

Proposed amendments to the Marafiq Governance Regulation

Before the amendment	After the amendment		
<p>Article One: Definitions</p> <p>The following words and phrases have the meanings stated in front of them unless the context requires otherwise:</p> <p>Companies Law: The Companies Law issued by Royal Decree No. (M/3) dated 1/28/1437 AH.</p> <p>Financial Market Law: The Financial Market Law issued by Royal Decree No. (M/30) dated 6/2/1424 AH.</p> <p>Listing Rules: Listing rules approved by the Board of the Capital Market Authority.</p> <p>Authority: Capital Market Authority.</p> <p>Market: The Saudi Financial Market.</p> <p>Company: Electricity and Water Utilities Company in Jubail and Yanbu (Marafiq).</p> <p>Board of Directors: The company's board of directors.</p> <p>Corporate Governance: Rules for leading and directing the company that include mechanisms for regulating the various relationships between the Board of Directors, executive directors, shareholders, and stakeholders, by establishing special rules and procedures to facilitate the decision-making process and give it a transparency and credibility for the purpose of protecting the rights of shareholders and stakeholders and achieving justice, competitiveness, and transparency in the market and business environment. .</p> <p>Shareholders' 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.</p> <p>Executive Member: A member of the Board of Directors who is free to participate and carry out the daily work of the company.</p> <p>Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company and does not participate in its daily operations.</p> <p>Independent member: A non-executive board member who enjoys complete independence in his position and decisions, and none of the criteria of independence stipulated in Article 20 of this policy apply to him.</p> <p>Executive management or senior executives: People entrusted with managing the company's daily operations, proposing and implementing strategic decisions, such as the CEO, his deputies, and the financial director.</p> <p>Relatives or consanguinity:</p> <p>Fathers, mothers, grandfathers, and grandmothers, no matter how high they are.</p>	<p>(1): Purpose. Article No</p> <p>This Regulation is called 'Marafiq Governance Regulation', and was prepared in accordance with the provisions of the Corporate Governance Regulation (CG Regulation) issued by the Capital Market Authority in the Kingdom of Saudi Arabia.</p> <p>This Regulation aims to achieve the following:</p> <p>1.1 Clarify the rules and standards regulating the management of the company to ensure adherence to the best practices of corporate governance that ensure the protection of the rights of shareholders and stakeholders.</p> <p>1.2 Develop an effective legal framework for corporate governance.</p> <p>1.3 Activate the role of shareholders in the company and facilitate the exercise of their rights.</p> <p>4 Indicate of the powers of the Board of Directors and the Executive Management and their .1 responsibilities.</p> <p>1.5 Activate the role of the board of directors and committees and develop their efficiency to enhance the resolution -making mechanisms in the company.</p> <p>1.6 Achieve transparency, integrity and fairness in the company's dealings through the financial market and the business environment and enhance disclosure therein.</p> <p>1.7 Provide effective and balanced tools to deal with cases of conflict of interest.</p> <p>1.8 Enhance the control and accountability mechanisms for the company's employees.</p> <p>1.9 Set the general framework for dealing with stakeholders and observe their rights.</p> <p>1.10 Increase the efficiency of supervision of the company and provide the necessary tools for that.</p> <p>1.11 Establish, adopt and develop the concept of professional behavior in accordance with the nature of the company.</p> <p>Article No.(2): Definitions</p> <p>The terms and expressions in this regulation shall have the meanings ascribed thereto hereunder, the masculine shall include the feminine, and the singular shall include the plural and vice versa, unless the presumption or context indicates otherwise:</p> <table> <tr> <th data-bbox="1077 1377 1323 1411">Term</th><th data-bbox="1323 1377 2005 1411">Definition</th></tr> </table>	Term	Definition
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<p>Children, and their children, even if they come down.</p> <p>Full brothers and sisters, paternal or maternal.</p> <p>Husbands and wives.</p> <p>Holding Company: A joint stock or limited liability company that aims to control other joint stock or limited liability companies called subsidiaries, by owning more than half of the capital of those companies or by controlling the composition of their board of directors.</p> <p>Person: Any natural or legal person recognized as such by the Kingdom's laws.</p> <p>Related parties:</p> <p>A - Major shareholders in the company.</p> <p>B - Members of the Board of Directors of the company or any of its subsidiaries and their relatives.</p> <p>C - Senior executives of the company or any of its subsidiaries and their relatives.</p> <p>D - Members of the Board of Directors and senior executives of the company's major shareholders.</p> <p>E - Establishments - other than companies - owned by a member of the board of directors, a senior executive, or their relatives.</p> <p>F- Companies in which any member of the board of directors, senior executives, or their relatives is a partner.</p> <p>G- Companies in which any of the board members, senior executives, or their relatives is a member of its board of directors or a senior executive.</p> <p>H- Joint stock companies in which any member of the Board of Directors, senior executives, or their relatives owns (5%) or more, taking into account what is stated in Paragraph (d) of this definition.</p> <p>I- Companies in which any member of the Board of Directors, senior executives, or their relatives has influence in their decisions, even by providing advice or guidance.</p> <p>J- Any person whose advice and guidance influences the decisions of the company, its board members, and senior executives.</p> <p>K- The company's holding or subsidiary companies.</p> <p>• Paragraphs (i) and (j) of this definition exclude advice and guidance that are provided professionally by a person licensed to do so.</p> <p>Group: in relation to a person, means that person and each of its affiliates.</p> <p>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, control is direct or indirect.</p>	<table> <tr> <td>Company Act</td><td>Means Companies Act issued by Royal Decree No. 132 dated 1/12/1443.</td></tr> <tr> <td>Capital Market Law</td><td>Means the Financial Market Law issued by Royal Decree No. M/30 dated 02/06/1424.</td></tr> <tr> <td>Rules for Offering Securities and Continuing Obligations Listing Rules</td><td>Means the Rules for offering securities and continuing obligations issued by the Board of the Capital Market Authority.</td></tr> <tr> <td>Means Listing rules approved by the Board of the Capital Market Authority</td><td></td></tr> <tr> <td>Authority</td><td>Means the Capital Market Authority</td></tr> <tr> <td>Market</td><td>Means Saudi Financial Market</td></tr> <tr> <td>Company</td><td>Means Electricity and Water Utilities Company in Jubail and Yanbu (a public joint stock company)</td></tr> <tr> <td>Board of Directors:</td><td>Means the Board of Directors of the Company</td></tr> <tr> <td>Corporate Governance</td><td>Means rules for the leadership and direction of the company that include mechanisms to regulate the various relations between the board of directors, executive managers, shareholders and stakeholders, by setting special rules and procedures to facilitate the resolution - making process and give it transparency and credibility in order to protect the rights of shareholders and stakeholders and achieve justice, competitiveness and transparency in the market and the business environment.</td></tr> <tr> <td>Shareholders Assembly</td><td>Means An Assembly formed from the company's shareholders in accordance with the provisions of the Companies Act and the Company's Articles of Association.</td></tr> <tr> <td>Executive director</td><td>Means A director who is full-time in the executive management of the company and participates in its daily business of the Company.</td></tr> <tr> <td>Non- executive director</td><td>Means A director who is not dedicated to manage the company and shall not participate in its daily business.</td></tr> </table>	Company Act	Means Companies Act issued by Royal Decree No. 132 dated 1/12/1443.	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<p>Stakeholders: Everyone who has an interest in the company, such as employees, creditors, customers, suppliers, and the community.</p> <p>Major Shareholders: Anyone who owns 5% or more of the company's shares or voting rights.</p> <p>Cumulative voting: A voting method for selecting directors that gives each shareholder voting power by the number of shares he or she owns; So he has the right to vote for one candidate or divide it among the candidates he chooses without repeating these votes.</p> <p>Share of control: the ability to influence the actions or decisions of another person, directly or indirectly, individually or jointly with a relative or subordinate, through:</p> <p>a. (Owning 30% or more of the voting rights in a company)</p> <p>B. (The right to appoint 30% or more of the members of the administrative body)</p> <p>Administrative apparatus: The group of individuals who make strategic decisions for a person. The company's board of directors is its administrative body.</p> <p>Rewards: Amounts, allowances, profits and the like, periodic or annual rewards linked to performance, short-term or long-term incentive plans, and any other in-kind benefits, excluding actual reasonable expenses and expenses incurred by the company on behalf of a member of the Board of Directors for the purpose of performing his work.</p> <p>Day: A calendar day, whether or not it is a business day.</p>	<p>Independent Director</p> <p>Means A non-executive director who enjoys complete independence in his position and resolutions, and none of the Incidents of Independence stipulated in these regulations apply to it.</p> <p>Executive Management or Senior Executives</p> <p>Means Parties entrusted with managing the company's day-to-day operations, proposing and implementing strategic resolutions, such as the CEO, its deputies, and the Chief Financial Officer.</p> <p>Relatives or Relationship</p> <p>Means Fathers, mothers, grandfathers, and grandmothers and upwards sons and their children and downwards. Siblings or half brothers and sisters whether from father or mother. Husbands and wives.</p> <p>Person</p> <p>Means Any natural or legal person recognized by the Kingdom's laws in this capacity.</p> <p>Related parties</p> <p>Means :</p> <p>1- Affiliates of the company, except for companies wholly owned by the company.</p> <p>2- Major shareholders in the company.</p> <p>3- Members of the Board of Directors and senior executives of the company.</p> <p>4- Members of the boards of directors of the company's Affiliates.</p> <p>5- Members of the boards of directors and senior executives of the major shareholders of the company.</p> <p>6- Any relatives of the persons referred to in 1, 2, 3 or 5 above. Relatives mean the father, mother, husband, wife and children.</p> <p>7- Any other company or establishment controlled by any person referred to in 1, 2, 3, 5 or 6 above.</p>
<p>Article Two: Introduction</p> <p>This policy sets out the rules and standards governing the management of Marafiq Company to ensure adherence to the best corporate governance practices that ensure the protection of the rights of shareholders and stakeholders.</p> <p>Article Three: Policy Objectives</p> <p>This policy aims to establish an effective legal framework for corporate governance, and aims in particular to:</p> <p>1. Activating the role of shareholders in the company and facilitating the exercise of their rights.</p> <p>2. Statement of the powers and responsibilities of the Board of Directors and Executive Management.</p> <p>3. Activating the role of the Board of Directors and committees and developing their efficiency to enhance the company's decision-making mechanisms.</p>	<p>Group</p> <p>Means in relation to a person, means the person and each of its dependents</p> <p>Dependents</p> <p>Means a person who controls another person, is controlled by that other person, or participate him as it being controlled by a third person. In any of the above, control is direct or indirect.</p>

4. Achieving transparency, integrity and justice in the financial market, its transactions and the business environment and enhancing disclosure therein.
5. Providing effective and balanced tools for dealing with conflicts of interest.
6. Strengthening oversight and accountability mechanisms for the company's employees.
7. Establishing a general framework for dealing with stakeholders and taking into account their rights.
8. Increasing the efficiency of company supervision and providing the necessary tools for this.
9. Raising awareness of the concept of professional behavior and urging its adoption and development to suit the nature of the company.

Article Four: Fair treatment of shareholders

- A- The Board of Directors is committed to working to protect the rights of shareholders in a way that ensures justice and equality between them.
- B- The Board of Directors and the executive management of the company are committed not to discriminate between shareholders who own the same class of shares, and not to withhold any right from them.
- C- The company sets out in its internal policies the necessary procedures to ensure that all shareholders exercise their rights.

Article Five: Rights associated with shares

The shareholder is entitled to all the rights associated with the share, especially the following:

1. Obtaining his share of the net profits that are decided to be distributed in cash or by issuing shares.
2. Obtaining his share of the company's assets upon liquidation.
3. Attending public or private shareholders' assemblies, participating in their deliberations, and voting on their decisions.
4. Dispose of its shares in accordance with the provisions of the Companies Law, the Financial Market Law and their executive regulations.
5. Inquiry and request access to the company's books and documents, including data and information regarding the company's activity and its operational and investment strategy in a way that does not harm the company's interests and does not conflict with the Companies Law, the Financial Market Law and their executive regulations.

Stakeholders	Means Everyone who has an interest with the company, such as employees, creditors, customers, suppliers, and community.
Major shareholders	Means Any party who owns 5% or more of the company's shares or voting rights.
Share control	Means the ability to influence the actions or resolutions of another person, directly or indirectly, separately or jointly with a relative or affiliate, through owning 30% or more of the voting rights in a company or the right to appoint 30% or more of the members of the administrative staff.
Administrative staff	Means the group of persons who make strategic resolutions in a company. The company's board of directors shall be deemed its administrative staff.
Remunerations	Means amounts, allowances, profits and the like, periodic or annual Remunerations related to performance, short or long-term incentive schemes, and any other in-kind benefits, with the exception of the reasonable actual expenses and charges incurred by the company on behalf of a member of the Board of Directors for the purpose of performing its work.
Working day	Means the day on which the Authority normally performs its business

Article No.(3) : Regulation Interpretation

3.1 Interpretation Rules

- 3.1.1 This Regulation and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.
- 3.1.2 This Regulation is directed and addresses job positions and not the people in charge of them.
- 3.1.3 All headings in this Regulation are for convenience of reference only and shall not affect the interpretation of the Regulation provisions as a whole.
- 3.1.4 This Regulation prevails over any other Regulation on the same subject that may conflict therewith.
- 3.1.5 The Board is entitled to set rules and executive policies for this Regulation .

6. Monitoring the company's performance and the work of the Board of Directors.
7. Holding members of the Board of Directors accountable, filing a liability lawsuit against them, and challenging the invalidity of the decisions of the public and private shareholders' assemblies in accordance with the conditions and restrictions contained in the companies' statute and the company's bylaws.
8. Priority subscription - for new shares issued in exchange for cash shares, unless the extraordinary general assembly suspends the priority right - if this is stipulated in the company's bylaws - in accordance with Article 140 of the Companies Law.
9. Register his shares in the company's shareholder register.
10. Request to see a copy of the company's articles of incorporation and articles of association, unless the company publishes them on its website.
11. Nomination and election of members of the Board of Directors.

Article Six: The shareholder obtains information

- A- The Board of Directors is committed to providing complete, clear, correct and non-misleading information to enable the shareholder to fully exercise his rights. This information shall be provided in a timely manner and updated regularly.
- B- The means of providing information to the shareholder must be clear and detailed, and must include a statement of the company information that the shareholder can obtain, and be made available to all shareholders of the same category.
- C- The most effective means must be followed in communicating with shareholders and no discrimination should be made between them in providing information.

Article Seven: Communication with shareholders

- A- The Board of Directors ensures that communication is achieved between the company and shareholders, based on a common understanding of the company's strategic objectives and interests.
- B- The Chairman of the Board of Directors and the CEO work to inform the remaining members of the Board of Directors of the shareholders' opinions and discuss them with them.
- C- It is not permissible for any shareholder to interfere in the work of the Board of Directors or the work of the company's executive management unless he is a member of its Board of Directors or of its executive

3.1.6 This Regulation is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Regulation as jus cogen rather than a complementary, then this Regulation is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Regulation . In the event that a complementary provision is included in this Regulation in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.

3.1.7 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Regulation / regulation as an approval for the guiding provisions contained therein to be mandatory.

3.2 Sources of Judging the Incident

3.2.1 The provisions of this Regulation apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.

3.2.2 The provisions of this Regulation shall not conflict with the legislative laws in the Kingdom of Saudi Arabia (KSA), and in the event of a conflict, the provisions of the jus cogen legislative laws shall be applied.

3.2.3 In the absence of a provision in this Regulation on the issue, the following legislative sequence shall be applied:

ogens in the CG Regulations issued by the Authority are applied. 3.2.3.1 The jusc

3.2.3.2 The provisions of the Companies Law and its executive regulations shall be applied.

3.2.3.3 The provisions of the Company's articles of association shall be applied.

3.2.3.4 The resolutions of the Company's General Assembly shall be applied.

3.2.3.5 The resolutions of the Board of Directors shall be applied.

3.2.3.6 Diligence of from the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.

3.3 Governance of administrative resolutions in the company (the principle of legality)

management, or his intervention is through the Ordinary General Assembly and in accordance with its powers or within the limits and conditions permitted by the Board of Directors.

Article Eight: Election of members of the Board of Directors

A - The company announces information on the market's website about the candidates for membership of the Board of Directors when publishing or directing an invitation to convene the General Assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs, and previous and current memberships, and the company must provide a copy of this information at its headquarters and its website. .

B- Cumulative voting must be used to elect the Board of Directors, so that the right to vote per share may not be used more than once.

C- Voting in the General Assembly is limited to candidates for Board of Directors membership whose information the company announced in accordance with Paragraph (A) of this Article.

Article Nine: Dividend Distribution Policy

A- The company's bylaws state the percentage of net profits distributed to shareholders after setting aside the statutory reserve and other reserves.

B- The Board of Directors shall establish a separate and clear policy regarding the distribution of stock dividends in a way that achieves the interests of shareholders and the company in accordance with the company's bylaws.

C - The shareholder is entitled to his share in the profits in accordance with the General Assembly's decision issued regarding the distribution of profits to shareholders, or the Board of Directors' decision stipulating the distribution of interim dividends. The decision indicates the due date and the date of distribution, provided that the decision is implemented in accordance with what is stipulated in the regulatory controls and procedures issued in implementation of the law. Private companies of listed joint stock companies.

Article Ten: Rights associated with the General Assembly meeting

General assemblies of shareholders have jurisdiction over all matters related to the company. The general assembly, held in accordance with statutory procedures, represents all shareholders in exercising their

The effects of internal governance in the company are divided into administrative resolutions, internal policies, regulatory regulations, and senior management organizational resolutions, and are divided in a hierarchical manner, starting from the lowest to the highest, according to the following hierarchy:

3.3.1 the administrative resolution issued by the competent authorities below the rank of CEO, and it is issued by the authority authorized by the company to issue the administrative resolution according to the list of powers delegated by the CEO of the departments under its powers . The administrative resolution shall be issued by a competent employee authorized according to the table of powers approved, and that the subject of the resolution is within the spatial and temporal powers , taking into account the legal form and procedures specified in the relevant company's regulations, and that it is not tainted by any of the defects of the administrative resolution , and that it shall not contradict what is shown below in order.

3.3.2 The administrative resolution issued by the Chief Executive Officer. The administrative resolution shall be issued within the spatial and temporal powers , taking into account the legal form and procedures specified in the relevant company's Regulations, and that it shall not contain any of the defects of the administrative resolution, and that it shall not contradict what is shown below in order.

3.3.3 Resolution s issued by the Board.

3.3.4 The internal policies in the company that are established by the competent authorities in the company within the limits of their competence provided that they shall not contradict what is shown below in order.

3.3.5 The regulatory regulations with which the Authority obligated the company to organize and approve, provided that they shall not violate what is shown below in order.

3.3.6 The Articles of Association of the company provided that it shall not violate what is shown below in order.

3.3.7 Resolutions of the Ordinary General Assembly.

3.3.8 Resolutions of the Extraordinary General Assembly.

3.3.9 peremptory rules in the corporate governance regulations issued by the Authority.

3.3.10 Provisions of the Companies Act and its executive Regulations.

powers related to the company, and performs its role in accordance with the provisions of the Companies Law, its executive regulations, and the company's bylaws.

Article Eleven: Powers of the Extraordinary General Assembly

The Extraordinary General Assembly shall have the following powers:

1. Amending the company's bylaws, with the exception of amendments that are deemed invalid under the provisions of the companies' bylaws.
2. Increase the company's capital in accordance with the conditions stipulated in the Companies Law and its executive regulations.
3. Reducing the company's capital if it exceeds the company's needs or if it suffers financial losses, in accordance with the conditions stipulated in the Companies Law and its executive regulations.
4. Deciding on the formation of the company's contractual reserve stipulated in its articles of association and allocated for a specific purpose, and its disposition.
5. Deciding whether to continue the company or dissolve it before the period specified in its articles of association.
6. Approval of the purchase of company shares.
7. Issuing preferred shares, approving their purchase, converting ordinary shares into preferred shares, or converting preferred shares into ordinary shares, based on a provision in the company's bylaws and in accordance with the regulatory controls and procedures issued in implementation of the companies' system for listed joint-stock companies.
8. Issuing debt instruments or financing instruments convertible into shares, and stating the maximum number of shares that may be issued in exchange for those instruments or instruments.
9. Allocating the shares issued upon increasing the capital, or part of them, to the company's employees and subsidiaries, or some of them, or any of that.
10. Suspending shareholders' priority right to subscribe for a capital increase in exchange for cash shares, or giving priority to non-shareholders in cases it deems appropriate for the interest of the company, if this is stipulated in the company's bylaws.

The Extraordinary General Assembly may issue resolutions within the jurisdiction of the Ordinary General Assembly, provided that such resolutions are issued in accordance with the conditions for issuing Ordinary General Assembly resolutions determined by an absolute majority of the shares represented at the meeting.

Article Twelve: Powers of the Ordinary General Assembly

Article No.(4): Fair treatment of shareholders

- 4.1 The Board of Directors shall work to protect the rights of shareholders in a manner that guarantees fairness and equality among them.
- 4.2 The Board of Directors and the executive management of the company shall obligate not to discriminate between shareholders who own shares of the same type and class, and not to withhold any right from them.
- 4.3 The company shall specify in its internal policies the procedures necessary to ensure that all shareholders exercise their rights.

Article No.(5): Rights Related to Shares

The shareholder shall have all the rights associated with the share, in particular the following:

- 5.1 obtaining its share of the net profits to be distributed in cash or by issuing shares.
- 5.2 obtaining its share of the company's assets upon liquidation.
- 5.3 attending general or private shareholder assemblies, participating in its discussions, and voting on its resolutions.
- 5.4 Disposing of his shares in accordance with the provisions of the Companies Act, the Capital Market Law and their implementing regulations.
- 5.5 Inquiring and requesting access to data and information related to the company's activity and its operational and investment strategy in a way that shall not harm the company's interests and shall not conflict with the Companies Law, the Capital Market Law and their executive regulations.
- 5.6 monitoring the company's performance and the work of the Board of Directors.
- 5.7 Accountability of the members of the Board of Directors, filing a liability lawsuit against them, and challenging the invalidity of the resolutions of the public and private shareholder assemblies in accordance with the conditions and restrictions stipulated in the Companies Law and the Company's Articles of Association.
- 5.8 Priority for subscribing to new shares that are issued in exchange for cash shares, unless the extraordinary general assembly stops working on the priority right - if this is stipulated in the company's articles of association.
- 5.9 registering its shares in the company's shareholder register.

Except for what the Extraordinary General Assembly has jurisdiction over, the Ordinary General Assembly has jurisdiction over all company affairs, especially the following:

1. Appointment and dismissal of members of the Board of Directors.
2. A license for a member of the Board of Directors to have a direct or indirect interest in the business and contracts carried out on behalf of the company, in accordance with the provisions of the Companies Law and its executive regulations.
3. Authorizing the participation of a member of the Board of Directors in any work that would compete with the company, or compete with the company in one of the branches of activity that it practices, in accordance with the provisions of the Companies Law and its executive regulations.
4. Monitoring the members of the Board of Directors' compliance with the provisions of the Companies Law, its executive regulations, other relevant regulations, and the Company's Articles of Association, and examining any damage resulting from their violation of these provisions or their mismanagement of the company's affairs, determining the resulting liability, and taking what it deems appropriate in this regard in accordance with the Companies Law. and its executive regulations.
5. Formation of the audit committee in accordance with the provisions of the Companies Law and its executive regulations.
6. Approval of the company's financial statements.
7. Approval of the Board of Directors' report.
8. Deciding on the Board of Directors' proposals regarding the method of distributing net profits.
9. Appointing the company's auditors and auditors, determining their remuneration, reappointing them, changing them, and approving their reports.
10. Considering the violations and errors committed by the company's auditors in the performance of their duties, and any difficulties - notified by the company's auditors - related to the Board of Directors or the company's management enabling them to view the books, records and other documents, data and clarifications necessary to perform their duties, and take appropriate action. You see fit in this regard.
11. Stop setting aside the company's statutory reserve once it reaches (30%) of the company's paid-up capital, and decide to distribute what exceeds this percentage to the company's shareholders in the financial years in which the company does not achieve net profits.

5.10 requesting to view a copy of the company's Memorandum and Articles of Association, unless the company publishes them on its website.

5.11 Nominating and electing members of the Board of Directors.

Article No.(6): Shareholder Access to Information

6.1 The Board is committed to provide complete, clear, correct and non-misleading information to enable the shareholder to fully exercise its rights. This information is provided in a timely manner and is regularly updated.

6.2 The means of providing information to the shareholder shall be clear and detailed, and include a statement of the company's information that the shareholder shall obtain, and it shall be made available to all shareholders of the same type or category.

6.3 The most effective means of communicating with shareholders shall be followed, and no discrimination shall be made between them in providing information.

Article No.(7): Communicating with Shareholders

7.1 The Board of Directors shall ensure communication between the Company and the shareholders based on a common 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 remaining members of the Board of Directors of the shareholders' opinions and discuss them with them.

7.3 It is not permissible for any of the shareholders to interfere in the work of the Board of Directors or the work of the executive management of the company unless it is a member of its board of directors or works in its executive management or his intervention is through the general assembly and in accordance with its powers .

7.4 The company appoints an official specialized in the tasks related to investor relations in the company in order to achieve effective and fair communication between the company and the shareholders.

Article No.(8): Election of the members of the Board of Directors

8.1 The company announces on the Market's website information about the candidates for membership of the Board of Directors when publishing or sending the invitation to convene the

12. Use the company's contractual reserve if it is not allocated for a specific purpose, provided that the use of this reserve is based on a proposal from the Board of Directors, and in ways that benefit the company or shareholders.
13. Formation of other reserves for the company, other than the statutory reserve and the contractual reserve, and disposing of them.
14. Deducting amounts from the company's net profits to establish social institutions for the company's employees or to assist existing ones, in accordance with what is stated in Article 129 of the Companies Law.
15. Approval to sell more than (50%) of the company's assets, whether in a single deal or several deals within twelve months from the date of the first sale deal. If the sale of those assets includes what falls within the powers of the Extraordinary General Assembly, a Approval by the Extraordinary General Assembly.

Article Thirteen: Shareholders Assembly

- A- The ordinary general assembly of shareholders shall be held in accordance with the terms and conditions stipulated in the companies' law, its executive regulations, and the company's bylaws.
- B- The Ordinary General Assembly shall be held at least once a year during the six months following the end of the company's fiscal year.
- C- General or private assemblies of shareholders shall be held at the invitation of the Board of Directors, in accordance with the conditions stipulated in the Companies Law, its executive regulations, and the company's bylaws. The Board of Directors must invite the ordinary general assembly to meet if requested by the auditor, the audit committee, or a number of shareholders whose ownership represents at least (5%) of the company's capital. The auditor may invite the assembly to convene if the Board of Directors does not invite it within Thirty days from the date of the auditor's request.
- D- The date, place, and agenda of the General Assembly must be announced at least twenty-one days in advance, and the invitation shall be published on the market's website, the company's website, and in a daily newspaper distributed in the area where the company's head office is located. In addition, the company may extend the invitation. To hold general and private assemblies of its shareholders through modern technological means.
- E- The company may amend the agenda of the General Assembly during the period between publishing the announcement referred to in Paragraph (D) of this Article and the date of the General Assembly, provided

General Assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs, and previous and current memberships, and the company shall provide a copy of this information in its headquarters and website.

8.2 Voting in the General Assembly is limited to candidates for membership of the Board of Directors whose information was announced by the company in accordance with Paragraph (8.1) of this Article .

Article No.(9): Obtaining Profits

9.1 The General Assembly shall determine the percentage to be distributed to the shareholders from the net profits after deducting the reserves, if any.

9.2 The Board of Directors shall set a clear policy regarding the distribution of dividends in a way that achieves the interests of the shareholders and the company in accordance with the company's articles of association.

9.3 The shareholder is entitled to obtain its share of the profits in accordance with the resolution of the General Assembly issued regarding the distribution of profits to shareholders, or the resolution of the Board of Directors to distribute progressive profits, and the resolution indicates the date of maturity and the date of distribution, provided that the resolution is implemented in accordance with what is stipulated in the executive regulations of the Private Companies Law regarding listed joint stock companies.

Article No.(10): Representing the shareholders in the General Assembly

The general assemblies of shareholders are concerned with all matters related to the company, and the general assembly convened in accordance with the statutory procedures represents all shareholders in exercising their competencies 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 No.(11): Extraordinary General Assembly powers

The Extraordinary General Assembly shall be concerned with the following:

11.1 Amending the company Law excluding the amendments that are considered null and void under the provisions of the companies Law.

