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MARAFIQ
Rules and Procedures Policy for MARAFIQ Company Board of Directors Work

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Article (1): Purpose

This Policy is referred to as “Rules and Procedures Policy for the MARAFIQ Company Board of Directors Work”, which was prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia. This Policy came to clarify and define the rules and procedures for the Board of Directors work, how to form the Board and define its responsibilities. It also determines the foundations and principles that govern the Board work and methods of communication with the shareholders and the Executive Management of the Company.

Article (2): Definitions

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.

Term	Definition
Governance Department	Corporate Governance Department in the Company.
Secretary	Secretary of the Board of Directors.
General Assembly	Ordinary General Assembly of the Company.
Policy	Rules and Procedures Policy for MARAFIQ Company Board of Directors Work.
Company or Marafiq Company	Power and Water Utility Company for Jubail and Yanbu (a Public Joint Stock Company).
Authority	Capital Market Authority
Business Day	A day on which the Authority normally performs its business.
Member	Member of the Company's board of directors.
Executive Member	A member of the Board of Directors who is dedicated in the Executive Management of the Company and participates in its daily business.
Non-Executive Member	A member of the Board of Directors who is not dedicated to manage the Company and does not participate in its daily business.
Independent Member	A non-executive Board of Directors member who enjoys complete independence in his position and resolutions, and none of the objections to independence stipulated in this Policy apply thereto.
Relatives or kinship	<ul style="list-style-type: none">- Fathers, mothers, grandfathers, and grandmothers and upwards.- Sons, and their children, even if they downwards.- Full brothers and sisters, and step- brother.- Husbands and wives.
Person	Any natural or legal person recognized by the Kingdom's laws in this capacity.
The Group Affiliate	In relation to a person means that person and each of his affiliates. 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.
Stakeholders	Everyone who has an interest with the Company, such as employees, creditors, customers, suppliers, and society.
Senior Shareholders	Everyone who owns (5%) or more of the Company's shares or voting rights therein it.
Control share	The ability to influence the actions or resolutions of another person, directly or indirectly, individually or jointly with a relative or affiliate, through: (a) Owning 30% or more of the voting rights in a company. (b) Have the right to appoint (30%) or more of the members of the administrative staff.

Bounces	Amounts, allowances, profits and the like, periodic or annual bonuses related to performance, short or long-term incentive plans, and any other in-kind benefits, with the exception of the reasonable actual costs and expenses incurred by the Company on behalf of a member of the Board of Directors for the purpose of performing his work.
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Article (3): Policy Interpretation Provisions

3.1 Interpretation Rules

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.

3.1.2 This Policy is directed and addresses job positions and not the people in charge of them.

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.

3.1.4 This Policy prevails over any other Policy on the same issue that may conflict therewith.

3.1.5 The Board is entitled to set rules and executive policies for this Policy.

3.1.6 This policy is formulated in accordance with the jus cogens in the Corporate Governance 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.

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.

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 Kingdom of Saudi Arabia, 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 Corporate Governance 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 the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.

Article (4): The Structure and Formation of the Board of Directors

4.1 The Company is managed by a Board of Directors consisting of (7) members who are elected by the General Assembly of shareholders using the cumulative voting method for the period specified in the Company's articles of association.

4.2 The majority of the Board members shall be non-executive members.

4.3 The number of independent members of the Board of Directors shall not be less than one third of the Board members (provided that their number shall not be less than three).

4.4 The Chairman of the Board of Directors of the Company may not combine his position as Chairman of the Board with any other executive position in the Company, for example: the position of CEO or Managing Director (if any).

4.5 The CEO of the Company shall not be appointed as Chairman of the Company Board of Directors during the first year from the date of terminating his services.

4.6 Board membership ends with the expiry of its term or with the expiry of the member's validity in accordance with any law or instructions in force in the Kingdom. However, the Ordinary General Assembly may, at any time, dismiss all or some of the Board of Directors members, even if the Company's articles of association stipulate otherwise, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the Board of Directors may retire, provided that this is at an appropriate time. Otherwise, he shall be liable to the Company for the harms resulting from his retirement.

4.7 The General Assembly may, based on a recommendation from the Board of Directors, terminate the membership of any member who fails to attend three consecutive meetings of the Board without a justified excuse.

4.8 Once the membership of a member of the Board of Directors ends by any of membership termination methods, the Authority is notified within the statutory period for that, while indicating the reasons for that.

4.9 If a member of the Board of Directors resigns and has feedbacks on the Company's performance, he submits a written statement thereof to the Chairman of the Board of Directors, and this statement is presented to the Board of Directors members.

10.4 None of the Company's Board of Directors members shall not occupy the boards of directors membership of more than five listed joint-stock companies at the same time.

Article (5): Board Responsibilities and Duties

5.1 Basic Functions and General Duties of the Board of Directors:

5.1.1 Approving the strategic plans, policies and main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring the availability of the necessary human and financial resources to achieve them, including:

5.1.1.1 Developing, revising and directing the Company's comprehensive strategy, main work plans, and risk management policies and procedures.

5.1.1.2 Determining the optimal capital structure of the Company, its strategies and financial objectives, and recognizing the estimated budgets of all kinds.

