

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

(A Saudi Joint Stock Company)

INVESTMENT COMMITTEE CHARTER

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## Article 1: Purpose

This Charter is called the "Investment Committee Charter" and it has been prepared in accordance with the provisions of the Governance Regulations of Power and Water Utility Company for Jubail and Yanbu (Marafiq), as well as the governance rules upon which the Capital Market Authority of the Kingdom of Saudi Arabia is based. This Charter clarifies the mechanism for appointing members of the Investment Committee, its powers, everything related to its meetings, the quorum for this committee, and its work procedures.

## Article 2: Definitions

The words and phrases used in these regulations shall have the meanings indicated opposite each of them, and the masculine form shall refer to the feminine, the singular to the dual and plural, and vice versa, unless the context indicates otherwise:

Term	Definition
<b>Governance Management</b>	Governance, Compliance, and Risk Management in the Company.
<b>Secretary</b>	Secretary of the Investment Committee.
<b>General Assembly</b>	The company's general assembly.
<b>Committee Chairman</b>	Chairman of the Investment Committee.
<b>Charter</b>	Investment Committee Charter.
<b>Company</b>	Power and Water Utility Company for Jubail and Yanbu (Marafiq) (a Saudi joint stock company).
<b>Committee Board</b>	Investment Committee.
<b>Board</b>	The Company's Board of Directors.
<b>Guiding Principles and Governance</b>	The approved regulatory framework for the Company's strategy for growing its non-core businesses.
<b>Authority</b>	The Capital Market Authority.
<b>Core Utilities Business Strategy</b>	The Company's strategy for expanding its business in core regulated services to meet customer demand.
<b>Business Day</b>	The day on which the Authority normally conducts its business.

## Article 3: Interpretation of the Regulations

### 3-1 Rules of Interpretation

3-1-1 These regulations and the appendices attached thereto (if any) shall be considered an integral part thereof, complementary and supplementary to its provisions, and shall be read and interpreted in conjunction with them for this purpose.

3-1-2 These regulations shall be directed and addressed to the job positions, not the individuals in charge of them.

3-1-3 All titles in these regulations are provided for ease of reference only; and shall not affect the interpretation of the texts of these regulations as a whole.

3-1-4 These regulations shall take precedence over any other regulations on the same subject that may conflict with them.

3-1-5 The Board may establish the rules and policies implementing these regulations.

### 3-2 Sources of Judgment on the Incident

3-2-1 The provisions of these regulations shall apply to the matters addressed by these regulations in their terms 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 laws of the Kingdom of Saudi Arabia. In the event of a conflict, the provisions of the mandatory legislative laws shall apply.

3-2-3 If there is no provision in these regulations on the matter, the following legislative texts 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 Executive 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 except as provided for in the regulations.

#### Article 4: Formation of the Committee and its Membership

4-1 The committee shall be formed; its members and its chairman shall be appointed by a decision of the board. The remuneration of its members shall be determined in accordance with the policy of “Remuneration of Board Members, Committee Members and Executive Management in this regard.” Membership of the committee shall start by a decision of the board and ends by a decision or by the dissolution of the board.

4-2 The number of committee members shall not be less than three members and not more than five members. Its chairman and the majority of its members shall be members of the Board of Directors. The committee members shall have knowledge of the progress of investment projects and company financing.

4-3 The committee may include one or more members from outside the board of directors, provided that their number does not exceed half of the committee's members.

4-4 The company shall notify the Authority of the names and titles of the committee members from the date of their appointment and any changes thereto within five business days of the change.

4-5 A committee member may resign from membership in the committee by written notification addressed to the committee chairman, who shall inform the Board and the Board secretary of this directly. If the committee chairman resigns, the notification shall be addressed to the Board and the Board secretary. After resignation, it shall take effect in both cases from the date specified in the notification.

4-6 If the position of a committee member becomes vacant, the Board may appoint a member with the experience and competence to fill the vacant position. The new member shall complete the term of his predecessor. The company shall notify the Authority within five days from the date of appointment, and the appointed member shall complete the term of his predecessor.

4-7 If the necessary conditions for the committee's validity are not met due to the number of members falling below half the total, the board shall appoint a new committee, and the company shall notify the Authority within five days of the appointment. The appointed committee will complete the term of its predecessor.