<p>that the Company announces this in accordance with the conditions stipulated in Paragraph (D) of this Article.</p> <p>F- Shareholders must have the opportunity to effectively participate and vote in general assembly meetings. General assembly meetings of shareholders may be held and the shareholder may participate in their deliberations and vote on their decisions by means of modern technology, in accordance with the regulatory controls and procedures issued in implementation of the corporate system for listed joint-stock companies.</p> <p>G- The Board of Directors works to facilitate the participation of the largest number of shareholders in the General Assembly meeting, including choosing the appropriate place and time.</p> <p>H- The company must verify that the data of shareholders wishing to attend has been registered at the company's main office before the time specified for the assembly, unless the company's bylaws stipulate another means.</p> <p>Article Fourteen: General Assembly agenda</p> <p>A- When preparing the General Assembly's agenda, the Board of Directors must take into account the topics that shareholders wish to include. Shareholders who own at least 5% of the company's shares may add one or more topics to the General Assembly's agenda when preparing it.</p> <p>B - The Board of Directors must single out each topic on the General Assembly's agenda as a separate item, and not combine fundamentally different topics under one item, and not place business and contracts in which Board members have a direct or indirect interest under one item; For the purpose of obtaining a shareholder vote on the item as a whole.</p> <p>C- Shareholders must be able to obtain information related to the items on the General Assembly's agenda, through the company's website and the market's website - upon publishing the invitation to convene the General Assembly, especially the report of the Board of Directors, the auditor, the financial statements, and the report of the audit committee. This is to enable them to make an informed decision regarding it, and the company must update this information in the event that the agenda of the General Assembly is amended.</p> <p>D- The Authority may add whatever topics it deems appropriate to the agenda of the General Assembly.</p> <p>Article Fifteen: Management of the Shareholders' Assembly</p> <p>A- The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or whomever the Board of Directors delegates from among its</p>	<p>11.2 Increasing the company's capital in accordance with the conditions prescribed in the Companies Law and its executive regulations.</p> <p>11.3 Reducing the company's capital in the event that it exceeds the company's need or if it suffers financial losses in accordance with the conditions prescribed in the Companies Law and its implementing regulations.</p> <p>11.4 Determining the use of the reserve allocated for specific purposes in the company's articles of association.</p> <p>11.5 Deciding whether the company shall continue or be dissolved before the term specified in its articles of association.</p> <p>11.6 Approving the company's shares purchase process.</p> <p>11.7 Issuing preferred shares or redeemable shares, approving their purchase, or converting one type or category of the company's shares to another type or category, based on a provision in the company's articles of association and in accordance with the executive regulations of the companies' law for listed joint stock companies.</p> <p>11.8 Issuing debt instruments or financing instruments that are convertible into shares, and indicating the maximum number of shares that shall be issued in exchange for such instruments.</p> <p>11.9 Allocating the issued shares upon capital increase or part thereof to the employees of the company and its subsidiaries or some of them, or any of that.</p> <p>11.10 Suspending the priority right of shareholders to subscribe to the capital increase in exchange for cash stocks, or give priority to non-shareholders in cases it deems appropriate for the interest of the company, if this is stipulated in the company's articles of association.</p> <p>11.11 The Extraordinary General Assembly shall issue resolutions within the powers of the Ordinary General Assembly, provided that those resolutions are issued in accordance with the terms of issuance of the resolutions of the Ordinary General Assembly specified by the majority of voting rights represented in the meeting.</p> <p>Article No.(12): Powers of the Ordinary General Assembly</p> <p>Except for the powers of the extraordinary general assembly, the ordinary general assembly is concerned with all the affairs of the company, especially as follows:</p> <p>12.1 Election and dismissal of the members of the Board of Directors.</p>
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members for that purpose in the event of the absence of the Chairman of the Board of Directors and his deputy.

B- The Chairman of the Shareholders' Assembly is committed to providing shareholders with the opportunity to effectively participate and vote in the General Assembly meetings, and to avoid setting any procedure that would hinder the attendance of the assemblies or the use of the right to vote, and they must be informed of the rules governing the work of those meetings and voting procedures.

C- Shareholders have the right to discuss the topics included in the General Assembly's agenda and direct questions about them to the members of the Board of Directors and the auditor, and these questions must be answered to the extent that does not expose the company's interest to harm.

D- Shareholders must be able to view the minutes of the general assembly meeting, and the company must provide the Authority with a copy of it within ten days from the date of the meeting.

E- The company must announce to the public and notify the Authority and the Market - in accordance with the controls determined by the Authority - of the results of the General Assembly immediately upon its conclusion.

Article Sixteen: Policies, rules, work procedures and policies of the Board of Directors of Marafiq Company. The Board of Directors shall establish a separate policy that determines the method of work of the Board of Directors. The Board of Directors shall also establish separate policies and criteria for selecting members of the Board of Directors, members of committees, and members of the Executive Management, and shall submit a recommendation for approval to the General Assembly.

Article Seventeen: Policy on conflicts of interest and dealings with related parties.

The Board of Directors establishes separate policies that regulate the methods of dealing with conflicts of interest and related parties, and submits a recommendation for their approval and adoption by the General Assembly.

Article Eighteen: Formation of committees

Taking into account Article 101 of the Companies Law and Article 54 of the Corporate Governance Policy, the Board of Directors shall form specialized committees in accordance with the following:

1. The company's needs, circumstances, and conditions to enable it to perform its duties effectively.

12-2 Allowing a member of the Board of Directors to have a direct or indirect interest in the business and contracts that are concluded for the company's account, in accordance with the provisions of the Companies Law and its executive regulations.

12.3 Authorizing the participation of a member of the Board of Directors in any business that shall compete with the company or compete with the company in one of the branches of the activity it is engaged in, in accordance with the provisions of the Companies Law and its executive regulations.

12.4 Monitoring the compliance of the members of the Board of Directors with the provisions of the Companies Law and its executive regulations and other relevant laws and the company's articles of association and examining any damage arising from their violation of these provisions or their mismanagement of the company's affairs, determining the responsibility arising from that and taking what it deems appropriate in this regard in accordance with the Companies Law and its executive regulations.

12.5 reviewing and discussing the company's financial statements.

12.6 reviewing and discussing the report of the Board of Directors.

12-7 Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.

12.8 Appointing one or more auditors for the company, determining their fees, reappointing and dismissing them, discussing their report and making a resolution in their regard.

12.9 Considering the violations and errors that occur from the company's auditors in the performance of their duties, and any difficulties notified to them by the company's auditors related to the board of directors or the company's management enabling them to view the books, records and other documents, data and clarifications necessary to perform their duties, and take action whatever you deem appropriate in this regard.

12.10 Determining the use of the company's reserves in the event that 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 aspects that benefit the company or the shareholders.

12.11 Preparing the company's reserves and determining their uses.

12.12 Deducting sums from the company's net profits to achieve social purposes for the company's employees in accordance with the Companies Law.

2. The formation of committees shall be in accordance with general procedures established by the Board, which include specifying the mission of each committee, the duration of its work, the powers granted to it during this period, and how the Board of Directors will monitor it. The committee must inform the Board of Directors of the results it reaches or takes in a transparent manner. The Board of Directors must regularly follow up the work of these committees to verify that they are carrying out the work entrusted to them.
3. Each committee shall be responsible for its work before the Board of Directors, without prejudice to the Board's responsibility for those work and for the powers or authorities delegated to it.
4. The number of committee members should not be less than three and not more than five.
5. Committee chairs or their designated members must attend the general assemblies to answer shareholders' questions.
6. The company must notify the Authority of the names of committee members and their membership positions within five working days from the date of their appointment, and any changes that occur within five working days from the date of the changes.
7. The company may merge the Remuneration and Nominations Committees into one committee called the Nominations and Remunerations Committee. In this case, the Nominations and Remunerations Committee must fulfill the requirements for either of them contained in this section and exercise all the powers stipulated in Articles sixty-one and sixty-five of the Corporate Governance Regulations. The committee shall meet periodically, at least every six months.

Article Nineteen: Committee Membership

- a. A sufficient number of non-executive board members must be appointed to the committees concerned with tasks that may create conflicts of interest, such as ensuring the integrity of financial and non-financial reports, reviewing related party deals, nominating for board membership, appointing senior executives, and determining remuneration. The chairmen and members of these committees are committed to the principles of honesty, honesty, loyalty, care, and concern for the interests of the company and shareholders and prioritizing their personal interests.
- B. When forming the Nominations and Remuneration Committee, the company takes into account that its members are independent members of the Board of Directors. It is permissible to seek assistance from non-executive members or persons who are not members of the Board, whether they are shareholders or others, provided that the Chairman of the Committee referred to in this paragraph is an independent member.

12.13 Approving the sale of more than 50% of the company's assets, whether in one transaction or several transactions within twelve months from the date of the first sale transaction. In the event that the sale of these assets includes what included in the powers of the Extraordinary General Assembly, the approval of the Extraordinary General Assembly shall be obtained.

Article No.(13): Shareholders Assembly

- 13.1 The Ordinary General Assembly of Shareholders shall convene in accordance with the terms and conditions stipulated in the Companies Law, its executive regulations and the Company's Articles of Association.
- 13.2 The Annual Ordinary General Assembly shall convene at least once during the six months following the end of the company's fiscal year.
- 13.3 The general and private assemblies of the shareholders shall convene at the invitation of the Board of Directors, in accordance with the conditions stipulated in the Companies Law and its executive regulations and the Company's Articles of Association. The Board of Directors shall inform the Ordinary General Assembly to convene within thirty days from the date of the request of the auditor, the audit committee, or a number of shareholders which their ownership represents 10% of the shares of the company that have at least voting rights. The auditor shall invite the Ordinary General Assembly to convene if the Board of Directors shall not invite it within thirty days from the date of 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 shall be announced at least twenty-one days prior to the date, and the invitation shall be published on the website of the Market and the company's website. In addition, the company shall call for holding general and private assemblies for its shareholders through modern technology.
- 13.5 The company shall amend the agenda of the General Assembly during the period between publishing the announcement referred to in Paragraph (13-4) of this Article and the date of the General Assembly meeting, provided that the company announces that in accordance with the conditions set forth in Paragraph (13-4) of this Article.
- 13.6 Shareholders shall have the opportunity to actively participate and vote in the meetings of the General Assembly. Meetings of the general assemblies of shareholders shall be held and the

C- The Chairman of the Board of Directors may not be a member of the Audit Committee, and he may participate in the membership of other committees, provided that he does not hold the position of Chairman in the committees stipulated in this policy.

Article Twenty: Study of topics

a. The committees shall study the issues within their jurisdiction or those referred to them by the Board of Directors, and submit their recommendations to the Board for decision-making, or take decisions if the Board delegates them to do so.

B. The company's Board of Directors is responsible for its work, even if it delegates committees, entities or individuals to exercise some of its powers. In all cases, the Board of Directors may not issue a general or indefinite-term authorization.

T. The committees may seek assistance from whatever experts and specialists they deem fit from inside or outside the company within the limits of their powers, provided that this is included in the minutes of the committee meeting, mentioning the expert's name and his relationship with the company or executive management.

Article Twenty-One: Committee meetings

a. No member of the Board of Directors or Executive Management except the Secretary of the Committee and members of the committees has the right to attend its meetings unless the Committee requests to hear his opinion or obtain his advice.

B. The validity of committee meetings requires the presence of a majority of their members, and their decisions are issued by a majority of the votes of those present. In the event of a tie, the side with which the chair of the meeting voted shall prevail.

C - Committee meetings must be documented, minutes must be prepared that include the discussions and deliberations that took place, the committees' recommendations and voting results must be documented, and kept in a special, organized record. The names of the members present and the reservations they expressed - if any - must be stated, and these minutes must be signed by all members present.

Article Twenty-Two: Audit Committee work policy:

The Board of Directors shall establish a separate policy that defines the methods of work of the Audit Committee, and shall submit a recommendation for its adoption and approval by the General Assembly.

shareholder shall participate in their discussions and vote on their resolutions by means of modern technology, in accordance with the executive regulations of the Companies Law for listed joint stock companies.

13.7 The Board of Directors works to facilitate the participation of the largest number of shareholders in the General Assembly meeting, including choosing the appropriate place and time.

13.8 The company shall verify that the data of the shareholders wishing to attend are recorded at the company's headquarters before the time set for the meeting, unless the company's articles of association stipulated another means.

Article No.(14): : General Assembly Agenda

14.1 When preparing the agenda of the General Assembly, the Board of Directors shall take into account the topics that the shareholders wish to include. Shareholders owning at least 10% of the company's shares with voting rights shall add one or more items to the General Assembly agenda.

14.2 The Board of Directors shall allocate each topic on the General Assembly agenda to a separate item, avoiding merging substantially different topics under one item. It shall also refrain from placing matters and contracts in which any of the Board members have a direct or indirect interest under one item, with the intention of obtaining shareholder votes for the entire item.

14.3 Through the company's website and the market's website, shareholders shall have access to information related to items on the General Assembly agenda, especially the Board of Directors' report, audit reports, financial statements, and the audit committee's report. This enables them to make informed decisions and the company to update such information if the General Assembly agenda changes.

14.4 The Authority has the right to add topics to the General Assembly agenda.

Article No.(15): Management of Shareholders' Assembly

15.1 Meetings of the General Assembly of shareholders shall be chaired by the Chairman of the Board of Directors, or his deputy in his absence, or by a member designated by the Board of Directors from among its members in the absence of the Chairman and his deputy. If this is not possible, the General Assembly shall be chaired by a person appointed by the shareholders from among the Board members or others through voting.

<p>Nominations and Remuneration Committee:</p> <p>Article Twenty-Three: Nominations and Remuneration Committee work policy:</p> <p>The Board of Directors shall develop a separate policy that determines the working methods of the Nomination and Remuneration Committee and shall submit a recommendation for its approval and adoption by the General Assembly.</p> <p>Article Twenty-Four: Remuneration Policy for Board Members, Committee Members, and Executive Management Members:</p> <p>The Board of Directors shall establish a separate and clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and Executive Management in accordance with the items contained in the tables attached to Appendix (1) of this policy.</p> <p>Executive and Risk Committee:</p> <p>Article Twenty-Five: Executive Committee Work Policy and Risks:</p> <p>The Board of Directors establishes a separate policy that defines the working methods of the Executive Committee and risks.</p> <p>Article Twenty-Six: Internal Control System</p> <p>The Board of Directors must adopt an internal control system for the company to evaluate the policies and procedures related to risk management, apply the provisions of the corporate governance rules adopted by the company, and adhere to the relevant laws and regulations. This system must ensure that clear standards of responsibility are followed at all executive levels in the company and that the dealings of relevant parties The relationship is carried out in accordance with its terms and conditions.</p> <p>Article Twenty-Seven: Establishing independent departments in the company</p> <p>a. In order to implement the approved internal control system, the company establishes departments for risk assessment and management, and internal audit.</p> <p>B. The company may seek assistance from external parties to exercise the tasks and powers of the risk assessment and management departments, and internal audit, without prejudice to the company's responsibility for those tasks and powers.</p>	<p>15.2 The Chairman of the shareholders' assembly shall provide shareholders with the opportunity for active participation and voting in the General Assembly meetings. He shall avoid any actions that hinder the attendance of the assembly or the use of voting rights, and they shall be informed of the rules governing these meetings and voting procedures.</p> <p>15.3 Shareholders shall be entitled to discuss topics listed on the General Assembly agenda and direct questions about them to the Board of Directors and the auditors. Answers to these questions shall be provided to the extent that the company's interest is not jeopardized.</p> <p>15.4 Shareholders shall be allowed to access the minutes of the General Assembly meeting. The company shall provide a copy to the Authority within ten working days from the date of the meeting.</p> <p>Article No.(16): Composition of the Board of Directors</p> <p>The following shall be considered when forming the Board of Directors:</p> <p>16.1 The number of members shall be proportionate to the company's size and nature of its activities, without violating the provisions of this regulation.</p> <p>16.2 The majority of its members shall be non-executive members.</p> <p>16.3 The number of independent members shall not be less than two or one-third of the Board members, whichever is greater.</p> <p>Article No.(17): Appointment of Board of Directors Members</p> <p>17.1 The company's articles shall specify the basic number of Board of Directors members, which shall not be less than three.</p> <p>17.2 The General Assembly shall elect Board of Directors members for the period specified in the company's articles, provided it shall not exceed four years, and they shall be re-elected unless otherwise stated in the company's articles.</p> <p>17.3 A Board of Directors member cannot be a board member of more than five listed joint-stock companies in the market simultaneously.</p> <p>17.4 The company shall notify the Authority of the names of Board of Directors members and their membership attributes within five working days from the start of the Board's term or from their appointment date, whichever is closer. Any changes to their membership shall also be reported within five working days from the date of the change.</p>
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Article Twenty-Eight: Tasks of the Internal Audit Department

The Internal Audit Department is responsible for evaluating the internal control system and supervising its implementation, and verifying the extent of the company's and its employees' compliance with the applicable laws, regulations, instructions, and company policies and procedures.

Article Twenty-Nine: Formation of the Internal Audit Department

The Internal Audit Department consists of at least one internal auditor whose appointment is recommended by the Audit Committee and who is accountable to it. The composition and work of the Internal Audit Department take into account the following:

1. Its employees must have competence, independence, and appropriate training, and not be assigned to any other work other than internal audit work and the internal control system.
2. The administration shall submit its reports to the Audit Committee, be associated with it, and be accountable to it.
3. The remuneration of the Director of the Audit Department shall be determined based on the proposal of the Audit Committee in accordance with the company's policies.
4. To be able to view and obtain information, documents and documents without restriction.

Article Thirty: Internal Audit Plan

The Internal Audit Department works according to a comprehensive audit plan approved by the Audit Committee, and this plan is updated annually. Key activities and processes, including risk management and compliance management activities, should be reviewed at least annually.

Article Thirty-One: Internal Audit Report

a. The Internal Audit Department shall prepare a written report on its work and submit it to the Board of Directors and the Audit Committee at least quarterly. This report must include an evaluation of the company's internal control system and the results and recommendations reached by the department, and a statement of the actions taken by each department regarding addressing the audit results and recommendations. The previous report and any comments thereon, especially in the event of failure to be treated in a timely manner and the reasons for that.

Article No. (18): Terms of Membership of the Board of Directors¹

It is required that a Board Member be of those with professional competence who possess the necessary experience, knowledge, skill and independence, in order to enable him to exercise his duties efficiently and effectively, and in particular the following shall be observed:

leadership skills that qualify him to grant powers that 18.1 **Ability to lead:** Board Member shall have lead to stimulating performance, applying best practices in the field of effective management, and adhering to professional values and ethics.

academic qualifications, professional and personal skills, 18.2 **Competence:** Board Member shall have appropriate training level, and practical experience related to the company's current and future activities, management, economics, accounting, law or governance, as well as the desire to learn and train.

technical, leadership, and administrative capabilities, 18.3 **Ability to guide:** Board Member shall have speed in decision-making, understanding the technical requirements related to Work progress, and being able to strategically direct, plan, and have a clear future vision.

able to read and understand financial statement 18.4 **Financial knowledge:** Board Member shall be and reports.

no health impediment that prevents him from 18.5 **Healthy fitness:** Board Member shall have exercising his duties and specializations.

18.6 The General Assembly, when electing Board Members, shall take into account the recommendations of the Nominations Committee and the availability of the necessary personal and professional capabilities to perform their duties effectively as stated in this article

Article No. (19): Incidents of Independence

19.1 An independent Board Member shall be able to exercise his duties, express his opinions, and vote on decisions objectively and impartially, which helps the Board of Directors to take right decisions that contribute to achieving the interests of the company.

<p>B. The Internal Audit Department prepares a written general report and submits it to the Board of Directors and the Audit Committee regarding the audit operations conducted during the fiscal year and comparing them with the approved plan, in which it explains the reasons for any violation or deviation from the plan - if any - during the quarter following the end of the relevant fiscal year.</p> <p>C. The Board of Directors determines the scope of the Internal Audit Department's report based on the recommendation of the Audit Committee, provided that the report specifically includes the following:</p> <ol style="list-style-type: none"> 1. Procedures for control and supervision of financial affairs, investments, and risk management. 2. Evaluating the development of risk factors in the company and the systems in place to confront radical or unexpected changes in the financial market. 3. Evaluating the performance of the Board of Directors and senior management in implementing the internal control system, including determining the number of times the Board was notified of control issues, including risk management, and the manner in which it addressed these issues. 4. Failures in implementing internal control, weaknesses in its application, or emergency situations that affected or may affect the company's financial performance, and the procedure followed by the company in addressing this failure, especially the problems disclosed in the company's annual reports and financial statements. 5. The extent of the company's compliance with internal control systems when identifying and managing risks. 6. Information describing the company's risk management processes. <p>Article Thirty-Two: Saving internal audit reports</p> <p>The company must keep audit reports and work documents clearly including what has been accomplished, its findings and recommendations, and what has been taken regarding them.</p> <p>Article Thirty-Three: Assigning the task of auditing accounts</p> <p>The company assigns the task of reviewing its annual accounts to an auditor who is independent, competent, experienced and qualified, to prepare an objective and independent report for the Board of Directors and shareholders indicating whether the company's financial statements clearly and fairly express the company's financial position and performance in material respects.</p> <p>Article Thirty-Four: Appointment of the Auditor</p>	<p>19.2 The Board of Directors shall conduct an annual assessment of the extent to which the member's independence has been achieved and ensure that there are no relationships or circumstances that affect or could affect him.</p> <p>19.3 It is inconsistent with the independence required for an independent Board Member - for example but not limited to - the following:</p> <p>19.3.1 That he be the owner of 5% or more of the company's shares, or of the shares of another company in its group, or he is related to the one who owns this percentage.</p> <p>19.3.2 That he is related to any of the Board Members in the company or in another company of its group.</p> <p>19.3.3 That he is related to any of the senior executives in the company or in another company of its group.</p> <p>19.3.4 That he be a board member in another company from the group of the company nominated for membership in its board of directors.</p> <p>19.3.5 That he works or was an employee during the past two years for the company or another company of its group, or that he is the owner of controlling shares in the company or any party dealing with the company or another company of its group, such as auditors and senior suppliers during the past two years.</p> <p>19.3.6 That he has a direct or indirect interest in the works and contracts that are concluded for the company.</p> <p>19.3.7 that he receives sums of money from the company in addition to the remuneration for membership of the Board of Directors or any of its committees in excess of (SAR 200,000) or more than 50% of his remuneration in the previous year obtained for membership of the Board of Directors or any of its committees, whichever is less.</p> <p>19.3.8 That he participates in a business that would compete with the company, or to trade in one of the branches of the activity practiced by the company.</p> <p>19.3.9 That he has spent more than nine consecutive or intermittent years as a member of the company's board of directors.</p> <p>19.3.10 It is not considered as an interest that precludes the independence of the board member who must obtain a license from the Ordinary General Assembly, the works and contracts that are concluded to meet personal needs if these works and contracts are concluded in the same terms and conditions</p>
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The Ordinary General Assembly appoints the company's auditor based on the nomination of the Board of Directors, taking into account the following:

1. His nomination must be based on the recommendation of the review committee.
2. He must be licensed and meet the conditions set by the competent authority.
3. His interests must not conflict with the company's interests.
4. The number of candidates must not be less than two reviewers.

Article Thirty-Five: Duties of the Auditor

The auditor must:

1. Exercising my duties of care and honesty to the company.
2. Informing the Authority if the Board of Directors does not take appropriate action regarding the suspicious issues it raises.
3. To ask the Board of Directors to convene the Ordinary General Assembly if the Board does not facilitate its work, and to be responsible for compensating the damage that befalls the company, shareholders, or others due to errors made by him in performing his work. If there are multiple auditors and they participate in the error, they will be jointly responsible.

Article Thirty-Six: Regulating the relationship with stakeholders

The Board of Directors must develop clear, written policies and procedures to regulate the relationship with stakeholders with the aim of protecting them and preserving their rights, which must include - in particular - the following:

1. How to compensate stakeholders when their rights stipulated in regulations or protected by contracts are violated.
2. How to settle complaints or disputes that may arise between the company and stakeholders.
3. How to build good relationships with customers and suppliers and maintain the confidentiality of information related to them.
4. Rules of professional conduct for the company's managers and employees so that they are compatible with sound professional and ethical standards and regulate the relationship between them and stakeholders, provided that the Board of Directors establishes mechanisms to monitor the application of these rules and adherence to them.

that the company follows with all contractors and dealers and were within the company's usual activity, unless the Nominations Committee deems otherwise.

Article No. (20): Responsibility of the Board of Directors

The Board of Directors represents all shareholders, and it shall exercise the duties of care and loyalty in managing the company and everything that would preserve its interests, develop it, and maximize its value. The company's board of directors is responsible for the company's business, even if it delegates value. committees, entities, or individuals to exercise some of its powers. In all cases, the board of directors may not issue a general or indefinite delegation.

Article No. (21): Basic Tasks of the Board of Directors

Taking into account the Functions of the General Assembly in the Companies Law, its executive regulations and the Company Articles of Association, the Board of Directors shall have the widest powers in managing the company and directing its works in a way that achieves its objectives. Among the Tasks and Functions of the Board of Directors are the following:

- 21.1 The Board of Directors shall establish the main plans, policies, strategies and objectives of the company, supervises their implementation and reviews them periodically, and ensures the availability of human and financial resources necessary to achieve them, including:
 - 21.1.1 The Board of Directors shall establish the overall strategy for the company, main work plans, risk management policies and procedures, and reviews and directs them.
 - 21.1.2 The Board of Directors shall determine the optimal capital structure for the company, its strategies and financial objectives, and approves estimated budgets of all kinds.
 - 21.1.3 The Board of Directors shall supervise the main capital expenditures of the company, owning and disposing of assets.
 - 21.1.4 The Board of Directors shall establish performance objectives, monitors implementation, and overall performance in the company.
 - 21.1.5 The Board of Directors shall periodically review and approve the organizational and job structures in the company.
 - 21.1.6 The Board of Directors shall verify the availability of human and financial resources necessary to achieve the company's objectives and main plans.

<p>5. The company's social contribution.</p> <p>6. Confirm that the company's dealings with members of the Board of Directors and related parties are in accordance with the terms and conditions followed with stakeholders without any discrimination or preference.</p> <p>7. Stakeholders obtain information related to their activities in a way that enables them to perform their tasks, provided that this information is correct, sufficient, timely and regular.</p> <p>8. Treating the company's employees in accordance with the principles of justice, equality and non-discrimination.</p> <p>Article Thirty-Seven: Policy for reporting violating practices</p> <p>The Board of Directors establishes separate policies and procedures for stakeholders to follow when submitting complaints or reporting violations of practices.</p> <p>Article Thirty-Eight: Motivating employees</p> <p>The company establishes programs to develop and motivate the participation and performance of the company's employees.</p> <p>Article Thirty-Nine: Professional Conduct Policy</p> <p>The Board of Directors establishes a separate policy for professional conduct and ethical values in the company.</p> <p>Article Forty: Social responsibility and social work initiatives</p> <p>The Board of Directors sets programs and determines the necessary means to launch the company's initiatives in the field of social work, including the following:</p> <ol style="list-style-type: none"> 1. Establishing measurement indicators that link the company's performance to the initiatives it provides in social work, and comparing this to other companies with similar activity. 2. Disclosing the social responsibility objectives adopted by the company to its employees and making them aware and educated about them. 3. Disclosing plans to achieve social responsibility in periodic reports related to the company's activities. 4. Develop community awareness programs to introduce the company's social responsibility. 	<p>21.2 The Board of Directors shall establish laws and controls for internal control and general supervision thereof, including:</p> <p>21.2.1 The Board of Directors shall establish written policy to process cases of actual and potential conflict of interests for each of the Board Members, executive management and shareholders, including misuse of the company's assets and facilities, and misconduct resulting from dealings with related parties.</p> <p>21.2.2 The Board of Directors shall ensure the soundness of the financial and accounting laws, including the laws related to the preparation of financial reports.</p> <p>21.2.3 The Board of Directors shall ensure that appropriate control laws are applied to measure and manage risks; This is done by developing a general perception of the risks that the company may face, creating an environment aware of the culture of risk management at the company level, and presenting it transparently with the stakeholders and parties related to the company.</p> <p>21.2.4 The Board of Directors shall conduct an annual review of the effectiveness of the company's internal control procedures.</p> <p>21.3 The Board of Directors shall prepare clear and specific policies, standards and procedures for membership in the Board of Directors - in a manner that does not contradict the mandatory provisions of these regulations- and establish them into effect after approval by the General Assembly.</p> <p>21.4 The Board of Directors shall establish a written policy that regulates the relationship with stakeholders in accordance with the provisions of these regulations.</p> <p>21.5 The Board of Directors shall establish policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclose substantial information to shareholders and stakeholders, and verifies that the executive management compliance with them.</p> <p>21.6 The Board of Directors shall supervise the management of the company's finances, its cash flows, and its financial and credit relations with third parties.</p> <p>21-7 The Board of Directors shall propose to the Extraordinary General Assembly what it deems appropriate regarding the following:</p> <p>21.7.1 To increase or decrease the company's capital.</p> <p>21.7.2 To dissolve the company before the deadline specified in the company's articles of association or the decision to continue it.</p>
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Article Forty-One: Disclosure Policies:

The Board of Directors establishes separate policies that define disclosure and transparency procedures.

Article Forty-Two: Implementing effective governance

The Board of Directors shall establish corporate governance rules that do not conflict with the mandatory provisions in this policy. It shall monitor their application, verify their effectiveness, and amend them when necessary. To do so, it shall do the following:

- 1- Verify the company's compliance with these rules.
- 2- Review and update the rules in accordance with regulatory requirements and best practices.
- 3- Review and develop the rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's needs and are consistent with best practices.
- 4- Keeping members of the Board of Directors informed of developments in the field of corporate governance and best practices, or delegating this to the Audit Committee or any other committee or department.

Article Forty-Three: Retention of documents

The company must keep all minutes, documents, reports and other documents required to be kept under this policy at the company's headquarters for a period of not less than ten years, and this must include the report of the Board of Directors and the report of the Audit Committee. Without prejudice to this period, the company must, in the event of a lawsuit (including any existing or threatened lawsuit) or any existing investigation procedures related to those minutes, documents, reports, or documents, retain them until the end of that lawsuit or claim. or existing investigative procedures.

Article Forty-Four: Providing additional information and data

The Authority may request that the company provide it with any additional information or data that it deems necessary to verify compliance with the provisions of this policy.

21.8 The Board of Directors shall propose to the Ordinary General Assembly what it deems appropriate regarding the following:

21.8.1 To use the company's reserves in the event that they are not allocated for a specific purpose in the company's articles of association.

21.8.2 To create additional financial reserves or allocations for the company.

21.8.3 Method of distributing the company's net profits.

21.9 The Board of Directors shall prepare and approve the company's initial and annual financial statements before publishing them.