5.1.1.3 Supervising the main capital expenses of the Company, owning and disposing of the assets.

5.1.1.4 Determining performance indicators and monitoring implementation and overall performance in the Company.

5.1.1.5 Revising and approving on a regular basis the organizational and functional structures and human resources in the Company.

5.1.1.6 Verifying the availability of human and financial resources necessary to achieve the Company's objectives and main plans.

5.1.1.7 Developing and generally supervising laws and controls for internal control, including a written Policy to control cases of actual and potential conflicts of interest that may affect the performance of the Board of Directors members, Executive Management, shareholders or other employees of the Company, and to process any case of potential conflict of interest and others.

5.1.1.8 Determining and generally supervising governance rules for the Company that do not contradict the provisions of the governance regulations issued by the Authority, monitoring their effectiveness, and amending them whenever necessary.

5.1.1.9 Revising the organizational structure, including applying the Company's operational model, which defines the relationship between the Company and its subsidiaries and the governance mechanisms through which it is managed.

5.1.1.10 Developing clear and specific policies, standards and procedures for membership in the Board of Directors and implementing them after the approval of the General Assembly.

11.1.1.5 Developing a written policy that regulates the relationship with stakeholders in order to protect them and preserve their rights. This Policy shall cover the requirements contained in the Corporate Governance Regulations issued by the Authority.

12.1.1.5 Developing policies and procedures that ensure the Company's compliance with laws and regulations, disclosing key information to shareholders, creditors, and other stakeholders, and verifying the Executive Management's commitment thereto.

13.1.1.5 Supervising the Company's financial management, its cash flows, and its financial and credit relationships with third parties.

5.1.1.14 Submitting proposals to the Ordinary and Extraordinary General Assembly as it deems appropriate and in light of what is stated in the Company's articles of association and the relevant laws and regulations.

5.1.1.15 Developing procedures for introducing the new Board members to the Company's workflow and activities, especially the financial and legal aspects, as well as training them if necessary.

16.1.1.5 Ensuring that the Company provides adequate information regarding its affairs to all the Board members in general and the Board of Directors non-executive members in particular, in order to enable them to carry out their responsibilities and duties and efficiently.

5.1.1.17 Preparing and approving the Company's preliminary and annual financial statements before publishing them.

5.1.1.18 Preparing and approving the Board of Directors report before publishing it.

5.1.1.19 Ensuring the accuracy and integrity of the data and information that shall be disclosed in accordance with the policies and laws of disclosure and transparency.

5.1.1.20 Establishing effective communication channels that allow shareholders to have continuous and periodic access to the various aspects of the Company's activities and any significant developments.

5.1.1.21 Forming specialized committees derived from the Board by resolutions specifying the duration of the committee, its powers and responsibilities, and how the Board supervises, provided that the formation resolution shall include naming the members and defining their responsibilities, rights and duties, along with evaluating the performance and work of these committees and their members.

5.1.1.22 Determining the types of bonuses granted to the Company's employees, such as fixed bonuses, performance related bonuses, and bonuses in the form of shares, in a way that does not contradict the regulatory controls and procedures issued in implementing the Companies Law for listed joint stock companies.

5.1.1.23 Determining the values and standards that govern work in the Company.

5.2 Board of Directors Responsibilities towards the Shareholders:

5.2.1 Inviting shareholders to attend the Ordinary and Extraordinary General Assembly meetings.

5.2.2 Verifying that the annual report and financial reports that are published and sent to the shareholders clarifies the true situation of the Company's performance. The Board shall ensure that the Company's management provides current and potential shareholders and the investment community with all information related to performance results and the most important developments within the Company, provided that they shall be in line with the Company's Policy of disclosure and transparency.

5.2.3 Establishing the principle of transparency and disclosure as a firm and clear policy of the Board.

5.2.4 Recommending the profits distribution policy to be approved by the General Assembly.

5.2.5 Approving the distribution of interim profits (quarterly – semiannual) to shareholders, and recommending to the General Assembly to approve annual profits and distribution rates in accordance with the provisions of the Company's articles of association.

5.2.6 Recommending an increase or decrease in the Company's capital.

5.2.7 Approving the recommendations of the Audit Committee to select and nominate the auditor, determine his fees, and recommending to the General Assembly to accept the nominated auditor.

5.2.8 Revising, evaluating and approving major transactions, including capital allocation, capital expenses and investments.

5.2.9 Determining the optimal model for allocating capital needed by the Company's main sectors and activities and investments.

10.2.5 Supervising and authorizing any acquisitions or mergers undertaken by the Company.

11.2.5 Company's Board of Directors and the Executive Management are obligated not to discriminate between shareholders who own the same class of shares, not to withhold any right from them, and to work to protect their rights in a way that guarantees justice.

5.3 Board Responsibilities towards its Non-executive Members:

Informing the Board members, especially non-executives, of the shareholders' proposals and observations regarding the Company and its performance through the following procedures:

5.3.1 Presenting the shareholders' proposals and observations (if any) to the members of the Board of Directors in the nearest meeting of the Board or any other effective means of communication that achieves the purpose on an ongoing basis.

5.3.2 Organizing continuous meetings with investors (IR Programs) and informing the Board of the essential proposals they put forward.

5.3.3 Any other measures or arrangements taken by the Board that it deems appropriate to achieve this purpose and that are not inconsistent with the law.

