



Saudi Arabian Mining Company (MA'ADEN)

Corporate Governance Code

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Chapter 1. General Provisions

1. Introduction

In accordance with Capital Market Authority (the "Company" or "Ma'aden") adopted a Corporate Governance Framework in line with Corporate Governance Regulation issued by the Capital Market Authority in order to ensure its governance model is aligned with the leading practices and in compliance with rules and regulations of the Kingdom of Saudi Arabia to provide its stakeholders with transparent and credible information, strengthen its relations with them, and enhance its performance and decision making process.

The Framework has been drafted based on the following:

- Laws and regulations of the CMA in the Kingdom of Saudi Arabia and CGR issued by the Board of CMA pursuant to resolution No. 8/16/2017 dated 16/5/1438H corresponding to 13/2/2017 based on the Companies Law issued by Royal Decree no. M/3 dated 28/1/1437H, subsequent amendments and circulars by CMA.
- The Saudi Companies Law.
- Ma'aden Bylaws.
- General Assemblies meeting resolutions.
- International Best Practices in CG such as the Organization for Economic Co-operation and Development (OECD).

Other laws and regulations such as; labor law, Personal Data Protection Law, Competition Law, Environmental Law, Anti-Money Laundering Law, Combatting Terrorist and Financing of Terrorism Law, Anti-Bribery Law, Collecting Zakat, Market Conduct Regulation.

2. Amendment Procedures

Any amendments to this document should be approved by Ma'aden Board of Directors. Any amendments to the management charters, procedures, frameworks mentioned in the Code should be taken by the Management Committee except for the policies and regulations that require to be approved by the GA or the Board of Directors, which shall be incorporated in the CG documents after being approved by the GA.

3. Objectives of Corporate Governance Framework

This Framework is designed to ensure the following:

- Independence and separation of the Board of Directors roles and responsibilities and the Management team by the availability of organization structure and clear authorities and responsibilities between Board of Directors, Chief Executive Officer, Executive Management, and Internal Control Framework.
- Appropriate management and oversight of Ma'aden operations and the risks facing Ma'aden and Implement systems and controls to identify, assess, control and monitor.
- Implementation of policies and procedures appropriate for the business
- Existence of development of effective units such as compliance, Internal audit, and risk management.
- Set the remuneration strategy and structure for the company and executive management.
- Set the mechanisms that help in developing Ma'aden's strategy and following up their implementation through clear performance indicators.
- Set an effective organizational structure with clear roles, competencies and responsibilities.
- Set internal control system through the implementation of several functions such as (sound planning and visibility, effective investment portfolio management, policies and procedures, external audit, internal audit, risk management, and governance and compliance), as well as providing a supportive and responsive culture and work environment.
- Set effective controls to manage Ma'aden's subsidiaries.
- Protect the interests and rights of Shareholders.
- Set the mechanisms of transparency and disclosure.

These objectives shall ensure that Ma'aden complies with best governance practices that enable the Board to exercise its responsibilities towards the Company and its subsidiaries to achieve the best results for shareholders and protect their rights as well as the rights of all stakeholders.

4. Vision, Mission, and Values

Ma'aden's vision is to be a sustainable mining champion with global presence. It will lead the development of the mining industry in Saudi Arabia, by maximizing the value of the mineral resources, while developing to be a Saudi Global Mining Giant. Ma'aden committed to adhere to four values by setting the tone from the top on the following:

1. Care

Concern and respect for our people, the communities we touch and the environments we operate in.

2. Integrity

Honesty, fairness, and the highest ethical and business standards in our relationships with each other and with our stakeholders.

3. Ownership

Personal responsibility and empowerment of others for quality results in pursuit of our collective goals.

4. Teamwork

Communication and collaboration with each other and with our partners to achieve success together.

