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Ithmar Capital

Pillar 1: Legal
Legal framework,objectives,and coordination with macroeconomic policies
Principle 1

1. The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

1.1. The legal framework for the SWF should ensure legal soundness of the SWF and its transactions.

1.2. The key features of the SWF's legal basis and structure, as well as the legal relationship between the SWF and other state bodies, should be publicly disclosed.

Ithmar, herein referred to as "the Fund", was established on February 18th, 2011 to invest and facilitate co-investments with international sovereign wealth funds and major investment funds in the Moroccan economy. The initial focus was on tourism and infrastructure but the mandate was extended by its board of directors on July 8th, 2015 to cover other key productive sectors of the economy. The Fund was originally named Fonds Marocain de Développement Touristique "FMDT". To reflect the change to a multi sectoral approach, the Fund's name was changed to Ithmar Al Mawarid ("Ithmar").

The legal framework of Ithmar is defined within the disclosed decree of its creation: "Décret n° 2-11-52 du 18 Février 2011" together with the applicable law in the Kingdom of Morocco related to public limited companies, namely, the "loi 17-95 relative aux sociétés anonymes".The change of name and the enlargement of the mandate are reflected in the disclosed Amendment Decree: "Décret n°2-19-134 du 29 Février 2019". The legal framework is designed specifically to establish sound and effective operations for the fund and the achievement of its objectives.

The key features of Ithmar's legal basis and structure, are disclosed, by law, under the website of the trade register of Rabat (https://www.directinfo.ma/) and the relationship between Ithmar and the state bodies is stated within the abovementioned decree n° 2-11-52 which is publicly disclosed in the Official Bulletin of the Moroccan Government (http://www.sgg.gov.ma/). As such, the shareholders of the Fund are as follows: Ministry of Economy and Finance 2/3 and Fonds Hassan II pour le Développement Economique et Social 1/3. Details of the relationship of Ithmar and its shareholders/state bodies can also be found on the governance section of Ithmar's website (www.ithmar.gov.ma)

Principle 2

2. The policy purpose of the SWF should be clearly defined and publicly disclosed.

The policy purpose of Ithmar is clearly defined by the above-mentioned decree n° 2-11-52 which is available to the public on the website of the Moroccan Government and the enlargement of the mandate reflected in the Amendment Decree: “Décret n°2-19-134 du 29 Février 2019”.

Details of Ithmar’s purpose strategy is also clearly defined and publicly disclosed in Ithmar’s website (www.ithmar.gov.ma).

Decree n° 2-11-52: Morocco’s new “Vision 2020” for the tourism sector aimed to add 200,000 hotel beds to attract 20 million tourists and generate 140 billion dirhams in revenue and 470,000 new jobs by 2020, supported by over 150 billion dirhams in planned investments through the Moroccan Fund for Tourism Development (FMDT), created in 2010 with an initial capital of 1.5 billion dirhams to finance major tourism and cultural infrastructure projects.

Decree n° 2-19-134 of March 11, 2019 changes the name of the Fonds Marocain de Développement Touristique (FMDT) to **Ithmar Al Mawarid** and broadens its mandate to invest in major socio-economic and tourism-related infrastructure projects beyond tourism alone.

Principle 3

3. Where the SWF’s activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

Ithmar’s investment thesis and mandate prioritize development of and investment in large-scale transformative projects, increase cooperation and catalyze joint investments between the public and private sectors. This investment philosophy aims to stim ulate the economy, create high added value and generate significant employment opportunities. These investments contribute to key aggregate indicators of the Moroccan economy such as growth rate and unemployment reduction thus aligning with the country’s broader macroeconomic policy objectives.

Furthermore, one of Ithmar’s main objectives is to support the Government’s sectoral strategies. Its activity is de facto in line with macroeconomic policies.

Principle 4

4. There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF’s general approach to funding, withdrawal, and spending operations.

4.1. The source of SWF funding should be publicly disclosed.

4.2. The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.

Policies, rules, procedures or arrangements in relation to the general approach to funding, withdrawal, and spending of Ithmar are clearly defined and publicly disclosed in the aforesaid decree.

The source of Ithmar’s funding is publicly disclosed in the aforesaid decree.