4-8 Membership in the committee shall automatically terminate if any of the following conditions are met:

4-8-1 In the event that the Board is dissolved for any reason, or its term expires.

4-8-2 In the event of the death of a member or a proven total disability that prevents them from performing their duties.

4-8-3 In the event of a member's resignation or dismissal.

4-8-4 In the event that any of the membership conditions specified in this Charter and the relevant organizational regulations are not met.

#### Article 5: Secretary

The Committee shall appoint a Secretary, and the Board shall determine his remuneration, provided that the Secretary shall be one the Committee members or from whomever the Committee deems appropriate from the Company's management team to prepare for its meetings, prepare and document its minutes, and follow up on the implementation of its recommendations, directives, and decisions, without having the right to vote in them. The Secretary may resign from his position at any time by written notice sent to the Chairman of the Committee, provided that the Secretary shall continue to perform his duties until another Secretary is appointed by the Committee. In the event of the Secretary's temporary absence and/or inability to perform his duties, one or more persons shall be selected by the Company's CEO to assume the duties of the Secretary for the duration of his absence, and the Committee shall vote on this selection. The remuneration of the one replacing the Secretary shall be subject to the policies in effect regulating the remuneration of Board and Committee Secretaries.

#### Article 6: Committee's Work Controls

6-1 The legal quorum of the committee shall be achieved by the attendance of at least the majority of its members, in person or by proxy, provided that the number of attendees is not less than two members in person. The committee takes its decisions by a majority of the members present at the meeting in person or by proxy. In the event of a tie, the side with which the committee chairman/meeting chairman voted shall prevail.

Any committee member has the right to delegate another committee member to attend and vote on their behalf at committee meetings. Such delegation shall be in accordance with the following rules:

- 1- A committee member is not entitled to represent more than one member in attending the same meeting.
- 2- The delegation shall be documented in writing.
- 3- A deputy may not vote on decisions that the law prohibits the member from voting on.

6-2 In the absence of the committee chairman, the remaining members present shall elect one of them to chair the meeting.

6-3 Members may participate in any meeting by telephone, videoconference, or similar electronic means.

6-4 A committee member has the right to object to any decision taken by the committee, provided that his objection is explicitly recorded in the minutes of the meeting. Absence from any meeting in which a decision is taken does not prevent the member from bearing responsibility for implementing the decision unless it is proven that the member was not aware of the decision or was unable to object to it.

#### Article 7: Committee's Meetings

7-1 The Committee shall meet at the invitation of the Secretary, based on a request from the Committee Chairman, on a regular basis at least twice a year. It may also hold extraordinary or emergency meetings as circumstances require and at any other time as decided by the Committee Chairman. The Committee shall also meet when the Board or two members of the Committee request it.

7-2 Unless otherwise agreed, notice of each meeting confirming the place, time, date, agenda and items to be discussed shall be sent to each member of the Committee, any other person required to attend and all other members at least 10 business days in advance of the meeting. However, in exceptional circumstances, notice may be given less time in advance of the meeting, including a note on its urgency. The notice shall be sent, along with supporting documents, to committee members and other attendees, as appropriate, at the same time.

7-3 Any committee member may propose adding an item to the agenda of any meeting, whether before or during the meeting, provided that the committee approves by a majority vote.

7-4 The committee shall hold its meetings at the company's headquarters. However, it may hold them at any other location or by any available electronic means.

7-5 The company's CEO, CFO, and other specialists may attend meetings upon invitation from the committee.

#### Article 8: Minutes of Meetings

8-1 The Secretary shall prepare minutes in Arabic of all committee meetings and decisions taken therein, including recording the names of those present. The minutes may be written in a language other than Arabic. In the event of a discrepancy, only the Arabic language shall prevail.

8-2 The Secretary shall ensure, at the beginning of each meeting, that there are no conflicts of interest and record them in the minutes accordingly.

8-3 The Secretary shall prepare a draft of the meeting minutes and present them to the Committee Chairman and members via email for review and add their comments within 5 working days from the date of each meeting. If the comments are not received within 10 working days after sending them, this shall be considered confirmation that there are no comments on the initial draft. The meeting minutes shall be kept after being signed by the Secretary and all members present.