21.10 The Board of Directors prepares and approves the Board of Directors report before it is published.

21.11 The Board of Directors shall ensure the accuracy and integrity of the data and information that must be disclosed, in accordance with the policies and laws of disclosure and transparency in force.

21.12 The Board of Directors shall establish effective communication channels that allow shareholders to be informed, on an ongoing basis, of the various aspects of the company's activities and any substantial developments.

21.13 The Board of Directors shall form specialized committees emanating from it by decisions specifying the term of the committee, its powers and responsibilities, and how the Board will supervise it, provided that the formation decision includes naming the Board Members and defining their tasks, rights and duties, along with evaluating the performance and work of these committees and their members.

21.14 The Board of Directors shall determine the types of remunerations to be granted to the employees of the company, such as fixed remunerations, performance-related remunerations, and bonuses in the form of shares, in a manner that does not conflict with the executive regulations of the Companies Law for listed joint stock companies.

21.15 The Board of Directors shall inform the Ordinary General Assembly, when it convenes, of the works and contracts in which a Board Members has a direct or indirect interest, provided that this notification includes information provided by the member to the Board of Directors in accordance with these regulations, and that this notification is accompanied by a special report from The company's external auditor.

Article Forty-Five: Publication and Enforcement

This policy will be effective in accordance with the decision to adopt it.

21.16 The Board of Directors shall establish the values and standards that govern work in the company.

Article No. (22): Distribution of Functions and Tasks

The company's organizational structure shall include defining terms of reference and distributing tasks between the board of directors and the executive management in line with the best practices of corporate governance, improving the efficiency of the company's decision-making, and achieving a balance in the powers and authorities between them. For this purpose, the Board of Directors shall:

22.1 The Board of Directors shall approve and develop internal policies related to the Company's work, including defining the tasks, functions and responsibilities assigned to the various organizational levels.

22.2 The Board of Directors shall approve a written and detailed policy defining the powers delegated to the executive management and a table showing those powers, the method of implementation and the term of the delegation, and the Board of Directors may request the executive management to submit periodic reports on its practices of the delegated powers.

22.3 The Board of Directors shall determine the issues that the Board reserves the power to decide on.

Article No. (23): Separation of Positions

23.1 Subject to the provisions of the Company's Articles of Association, the Board of Directors shall appoint a Chairman and Vice-Chairman from among its members, and may appoint from among its members a Managing Director or Chief Executive Officer.

23.2 It is not permissible to combine the position of the Chairman of the Board of Directors with any executive position in the company - including the position of the managing director, chief executive officer or general manager - even if the company's articles of association stipulate otherwise.

23.3 The Board of Directors shall clearly and in writing define the Functions of each of the Chairman, his Vice-Chairman, the Managing Director or the Chief Executive Officer, and their responsibilities if the company's articles of association are devoid of that.

23.4 In all cases, it is not permissible for a person to have the exclusive authority to take decisions in the company.

Article No. (24): Supervision of the Executive Management

The Board of Directors is responsible for forming the executive management of the company, regulating how it operates, controlling and supervising it, and verifying its performance of the tasks entrusted to it, and for this purpose:

24.1 The Board of Directors shall establish the necessary administrative and financial policies.

24.2 The Board of Directors shall verify that the executive management operates in accordance with the policies approved by it.

24.3 The Board of Directors shall select and appoint the CEO of the company, and supervise his work.

24.4 The Board of Directors shall appoint the manager of the internal audit unit or department or the internal auditor, dismiss him and determine his remuneration.

24.5 The Board of Directors shall hold periodic meetings with the executive management to discuss the course of the work and the obstacles and problems encountered, and to review and discuss important information regarding the company's activity.

24.6 The Board of Directors shall establish performance standards for the executive management that are consistent with the company's objectives and strategy.

24.7 The Board of Directors shall review and evaluate the performance of the executive management.

24.8 The Board of Directors shall establish succession plans for the management of the company.

Article No. (25): Functions and tasks of the executive management

Taking into account the Functions of the Board of Directors according to the provisions of the Companies Law and its executive regulations, the executive management is responsible for executing the company's main plans, policies, strategies and objectives in order to achieve its objectives. The Functions and tasks of the executive management include the following:

25.1 The Executive Management shall execute the internal policies and laws of the company approved by the Board of Directors.

25.2 The Executive Management shall propose the company's comprehensive strategy; main and interim work plans, policies and mechanisms for investment, financing, risk management, and plans for managing emergency administrative conditions and executing them.

25.3 The Executive Management shall propose the optimal capital structure for the company and its strategies and financial objectives.

	<p>25.4 The Executive Management shall propose the main capital expenditures of the company and own and dispose of the assets.</p> <p>25.5 The Executive Management shall propose organizational and functional structures for the company and submits them to the Board of Directors for approval.</p> <p>25.6 The executive management shall the execution and general supervision of internal control laws and controls, which include:</p> <p>25.6.1 The Executive Management shall execute the policy of preventing conflicts of interest.</p> <p>2.6.25 The Executive Management shall properly execute the financial and accounting laws, including the regulations related to the preparation of financial reports.</p> <p>25.6.3 The executive management shall execute appropriate control laws to measure and manage risks; this is done by developing a general perception of the risks that the company may face, creating an environment aware of the culture of risk reduction at the company level, and presenting them transparently with the Board of Directors and other stakeholders.</p> <p>25.6.4 The Executive Management shall effectively execute the corporate governance rules - in a manner that does not conflict with the provisions of these regulations - and propose amendments thereof when needed.</p> <p>25.6.5 The Executive Management shall execute the policies and procedures that ensure the company's compliance with the laws and regulations and its commitment to disclose material information to the shareholders and stakeholders.</p> <p>25.7 The Executive Management shall provide the Board of Directors with the necessary information to exercise its powers and submit its recommendations regarding the following:</p> <p>25.7.1 To increase or decrease the capital of the company.</p> <p>25.7.2 To dissolve the company before the deadline specified in its articles of association or to decide its continuation.</p> <p>25.7.3 To use the company's reserves in the event that they are not allocated for a specific purpose in the company's articles of association.</p> <p>25.7.4 To create additional reserves for the company.</p> <p>25.7.5 Method of distributing the company's net profits.</p>
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	<p>25.8 The Executive Management shall propose the policy and types of remunerations to be granted to employees, such as fixed remunerations, performance-related remunerations, and remunerations in the form of shares.</p> <p>25.9 The Executive Management shall prepare periodic financial and non-financial reports on the progress made in the company's activity in light of the company's strategic plans and objectives, and present these reports to the Board of Directors.</p> <p>10.25 The Executive Management shall manage the daily work of the company and conduct its activities, as well as manage its resources in an optimal manner and in accordance with the company's objectives and strategy.</p> <p>11.25 The Executive Management shall actively participate in establishing and developing a culture of ethical values within the company.</p> <p>12.25 The Executive Management shall execute internal control and risk management laws, verifying the effectiveness and adequacy of these systems, and ensuring adherence to the risk level approved by the Board of Directors.</p> <p>13.25 The Executive Management shall propose and developing internal policies related to the company's work, including defining the tasks, functions and responsibilities assigned to the various organizational levels.</p> <p>14.25 The Executive Management shall propose a clear policy for delegating work to it and the method of its implementation.</p> <p>15.25 The Executive Management shall propose the powers to be delegated to it, the decision-making procedures and the duration of the delegation, provided that it submits to the Board of Directors periodic reports on its practices of those powers.</p> <p>Article No. (26): Functions and tasks of the Chairman of the Board</p> <p>Without prejudice to the Functions of the Board of Directors, the Chairman of the Board shall lead the Board, supervise its work progress and perform its functions effectively. In particular, the duties and functions of the Chairman of the Board shall include the following:</p> <p>26.1 The Chairman of the Board shall ensure that the Board Members receive complete, clear, correct and non-misleading information in a timely manner.</p>
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	<p>26.2 The Chairman of the Board shall ensure that the Board of Directors discusses all essential issues effectively and in a timely manner.</p> <p>26.3 The Chairman of the Board of Directors shall represent the company before third parties in accordance with the provisions of the Companies Law, its executive regulations, and the company's articles of association.</p> <p>26.4 The Chairman of the Board of Directors shall encourage the Board Members to exercise their duties effectively and in the interest of the Company.</p> <p>26.5 The Chairman of the Board of Directors shall ensure the existence of channels for effective communication with the shareholders and the communication of their opinions to the Board of Directors.</p> <p>26.6 The Chairman of the Board of Directors shall encourage constructive relations and effective participation between each of the Board of Directors and the executive management and between the executive, non-executive and independent members, and create a culture that encourages constructive criticism.</p> <p>26.7 The Chairman of the Board of Directors shall prepare the agenda for the meetings of the Board of Directors; taking into account any issue raised by a Board Member or raised by the auditor, and shall consult with the Board Members and the CEO when preparing the agenda of the Board.</p> <p>26.8 The Chairman of the Board of Directors shall hold meetings periodically with the non-executive Board Members without the presence of any executive in the company.</p> <p>Article No. (27): Appointing the Chief Executive Officer after the termination of his services as Chairman of the Board</p> <p>The Chief Executive Officer may not be appointed as the chairman of the company's board during the first year of the termination of his services.</p> <p>Article No. (28): Tasks and Duties of Board Members</p> <p>Each Board Member, through his membership in the Board of Directors, performs the following tasks and duties:</p> <p>28.1 The Board Member shall submit proposals to develop the company's strategy.</p>
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	<p>28.2 The Board Member shall monitor the performance of the executive management and the extent to which it achieves the company's purposes and objectives.</p> <p>28.3 The Board Member shall review the reports on the company's performance.</p> <p>28.4 The Board Member shall verify the integrity and integrity of the company's financial statements and information.</p> <p>28.5 The Board Member shall verify that the financial control and risk management laws in the company are strong.</p> <p>28.6 The Board Member shall determine the appropriate levels of remuneration for members of the executive management.</p> <p>28.7 The Board Member shall express his opinion in appointing and dismissing members of the Executive Management.</p> <p>28.8 The Board Member shall participate in setting the succession and replacement plan for the company's executive positions.</p> <p>28.9 The Board Member shall fully comply with the provisions of the Companies Law, the Financial Market Law, their executive regulations, the relevant laws, and the Articles of Association when exercising his membership duties in the Board, and refrain from undertaking or participating in any act that constitutes mismanagement of the company's affairs.</p> <p>28.10 The Board Member shall attend the meetings of the Board of Directors and the General Assembly and shall not be absent from them except for a legitimate excuse notified to the Chairman of the Board in advance, or for urgent reasons.</p> <p>28.11 The Board Member shall allocate sufficient time to carry out his responsibilities, prepare for the meetings of the Board and its committees and participate in them effectively, including asking relevant questions and discussing with the senior executives of the company.</p> <p>28.12 The Board Member shall study and analyze information related to the issues considered by the Board of Directors before expressing an opinion thereon.</p> <p>28.13 The Board Member shall enable the other members of the Board to express their opinions freely, and urge the Board to discuss issues and seek the opinions of specialists from among the members of the executive management of the company and others, if the need arises.</p> <p>28.14 The Board Member shall inform the Board fully and immediately of any interest he has - direct or indirect - in the works and contracts that are conclude for the company, and that notification shall</p>
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	<p>include the nature and limits of that interest, the names of any persons concerned with it, and the expected interest to be obtained in a manner directly or indirectly from that interest, whether that interest is financial or non-financial, and that Board Member shall not participate in voting on any decision issued in this regard, in accordance with the provisions of the Companies Law, the Financial Market Law and their executive regulations.</p> <p>28.15 The Board Member shall inform the Board of Directors fully and immediately of his participation - directly or indirectly - in any works that would compete with the company, or with his competition with the company - directly or indirectly - in one of the branches of the activity that is practiced, in accordance with the provisions of the Companies Law and the Law of The Financial Markets Law and their executive regulations.</p> <p>28.16 The Board Member shall not disclose any secrets he came across through his membership in the Board to any of the company's shareholders – unless that was during the meetings of the General Assembly – or to third parties, as required by the provisions of the Companies Law and the Market Law Finance and their executive regulations.</p> <p>17.28 The Board Member shall act based on complete information, in good faith, and with due diligence and attention, for the benefit of the company and all shareholders.</p> <p>28.18 The Board Member shall understand his duties, roles and responsibilities arising from membership.</p> <p>28.19 The Board Member shall develop his knowledge in the field of the company's activities and works and in the related financial, commercial and industrial fields.</p> <p>28.20 Resignation of the Board Member from membership of the Board in the event that he is unable to fully fulfill his duties on the Board.</p> <p>Article No. (29): Duties of the Independent Board Member</p> <p>Subject to Article No. 28 of these Regulation, an Independent Board Member shall actively participate in performing the following tasks:</p> <p>29.1 The Independent Board Member expresses his opinion on strategic issues, the company's policies, its performance, and the appointment of members of the executive management.</p> <p>29.2 The Independent Board Member verifies that the interests of the company and its shareholders are taken into account and presented in the event of any conflict of interest.</p>
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29.3 The Independent Board Member supervises the development of corporate governance rules, and monitor the implementation of the executive management thereof.

Article No. (30): Meetings of the Board of Directors

30.1 Subject to the provisions of the Companies Law and its Executive Regulations, the Board of Directors shall hold regular meetings to carry out its duties effectively, and shall hold its meetings whenever the need arises.

30.2 The Board of Directors shall hold at least four meetings per year, with no less than one meeting every three months.

30.3 The Board of Directors meets at the invitation of its chairman or at the request of a member of its members, and the invitation for the meeting shall be sent to each member of the Board at least five days prior to the date of the meeting accompanied by the agenda of the meeting and the necessary documents and information, Unless circumstances call for holding the meeting in an emergency, the invitation to the meeting may be sent along with the agenda of the meeting and the necessary documents and information within a period of less than five days prior to the date of the meeting.

30.4 The meeting shall not be valid unless attended by at least half of the members of the Board (in person or on behalf), provided that the number of those attendees is not less than three, unless the company's articles of association provide for a percentage or a larger number.

Article No. (31): Board Members' Notes

31.1 If any of the Board Members has notes regarding the company's performance or any of the issues presented and they were not decided upon in the Board meeting, they must be written and indicate what the Board takes or considers taking regarding them should be stated in the minutes of the Board meeting.

31.2 If the Board Member expresses an opinion that differs from the decision of the Board, it must be recorded in detail in the minutes of the Board meeting.

Article No. (32): Organizing Attending Board Meetings

32.1 The process of attending the meetings of the Board of Directors must be organized, and cases of Board Members' irregularity in attending those meetings must be dealt with.

32.2 An independent Board Member must ensure that he attends all meetings in which important and substantial decisions are taken that affect the position of the company.

Article No. (33): Board Agenda

33.1 The Board of Directors approves the agenda as soon as it convenes. In the event that any Board Member objects to this Agenda, this must be recorded in the minutes of the Board meeting.

33.2 Each Board Member shall be entitled to suggest adding any clause to the agenda.

Article No. (34): Exercising the Functions of the Board of Directors

34.1 The Board of Directors must exercise its functions and duties in leading the company within the framework of prudent and effective controls that allow measuring and managing risks and limiting their effects.

34.2 The Board of Directors may - within the limits of its functions- delegate to one or more of its members or committees or others to carry out a specific work or actions.

34.3 The Board of Directors shall establish an internal policy that defines work procedures in the Board of Directors and aims to urge its members to work effectively to comply with their duties towards the company.

34.4 The Board of Directors organizes its work and allocates sufficient time to carry out the tasks and responsibilities entrusted to it, including preparing for the meetings of the Board and committees, and ensuring coordination, recording and keeping the minutes of its meetings.

Article No. (35): Secretary of the Board of Directors

35.1 The Board of Directors shall appoint a secretary from among its members or others, and the functions and remuneration of the secretary shall be determined by a decision of the Board of Directors - unless the company's articles of association include provisions in this regard - provided that these functions include the following:

35.1.1 The Secretary documents the meetings of the Board and prepares minutes for them that include the discussions and deliberations that took place, indicating the meeting place, date, start and end time, documenting the Board's decisions and voting results, and keeping them in a special and organized record, and recording the names of the attending members and the reservations they made - if Found -

	<p>and these minutes are signed by the chairman of the meeting and all the members present and the secretary.</p> <p>35.1.2 The secretary keeps the reports submitted to the Board and the reports prepared by the Board.</p> <p>35.1.3 The Secretary shall provide the Board Members with the Board's agenda, working papers, documents and information related to it, and any additional documents or information requested by any of the Board Members related to the topics included in the meeting agenda.</p> <p>35.1.4 The secretary verifies that the Board Members adhere to the procedures approved by the Board.</p> <p>35.1.5 The Secretary informs the Board Members of the dates of the Board meetings well in advance of the specified date.</p> <p>35.1.6 The Secretary presents the draft minutes to the Board Members to express their views on them before signing them.</p> <p>35.1.7 The secretary verifies that the Board Members obtain a full and prompt copy of the minutes of the Board meetings and the information and documents related to the company.</p> <p>35.1.8 The Secretary shall coordinate among the Board Members.</p> <p>35.1.9 The secretary shall organize the disclosures record of the Board Members and the executive management in accordance with the provisions of these regulations.</p> <p>35.1.10 The Secretary provides assistance and advice to the Board Members.</p> <p>35.2 The Secretary of the Board of Directors may not be dismissed except by a decision of the Board of Directors.</p> <p>Article No. (36): Terms to be met by the Secretary²</p> <p>The Board of Directors shall specify the terms to be met by the Secretary of the Board of Directors, provided that they include any of the following:</p> <p>36.1 The secretary shall have a university degree in law, finance, accounting, management, or the equivalent, and he shall have relevant practical experience of not less than three years.</p> <p>36.2 The secretary shall have relevant practical experience of not less than five years.</p>
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	<p>Article No. (37): Training³</p> <p>The company shall pay sufficient attention to training and qualifying Board Members, members of committees and executive management, and developing the necessary programs for this, taking into account the following:</p> <p>37.1 Preparing programs for the newly appointed Board Members, members of committees, and executive management to introduce the company's work progress and activities, in particular the following:</p> <p>37.1.1 The company's strategy and objectives.</p> <p>37.1.2 Financial and operational aspects of the company's activities.</p> <p>37.1.3 Obligations, duties, responsibilities and rights of the Board Members.</p> <p>37.1.4 Duties and Functions of the company's committees.</p> <p>3.2 Establish the necessary mechanisms for each of the Board Members, members of committees, and executive management to obtain training programs and courses on an ongoing basis; In order to develop their skills and knowledge in areas related to the company's activities.</p> <p>(38) Providing information to the Board Members Article No.</p> <p>The Executive Management of the company shall provide the Board Members, non-executive members in particular, and the company's committees with all necessary information, data, documents and records, provided that they are complete, clear, correct, non-misleading and in time. To perform their duties and tasks.</p> <p>(39) Estimation⁴ Article No.</p> <p>39.1 The Board, according to a proposal by the Remuneration Committee, shall establish the necessary mechanisms to annually estimate the performance of the Board, its Board Members and committees, and the executive management; Through appropriate performance measurement indicators related to the extent to which the strategic objectives of the company are achieved, the quality of risk</p>
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	<p>management, the adequacy of internal control systems, and others, provided that the strengths and weaknesses are specified and a proposal to address them in accordance with the company's interest.</p> <p>39.2 The performance estimation procedures shall be written and clear and disclosed to the Board Members and the concerned with the estimation.</p> <p>39.3 The performance estimation shall include the skills and experiences of the board, identifying its weaknesses and strengths, in addition to address the weaknesses in possible manners, as nominating professional competencies that shall develop the board's performance. In general, the performance estimation shall also include an estimation of The Board's Working mechanisms.</p> <p>39.4 The individual estimation of the Board's members takes into account the extent of the member's effective participation and its obligation to performing its duties and responsibilities, including attending the meetings of the Board and its committees and allocating the necessary time for them.</p> <p>39.5 The Board's members shall make the necessary arrangements for an estimation by a competent third party for its performance every three years.</p> <p>39.6 The Board's non-executive members shall do a periodic estimation of the performance of the Board's Chairman after getting the opinion of the executive members- without the Board's Chairman attending the discussion for this purpose - provided that the strengths and weaknesses are identified and a proposal to address them in accordance with the company's interest.</p> <p>Article No. (40): To manage conflict of interests and related parties deals</p> <p>Subject to the provisions of the Companies Law and its executing Regulations, cases of conflict of interests and deals or transactions of related parties shall be manage in accordance with the provisions in these Regulations.</p> <p>Article No. (41): Conflict of interests Policy</p> <p>The Board shall establish a written and clear policy to manage cases of actual or potential conflict of interests that shall affect the performance of Board Members, members of its committees, executive management, or other company's employees when managing the company or other stakeholders, In particular, this policy shall include the following:</p> <p>41.2 They shall provide illustrative examples of cases of conflict of interests comply with the nature of the company's activity.</p>
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	<p>41.3 They shall Provide Clear procedures for disclosing business conflict of interests that may lead to conflict of interest, and obtain the necessary license or approval.</p> <p>41.4 They shall obligate to disclose cases that may lead to a conflict of interests or when such a conflict occurs.</p> <p>41.5 They shall obligate to abstain from voting or participating in adoption of resolution when there is a conflict of interest.</p> <p>41.6 they shall Provide Clear procedures when the company contracts or deals with a related party, provided that this includes notifying the Authority and the public without any contract's delay or dealing, if this contract or dealing is equal to or more than 1% of the company's total revenues according to the latest Annual financial statements.</p> <p>41.7 They shall provide procedures taken by the Board if it finds a breach of this policy.</p> <p>Article No. (42): To avoid conflict of interest</p> <p>The Board member shall:</p> <p>42.1 Exercise their duties with reliability and integrity, not giving priority to their personal interest over the interests of the company and its shareholders, and not using his position to achieve private interests.</p> <p>42.2 Avoid cases of conflict of interest, and notify the Board of conflict cases that shall affect its impartiality when considering issues presented to the Board. The Board shall not involve this member in the discussions, and his vote shall not be counted in voting on these issues in the meetings and shareholders' assemblies.</p> <p>42.3 Maintain the confidentiality of information related to the company and its activities and not disclosing it to other party.</p> <p>42.4 A Board member is prohibited from exploiting or benefiting - directly or indirectly - from any of the company's assets, information, or investment opportunities presented to them in his capacity as a Board member, or offered to the company. This includes investment opportunities that includes in the company's activities. , or that the company wishes to benefit from, and the prohibition applies to a board member who resigns to exploit investment opportunities - directly or indirectly - that the company desires to benefit from and the company knows about it during its membership in the board.</p>
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	<p>Article No. (43): Nominator disclosure of conflict of interest</p> <p>Whoever desire to nominate for membership of the Board shall disclose to the Board and the General Assembly any cases of conflict of interests- in accordance with the procedures established by the Authority -including:</p> <p>43.1 A direct or indirect interest in the business and contracts that are concluded for the account of the company in which the Nominator desires to nominate for the Board.</p> <p>43-2 Their subscription in a business that shall compete with the company, or its competition in one of the branches of the activity it is engaged in.</p> <p>Article No. (44): Controls of the company's competition</p> <p>Subject to the provisions of the Companies Law and the relevant provisions of these regulations, if a member Board or a member of one of its committees desire to participate in a business that shall compete with the company, or compete with it in one of the branches of the activity it is engaged in, the following shall be taken into account:</p> <p>44.1 To notify the Board of the competing businesses it desire to practice, and record this notice in the minutes of the Board meeting.</p> <p>44.2 The interested member shall not practice in voting on the resolution issued in this regard by the Board, its committees and shareholders' assemblies.</p> <p>44.3 The Board notifies the Ordinary General Assembly, when it convenes, of the competing businesses that Board Member or member of one of its committees is engaged in, after the Board verifies that Board Member or member of one of its committees is competing with the company's business or competing with it in one of the branches of the activity it is engaged in in accordance with standards issued by the company's General Assembly. As per the proposal of the Board- and it shall be published on the company's website, provided that this business shall be verified on an annual basis.</p> <p>44.4 To obtain a license from the Company's Ordinary General Assembly or the Board under an power of attorney from the Ordinary General Assembly that allows Board Member to engage in competing business.</p>
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Article No. (45): the concept of competition business

The concept of participating in any business that would compete with the company or its competition in one of the branches of the activity that it practices includes the following:

45.1 The Board Member assignment of a sole proprietorship or company, or his ownership of an effective percentage of shares or stocks in a company or other facility, engaged in an activity similar to that of the company or its group.

45.2 To accept of membership in the company or facility board competing with the company or its group, or taking over the management of a competing sole proprietorship or a competing company in any form, with the exception of the company's subsidiaries.

45.3 The member obtained a commercial agency or its equivalents, whether apparent or hidden, for a company or other facility competing with the company or its group.

Article No. (46): Acceptance of Gifts

Any Board members, members of its committees and senior executives shall not accept gifts from any person who has commercial transactions with the company, if such gifts shall lead to a conflict of interest.

Article No. (47): Committees Formation

The Board forms specialized committees according to the following:

47.1 The company's need, circumstances and conditions that enable it to perform its duties effectively.

47.2 The committees' formation shall be in accordance with general procedures established by the Board, including defining the job of each committee, the term of its work, the authorized powers to it during this period, and how the Board shall follow it. The committee shall inform the Board on its findings or resolutions in a transparent manner. The Board shall regularly follow up the work of these committees to ensure that they carry out their tasks.

47.3 Each committee shall be responsible for its works before the Board, without prejudice to the responsibility of the Board for such work and the powers or delegated authorities to it.

47.4 The number of committee members shall not be less than three and not more than five.

47.5 The chairmen of the committees or whomever they authorized among their members shall attend the General Assemblies to answer shareholders' questions.

	<p>47.6 The company shall notify the Authority of the names of committee members and their membership descriptions within five working days from the date of their appointment, and any changes that may occur therein within five working days from the date of the changes.</p> <p>47.7 The Company shall merge the two Remuneration and Nomination Committees into one committee called the Remuneration and Nomination Committee. In this case, the Remuneration and Nomination Committee shall fulfill the requirements for either included in these regulations, provided that the committee meets periodically at least every six months.</p> <p>Article No. (48): Committee Membership</p> <p>48.1 A sufficient number of non-executive members of the Board shall be appointed in concerned committees with tasks that shall lead to conflicts of interests, such as ensuring the integrity of financial and non-financial reports, reviewing deals with related parties, nominating for the Board membership, appointing senior executives, and identifying rewards. The chairmen and members of these and loyalty in the interests of the committees shall be obligated to the duties of consideration company and the shareholders, prioritizing them over their personal interest.</p> <p>48.2 When forming the Remuneration and Nomination Committees, the company takes into account that its members are independent Board Members. It shall seek the assistance of non-executive members or persons who are not members of the Board, whether they are shareholders or others, provided that the chairman of the two committees referred to in this paragraph is an independent member.</p> <p>48.3 The Board Chairman shall not be a member of the audit committee, and The Board Chairman shall participate in the membership of other committees, if he shall not work as chairman in the committees stipulated in these regulations.</p> <p>Article No. (49): Study Issues</p> <p>49.1 The committees study the issues that concern them or that are referred to them by the Board, and submit their recommendations to the Board to take a resolution in their regard, or to take resolutions if the Board delegates to them, that the power of attorney shall be special or for a limited period.</p>
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	<p>49.2 The committees shall seek assistance from experts and specialists from the company or outside within the limits of their powers, provided that this is included in the minutes of the committee meeting, with the expert name and his relationship with the company or the executive management.</p> <p>Article No. (50): Committee meetings</p> <p>50.1 The Board Member or Executive Management, except for the committee secretary and the members, shall not entitled to attend its meetings unless the committee requests to know committee his opinion or obtain his advice.</p> <p>50.2 For the validity of committee meetings, the presence of the majority of its members is required. Its resolutions are issued by the majority of those present votes. In the case of equal votes, the party with which the meeting chairman voted shall prevail.</p> <p>50.3 The committee meetings shall be documented and minutes shall be prepared including the discussions and deliberations, the committees' recommendations and the voting results shall be documented, and kept in a special and managed record, mentioned the names of the attending members and the reservations they made - if any. These minutes shall be signed by all the attending members.</p> <p>Article No. (51): The Audit Committee Formation</p> <p>51.1 An audit committee of shareholders or others is formed by a resolution of the company's board, provided that it shall not include any of the board executive members. The number of audit committee members shall not be less than three and not more than five, a member among them shall be specialized in financial and accounting affairs.</p> <p>51.2 There shall be at least one independent member among the members of the audit committee.</p> <p>51.3 The Chairman of the Audit Committee shall be an independent member⁵.</p> <p>51.4 Half of the audit committee members shall be independent members or those who do not meet the independence conflicts mentioned in Article No. (19) of this regulation⁶.</p>
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	<p>51.5 The General Assembly of the company shall issue- based on the Board proposal- the work regulations of the audit committee, provided that these regulations include the controls and procedures of the committee's work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their rewards, and the mechanism for appointing its members temporarily in the case of vacancy in a committee seat.</p> <p>51.6 Anyone who works or worked during the past two years in the executive or financial management of the company, or with the company's auditor, shall be a member of the audit committee.</p> <p>51.7 It is required that an Audit Committee member shall not be a member of audit committees in more than five joint-stock companies included in the Market at the same time.</p> <p>Article No. (52): The Committee's Competencies, Powers, and Responsibilities</p> <p>The audit committee is responsible for monitoring the company's business and verifying the reports viability and integrity, financial statements and internal control systems therein. In particular, The committee's duties include as follows:</p> <p>52.1 Financial Reports:</p> <p>52.1.1 To Study the initial and annual financial statements of the company before presenting them to the Board and expressing an opinion and recommendation in their regard; to ensure its integrity, fairness and transparency.</p> <p>52.1.2 to Express an expert opinion - at the request of the Board- whether the Board report and the company financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.</p> <p>52.1.3 To study any important or extraordinary issues which are included in the financial reports.</p> <p>52.1.4 To study carefully any issues raised by the company's financial manager or whoever assumes his duties, the company's compliance officer, or the auditor.</p> <p>52.4.5 To verify accounting estimates regarding the substantial issues mentioned in the financial reports.</p> <p>52.1.6 To study the accounting policies used in the company and to advise and recommend to the Board in this regard.</p> <p>52.2 Internal Audit:</p>
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	<p>52.2.1 To study and audit the company's internal and financial control systems and risk management.</p> <p>52.2.2 To study the internal audit reports and follow up the execution corrective actions for the notes therein.</p> <p>52.2.3 To review and supervise the performance and activities of the internal auditor and the internal audit department in the company; to verify the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned to them.</p> <p>52.2.4 To recommend the Board to appoint of a unit manager, internal audit department, or internal auditor, and suggest his remuneration.</p> <p>52.3 Auditors:</p> <p>52.3.1 To Recommend the Board to nominate and dismissal of auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the contract terms.</p> <p>52.3.2 To verify the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, with consideration the relevant rules and standards.</p> <p>52.2.3 To review the company's auditor plan and his works, verify that he shall not perform technical, administrative or advisory work that is outside the scope of the audit work, and express its views in this regard.</p> <p>4.2.52 To answer the company's auditor inquiries.</p> <p>52.2.5 To Study the auditor's report and his observations on the financial statements and following up on what has been taken in their regard.</p> <p>52.3 Guarantee of Compliance:</p> <p>52.3.1 To audit the results of the regulatory authorities' reports and verify that the company has taken the necessary actions in this regard.</p> <p>52.3.2 To verify the company's compliance with the related laws, regulations, policies and instructions.</p> <p>52.3.3 To review the proposed contracts and transactions to be conducted by the company with related parties, and submit its views in this regard to the Board.</p> <p>52.3.4 To submit the issues it deems necessary to take action in this regard to the Board, and submit its recommendations regarding the actions to be taken.</p>
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	<p>Article No. (53): The conflict between the Audit Committee and the Board.</p> <p>If there is a conflict between the recommendations of the Audit Committee and the resolutions of the Board, or if the Board refuses to take into account the recommendation of the Committee regarding the appointment of the company's auditor, his dismissal, determination of his fees and evaluation of his performance, or the appointment of the internal auditor. The report of the Board shall include the Committee's recommendation and its justifications, and the reasons for not adopting it.</p> <p>Article No. (54): Audit Committee meetings</p> <p>54.1 The Audit Committee meets regularly, provided that its meetings are not less than four meetings during the company's fiscal year.</p> <p>54.2 The Audit Committee meets regularly with the company's auditor and the company's internal auditor.</p> <p>54.3 The internal auditor and auditor shall request a meeting with the audit committee whenever the need arises.</p> <p>Article No. (55): Arrangements for submission of Notes</p> <p>The audit committee shall submit a mechanism that allows the employees of the company to submit their Notes regarding any irregularities in the financial or other reports in confidence. The committee shall verify the application of this mechanism by conducting an independent investigation comply with the extent of the error or exceed and adopting appropriate follow-up procedures.</p> <p>Article No. (56): Powers of the Audit Committee</p> <p>The audit Committee shall be entitled to, in order to perform its duties:</p> <p>56.1 Find the company's records and documents.</p> <p>56.2 Request any note or statement from the Board members or the Executive Management.</p> <p>56.3 Request the Board to call the General Assembly of the company to convene if the Board obstructs its work or if the company suffers serious damage or losses.</p>
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Article No. (57): Formation of the Remuneration Committee

57.1 A committee called the Remuneration Committee shall be formed by a resolution of the Company's Board without the Board executive members, provided that at least one of them is an independent member.