5. Continuous Improvement

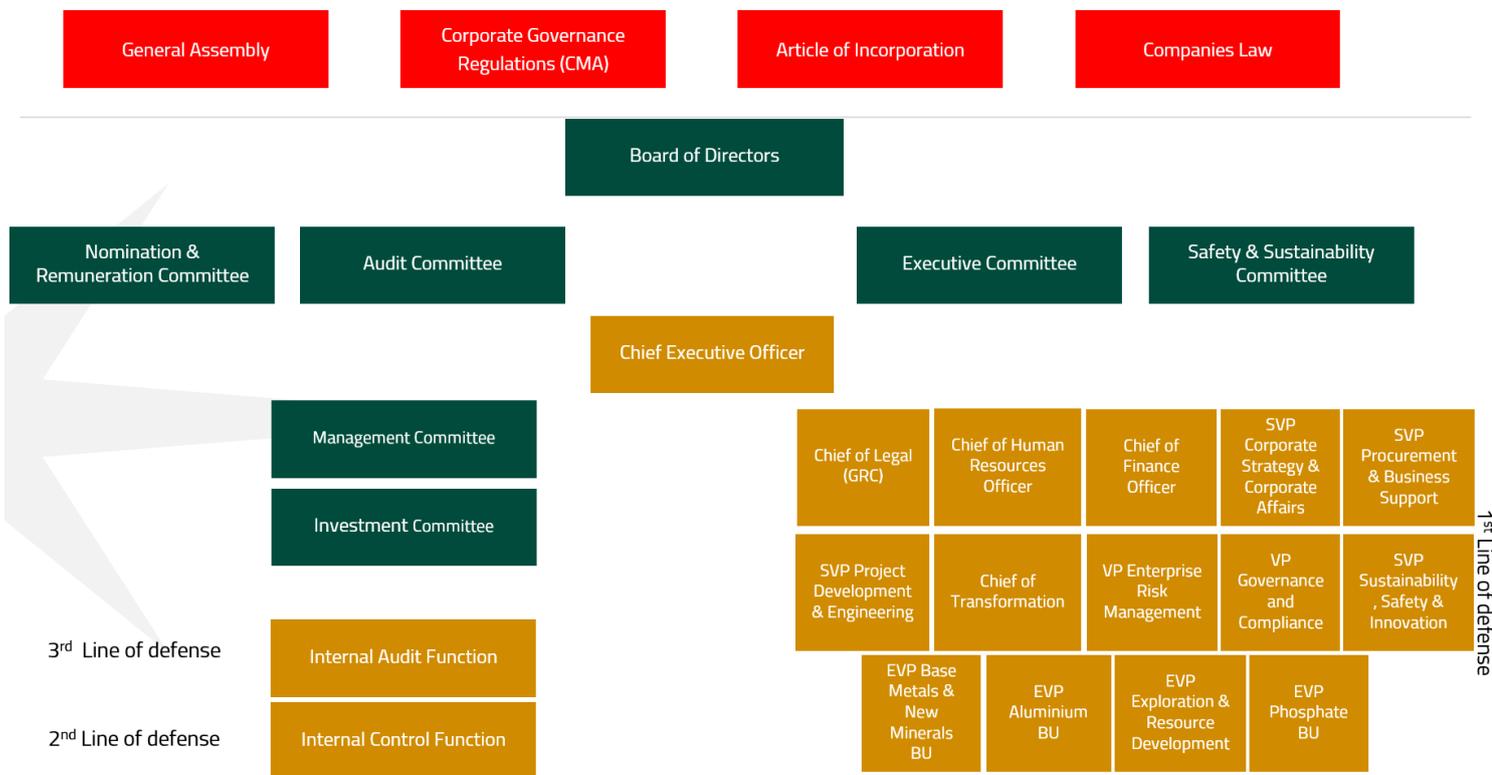
We work on continuously improving ourselves and Ma'aden every day.

Ma'aden believes that an effective Corporate Governance system requires an efficient Board and Executive Management team that are aware of the importance of this Framework and implement the governance through the method of three lines of defense, where the business owners are deemed to be the 1st line of defense, Internal control systems are the 2nd line of defense and Internal / External auditing and assessments are the third lines of defense.

Each of these three lines of defense plays a distinct role within Ma'aden's wider governance framework. The Board and senior management are the primary stakeholders served by the lines, and they are the parties best positioned to help ensure that the three lines of defense are reflected in Ma'aden's risk management and internal control and compliance processes.

This Framework shall apply to Ma’aden as a joint stock company listed on the Saudi Stock Exchange and shall regulate the relationship between the Company, its Board of Directors’ Committee, and its subsidiaries’ Boards. Each Ma’aden’s subsidiaries shall prepare its own governance charter in the light of this Framework and in a manner consistent with them in accordance with its legal position under the supervision of its Board, its Boards’ Committees and Executive Management.

5. Corporate Governance Structure



6. Entity Governance Framework

Ma’aden's has several subsidiaries that operate within and outside the Kingdom of Saudi Arabia. As the Board of the parent company, the Board of Ma’aden has oversight over the performance of such subsidiaries as part of Ma’aden Group. Ma’aden is committed to set the highest Governance standards and leading practices extends to its subsidiaries, to enable the Shareholders and Board of Managers effectively fulfill their responsibilities towards governance and to enhance the shareholders ability exercise the necessary oversight through the implementation of decent Governance.

- 1) Ma'aden Board should be aware of the material risks that might affect both the group and its subsidiaries. It should therefore exercise adequate oversight bearing in mind legal independence and governance requirements enforced by the supervisory authorities.
- 2) The Board and Executive Management should understand and guide the financial and non-financial structures of the group and its subsidiaries and should have a suitable mechanism in place to obtain updated information on the structure of the group.

The detailed governance interaction between Ma'aden and its subsidiaries is subject to the laws and regulation of each jurisdiction and identified in the **Entity Governance Manual Framework**.

Chapter 2. Rights of Shareholders

1. General Rights

1.1. Fair Treatment of Shareholders

- a) The Board is obliged to seek shareholders' rights protection to ensure fairness and equality among them.
- b) The Board and the Executive Management of the Company are obliged not to discriminate among shareholders who own the same type or class of shares nor prevent them from accessing any of their rights.
- c) The Company shall specify in its internal policies the procedures that are necessary to guarantee that all shareholders exercise their rights.