5.3.4 Publishing these procedures in the annual report of the Board of Directors.

5.3.5 Attendance of the Board members to the meetings of shareholders' assemblies, including non-executive members.

4.5 Board Responsibilities towards the Company:

5.4.1 Determining general strategies, investment plans, directives and general standards for the Company's investments.

5.4.2 Revising the activities related to preparation, planning and organization, including approving the organizational structure rules in line with the Company's policy.

5.4.3 Determining the general perception of the risks facing the Company.

5.4.4 Developing and monitoring performance indicators (for financial and non-financial objectives).

5.4.5 Supervising the Executive Management of the Company, regulating how it operates, monitoring it, and verifying its performance and the duties assigned thereto, and for this purpose:

5.4.6 Developing the necessary administrative and financial policies.

5.4.7 Verifying that the Executive Management operates in accordance with the policies approved by the Board.

8.4.5 Selecting and appointing the Company's CEO, and supervising his work.

5.4.9 Appointing and dismissing the internal audit director or the internal auditor and determining his bounces (if any).

5.4.10 Holding periodic meetings with the Executive Management to discuss the course of work and the obstacles and problems encountered, and reviewing and discussing important information regarding the Company's activity.

5.4.11 Developing performance standards for the Executive Management that are consistent with the Company's objectives and strategy.

5.4.12 Revising and evaluating the performance of the Executive Management.

5.4.13 Developing an administrative succession mechanism for managing the Company.

5.4.14 Maintaining the confidentiality of information related to the Company and its activities and not disclosing the same to third parties.

5.5 Board Responsibilities towards Subsidiaries:

5.5.1 Verifying that the subsidiaries' strategy and financial reporting policies are in line with the Company's policies and procedures.

5.5.2 Determining and following up the financial and non-financial performance indicators.

5.5.3 Monitoring the approved performance indicators for each of the subsidiaries and submitting periodic reports to the Company's Board of Directors.

5.5.4 Approving the main investments according to the table of powers (DOA) specified and agreed upon in advance.

5.5.5 Evaluating the performance of the Boards of subsidiaries and the performance of their membership.

5.5.6 Inspecting the business of the sectors and its subsidiaries closely, provided that the Board of Directors of the Company retains all essential resolutions that have a legal or financial impact on the company.

5.5.7 Verifying that the Governance Regulations of the subsidiaries are in line with the Governance Regulations in the Company.

5.5.8 Setting a specific internal policy and standards (matrix of resolutions) that regulate the relationship between the Company and its subsidiaries and developing it periodically and whenever the need arises.

5.5.9 Nominating the Company's representatives to the Boards of Directors of subsidiaries in which the Company owns a share capital.

6.5 Mechanism for Selecting the Chairman, Vice Chairman and the CEO:

5.6.1 The Board selects its Chairman and Vice Chairman from among its non-executive members.

5.6.2 The Board revises and approves the mechanisms for evaluating the performance of the Chairman and its members, which are proposed by the Remuneration and Nomination Committee.

5.6.3 Based on the recommendation of the Remuneration and Nomination Committee, the nomination and evaluation procedures for executive positions and administrative succession plans are developed, including the CEO position.

5.6.4 The Board follows up the work and performance of the CEO in light of the Remuneration and Nomination Committee recommendations.

5.6.5 The Board approves the remuneration received by the CEO based on the proposal of the Remuneration and Nomination Committee.

5.7 Duties of the Board of Directors Chairman:

The Chairman of the Board of Directors is the person responsible for ensuring the existence of channels for effective communication with shareholders and for delivering their opinions to the Board of Directors. In addition, he is responsible for the optimal management of the Board's works, and among the most prominent of his duties and responsibilities are as follows:

5.7.1 The Chairman Duties in relation to the Effectiveness of the Board:

5.7.1.1 Ensuring that the Board has sufficient resources to support its work and that the Board was provided with information as requested.

5.7.1.2 Managing discussions and deliberations during the Board meetings, ensuring that the Board discusses all fundamental issues effectively and in a timely manner and that the resolutions taken are clear and understandable to all Board members, in addition to being recorded in the minutes of the meeting.

5.7.1.3 Ensuring that mechanisms are identified to evaluate the performance of the Board, members of the Board, committees and Executive Management.

5.7.1.4 Creating a culture of honesty and constructive discussion by enhancing relations between members and urging effective participation between Board members and Executive Management on the one hand, and encouraging effective exchange between non-executive and independent members on the other hand.

5.7.2 The Chairman Duties in Relation to the Board work:

5.7.2.1 Determining the agenda for the Board of Directors meetings, taking into account any issue raised by a member of the Board of Directors or raised by the auditor, and consulting with members of the Board and the CEO when preparing the Board agenda.

5.7.2.2 Ensuring that Board members receive complete, correct and non-misleading information in a timely manner.

5.7.2.3 Enabling all the Board of Directors members to actively participate in the Board meetings and creating a culture that encourages constructive criticism.

5.7.2.4 Ensuring that there are controls that help to guarantee that the Board carries out its work effectively and efficiently.

5.7.2.5 Holding meetings, from time to time, with non-executive Board members (meaning that no executive member of the Company shall attend).