57.2 The General Assembly of the company shall issue— as per a proposal from the Board- the work regulations of the Remuneration Committee, provided that these regulations include the controls and procedures of the committee's work, its tasks, the rules for selecting its members, their membership term, and their remunerations.

Competences Article No. (58): Remuneration Committee

The Remuneration Committee is responsible for the following:

58.1 To prepare a clear policy for the remuneration of Board Members, committees of the Board, and the executive management, and submit it to the Board for consideration in preparation for its approval by the General Assembly, provided that the policy follows standards related to performance, discloses execution. them, and verifies their

58.2 To clarify the relationship between the granted remunerations and the applicable remunerations policy, and indicate any material deviation from this policy.

58-3 To periodically review the remuneration policy and evaluate its effectiveness in achieving the objectives set for it.

58-4 To recommend to the Board the remuneration of the Board members, its committees and senior executives of the company in accordance with the approved policy.

Article No. (59): Remuneration Policy

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

59.1 Its consistency with the company's strategy and objectives.

59.2 The remunerations are provided with the aim of urging the Board Members and the executive management to succeed and develop the company in the long term, such as linking the variable part of the rewards to performance in the long term.

	<p>59.3 Remunerations shall be determined based on the level of the job, the duties and responsibilities of the employee, academic qualifications, practical experience, skills, and level of performance.</p> <p>59.4 Its consistency with the size, nature and degree of risks in the company.</p> <p>59.5 Taking into account the practices of other companies in determining remuneration, while avoiding what shall result from unjustified increase in remuneration and compensation.</p> <p>59.6 To aim at attracting, preserving and motivating professional competencies, without exaggerating them.</p> <p>59.7 To prepare, in coordination with the Nominations Committee, upon new appointments.</p> <p>59.8 Cases of suspended the remunerations payment or recover it if it appears that it was decided on the basis of inaccurate information provided by a Board member or the Executive Management; This is to prevent career mode from being exploited for undue remunerations.</p> <p>59.9 The company regulation of transfer shares to Board Members and the executive management, whether it is a new issue or shares bought by the company.</p> <p>Article No. (60): Remuneration Committee Meetings</p> <p>At least every year, The Remuneration Committee meets regularly, and whenever the need arises.</p> <p>Article No. (61): Nominations Committee Formation</p> <p>61.1 A committee called the Nominations Committee shall be formed by a resolution of the Company's Board without the Board executive members, provided that at least one of them is an independent member.</p> <p>61.2 The General Assembly of the company shall, upon a proposal from the Board, issue Regulations of the Nominations Committee, provided that this Regulation include the committee's work controls and procedures, its tasks, the rules for selecting its members, their membership term, and their remunerations.</p> <p>Article No. (62): The Nominations Committee competences</p> <p>The Nominations Committee is responsible for the following:</p> <p>62.1 To propose clear policies and criteria for membership in the Board and Executive Management.</p>
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	<p>62.2 To recommend to the Board to nominate and re-nominate its members in accordance with the approved policies and standards, subject to the failure to nominate any person previously convicted of an offence against honesty. "</p> <p>62.3 To prepare a description of the capabilities and qualifications required for membership of the Board and for occupying executive management positions.</p> <p>62.4 To determine the time that a member shall allocate for the work of the Board.</p> <p>62.5 To annually review of the necessary requirements of appropriate skills or experience for membership of the Board and executive management positions.</p> <p>62.6 To review the structure of the Board and the executive management and make recommendations regarding changes that shall be made.</p> <p>62.7 To annually verify the independence of the independent members and the absence of any conflict of interests if the member is a member of the board in another company.</p> <p>62.8 To develop job descriptions for executive members, non-executive members, independent members and senior executives.</p> <p>62.9 To Establish special procedures in the case of a vacancy in the position of a Board member or a senior executive.</p> <p>62.10 To Determine the Board weaknesses and strengths of, and proposing solutions to address them in line with the interest of the company.</p> <p>Article No. (63): Nomination Procedures</p> <p>63.1 When nominating the Board members, the Nominations Committee shall take into account the terms and conditions contained in this Regulation, and the requirements are established by the Authority.</p> <p>63.2 The number of Board Nominators whose names are presented to the General Assembly shall exceed the number of available seats so that the General Assembly has the opportunity to choose from among the Nominators⁷.</p>
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	<p>Article No. (64): Nomination Committee Meetings At Least Every Year, The Nominations Committee meets regularly, (if applicable).</p> <p>Notice Article No. (65): Publication of Nomination The company shall publish the Nomination Notice on the company's website, the market's website, and in any other means specified by the Authority. This is to call individuals wishing for membership of door opens for at least one month from the date of the the Board, provided that the nomination Notice.</p> <p>Article No. (66): The shareholder's right to nominate The provisions of this chapter are without prejudice to the right of every shareholder in the company to nominate himself or others for membership of the Board in accordance with the provisions of the Companies Law and its execution regulations.</p> <p>Article No. (67): The Risk Management Committee Formation⁸ A Committee is called the Risk Management Committee shall be formed by a resolution of the company's Board, Its chairman and the majority of its members shall be non-executive members of the Board. Its members shall be have an appropriate level of knowledge of risk management and financial affairs.</p> <p>Competences⁹ Article No. (68): The Risk Management Committee The Risk Management Committee is responsible for the following: 68.1 The Risk Management Committee sets a comprehensive strategy and policies for risk management in line with the nature and size of the company's activities, and verifies its implementation, reviews and updates based on the internal and external variables of the company. 68.2 The Risk Management Committee determines and maintains an acceptable level of risks that the company shall be exposed to, and verifies that the company does not exceed it.</p>
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	<p>68.3 The Risk Management Committee verifies the feasibility of the company's continuity and successful continuation of its activity, while identifying the risks that threaten its continuity during the next twelve months.</p> <p>68.4 The Risk Management Committee supervises the company's risk management system and evaluates the effectiveness of systems and mechanisms for identifying, measuring and monitoring risks that the company may be exposed to; In order to identify its shortcomings.</p> <p>68.5 The Risk Management Committee reevaluate the company's ability to bear risks and its exposure to them on a regular basis, by conducting, for example, stress tests</p> <p>68.6 The Risk Management Committee prepares detailed reports on exposure to risks and the proposed actions to manage these risks, and submits them to the Board.</p> <p>68.7 Risk Management Committee makes recommendations to the Board on issues related to risk management.</p> <p>68.8 The Risk Management Committee shall ensure that adequate resources and systems are in place to manage risks.</p> <p>68.9 The Risk Management Committee shall review the organizational structure for risk management and make recommendations regarding it before it is approved by the Board.</p> <p>68.10 Risk Management Committee shall Verify the independence of the risk management staff from the activities that may result in exposing the company to risks.</p> <p>68.11 Risk Management Committee shall Verify that the risk management staff understand the risks surrounding the company, and work to raise awareness of the risk culture.</p> <p>68.12 The Risk Management Committee shall review any issues raised by the Audit Committee that may affect risk management in the company.</p> <p>shall add to the risk committee, and the Board 68.13 Any other powers and such as executive powers defines these powers in the work regulations of the committee.</p> <p>Article No. (69): Meetings of the Risk Management Committee</p> <p>The Risk Management Committee meets regularly at least every six months and whenever the need arises.</p>
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Article No. (70): The internal control system

The Board of Directors shall adopt an internal control system for the company to evaluate the policies and procedures related to risk management, apply the provisions of the corporate governance rules adopted by the company, and comply with the relevant laws and regulations. This System shall ensure that clear standards of responsibility are followed at all executive levels of the Company and that related party transactions are carried out in accordance with their provisions and controls.

Article No. (71): Establishing independent units or departments in the company

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

71.2 The company may engage external parties to perform the tasks and specializations of units or departments of risk assessment and management, and internal audit, without prejudice to the company's responsibility for those tasks and specializations.

Article No. (72): Functions of the internal audit unit or department

The internal audit unit or department evaluates the internal control system and supervises its implementation, and verifying the extent to which the company and its employees comply with the applicable laws, regulations, instructions, and the company's policies and procedures.

Article No. (73): Formation of an internal audit unit or department

The internal audit unit or department consists of at least one internal auditor who is recommended for appointment by the Audit Committee and is accountable to it. The formation and work of the internal audit unit or department shall take into account the following:

73.1 Employees shall have competence, independence and appropriate training, and that they are not assigned any other work that conflicts with the objectives of the internal audit or prejudices its independence.

73.2 The unit or department shall submit its reports to the Audit Committee, be associated with it and be accountable to it.⁷

3.3 The remuneration of the director of the auditing unit or department shall be determined at the suggestion of the audit committee in accordance with the company's policies.

73.4 To be able to view and obtain information, documents and papers without restriction.

Article No. (74): The Internal Audit Plan

The internal audit unit or department operates according to a comprehensive audit plan approved by the Audit Committee, and this plan is updated annually. The main activities and processes, including those related to risk management and compliance management, shall be reviewed at least annually.

Article No. (75): Internal Audit Report

75.1 The internal audit unit or department shall prepare a written report on its works and submit it to the Board of Directors and the Audit Committee on at least a quarterly basis. This report shall include an assessment of the company's internal control system and the findings and recommendations of the unit or department, and indicate the actions taken by each department with regard to addressing the findings and recommendations of the previous review and any observations thereon, especially in the event of not being addressed in a timely manner and the reasons for that.

75.2 The internal audit unit or department shall prepare and submit to the Board of Directors and the Audit Committee a general written report regarding the audits that were conducted during the fiscal year and compares them with the approved plan, and indicates the reasons for any breach or deviation from the plan - if any - during the quarter following the end of the fiscal year in question.

75.3 The Board of Directors shall determine the scope of the report of the internal audit unit or department based on the recommendation of the Audit Committee and the internal audit unit or department, provided that such report includes in particular the following:

75.3.1 Procedures for control and supervision of financial affairs, investments and risk management.

75.3.2 Evaluate the company's risk factors and existing systems; to face radical or unexpected changes.

75.3.3 Evaluate the performance of the Board of Directors and senior management in applying the internal control system, including determining the number of times the Board was notified of control issues, including risk management, and the manner in which it handled these issues.

75.3.4 Failures in the application of internal controls or weaknesses in their application or emergency situations that affected or may affect the financial performance of the company, and the procedure followed by the company in addressing such failure (in particular the problems disclosed in the company's annual reports and financial statements).

	<p>75.3.5 The extent to which the company adheres to internal control systems when identifying and managing risks.</p> <p>75.3.6 Information describing the company's risk management processes.</p> <p>Article No. (76): Keeping the internal audit reports</p> <p>The company shall keep the audit reports and work documents, which clearly contain what has been accomplished, its conclusions, recommendations, and what has been taken in their regard.</p> <p>Article No. (77): Assigning the task of auditing the accounts</p> <p>The company assigns the task of auditing its annual accounts to an independent, competent, experienced and qualified auditor; To prepare an objective and independent report for the Board of Directors and shareholders indicating whether the company's financial statements clearly and fairly reflect the company's financial position and its performance in material aspects.</p> <p>Article No. (78): Appointment of the Auditor</p> <p>The Ordinary General Assembly shall appoint the company's auditor upon the nomination of the Board of Directors, taking into account the following:</p> <p>78.1 His nomination shall be based on a recommendation of the Audit Committee.</p> <p>78.2 To be licensed and to fulfill the conditions prescribed by the competent entity.</p> <p>78.3 His interests not conflict with the interests of the company.</p> <p>78.4 The number of candidates should not be less than two Auditors.</p> <p>Article No. (79): Duties of the auditor</p> <p>The auditor should:</p> <p>79.1 Exert the necessary care and honesty in the company.</p> <p>79.2 Inform the Authority in the event that the Board of Directors does not take the appropriate action regarding the suspicious issues it raises.</p> <p>79.3 Request the Board of Directors to call the Ordinary General Assembly if the Board does not facilitate its work. He shall be responsible for compensating the damage that caused to the company,</p>
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the shareholders, or third parties due to the errors that occur from him in the performance of his work, and if there are many auditors and they participate in the error, they shall be jointly liable.

Article No. (80): Regulating the relationship with stakeholders

The Board of Directors shall set clear and written policies and procedures to regulate the relationship with stakeholders with the aim of protecting them and preserving their rights, provided that they shall include - in particular - the following:

- 80.1 how to compensate stakeholders for breaches of their rights established by the regulations or protected by contracts
- 80.2 How to settle complaints or disputes that may arise between the company and its stakeholders.
- 80.3 How to build good relationships with customers and suppliers and maintain the confidentiality of information about them.
- 80.4 Rules of professional conduct for managers and employees of the company so that they comply with sound professional and ethical standards and regulate the relationship between them and the stakeholders, provided that the Board of Directors sets mechanisms to monitor the implementation of such rules and adherence to them.
- 80.5 The company's social contribution.
- 80.6 Confirm that the company's dealings with members of the Board of Directors and related parties are in accordance with the terms and conditions used with stakeholders without any discrimination or preference.
- 80.7 Stakeholders obtain information about their activities in a way that enables them to perform their tasks, provided that such information is correct, sufficient, and in a timely and regular manner.
- 80.8 Treating the employees of the company in accordance with the principles of justice, equality and non-discrimination.

Article No. (81): Reporting Violating Practices

The Board of Directors, based on a proposal by the Audit Committee, shall establish the necessary policies or procedures to be followed by stakeholders in submitting their complaints or reporting the violating practices, taking into account the following:

	<p>81.1 Facilitate the notification of stakeholders, including the company's employees, to the Board of Directors, of any actions or practices that may be issued by the executive management in violation of the applicable laws, regulations, and rules, or that raise suspicion in the financial statements, internal whether such actions or practices confront them or not, and conduct the control systems, or others, necessary investigation thereon.</p> <p>81.2 Maintain the confidentiality of reporting procedures by facilitating direct contact with an independent member of the audit committee or other specialized committees.</p> <p>81.3 Assign a competent person to receive and deal with the complaints or reports of stakeholders and dealing with them.</p> <p>81.4 Designate a phone or e-mail to receive complaints.</p> <p>81.5 Provide the necessary protection for stakeholders.</p> <p>Article No. (82): Motivating employees</p> <p>The company shall establish programs to develop and motivate the participation and performance of the employees of the company, provided that they include - in particular - the following:</p> <p>82.1 Forming committees or holding specialized workshops to hear and discuss the views of the company's employees in matters and subjects that are the subject of important decisions.</p> <p>82.2 Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on such programs.</p> <p>82.3 Establish social institutions for the employees of the company.</p> <p>Article No. (83): Professional Conduct Policy</p> <p>The Board of Directors sets a policy for professional conduct and ethical values in the company, taking into account, in particular, the following:</p> <p>83.1 Emphasis on every member of the Board of Directors, executive management and the company's employees to exercise the duties of care and loyalty towards the company, and everything that would preserve the interests of the company, develop it and maximize its value, and not to in any event put his personal interest ahead of its interests.</p>
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	<p>83.2 Represent the board member of all shareholders in the company, and commit to what achieves the interest of the company and the interest of the shareholders, and taking into account the rights of other stakeholders, and not only the interest of the group that elected him.</p> <p>83.3 Establish the principle of compliance by the members of the Board of Directors and senior executives with all relevant laws, regulations and instructions.</p> <p>83.4 Prevent a member of the Board of Directors or a member of the executive management from exploiting his professional position in order to achieve his own interest or others.</p> <p>83.5 Emphasis on limiting the use of the company's assets and resources to achieving the company's purposes and objectives, and not exploiting those assets or resources to achieve private interests.</p> <p>83.6 Develop precise, rigorous and clear rules governing the validity and timeliness of access to the company's internal information, thereby prevents the members of the Board of Directors and the executive management and others from benefiting from it or disclosing it to any person, except within the prescribed limits or permissible by law.</p> <p>Article No. (84): Social Responsibility</p> <p>The Ordinary General Assembly - based on a proposal from the Board of Directors — shall set a policy that ensures a balance between its objectives and the objectives that society aspires to achieve. In order to develop society's social and economic conditions.</p> <p>Article No. (85): Social Work Initiatives</p> <p>The Board of Directors shall set programs and determines the means necessary to launch the company's initiatives in the field of social work, including the following:</p> <p>85.1 Develop measurement indicators that link the company's performance to its social work initiatives and comparing this with other companies with similar activity.⁸</p> <p>5.2 Disclosure of the objectives of social responsibility adopted by the company to its employees, and educating and educating them about it.</p> <p>85.3 Disclosure of plans to achieve social responsibility in periodic reports relevant to the company's activities.</p> <p>85.4 Develop community awareness programmes to introduce the company's social responsibility.</p>
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Article No. (86): Disclosure Policies and Procedures

The Board of Directors, without prejudice to the rules for offering securities, continuing obligations and listing rules, shall set written policies for disclosure, its procedures and supervisory systems in accordance with the disclosure requirements contained in the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations, taking into account the following:

86.1 These policies shall include appropriate disclosure methods that enable shareholders and stakeholders to view the financial and non-financial information related to the company, its performance and equity ownership and to identify the company's status in an integrated manner.

86.2 The disclosure to shareholders and investors shall be without discrimination, in a clear, correct and non-misleading manner, and in a timely, regular and accurate manner; This is to enable shareholders and stakeholders to fully exercise their rights.

86.3 The company's website shall include all information required to be disclosed, and any other data or information published through other means of disclosure.

86.4 Prepare reporting systems that identify the information that must be disclosed, and the method of classifying them in terms of their nature or periodicity of disclosure.

86.5 Review disclosure policies periodically, and verify their compatibility with best practices, and with the provisions of the Capital Market Law and its implementing regulations.

Article No. (87): Board of Directors Report

The report of the Board of Directors shall include a presentation of its operations during the last financial year, and all factors affecting the company's works. The report of the Board of Directors shall include the following:

87.1 The provisions of this regulation have been implemented and the provisions have not been implemented and the reasons for that.

87.2 Names of Board Members, committee members, and executive management, their current and previous positions, qualifications, and experience.

87.3 Names of companies inside or outside the Kingdom of Saudi Arabia in which a Board Member of the company is a member of its current or previous boards of directors or one of its managers.

87.4 The Formation of the Board of Directors and the classification of its Board Members is as follows:
Executive Board Member - Non-Executive Board Member - Independent Board Member.

	<p>87.5 The procedures taken by the Board of Directors to inform its Board Members - especially non-executives - of the shareholders' proposals and notes regarding the company and its performance.</p> <p>Audit 87.6 A brief description of the functions of the committees and their tasks, such as: the Committee, the Nominations Committee and the Remunerations Committee, indicating the names of the committees, their chairmen and members, the number and dates of their meetings, and the attendance data of the members for each meeting.</p> <p>87.7 Where applicable, the means relied upon by the Board of Directors in evaluating its performance and the performance of its committees and Board Members, and the external party that carried out the evaluation and its relationship with the company, if any.</p> <p>87.8 Disclosure of the remuneration of the Board Members and the Executive Management as stipulated in Article No. 90 of these Regulations.</p> <p>87.9 Any penalty, sanction, precautionary measure or precautionary restriction imposed on the company by the Authority or by any supervisory, regulatory or judicial entity, with an indication of the reasons for the violation, the entity responsible for it and the means of remedying and avoiding it in the future.</p> <p>87.10 The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control law.</p> <p>87.11 Recommendation of the Audit Committee to appoint an internal auditor in the company if it recommended his appointment during the last financial year.</p> <p>87.12 Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, or which the Board refused to take into consideration regarding the appointment and dismissal of the company's auditor, determining his fees and evaluating his performance, or appointing the internal auditor, and the justifications for those recommendations, and the reasons for not taking them into account.</p> <p>87.13 Details of the company's social contributions, if any.</p> <p>87.14 A statement of the dates of the General Assemblies of shareholders held during the last financial year and the names of the Board Members attending these Assemblies.</p>
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	<p>87.15 Description of the main types of activity of the company and its subsidiaries. In the event that two or more types of activity are described, a statement shall be attached to each activity and its impact on the company's works volume and its contribution to the results.</p> <p>87.16 A description of the company's important plans and decisions, including structural changes to the company, expansion of its works, or suspend of operations, and future prospects for the company's works.</p> <p>87.17 Information related to any risks the company faces, whether operational risks, financing risks, or market risks, and the policy for managing and monitoring these risks.</p> <p>87.18 A summary in the form of a table or a graph of the company's assets, liabilities and works results in the last five financial years or since incorporation, whichever is shorter.</p> <p>87.19 Geographical analysis of the total revenues of the company and its subsidiaries.</p> <p>87.20 An explanation of any substantial differences in the operational results from the results of the previous year or any expectations announced by the company.</p> <p>87-21 An explanation of any difference from the accounting standards approved by the Saudi Organization for Auditors and Accountants.</p> <p>87.22 The name of each subsidiary company, its capital, the percentage of company ownership therein, its main activity, the country of its main operations, and the country of incorporation.</p> <p>87.23 Details of shares and debt instruments issued for each subsidiary.</p> <p>87.24 Description of the company's dividend policy.</p> <p>87.25 A description of any interest in the category of voting shares belonging to persons other than Board Members of the company, senior executives and their relatives who have informed the company of those rights under Article No. 85 of the Rules on the Offer of Securities and Continuing Obligations, and any change in those rights during the last financial year.</p> <p>87.26 A description of any interest, contractual securities, and subscription rights belonging to the Board Members of the company, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or these rights during the last financial year.</p> <p>87.27 Information related to any loans owed by the company, whether they are payable on demand or otherwise, a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the name of</p>
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	<p>the donor to it, its term, and the remaining amount, and in the event that there are no loans on the company, it shall submit a declaration of that.</p> <p>87.28 A description of the categories and numbers of any convertible debt instruments and any contractual securities or subscription right memoranda or similar rights issued or granted by the company during the financial year, with an explanation of any compensation obtained by the company for that.</p> <p>87.29 A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued or granted by the company.</p> <p>87.30 A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities, distinguishing between the listed securities purchased by the Company and those purchased by its subsidiaries.</p> <p>87.30 The number of Board of Directors meetings held during the last financial year, the dates of their holding, and the attendance record of each meeting showing the names of those attendees.</p> <p>87.30 The number of the company's requests for the register of shareholders, the dates and reasons for those requests.</p> <p>87.31 A description of any transaction between the Company and a related party.</p> <p>87.32 Information related to any works or contracts to which the company is a party, and in which there is or was an interest in a Board Members of the company or its senior executives or any person related to any of them, including the names of those involved in the works or contracts, and the nature and conditions of these works or contracts term and amount, and if there are no such works or contracts, the company shall submit a declaration of that.</p> <p>87.33 A statement of any arrangements or agreement under which a Board Members company or a senior executive waived any remuneration.</p> <p>87.34 A statement of any arrangements or agreement under which a shareholder of the company waived any rights to profits.</p> <p>87.35 A statement of the value of statutory payments made and due for payment of any zakat, taxes, fees, or any other dues that were not paid until the end of the annual financial period, with a brief description of them and an indication of their reasons.</p>
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	<p>87.36 A statement of the value of any investments or reserves established for the benefit of the company's employees.</p> <p>87.37 Declarations of the following:</p> <p>87.37.1 That the account records have been properly prepared.</p> <p>87.37.2 The internal control law was prepared on sound foundations and implemented effectively.</p> <p>87.37.3 That there is no significant doubt about the company's ability to continue its activities.</p> <p>87.38 If the auditor's report includes reservations about the annual financial statements, the report of the board of directors shall clarify those reservations, their reasons and any information related to them.</p> <p>87.39 In the event that the Board of Directors recommends changing the auditor before the expiration of the term for which he is appointed, the report shall contain that, with an explanation of the reasons for recommending the change.</p> <p>87.40 Information related to any works competing with the company or any of the branches of the activity it is practiced in and which it is or was practiced in by any Board Member, including the names of those involved in the competing works, and the nature and conditions of this works, and if there are no such works, the company shall submit a declaration of that.</p> <p>Article No. (88): Report of the Audit Committee</p> <p>88.1 The Audit Committee's report shall include details of the performance of its competencies and missions stipulated in these regulations, provided that it includes its recommendations and opinion on the adequacy of the internal and financial control systems and risk management in the company.</p> <p>88.2 The Board of Directors shall deposit sufficient copies of the audit committee report at the company's main office and publish it on the company's website and the market's website when publishing the invitation to convene the general assembly; To enable any shareholder who wishes to obtain a copy thereof. The report's summary is read during the General Assembly.</p> <p>Article No. (89): Disclosure of the members of the Board of Directors</p> <p>The Board of Directors shall organize the disclosures of each of its members and members of the Executive Management, taking into account the following:</p>
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	<p>89.1 Establish and periodically update a register of disclosures of board members and executive management, in accordance with the disclosures required under the Companies' Regulations, the Capital Market Law and their implementing regulations.</p> <p>89.2 Provide access to the register to the company's shareholders without financial consideration.</p> <p>Article No. (90): Disclosure of remuneration</p> <p>90.1 The Board of Directors shall:</p> <p>90.1.1 Disclose the remuneration policy and how to determine the remuneration of the members of the Board and the executive management in the company.</p> <p>90.1.2 Disclose accurately, transparently and in detail in the report of the Board of Directors the remunerations granted to the members of the Board of Directors and the Executive Management, directly or indirectly, without concealment or misleading, whether they are amounts, benefits, whatever their nature and name. If the benefits are shares in the company, then the value entered for the shares is the market value on the maturity date.</p> <p>90.1.3 Clarify the relationship between the granted remuneration and the applicable remuneration policy, and indicate any material deviation from such policy.</p> <p>90.1.4 State the necessary details regarding remuneration and compensations paid to each of the following separately:</p> <p>90.1.4.1 Board members.</p> <p>90.1.4.2 Five senior executives who received the highest remuneration from the company, including the chief executive officer and chief financial officer.</p> <p>90.1.4.3 Committee members.</p> <p>90.1.4.4 The disclosure mentioned in this article shall be in the report of the Board of Directors and in accordance with the attached tables.</p> <p>Article No. (91): Keeping documents</p> <p>The company shall keep all minutes, documents, reports and other documents required to be kept under these regulations at the company's head office for a period of not less than ten years, including the report of the board of directors and the report of the audit committee. The company shall, without prejudice to this period and in the event of a lawsuit, including any existing or threatened action, claim,</p>
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or any existing investigation procedures related to those minutes, documents, reports, or documents, keep them until the end of that lawsuit, claim, or existing investigation procedures.