1.2. Rights related to shares

All rights related to shares shall be guaranteed to the shareholder, and particularly the following:

- 1) to obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares;
- 2) to obtain his/her share of the Company's assets upon liquidation;
- 3) to attend the General or Special Shareholders Assemblies, take part in their deliberations and vote on their decisions;
- 4) to dispose of his/her shares in accordance with the provisions of the Companies Law, The Capital Market Law and their implementing regulations;
- 5) to enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy without prejudice to the interests of the Company or breach of the Companies Law and the Capital Market Law and their implementing regulations;
- 6) to monitor the performance of the Company and the activities of the Board;
- 7) to hold Board members accountable to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the bylaws of the Company;

- 8) preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's bylaws or when the Extraordinary General Assembly suspends the pre-emptive rights as per Article (129) of the companies's law.
- 9) to record his/her name in the Company's shareholders register;
- 10) to request to view a copy of the Company's articles of association and bylaws unless the Company publishes them on its website; and
- 11) to nominate and elect the Board members.

1.3. Shareholder access to information

- a) The Board shall make available to the shareholder complete, clear, accurate and non-misleading information to enable him/her to properly exercise his/her rights. Such information shall be provided at the proper times and shall be updated regularly.
- b) The method used to provide information to the shareholders shall be clear and detailed and shall include a list of the Company's information that the shareholders may obtain. This information shall be made available to all shareholders of the same type or class.
- c) The Company shall use the most effective methods in communicating with shareholders and shall not discriminate among shareholders in respect of providing information.

1.4. Communicating with Shareholders

- a) The Board shall ensure communication between the Company and the shareholders based on the common understanding of the strategic objectives and interests of the Company.
- b) The chairman of the Board and the Chief Executive Officer shall inform the remaining Board members of the opinions of the shareholders and discuss these opinions with them.
- c) No shareholder may intervene in the operations of the Board or the work of the Executive Management of the Company unless he/she is a member of its Board or works in its executive management; or unless his/her intervention is through the General Assembly according to its powers.
- d) The Company shall appoint a person responsible for the tasks related to investor relations in the Company in order to achieve effective and fair communication between the Company and the shareholders.

1.5. Electing the Board Members

- a) Upon calling for the General Assembly, the Company shall announce on the Tadawul's website information about the nominees for the membership of the Board which shall include the nominees' experience, qualifications, skills and their previous and current jobs and memberships. The Company shall make a copy of the mentioned information available in the Company's head office and its website.
- b) Voting in the General Assembly shall be confined to the Board nominees whose information has been announced as per paragraph (a) of this Article.

1.6. Distribution of Dividends

- a) The General Assembly shall determine the percentage of the net profits to be distributed to the shareholders and deduct the reserves if any.
- b) The Board shall establish a clear policy for the distribution of dividends to achieve the interests of the shareholders and the Company as per the Company's bylaw.
- c) The shareholder is entitled to receive his/her share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to shareholders or the Board resolution on distributing interim dividends. The resolution shall specify the record date and the distribution date provided that the resolution shall be executed as per the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

Ma'aden's policy with regards to Distribution of Dividends is set out in more detail in its **Distribution of Dividends Policy**.

2. The General Assembly

General Shareholders Assemblies represents the ultimate decision authority with regards to Ma'aden. It shall convene in accordance with the situation and circumstances stated in the Companies Law and its implementing regulations, Ma'aden ByLaws and any other applicable laws and regulations. are competent in all its affairs. A duly constituted General Assembly represents all shareholders in exercising their powers in respect of the Company.

The General Assembly shall exercise its role in accordance with the provisions of the Companies Law and its implementing regulations and the Company's bylaws.

It is a fundamental right of shareholders to attend the General Assemblies, take part in the deliberations and vote for their decisions.

The General Assembly convenes at least once a year within six (6) months following the end of the financial year and at such times as requested by the Board. Also, The Board shall invite the General Assembly to convene upon the request of the external auditor, the Audit Committee or several shareholders holding shares equal to at least (5%) of the share capital. The external auditor may invite the assembly to convene if the Board does not invite the assembly within thirty (30) days from the date of the external auditor's request.

Ma'aden has established various, Board approved, policies designed to ensure, among other things, proper transparency, and process with shareholders, including a Transparency and Disclosure Policy, Dividend Policy & Shareholders Rights Policy.

The operations of the General Assembly are set out in **Ma'aden's By-Laws** and are subject to the requirements of the **Companies Law, the rules of the CMA** and **applicable authorities' rules and regulations**.

Chapter 3. The Board of Directors and its Committees

1. The Board

Ma'aden has an effective board whose role is to direct the work of the company to what will serve its interests and develop its value. It bears responsibility for its work, even if it delegates committees, bodies, or individuals to exercise some of its powers. In all cases, the board may not issue a general delegation or indefinite delegation.

Ma'aden Board is collectively responsible for setting Ma'aden's business objectives, strategy for achieving those objectives and for approving the company's annual budget and business plan.

