirements, and ensure implementation.
- 58.2 Clarifying the relationship between granted remuneration and the applicable remuneration policy and disclosing any material deviations from the policy.
- 58.3 Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its intended objectives.
- 58.4 Recommending to the Board of Directors the remuneration of board members, board committees, and senior executives in accordance with the approved policy.

Article 59: Remuneration Policy

Without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the remuneration policy must take into account the following:

- 59.1 Consistency with the company's strategy and objectives.
- 59.2 Rewards should be provided to encourage board members and executive management to contribute to the company's long-term success and development, such as linking the variable portion of remuneration to long-term performance.
- 59.3 Remuneration should be determined based on the position's level, the duties and responsibilities assigned to the employee, their academic qualifications, practical experience, skills, and level of performance.
- 59.4 Consistency with the size, nature, and degree of risk within the company.
- 59.5 Consideration should be given to the practices of other companies in determining remuneration, while avoiding any unjustified increases in remuneration and compensation.
- 59.6 Aim to attract, retain, and motivate professional talent, without exaggerating them.
- 59.7 Prepare, in coordination with the Nominations Committee, procedures for new appointments.
- 59.8 Procedures for suspending or reclaiming bonuses if they are determined based on inaccurate information provided by a member of the Board of Directors or Executive Management, to prevent abuse of their position to obtain undue bonuses.
- 59.9 Regulate the granting of shares in the company to members of the Board of Directors and Executive Management, whether newly issued or shares purchased by the company.

Article 60: Remuneration Committee Meetings

The Remuneration Committee shall meet periodically at least annually and whenever necessary.

Article 61: Formation of the Nominations Committee

- 61.1 A committee called the Nominations Committee shall be formed by a decision of the Company's Board of Directors, consisting of non-executive Board members, provided that at least one independent member is included.
- 61.2 The Company's General Assembly, based on a proposal from the Board of Directors, shall issue the Nominations Committee's Bylaws. These Bylaws shall include the committee's operating procedures and duties, the rules for selecting its members, their term of office, and their remuneration.

Article 62: Responsibilities of the Nominations Committee

The Nominations Committee shall be responsible for the following:

- 62.1 Proposing clear policies and standards for membership on the Board of Directors and Executive Management.
- 62.2 Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking care not to nominate any person previously convicted of a crime involving moral turpitude.
- 62.3 Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and for holding executive management positions.
- 62.4 Determining the time a member must devote to Board work.

- 62.5 Annually reviewing the necessary skills or experience for membership in the Board of Directors and executive management positions.
- 62.6 Reviewing the structure of the Board of Directors and Executive Management and making recommendations regarding any changes that may be made.
- 62.7 Annually verifying the independence of independent members and ensuring that there are no conflicts of interest if the member serves on the board of directors of another company.
- 62.8 Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
- 62.9 Establish special procedures in the event that the position of a Board member or senior executive is affected.
- 62.10 Identify the strengths and weaknesses of the Board of Directors and propose solutions to address them in a manner consistent with the company's interests.

Article 63: Nomination Procedures

- 63.1 When nominating members of the Board of Directors, the Nominations Committee shall take into account the terms and conditions set forth in these Bylaws and the requirements determined by the Authority.
- 63.2 The number of Board of Directors candidates whose names are presented to the General Assembly must exceed the number of available seats, so that the General Assembly has the opportunity to choose from among the candidates.

Article 64: Nominations Committee Meetings

The Nominations Committee shall meet periodically at least annually and whenever necessary.

Article 65: Publication of Nomination Announcement

The company must publish the candidacy announcement on its website, the stock market's website, and through any other means specified by the Authority. This announcement is intended to invite individuals interested in running for membership on the Board of Directors. The candidacy window must remain open for at least one month from the date of the announcement.

Article 66: Shareholder's Right to Nominate

The provisions of this chapter shall not prejudice the right of any shareholder in the company to nominate themselves or others for membership on the Board of Directors, in accordance with the provisions of the Companies Law and its implementing regulations.

Article 67: Formation of the Risk Management Committee

A committee named the Risk Management Committee shall be formed by a resolution of the company's Board of Directors. The chairperson and the majority of its members must be non-executive board members. The committee members must possess an appropriate level of knowledge in risk management and financial affairs.