Article No. (92): Revision and Amendment

92.1 The Governance Department shall recommend, when needed, and recommend any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.

92.2 The Corporate Governance of the Company shall maintain the original duly signed copy of this Policy and shall, from time to time, provide the Authority with a copy thereof and any amendments thereto.

Article No. (93): Policy Validity

This Policy shall be in effect and implemented as of date of Policy approval by the General Assembly.

Proposed amendments to the Audit Committee Charter

Before the amendment	After the amendment
<p>1.Mission</p> <p>1.1. The Audit Committee of Power and Water Utility Company for Jubail and Yanbu (MARAFIQ) ("MARAFIQ") is a standing committee of the Board of Directors (the "Board") appointed by the Company's general assembly ("General Assembly").</p> <p>1.2. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to:</p> <p>1.2.1. the integrity of MARAFIQ's financial statements and financial reporting process and MARAFIQ's systems of internal accounting and financial controls;</p> <p>1.2.2. the performance of the internal audit function;</p> <p>1.2.3. the performance of the risk management function;</p> <p>1.2.4. the annual independent audit of MARAFIQ's financial statements, the engagement of the external auditors and the evaluation of the external auditors' qualifications, independence and performance;</p> <p>1.2.5. the fulfilment of the other responsibilities set out in this charter.</p> <p>1.3. The Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board the Corporate Governance Code applicable to MARAFIQ and monitoring management's compliance with the Code and policies.</p> <p>1.4. Unless defined herein, or the context stipulates otherwise, defined terms used in this Charter shall have the meanings given to them in the Corporate Governance Regulations of the Capital Market Authority.</p>	<p>Article (1): Purpose</p> <p>This Regulation is referred to as "Audit Committee Work Regulation", which was prepared in accordance with the provisions of the Corporate Governance Regulation issued by the Capital Market Authority in the Kingdom of Saudi Arabia, which stipulates that the Company's General Assembly, based on a proposal by the Board of Directors, approve the Audit Committee Work Regulation. This Regulation came to clarify the mechanism of appointing the Audit Committee members, its competences, everything related to its meetings, the legal quorum for this Committee, and its work procedures.</p>
<p>N/A</p>	<p>Article (2): Definitions</p> <p>The terms and phrases used in this Regulation shall have the meanings assigned thereto, while the masculine form applying to the feminine, the singular to the plural and vice versa, unless the context or text indicates otherwise.</p>

	<p>Term</p> <p>Definition</p> <p>Governance Department Corporate Governance Department in the Company.</p> <p>The Secretary The Secretary of the Board of Directors.</p> <p>General Assembly Ordinary General Assembly of the Company.</p> <p>Policy Audit Committee Work Regulation.</p> <p>Company Power and Water Utility Company for Jubail and Yanbu (a Public Joint Stock Company).</p> <p>Committee Audit Committee</p> <p>The Board The Company Board of Directors</p> <p>Authority Capital Market Authority</p> <p>Business Day A day on which the Authority normally performs its business.</p>
N/A	<p>Article (3): Policy Interpretation</p> <p>3.1 Interpretation Rules</p> <p>3.1.1 This Policy and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.</p> <p>3.1.2 All headings in this Policy are for convenience of reference only and shall not affect the interpretation of the Policy provisions as a whole.</p> <p>3.1.3 This Policy prevails over any other Policy on the same subject that may conflict therewith.</p> <p>3.1.5 The Board is entitled to set rules and executive policies for this Policy.</p> <p>3.1.4 This Policy is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Policy as jus cogen rather than a complementary, then this Policy is read in light of that, and the complementary</p>

	<p>provision becomes as jus cogen by force of law and an integral part of this Policy. In the event that a complementary provision is included in this Policy in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.</p> <p>3.1.5 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Policy/ regulation as an approval for the guiding provisions contained therein to be mandatory.</p> <p>3.2 Sources of Judging the Incident</p> <p>3.2.1 The provisions of this Policy apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.</p>
<p>1. Membership</p> <p>1.1. The Audit Committee shall be formed by a resolution of the Company's ordinary General Assembly, and the member of the Audit Committee shall be from the shareholders or others, provided that at least one of its members is an Independent Director and that no Executive Director is among its members.</p> <p>1.2. The Audit Committee shall consist of at least three (3) members and shall not be more than five (5) members, provided that one of its members is specialised in finance and accounting.</p> <p>1.3. Although not mandatory, the recommended composition of the Audit Committee to align with best practices is for the majority of its members to be from among the Independent Directors.</p>	N/A

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| 1.4. | Members of the Committee shall be nominated for appointment by the Board upon their own consideration or by a recommendation from the Nomination and Remuneration Committee (NRC). The appointment of the Audit Committee members shall be approved by the General Assembly. | |
| 1.5. | Subject to a resolution by the General Assembly, the Board may request the removal of a member. | |
| 1.6. | Any person who works or has worked in the Company's Finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit committee. | |
| 1.7. | The Chairman of the Audit Committee shall be designated by the Board, however, the Chairman of the Board shall not be a member in the Audit Committee. | |
| 1.8. | The Board shall also nominate a Vice Chairman to Chair the Committee's meetings during Chairman's absence. | |
| 1.9. | The Chairman of the Committee or whom he/she delegates shall attend the General Assembly Meetings and answer any questions raised by the shareholders. | |
| 1.10. | The term of membership of the Committee is three years, starting with the beginning of the company's board term and ending with the end of the company's board term, and the board may nominate them to the General Assembly for another similar period or periods. | |
| 1.11. | The Company shall notify CMA of the Committee Members' names and membership description upon the date of their appointment as well as any changes thereto within the statutory period specified by the laws and regulations of CMA. | |

<p>N/A</p>	<p>Article (4): The Committee Formation and Membership therein</p> <p>4.1 The Committee is formed and its Chairman is appointed by a resolution of the Board. The remuneration of its members is determined in accordance with the policy of “Remunerations for Board Members, Committee Members and Executive Management” in this regard. Membership therein begins with the beginning of the Board term and ends with its end or with the dissolution of the Board.</p> <p>4.2 The number of committee members shall not be less than three and not more than five, so that the members are as follows:</p> <p>4.2.1 Shareholders or others.</p> <p>4.2.2 None of them shall be members of the Executive Board.</p> <p>4.2.3 At least one of them shall be an independent Board member.</p> <p>4.2.4 One of its members shall be specialized in financial and accounting affairs.</p> <p>4.2.5 The Board of Directors Chairman shall not be a member of the Audit Committee.</p> <p>4.2.6 A person who works during the past two years in the financial or executive management of the Company or with the Company's external auditor shall not be a member of the Committee.</p> <p>4.2.7 All the Committee members shall be aware of the financial rules and that at least one member shall be specialized in financial and accounting affairs.</p> <p>4.2.8 The member shall have a university degree or its equivalent from a recognized educational center in the Kingdom of Saudi Arabia.</p> <p>4.2.9 The Committee member shall not be a member of audit committees in more than five joint stock companies listed in the market at the same time.</p> <p>4.2.10 The member shall not previously convicted of any felony or misdemeanor involving breach of honor or trust.</p> <p>4.3 The Company shall notify the Authority of the Committee members names and their membership descriptions from the date of their appointment and any changes that may occur therein within five working days from the date of the change.</p>
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	<p>4.4 A Committee member may retire from the membership of the Committee by a written notice addressed to the Committee Chairman, who shall inform the Board and the Secretary of the Board directly. In addition, if the Committee Chairman resigns, the notice shall be directed to the Board and the Secretary of the Board. Retirement (resignation) is effective - in both cases - from the date specified in the notice.</p> <p>4.5 If the position of one of the Committee members becomes vacant, the Board may appoint in the vacant position a person who has experience and competence within ten working days from the day on which the position becomes vacant at most. The new member completes the term of his predecessor, and the Company shall notify the Authority within five days from the date of appointment, and the appointed member completes the term of his predecessor.</p> <p>4.6 If the necessary conditions for a Committee valid meeting are not met due to a decrease in the number of its members to less than half the number of the Committee members, the Board shall appoint a new committee immediately and within ten working days at most. In addition, the Company shall notify the Authority within five days from the date of appointment, and the appointed committee shall complete the term of its predecessor.</p> <p>4.7 Membership in the Committee ends de jure if any of the following conditions are met:</p> <p>4.7.1 In the event of the dissolution of the Board for any reason or due to the end of its session.</p> <p>4.7.2 In the event of the member death or the existence of a total disability that prevents him from performing his duties.</p> <p>4.7.3 In the event of retirement (resignation) or dismissal of the member.</p> <p>4.7.4 In the event that one of the membership conditions set forth in these regulations and related regulations is no longer exist.</p>
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<p>3. Secretary</p> <p>The Committee will appoint a Secretary among its members or as it deems fit from the Company's Management team to prepare for the Committee's meetings and work prepare and document its minutes and follow-up implementation of its recommendations, directives and decisions without voting rights.</p>	<p>Article (5): The Secretary</p> <p>The Committee shall appoint a secretary for it, and the Board shall determine his remuneration, provided that the appointment of the Secretary is from among the members of the Committee or whomever the Committee deems appropriate from the Company's management team to prepare for and document its meetings, its minutes, and follow up on the implementation of its recommendations, instructions, and resolutions without having the right to vote therein. The Secretary may resign from his position at any time by virtue of a written notice sent to the Committee Chairman, so that the Secretary continues to carry out his duties until another secretary is appointed by the committee.</p>
<p>2. Quorum</p> <p>2.1. The quorum necessary for the transaction of business shall be the majority of the Audit Committee's members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>2.2. Resolutions of the Committee shall be issued by a majority of the votes present and, in case of a tie, the Chairman of the Committee shall have the casting vote.</p> <p>3. Frequency of Meetings</p> <p>3.1. Meetings shall be held at least four times each year and, where appropriate, should coincide with key dates in MARAFIQ's financial reporting cycle.</p> <p>3.2. The Committee shall meet with the external auditors at least every half-year and at least once every year in the absence of any member of Executive Management team.</p>	<p>Article (6): Committee Work Rules</p> <p>6.1 The legal quorum of the Committee is achieved by the presence of the majority of its members at least. In addition, the Committee is entitled, in any meeting with a full quorum it holds in accordance with the rules, to exercise all or any of the authorizations and powers assigned thereto or that it is entitled to exercise. The Committee issues its resolutions by the majority of the members present at the meeting, and in the event of equal votes, the side with which the Committee/ meeting Chairman voted shall prevail</p> <p>6.2 In the absence of the Committee Chairman, the remaining members present shall elect one of them to preside over the meeting.</p> <p>6.3 Members may participate in any meeting by telephone, by videoconference, or by any similar electronic means.</p> <p>6.4 A Committee member is entitle to object to any resolution taken by the Committee, provided that his objection is expressly recorded in the meeting minutes. Absence from any meeting in which the resolution is issued does not prevent the member from bearing responsibility for implementing the resolutions unless it is proven that the member was not aware of the resolution or was not able to object thereto.</p> <p>Article (7): Committee Meetings</p>

<p>3.3. Formal meetings of the Committee are the heart of its work. However, they will rarely be sufficient. It is expected that the Committee Chairman, and to a lesser extent other members, shall keep in touch on a continuing basis with the key people involved in MARAFIQ's governance including the Board Chairman, the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, the external audit partner and the Head of Internal Audit.</p> <p>4. Notice of Meetings</p> <p>4.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.</p> <p>4.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, and all other directors no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.</p> <p>5. Minutes of Meetings</p> <p>5.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.</p> <p>5.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.</p> <p>7.3 The Committee Secretary prepares the draft minutes of meeting within 10 days from the date of the meeting and circulates it to the Committee Chairman and members via email for review and add their comments within (10) working days from the date of each</p>	<p>7.1 Committee meetings are convened by an invitation of the Secretary upon the request of the Committee Chairman at least four times a year, and shall coincide, when necessary, with key dates in the Company's financial reporting cycle. It may also convene extraordinary or emergency meetings as circumstances require and at any time. The Committee also convenes when the Board or two of the Committee members so request, or if the external auditor or the head of the Internal Audit Department so requests. In all cases, the reasons for the extraordinary meeting shall be clarified in the minutes of the relevant meeting.</p> <p>7.2 The Committee meets with the external auditor in regular meetings.</p> <p>7.3 The Committee meets at least once a year with the external auditor and the internal auditors without the presence of management.</p> <p>7.4 Unless otherwise agreed, notice of each meeting confirming the place, time, date, agenda and items to be discussed shall be sent to each Committee member, any other person required to attend and all other members at least 10 business days prior to the meeting date. However, the notice may be issued in exceptional cases and notified of it 5 business days prior to the meeting date, while including a note on the extent of its urgency, and sent with supporting documents to the Committee members and to other attendees as appropriate at the same time.</p> <p>7.5 The Committee convenes its meetings at the Company's headquarters, however it may be convened in any other place or by any available electronic means.</p> <p>7.6 The Company CEO, the CFO, the Head of the Internal Audit Department, the representative of the external auditor and other specialists may attend the meetings upon the invitation of the Committee.</p> <p>Article (8): Meeting Minutes</p> <p>8.1 The Secretary shall prepare minutes in Arabic of the facts of all the Committee's meetings and the resolutions issued therein, including recording the names of the</p>
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meeting. In the case comments were not received, it is considered as a confirmation of approval, such minutes of meeting shall be kept in a book to be signed by the Committee Chairman and the members who attended the meeting and its Secretary, and such records shall be kept in a special register held at the Company' offices.

6. Annual General Assembly Meeting

The Chairman of the Committee shall attend the annual General Assembly to present recommendations on the choice and remuneration of external auditor, if applicable, and to respond to any shareholder questions on the Committee's activities if required.

7. Duties

The Committee should carry out the duties below:

a) Financial Reports:

- 1) analysing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency;
- 2) providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy;
- 3) analysing any important or non-familiar issues contained in the financial reports;
- 4) accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor;
- 5) examining the accounting estimates in respect of significant matters that are contained in the financial reports; and

attendees. The minutes may be written in an additional language other than the Arabic. In case of disagreement, the Arabic only shall prevail.

8.2 The Secretary shall ensure, at the beginning of each meeting, that there are no cases of conflict of interest and include them in the meeting minutes accordingly.

8.3 The Secretary prepares a draft minutes of the meeting and presents it to the Committee Chairman and its members via e-mail to review the same and add their notes within (5) business days from the date of each meeting. In the event that the notes are not received within (10) business days after sending them, this is considered as confirmation that there are no notes on the initial draft, and the meeting minutes are kept after being signed by the Secretary and all the attending members.

Article (9): Committee Competences

In addition to the mandatory tasks determined by the Authority in the Corporate Governance Regulations issued whereby, or those guiding duties that become mandatory based on the Authority's resolutions in this regard, the Committee shall perform the following duties:

First: Financial Reports

9.1 Studying the preliminary and annual financial statements of the Company before presenting them to the Board of Directors, expressing its opinion therein, and making recommendations regarding them to ensure their integrity, fairness, and transparency.

9.2 Providing its technical opinion, upon the Board's request, on whether the Board's report and the Company's financial statements are fair, balanced, comprehensible, and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.

9.3 Thoroughly examining any significant or unfamiliar issues included in the financial statements.

<p>6) examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.</p> <p>b) Internal Audit:</p> <p>1) examining and reviewing the Company's internal and financial control systems and risk management system;</p> <p>2) analysing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports; and</p> <p>3) monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.</p> <p>4) providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.</p> <p>c) External Auditor:</p> <p>1) providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts;</p> <p>2) verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards;</p> <p>3) reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon;</p> <p>4) responding to queries of the Company's external auditor; and</p> <p>5) reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.</p> <p>d) Ensuring Compliance:</p>	<p>9.4 Closely investigating any issues raised by the CFO of the Company, or those who assume their duties, the Compliance Officer, or the external auditor.</p> <p>9.5 Studying any significant or unfamiliar issues included in the financial statements.</p> <p>9.6 Studying the accounting policies followed in the Company and expressing opinions and recommendations to the Board of Directors regarding them.</p> <p>Second: Internal Auditor</p> <p>9.7 Studying and reviewing the Company's internal control, financial, and risk management systems.</p> <p>9.8 Examining internal audit reports and following up the implementation of corrective actions for the notes contained therein.</p> <p>9.9 Supervising and overseeing the performance and activities of the internal auditors and the internal audit management in the Company, ensuring the availability and effectiveness of resources in performing their assigned tasks and duties.</p> <p>9.10 Recommending to the Board of Directors by appointing the Manager of the Internal Audit Unit or the Internal Audit Management or the internal auditor and proposing their remuneration.</p> <p>Third: External Auditor</p> <p>9.11 Recommending to the Board the nomination, removal, determination of external auditor, determining their fees, and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.</p> <p>9.12 Verifying the independence, objectivity, fairness, and effectiveness of external auditor's work, considering relevant rules and standards.</p> <p>9.13 Revising the Company external auditor plan and work, verifying that they do not engage in any technical or administrative work beyond their scope and providing its opinions thereon.</p> <p>9.14 Replying to inquiries from the Company's external auditor.</p>
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<p>1) reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;</p> <p>2) ensuring the Company's compliance with the relevant laws, regulations, policies and instructions;</p> <p>3) reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and</p> <p>4) reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.</p> <p>8. Reporting Responsibilities</p> <p>8.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.</p> <p>8.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.</p> <p>8.3. If a conflict arises between the recommendations of the Audit Committee and the Board resolutions or if the Board refuses to put the Committee's recommendations into action, the Board's annual report shall include the Committee's recommendations and justifications and the reasons for not following such recommendations.</p> <p>8.4. The activities, terms of reference and membership of the Committee, number of Committee meetings held and attendance over the course of the year will be disclosed in the annual report.</p> <p>9. Other Matters</p>	<p>9.15 Studying external auditor reports and its notes on the financial statements, and following up on actions taken regarding them.</p> <p>9.16 Revising and approving all services not related to external auditors to ensure their independence.</p> <p>Fourth: Compliance Assurance</p> <p>9.17 Revising the results of regulatory reports and ensuring that the Company has taken the necessary actions thereon.</p> <p>9.18 Ensuring the company's compliance with relevant laws, regulations, policies, and instructions.</p> <p>9.19 Revising contracts and proposed transactions the Company intends to undertake with related parties and providing recommendations to the Board thereon.</p> <p>9.20 Informing the Board of any matters deemed necessary for taking actions and providing necessary recommendations on the steps to be taken.</p> <p>Fifth: Values and Ethics</p> <p>9.21 Revising and evaluating policies and procedures related to values and ethics rules.</p> <p>9.22 Revising compliance reports related to laws, regulations, policies, unethical behaviors, and etc.</p> <p>Sixth: Governance</p> <p>9.23 Obtaining necessary confirmations regarding the application of Corporate Governance Rules from the Company Management.</p> <p>Seventh: Fraud, Money Laundering, and Corruption</p> <p>9.24 Supervising the Management's arrangements to prevent and combat fraud, money laundering, and corruption.</p> <p>9.25 Ensuring that actions are taken against perpetrators of fraud, money laundering, and corruption.</p> <p>9.26 Supporting the Management to ensure the existence of anti-fraud, anti-money laundering, and anti-corruption programs and controls.</p>
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<p>The Committee shall:</p> <ul style="list-style-type: none"> 9.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required; 9.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; 9.3. give due consideration to laws and regulations; 9.4. be responsible for co-ordination of the internal and external auditor; 9.5. oversee any investigation of activities which are within its terms of reference and act as a court of the last resort. <p>10. Authority</p> <p>The Committee is authorised:</p> <ul style="list-style-type: none"> 10.1. to investigate any activity within its terms of reference; 10.2. to seek any information that it requires from any employee of MARAFIQ and all employees are directed to cooperate with any request made by the committee; 10.3. to call any employee to be questioned at a meeting of the Committee as and when required. <p>11. Review and Amendment</p> <p>The Audit Committee shall periodically review this Charter and recommend any amendments to it to the Board for endorsement prior to obtaining the approval of the General Assembly.</p> <p>12. Entry into force</p>	<p>Eighth: Internal Control</p> <ul style="list-style-type: none"> 9.27 Revising the adequacy and completeness of the internal control system. 9.28 Revising the method and framework through which the Management is able to monitor the business and verify the appropriateness of the nature and size of the internal control systems and the effectiveness of their implementation. <p>Ninth: Annual Report</p> <ul style="list-style-type: none"> 9.29 The Committee prepares an annual report that includes a comprehensive evaluation of control and compliance operations, committee activities, its competences, membership, and the number of meetings held and attended throughout the year. The report shall detail the Committee's performance of its assigned competences and duties specified in these regulations, provided that it includes its recommendations and opinion on the adequacy of the internal and financial control systems. The Board of Directors shall deposit sufficient copies of the audit committee report at the Company's headquarters and publish it on the Company's website and the website of the financial market when publishing the invitation to convene the General Assembly to enable shareholders who desires to obtain a copy thereof. A summary of the report is read during the General Assembly. <p>Article (10): Committee Powers</p> <p>The Committee has the following powers and authorities (in addition to its other powers specified in these regulations and other powers determined by the Authority in the Corporate Governance Regulations issued whereby):</p> <ul style="list-style-type: none"> 10.1 The Committee has the ability to access sufficient resources to perform its duties. 10.2 Requesting any information from the Company's management to perform its duties, provided that the Committee determines the information that shall be provided thereto by the Company's departments, its size and the date of its submission, so that the information is submitted to the Committee when it becomes available.
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<p>This Charter shall be implemented and adhered to from the date approved by the General Assembly.</p>	<p>10.3 Requesting advice and assistance as needed from any department in the Company, and it may request any clarification or statement from the Board of Directors members or the Executive Management.</p> <p>10.4 Receiving 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.</p> <p>10.5 Supervising any investigation into the activities that fall within its competence and making arrangements that enable the Company's employees to provide confidential observations regarding cases of fraud, money laundering, corruption or any material errors in financial or other reports.</p> <p>10.6 Requesting the Board of Directors to convene the General Assembly of the Company if the Board impedes its work or if the Company suffers significant damages or losses.</p> <p>Article (11): Committee Members Duties and Powers</p> <p>11.1 In addition to its mandatory competences determined by the Authority in the Corporate Governance Regulations issued whereby, or those guiding competences that become mandatory based on the Authority resolution in this regard, the Committee Chairman is responsible for the following:</p> <p>11.1.1 Managing Committee meetings and seeking to enhance their effectiveness.</p> <p>11.1.2 Representing the Committee before the Board and the General Assembly and replying for inquiries that may be raised in the field of Committee competence.</p> <p>11.1.3 Calling for Committee meetings and specifying their dates and locations in coordination with the Committee members.</p> <p>11.1.4 Preparing meeting agendas.</p> <p>11.1.5 Ensuring that the issues presented to the Committee are supported by the required basic documents and information.</p> <p>11.1.6 Ensuring that sufficient time is provided to discuss agenda items.</p>
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	<p>11.1.7 Submitting the Committee recommendations to the Board as the Committee deems appropriate in any aspect of its competence when needed.</p> <p>11.1.8 Following up on the implementation of the Committee's decisions.</p> <p>11.2 The Secretary of the Committee is responsible for the following duties and responsibilities:</p> <p>11.2.1 Coordinating Committee meetings and proposing meeting items in coordination with the Committee Chairman.</p> <p>11.2.2 Notifying Committee members of meeting dates and providing them with the agenda and any necessary information.</p> <p>11.2.3 Attending and documenting Committee meetings, and preparing and keeping meeting minutes.</p> <p>11.2.4 Keeping the Committee minutes, exhibits, reports and other documents issued by the Committee, including the Audit Committee reports, at the Company's main office for a period of no less than ten years. Without prejudice to this period, the aforementioned shall be kept in the event of a lawsuit, including any existing or threatened by lawsuit, claim, or any existing investigation procedures related to those exhibits, until they are completed. This matter - i.e. keeping exhibits - applies to the policy approved by the Company in this regard.</p> <p>11.3 In addition to other mandatory duties that the Authority decides in the Corporate Governance Regulations issued whereby or those guiding duties that become mandatory based on Authority resolution in this regard, each of Committee member shall act as follows:</p> <p>11.3.1 Complying with the provisions of the Authority's statute, its regulations, the companies' bylaw, its executive regulation, other relevant laws, and the Company's articles of association when performing his duties, and refraining from entering into or participating in any transaction that may harm the interest of the Company.</p>
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	<p>11.3.2 Knowing the duties and responsibilities of the Committee while allocating sufficient time to perform his role in achieving them.</p> <p>11.3.3 Performing the duties assigned thereto without any external influence, whether from inside or outside the Company, and not giving his personal interest over the interests of the company.</p> <p>11.3.4 Refraining from accepting gifts from any person with whom the Company has commercial dealings.</p> <p>11.3.5 Preparing for and attending all meetings and participating in all discussions effectively.</p> <p>11.3.6 Ensuring knowledge of regulatory updates related to the Company, its activities, business and other related fields.</p> <p>Article (12): Dispute of Jurisdiction and Conflict of Interest</p> <p>12.1 Positive and Negative Jurisdiction Conflict:</p> <p>In the event of a positive conflict between the competences of the Committee and any other permanent committee affiliated to the Board, so that each committee insisted on having jurisdiction to consider a specific matter or incident, or in the event of a negative conflict with any other permanent committee affiliated to the Board, so that each committee insists on its lack of competence in looking into a specific matter or incident, the matter is referred to the Board to issue its resolution in this regard.</p> <p>12.2 Conflict between the Audit Committee and the Board of Directors</p> <p>If there is a conflict between the Audit Committee's recommendations and the Board's resolutions, or if the Board refuses to take the Committee's recommendation regarding the appointment and dismissal of the Company's auditor, determining his fees and evaluating his performance, or appointing the internal auditor, the Board's report shall include the Committee's recommendation and its justifications, and the reasons for not taking it into consideration.</p>
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12.3 Conflict of Interest

Without prejudice to the rules of Avoiding Conflicts of Interest Policy approved by the Company and the details it includes in this regard:

12.3.1 Members shall avoid any situations that may lead to a conflict of interest with the Company at all times.

12.3.2 If a member has a conflict of interest in relation to any issue of the Committee, he shall disclose this conflict before starting to discuss that issue, provided that this is recorded in the meeting minutes. In this case, the member may not attend or participate in the discussion or vote on the issue.

12.3.3 A Committee member shall not have any direct or indirect interest in the business and contracts that are executed or concluded in the name of the Company unless authorized by the Ordinary General Assembly (if the Committee member also holds the position of a Board member) or by the Board (if the Committee member is not a Board member) in accordance with the applicable law and internal policies of the Company.

12.3.4 If the Committee member does not disclose his interest in the relevant contracts, the Company may request that the contract be canceled and obligate the member to pay compensation or any profit/benefit obtained through that interest.

12.3.5 If the Committee member does not disclose his participation in any business that would compete with the Company or one of its activity branches, the Company may resort to the competent judicial authority to claim appropriate compensation.

12.3.6 A Committee member may not, directly or indirectly, use, exploit or benefit from any of the Company's assets, information or investment opportunities considered by the Company, and the member may not exploit any such investment opportunity after the end of his membership term.