Ithmar acts as a commercial fund and doesn't spend on behalf of the government, nor it contributes to the government's budget trough withdrawals as clearly defined and publicly disclosed in the aforementioned decree

Funding: The capitalization and funding are through recurrent budget transfers on a cash call basis.

Withdrawal: As a société anonyme governed by Morocco's company law, any returns to shareholders (e.g., dividends, proceeds from disposals) follow corporate-governance processes rather than preset fiscal withdrawal rules.

Spending (use of funds): The decrees define a mandate to invest via equity participations - directly in project companies or through investment vehicles - initially for tourism development (2011) and, after Decree No. 2-19-134 (2019), broadened to wider socio-economic and infrastructure projects beyond tourism.

Principle 5

5. The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

The relevant statistical data pertaining to Ithmar are reported to the board, the National Agency for the Strategic Management of State Holdings and Monitoring the Performance of Public Establishments and Enterprises and the Ministry of Economy and Finance. Reports are provided regularly and on an ad hoc basis to our shareholders.

Pillar 2: Institutional
Institutional Framework and Governance Structure.
Principle 6

6. The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

Ithmar has established a clear and sound governance framework to insure independence in the management and to pursue its objectives, in accordance with the law, namely, a Board of Directors with specialized committees (Strategy & Investment Committee, Audit & Risk Committee and Remuneration & Governance Committee) and a Chief Executive Officer. The relevant functions within Ithmar are as follows: strategy, legal, finance, audit, asset management and investment, development and partnerships. The members of the Board are appointed by the shareholders following the Moroccan corporate laws. The members of the specialized committee are appointed by the Board of Directors. The composition of the Board is available on Ithmar Capital website.

Principle 7

7. The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

The objectives of Ithmar are set out by the Board of Directors in line with the Kingdom's long-term strategies, and the activity of the fund is under the control of the board and the committees, which produce recommendations and regular, at least twice a year and as many times as necessary, reports to the board of directors. In addition, the directors are appointed by the general assembly of the shareholders in accordance

with the articles of associations of the Fund.

Principle 8

8. The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

The powers and authority of the governing bodies of Ithmar are clearly defined by law, the “loi 17-95 relative aux sociétés anonymes” applicable in the Kingdom of Morocco and completed by the articles of associations of the Fund.

Legal obligations ensure that Ithmar’s governing bodies act in the Fund’s best interest by requiring, under **Law 17-95**, that directors exercise their duties of care, loyalty, and good faith, avoid conflicts of interest (Articles 56–61), act within the company’s corporate purpose (Article 69), and are personally liable—civilly and criminally—for any mismanagement or breach of fiduciary duty, all of which align their actions with the Fund’s objectives and shareholders’ interests.

Principle 9

9. The operational management of the SWF should implement the SWF’s strategies in an independent manner and in accordance with clearly defined responsibilities.

The executive management implements the Fund’s strategies in an independent manner and no external bodies other than the shareholders (that approved the Fund’s strategies) can intervene in the process.

Executive independence at Ithmar is ensured by its status as a *société anonyme* governed by Morocco’s Law 17-95, which grants the board of directors full powers to manage the company subject only to shareholder oversight, legally preventing intervention by any external body.

Principle 10

10. The accountability framework for the SWF’s operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

1. The Moroccan legislation applicable to public limited companies, like Ithmar, defines clearly the legal accountability framework. As such, the Moroccan law requires, inter alia, that public limited companies keep full records of the accounts and produce annual financial statements, etc.

Principle 11

11. An annual report and accompanying financial statements on the SWF’s operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

Ithmar produces a management report and an annual report that includes annual financial statements established in accordance with recognized national accounting standards known as the Code Général de Normalisation Comptable (CGNC) (and the Moroccan Chart of Accounts, “PCG”).

Ithmar's summaries, key figures, and performance indicators are published annually in the state shareholder report of the National Agency for Strategic Management of State Holdings and Monitoring of the Performance of Public Institutions and Enterprises (Agence Nationale de Gestion Stratégique des Participations de l'État (ANGSPE)), a public national agency responsible for safeguarding the financial interests of the State as a shareholder, managing its holdings and monitoring and assessing the performance of public institutions and enterprises (*Établissements et Entreprises Publics* - EEPs).

Principle 12

12. The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

Ithmar's operations and financial statements are audited annually by an independent renowned auditor. Indeed, the annual accounts of Ithmar are audited by statutory auditors, in accordance with the Moroccan standards on auditing.