Article 68: Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for the following:

- 68.1 Developing a comprehensive risk management strategy and policies that are appropriate to the nature and size of the company's activities, ensuring their implementation, and reviewing and updating them in light of internal and external changes.
- 68.2 Determining and maintaining an acceptable level of risk exposure for the company and ensuring that this level is not exceeded.
- 68.3 Verifying the company's ability to continue operating successfully and identifying risks that may threaten its continuity within the next twelve months.
- 68.4 Overseeing the company's risk management system and evaluating the effectiveness of the systems and mechanisms used to identify, measure, and monitor risks in order to identify any deficiencies.
- 68.5 Reassessing the company's risk tolerance and exposure on a periodic basis, for example through stress testing.
- 68.6 Preparing detailed reports on risk exposures and proposed steps to manage such risks, and submitting them to the Board of Directors.
- 68.7 Providing recommendations to the Board on matters related to risk management.
- 68.8 Ensuring the availability of adequate resources and systems for effective risk management.
- 68.9 Reviewing the organizational structure of the risk management function and providing recommendations on it before it is approved by the Board of Directors.
- 68.10 Ensuring that risk management personnel are independent of the activities that may expose the company to risk.
- 68.11 Ensuring that risk management staff understand the risks surrounding the company and working to enhance awareness of risk culture.
- 68.12 Reviewing matters raised by the Audit Committee that may affect the company's risk management.
- 68.13 Additional powers, such as executive authorities, may be delegated to the Risk Management Committee, and such powers shall be defined by the Board in the committee's charter.

Article 69: Risk Management Committee Meetings

The Risk Management Committee shall meet periodically at least once every six months, and whenever necessary.

Article 70: Internal Control System

The Board of Directors must adopt an internal control system for the company to evaluate the policies and procedures related to risk management, the implementation of the company's approved governance rules, and compliance with relevant laws and regulations. This system must ensure clear accountability standards at all executive levels of the company and that related party transactions are conducted in accordance with applicable provisions and controls.

Article 71: Establishment of Independent Units or Departments within the Company

71.1 In order to implement the approved internal control system, the company shall establish units or departments responsible for risk assessment and management, as well as internal audit.

71.2 The company may engage external parties to perform the duties and responsibilities of the risk management and internal audit units or departments. However, this does not exempt the company from its responsibility for those duties and responsibilities.

Article 72: Functions of the Internal Audit Unit or Department

The Internal Audit Unit or Department shall evaluate the internal control system, oversee its implementation, and ensure the company's and its employees' compliance with applicable laws, regulations, instructions, as well as the company's policies and procedures.

Article 73: Formation of the Internal Audit Unit or Department

The Internal Audit Unit or Department shall consist of at least one internal auditor, who shall be nominated by the Audit Committee and report directly to it. The following must be observed regarding the composition and operations of the Internal Audit Unit or Department:

73.1 Staff must possess the necessary competence, independence, and appropriate training. They must not be assigned any other tasks that conflict with the objectives of internal audit or compromise its independence.

73.2 The unit or department must submit its reports to the Audit Committee, be affiliated with it, and be accountable to it.

73.3 The remuneration of the head of the Internal Audit Unit or Department shall be determined based on a recommendation from the Audit Committee and in accordance with the company's policies.

73.4 The unit or department must be granted unrestricted access to information, records, and documents.

Article 74: Internal Audit Plan

The Internal Audit Unit or Department shall operate in accordance with a comprehensive audit plan approved by the Audit Committee. This plan shall be updated annually. Key activities and operations, including those related to risk management and compliance management, must be reviewed at least once a year.

Article 75: Internal Audit Report

75.1 The Internal Audit Unit or Department shall prepare a written report on its activities and submit it to the Board of Directors and the Audit Committee at least quarterly. This report must include an assessment of the company's internal control system, the findings and recommendations reached by the unit or department, and a statement of the actions taken by each department to address previous audit findings and recommendations, along with any remarks, especially in cases where corrective action was not taken in a timely manner and the reasons for such delays.