12.3.7 If it is proven that a member exploited any investment opportunity, the Company or any concerned party may resort to the competent judicial authority to claim the

	<p>cancellation of any work, profit or gain resulting from that opportunity. In addition, the Company may also claim appropriate compensation.</p> <p>12.3.8 A Committee member shall maintain the confidentiality of the information and documents available thereto, and he shall not in any way, even if his membership ends, disclose them to any person or entity unless authorized by the Board in writing. In addition, he shall not use any of this information for his personal interest, the interest of his relatives or any external parties, and the Company is entitled to claim compensation in case of violating the provisions of this Article.</p> <p>Article (13): Revision and Amendment</p> <p>13.1 The Committee revises this these Regulation in cooperation with the Company's Management when needed and recommends any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.</p> <p>12.2 The Governance Department in the Company maintains the original duly signed copy of this Regulation and, from time to time, provides the Authority with a copy thereof and any amendments thereto.</p> <p>Article (14): Regulation Validity</p> <p>This Regulation shall be in effect and implemented as of date of its approval by the General Assembly.</p>
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Proposed amendments to the Remuneration and Nomination Committee

Before the amendment	After the amendment																				
<p>1. the purpose</p> <p>1.1 The Nominations and Remuneration Committee ("the Committee") is responsible for identifying individuals qualified to occupy Board of Directors or senior executive membership positions. It is also responsible for recommending to the Board of Directors the remuneration due to members of the Board of Directors, Committee members, and senior executives based on the recommendation of the Board of Directors. The General Assembly has the authority to In approving the committee's work policy, remuneration policy and special remuneration plans such as annual bonus programs and stock option plans at the Marafiq company level.</p> <p>1.2 The committee reviews the annual performance of the Board of Directors, and submits recommendations to the Board of candidates for membership in all committees to be appointed by the Board.</p> <p>1.3 The committee evaluates the skills and experience of the members of the Board of Directors and recommends their training accordingly. It also sets a succession plan for the Board of Directors.</p> <p>2. Membership</p> <p>2.1 The committee is formed by decision of the Board of Directors.</p> <p>2.2 The number of members must not be less than three and not more than five members, provided that none of them are executives and that there is at least one independent member among them.</p> <p>2.3 The Chairman of the Committee is appointed by the Board of Directors, provided that he is an independent member of the Board of Directors.</p>	<p>Article (1): Purpose</p> <p>This regulation is called the "Regulations of the Remuneration and Nomination Committee". Which was prepared in accordance with the provisions of the Corporate Governance Regulations (CG Regulations) issued by the Capital Market Authority in the Kingdom of Saudi Arabia, which stipulates that the General Assembly of the company, based on a proposal by the Board of Directors, approve the Regulations of the Remuneration and Nomination Committee. To clarify the mechanism for appointing the members of the Remuneration and Nomination Committee, its terms of reference, everything related to its meetings, the legal quorum for this committee, and its work procedures.</p> <p>Article (2): Definitions</p> <p>The terms and expressions in this regulation shall have the meanings ascribed thereto hereunder, and the masculine shall include the feminine, and the singular shall include the plural and vice versa, unless the presumption or context indicates otherwise:</p> <table> <tr> <th>Term</th><th>Definition</th></tr> <tr> <td>Governance Department</td><td>: Corporate Governance Department in the Company.</td></tr> <tr> <td>Secretary</td><td>: Secretary of the Remuneration and Nominations Committee (RNC).</td></tr> <tr> <td>General Assembly</td><td>: Ordinary General Assembly of the Company.</td></tr> <tr> <td>Chairman of the Committee</td><td>: Chairman of the Remuneration and Nominations Committee.</td></tr> <tr> <td>Regulation</td><td>: Regulations of the Remuneration and Nomination Committee.</td></tr> <tr> <td>Company</td><td>: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).</td></tr> <tr> <td>Committee</td><td>: the Remuneration and Nomination Committee</td></tr> <tr> <td>Board</td><td>: The Board of the Company.</td></tr> <tr> <td>Authority</td><td>: Capital Market Authority.</td></tr> </table>	Term	Definition	Governance Department	: Corporate Governance Department in the Company.	Secretary	: Secretary of the Remuneration and Nominations Committee (RNC).	General Assembly	: Ordinary General Assembly of the Company.	Chairman of the Committee	: Chairman of the Remuneration and Nominations Committee.	Regulation	: Regulations of the Remuneration and Nomination Committee.	Company	: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).	Committee	: the Remuneration and Nomination Committee	Board	: The Board of the Company.	Authority	: Capital Market Authority.
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Board	: The Board of the Company.																				
Authority	: Capital Market Authority.																				

<p>2.4 The Chairman of the Council may not hold the position of Chairman of the Committee, and he may participate in the membership of the Committee.</p> <p>2.5 The Chairman of the Committee or his delegate attends the General Assembly meetings and answers any questions raised by shareholders.</p> <p>2.6 The Board of Directors appoints the members of the Committee, and the Board may dismiss them at its discretion.</p> <p>2.7 The term of committee membership shall not exceed the term of the Board's session, and the Board of Directors has the right to dismiss a member or members of the Committee for any reason, without prejudice to the right of the dismissed member to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time.</p> <p>2.8 The Marafiq Company must notify the Authority of the names of the members of the committee and their membership positions from the date of their appointment and any changes that occur within the statutory period specified by the Authority's rules and regulations.</p> <p>2.9 In the absence of the Chairman of the Committee, the remaining members present must elect one of them to chair the meeting.</p> <p>3. secret keeper</p> <p>The committee appoints a secretary from among its members or from whomever it deems appropriate from the company's management team to prepare for the committee's meetings, prepare and document its minutes, and follow up on the implementation of its recommendations, directives, and decisions, without him having the right to vote in them.</p> <p>4. Quorum</p> <p>4.1 A quorum is achieved by the presence of a majority of the members of the committee, and the committee has the right, at any quorum meeting held duly, to exercise all or any of the powers and powers conferred upon it or which it is entitled to exercise.</p>	<p>Business Day : A day on which the Authority normally performs its business.</p> <p>Article (3): Regulation Interpretation</p> <p>3.1 Interpretation Rules</p> <p>3.1.1 This Regulation and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.</p> <p>3.1.2 This Regulation is directed and addresses job positions and not the people in charge of them.</p> <p>3.1.3 All headings in this Regulation are for convenience of reference only and shall not affect the interpretation of the Regulation provisions as a whole.</p> <p>3.1.4 This Regulation prevails over any other Regulation on the same subject that may conflict therewith.</p> <p>3.1.5 The Board is entitled to set rules and executive policies for this Regulation.</p> <p>3.1.6 This Regulation is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Regulation as jus cogen rather than a complementary, then this Regulation is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Regulation. In the event that a complementary provision is included in this Regulation in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.</p> <p>3.1.7 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Regulation/ regulation as an approval for the guiding provisions contained therein to be mandatory.</p> <p>3.2 Sources of Judging the Incident</p> <p>3.2.1 The provisions of this Regulation apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.</p>
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<p>4.2 The decisions of the Nominations and Remuneration Committee shall be issued by a majority of the votes of those present, and in the event of equal votes, the side with which the Chairman of the Committee voted shall prevail.</p> <p>4.3 Members may participate in any meeting by telephone, video call, or any similar electronic means through which all members can communicate simultaneously.</p> <p>4.4 The 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 the decision is made does not prevent the member from assuming responsibility for implementing the decision unless it is proven that the member was not aware of the decision. Or he was unable to object to it.</p> <p>Number of meetings</p> <p>The Committee meets at least twice a year, and at any other time as requested by the Chairman of the Committee.</p> <p>5. Notification of meetings</p> <p>5.1 Committee meetings shall be held at the invitation of the Secretary of the Committee, and the Chairman of the Committee shall call for a meeting in any exceptional case, for example when the Board of Directors or two members of the Committee request that the Committee be held, or if circumstances so require, provided that the reasons for the extraordinary meeting are included.</p> <p>5.2 Unless otherwise agreed, notice of each meeting confirming the place, time, date, agenda and items to be discussed must be sent to each member of the Committee, any other person required to attend and all other members at least 15 days before the meeting. However, in exceptional cases, the notice may be issued and notified 5 working days before the date of the meeting, including a note regarding the extent of its urgent importance, and sent with supporting papers to the members of the committee and to other attending members, as appropriate, at the same time.</p> <p>5.3 The committee holds its meetings at the company's headquarters, however it may be held in any other place or through electronic means.</p> <p>6 Minutes of meetings</p> <p>6.1 The Secretary of the Committee shall prepare minutes of the proceedings of all Committee meetings and the decisions issued therein, including recording the names of attendees.</p>	<p>3.2.2 The provisions of this Regulation shall not conflict with the legislative laws in the Kingdom of Saudi Arabia (KSA), and in the event of a conflict, the provisions of the jus cogen legislative laws shall be applied.</p> <p>3.2.3 In the absence of a provision in this Regulation on the issue, the following legislative sequence shall be applied:</p> <p>3.2.3.1 The jus cogens in the CG Regulations issued by the Authority are applied.</p> <p>3.2.3.2 The provisions of the Companies Law and its executive regulations shall be applied.</p> <p>3.2.3.3 The provisions of the Company's articles of association shall be applied.</p> <p>3.2.3.4 The resolutions of the Company's General Assembly shall be applied.</p> <p>3.2.3.5 The resolutions of the Board of Directors shall be applied.</p> <p>3.2.3.6 Diligence of from the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.</p> <p>Article (4): Formation of the Committee and Its Membership</p> <p>4.1 The Committee is formed and its Chairman is appointed by a decision of the Board. The remuneration of its members is determined according to the policy of "Remunerations of Board Members, Committee Members and Executive Management" in this regard. Membership in it begins with the beginning of the Board term and ends with its end or with the dissolution of the Board.</p> <p>4.2 The number of committee members shall not be less than three and not more than five.</p> <p>4.3 The members of the Committee shall be non-executive members of the Board and at least one of them shall be an independent member of the Board.</p> <p>4.4 The Chairman of the Committee shall be appointed by the Board, provided that he is an independent member of the Board.</p> <p>4.5 The Chairman of the Board may not occupy the position of Chairman of the Committee, and may participate in the membership of the Committee.</p> <p>4.6 The Company shall notify the Authority with the names of the committee members and their membership descriptions from the date of their appointment and any changes that may occur therein within five working days from the date of the change.</p> <p>4.7 A member of the Committee may retire from the committee by a written notification to the Committee Chairman, who must notify the Board and the Board Secretary directly. If the Committee</p>
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<p>6.2 The Secretary must ensure, at the beginning of each meeting, that there are any conflicts of interest and include them in the minutes of the meeting accordingly.</p> <p>6.3 The Secretary of the Committee prepares a draft of the minutes of the meeting and presents it to the Chairman of the Committee and its members via e-mail for review and addition of their comments within (10) working days from the date of each meeting. In the event that the comments are not received within the aforementioned period, this is considered confirmation that there are no comments on the meeting. The initial draft, and the minutes of the meeting are kept after being signed by the Secretary and all members present.</p> <p>7. Annual General Assembly</p> <p>The Chairman of the Committee or his duly authorized representative or representative shall attend the Annual General Assembly and shall be prepared to answer any questions raised by shareholders about the activities of the Committee as well as recommend remuneration for members of the Board of Directors, members of the Board Committees and the Executive Management Team for the following year.</p> <p>8 mission</p> <p>The committee must perform the following tasks:</p> <p>8.1 Prepare a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and Executive Management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account following standards related to performance, disclosing them, and verifying their implementation.</p> <p>8.2 Clarifying the relationship between the remuneration paid and the approved remuneration policy, and indicating any material deviation from this policy.</p> <p>8.3 Periodically review the remuneration policy and evaluate its effectiveness in achieving its objectives.</p> <p>8.4 Recommending to the Board of Directors the remuneration of its members, committee members, and senior executives of the company in accordance with the approved policy.</p> <p>8.5 Proposing clear policies and standards for membership of the Board of Directors and executive management.</p>	<p>Chairman resigns, the notification shall be directed to the Board and the Board Secretary from the date specified in the report.</p> <p>4.8 If the position of a committee member becomes vacant, the Board may appoint to the vacant position an experienced and competent person within ten working days of the vacancy at most. The new member completes the term of his predecessor, the company shall inform the Authority within five days from the date of appointment, and the appointed member completes the term of his predecessor.</p> <p>4.9 If the necessary conditions for the validity of the committee formation are not met due to less of its members number than half the number of the committee members. The board shall appoint a new committee immediately within ten working days at most, the company shall notify the Authority within five days from the date of appointment, and the appointed committee completes the term of its predecessor.</p> <p>4.10 Membership in the Committee ends de jure if any of the following conditions are met:</p> <p>4.10.1 In the event of dissolved the board for any reason or its session ends.</p> <p>4.10.2 In the event of member death or the existence of a total disability that prevents him from performing his duties.</p> <p>4.10.3 In the event of retirement (resignation) or dismissal of the member.</p> <p>4.10.4 In the event that one of the membership conditions set forth in these regulation and related regulations is absent.</p> <p>Article (5): The Secretary</p> <p>The committee appoint a Secretary for it, and the Board determine its remuneration, provided that the appointment of the Secretary is from among the members of the committee or whomever the committee deems appropriate from the company's management team to prepare its meetings, Committee's Minutes, document. To 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 virtue of a written notice sent to the Committee Chairman, so that the Secretary continues to carry out his duties until another Secretary is appointed by the committee.</p> <p>Article (6): Controls of the Committee's work</p>
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<p>8.6 Recommending to the Board of Directors to nominate members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate anyone who has previously been convicted of a crime prejudicial to honor or honesty.</p> <p>8.7 Determine the time that the member must allocate to the work of the Board of Directors.</p> <p>8.8 Review the structure of the Board of Directors and Executive Management and provide recommendations regarding the changes that can be made to it.</p> <p>8.9 Developing job descriptions for the executive, non-executive and independent members of the Board and the senior executive management.</p> <p>8.10 Establishing the procedures that must be followed in the event that the position of a member of the Board of Directors or a senior executive becomes vacant.</p> <p>8.11 Identify the strengths and weaknesses of the Board of Directors and propose solutions to address them in accordance with the interests of Marafiq Company.</p> <p>8.12 Annual review of the skills, knowledge and experience required for the Board of Directors, preparing a description of the tasks and capabilities required when appointing any member and submitting recommendations to the General Assembly.</p> <p>8.13 Reviewing the leadership needs of Marafiq Company and its departments (CEO and Vice Presidents), with the aim of ensuring that Marafiq Company continues to be able to achieve achievements effectively in the market, and to keep fully abreast of the strategic issues and business changes that affect Marafiq Company and the market in which it operates.</p> <p>8.14 Review the budgets for remuneration and benefits accrued to members of the Board of Directors and the Company's management team annually and review and recommend to the Board of Directors any changes in employee benefits policies and structures at the Marafiq Company level.</p> <p>8.15 Setting appropriate standards and submitting recommendations to the Board of Directors regarding the independence of Board members and candidates for its membership.</p> <p>8.16 Ensuring the independence of independent board members annually, and the absence of any conflict of interest if any board member holds a membership on the board of directors of other companies.</p> <p>8.17 Establishing a policy for disclosing the remuneration of members of the Board of Directors and the company's management team.</p>	<p>6.1 The legal quorum of the committee is achieved by the attendance of at least the majority of its members, and the committee shall be entitled to exercise all or any of the powers, powers vested in it or that it is entitled to exercise in any meeting with a full quorum it holds, in accordance with the rules. The Committee take its decisions by a majority of the members present at the meeting; if the votes are equal, the side for which the Committee Chairman/meeting Chairman voted is likely.</p> <p>6.2 In the absence of the Committee Chairman, the remaining members present shall elect one of them to chair the meeting.</p> <p>6.3 Members may participate in any meeting by telephone, videoconference, or by any similar electronic means.</p> <p>6.4 A committee member shall be entitled to object to any decision taken by the committee, provided that his objection is expressly recorded in the Meeting Committee's Minutes. In the event of Absence from any meeting in which the decision is taken does not prevent the member from taking responsibility for implementing the decision unless it is proven that the member was not aware of the decision, or was not able to object to it.</p> <p>Article (7): Committee Meetings</p> <p>7.1 The Committee Meetings are held at the invitation of the Secretary according to a request from the Committee Chairman 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 meeting is also held when requested. The Board or two members of the Committee shall do so, and in all cases the reasons for the extraordinary meeting shall be clarified in the relevant Meeting Committee's Minutes.</p> <p>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 committee member, any other person required to attend and all other members at least 10 working days prior to the meeting. However, the notice may be issued in exceptional cases and notified of it, before 5 working days from the date of the meeting, with a note on the extent of its urgency, and sent with supporting documents to the committee members and to other attendees as appropriate at the same time.</p> <p>7.3 The Committee shall hold its meetings at the company's headquarters. However, it may be held in any other place or by any available electronic means.</p>
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<p>8.18 Recommending to the Board of Directors the framework or general policy for remuneration for members of the Board of Directors and the company's management team (CEO and Vice Presidents) and the value of those remuneration.</p> <p>8.19 Determine the total individual remuneration package for each/any member of the Board of Directors within the terms of the agreed policy including (as applicable) bonuses and other incentive payments.</p> <p>8.20 Recommending to the Board of Directors the number of members, jurisdiction and responsibilities of the committee, as well as the responsibilities of the chair and members of each of the other committees. This includes providing advice on the appointments of the Board of Directors committees and their removal from the committee or from the Board of Directors, the rotation of committee members and chairs, and the structure and operations of the committees.</p> <p>8.21 Providing recommendations regarding recruitment, retention and termination policies to the company's management and policies for management's participation in various forms of remuneration benefits that may be considered, recommending relevant development programs and plans to members of the Board of Directors and monitoring its implementation of the company's policy and programmes.</p> <p>8.22 Submitting an annual report to the Board of Directors that includes an evaluation of the Board's performance.</p> <p>8.23 Annual review of the time required of board members, and performance evaluation should be used to evaluate whether board members spend sufficient time performing their duties.</p> <p>8.24 The committee must submit recommendations to the Board of Directors regarding the criteria for selecting candidates for membership of the Board of Directors and advisors.</p> <p>8.25 Assuming exclusive responsibility for setting departmental standards, selecting and appointing consultants who provide advice to the committee, and determining their competencies and remuneration.</p> <p>8.26 Defining the committee's terms of reference by clarifying the responsibilities assigned to it and reviewing and updating it on an annual basis when necessary.</p> <p>8.27 Performing any other tasks or responsibilities expressly assigned by the Board of Directors to the Committee from time to time.</p> <p>9. Committee work procedures</p> <p>(a) Powers of the President and Secretary</p>	<p>7.4 The CEO of the company, the chief financial officer, the head of the internal audit department, the representative of the external auditor and other specialists may attend the meetings upon an invitation from the committee.</p> <p>Article (8): Meetings Committee's Minutes</p> <p>8.1 The Secretary shall prepare Committee's Minutes in Arabic language of the proceedings of all the Committee's meetings and the decisions issued therein, including the registration of the names of the attendees. The Committee's Minutes may be drawn up in an additional language other than the Arabic language, in the event of difference; the Arabic language is considered only.</p> <p>8.2 The Secretary shall make sure, at the beginning of each meeting, that there are any cases of conflict of interest and include them in the Meeting Committee's Minutes accordingly.</p> <p>8.3 The Secretary prepares a draft Meeting Committee's Minutes and presents it to the Committee Chairman and its members via e-mail to review it and add their notes within (5) working days from the date of each meeting. In the event that the notes are not received within (10) working days after sending them, this is considered as confirmation there are no notes on the initial draft, and the Meeting Committee's Minutes are kept after being signed by the Secretary and all attending members.</p> <p>Article (9): Committee Prerogatives</p> <p>In addition to the mandatory tasks decided by the Authority in the Corporate Governance Regulations issued by it or those guiding tasks that become mandatory based on what the Authority decides in this regard, the committee shall perform the following tasks:</p> <p>9.1 To prepare a clear policy for the remuneration of members of the Board, the committees emanating from the Board, and the Executive Management. To submit it to the Board for consideration in preparation for approval by the General Assembly, provided that performance-related standards are followed in that Regulation.</p> <p>9.2 To Clarify the relation between the paid rewards, the approved rewards policy, and indicate any material deviation from this regulation.</p> <p>9.3 Periodically reviewing the remuneration policy, and evaluating its effectiveness in achieving its objectives.</p> <p>9.4 To recommend to the Board the remuneration of its members, committee members and senior executives in the company in according to the approved Regulation.</p>
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<ul style="list-style-type: none"> • The Chairman of the Committee is responsible for the following: <ul style="list-style-type: none"> o Lead committee meetings and strive to enhance their effectiveness. o Representing the committee before the Board of Directors. o Calling for committee meetings and determining their dates and locations in coordination with committee members. o Preparing meeting agendas. o Ensure that the topics presented to the committee are supported by the required documents and basic information. o Preparing periodic reports on the committee's work and achievements. o Ensure adequate time is provided to discuss agenda items. o Follow up on the implementation of the committee's decisions. • The Secretary of the Committee assumes the following duties and responsibilities: <ul style="list-style-type: none"> o Coordinating committee meetings and proposing items in coordination with the committee chairman. o Notifying committee members of the meeting dates and providing them with the agenda and any necessary information. o Attending committee meetings, documenting them, and preparing and archiving meeting minutes. o Maintaining the main documents issued by the committee. o Providing assistance and advice to the committee on matters that do not fall within its jurisdiction. <p>(b) Member duties and responsibilities:</p> <ul style="list-style-type: none"> • Commitment to the provisions of the Companies Law, its Executive Regulations, other relevant regulations and the Company's Articles of Association when performing his duties, and refraining from entering into or participating in any transaction that may harm the interest of the Company. • Knowing the duties and responsibilities of the committee, while allocating sufficient time to play his role in achieving them. • Performing the tasks assigned to him without any external influence, whether inside or outside the company, and not prioritizing his personal interests over the company's interests. • Refrain from accepting gifts from any person with whom the company has business dealings. • Preparing for all meetings, attending them, and participating in all discussions effectively. 	<p>9.5 To prepare clear policies and criteria for the membership of the Board of Directors and the Executive Management and recommending them to the Board for approval by the company's General Assembly.</p> <p>9.6 To recommend to the Board the nomination of its members, and re-nomination of them in accordance with the approved policies and membership criteria. Taking into consideration not to nominate any person previously convicted of a crime involving moral turpitude or dishonesty.</p> <p>9.7 To determine the time that the member should allocate for the work of the Board.</p> <p>9.8 To review the structure of the Board and the executive management and make recommendations regarding changes that can be made to it.</p> <p>9.9 To develop job descriptions for the executive, non-executive and independent members of the Board and the executive management of the company.</p> <p>9.10 To set procedures to be followed in the event of a vacancy in the position of a member of the Board of Directors or a senior executive.</p> <p>9.11 To determine the strengths and weaknesses of the Board and propose solutions to address them in line with the interests of the company.</p> <p>9.12 Periodically reviewing the skills, knowledge and experience required for the members of the Board, and preparing a description of the tasks and capabilities required when appointing any member.</p> <p>9.13 Reviewing the company's leadership needs and its executive departments (Chief Executive Officer and Vice Presidents), with the aim of ensuring the company has continued ability to achieve achievements and strategies effectively.</p> <p>9.14 Annually review the budgets of remuneration and benefits due to the members of the Board and the executive management of the company and recommend to the Board any changes in employee benefits policies and structures at the company level.</p> <p>9.15 To set appropriate standards and making recommendations to the Board regarding the independence of Board members and candidates for membership.</p> <p>9.16 To ensure the independence of the independent board members annually, and that there is no conflict of interest.</p> <p>9.17 To recommend to the Board the general framework or regulation for the remuneration of the members of the Board and the executive management team (Chief Executive Officer and Vice-Chairmen) and the value of those remunerations.</p>
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<ul style="list-style-type: none"> • Ensure knowledge of regulatory updates related to the company, its activities, business, and other related fields. <p>10. Conflicts of interest and confidentiality:</p> <ul style="list-style-type: none"> • Members must avoid any situations that might create a conflict of interest with the Company at all times, and should seek advice and clarification if they have any doubts in this regard. • If a member has a conflict of interest regarding any matter related to the committee, he must disclose this conflict before beginning to discuss that matter, provided that this is recorded in the minutes of the meeting. In this case, the member may not attend or participate in discussing the matter or Vote on it. • The committee member may not have any direct or indirect interest in the business and contracts to be executed or concluded for the company unless this is authorized by the ordinary general assembly (if the committee member also holds the position of a member of the board of directors) or by the board of directors. (If the committee member is not a member of the Board of Directors) in accordance with the applicable system and the company's internal policies. • If a committee member does not disclose his interest in the relevant contracts, the company may demand cancellation of the contract and oblige the member to pay compensation or any profit/benefit obtained through that interest. • If the committee member does not disclose his participation in any work that would compete with the company or one of its branches of activity, the company may resort to the competent judicial authority to demand appropriate compensation. • A committee member may not, directly or indirectly, use, exploit or benefit from any of the company's assets, information or investment opportunities considered by the company, nor may a member exploit any such investment opportunity after the expiration of his membership term. • If it is proven that one of the members has taken advantage of 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. • A committee member must maintain the confidentiality of the information and documents available to him. He may not, under any circumstances, even in the event of termination of his membership, disclose them to any person or entity unless authorized to do so by the Board of Directors. He may not use any of 	<p>9.18 To determine the total individual remuneration package for each / any member of the Board within the terms of the agreed bylaws including (as applicable) bonuses and other incentives.</p> <p>9.19 To recommend to the Board the number of members, the competence and responsibilities of the committee. as well as the responsibilities of the chairman and members of each of the other committees, including providing advice regarding the appointments of the Board committees and their dismissal from the committee or the Board, the rotation of committee members and chairmen, and the structure and operations of the committees.</p> <p>9.20 To make recommendations regarding recruitment, retention and termination policies for the Company's management and policies for management's participation in various forms of bonus benefits that may be considered, and recommend relevant development programs and plans to Board members.</p> <p>9.21 To submit an annual report to the Board that includes an evaluation of the Board's performance.</p> <p>9.22 To submit recommendations to the Council regarding criteria for selecting candidates for Council membership.</p> <p>9.23 To perform any other duties or responsibilities that the Board expressly assigns to the Committee from time to time.</p> <p>Article (10): Powers of the Committee</p> <p>The Committee has the following powers (in addition to its other powers set forth in these regulation and other powers decided by the Authority in its corporate governance regulations):</p> <p>10.1 The Committee shall have access to adequate resources to perform its duties.</p> <p>10.2 To request any information from the company's management in order to perform its duties, provided that the committee determines the information that shall be provided to it by the company's departments, its size and date of submission, so that the information is submitted to the committee when it becomes available.</p> <p>10.3 To obtain advice and assistance, as needed, from any department in the company.</p> <p>Article (11): Duties and Powers of Committee Members</p> <p>11.1 In addition to his mandatory competencies determined by the Authority in the Corporate Governance Regulations issued by it, or those guiding competencies that become mandatory based on what the Authority decides in this regard, he shall have the following:</p> <p>11.1.1 To lead committee meetings and strive to enhance their effectiveness.</p>
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<p>this information for his personal benefit or benefit. The interest of his relatives or any external parties, and the company has the right to demand compensation in the event of violation of the provisions of this article.</p> <p>11. Reporting responsibilities</p> <p>11.1 The Chairman of the Committee shall submit an official report to the Board of Directors regarding its procedures after each meeting, relating to all matters within the scope of its duties and responsibilities.</p> <p>11.2 The committee must submit its recommendations to the Council as it deems appropriate in any aspect of its jurisdiction when there is a need to take action or make an improvement.</p> <p>12. Other</p> <p>The committee must have access to adequate resources to perform its duties.</p> <p>13 Powers of the committee</p> <p>The committee exercises the following powers:</p> <p>13.1 Requesting any information from any Marafiq employee in order to perform its duties.</p> <p>13.2 Obtain advice and assistance, as needed, from the Legal Department.</p> <p>14. Review and modification</p> <p>The Committee periodically reviews this policy and recommends any amendments to it to the Council for approval before obtaining the approval of the General Assembly.</p> <p>15. Syriac</p> <p>This policy is effective and implemented from the date of its approval by the General Assembly.</p>	<p>11.1.2 To represent the Committee before the Board and the General Assembly, and answer inquiries that may be raised in the field of work of the Committee.</p> <p>11.1.3 To call for committee meetings and specifying their dates and locations, in coordination with the committee members.</p> <p>11.1.4 To prepare meeting agendas.</p> <p>11.1.5 To ensure that the topics presented to the committee are supported by the required basic documents and information.</p> <p>11.1.6 To ensure enough time to discuss the agenda items.</p> <p>11.1.7 To submit the recommendations of the committee to the board according to what the committee deems appropriate in any aspect of its competence when there is a need to take action or make an improvement.</p> <p>11.1.8 To follow up on the implementation of the committee's decisions.</p> <p>11.2 The Secretary of the Committee shall assume the following duties and responsibilities:</p> <p>11.2.1 To coordinate committee meetings and propose items in coordination with the Committee Chairman.</p> <p>11.2.2 To notify the committee members of the meeting dates and provide them with the agenda and any necessary information.</p> <p>11.2.3 To attend and document committee meetings, prepare and keep Meeting Committee's Minutes.</p> <p>11.2.4 To keep the Committee's Minutes, documents, reports and other documents issued by the committee, including the reports of the audit committee, at the company's headquarters for a period of no less than ten years. Without prejudice to this period, the foregoing shall be kept in the event of a lawsuit, including any Lawsuit. Existing or pending lawsuit, claim, or any existing investigation procedures related to these documents until they are completed. This matter - i.e. keeping documents - applies to the policy approved by the company in this regard.</p> <p>11.3 In addition to other mandatory tasks that the Authority decides in the Corporate Governance Regulations issued by it, or those guiding tasks that become mandatory based on what the Authority decides in this regard, each member of the Committee must do the following:</p> <p>11.3.1 To commitment to the provisions of the Authority's act, bylaws, companies' act, its executive bylaws, other relevant acts and the company's articles of association when performing his duties. To refrain from entering or participating in any matter that may harm the interest of the company.</p>
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	<p>11.3.2 To know the duties and responsibilities of the committee while allocating enough time to perform his role in achieving them.</p> <p>11.3.3 To perform the tasks entrusted to him without any external influence, whether from inside or outside the company, and not giving preference to his personal interest over the interests of the company.</p> <p>11.3.4 To refrain from accepting gifts from any person with whom the company has commercial dealings.</p> <p>11.3.5 To prepare for all meetings, attending them, and participating in all discussions effectively.</p> <p>11.3.6 To ensure knowledge of the regulatory updates related to the company, its activities, business and other related fields.</p> <p>Article (12): Conflict of Jurisdiction and Conflict of Interests</p> <p>12.1 Conflict of Positive and Negative Jurisdiction:</p> <p>In the event of a positive conflict between the terms of reference of the committee and any other permanent committee affiliated with the Board, so that each committee adhered to having jurisdiction to consider a specific matter or incident. In the event of a negative conflict with any other permanent committee affiliated to the Board, so that each committee insisted that it does not have jurisdiction to consider a matter or a specific incident, then the matter is referred to the Board to issue its decision in this regard.</p> <p>12.2 Conflict of Interest:</p> <p>Without prejudice to the rules of the policy of avoiding conflicts of interest approved by the company and the details it includes in this regard:</p> <p>12.2.1 Members shall avoid any situations leading to a conflict of interest with the Company at all times.</p> <p>12.2.2 If a member has a conflict of interest in relation to any matter of the committee, he must disclose this conflict before starting to discuss that matter, provided that this is recorded in the Meeting Committee's Minutes, and in this case, the member may not attend or participate in discussing or voting on a question.</p> <p>12.2.3 A committee member may not have any direct or indirect interest in the business and contracts that will be executed or concluded for the account of the company. Unless authorized by the Ordinary General Assembly (if the committee member also holds the position of a member of the Board), or</p>
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	<p>Permission from the Board (if the committee member is not a member of the Board), in according to the applicable act and internal policies of the company.</p> <p>12.2.4 If the committee member does not disclose his interest in the relevant contracts, the company may demand the cancellation of the contract and obligate the member to pay compensation or any profit/benefit obtained through that interest.</p> <p>12.2.5 If the committee member does not disclose his participation in any business that would compete with the company or one of its branches of activity, the company may resort to the competent judicial authority to claim appropriate compensation.</p> <p>12.2.6 A committee member may not, directly or indirectly, use, exploit or benefit from any of the company's assets, information or investment opportunities that the company is considering, and the member may not exploit any such investment opportunity after the ends of his membership term.</p> <p>12.2.7 If it is proven that a member has taken advantage of any investment opportunity, the company or any concerned party may resort to the competent judicial authority to claim the cancellation of any work, profit or gain resulting from that opportunity, and the company may also claim appropriate compensation.</p> <p>12.2.8 A committee member must maintain the confidentiality of the information and documents available to him, and he may not, under any circumstances, even if his membership ends, disclose them to any person or entity. Unless the Board authorizes him to do so in writing, he may not use any of this information for his personal interest or the interest of his relatives or any outside parties. The company shall be entitled to claim compensation in case of violation of the provisions of this article.</p> <p>Article (13): Revision and Amendment</p> <p>13.1 The Company's management shall revise this regulation in cooperation with the Company's appropriate departments, when needed, and recommend any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.</p> <p>13.2 The Corporate Governance of the Company shall maintain the original duly signed copy of this regulation and shall, from time to time, provide the Authority with a copy thereof and any amendments thereto.</p> <p>Article (14): Policy Validity</p> <p>This Policy shall be in effect and implemented as of date of Policy approval by the General Assembly.</p>
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Proposed amendments to the Board Membership Policy