5.7.2.6 Ensuring that if responsibilities are assigned to committees or Company Directors, that they are implemented as assigned by the Board and that the results were reported to the Board.

5.7.2.7 Ensuring that the Board obtains sufficient support to carry out its duties to the fullest.

5.7.2.8 Approving the recommendations and suggestions of the Board and extracting resolutions thereof.

5.7.2.9 Working continuously to develop the Board and improve its performance.

5.7.2.10 Calling for Board meetings and chairing Board sessions.

5.7.3 The Chairman Duties towards Shareholders:

5.7.3.1 The Chairman of the Board of Directors and the CEO shall inform the remaining members of the Board of Directors of the shareholders' opinions and discuss the same with them.

5.7.3.2 Informing the General Assembly when it convenes of the business and contracts in which a member of the Board of Directors has a direct or indirect interest therein, provided that this notice shall include all the information that the member provided to the Board of Directors. In addition, notice shall be accompanied by a special report from the Company's external auditor.

3.3.7.5 Ensuring effective communication with shareholders.

5.7.3.4 Any other responsibilities stipulated in the Company's articles of association:

5.8 Duties of the Board of Directors Vice Chairman:

5.8.1 Assisting the Chairman in matters and issues related to the Company's Board of Directors.

5.8.2 Calling the Board to be convened in the absence of the Chairman.

5.8.3 Presiding over the Board meetings in the absence of the Chairman.

5.8.4 Presiding over the General Assemblies meetings in the absence of the Chairman.

5.8.5 Managing and leading the process of evaluating the performance of the Board Chairman in coordination with other members of the Board.

5.8.6 Carrying out any other responsibilities stipulated in the Company's articles of association.

5.9 Duties of the Independent Board Member:

Taking into account the Corporate Governance Regulations, the Independent Board Member shall actively participate in performing the following duties:

5.9.1 Expressing an independent opinion on strategic issues, Company policies and performance, and resolutions to appoint members of the Executive Management.

5.9.2 Ensuring that the interests of the Company and its shareholders are taken into account and submitting it in the event of any conflict of interest.

5.9.3 Supervising the development of the Company Governance Rules, and monitoring the implementation of the Executive Management thereof.

5.10 Duties of a Board Member:

Each member of the Board of Directors, through his membership in the Board of Directors, performs the following responsibilities and duties:

5.10.1 Submitting proposals to develop the Company's strategy.

5.10.2 Monitoring the performance of the Executive Management and the extent to which it achieves the Company's goals and objectives.

5.10.3 Revising reports on the Company's performance.

5.10.4 Verifying the soundness and integrity of the Company's financial statements and information.

5.10.5 Verifying that the financial control and risk management systems in the Company are strong.

5.10.6 Determining the appropriate levels of remuneration for the Executive Management members.

5.10.7 Expressing an opinion on the appointment and dismissal of Executive Management members.

5.10.8 Participating in developing a plan for succession and replacement in the Company's executive positions.

5.10.9 Fully complying with the provisions of the Companies Law, the Capital Market Law, their executive regulations, the relevant laws, and the articles of association when exercising his membership duties in the Board, and refraining from doing or participating in any action that constitutes a mismanagement of the Company's affairs.

5.10.10 Attending the Board of Directors and the General Assembly meetings and not being absent from them except for a justified excuse notified to the Chairman of the Board in advance, or for emergency reasons.

5.10.11 Allocating sufficient time to carry out his responsibilities, preparing for the meetings of the Board of Directors and its committees and participating in them effectively, including asking related questions and discussing with the senior executives of the Company.

5.10.12 Studying and analyzing information related to the issues considered by the Board of Directors before expressing an opinion thereon.

5.10.13 Enabling the Board of Directors other members to express their opinions freely, and urging the Board to discuss issues and surveying the opinions of specialists from among the members of Company Executive Management and others, if needed.

5.10.14 Informing the Board of Directors completely and immediately of any interest it has, direct or indirect, in the business and contracts that are made for the account of the Company. In addition, the notice shall include the nature and limits of that interest and the names of any persons concerned therewith, and the expected benefit to be obtained directly or indirectly from that interest whether that interest is financial or non-financial. This member shall not participate in voting on any resolution issued in this regard, in accordance with the provisions of the Companies Law, the Capital Market Law and their executive regulations.

5.10.15 Informing the Board of Directors completely and immediately of his participation, directly or indirectly, in any business that would compete with the Company, or with his competition with the Company, directly or indirectly, in one of the branches of the activity it is engaged in. This shall be in accordance with the provisions of the Companies Law and the Capital Market Law and their executive regulations.

5.10.16 Not publishing or disclosing any secrets he reviews 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 others, as required by the provisions of the Companies Law and the Capital Market Law and their executive regulations.

5.10.17 Working based on complete information, in good faith, with due diligence and attention, for the benefit of the Company and all shareholders.

5.10.18 Realizing his duties, roles and responsibilities resulting from membership.

5.10.19 Strengthening his connections in the field of the Company's activities and business and in the related financial, commercial and industrial fields.

5.10.20 Resigning from the membership of the Board of Directors in the event that he is unable to perfectly fulfill his duties on the Board.