- 75.2 The Internal Audit Unit or Department shall also prepare a general written report and submit it to the Board of Directors and the Audit Committee concerning audit operations carried out during the fiscal year, comparing them with the approved plan, and explaining any deviations or shortcomings from the plan (if any) during the quarter following the end of the fiscal year in question.
- 75.3 The Board of Directors shall define the scope of the report prepared by the Internal Audit Unit or Department, based on the recommendation of the Audit Committee and the Internal Audit Unit or Department. The report shall specifically include the following:
- 75.3.1 Procedures for control and supervision of financial affairs, investments, and risk management.
- 75.3.2 Evaluation of the development of risk factors in the company and the systems in place to deal with radical or unforeseen changes.
- 75.3.3 Assessment of the performance of the Board of Directors and executive management in implementing the internal control system, including identifying the number of times the Board was informed of control-related matters, such as risk management, and how these matters were handled.
- 75.3.4 Aspects of failure or weaknesses in implementing internal controls, or emergencies that have affected or may affect the company's financial performance, and the actions the company has taken to address such failures, particularly issues disclosed in the company's annual reports and financial statements.
- 75.3.5 The extent to which the company complies with internal control systems in identifying and managing risks.
- 75.3.6 Information describing the company's risk management processes.

Article 76: Retention of Internal Audit Reports

The company must retain audit reports and working papers, clearly documenting the completed work, the findings and recommendations reached, and any actions taken in response.

Article 77: Assignment of the Audit Task

The company shall assign the task of auditing its annual accounts to an auditor who possesses independence, competence, experience, and qualifications, in order to prepare an objective and independent report to the Board of Directors and shareholders. The report should indicate whether the company's financial statements fairly and clearly reflect its financial position and performance in all material aspects.

Article 78: Appointment of the Auditor

The Ordinary General Assembly shall appoint the company's auditor and determine his fees and term of office based on the nomination of the Board of Directors, taking into account the following:

- 78.1 The nomination shall be based on a recommendation from the Audit Committee.
- 78.2 The nominee shall be licensed and meet the requirements set by the competent authority.
- 78.3 There shall be no conflict of interest between the nominee and the company.
- 78.4 The number of nominated auditors must not be less than two.

- 78.5 The total period during which the external auditor may serve must not exceed seven fiscal years, whether consecutive or non-consecutive. The Authority may, at its discretion, amend this period for any company or sector. The count resets only after at least three consecutive fiscal years have passed since the end of the last fiscal year in which the auditor last audited the company's accounts.
- 78.6 The total period during which the supervising partner at the audit firm may be in charge of auditing the company's accounts must not exceed seven fiscal years, whether consecutive or non-consecutive. The Authority may, at its discretion, amend this period for any company or sector. The count resets only after at least five consecutive fiscal years have passed since the last fiscal year in which the partner supervised the company's audit.

Article 79: Duties of the Auditor

The external auditor must:

- 79.1 Exercise due diligence and honesty in serving the company.
- 79.2 Notify the Authority if the Board of Directors fails to take appropriate action regarding any suspicious matters raised by the auditor.
- 79.3 Request the Board of Directors to call a general assembly meeting if the Board hinders the auditor's work. The auditor is liable for damages caused to the company, shareholders, or others due to mistakes made during the performance of their duties. If there are multiple auditors involved in such errors, they shall bear joint liability.

Article 80: Regulating the Relationship with Stakeholders

The Board of Directors must establish clear, written policies and procedures to regulate the relationship with stakeholders with the aim of protecting their rights. These policies must include, in particular:

- 80.1 How stakeholders are compensated when their rights (as determined by regulations or protected by contracts) are violated.
- 80.2 Methods for resolving complaints or disputes that may arise between the company and stakeholders.
- 80.3 Guidelines for building strong relationships with customers and suppliers and maintaining the confidentiality of their information.
- 80.4 Professional conduct rules for managers and employees to ensure they align with sound professional and ethical standards and govern their relationships with stakeholders.
- 80.5 Mechanisms to monitor the implementation and compliance with these rules.
- 80.6 The company's contributions to social responsibility.
- 80.7 Confirmation that dealings with board members and related parties are conducted on the same terms and conditions applied to stakeholders without discrimination or favoritism.
- 80.8 Ensuring stakeholders receive accurate, sufficient, timely, and regular information relevant to their activities.
- 80.9 Treating the company's employees based on principles of fairness, equality, and non-discrimination.