Before the amendment	After the amendment																
<p>the purpose:</p> <p>The policy, standards and procedures for membership in the Board of Directors of the Jubail and Yanbu Electricity and Water Utilities Company ("the Company") have been prepared in implementation of the provisions of Paragraph (3) of Article Twenty-Two of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-6-2017). And the date of 05/16/1438 AH corresponding to 02/13/2017 AD ("Governance Regulations"), which stipulated that within the duties and powers of the Board of Directors ("the Board") and its powers is "the preparation of clear and specific policies, standards and procedures for membership in the Board - in a manner that does not conflict with the provisions." Mandatory in the Governance Regulations - and putting them into effect after the General Assembly approves them."</p> <p>These policies, standards and procedures for membership in the company's Board of Directors are based on the company's corporate law, governance regulations and articles of association.</p> <p>First: Policies and standards for membership in the company's Board of Directors Requirements for membership in the company's Board of Directors are:</p> <ol style="list-style-type: none"> 1. The candidate for Council membership must not have been previously convicted of a crime against honor or trust, and must not be insolvent, bankrupt, or otherwise unfit for Council membership in accordance with any law or instructions in force in the Kingdom of Saudi Arabia. 2. The board member must not serve as a member of the boards of more than five joint stock companies listed on the financial market at the same time. 3. The candidate must be a professionally qualified person who possesses the necessary experience, knowledge, skill and independence, enabling him to carry out his duties efficiently and competently. 4. The candidate must have the ability to lead, by having leadership skills that qualify him to motivate performance, apply best practices in the field of effective management, and adhere to professional values and ethics. 5. He must have the appropriate academic qualifications, professional and personal skills, level of training, and practical experiences related to the company's current and future activities, 	<p>Article (1): Purpose</p> <p>This Policy is called 'Board Membership Policy, Criteria, Procedures', and was prepared in accordance with the provisions of the Corporate Governance Regulations (CG Regulations) issued by the Capital Market Authority's Board (CMA's Board), which stipulates that among the main functions and competencies of the Board is: 'setting forth specific and explicit policies, criteria and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly.'</p> <p>This Policy explains all the procedures and conditions related to the Board of Directors membership procedures.</p> <p>Article (2): Definitions</p> <p>The terms and expressions in this regulation shall have the meanings ascribed thereto hereunder, and the masculine shall include the feminine, and the singular shall include the plural and vice versa, unless the presumption or context indicates otherwise:</p> <table> <tr> <th data-bbox="1094 906 1444 930">Term</th><th data-bbox="1493 906 1990 930">Definition</th></tr> <tr> <td data-bbox="1094 946 1444 979">Governance Department</td><td data-bbox="1493 946 1990 1027">: Corporate Governance Department in the Company.</td></tr> <tr> <td data-bbox="1094 1044 1444 1076">Secretary</td><td data-bbox="1493 1044 1990 1125">: Secretary of the Remuneration and Nominations Committee (RNC).</td></tr> <tr> <td data-bbox="1094 1141 1444 1174">General Assembly</td><td data-bbox="1493 1141 1990 1174">: Ordinary General Assembly of the Company.</td></tr> <tr> <td data-bbox="1094 1190 1444 1222">Company</td><td data-bbox="1493 1190 1990 1271">: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).</td></tr> <tr> <td data-bbox="1094 1287 1444 1320">Board</td><td data-bbox="1493 1287 1990 1320">: The Board of the Company.</td></tr> <tr> <td data-bbox="1094 1336 1444 1369">Authority</td><td data-bbox="1493 1336 1990 1369">: Capital Market Authority.</td></tr> <tr> <td data-bbox="1094 1385 1444 1417">Business Day</td><td data-bbox="1493 1385 1990 1417">: A day on which the Authority normally performs its business.</td></tr> </table>	Term	Definition	Governance Department	: Corporate Governance Department in the Company.	Secretary	: Secretary of the Remuneration and Nominations Committee (RNC).	General Assembly	: Ordinary General Assembly of the Company.	Company	: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).	Board	: The Board of the Company.	Authority	: Capital Market Authority.	Business Day	: A day on which the Authority normally performs its business.
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<p>management, economics, accounting, law, or governance, as well as the desire for learning and training.</p> <p>6. The candidate must have the ability to direct, by having technical, leadership, and administrative capabilities, speed in decision-making, understanding of technical requirements related to the workflow, and being able to provide strategic direction, planning, and a clear future vision.</p> <p>7. The candidate must have financial knowledge, by being able to read and understand financial statements and reports.</p> <p>8. The candidate must be physically fit, meaning that he does not have a health condition that prevents him from exercising his duties and powers, and must have the personal and professional capabilities necessary to perform his duties effectively.</p> <p>9. The candidate must have the ability to communicate effectively and think strategically.</p> <p>10. That the candidate for board membership must possess the principles of honesty, trustworthiness, loyalty, care, and concern for the interests of the company and shareholders, prioritizing them over his personal interests, and that the board member's relationship with the company must be an honest, professional relationship, and that any influential information be disclosed to the company before executing any deal or contract for the company or one of its subsidiaries. While loyalty is achieved by avoiding transactions that involve conflicts of interest stipulated in the governance policy. As for care and attention, it is to perform the duties and responsibilities stipulated in the companies' system, the financial market system, the company's articles of association, and other relevant systems.</p> <p>11. Taking into account diversity in academic qualifications and scientific experience, and giving priority in nomination to the needs required of those with the appropriate skills for council membership.</p> <p>12. The number of independent members shall not be less than two or one-third of the Council's members, whichever is greater.</p> <p>13. The independent member must enjoy complete independence in his position and decisions, and none of the symptoms of lack of independence stipulated in Article 20 of the Governance Regulations apply to him.</p> <p>14. The board member is obligated to work in the interests of the company in general and not in the interests of the group he represents or that voted for his appointment to the board.</p>	<p>Article (3): Policy Interpretation</p> <p>3.1 Interpretation Rules</p> <p>3.1.1 This Policy and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.</p> <p>3.1.2 This Policy is directed and addresses job positions and not the people in charge of them.</p> <p>3.1.3 All headings in this Policy are for convenience of reference only and shall not affect the interpretation of the Policy provisions as a whole.</p> <p>3.1.4 This Policy prevails over any other Policy on the same subject that may conflict therewith.</p> <p>3.1.5 The Board is entitled to set rules and executive policies for this Policy.</p> <p>3.1.6 This Policy is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Policy as jus cogen rather than a complementary, then this Policy is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Policy. In the event that a complementary provision is included in this Policy in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.</p> <p>3.1.7 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Policy/ regulation as an approval for the guiding provisions contained therein to be mandatory.</p> <p>3.2 Sources of Judging the Incident</p>
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Second: Procedures for membership in the company's board of directors

1. The Nominations and Remuneration Committee shall coordinate with the company's executive management to announce the opening of nominations for board membership in the company in accordance with the Companies Law, the Governance Regulations, and the instructions of the Capital Market Authority.
2. The announcement shall specify the start and end dates of the nomination period, provided that it is not less than one month from the date of holding the relevant general assembly.
3. Every shareholder has the right to nominate himself or one or more other persons for membership in the Board, within the limits of his ownership percentage in the capital.
4. Anyone who wishes to nominate himself for membership in the company's board must announce his desire in accordance with a notification to the company's management in accordance with the terms and dates stipulated in the applicable laws, regulations, circulars and decisions, and the company's announcement of the opening of nominations. This notification must include an introduction to the candidate in terms of his CV, qualifications, and practical experience. Also fill out any form issued by the Capital Market Authority or the company in this regard.
5. Anyone who wishes to nominate himself for membership in the Council must disclose to the Council and the General Assembly any cases of conflict of interest that include the following:
 - a. The presence of a direct or indirect interest in the business and contracts carried out on behalf of the company.
 - B. Participation in any work that would compete with the company, or compete with it in one of the branches of activity it practices.
6. Anyone who wishes to nominate himself for membership in the Board must submit to the company the following:
 - A clear copy of the valid national ID card, the candidate's contact numbers, the candidate's residential address, mobile phone number and email address.
 - An acknowledgment that he meets the membership criteria contained in this policy. If it is proven otherwise, his candidacy will be excluded.
 - Complete the Capital Market Authority form to nominate for membership in the Board of Directors.

3.2.1 The provisions of this Policy apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.

3.2.2 The provisions of this Policy shall not conflict with the legislative laws in the Kingdom of Saudi Arabia (KSA), and in the event of a conflict, the provisions of the jus cogen legislative laws shall be applied.

3.2.3 In the absence of a provision in this Policy on the issue, the following legislative sequence shall be applied:

3.2.3.1 The jus cogens in the CG Regulations issued by the Authority are applied.

3.2.3.2 The provisions of the Companies Law and its executive regulations shall be applied.

3.2.3.3 The provisions of the Company's articles of association shall be applied.

3.2.3.4 The resolutions of the Company's General Assembly shall be applied.

3.2.3.5 The resolutions of the Board of Directors shall be applied.

3.2.3.6 Diligence of from the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.

Article (4): Board Nomination Conditions

To stand for the Board, Nominees shall fulfil the following:

4.1 Nominees shall not have been previously convicted of a crime involving moral turpitude or dishonesty, in addition, nominees shall not be insolvent or bankrupt or be unfit for the Board membership in accordance with any law or instructions in force in the KSA.

4.2 Nominees shall not be board members for more than five joint-stock companies listed the capital market, at the same time.

4.3 Nominees shall not be employees of competitors or participants in any business that may compete with the Company.

- Submitting the nomination application within the period specified in the company's announcement of the opening of nominations for membership in the Board of Directors, provided that all documents specified in the aforementioned announcement are attached to the nomination application, including the CV and all documents and certificates supporting what is stated therein in Arabic.

- Any other information or documents that the Company may request

Third: Termination of membership in the company's Board of Directors

1- The membership of a Council member shall end upon his resignation, death, or removal by decision of the General Assembly, or his conviction for any crime against honor or trust, or his bankruptcy or insolvency, or if he becomes unfit for Council membership in accordance with any laws, regulations, or instructions in effect in the Kingdom of Saudi Arabia.

2- The Council member must resign before the end of his term in the Council, in the event that he loses his eligibility to work as a Council member, or is unable to perform his work, or is unable to allocate the time or effort necessary to perform his responsibilities in the Council. However, in the event of a conflict of interest, the member has the option If he obtains a license from the General Assembly, which he must renew every year, or submit his resignation.

3- The Ordinary General Assembly may - based on the recommendation of the Board of Directors - terminate the membership of any of its members who is absent from attending three consecutive Board meetings without a legitimate excuse accepted by the Board.

4- However, the Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member to remove The company may demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. The member of the Board of Directors may resign on the condition that this K in At an appropriate time, otherwise he will be responsible to the company for any damages resulting from the resignation.

Fourth: Final Provisions (Publication and Amendment)

This policy shall be implemented and adhered to by the company as of the date of its approval by the General Assembly of Shareholders. It must also be published on the company's website to enable shareholders, the public, and stakeholders to view it.

4.4 Nominees shall not have been subjected to disciplinary action including dismissal from their position or membership of any other company's board or any of its committees due to negligence, gross error, or failure to attend meetings.

4.5 Nominees shall value the principles of honesty, trustworthiness and loyalty and show care to and concern for the interests of the Company and the shareholders, prioritising them over their personal interests.

4.6 Nominees shall have professional competence and possess the necessary experience, knowledge, skills and independence, in order to enable them to, efficiently and effectively, perform their duties. In particular, nominees shall fulfil the following:

4.6.1 Ability to lead: Nominees shall have leadership skills which enable them to delegate powers in order to enhance performance, apply best practices in the effective management and comply with professional values and ethics.

4.6.2 Competence: Nominees shall have the academic qualifications and proper professional and personal skills, as well as appropriate level of training and practical experiences related to the current and future businesses of the Company, management, economics, accounting, law or governance, besides the willingness to learn and train.

4.6.3 Ability to guide: Nominees shall have the technical, leadership and administrative competencies, as well as the ability to take prompt resolutions, and understand technical requirements related to business continuity. Nominees shall also be able to provide strategic guides and plans with a clear future vision.

4.6.4 Financial Knowledge: Nominees shall be able to read and understand financial statements and reports.

4.6.5 Health Fitness: Nominees shall have no health barrier that impede them to exercise their functions and competencies.

4.6.6 When electing members to the Board, the General Assembly shall take into account the recommendations of the RNC and the availability of the personal and

The content of this policy will be reviewed as needed based on the recommendation of the Board, provided that these amendments are submitted to the General Assembly of Shareholders for approval at its earliest meeting.

professional capabilities required to, effectively, exercise their functions, in accordance with the provisions of this Article.

4.7 Independent members shall be completely independent in their position and resolutions, and have no independence conflicts stipulated in the CG Regulations, including the following:

4.4.1 Independent members shall not be owners of five percent (5%) or more of the of the Company or any other company within the Company's group, or have relationships with the owners of this percentage

4.4.2 Independent members shall not have relationships with any member of the Board of the Company or any other company within the Company's group.

4.4.3 Independent members shall not be members of board of any other company within the Company's group.

4.4.4 Independent members shall not have relationships with senior executives of the Company or any other company within the Company's group.

4.4.5 Independent members shall, during the preceding two years, not be or be used to be employees of the Company or any company within the Company's group, in addition, independent members shall, during the preceding two years, not hold a controlling interest in the Company, any party dealing with the Company or any company within the Company's group, such as external auditors or senior suppliers.

4.4.6 Independent members shall not have direct or indirect interest in the businesses executed and contracts drawn up for the Company's account.

4.4.7 Independent members shall not receive financial consideration from the Company in addition to the remuneration for their membership of the Board or any of its Committees exceeding an amount of (SAR 200,000) or 50% of their remuneration of the last year for the membership of the Board or any of its Committees, whichever is less.

	<p>4.4.8 Independent members shall not engage in a business where such members compete with the Company, or conduct businesses in any of the branches of activity operated by the Company.</p> <p>4.4.9 Independent members shall not have served for more than nine consecutive or non-consecutive years as a Board member of the Company.</p> <p>4.8 The number of independent members shall not be less than two or one-third of the members of the Board, whichever is greater.</p> <p>4.9 Members of the Board shall abide by whatever may serve the interest of the Company, in general, and not the interests of the group they represent or the group that voted in favour of their appointment to the Board.</p> <p>Article (5): Nomination Procedures</p> <p>5.1 RNC shall coordinate with the executive management of the Company to announce the opening of nomination period for the Board of Directors membership, in accordance with the Companies Law, the Governance Regulation and the Authority's instructions through an announcement on the Company's website and the Saudi Stock Exchange (Tadawul).</p> <p>5.2 The announcement shall define the commencement and terminations dates of the nomination term, provided that it shall not be less than one month as of date of the relevant General Assembly.</p> <p>5.3 Each shareholder is entitled to nominate himself/herself or one or more other persons for the Board membership.</p> <p>5.4 Without prejudice to Clause (5.6) of this Article, whoever wishes to nominate himself/herself for the Board membership shall notify his/her willingness to do so by submitting the nomination application to the management of the Company in accordance with the terms and dates stipulated in the applicable laws, regulations, circulars, resolutions, and the Company's announcement of the opening of the</p>
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nomination door, and the application shall include an introduction to the nominee in terms of his/her resume, qualifications and practical experience, in addition, the nominee shall complete any form issued by the Authority or the Company in this regard, provided that the nominee shall enclose, with the notice, all the documents specified in the above-mentioned announcement, including the resume and all documents and certificates supporting what is stated therein in Arabic.

5.5 Whoever wishes to nominate himself/herself to the Board membership shall disclose to the Board and the General Assembly any cases of conflicts of interest, including:

5.5.1 Having a direct or indirect interest in the business executed and contracts drawn up for the company.

5.5.2 His/her participation in any business that would compete with the Company or one of the branches of the activity the Company is engaged in.

5.6 Whoever wishes to nominate himself/herself to the Board membership shall submit, to the Company, the following:

5.6.1 A clear copy of a valid national identity card, contact numbers, residence address, mobile phone number and e-mail address.

5.6.2 An acknowledgement that he/she fulfils the membership criteria mentioned in this Policy, and if it is proven otherwise, his/her nomination notice will be excluded.

5.6.3 A completed Authority's Board membership nomination form.

5.6.7 Any other information or documents the Company may require.

5.7 A nominee who has previously held a board membership shall enclose, with the nomination notice, a statement from the Company's management on the last term wherein a nominee served as a board member, including the following information:

5.7.1 The number of Board meetings held during each year of the term.

5.7.2 The number of meetings attended by the member, in person, and the percentage of his/her attendance of the total meetings.

	<p>5.7.3 Standing committees wherein the member participated, the number of meetings held by each of such committees wherein the member participated, the number of meetings he/she attended, and the percentage of his/her attendance to the total number of meetings.</p> <p>shall be clarified, i.e. if the nominee is an executive member 5.7.4 Membership status or a non-executive member or an independent member.</p> <p>5.7.5 Membership nature shall be clarified, i.e. if the member is a nominee in his/her personal capacity or a representative of a legal person.</p> <p>5.8 Cumulative voting shall be used in electing the Board, wherein it is not allowed to use the voting right of a single share more than once.</p> <p>5.9 RNC, in coordination with the Company's management, shall provide the CMA with the resumes of the nominees to the Company's Board of Directors membership, in accordance with the "resume of nominee to Board of Directors membership of joint-stock company listed on the Saudi Stock Exchange (Tadawul) form", in addition to any copies of the nomination notices and their attachments.</p> <p>5.10 RNC shall implement any comments received from the appropriate authorities about any nominee.</p> <p>5.11 The Company shall announce on the Company's website and Tadawul information about the nominees to the Board of Directors membership when publishing or convening the General Assembly, provided that such information shall include a description of the nominees' experiences, qualifications, skills, jobs, and previous and current memberships, and the Company shall provide a copy of such information in the Company's headquarters and website.</p> <p>5.12 Voting in the General Assembly shall be only for those who nominate themselves in accordance with the above-mentioned policies, criteria and procedures.</p> <p>5.13 The General Assembly shall elect the members of the Board for the term stipulated in the Company's articles of association, provided that members are elected for a four-</p>
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	<p>year term and may seek re-election, unless the Company's articles of association stipulate otherwise.</p> <p>5.14 The Company shall notify the CMA of the names of the Board members and their membership descriptions within five (5) business days as of Board term commencement date or date of appointment of Board members - whichever is earlier - and any changes to the membership of Board members within five (5) business days as of date of changes.</p> <p>Article (6): Board Membership Termination</p> <p>6.1 Upon his/her resignation or death, or in the event of his/her dismissal by a resolution of the General Assembly, or if he/she is convicted of a crime involving moral turpitude or dishonesty, became insolvent or bankrupt or is unfit for the Board membership in accordance with any law or instructions in force in the KSA, membership of a member of the Board shall end.</p> <p>6.2 A member of the Board shall resign before the end of his/her office term, if he/she lost his/her eligibility to serve as a member of the Board, or if he/she lost his/her ability to perform responsibilities or couldn't allocate the time or effort required to perform his/her role and responsibilities in the Board. Moreover, in the event of a conflict of interest, the member has the option either to obtain the approval of the Ordinary General Assembly or to submit his/her resignation.</p> <p>6.3 The Ordinary General Assembly may - based on a recommendation from the Board - terminate the membership of any of its members who fail to attend three consecutive meetings of the Board without a legitimate excuse accepted by the Board.</p> <p>6.4 However, the General Assembly may, at any time, dismiss all or some of the Board members, and a Board member may resign, provided that this is at an appropriate time, otherwise he/she shall be liable to the Company for the damages resulting from his/her resignation.</p>
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Article (7): Revision and Amendment

7.1 The Company's management revises this Policy in cooperation with the Company's appropriate departments, when needed, and recommend any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.

7.2 The Corporate Governance of the Company maintains the original duly signed copy of this Policy and, from time to time, provides the Authority with a copy thereof and any amendments thereto.

Article (8): Policy Validity

This Policy shall be in effect and implemented as of date of Policy approval by the General Assembly.

Proposed amendments to the Boards Members, Committees and Executive Management Remuneration Policy

Before the amendment	After the amendment														
<p>Rewards policy</p> <p>General Introduction: The remuneration policy regulations for Jubail and Yanbu Electricity and Water Utilities Company (Marafiq), a Saudi joint stock company, have been prepared in accordance with the requirements of the Saudi Corporate Governance Regulations issued by the Capital Market Authority Council, the Saudi Companies Law, and in accordance with Marafiq's Memorandum and Articles of Association.</p> <p>The purpose of preparing this policy is to compensate and reward members of the Board of Directors, the committees emanating from it, and the executive management of the company to motivate them to improve their performance, assist the company in its growth, achieve its goals and objectives, and comply with the requirements of the applicable regulations, including the Corporate Governance Regulations and the Companies Law in the Kingdom of Saudi Arabia.</p> <p>Article 1: Definitions:</p> <p>Affiliate: means any person who controls or is subject to the control of another person, or who and that other person is subject to the control of a third person, and control may be direct or indirect in any of these cases.</p> <p>Memorandum of Association: means the Memorandum of Association of a Marafiq Company.</p> <p>Board of Directors or Council: means the Board of Directors of a Marafiq Company.</p> <p>Board Committees: means the various committees emanating from the Board of Directors of Marafiq Company, such as the Executive Committee, the Risk Committee, the Audit Committee, and the Nominations and Remuneration Committee.</p> <p>Articles of Association: means the articles of association of Marafiq Company.</p> <p>Capital Market Authority: The Capital Market Authority of the Kingdom of Saudi Arabia.</p>	<p>Article (1): Purpose</p> <p>This Policy is called 'Directors, Members of Boards' Committees and Executive Management Remuneration Policy', which was prepared in accordance with the Corporate Governance Regulations (CG Regulations) issued by the Capital Market Authority (CMA) and the Saudi Companies Law. The purpose of preparing this Policy is to compensate and remunerate the Directors, Members of Boards' Committees, and the Executive Management of the Company in order to motivate them to enhance their performance, assist the Company in its growth, achieve its goals and objectives, and ensure compliance with applicable regulations, and alignment of remuneration of the Board, Boards' Committees, and Executive Management with prevailing market practices, laws, and regulations. Additionally, this Policy ensures alignment with the long-term strategic interests of the Company's shareholders.</p> <p>Article (2): Definitions</p> <p>The terms and expressions in this Regulation shall have the meanings ascribed thereto hereunder, and the masculine shall include the feminine, and the singular shall include the plural and vice versa, unless the presumption or context indicates otherwise:</p> <table data-bbox="1077 987 2003 1425"> <thead> <tr> <th>Term</th><th>Definition</th></tr> </thead> <tbody> <tr> <td>Governance Department</td><td>: Corporate Governance Department in the Company.</td></tr> <tr> <td>General Assembly</td><td>: Ordinary General Assembly of the Company.</td></tr> <tr> <td>Company</td><td>: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).</td></tr> <tr> <td>Committee</td><td>: Remuneration and Nomination Committee (RNC).</td></tr> <tr> <td>Board</td><td>: The Board of the Company.</td></tr> <tr> <td>Authority</td><td>: Capital Market Authority.</td></tr> </tbody> </table>	Term	Definition	Governance Department	: Corporate Governance Department in the Company.	General Assembly	: Ordinary General Assembly of the Company.	Company	: Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).	Committee	: Remuneration and Nomination Committee (RNC).	Board	: The Board of the Company.	Authority	: Capital Market Authority.
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<p>Control: means the ability to influence the actions or decisions of any other person directly, indirectly, individually or with a relative or affiliate through (a) owning 30% or more of the voting rights in the company, or (b) the right to Appointment of 30% or more of the members of the Board of Directors, and the term “controlled” shall be interpreted accordingly.</p> <p>Company or Marafiq: means Jubail and Yanbu Electricity and Water Utility Company.</p> <p>Companies Law: The Companies Law issued pursuant to Royal Decree No. (M/3) dated 01/28/1437 AH (corresponding to 11/10/2015 AD) in the Kingdom, as amended from time to time.</p> <p>Corporate Governance Regulations: Corporate Governance Regulations issued by the Capital Market Authority, as amended from time to time.</p> <p>General Assembly: The general assembly of shareholders of Marafiq Company.</p> <p>Group: The company and its subsidiaries.</p> <p>Independent members of the Board of Directors: They mean any non-executive member of the Board of Directors of a Marafiq Company who enjoys complete independence in his position and decisions and does not apply to any of the symptoms of independence stipulated in Article 20 of these regulations.</p> <p>Kingdom: means the Kingdom of Saudi Arabia.</p> <p>Ministry of Commerce: means the Ministry of Commerce in the Kingdom of Saudi Arabia</p> <p>Nominations and Remuneration Committee: means the Nominations and Remuneration Committee appointed by the Board of Directors of Marafiq Company.</p> <p>Policy: This means the remuneration policy of the Jubail and Yanbu Electricity and Water Utility Company (Maafiq).</p> <p>Regulatory controls: Regulatory controls and procedures issued by the Capital Market Authority in implementation of the corporate system for listed joint-stock companies, as amended from time to time.</p>	<p>Executive Management : Persons responsible for managing the Company's day-to-day operations, executing the Board's resolutions, proposing and executing strategic decisions.</p> <p>Article (3): Policy Interpretation</p> <p>3.1 Interpretation Rules</p> <p>3.1.1 This Policy and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.</p> <p>3.1.2 This Policy is directed and addresses job positions and not the people in charge of them.</p> <p>3.1.3 All headings in this Policy are for convenience of reference only and shall not affect the interpretation of the Policy provisions as a whole.</p> <p>3.1.4 This Policy prevails over any other Policy on the same subject that may conflict therewith.</p> <p>3.1.5 The Board is entitled to set rules and executive policies for this Policy.</p> <p>3.1.6 This Policy is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the CG Regulations as jus cogen rather than a complementary, then this Policy is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Policy. In the event that a complementary provision is included in this Policy in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.</p> <p>3.1.7 The Company’s application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between</p>
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Remuneration: means any amounts, bonuses, profits and their equivalents, periodic and annual performance-related bonuses, short-term and long-term incentive plans, in addition to any other in-kind benefits, excluding reasonable costs and expenses actually incurred by the Company on behalf of a member of the Board of Directors or its committees to perform his duties.

Senior Executives or Executive Management: In relation to a Marafiq Company, the CEO, his deputies and any employee holding a management position who reports to, or reports directly to, the CEO, the Board of Directors or any member of the Board of Directors.

In relation to other entities, any natural person to whom the administrative body of that entity, or any member thereof, has given responsibility, individually or jointly with others, for management and supervision and who reports directly to (1) the administrative body, or (2) to any member of the administrative body, or (3)) chief executive officer.

Subsidiary: means any company under the control of a utility company.

Tadawul or Market: Saudi Financial Market (Tadawul).

Article 2: General Introduction:

This policy has been prepared in accordance with the requirements of the Corporate Governance Regulations, the regulations and regulations of the Capital Market Authority and the Ministry of Commerce, the Companies Law, the Tadawul Registration and Listing Rules, and in accordance with the Memorandum and Articles of Association.

The policy is to regulate the rewards and benefits granted to members of the Board of Directors and its committees and to the executive management of the company to motivate them to improve their level of performance and urge them to exert more efforts to help the company achieve its goals and objectives and reach a leadership position in its field of business and operations.

An essential aspect of this policy is to ensure compliance with the relevant laws and regulations regarding remuneration and compensation including the Corporate

applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Policy/ regulation as an approval for the guiding provisions contained therein to be mandatory.

3.2 Sources of Judging the Incident

3.2.1 The provisions of this Policy apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.

3.2.2 The provisions of this Policy shall not conflict with the legislative laws in the KSA, and in the event of a conflict, the provisions of the jus cogen legislative laws shall be applied.