Article (6): Independence Objections

6.1 An independent member of the Board of Directors shall be able to exercise his duties, express his opinions and vote on resolutions objectively and impartially, which helps the Board of Directors to take sound resolutions that contribute to achieving the interests of the Company.

6.2 The Board of Directors shall conduct an annual assessment of the extent to which the member's independence was achieved and ensure that there are no relation or circumstances that affect or could affect therein.

6.3 It is inconsistent with the independence required for an independent member of the Board of Directors - for example but not limited to - the following:

6.4 He shall own five percent or more of the Company's shares, of the shares of another Company in its group, or have a kinship with the one who owns this percentage.

6.5 If he is a representative of a legal person who owns five percent or more of the Company's shares or the shares of another company in its group.

6.6 If he has a kinship with any of the members of the Board of Directors in the Company or in another company of its group.

6.7 If he has a kinship with the senior executives in the Company or another company in its group.

6.8 If he a member of the Board of Directors of another company from the group of the company nominated for membership in its Board of Directors.

6.9 If he works or was an employee during the past two years of the Company, any party dealing therewith, another company in its group, such as auditors and major suppliers, or that he owned control shares in any of these parties during the past two years.

6.10 If he has a direct or indirect interest in the business and contracts that are concluded for the Company.

6.11 If he receive amounts 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.

6.12 If he participates in a business that would compete with the Company, or to trades in one of the branches of the activity practiced by the Company.

6.13 If he spends more than nine years, consecutive or intermittent, as a member of the Company's Board of Directors.

6.14 It is not considered an interest that precludes the independence of a Board member for which a license from the Ordinary General Assembly shall be obtained, the business and contracts that are concluded with the Board member to meet his personal needs if these businesses and contracts are carried out in the same circumstances and conditions that the Company follows with all contractors and dealers, and was within the Company's usual activity, unless the Remuneration and Nomination Committee deems otherwise.

Article (7): Appointing the Secretary of the Board of Directors and Organizing the Board of Directors Meetings

7.1 Appointing of the Secretary of the Board of Directors and indicating his duties and responsibilities:

7.1.1 The Board of Directors appoints a secretary from among its members or from others. The secretary shall not be dismissed except by a resolution of the Company Board of Directors. In addition, the Board determines the secretary entitlements and remunerations by a resolution of the Board of Directors.

7.1.2 The Secretary shall have the following qualifications:

7.1.2.1 He shall have a university degree in law, administration, finance or accounting, and have relevant practical experience of not less than three years. In addition, he shall have relevant practical experience of not less than five years in the event that he does not have a university degree in any of the aforementioned fields.

7.1.2.2 He shall have good communication skills and presence.

7.1.2.3 He shall be familiar with the Companies Laws and the Authority Regulations.

7.1.2.4 He shall be familiar with the activities and field of work of the company

7.1.2.5 He shall be interested in details and be flexible.

7.1.2.6 He shall have good writing skills in Arabic and English.

7.1.3 The Secretary of the Board shall be responsible as follows:

7.1.2.1 Documenting the Board of Directors meetings and preparing 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 registry. In addition, he shall be responsible for recording the names of the attending members and the reservations they made, if any. These minutes are signed by the Chairman of the meeting and all the members present and the secretary.

7.1.2.2 Keeping the reports submitted to the Board of Directors and the reports prepared by the Board.

7.1.2.3 Providing the Board of Directors members with the Board's agenda, working papers, documents and information related thereto, and any additional documents or information requested by any of the Board of Directors members related to the issues included in the meeting agenda.

7.1.2.4 Verifying that the Board of Directors members are committed to the procedures approved by the Board.

7.1.2.5 Informing the Board of Directors members of the Board meetings dates before the date specified by a sufficient period.

7.1.2.6 Presenting draft minutes to the Board of Directors members to express their views on them before signing the same.

7.1.2.7 Verifying that the Board of Directors members fully and promptly obtained a copy of the Board meetings minutes, information and documents related to the Company.

7.1.2.8 Coordinating between the members of the Board of Directors.

7.1.2.9 Organizing the disclosure record of the Board of Directors members and the Executive Management in accordance with the provisions of the Corporate Governance Regulations.

7.1.2.10 Providing assistance and advice to the Board of Directors members.

11.2.1.7 Coordinating with the governance and compliance official or officer with regard to governance requirements related to the Board of Directors and its committees, their formation, responsibilities and work regulations.

7.2 Meetings Number:

The Board of Directors shall convene its meeting whenever necessary, provided that the meetings number shall not be less than four meetings in one fiscal year, with no less than one meeting every three months.

7.3 Procedures for Convening Meetings:

7.3.1 The meetings of the Board are convened upon an invitation of the Secretary based on a request from the Board Chairman. Extraordinary or emergency meetings may also be convened as circumstances require and at any other time as decided by the Board Chairman. The Board is also formed at the request of a member of the Board. In all cases, the reasons for the extraordinary meeting shall be mentioned in the minutes of the relevant meeting.

7.3.2 Unless otherwise agreed, notice of each meeting confirming the place, time, date, agenda and items to be discussed shall be sent to each of the Board member, any other person required to attend and all other members at least 10 business days prior to the date of the meeting. However, the notice may be issued in exceptional cases and notified of which 5 business days before the date of the meeting, while including a note on the extent of its urgency, and it shall be sent with supporting documents to the Board members and to other attendees as appropriate at the same time.

