

Alujain Corporation

A Saudi Joint Stock Company



شركة اللجائن
شركة مساهمة سعودية

Alujain Corporation Disclosure and Transparency Policy January 2023



• Purpose

The purpose of the disclosure and transparency policy is for the company to guarantee the accurate and timely disclosure of all material information, including the company's financial position, the performance and governance measure. This policy also aims to declare the rules and principles relevant to disclosure of information and methods of information classification and when to disclose them. The disclosure and transparency policy aims to give shareholders and other stakeholders access to the company's financial and non-financial information and its results and to get a comprehensive update about the company's position in a manner that help them practice their rights to the fullest.

• The power to disclose on behalf of the company

- a. Each of the following persons in their positions has the authority to disclose on behalf of the Company:
 1. Board of Directors
 2. Chairman of the Board of Directors
 3. Chief Executive Officer.
- b. The persons mentioned in Paragraph (a) of this Article may authorize third parties to carry out the disclosure process on their behalf when needed.
- c. With the exception of the persons mentioned in Paragraph (a) of this Article, it is prohibited for any person to disclose any information or answer any questions related to the company's activities without obtaining prior permission from the Board of Directors.
- d. Those responsible for the disclosure process must be fully aware of the company's activities and operations, and the CEO of the company is responsible for ensuring their compliance.



• **Disclosure of material information:**

- a. Material information is defined as any information related to the positions and activities of the company, its level of performance, and information that is expected to directly affect events that may lead to a material change in the conditions of the financial stock market or the company's share price. Therefore, all similar material information must be published widely and in a timely manner, in accordance with regulations and laws.
- b. The company has developed a set of procedures to work under with regard to all companies' communications, as follows:
 1. Draft legal announcements and press releases are developed and edited in accordance with the requirements of the Capital Market Authority.
 2. Draft announcements and news are presented to the CEO and other senior executives and employees authorized to do so for approval. In addition, in certain cases the draft may be circulated to the members of the Board of Directors for their views if the CEO deems it necessary.
 3. These announcement shall be published on the stock market website (Tadawul) first, and then on daily newspapers (as the case may be) to ensure they are being viewed widely.
 4. Requests to obtain material information that is not subject to publication will be denied.

• **Disclosure of financial information**

The board of directors approves the company's preliminary and annual financial statements, which must be signed by an authorized board member, the CEO, and the CFO before being published and circulated to shareholders and third parties. The board may authorize an audit committee to approve the preliminary financial statements on its behalf.



The preliminary and annual financial statements and the Board of Directors report must be submitted to the Capital Market Authority once approved by the Board of Directors.

Disclosure in the Board of Directors' Report

The board of directors shall issue its annual report - within the period specified by the law - and send it to the Capital Market Authority and announce it to the shareholders. The report of the board of directors shall include a comprehensive representation of the company's operations during the last fiscal year. It shall also include all the factors affecting the company's business, and all the requirements mentioned in Article (87) and Article (90) of the Corporate Governance Regulations and related articles contained in the Registration and Listing rules issued by the Market Capital Authority. In addition, the BOD report shall abide by the provisions of Clause (4) of Article (76) of the Companies Law.

Disclosure in the Audit Committee' report

- a. The Audit Committee's report shall contain details about the performance of its competencies and duties stipulated in the Companies Law and its Implementing Regulations. Further, it shall include its recommendations and opinion on the adequacy of the company's internal and financial control regulations and company's risk management measures.
- b. The board of directors must deposit sufficient copies of the audit committee report at the company's main office and publish it on the company's website and the CMA's website when inviting the general assembly invitation to convene for the shareholders to have access to a copy whereof. A summary of the report shall be read during the General Assembly.



