

Issuer: Board of Directors
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No. 2019-1

Disclosure and Transparency Policy

1) Purpose

The purpose of this disclosure and transparency policy is to ensure that Alkathiri Holding Company guarantees that timely and accurate disclosure is made on all material matters, including the company's financial situation, performance, governance, reporting of rules related to disclosure of information, methods of information classification, and the timing of disclosure.

2) Disclosure of Material Information

-Material information is defined as any information relevant to the company's status, activities, its performance level, and the information, which is expected to directly affect a major change in the stock exchange conditions or in Alkathiri Holding Company stock rate. Thus, it is important to disclose such information in compliance with rules and regulations.

Alkathiri Holding Company has established a set of procedures, which are intended to be followed across the company's communication. These procedures are:

- 1- Preparing announcements and press release drafts in compliance with the Capital Market Authority requirements.
- 2- Presenting the draft announcement and press release to the CEO, Senior Executives, and other authorized employees. This draft may be circulated to the other Board members in order to know their viewpoints, if the CEO deems that as necessary.
- 3-Publishing this in Tadawul website, newspapers, websites (as appropriate), and other media to ensure it gets a wide publicity.

-Any requests for any material information not allowed for publication should be rejected.

3) Disclosure of Financial Information

The interim and annual financial statements of Alkathiri Holding Company must be approved by the Board members and signed by a member authorized by the Board, CEO and CFO prior to their issuance and circulation to shareholders and other stakeholders. The interim and annual financial statements and the Board of director's report shall be submitted to the CMA immediately upon approval by the Board members. All mandatory announcements shall be made in accordance with the requirements of the Capital Market Authority.

4) Disclosure in the Board Report:

an annual report shall be issued by the Board Within the period set out on the regulations, sent to the Capital Market Authority, and announced to shareholders. The report of the Board shall include a full presentation of the Company's operations during the last fiscal year and all factors affecting the Company's business. It shall include all the requirements mentioned in Article (90) of the Corporate Governance Regulations, the related articles of the rules of registration and listing issued by the Capital Market Authority, and Clause (4) of Article (76) of the Companies Law.

5) Disclosure via the Website and other Media platforms including Social Media:

Alkathiri Holding Company gives a special importance to its website which is constantly updated as it is one of the most important windows and means of communication with shareholders, investors and all the public. It shall be supervised and continuously updated by the Alkathiri Holding Company Communication Department and the information shall be verified and reviewed before being posted on the site by the Corporate Governance Compliance Department to ensure that this information and its contents comply with the disclosure regulatory requirements of the listed shareholding companies and to avoid any irregularities that may occur as a result of publishing information that should not be published in compliance with the regulations of the Capital Market Authority.

The Corporate Governance and compliance department shall review all disclosures before its publication, including periodicals, newsletters and media publications issued by the Company as well as newspaper and social media sites or platforms to ensure their compliance with the laws and regulations of the listed companies, this enables the company to avoid any violations that may occur as a result of that; also The management of the company and its

subsidiaries should abide to the provisions herein this policy in order to avoid any violations in this regard.

6) Disclosure related to Corporate Governance:

Alkathiri Holding Company shall disclose Corporate Governance policies and procedures through disclosure of the followings in its website or other means of communication as per company policy, which include the following:

The Company's Bylaws.-

Corporate Governance Manual and other relative documents-

Annual Board Report.-

Initial financial statements (quarterly) and annual closing accounts-

Audit Committee Annual Report.-

Corporate Governance and Compliance Annual Report-

- Minutes and deliberations of General Assembly.

All announcements published on Tadawul.

Any other reports or documents that the company sees that it will enhance the disclosure and transparency process in a consistent manner with the laws and regulations.

7) Disclosure Regarding (CSR) Policies:

Alkathiri Holding Company shall disclose its corporate social responsibility (Corporate Social Responsibility) policies and procedures related to employees, community and environment at least once a year in the Annual Board Report, website and other means of communication agreed by Alkathiri Corporate Social Responsibility.

8) Disclosure by the Board:

The Board of Directors shall regulate the disclosures of each of its members and the members of the Executive Management, keeping in mind the following:

1. Maintaining a register for the disclosures of the Board members and the Executive Management and updating it regularly in accordance with disclosures

required as per the Companies Law, the Capital Market Law, and their implementing regulations.

2. Making such register available to the Company's shareholders free of charge.

9) Disclosure to the Regulatory Authorities:

The Board shall immediately disclose to the Capital Market Authority or Tadawul (when applicable) all requirements as defined by rules and regulations such as:

Any Changes in the Board membership structure (resignation, appointment, and classification).

Any Changes in Committee structures.

Changes in Executive Management including CEO and CFO.

Alkathiri Holding Company shall disclose all information required by Corporate Governance Regulations issued by the Capital Market Authority, Companies law, and other regulations.

10) Disclosure limitations:

Board members may not disclose, in any place other than the General Assembly meetings, the company's confidential information and may not benefit for themselves or for their relatives or third parties. Failure to do so would cause dismissal and compensation shall be claimed from them.

11) Additional initiatives to support the principle of disclosure and transparency:

Continuously pursuing the application of international best practices in disclosure and transparency, such as (S&P) and (OECD) principles, and reflecting this in the Annual Board Report, website and any other reports or publications of Alkathiri Holding Company.

Encouraging and adopting the transparency screen initiative, which seeks to monitor and analyze data on the stock movement (buying and selling) for senior shareholders and some other segments such as (Board members, Senior Executives, investment funds, government share) and periodically publishing their results on the Company's website and any other means of publication that Alkathiri deems fit to reach the largest number of shareholders.

12) Alkathiri Holding Company Spokesperson:

- 1. The CEO or Managing Director (if any) is the Company's spokesperson before all media outlets, the public and the investor community. Also, another person from within the Company may be appointed to speak on behalf of Alkathiri Holding Company or to respond to certain inquiries when necessary.**
- 2. No one other than the CEO or the Managing Director (if any) and those appointed may make any public statements on the following:**

Alkathiri Holding Company Strategies and Plans.

Alkathiri Holding Company Operations and Activities.

Financial performance (current and future) and investment opportunities in general.

Production capacities.

Litigations.

Decisions on acquisition, merger, restructuring, selling, and exit from certain investments and other important strategic initiatives provided by Alkathiri Holding Company.

- 3. The Board members and all Alkathiri Holding Company employees who are not authorized to speak on behalf of the Company shall refer all requests received from financial institutions, shareholders and various media outlets to the person authorized to speak on behalf of the Company.**

13) Review of the policy of information disclosure and transparency:

The Board shall periodically – and whenever necessary - conduct a review of this policy to ensure its compliance with rules and regulations and meets the requirement of various stakeholders.