7.3.3 The Board shall convene its meetings at the Company's headquarters. However, they may be convened in any other place or by any available electronic means.

7.3.4 In the event that any of the Board of Directors members has an inquiry or objection regarding the Company's performance or any of the issues presented in the agenda and was not decided upon in the Board meeting, the same shall be recorded in the minutes of the Board meeting. In addition, the procedures taken by the Board or considered to be taken in this regard shall be explained in the minutes of the Board of Directors meeting.

7.4 Meetings Quorum:

The meeting shall not be accurate unless attended by at least half of the Board of Directors members in person or by proxy, provided that their number is not less than four members, provided that the number of those present in person is not less than three members, including the Board Chairman or his Vice. The Board members may also attend by phone or through other electronic means of communication.

7.5 Voting:

Each member of the Board shall have an equal vote, and the Board resolutions is issued by the majority of votes. When the votes are equal, the side for which the session Chairman voted shall prevail.

6.7 Issuing Resolutions by Circulation:

The Board of Directors is entitled to issue resolutions in cases of necessity by presenting them to its separate members. In this case, all the Board members shall agree to the resolutions in writing. These resolutions are presented to the Board at its first meeting to be approved and recorded in the Board of Directors minutes. These minutes shall be recorded in a special register signed by the Board of Directors Chairman and the Secretary.

7.7 Board Members' Preparations:

Preparation for attending Board meetings includes reading and analyzing the file information and documents that are sent to members before the meeting, as the file on the agenda and supporting documents shall include the following: .

7.7.1 A report from the CEO that includes an overview of the Company's operations and the most important developments that affected the Company since the last meeting, if any.

7.7.2 A report on the Company's financial performance focusing on key performance indicators and the Company's strategic performance.

7.7.3 Minutes of the previous session meeting, if necessary.

7.7.4 A list of the Board of Directors instructions and the resolutions taken in the previous sessions, and the progress of their completion and workflow.

7.7.5 Information and documents related to specific issues that are discussed and a resolution thereon is taken.

7.8 Meetings Minutes and Facts:

7.8.1 The Secretary prepares minutes in Arabic of the facts of all the Board's meetings and the resolutions issued therein, including recording the names of the attendees. The minutes may be written in an additional language other than Arabic, and in case of disagreement, the Arabic language shall only prevail.

7.8.2 The Secretary shall ensure, at the beginning of each meeting, that there is no conflict of interest and include the same in the meeting minutes accordingly.

7.8.3 The Secretary prepares a draft minutes of the meeting and presents it to the Chairman and Board 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 two weeks 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.

7.8.4 If any of the Board of Directors members has observations regarding the Company's performance or any of the issues presented and they were not decided upon in the Board meeting, they are recorded and what the Board takes or considers to be taken regarding them in the minutes of the Board of Directors meeting. The Board of Directors member has an opinion that differs from the Board resolution, it shall be recorded in the minutes of the meeting.

7.8.5 The absence of the member from attending the meeting in which the resolution is issued is not a reason for exempting from liability unless it is proven that the absent member was not aware of the resolution or was unable to object thereto after knowing it.

Article (8): Powers Delegation Matrix

The competences of the Board of Directors Chairman, his Vice, the Board members and the Executive Management, including the CEO or Managing Director, if any, and their responsibilities are clearly defined and written in the powers delegation matrix or in the Company's articles of association. It is not allowed for a person to have the absolute power to take resolutions in the Company, and for this purpose, the Board of Directors shall act as follows:

8.1 Adopting and developing internal policies related to the Company's work, including defining the duties, competences, and responsibilities assigned to the various organizational levels, while defining the issues that the Board reserves the power to decide thereon.

8.2 Adopting 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 duration of the delegation. The Board of Directors may request the Executive Management to submit periodic reports on its practices of the delegated powers.

8.3 Developing (a clear matrix or table for delegation of powers) that aims to organize the relationship between the Company and its subsidiaries and to update it periodically whenever necessary.

Article (9): Separation of Positions

9.1 The Company Board of Directors shall appoint from among its members a Chairman and a Vice-Chairman. It may also appoint a Managing Director from among its members.

9.2 It is not allowed to combine the position of the Board of Directors Chairman, Vice Chairman, and any executive position in the Company, including the position of CEO, General Manager, or Managing Director (if any).

9.3 The Company's articles of association define the competences and responsibilities of each of the Chairman, his Vice and the Managing Director, if any.

9.4 In all cases, no person may have the sole and absolute authority to issue resolutions in the Company, and resolutions shall be taken in an institutional manner.

Article (10): Trading based on Internal Information

10.1 The Board of Directors members, Senior Executives, the Board of Directors Secretary, and any other knowledgeable person are prohibited from trading in the Company's shares based on internal information. It is also prohibited for a non-knowledgeable to trade based on internal information if he obtained this information from another knowledgeable person knowing, who knows, or shall know, that this information is internal.

10.2 The knowledgeable, as well as the non-knowledgeable person, is prohibited from revealing any internal information of any other person while he knows or internal that this other person may trade in the security related to the internal information.

10.3 The Company develops a detailed policy regulating the validity and timing of access to the Company internal information in a way that prevents the Board members and the Executive Management and others from benefiting from or disclosing it to any person, except within the prescribed limits or permissible by law.