In addition, the Board is responsible for overall oversight of Ma'aden's performance, ensuring management implement adequate systems & controls and for shareholder communication (including, without limitation, through the financial statements and Board Report).

The Board of Ma'aden has established a **Board Charter** and a **Standards & Procedures for Membership of the Board of Directors & Board Committees** which together set out Board requirements in detail including:

- a) The composition of the Board and the appointment of a Chairman of the Board;
- b) The policy and method for the appointment, removal and replacement of Board members;
- c) The term of each Board member;
- d) The roles, responsibilities, powers and authority of the Board and its members;
- e) The approach to monitor Board performance;
- f) The rules and requirements for Board meetings, including frequency, information required, agenda, quorum requirements and voting; and

This Corporate Governance Framework should be read in conjunction with the **Board Charter, Committees' charters** and **the Board Nomination, Membership, Assessment and Remuneration Policy**.

2. Board Committees

Formation of Committees supports ensuring the effectiveness of decision-making to achieve the objectives of Ma'aden in accordance with best practices and specialized technical standards, assisting the BoD in performing its duties and responsibilities, contributing to the effectiveness of performance, reviewing and monitoring the work of

Ma'aden on a regular basis. Committee members can be appointed from within or outside the BoD, bearing in mind that the use of these Committees does not absolve the Board from its responsibilities.

To assist it in discharging its responsibilities and to ensure appropriate oversight, control, and independence as well as to comply with legal and regulatory requirements, the Board has established several Board Committees. These Board Committees are as follows:

- Audit Committee ("AC")
- Nomination and Remuneration Committee ("NRC")
- Executive Committee ("ExCom")
- Safety & Sustainability Committee ("S&S")

These committees are designed to consider specific matters and make recommendations to the Board. However, it is not intended that these committees restrict the ability of the Board to make an independent assessment of the recommendations regarding the Board knowledge of the Ma'aden and the underlying structures and operations.

The Board has established charters for its committees which include the following:

- a) The Authority and Purpose of the Committee;
- b) Roles and Responsibilities of the Committee;
- c) Composition of the Committee;
- d) Meetings of the Committee; and
- e) Reporting to the Board

The Board will approve the charters for the above-mentioned Committees and, subject to applicable laws and regulations, may establish or dissolve committees by majority vote of the members of the Board, except for AC and NRC, since the approval for their charters is from the General Assembly.

Committee members are appointed by the Board having considered the recommendations of the Nomination & Remuneration Committee.

2.1. Audit Committee

The Audit Committee is established to deal with, and recommend on, all matters falling within the scope of its purpose and duties as set out in its charter, Corporate Governance Framework, DoA and all other matters that

may be delegated by the Board to the Committee from time to time which should include financial report, Internal Audit, External Audit and ensuring compliance. The Audit Committee should have the below authorities to conduct its duties:

- a) Request any clarification or statement from Board members or senior management;
- b) Request the Board to call an extraordinary general meeting of the company if its activities have been delayed by the Board or if the company has suffered significant losses and damages;
- c) The Board Report shall include the Audit Committee's recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them;
- d) Request and review any of the Company's records and documents;
- e) Assigning independent third parties, accountants, or advisors to assist in the conduct of investigations and
- f) Meet with Ma'aden officers, external auditors or third parties as necessary

The Audit Committee has been established as required by the rules and regulations of both CMA and the Companies Law. The rules for appointing members of the AC, term of office and the procedure to be followed by the AC are defined by the Board and approved by Ma'aden General Assembly. These rules are contained in the AC Charter, which sets out AC requirements in detail.

This Corporate Governance Framework should be read in conjunction with the **Audit Committee Charter**, **Ma'aden ByLaw** and **Ma'aden DoA**.

2.2. Nomination and Remuneration Committee

The Nomination & Remuneration Committee is established to deal with, and recommend on, all matters falling within the scope of its purpose and duties as set out in its Charter, Corporate Governance Framework, DoA and all other matters that may be delegated by the Board to the Committee from time to time Including without limitation the following;

- a) Identifying and recommending nominees and selection as executive, non-executive and independent Directors of the Board and assessing the independence on annual basis

- b) Overseeing the Human Resource activities in Ma'aden including but not limited to; incentives, succession, career development, executive appointments
- c) Setting clear policies and procedures related to human resources roles and responsibilities and oversight of Ma'aden incentive program
- d) Approving Senior Executives roles and responsibilities and recommending the right compensation levels
- e) Annual reviews of independence and conflict of interest related to Board and Senior Executive Conflict of Interests and dealing with such situations

This Corporate Governance Framework should be read in conjunction with the **Nomination and Remuneration Committee Charter, Remuneration and Compensation Policy for Board, Board Committees and Senior Executives, Nomination Procedures, Ma'aden ByLaw** and **Ma'aden DoA**.