#### Article 9: Committee's Duties

The committee shall perform the following:

9-1 Study investment opportunities for the business growth strategy and make recommendations to the board in accordance with the guiding principles and governance, and review periodic reports from the executive management on the progress of these projects and investment opportunities, which include the following:

9-1-1 Growth opportunities through bilateral agreements

9-1-2 Growth opportunities through competitive bidding

9-1-3 Growth opportunities arising from the sustainability program related to the business growth strategy

9-1-4 Ensure compliance with applicable regulations, rules and relevant instructions, provide its views on these opportunities, and make recommendations to the Board regarding them, and follow up on the progress of their implementation until commercial operation is achieved, announce the start of the operation phase, and until the end of the project contract or concession period.

9-2 Study and propose amendments to the business growth strategy and present them to the Board for approval as needed or based on market changes.

9-3 Identify and prioritize proposed investment opportunities in line with the company's capabilities and potential, in accordance with the guiding principles and governance.

9-4 Evaluating and managing risks related to investment opportunities within the committee's jurisdiction and working to avoid or mitigate their impact in a manner consistent with the company's objectives.

9-5 General supervision of investment activities proposed by the company's management, including, but not limited to:

9-5-1 Establish appropriate procedures to measure and evaluate the company's investment performance periodically or as required by business operations.

9-5-2 Mergers, acquisitions, or divestments of companies and assets.

9-5-3 Joint ventures under partnership agreements, coalitions, or joint ventures

9-5-4 Invest in new or existing projects, or participating in their expansion, termination, sale, or exit within the committee's jurisdiction.

9-5-5 Study financing possibilities for investment opportunities.

9-5-6 Ensure the availability of sufficient resources for investment.

9-5-7 Review periodic reports submitted by the company on the progress of investment opportunities and make recommendations regarding them.

#### Article 10: Committee's Powers

The Committee shall have the following powers and authorities, in addition to its other powers set forth in these regulations and other powers determined by the Authority in the Corporate Governance Regulations issued by the Authority:

10-1 The Committee shall have access to sufficient resources to perform its duties.

10-2 The Committee may request any information from the Company's management in order to perform its duties. The Committee shall determine the information to be provided by the Company's departments, its extent, and the timing of its provision. The information shall be provided to the Committee when available.

10-3 Obtain advice and assistance, as needed, from any department within the company.

10-4 Receive appropriate training in a timely manner, whether in the form of an induction program for new members or on an ongoing basis for all members.

10-5 Seek assistance from any experts, specialists, or others it deems necessary to study topics within its duties and responsibilities. Details of the names of the experts and specialists consulted and the topics studied shall be documented in the minutes of the committee's meetings.

#### Article 11: Duties and Powers of the Committee Chairman

11-1 In addition to the mandatory powers determined by the Authority in its Corporate Governance Regulations, or those advisory powers that become mandatory based on the Authority's decision in this regard, the Committee Chairman shall have the following powers:

11-1-1 Manage committee meetings and strive to enhance their effectiveness.

11-1-2 Represent the committee or its designated member before the Board and the General Assembly and answer any inquiries that may arise within the committee's area of expertise.

11-1-3 Ensure sufficient time is provided for discussion of agenda items.

11-1-4 Submit the committee's recommendations to the Board as the committee deems appropriate in any area of its jurisdiction when necessary.

11-1-5 Ensure the implementation of the committee's recommendations and decisions.

#### **11-2 The Committee's secretary assumes the following duties and responsibilities:**

11-2-1 Coordinate committee meetings and propose meeting items in coordination with the committee chair.

11-2-2 Notify committee members of meeting dates and provide them with the agenda, supporting documents, and any necessary information.

11-2-3 Attend and document committee meetings, prepare minutes of meetings, and keep them. Retain the committee's minutes, documents, reports, and other documents issued by the committee at the company's headquarters for a period of no less than ten years. Without prejudice to this period, the above shall be retained in the event of a lawsuit, including any pending or threatened lawsuit, claim, or any ongoing investigative procedures related to such documents, until such lawsuit is completed. This shall also apply to any retention of documents approved by the company in this regard.