3.2.3 In the absence of a provision in this Policy on the issue, the following legislative sequence shall be applied:

3.2.3.1 The jus cogens in the CG Regulations issued by the Authority are applied.

3.2.3.2 The provisions of the Companies Law and its executive regulations shall be applied.

3.2.3.3 The provisions of the Company's articles of association shall be applied.

3.2.3.4 The resolutions of the Company's General Assembly shall be applied.

3.2.3.5 The resolutions of the Board of Directors shall be applied.

3.2.3.6 Diligence of from the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.

Article (4): Remuneration and Nomination Committee (RNC) Role

The RNC shall undertake the following tasks and responsibilities in relation to this Policy:

4.1 Determination of the incentive system and adoption of remuneration in accordance with relevant laws and regulations, and focusing on encouraging Directors, Members of Boards' Committees and Executive Management to achieve the Company's long-term success, development, and alignment with its strategy and objectives.

Governance Regulations, the Regulations and Regulations of the Capital Market Authority and the Ministry of Commerce, the Companies Law, the Tadawul Registration and Listing Rules, the Memorandum of Association and the Articles of Association.

Article 3: Purpose:

The purpose of this policy is to ensure that the remuneration of the Board of Directors, its committees and executive management is consistent with prevailing market practices, applicable laws and regulations, and consistent with the interests of shareholders and the long-term strategic objectives of the Company.

Article 4: Scope of application:

The policy applies to the Board of Directors, its committees and the company's executive management.

Article 5: Nominations and Remuneration Committee:

The Nominations and Remuneration Committee assumes the following tasks and responsibilities in relation to this policy:

- 1) The aim of the reward should be to encourage the members of the Board of Directors, its committees and executive management to achieve the company's long-term success and development in line with its strategy and objectives.
- 2) Determine the incentive system and approve rewards in accordance with the laws and regulations.
- 3) Ensure that the incentive system is reviewed periodically.

4.2 Ensuring periodic review of the incentive system.

4.3 Periodic evaluation of the adequacy and effectiveness of this Policy, including clarification of the relationship between paid remuneration and adopted remuneration policies, and identification of any significant deviations from such policies.

4.4 Presentation of recommendations to the Board regarding the level and components of remuneration of the Executive Management and the Boards' Committees within the Company.

4.5 Ensuring that the remuneration of the Directors, and Independent Committee Members is not a percentage of the Company's profits and is not directly or indirectly tied to the Company's profitability.

4.6 Provision of a performance measurement system for assessing and objectively evaluating the performance of employees at various levels.

4.7 Ensuring that the evaluation of Executive Management's performance is based on the Company's long-term performance, not just its current performance.

Article (5): Directors and Members of Boards' Committees Remuneration

5.1 Each Director and the Permanent Members of Boards' Committees is entitled to the following remuneration and allowances:

5.1.1 An attendance allowance of SAR three thousand for each attended meeting.

5.1.2 Housing, transportation, and meal allowances or a delegation allowance (as preferred by the Director/ Committee Member) of SAR one thousand per day for meetings held within the KSA and outside the city wherein the Director/ Member resides, and a delegation allowance of SAR two thousand per day for meetings held outside the KSA. This includes travel days as per the Company's adopted policy of senior executives.

5.1.3 First-class round-trip airfare from the city where the Director/ Member resides to the city where the meeting is held, according to the Company's adopted policy in this regard.

<p>4) Periodically evaluate the adequacy and effectiveness of remuneration policies, including clarifying the relationship between the remuneration paid and the approved remuneration policies, and identifying any material deviation from those policies.</p> <p>5) Submitting recommendations to the Board of Directors regarding the level and components of remuneration for the company's executive management and board committees.</p> <p>6) Work closely with the company's Executive and Risk Committee in evaluating the incentives specified under the compensation system.</p> <p>7) Ensure that the remuneration of board members or independent committee members will not be a percentage of the profits achieved by the company, and will not be based directly or indirectly on the company's profitability.</p> <p>8) Reviewing the implementation of the policy on a semi-annual basis to ensure the achievement of its stated objectives and verifying the validity of the actions taken. The Nominations and Remuneration Committee refers any matter to the Board of Directors in the event that any guidance or treatment is needed.</p> <p>9) Providing a performance measurement system in order to evaluate and measure the performance of employees at various levels in an objective manner.</p> <p>10) Ensure that measuring the performance of executive management depends on the company's long-term performance, and not on the current year's performance only.</p>	<p>5.2 The annual remuneration of Directors is SAR two hundred and fifty thousand (SAR 250,000) for each Director and SAR one hundred and fifty thousand (SAR 150,000) for each Permanent Committee Member for each committee membership, provided that this remuneration shall be calculated based on the Director or Committee Member tenure during the year, provided that the total amount received by the Director or Committee Member for their membership in the Board and Committees during the year shall not exceed SAR five hundred thousand (SAR 500,000) as a maximum. This limit does not include attendance allowances, delegation allowances, or travel expenses (if covered by the Company).</p> <p>5.3 The remuneration of the Secretary of the Board and the Secretaries of the Annual Committees shall be determined in accordance with what the Board decides in this regard.</p> <p>5.4 The remuneration shall be paid on an annual basis in accordance with what the Board decides in this regard.</p> <p>5.5 The benefits and remuneration of Committee Members who are not Directors are determined as follows:</p> <p>5.5.1 A Committee Member who are not Directors is entitled to a financial remuneration of SAR (150,000), provided that this remuneration shall be calculated in accordance with the Committee Member tenure during the year.</p> <p>5.5.2 Each Committee Member who are not Directors shall receive SAR three thousand (3,000) for attending each meeting of the Committee.</p> <p>5.5.3 Members of Boards' Committees who are not Directors shall be compensated for travel expenses and their expenses in accordance with the rules applicable to Directors and set forth in this Policy.</p> <p>Article (6): Restrictions on Directors and Members of Boards' Committees Remuneration</p>
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Article 6: Remuneration Policy:

The aim and purpose of this policy with regard to the members of the Board of Directors, its committees and the executive management is to organize rewards and benefits to attract the best talents who have the required qualifications, experiences and expertise that serve the company's business, growth and operations. The Board of Directors must recommend this policy to the General Assembly regarding the rewards and compensation of the Board of Directors and its committees. and Executive Management for approval in order to determine the procedures by which certain bonuses and compensation should be reviewed, approved or approved and also disclosed in the Board of Directors' report.

The allowance for attending meetings of the Board of Directors and its committees is determined as follows:

1) The attendance allowance for any member of the Board of Directors and its committees at the meetings of the Board of Directors or its committees is three thousand (3,000) Saudi riyals. The secretary of the Board of Directors and each of the Board's committees receives three thousand (3,000) Saudi riyals for each meeting he attends.

1 (a) - The meeting held in the Kingdom: An amount of one thousand (1,000) Saudi riyals must also be paid for each day to any member of the Board of Directors and/or its committees who resides outside the city in which the meetings will be held, provided that this amount will not be paid In the event that the company provides accommodation and meals in addition, members of the Board of Directors and/or Board Committees who reside outside the city in which the meetings will be held will be provided with a round-trip first-class air ticket from the city in which the member resides to the city in which the meeting will be held, or payment of Equivalent to the value of that ticket for the member.

1 (b) - The meeting held outside the Kingdom: An amount of two thousand (2,000) Saudi riyals will also be paid for each day in meetings held outside the Kingdom, provided that this amount will not be paid if the company provides housing and meals, and board members must also be provided Management and/or Board Committees with a round-trip first-class

6.1 The Board shall determine a special remuneration of the Chairman of the Board to be approved by the General Assembly.

6.2 The Company is entitled to refuse to pay the remuneration, to suspend its payment, or to demand it to be repaid by any Director, Member of Boards' Committees, and Secretaries, and to seek compensation for damages to its reputation, operations, or business in the following cases:

6.2.1 If there is any act or omission involving forgery and/or compromising integrity, trustworthiness, or laws and regulations of the KSA, or the regulations of any other relevant country.

6.2.2 If a Director/ Member fails to fulfil the responsibilities and duties in a responsible and serious manner, resulting in harm to the Company's interests, expectations, growth, and operations.

6.2.3 If the General Assembly or the Board decides to terminate a Director/ Member's membership due to their absence from three consecutive meetings without an acceptable excuse approved by the Board. In such cases, the Director/ Member shall not be entitled to any remuneration of the period starting from the last meeting the Director/ Member did not attend, and the Director/ Member shall also be required to return any remuneration received for that period.

6.2.4 If the approved remuneration of the Director/ Member is based on inaccurate information or incorrect results.

Article (7): Executive Management Remuneration

7.1 The RNC continuously shall review the salary scale established for all employees and Executive Management, as well as the incentive program and plans, and approve them based on a recommendation from the Executive Management.

7.2 Executive Management remuneration includes the following:

7.2.1 Basic Salary: To be paid at the end of each calendar month on a monthly basis.

7.2.2 Allowances, including, but not limited to, housing and transportation allowances.

air ticket from the city in which the member resides to the place and country where the meeting will be held, or payment of the equivalent of the value of that ticket to the member.

The benefits and rewards of members of the Board of Directors and its committees are determined as follows:

- 1) The Nominations and Remuneration Committee shall submit recommendations to the Board of Directors regarding the remuneration of Board members, including members of its committees, for their membership and participation in activities, in order to approve it for approval by the General Assembly, provided that it is not permissible in any case to exceed any amount specified by the Companies Law, and the Authority The Financial Market and the Ministry of Commerce, as applicable with respect to joint stock companies.
- 2) If the bonuses are a percentage of the profit, they may not exceed 10% of the net profit after deducting the reserves determined by the General Assembly in accordance with the provisions of the law or the company's bylaws and after distributing profits of no less than 5% of the paid-up capital of the company to The member's reward shall be proportional to the number of meetings attended, and any rewards offered in violation of this clause shall be considered null and void.
- 3) The company must also take into account the general standards stipulated in the regulatory controls related to the disbursement of remuneration to members of the Board of Directors, which include the following:
 - (a) Remuneration must be fair and proportionate to the work and responsibilities carried out and borne by members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
 - (b) The remuneration must be commensurate with the company's activity and the skills necessary to manage it.
 - (c) The sector in which the company operates, its size, and the experience of the board members must be taken into account.

7.2.3 performance-based bonus for Executive Management.

7.3 The CEO or his/her authorised representative is responsible for implementing the employee and Executive Management remuneration policy in line with the plans, programs, and general guidelines adopted by the Board/ Boards' Committees.

7.4 The Board, upon a recommendation from the RNC, shall determine the executive management remuneration, provided that this remuneration shall align with the following principles:

7.4.1 Remuneration and compensation shall be in line with the Company's strategic goals, serving as an incentive for Executive Management to achieve those goals and enhance the Company's growth and sustainability.

7.4.2 Remuneration shall align with the nature of the Company's operations, activities, position, and required skills and experience.

7.4.3 Enabling the Company to attract executive managers with the necessary abilities, skills, and qualifications to achieve its objectives.

7.4.4 Avoiding conflicts of interest that could negatively impact the Company's interests and its ability to achieve its objectives.

7.4.5 The maximum limit of executive management remuneration may be reviewed annually, provided that any proposed amendments shall be based on a recommendation of the RNC.

7.4.6 Approved remuneration of each employee in the executive management may vary based on their level of responsibility and duties, the significance of their role in the Company, and the achieved goals.

Article (8): Employee Share Plan

8.1 If the Company repurchase shares for the purposes of allocating them to the Company's employees and executive members (employee share plan), the Company shall comply with the following, in addition to satisfying the share repurchase requirements:

<p>(d) The reward, in terms of its size and components, must be reasonably sufficient to attract and retain competent individuals to perform their duties.</p> <p>(e) Board member remuneration may vary depending on the experience, expertise, duties undertaken by the member, independence, and the number of Board meetings attended, in addition to other considerations.</p> <p>(f) The remuneration due to the independent member may not be a percentage of the profits achieved by the company, nor may it be based on the company's profitability.</p> <p>4) The bonus may be paid on an annual or semi-annual basis based on the recommendation of the Nominations and Remuneration Committee in accordance with what is approved by the Board of Directors and approved by the General Assembly.</p> <p>5) When approving the remuneration of members of the Board of Directors or its committees, the member's contribution, attendance, and participation in the issues raised must be taken into account, including any special contributions that serve the interest of the company.</p> <p>6) Any variance in remuneration shall be based on the experiences, expertise, duties, independence, number of meetings attended by members of the Board of Directors and its committees as well as other relevant considerations.</p> <p>7) The Board of Directors may determine a special remuneration for the Chairman of the Board of Directors to be approved by the General Assembly.</p> <p>8) The company has the right to refuse to pay the bonus, stop paying it, or demand its recovery from any member of the Board of Directors and its committees, and demand compensation for damage to its reputation or business, in the following cases:</p> <p>(a) If any act or omission on the part of a member involves fraud and/or violates honor, honesty, the laws and regulations of the Kingdom, or the laws and regulations in force in any other country, that member must return to the company any remuneration paid to him for The period following that act or omission.</p>	<p>8.1.1 The repurchase and allocation process shall be permitted under the Memorandum of Association or Articles of Association.</p> <p>8.1.2 Obtaining the approval of the regulatory authorities.</p> <p>8.1.3 Obtaining the approval of the General Assembly for the employee share plan.</p> <p>8.1.4 Obtaining a permit from the General Assembly of the Board to determine the terms and conditions of the employee share plan, including the allocation price for each share if it is offered for consideration.</p> <p>8.1.5 Ensuring that Non-executive Directors or Members of the Boards' Committees do not participate in the employee share plan, and that Executive Directors or Members of the Boards' Committees may not vote on the decision related to the employee share plan.</p> <p>Article (9): Remuneration Structure</p> <p>9.1 Structures shall be designed to achieve remuneration and performance objectives.</p> <p>9.2 The set of forms of remuneration can vary between Executive Management based on the criteria specified in this Policy and may include cash, equity and other forms of remuneration.</p> <p>9.3 Components of remuneration may be determined taking into account the nature and level of responsibilities of the executive management</p> <p>Article (10): Disclosure and Transparency</p> <p>10.1 The annual report submitted by the Board to the General Assembly shall contain a comprehensive statement of all amounts paid to the Directors and Members of the Boards' Committees during the relevant fiscal year as remuneration, share in the profits, attendance allowance, expenses and other benefits. The report shall also contain a statement of the amounts paid to the Directors and the Members of Boards' Committees in their capacity as employees or executive managers of the Company or in exchange for technical, administrative or advisory tasks they have performed for the Company. The report shall also indicate the number of meetings of the Board and</p>
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<p>(b) In the event that the member fails to carry out his responsibilities, tasks and duties in a responsible and serious manner, causing harm to the company's interests, prospects, growth and business.</p> <p>(c) If the General Assembly decides to terminate the membership of any member of the Board of Directors or its committees for cause</p> <p>(d) A reasonable percentage of the performance bonus may be deferred for a vesting period of at least three years, and the proportion of the bonus to be deferred and the vesting period must be determined based on the nature of the work, its risks, and the activities of the CEO concerned.</p> <p>(e) Principles must be established for determining the value of the shares allocated in the event that any executive director is offered remuneration in the form of shares and the payout shares must be subject to an appropriate share retention policy.</p> <p>The benefits and rewards of committee members who are not members of the Board of Directors are determined as follows:</p> <p>1) The remuneration of members of the Audit Committee who are not members of the Board of Directors for their membership in the committee and their participation in its activities are subject to the recommendation of the Nominations and Remuneration Committee submitted to the Board of Directors to be presented to the General Assembly for approval.</p> <p>2) The remuneration of members of committees other than the Audit Committee who are not members of the Board of Directors for their membership in the committee and their participation in its activities are subject to the recommendation of the Nominations and Remuneration Committee submitted to the Board of Directors to be presented to the General Assembly for approval.</p> <p>3) Each member of the Board committees who is not a member of the Board of Directors shall receive three thousand (3,000) Saudi riyals for his attendance at each committee meeting.</p>	<p>Boards' Committees and the number of meetings attended by each member since the date of the last meeting of the General Assembly.</p> <p>10.2 In addition to the requirements set forth in the listing rules regarding the content of the Board's annual report, this annual report shall include the following:</p> <p>10.2.1 Details of compensation and remuneration, including compensation and remuneration paid to each of the following:</p> <p>10.2.1.1 Board Chairman, Directors and Boards' Committees.</p> <p>10.2.1.2 The top five executives who receive the highest compensation and remuneration from the Company shall be included, provided that the CEO and the CFO (Deputy CFO) shall be included, if they are not among these five. For the purpose of this paragraph, 'compensation and remuneration' refers to salaries, allowances, profits, or any of these, as well as annual and periodic performance-based bonuses.</p> <p>10.2.2 Disclosure of the Directors, Members of Boards' Committees and Executive Management determined remuneration in accordance with this Policy.</p> <p>10.2.3 The Board's report shall provide accurate, transparent, and detailed information about the remuneration granted to the Board, Boards' Committees and Executive Management, whether directly or indirectly, and whether the remuneration is in cash or in any other form of benefits, of any kind, provided that the remuneration shall be granted in the form of Company shares, the value of the shares shall be the market value on the vesting date.</p> <p>10.2.4 Clarification of the relationship between the granted remuneration and this Policy, along with indication of any material deviation from the Policy.</p> <p>Article (11): Revision and Amendment</p> <p>11.1 The RNC shall revise this Policy, in cooperation with the Company's management, when needed, and recommend any amendments to the same to the Board for approval before obtaining the approval of the General Assembly.</p>
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4) Members of the Board Committees who are not members of the Board of Directors will be compensated for their actual expenses, including travel and accommodation expenses incurred to attend committee meetings and carry out their responsibilities.

Article 7: Disclosure:

The annual report submitted by the company to the Board of Directors and the Ordinary General Assembly must contain a comprehensive statement of all amounts paid to members of the Board of Directors and its committees during the relevant financial year as bonuses, a share of profits, attendance allowance, expenses, and other benefits. The report must also contain a statement of the amounts paid. For members of the Board of Directors and its committees in their capacity as employees or executive directors of the company or in exchange for technical, administrative or advisory tasks they performed for the benefit of the company. The report must also indicate the number of meetings of the Board of Directors and its committees and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

In addition to the requirements stipulated in the Tadawul Listing Rules regarding the content of the Board of Directors' annual report attached to the company's annual financial statements, this annual report must include the following:

A) Details of compensation and rewards, including compensation and rewards paid to each of the following:

1. Chairman and members of the Board of Directors and its committees.

2. The five most senior executives who received the highest compensation and bonuses from the company, provided that the CEO and CFO (Vice President for Finance) of the company are included if they are not among these five. For the purposes of this paragraph,

11.2 The Corporate Governance Department shall maintain the original duly signed copy of this Regulations and shall provide the Authority with a copy thereof and any amendments thereto from time to time.

Article (12): Policy Validity

This Policy shall be in effect and implemented as of date of Policy approval by the General Assembly.

<p>the phrase (compensation and bonuses) means salaries, allowances, profits, and any of them, Annual and periodic bonuses related to performance, long-term or short-term incentive plans, and any other rights in kind.</p> <p>b) Disclosure of the determination of remuneration for members of the Board of Directors, its committees, and executive management in accordance with this policy.</p> <p>C) Accurate, transparent and detailed disclosure in the Board of Directors' report about the remuneration granted to the Board of Directors, its committees and the executive management, directly or indirectly, without any omission or provision of misleading information, and whether the remuneration is in cash or in the form of other benefits of any kind, provided that they are The value of the shares is the market value on the vesting date if the bonuses are provided in the form of grants of shares in the company.</p> <p>d) Clarifying the relationship between the rewards granted and this policy, and indicating any material deviation from the policy.</p> <p>Article 8: Responsibility for implementing, reviewing and amending the policy: The Human Resources Department is responsible for implementing this policy and is responsible for updating it in coordination with the Nominations and Remuneration Committee, which must submit its recommendations regarding this policy, including any amendment to it, to the Board of Directors to be presented to the General Assembly for approval.</p> <p>Article 9: Effectiveness: This policy will be implemented and adhered to from the date determined by the General Assembly after its adoption.</p>	
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Proposed amendments to the dividend distribution policy

Before the amendment	After the amendment
<p>1. Purpose:</p> <p>The Distribution of Dividends Policy aims to determine the general provisions for distributing dividends of the Power and Water Utility Company for Jubail and Yanbu. Based on paragraph (B) of Article (9) of the Corporate Governance Regulations and the Company's Bylaws.</p>	<p>Article (1): Purpose</p> <p>This policy is called: "Dividend Distribution Policy", which aims to clarify the general provisions for the Dividend Distribution of the Electricity and Water Utilities Company in Jubail and Yanbu, according to the corporate governance regulations and the company's articles of association.</p>
<p>2. Definitions:</p> <p>For the purposes of implementing this policy, the words mentioned therein have the meanings indicated to them as follows, unless the context requires otherwise. Any other terms shall have the meanings ascribed them in the Corporate Governance Regulations.</p> <p>CMA: The Saudi Capital Market Authority.</p> <p>Company: The Power and Water Utility Company for Jubail and Yanbu (Marafiq).</p> <p>Corporate Governance Regulations: The Corporate Governance Regulations issued by the Board of the CMA, as amended from time to time .</p> <p>Policy: This Distribution of Dividends Policy.</p> <p>The Board: The Board of Directors of the Company.</p> <p>General Assembly: The General Assembly of the Company.</p>	<p>Article (2): Definitions</p> <p>Governance Department : Corporate Governance Department in the Company.</p> <p>General Assembly: Ordinary General Assembly of the Company.</p> <p>Policy : The Dividend Distribution Policy</p> <p>Company : Power and Water Utility Company for Jubail and Yanbu (a public joint-stock company).</p> <p>Board : The Board of the Company.</p> <p>Authority : Capital Market Authority.</p>
<p>N/A</p>	<p>Article (3): Policy Interpretation</p> <p>3.1 Interpretation Rules</p> <p>3.1.1 This Policy and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.</p> <p>3.1.2 All headings in this Policy are for convenience of reference only and shall not affect the interpretation of the Policy provisions as a whole.</p> <p>3.1.3 This Policy prevails over any other Policy on the same subject that may conflict therewith.</p>

	<p>3.1.5 The Board is entitled to set rules and executive policies for this Policy.</p> <p>3.1.4 This Policy is formulated in accordance with the jus cogens in the CG Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Policy as jus cogen rather than a complementary, then this Policy is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Policy. In the event that a complementary provision is included in this Policy in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.</p> <p>3.1.5 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to echange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Policy/ regulation as an approval for the guiding provisions contained therein to be mandatory.</p> <p>3.2 Sources of Judging the Incident</p> <p>3.2.1 The provisions of this Policy apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.</p>
<p>3. Distribution of Dividends:</p> <p>A. After deduction of all overheads and other costs, the annual net profits of the Company shall be distributed as follows:</p> <p>1. Four percent (4%) of the net profits shall be retained to form a statutory reserve. The ordinary General Assembly may discontinue such retention if the reserve reaches twenty percent (20%) of the Company's paid-up share capital.</p>	<p>Article (4): Dividend Distribution</p> <p>4.1 The Company's annual net dividends, after deducting all overhead expenses and other costs, shall be distributed as follows:</p> <p>4.1.1 Four percent (4%) of the net dividends to form a statutory reserve, and the General Assembly may stop this deduction in accordance with the company's articles of association shall be allocated.</p>

<p>2. The General Assembly may, based on a proposal by the Board, retain a percentage of the net profits to form an additional reserve to be allocated for a certain purpose(s).</p> <p>3. Unless the ordinary General Assembly resolves otherwise, dividends constituting not less than five percent (5%) of the Company's paid-up capital shall be distributed from the remaining amount to the shareholders. Also, the General Assembly may, upon the Board's recommendation and as it sees fit, distribute further dividends.</p> <p>4. Subject to Article (22) of the Company's Bylaw, and the rules prescribed by the competent authority, the ordinary General Assembly may approve to grant each member of the Board a share in the Company's profits in compensation for their membership, not exceeding ten percent (10%) of the net profit after deducting the reserves and after distribution of a dividend of no less than five percent (5%) of the Company's paid-up capital to the shareholders, provided that the entitlement to this bonus is proportional to the number of meetings attended by the member.</p> <p>5. The Company may distribute quarterly and bi-annual profits in accordance with applicable laws.</p> <p>B. The remainder of the profits shall be distributed to the shareholders as additional dividends, or transferred to the coming years, as approved by the General Assembly.</p>	<p>4.1.2 The General Assembly may, according to the proposal by the Board, retain a percentage of the net dividends to form an additional reserve to be allocated for a specific purpose or purposes.</p> <p>4.1.3 Unless the General Assembly decides otherwise, dividends shall be distributed at a rate of not less than five percent (5%) of the paid-up capital of the company from the amount remaining to the shareholders, as may be permitted by the General Assembly, according to the recommendation of the Board and as it deems appropriate, distribute more dividends.</p> <p>4.1.4 The company may distribute quarterly and semi-annual dividends according to the applicable regulations.</p> <p>4.2 The remaining part of the dividends shall be distributed to the shareholders as additional dividends or carried forward for subsequent years as approved by the General Assembly.</p>
<p>4. Entitlement to Dividends</p> <p>A. A shareholder shall be entitled to their share of dividends in accordance with the resolution issued by the General Assembly in this regard. The resolution must indicate the date of entitlement and the date of distribution.</p> <p>B. Only those shareholders who are registered in the share register of the Company at the end of the date specified by the General Assembly or the Board shall be entitled to dividends.</p>	<p>Article (5): Entitlement of Dividends</p> <p>5.1 According to the decision of the General Assembly issued in this regard, provided that the decision indicates the date of entitlement and the date of distribution, The shareholder shall be entitled to his share of the dividends .</p> <p>5.2 Dividend Distribution are only due to the shareholders registered in the company's share register at the end of the date determined by the General Assembly or the Board in accordance with what is indicated in this policy.</p>

<p>5. Timing of Payment of Dividends</p> <p>The Board must implement the General Assembly resolution with respect to the distribution of dividends to the shareholders within fifteen (15) days from the date they become entitled to such dividends as determined in such resolution, or the Board's resolution for the distribution of interim dividends.</p>	<p>Article (6): Payment Timeline of Dividends</p> <p>The Board shall implement the Assembly's decision regarding the distribution of dividends to the shareholders, within fifteen (15) days from the date of their entitlement to such dividends as stipulated in that resolution, or the Board of Directors' decision regarding the distribution of interim dividends.</p>
<p>6. Interim Dividends</p> <p>A. The Company may distribute interim dividends to its shareholders on a quarterly or bi-annual basis subject to the following:</p> <p>a. Issuance of a resolution by the General Assembly renewed annually authorizing the Board to distribute interim dividends.</p> <p>b. The Company must enjoy regular positive profitability.</p> <p>c. The Company must enjoy reasonable liquidity, and is able to reasonably foresee the size of its profits.</p> <p>d. The Company shall have distributable profits according to the latest audited annual financial statements - sufficient to cover the dividends proposed to be distributed - after deducting the amounts distributed and capitalized of the profits after the date of these financial statements.</p> <p>B. The Board must include in its annual report submitted to the General Assembly of the Company the portion of dividends distributed to shareholders during different periods of the financial years in addition to the portion of dividends proposed for distribution at the end of the financial year, and the aggregate dividend amounts.</p> <p>C. Dividend distributions must be recorded to the cumulative retained earnings account of preceding years, or the contractual reserves, or both. The Company must take a sequential and consistent approach in determining the manner and percentage of dividend distributions in light of the Company's capabilities and available liquidity. The Board must</p>	<p>Article (7): Interim dividends</p> <p>7.1 The company may distribute interim dividends to its shareholders on a quarterly or semi-annual basis, provided that the following is achieved:</p> <p>7.1.1 The General Assembly be issued a resolution (renewed annually) authorizing the Board to distribute interim dividends.</p> <p>7.1.2 The Company should achieve regular dividends.</p> <p>7.1.3 The Company should have sufficient liquidity and be able to reasonably predict the size of its dividends.</p> <p>7.1.4 The Company should have distributable dividends according to the latest audited annual financial statements sufficient to cover the proposed dividends - after deducting the distributed and capital amounts from the dividends after the date of these financial statements.</p> <p>7.2 The Board shall include in its annual report submitted to the General Assembly the share of dividends distributed to shareholders during different periods of the fiscal years in addition to the part of the dividends proposed to be distributed at the end of the fiscal year, and the total amounts of dividends.</p> <p>7.3 Dividends shall be recorded in the account of cumulative retained earnings for previous years, or in conventional reserves, or both. The company adopt a sequential and consistent approach in determining the method and percentage of dividends according to the company's capabilities and available liquidity, and the board must</p>

<p>disclose and announce the portion of regular interim dividends approved for distribution to the shareholders on the specified dates.</p> <p>D. The Company must, upon resolving to distribute interim dividends, disclose and announce such resolution immediately, and provide the CMA with a copy thereof immediately.</p>	<p>disclose and announce part of Ordinary periodic dividends approved for distribution to shareholders on specified dates.</p> <p>7.4 When the Company decided to distribute interim dividends, shall disclose and announce this decision immediately, and provide the Authority with a copy of it.</p>
<p>7.Enforcement and Publication</p> <p>The policy (and any later amendments) shall be effective from the date of its approval by the Board, and the Company shall publish it to shareholders and the public through its website.</p>	<p>Article (8): Revision and Amendment</p> <p>7.1 The Company's management shall revise this Policy in cooperation with the Company's appropriate departments, when needed, and recommend any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.</p> <p>7.2 The Corporate Governance of the Company shall maintain the original duly signed copy of this Policy and shall, from time to time, provide the Authority with a copy thereof and any amendments thereto.</p>
	<p>Article (9): Policy Validity</p> <p>This Policy shall be in effect and implemented as of date of Policy approval by the General Assembly.</p>