Article 81: Reporting Violations and Misconduct

Based on a recommendation from the Audit Committee, the Board of Directors must develop appropriate policies and procedures that stakeholders may follow to submit complaints or report misconduct, taking into account the following:

- 81.1 Facilitating stakeholders (including employees) in reporting to the Board any actions or practices by executive management that violate applicable laws, regulations, or policies, or raise suspicions regarding financial statements, internal control systems, or other issues, whether these actions directly affect them or not, and ensuring a proper investigation is conducted.
- 81.2 Maintaining confidentiality in the reporting process by allowing direct contact with an independent member of the Audit Committee or other relevant committee.
- 81.3 Assigning a designated person to receive and handle complaints or reports from stakeholders.
- 81.4 Providing a phone line or email address for receiving complaints.
- 81.5 Ensuring necessary protection is given to stakeholders who report misconduct.

Article 82: Employee Motivation

The company shall implement programs for the development, participation, and performance incentives of employees, and these shall include, in particular:

- 82.1 Forming committees or holding specialized workshops to listen to employee opinions and discuss key matters and decisions.
- 82.2 Programs to grant employees shares in the company or a portion of the profits achieved, as well as retirement programs, including establishing an independent fund to finance these programs.
- 82.3 Establishing social institutions for the company's employees.

Article 83: Code of Professional Conduct

The Board of Directors shall establish a policy for professional conduct and ethical values in the company, which shall particularly take into account the following:

- 83.1 Emphasizing that every member of the Board of Directors, executive management, and employees must fulfill their duties of care and loyalty to the company, safeguard its interests, enhance its value, and never prioritize personal interest over the company's interests in any circumstance.
- 83.2 The board member represents all shareholders of the company and must act in the interest of the company and shareholders as a whole, not just the group that elected him or her, while also respecting the rights of other stakeholders.
- 83.3 Reinforcing the principle of compliance by board members and senior executives with all applicable laws, regulations, and directives.
- 83.4 Preventing board members or executive management from exploiting their positions to achieve personal gain for themselves or others.
- 83.5 Ensuring that company assets and resources are used solely for achieving the company's objectives and not for personal benefit.
- 83.6 Establishing precise and clear rules governing the authority and timing of access to internal company information, preventing board members, executive management, or others from misusing such information or disclosing it beyond legally permissible limits.

Article 84: Social Responsibility

The Ordinary General Assembly, based on a proposal by the Board of Directors, shall adopt a policy to balance the company's goals with the goals society seeks to achieve, aiming to improve the social and economic conditions of the community.

Article 85: Social Initiatives

The Board of Directors shall develop programs and determine appropriate methods for launching the company's initiatives in the field of social responsibility. This shall include:

- 85.1 Establishing performance indicators that link the company's performance to its social responsibility initiatives and comparing this with other companies of similar activity.
- 85.2 Disclosing the company's social responsibility objectives to its employees and educating them about these objectives.
- 85.3 Disclosing the company's social responsibility plans in periodic reports related to its activities.
- 85.4 Launching community awareness programs to promote understanding of the company's social responsibility efforts.

Article 86: Disclosure Policies and Procedures

Without prejudice to the Capital Market Offering Rules, Continuous Obligations, and Listing Rules, the Board of Directors shall establish written disclosure policies, procedures, and supervisory systems in accordance with the disclosure requirements of the Companies Law and the Capital Market Law and their implementing regulations. These policies shall consider the following:

- 86.1 The policies should include appropriate disclosure methods that enable shareholders and stakeholders to access financial and non-financial information related to the company's performance and shareholding, giving a comprehensive view of the company's position.
- 86.2 Disclosure to shareholders and investors must be impartial, clear, accurate, not misleading, timely, and consistent to enable stakeholders to exercise their rights fully.
- 86.3 The company's website must include all required disclosed information, as well as any additional data or details published through other means of disclosure.
- 86.4 Establishing reporting systems that define which information must be disclosed, and how it should be categorized by nature or frequency of disclosure.
- 86.5 Periodic review of disclosure policies to ensure they align with best practices and comply with the provisions of the Capital Market Law and its implementing regulations.

Article 87: Board of Directors' Report

The Board of Directors' report must include an overview of its activities during the last fiscal year and all factors affecting the company's operations. The report must contain the following:

- 87.1 What provisions of this Regulation have been applied and what has not, including the reasons for non-application.
- 87.2 Names of the members of the Board of Directors, committee members, and executive management, along with their current and previous positions, qualifications, and experience.
- 87.3 Names of companies, inside or outside the Kingdom, where a board member serves or has served on the board or in an executive role.