2.3. Executive Committee

The Executive Committee is established to deal with, and recommend on, all matters falling within the scope of its purpose and duties as set out in its Charter, Corporate Governance Framework, DoA and all other matters that may be delegated by the Board to the Committee from time to time including without Limitation the following:

1. The ExCom may request through coordination with the CEO that any employee, third party meet with members of the ExCom. They may also request the assistant of those parties in discharging its duties
2. The ExCom may not delegate its duties to a sub-committee of the ExCom

In addition to the ExCom authorities, the purpose of the ExCom is to represent and assist Ma'aden's Board of Directors in exercising their authorities in monitoring and managing the business of Ma'aden as delegated by the Board:

This Corporate Governance Framework should be read in conjunction with **the ExCom Charter, Remuneration and Compensation Policy for Board, Board Committees and Senior Executives, Nomination Procedures, Ma'aden ByLaw** and **Ma'aden DoA**.

2.4. Safety & Sustainability Committee

The Safety & Sustainability Committee is established to deal with, and recommend on, all matters falling within the scope of its purpose and duties as set out in its Charter, Corporate Governance Framework, DoA and all other matters that may be delegated by the Board to the Committee from time to time including but not limited to Health and safety, Sustainability, local content, regulatory and policy compliance, environmental and relationship with communities related to the Company's employees and contractors;

This Corporate Governance Framework should be read in conjunction with the **Safety & Sustainability Committee Charter, Ma'aden ByLaw** and **Ma'aden DoA**.

3. Delegation of Authority

The Board has, through the Delegation of Authority delegated authorities to different levels within the organization. The process for Delegation is contained in Ma'aden's DoA which has been approved by the Board. The actual delegations are included in the DoA as amended from time to time. The DoA is designed to ensure a robust approval and reporting process while at the same time allowing for efficient and effective decision making within the organization. As such it aims to provide the correct balance between control and independence to encourage the achievement of goals and targets without compromising the system of internal controls or exposing Ma'aden to unacceptable risks.

DoA is maintained by the Governance Department. The detailed requirements for delegations are contained in the **DoA**.

4. Conflicts of Interest & Related Party Transactions

The Board developed written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, a member of its committees, or the Executive Management or any other employees of the Company when dealing with the Company or other Stakeholders.

Management of Ma'aden shall communicate the Conflict of Interest & Related party transactions policy to existing and new employees which details behavior and conduct expected from the employees, customers, and suppliers.

Ma'aden's policy with regards to Conflicts of Interest is set out in more detail in its **Conflicts of Interest & Related Party Transactions Policy**.

Chapter 4. Systems & Controls

The key control functions have been formed with a sufficient degree of independence from Ma'aden's business to ensure they are able to function efficiently.

Systems & Controls are designed to enable appropriate monitoring and control by Executive Management and enable Ma'aden to comply with relevant laws and regulations. These systems and controls form the backbone for assurance provided to the Board and its Committees on performance in accordance with its objectives.

1. Control Functions

1.1. Internal Audit

An Internal Audit unit assesses and monitors the implementation of the internal control systems and verifies that the Company and its employees comply with the applicable laws, regulations and policy and procedures, through approved internal audit plan of examination and evaluation of the systems and controls, governance, risk management and internal process.

The Internal Audit unit shall be composed of at least one internal auditor whose appointment is recommended by the audit committee. The Chief Audit Executive shall be responsible before the audit committee. The formation and operation of the internal audit department shall take into consideration the following:

- a) employees of such department shall be competent, independent and adequately trained, and shall not be assigned with any other functions responsibilities that conflict with the goals of the internal audit duties or breach upon its independence;
- b) The department shall report to the audit committee, and shall be accountable to it;
- c) the remunerations of the Executive of the audit unit or department shall be determined by a recommendation of the audit committee as per Company's policies; and
- d) The department shall be given access to information and documents and shall be able to obtain the same without any restrictions.

1.2. Enterprise Risk Management

Enterprise Risk Management arrangements are designed to identify, manage, monitor, and control any significant risks that would prevent Ma'aden from meeting its business objectives and it covers the enterprise risks both internal and external. Risk covered includes Strategic, Financial, Operational and Compliance risks. The details of risk management are covered in the **Ma'aden ERM Policy & Framework which is applicable across the Group.**

The framework outlines the ongoing process followed at Ma'aden to ensure risks are identified and managed. The Risk Management function is embedded within the operating model. Ma'aden ensures that sufficient management resources are allocated to the Risk Management roles and responsibilities. Ma'aden will ensure adequate disclosures are included in the annual board report to shareholders around risk management.

1.3. Compliance

Compliance function is an independent unit which assists Ma'aden in managing its regulatory risks and managing consequences of non-compliance. It shall assist the Executive Management in identifying, controlling, monitoring, and reporting the compliance risks and shall recommend appropriate remediation actions. The compliance function also detects and combat potential money laundering and terrorist financing activities and complying with related laws and regulations. The Compliance Manual details the compliance function, policies, and relationship with other stakeholders.

1.4. Legal & Governance

The Legal & Governance Group has overall responsibility for the management of Ma'aden's legal affairs including the provision and oversight of legal services, the protection of Ma'aden's legal rights and clear definition of its legal obligations and the establishment of protocols, practices, and procedures to protect the interests of Ma'aden and manage its legal risks.