11-3 In addition to other mandatory tasks determined by the Authority in the Corporate Governance Regulations issued by the Authority or those advisory tasks that become mandatory based on what the Authority decides in this regard, each member of the committee shall do the following:

11-3-1 Abide by the provisions of the Authority's law and regulations, the Companies Law and its executive regulations, other relevant laws, and the Company's articles of association when performing its duties, and to refrain from entering into or participating in any transaction that may harm the Company's interests.

11-3-2 Know the committee's duties and responsibilities and devote sufficient time to fulfilling them.

11-3-3 Perform assigned tasks without any external influence, whether from within or outside the company, and do not prioritize personal interests over those of the company.

11-3-4 Refrain from accepting gifts from anyone with whom the company has business dealings.

11-3-5 Prepare for and attend all meetings and actively participate in all discussions.

11-3-6 Ensure they are aware of regulatory updates related to the company, its activities, its business, and other relevant areas.

## Article 12: Conflict of Jurisdiction and Conflict of Interest

### **12-1 Positive and Negative Conflict of Jurisdiction**

In the event of a positive conflict between the jurisdictions of the Committee and any other standing committee of the Board, whereby each committee asserts its jurisdiction to consider a specific matter or incident, or in the event of a negative conflict with any

other standing committee of the Board, whereby each committee asserts its lack of jurisdiction to consider a specific matter or incident, the matter shall be referred to the Board for a decision in this regard.

## **12-2 Conflict of Interest**

Without prejudice to the rules of the Company's conflict of interest policy and the details therein,

12-2-1 Members shall avoid any situations that could lead to a conflict of interest with the Company at all times.

12-2-2 If a member has a conflict of interest regarding any matter of the committee, he shall disclose this conflict before starting to discuss that matter, and this shall be recorded in the minutes of the meeting. In this case, the member may not attend, participate in the discussion of the matter, or vote on it.

12-2-3 A member of the committee may not have any direct or indirect interest in the business and contracts that will be executed or concluded on behalf of the company unless this is authorized by the ordinary general assembly (if the member of the committee also holds the position of a member of the board) or by the board (if the member of the committee is not a member of the board) in accordance with the applicable law and the internal policies of the company.

12-2-4 If a committee member fails to disclose their interest in relevant contracts, the company may demand the cancellation of the contract and require the member to pay compensation or any profit/benefit they have derived from that interest.

12-2-5 If a committee member fails to disclose their involvement in any business that may compete with the company or any of its branches of activity, the company may resort to the competent judicial authority to claim appropriate compensation.

12-2-6 A member of the Committee may not, directly or indirectly, use, exploit or benefit from any of the Company's assets, information or investment opportunities being considered by the Company, and a member may not exploit any such investment opportunity after the expiration of his term of membership.

12-2-7 If it is proven that a member has exploited any investment opportunity, the company or any interested party may resort to the competent judicial authority to demand the cancellation of any business, profit or gain resulting from that opportunity. The company may also demand appropriate compensation.

12-2-8 A member of the Committee shall maintain the confidentiality of the information and documents available to him, and he may not, under any circumstances, even if his membership has ended, disclose them to any person or entity unless he has been authorized to do so in writing by the Board. He may not use any of this information for his personal benefit or the benefit of his relatives or any external parties, and the Company has the right to claim compensation in the event of a violation of the provisions of this Article.

#### Article 13: Review and Amendment

13-1 The committee shall review this Charter, in cooperation with the company's management, when necessary. The matter shall then be referred to the Nomination and Remuneration Committee, which will then recommend any amendments to the Board.

13-2 The company's Governance Department will retain the original, duly signed copy of this Charter and provide the Authority with a copy thereof and any amendments thereto from time to time.

#### Article 14: Effectiveness of the Charter

This Charter shall take effect and implemented from the date of their approval by the Board of Directors.

<b>Name of Charter</b>	Investment Committee Charter	
<b>Prepared by: Governance, Risk and Compliance Department</b>	Dr. Akram Ibrahim Hamdan	Signature:
	Faisal Khalaf Al-Anazi	Signature:
<b>Secretary of the Board of Directors</b>	Muhammed Abdulhamid Al-Mulhim	Signature:
<b>Date of Board of Directors Approval of the Charter</b>	26/02/2025	
<b>Approved Language of the Charter</b>	The Arabic. English, if available, is considered as a guiding language only.	

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