• **Disclosure through the website, the media and social networking sites**

The company places special importance on its website and continuously updates it. Since it is one of the most important windows and means of communication with shareholders, investors, and the general public. The marketing department in the company supervises its development and updates, continuously verifying and reviewing the information before publishing it on the website, either through the Governance and Compliance unit (if applicable) or through the relevant department. This is practiced as a measure to ensure that the information and its contents comply with the regulatory disclosure requirements for listed companies and to avoid any violations resulting from publishing information that should not be disclosed according to CMA regulations and rules. The Governance and Compliance unit (if applicable) or the relevant department reviews all disclosures, press releases, advertisements, newsletters, and media materials issued by the company, as well as what is published in newspapers and social media platforms, before publishing them, to ensure their compliance with the regulations and laws for listed companies and to avoid any violations resulting from such publications. All company departments and subsidiaries must comply with this policy to avoid any violations in this regard.

• **Governance related disclosures**

The Company shall disclose the governance policies, procedures and documents related thereto by publishing them on the Company's website or any other means as per the Company's policy (whenever possible), including the following:

1. Company's Articles of Association;
2. Governance manual and other relevant documents;
3. Annual Report of the Board of Directors;



4. The preliminary (quarterly) financial statements and the final annual closing accounts;
5. Annual audit committee's report;
6. Governance and annual compliance report;
7. General assemblies' minutes and deliberations;
8. All announcement published on Tadawul; and
9. Any other reports or documents that the company deems to enhance the disclosure and transparency process in a manner that does not contradict laws and regulations.

Disclosure related to social responsibility policies

The company discloses its contributions and policies in the field of social responsibility (CSR) and procedures for employees, society and the environment in the Board of Director's annual report, the company's website, and other means of communication approved by the Board of Directors.

Disclosures of the Board of Directors

The Board of Directors shall organize the disclosures of each of its members and members of the Executive Management, taking into account 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. Give the Company's shareholders access to such register free of charge.

Disclosure of remuneration the Board of Directors is committed to the following:



1. Disclosure of the remuneration policy and how to determine the remuneration of the board members and executive management in the company.
2. Clarify the relationship between the granted remunerations and the applicable remunerations policy, and indicate any material deviation from this policy.
3. Accurate, transparent and detailed disclosure in the report on the granted rewards and bonuses to members of the board of directors and members of the committees and the executive management, directly or indirectly, without concealing or misleading, whether these amounts are sums, benefits or advantages of whatever nature and name. If the granted benefits are shares in the company, then the input value of the shares will be the market value on the maturity date.
4. Statement of details of rewards and compensations in accordance with the relevant laws and regulations
 - a. Members of the Board of Directors.
 - b. Total remunerations for five senior executives who received the highest remunerations from the company, including the CEO and Chief Financial Officer.
 - c. Committee members, provided that the disclosure contained in this article in the report of the Board of Directors shall be in accordance with the schedule prepared for that. Disclosure to the regulatory authorities, and the Board of Directors must inform the Authority and announce on the website of the financial market, Tadawul, immediately (and if applicable) all the statutory requirements specified in the laws and regulations, such as:
 1. Changes in the Board membership structure (resignation, appointment and classification).
 2. Any changes in the structure of the company's committees.



3. Any changes in the executive management including the CEO and CFO.
4. The company is committed to disclose all information required by CG Regulations issued by CMA, Companies law, and other regulations.

Disclosure limitations

Board members may not disclose the company's confidential information they are privy to outside the meetings of the general assembly. They may not use information they have access to due to their membership to gain personal interest for themselves, their relatives or others. Otherwise, they shall be removed from the board and held liable for damages.

Company spokesperson

- a. The Chairman of the Board of Directors or the Chief Executive Officer or whoever is delegated is the official spokesperson for the company in front of all media and with the public and the investor community. From time to time, he may appoint another person from within the Company to speak on behalf of the company or to respond to certain inquiries when necessary.
- b. No person other than those mentioned in Paragraph (a) above may make any public statements about the following:
 1. Company strategies and plans;
 2. Company operations and activities;
 3. Financial performance (current and future) and investment opportunities in general.
 4. Production capacities.
 5. Litigation and lawsuits.
 6. Decisions of acquisition and merger, restructuring, decisions to sell and exit from certain investments and other important strategic initiatives that the company is taking.



- c. Members of the Board of Directors and all employees of the company who are not authorized to speak on behalf of the company must refer all requests received from financial institutions, shareholders and various media to the person authorized to speak on behalf of the company.