Also, the Legal & Governance Group supports the Board and executive management in the implementing of best governance practices within Ma'aden, including oversight of governance processes and stakeholder communications. The Group is responsible for reviewing and recommending Board charters, governance related policies and the DoA.

1.5. Accounting & Financial Control

The Accounting and Financial Control Department reports to the CFO. The department has overall oversight and control of all financial records, bookkeeping, financial statements, financial disclosures, and budget processing. It provides regular reports to the Board, Audit Committee and Executive Management.

The details of Ma'aden's financial control arrangements are contained in the various Accounting and Financial Control Department policies and procedures.

2. Other Systems and Controls

The nature of Ma'aden's business means that systems and controls are built into processes existing throughout the organization, these range from business planning processes, operational controls, human resources processes, record keeping, outsourcing arrangements and management information to name a few.

The Board, through its committees and the control functions outlined above, have overall responsibility to ensure they satisfy the collective systems and controls to remain adequate for Ma'aden based on its business and operations and strategic aspirations.

The company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken in this regard.

2.1. Segregation of Duties

Ma'aden operates a general policy of segregation of duties where a particular operation is such that potential conflicts of interest may give rise to a significant risk to the company or other stakeholders.

Segregation of duties acts as a check and balance for key decisions or actions, to ensure these are taken based on the right information and in the best interests of Ma'aden.

At the highest level, this segregation of duties can be seen in the duties of the Board versus the duties of executive management. However, they exist throughout the organization as a key tool to mitigate risk.

The segregation of duties throughout the company is detailed in the **DoA** and **the Organization Structure**.

2.2. Policy Governance Framework

A crucial aspect to the implementation of Ma'aden's governance framework and the effectiveness of its systems and controls is the development of policies as determined by the Board based on regulatory requirements and Ma'aden's strategic objectives and mission.

All such policies are required to be approved by either the General Assembly, Board or, where permitted under the regulations, by an authority delegated by them for such approval and the Governance division acts as the custodian of all policies.

The purpose of Ma'aden's Policy Governance Framework is to establish an overarching structure that guides how governing documents (e.g., policies, processes and procedures, frameworks, etc.) will be developed, approved, communicated, and reviewed. Documented governing documents together aim at avoiding inconsistent practices that employees may follow. These help in defining:

- Expectations around employee's actions, behaviors, roles, and responsibilities;
- Providing clear directions to the employees related to the business processes in place; and
- Facilitate in aligning day to day operations and actions towards the achievement of goals and objectives of Ma'aden.

Ma'aden follows an approved Policy Governance Framework which sets out the responsibilities and objectives of the framework.

2.3. Seal Acknowledgement Procedures

Seal Acknowledgement Procedures are established by the Governance Department to ensure legal compliance, mitigate risks, enhance accountability and control, facilitate documentation and auditing, and strengthen overall corporate governance practices within the organization.

Ma'aden's procedures with regards to seal acknowledgement are set out in more detail in its **Seal Acknowledgement Procedures**.

2.4. External Auditor

The External Auditors are an independent third party, who will review and examine an organization's financial statements, records, and internal controls to ensure accuracy, transparency, and compliance with applicable laws and accounting standards. They will express an opinion of the fairness with which the company presents its financial position, and the results of operational cash flow. The Board and Audit Committee will ensure that the External Auditor will devote sufficient time, resources, and skills to understand the business processes and transactions as part of the procedures for the audit of the financial statements. The Board and Audit Committee will ensure all points reported in the independent Auditor report are properly addressed by Management.

2.1.1 Appointment of the External Auditor

The General Assembly shall appoint the Company's external auditor based on a recommendation from the Board, provided that the following requirements are met:

- 1) the nomination shall be based on a recommendation from the audit committee;
- 2) the external auditor shall be authorized by the Competent Authority;
- 3) the external auditor's interests shall not conflict with the interests of the Company; and
- 4) the number of nominees shall not be less than two

2.1.2 Duties of the External Auditor

The external auditor shall:

- 1) owe the duties of loyalty and care to the Company;
- 2) notify the Authority if the Board fails to take appropriate actions in respect of suspicious issues it raises;
- 3) Request the Board to call for a General Assembly meeting if the Board has not facilitated its mission; and shall be liable to compensate the Company, the shareholders or third parties for the damage resulting from errors it committed during its engagement.

Chapter 5. Stakeholders

1. Regulating the Relationship with Stakeholder

The Board establishes written policies to protect stakeholders' rights, covering compensation methods, dispute resolution, and confidentiality in dealings with customers and suppliers. Professional conduct rules align with ethical standards, overseen by the Board. The company commits to social contributions, fair treatment of employees, and equal transactions with Board members.

Ma'aden's policy with regards to Regulating the Relationship with Stakeholders is set out in more detail in its **Stakeholder Engagement Policy**.