- 87.4 The composition of the Board of Directors and classification of its members as: executive board member, non-executive board member, or independent board member.
- 87.5 Procedures taken by the Board to inform its members, especially non-executive members, of shareholders' proposals and comments regarding the company and its performance.
- 87.6 A brief description of the roles and responsibilities of committees such as the Audit Committee, Nomination Committee, and Remuneration Committee, including the names of the committees, their chairs and members, number and dates of meetings, and member attendance records.
- 87.7 Where applicable, the methods the Board used to evaluate its own performance, that of its committees, and individual members, as well as the identity and affiliation (if any) of the external party conducting the evaluation.
- 87.8 Disclosure of the remuneration of the Board of Directors and executive management in accordance with Article 90 of this Regulation.
- 87.9 Any penalty, sanction, preventive measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory, or judicial body, along with the cause of the violation, the issuing authority, and the corrective and preventive measures taken.
- 87.10 Results of the annual review of the effectiveness of the company's internal control procedures, along with the Audit Committee's opinion on the adequacy of the internal control system.
- 87.11 Audit Committee recommendations regarding the appointment of an internal auditor during the last fiscal year, if any.
- 87.12 Any recommendations by the Audit Committee that conflict with decisions of the Board of Directors or were not adopted, specifically concerning the appointment, dismissal, fee determination, or performance evaluation of the external or internal auditor, and the rationale for such recommendations and their rejection.
- 87.13 Details of the company's social contributions, if any.
- 87.14 A list of general assembly meetings held during the last fiscal year and the names of board members in attendance.
- 87.15 A description of the main business activities of the company and its subsidiaries. If there is more than one type of activity, each should be listed with its contribution to the company's operations and results.
- 87.16 A description of significant company plans and decisions, including structural changes, business expansions, business suspensions, and future business outlook.
- 87.17 Information on any risks faced by the company, whether operational, financial, or market-related, and the company's policy for managing and monitoring these risks.
- 87.18 A summary in the form of a table or chart of the company's assets, liabilities, and performance results for the last five fiscal years, or since establishment, whichever is shorter.
- 87.19 A geographic breakdown of total revenues for the company and its subsidiaries.
- 87.20 Explanation of any material differences in operational results compared to the previous year or previously announced forecasts.
- 87.21 Explanation of any deviations from the accounting standards adopted by the Saudi Organization for Certified Public Accountants (SOCPA).
- 87.22 The name of each subsidiary, its capital, the company's ownership percentage, main activity, country of primary operation, and country of incorporation.
- 87.23 Details of shares and debt instruments issued by each subsidiary.
- 87.24 Description of the company's dividend distribution policy.

- 87.25 Description of any interest in voting shares held by persons other than board members, senior executives, and their relatives, as reported under Article 85 of the Capital Market Offering Rules and Continuous Obligations, and any changes to those interests during the last fiscal year.
- 87.26 Description of any interest, contractual securities, or subscription rights held by board members, senior executives, or their relatives in the company's or its subsidiaries' shares or debt instruments, and any changes to such interests or rights during the last fiscal year.
- 87.27 Information on any loans owed by the company, whether due on demand or otherwise, including a full statement of debt for the company and its subsidiaries, amounts repaid during the year, principal amounts, names of lenders, loan terms, and remaining balances. If there are no loans, the company must provide a statement to that effect.
- 87.28 A description of the categories and quantities of any convertible debt instruments or other contractual securities, warrants, or similar rights issued or granted by the company during the fiscal year, including the compensation received in return.
- 87.29 A description of any rights to convert or subscribe under convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the company.
- 87.30 A description of any redemption, repurchase, or cancellation by the company of any redeemable debt instruments, including the value of the remaining securities, and distinguishing between securities purchased by the company and those purchased by its subsidiaries.
- 87.30 The number of Board meetings held during the last fiscal year, their dates, and attendance records, with the names of attendees listed.
- 87.30 The number of shareholder register access requests made by the company, along with the dates and reasons for each request.
- 87.31 A description of any transaction between the company and a related party.
- 87.32 Information on any contracts or transactions in which the company was a party and in which a board member, senior executive, or any related person had or has an interest. This includes the names of the concerned individual, the nature, terms, duration, and value of the transactions or contracts. If no such transactions exist, the company must provide a statement confirming that.
- 87.33 Disclosure of any arrangements or agreements under which a board member or senior executive has waived any remuneration.
- 87.34 Disclosure of any arrangements or agreements under which a shareholder has waived dividend rights.
- 87.35 A statement of the regulatory payments made and outstanding (e.g., zakat, taxes, fees, or other dues) that remain unpaid at the end of the financial period, including a brief description and explanation.
- 87.36 A statement of any investments or reserves established for the benefit of company employees.
- 87.37 Declarations shall include:
- 87.37.1 That the financial records have been properly prepared.
- 87.37.2 That the internal control system was established on sound foundations and implemented effectively.
- 87.37.3 That there is no significant doubt about the company's ability to continue operating.
- 87.38 If the auditor's report includes reservations regarding the annual financial statements, the Board of Directors' report must disclose and explain those reservations and any relevant information.