Article (11): Evaluation and Training

11.1 Performance Evaluation:

11.1.1 The Board of Directors, based on a proposal by the Remuneration and Nominations Committee, develops the necessary mechanisms for the annual evaluation.

11.1.2 Performance evaluation procedures shall be written, clear and disclosed to the Board of Directors members and the persons concerned with the evaluation, in order to ensure the effectiveness of the Board work, the Board members, committees and Executive Management.

11.1.3 Performance evaluation depends (and is not limited to) basic performance indicators related to the strategic objectives of the Company, quality of risk management, efficiency of internal control systems and related activities. Performance evaluation also includes examining strengths and weaknesses and possible ways to address weaknesses.

11.1.4 The individual evaluation of the Board of Directors members takes into account the extent of the member's effective participation, his commitment to performing his duties and responsibilities, and his overall contribution to the Company, including focusing on fields that the Board or Management believes that the Board can improve, in addition to attending of the Board and its committees sessions and allocating the necessary time for them. .

11.1.5 The Board of Directors obtains an evaluation of its performance from an independent third party once every three years and it shall be disclosed in the Board of Directors report.

11.1.6 The Board of Directors annual report includes the results of evaluating the Board performance, its members, committees and Executive Management.

11.2 Training

The Company shall pay sufficient attention to training and qualifying the Board of Directors members and the Executive Management team, and developing the necessary programs for that, taking into account the following:

11.2.1 Preparing programs for the newly appointed members of the Board of Directors and Executive Management to introduce the company's workflow and activities, especially the following:

11.2.1.1 The Company's strategy and objectives.

11.2.1.2 The financial and operational aspects of the Company's activities.

11.2.1.3 Obligations, duties, responsibilities and rights of the Board of Directors members.

11.2.1.4 Duties and competences of the Company's committees.

11.2.1.5 Developing the necessary mechanisms for each of the Board of Directors members and the Executive Management to obtain training programs and courses on an ongoing basis in order to develop their skills and knowledge in fields related to the Company's activities.

11.2.2 The Company's new member introduction program includes as follows:

11.2.2.1 Preparing a file that contains the necessary documents that shall be viewed, including, for example (the Company's articles of association, the annual report for the past two years, some internal regulations such as the Governance Regulations that include the duties, obligations and responsibilities of the Board of Directors members and committees, their competences, , and the documents related to that).

11.2.2.2 Providing a comprehensive presentation by the Executive Management to the new member on the Company's plans, strategy and objectives, the financial and operational aspects of the Company's activities, its work history, its subsidiaries, and all its related activities links (Roadshow Presentation).

11.2.2.3 Coordinating to arrange a visit to the Company and its business sectors and to be familiar with its activity and work on the ground.

Article (12): Communication between the Board of Directors Members and the Executive Management

To enhance communication between the Company's Board of Directors and the committees and Boards of subsidiaries inside and outside the Kingdom, the following instructions are committed to:

12.1 The invitation to hold any meeting is directed by the Chairman of the Board or the appointed committee, whether at the level of the Company or the subsidiaries.

12.2 Not cancelling or postponing the scheduled meetings except after consulting with the Board Chairman or the Chairman of the concerned committee.

12.3 The Chairman is entitled to call for an extraordinary, unscheduled meeting whenever he deems it necessary or whenever two of the members request to do so.

12.4 Coordinating between the Chairman of the Board, the Secretary, the members and the CEO when setting the agenda for the meeting.

12.5 Coordinating between the Board Chairman and the committees before holding any meetings and when sending any information.

12.6 The subsidiaries shall provide the Company's Board of Directors with a periodic report that includes its performance.

12.7 The Secretary of the Board of Directors is the point of contact with the Board of Directors members in matters related to the Board of Directors affairs. In the event of the Secretary absence or the occurrence of any emergency thereto, a member of the Executive Management team who has a relationship and experience with the Board work under the direction of the CEO carries out the task until the return of the Board Secretary.

12.8 Board of Directors members and committees may communicate with the CEO and CFO or any member of the executive team when needed.

Article (13): Providing Board of Directors Members with Information and Communicating with them

13.1 The Company Executive Management shall provide the Board of Directors 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 a timely manner to enable them to perform their duties and responsibilities.

13.2. The Company develops a mechanism to ensure that the Board members obtain the minutes of the Company Board of Directors meetings and all its committees, the articles of association, the Company's Governance Regulations, the monthly, quarterly and annual financial reports, the Board of Directors report, and documents related to the Board and the Company's committees, in sufficient time before the date of each meeting.

13.3 All meetings members shall maintain the confidentiality of the information provided to them and take the necessary measures for that.

Article (14): Sources and Authorities

In discharging its oversight role, the Board is empowered to investigate any matter brought to its attention with full access to all books, records, documents, the Company and its personnel affairs. In addition, the Board shall have the power to outsource to any third party, auditor or consultant, or incur other expenses for this purpose which the Company shall pay. The Board may require any employee of the Company, its subsidiaries, any outside legal counsel, external auditors or any Committee to meet with. Moreover, the Board members are entitled to have the Company liability insurance on their behalf.