Relationship with Stakeholder should be read in conjunction with the **Disclosure & Transparency Policy** and **Code of Conduct**

2. Reporting Non-Compliant Practices

The Board shall, based upon a proposal from the audit committee, develop the necessary policies and procedures to be followed by Stakeholders when submitting complaints or reporting any violations, taking the following into consideration:

- 1) facilitating the method by which Stakeholders (including Company employees) report to the Board conducts and practices of the Executive Management's that violate applicable laws, regulations and rules or raising doubts as to the financial statements or the internal audit controls or others, whether such conducts or practices are against them or not, and conducting the necessary investigation in that regard;
- 2) maintaining the confidentiality of reporting procedures through facilitating direct contact with an independent member of the audit committee or other specialized committees;
- 3) appointing an employee to receive and address complaints or reports sent by Stakeholders;
- 4) dedicating a telephone number or an email address for receiving complaints; and
- 5) providing the necessary protection to the Stakeholders.

Ma'aden's policy with regards to Reporting Non-Compliant Practices is set out in more detail in its **Whistleblowing policy**.

3. Employee Incentives

Ma'aden has implemented initiatives aimed at fostering the development and engagement of its employees.

These initiatives encompass:

1. Forming committees and conducting specialized workshops to gather input from employees, facilitating discussions on crucial decisions, issues, and topics.
2. Introducing incentive schemes that involve the distribution of company shares or a share in profits, along with pension programs. An independent fund has been established to support these initiatives.
3. Creating social organizations dedicated to enhancing the well-being of the company's employees.

Chapter 6. Professional and Ethical Standards

1. Professional Conduct Policy

The Board shall establish a policy for professional conduct and ethical values at the Company, which shall particularly take the following into consideration:

- 1) Ma'aden' s relationship with shareholders, Board of Directors, employees, and relationship with third part
- 2) Ma'aden' s corruption preventative tools including misuse of company assets, Bribery, Business facilitation payments, Conflict of Interest and Fraud
- 3) Compliance with laws and regulations
- 4) Safeguarding Information and Property
- 5) Confidentiality Policy
- 6) Corporate Communication
- 7) Social Responsibilities
- 8) Monitoring & Compliance

Ma'aden has policies for professional conduct which represent the Company's values and ethical principles that govern the activities of the company, and to which the Board/ Board Committees, employees, and others are expected to adhere to.

Ma'aden's Policy on professional conduct is set out in more detail in its **Code of Conduct, Conflict of interest policy** and in the **Board Charter**.

2. Social Responsibility

Social responsibility is becoming an integral part of Ma'aden's business processes and contributing to sustainable business development. Ma'aden is committed to Corporate Social Responsibility allowing it to contribute positively to the wellbeing of people, environment, economy and society. Management of Ma'aden has developed Corporate Social Responsibility policies which outlines the pillars and principals.

Ma'aden's Policy on CSR and ESG are set out in more detail in its **Sustainability Policy** and **Health, Safety, Security and Environment Policy**.

3. Social Initiatives

The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:

1. establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.
2. disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility.
3. disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's.
4. establishing awareness programs to the community to familiarize them with the Company's social responsibility.

Chapter 7. Disclosure and Transparency

1. Policies and Procedure of Disclosure

Without prejudice to the Rules on the Offer of Securities and Continuing Obligations, the Board shall set forth in writing the policies, procedures and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law and their implementing regulations, taking into consideration the following:

- 1) Policies shall include proper disclosure methods that enable the shareholders and other Stakeholders to access the financial and non-financial information pertaining to the Company's performance and information in respect of ownership of shares, and to obtain a comprehensive view of the Company's position
- 2) Disclosure to shareholders and investors shall be made without discrimination in a clear, correct, and non-misleading fashion, and in a timely, regular, and accurate manner to enable shareholders and other Stakeholders to fully exercise their rights
- 3) the Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods
- 4) Reporting rules shall be established and shall describe the information required to be disclosed and the method of its classification in terms of its nature, and the frequency of its disclosure
- 5) Disclosure policies shall be reviewed periodically and their compliance with the best practices and the provisions of the Capital Market Law and its implementing rules shall be verified.

Ma'aden's policy with regards to transparency is more fully described in its **Transparency and Disclosure Policy**.

The Board's Report

The Board's report shall include the Board's operations during the last fiscal year and all factors that affect the company's businesses, such report shall be approved by General Assembly and include the following:

- Requirements set out in the Corporate Governance Regulations
- Audit Committee Report which details performance of its competencies and duties stated in CMA Corporate Governance Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company

- Disclosure by the Board members which is set out in the regulations
- Disclosure of Remunerations of Board and Committee members, top 5 executives and state the remuneration policies.

The Board shall regulate the disclosures of each of its members and the members of the Executive Management, observing the following:

1. maintaining a register for the disclosures of the Board members and the Executive Management and updating it regularly based on disclosures required as per the Companies Law, the Capital Market Law and their implementing regulations; and
2. making such register available for review by the Company's shareholders free of charge.

Chapter 8. Retaining of Documents

1. Retaining of Documents

A Company shall retain all minutes, documents, reports, and other papers required to be maintained in the company's head office for at least ten years as per CMA Corporate Governance Regulations unless the Authority specifies otherwise. This shall include the Board report and audit committee report. Without prejudice to this period, a company, in case of any lawsuit (filed or threatened to be filed) or ongoing claim or any investigation relating to those minutes, documents, reports and other papers, shall maintain them until the end of the ongoing lawsuit, claim or investigation.