- 87.39 If the Board recommends changing the external auditor before the end of their designated term, the report must include the recommendation along with reasons.
- 87.40 Information on any business competing with the company or its lines of business conducted or previously conducted by any board member, including names of the concerned individual, nature, and terms of the business. If none, the company must provide a statement confirming that.

Article 88: Audit Committee Report

- 88.1 The Audit Committee's report must detail its performance of the duties and responsibilities specified in these Regulations and include its recommendations and opinion on the adequacy of internal control, financial, and risk management systems in the company.
- 88.2 The Board of Directors must keep sufficient copies of the Audit Committee's report at the company's head office and publish it on the company's website and the market website when the general assembly meeting invitation is posted, allowing interested shareholders to obtain a copy. A summary of the report must be read during the general assembly meeting.

Article 89: Disclosure by Board Members

The Board of Directors must organize the disclosure processes for each board member and executive manager, ensuring the following:

- 89.1 Maintain a special register of disclosures by board members and executive management, updated regularly in accordance with disclosure requirements under the Companies Law and the Capital Market Law and their implementing Regulations.
- 89.2 Grant access to the company's shareholder register without charge.

Article 90: Disclosure of Remuneration

- 90.1 The Board of Directors shall:
- 90.1.1 Disclose the remuneration policy and how remuneration for board members and executive management is determined.
- 90.1.2 Disclose, with accuracy, transparency, and detail, in the Board of Directors' report, all direct and indirect remuneration provided to board members and executive management, without concealment or misrepresentation, whether in the form of amounts, benefits, or advantages, regardless of their nature or label. If benefits include company shares, the shares should be valued at market price as of the vesting date.
- 90.1.3 Clarify the relationship between the granted remuneration and the applicable remuneration policy and disclose any material deviation from that policy.
- 90.1.4 Provide detailed information about the remuneration and compensations paid to each of the following groups separately:
- 90.1.4.1 Members of the Board of Directors.
- 90.1.4.2 The five most highly compensated senior executives, including the CEO and CFO.
- 90.1.4.3 Committee members.
- 90.1.4.4 The disclosures in this article must be included in the Board of Directors' report and presented according to the accompanying disclosure tables.

Article 91: Document Retention

The company must retain all minutes, documents, reports, and other records required under these Regulations at the company's headquarters for a period of no less than ten years. This includes the Board of Directors' report and the Audit Committee's report.

Notwithstanding this period, if any legal action, whether ongoing, threatened, or related to a claim or active investigation, concerns any of these records, the company must retain them until the conclusion of the legal process, claim, or investigation.

Article 92: Review and Amendment

92.1 The Governance Department shall recommend any necessary amendments to these Regulations to the Board of Directors for approval prior to obtaining the approval of the General Assembly.

92.2 The Governance Department in the company shall keep the officially signed original version of these Regulations and provide a copy to the Authority, as well as to submit any amendments made to them from time to time.

Article 93: Effective Date of the Regulation

This Regulation shall become effective and enforceable from the date they are approved by the General Assembly.

Name of the Regulation	Marafiq Governance Regulations			
Reviewed and Amended by the Governance Department	Akram Ibrahim Hamdan	Signature:	Date	23/10/2023
	Faisal Khalaf Al-Anazi	Signature:	Date	23/10/2023
Board Secretary	Muhammed Abdulhamid Al-Mulhim	Signature:	Date	23/10/2023
Date of Regulation Approved by the General Assembly	23/10/2023			
Official Language of the Regulation	Arabic is the language and English, if available, is for guidance only.			

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