Article (15): Executive Management Competencies and Duties

The competencies and duties of the Executive Management shall include the following:

15.1 Implementation of the Company's plans, policies, strategies and main objectives approved by the Board.

15.2 Recommendation of an overall strategy for the Company and translation of the strategic plan into operations as well as recommendation and implementation of main and interim business plans, policies, investment mechanisms, financing, risk management and emergency management plans.

15.3 Preparation and presentation of the periodic financial and non-financial reports, to the Board, regarding the progress made in the Company's activity in light of the Company's strategic plans and objectives.

15.4 Provision of proposals related to the capital structure, organizational and functional structures of the Company and submission of the same to the Board for discussion and consideration for approval.

15.5 Management of human, physical and financial resources in the most appropriate way in accordance with the objectives and strategies of the Company.

15.6 Management of the Company's day-to-day operations and conduct of its activities, as well as management of resources of the Company in the most appropriate form, in accordance with the Company's objectives and strategy and relevant laws and regulations.

15.7 Development and implementation of internal control and risk management systems, verification of the effectiveness and efficiency of such systems and conformity with the risk level approved by the Board.

15.8 Development, implementation and update of the Company's internal policies and procedures approved by the Board.

15.9 Surveillance of trends relevant to the Company's operating environment and the related industries.

15.10 Implementation of the Policy planned by the Board and shareholder assemblies and adoption of resolutions that are in the interest of the Company and for the progress of its business and the achievement of its objectives.

15.11 Recommendation of the following to the Company's Board:

15.11.1 The overall strategy and investment plan of the Company.

15.11.2 Development of financial objectives of the Company and its subsidiaries.

15.11.3 Provision of proposals of the most appropriate capital allocation model and other investments across the subsidiaries.

15.12 Recommendation of the main capital expenditures of the Company, in addition to the acquisition and disposal of assets.

15.13 Implementation and oversight of the internal controls and internal control systems, including:

15.13.1 Implementation of interest conflict policy.

15.13.2 Application of the financial and accounting procedures in an accurate manner, including the procedures relating to the preparation of financial reports.

15.13.3 Application of an appropriate control systems for measuring and managing risks by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk mitigation at the Company level, and disclosure of the same to the Company's Board and other relevant stakeholders in a transparent manner.

15.14 Investment or divestment in new activities outside the scope of the main activities of the subsidiaries.

15.15 Implementation of and ensuring the Company's compliance with the governance standards set out in this Policy and defined by the Company's Board at the Company's and the subsidiaries levels, in a manner not inconsistent with governance regulations and provision of amendment proposals, if needed.

15.16 Implementation of policies and procedures to ensure the Company's compliance with the laws and regulations and its obligation to disclose material information to shareholders and stakeholders.

15.17 Provision of the required information to the Board in order to exercise its competencies, and recommendations regarding the following:

15.17.1 Increasing or decreasing the share capital of the Company.

15.17.2 Dissolving the Company before the end of its term as specified in its articles of association or deciding the continuity of the Company.

15.17.3 Using the consensual reserve of the Company.

15.17.4 Setting up additional reserves for the Company.

15.17.5 The method for distributing the net profits of the Company.

15.18 Provision of proposals of employee remunerations policy and types.

15.19 Recommendation of a clear policy to delegate tasks to the Executive Management and the method for implementation of such policy.

15.20 Surveillance of the financial performance of the subsidiaries, in light of the directives and governance model applied in the Company.

15.21 Evaluation of risks at the subsidiaries level and various other investments and recommending to the Board of Directors about the appropriate management thereof.

15.22 Development of a culture that reflects the Company's values and ethics.

15.23 Representation of the Company and coordination with the official authorities in developing legislation and laws to eliminate obstacles that may hinder the Company and support the ability of the Company to achieve its goals.

15.24 In addition, the CEO shall exercise all the powers stipulated in the Company's articles of association.

15.25 Keeping confidential information related to the Company and its activities and not disclosing the same to others.

15.26 Development of a set of procedures to control communication with various media to ensure that the Company's disclosures comply with regulations and laws.

15.27 Provision of proposals and development of internal policies related to the Company's business, including the definition of tasks, competencies and responsibilities assigned to the various organisational levels.

15.28 Provision of proposals of a clear policy for delegating work and the way to implement it.

15.29 Provision of proposals of the powers to be delegated, decision-making procedures and the term of delegation, provided that periodic reports shall be submitted to the Board on its practices of such powers.

Article (16): Revision and Amendment

16.1 The Company's Board revises this Policy, and recommends any amendments thereto for the approval of the General Assembly.

16.2 The Governance Department in the Company maintains the original duly signed copy of this Policy.

Article (17): Policy Validity

This Policy shall be in effect and implemented as of date of Policy approval by the Board of Directors.

Policy Title	Rules and Procedures Policy for MARAFIQ Company Board of Directors Work			
Revised and Amended by: Governance Department	Name: Dr. Akram Ibrahim Faisal Khalaf Al-Anzy	Signature:	Date:	02/08/2023
Board Secretary:	Name: Muhammad Abdulhamid Al- Mulhim	Signature:	Date:	02/08/2023
Date of Policy Approval by General Assembly:	02/08/2023			
Policy Approved Language:	The Arabic language, and the English language, if any, is considered a guide only.			