Chapter 9. Closing Provisions

1. Definitions

The expressions and terms in this Framework have the meanings they bear in the Company's Bylaws and in the glossary of defined terms used in the regulations and the rules of CMA, unless otherwise stated in these regulations.

For the purpose of implementing these regulations, the following expressions and terms shall have the meaning they bear as follows, unless the contrary intention appears:

Administrative Team:	A group of individuals who make strategic decisions of the person. The Board is the Company's Administrative Team.
Affiliate:	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Board of Directors (the Board):	Ma'aden's Board of Directors is formed of (11) members elected by the General Assembly in accordance with the period stated in the Company's bylaws.
Capital Market Law:	the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424 AH.
Companies Law:	the Companies Law issued by Royal Decree No. (M/132) dated 1/12/1443 AH.
Competent Authority:	Board of Directors or as stated in the Delegation of Authority
Controlling Interest:	The ability to influence the actions or decisions of another person directly, indirectly, individually or collectively with a relative or subsidiary through: <ul style="list-style-type: none"> (a) Owning 30% or more of the voting rights in a company, or (b) Having the right to appoint 30% or more of the members of the governing body (administrative team members).

Corporate Governance (CG):	rules to lead and guide the Company that includes mechanisms to regulate the various relationships between the Board, Executive Directors, shareholders and Stakeholders, by establishing rules and procedures to facilitate the decision-making process and add transparency and credibility to it with the objective of protecting the rights of shareholders and Stakeholders and achieving fairness, competitiveness and transparency on the Exchange and the business environment.
Day:	Calendar day, unless otherwise indicated in this Framework.
Executive Management or Senior Executives:	persons responsible for managing the daily operations of the Company, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO). The CMA shall be notified of the names of Senior Executives and any changes that may occur to them in addition to their family members according to the form prepared by the CMA and within the period specified by the regulations.
Executive Member:	The Board member who is a full-time member of the Executive Management team of the Company and participates in its daily activities.
Independent Member:	A non-executive Board member who enjoys complete independence in his/her position and decisions and to which no independence rules stipulated in Article 19 of GC Regulations of CMA shall apply. He/she shall be able to perform his/her duties, express his/her opinion and vote on decisions objectively without bias; in a manner that contributes to achieving the interests of the Company.
Non-Executive Member:	The Board member who does not have a full-time management position at the Company and does not participate in its daily activities.
Person:	any natural or legal person that is recognized as such under the laws of the Kingdom.

Related Parties:	<ol style="list-style-type: none"> 1) subsidiaries of the Company except for wholly owned companies; 2) substantial shareholders of the Company; 3) directors and senior executives of the Company; 4) directors of subsidiaries of the Company; 5) directors and senior executives of substantial shareholders of the Company; 6) any relatives of persons described at (1), (2), (3) or (5) above; 7) any company controlled by any person described at (1),(2), (3), (5) or (6) above. <p>For the purposes of paragraph (6) of this definition, the term "Relatives" shall mean a parent, spouse, and children.</p>
Relatives:	<ul style="list-style-type: none"> - Father, mother, grandfather and grandmother and their ancestors. - Children and grandchildren and their descendants. - Siblings, maternal and paternal half-siblings; and - Husbands and wives.
Remunerations/ Compensations:	Amounts, allowances and equivalents, periodic or annual bonuses linked to performance, long or short-term incentive schemes and any other in-kind benefits except the actual reasonable expenses and fees incurred by the Company to enable the Board or Committee member to perform his/her duties.
Shareholder Assembly:	an assembly consisting of the shareholders in the Company formed in accordance with the provisions of the Companies Law and the Company's bylaws.
Stakeholders:	Any person who has an interest in the Company, including shareholders, employees, creditors, customers, suppliers, public and private organizations and the community.
Subsidiary:	Any other company on which Ma'aden has a control directly or indirectly.
Substantial Shareholders:	any person who owns (5%) or more of the shares of the Company or voting rights therein.
The Authority (CMA):	Saudi Capital Market Authority.
The Company:	Saudi Arabian Mining Company "Ma'aden" (a joint stock company listed on the Saudi Stock Exchange)

The Group:	When referring to a person, means the person and his subsidiaries.
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2. Abbreviations

AC:	Audit Committee
AoA:	Article of Association (Bylaws of the company)
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CG:	Corporate Governance
CGR:	Corporate Governance Regulation
CMA:	The Capital Market Authority
DOA:	Delegation of Authority
ExCom:	Executive Committee
GA:	General Assembly
MOC:	Ministry of Commerce
NRC:	Nomination and Remuneration Committee
SSC:	Safety & Sustainability Committee

3. Publication and Entry into Force

- The applicable laws and regulations issued by the regulatory authorities shall apply to any matters not specifically provided for in this Framework.
- This framework has been prepared in the Arabic language and have been translated into the English language, in case there is a difference between the Arabic text and the English text, the Arabic language prevails.
- This Framework shall be effective as per its approval resolution.