The Moroccan standards on auditing are the "Manuel des normes d'audit au Maroc" issued by the Ordre des Experts-Comptables du Royaume du Maroc (OEC-Morocco), which are aligned/converged with the International Standards on Auditing (ISA) handbook (2016-17 edition).

In addition, and as a government funded company, Ithmar's financials are also under the supervision of the Ministry of Economy and Finance auditors.

Principle 13

13. Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing body(ies), management, and staff.

Professional and ethical standards applicable to the governing bodies of the Company are defined under the "Code de bonnes pratiques de gouvernance des entreprises et établissement publiques", which is available on the website of the Ministry of Economy and Finance.

In addition, Ithmar has undergone a management quality review following which it has defined an internal code of ethics, a quality of management policy, an anti-corruption charter and a health and safety policy that have been made known and available to its governing bodies, management and staff.

Ithmar is certified:

- ISO 37001 (2016 Version) Anti-bribery Management System

- ISO 9001 (2015 Version) Quality Management System

- ISO 45001 (2018 Version) Occupational Health and Safety Management System

Principle 14

14. Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

The relation between Ithmar and third parties is governed by the decree dated 20 March 2013 "décret n°2-12-349 relatif aux Marchés Publics", which sets out the policies and procedures on public contracts and tenders to ensure fairness, transparency, and competitive market conditions in public contracts and tenders.

Additionally, in dealing with third parties it must abide by Ithmar's quality management policy including code of ethics, anti-corruption charter etc.

Principle 15

15. SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

Ithmar abides with all applicable laws and regulations both domestic and international. The Board of Directors, the shareholders and the auditors make sure that Ithmar follows and abides with the applicable laws

Principle 16

16. The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

The governance framework of Ithmar is defined by the law relating to public limited companies and the " Code de bonnes pratiques de gouvernance des Entreprises et Etablissement Publiques". The objectives of Ithmar are defined within the decree of its creation; which are both publicly disclosed.

Principle 17

17. Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

The annual financial statements of Ithmar are publicly available in the commercial court register like all companies in Morocco. In addition, as previously mentioned above, the ANGSPE publishes an annual report with financial information on public offices and enterprises.

Pillar 3: Investment

Investment and Risk Management Framework.

Principle 18

18. The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing body(ies), and be based on sound portfolio management principles.

18.1. The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.

18.2. The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.

18.3. A description of the investment policy of the SWF should be publicly disclosed.

The investment policy of Ithmar is consistent with its defined objectives, risk tolerance, and investment strategy, as set by its decree of creation and its governing bodies and is based on sound portfolio management principles. Ithmar is certified ISO 9001 (2015 Version) Quality Management System.

Ithmar acts to facilitate co-investments with international SWFs and major investment funds, especially to mitigate risks while creating a multiplier effect.

Ithmar does not use external investment managers. The investment department is managed by professionals who have adequate experience, international competences and skills. These professionals are selected for their ability to originate and execute investment opportunities.

In some cases, the fund sets up Special Purpose Vehicles with their independent management and adequate governance bodies.

A general approach of the investment policy of Ithmar is defined within its decree of creation and internal procedures.

Ithmar's investment policy, as defined in its founding decree and internal procedures, follows a long-term, strategic approach focused on co-investing in large, high-impact projects that align with Morocco's national development priorities, balancing commercial returns with socio-economic value creation.

Principle 19

19. The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

19.1. If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.

19.2. The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.

The investment decisions are made by the Board of Directors based on economic, financial criteria, and based on internal analysis as well as studies completed by external consultants, in particular, the preparation of technical and economic feasibility studies, business plans, etc.

As Ithmar seeks to crowed-in private investors, developed projects need to have attractive returns to be able to attract other private or international investors.

All the relevant considerations relating to investment decision making process are stated within the decree of creation of Ithmar. In addition, Ithmar has to pursue both economic development and financial return objectives.

The management of Ithmar's assets is, inter alia, based on acting as a prudent investor seeking to maximize risk-adjusted returns.

Principle 20

20. The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

The board does not seek or have a right to access privileged information or inappropriate influence by the government in competing with private entities. In addition, one of Ithmar's objectives is to increase cooperation and catalyze joint investments between the Public and Private sectors.

Principle 21

21. SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

Consistent with Ithmar's portfolio management approach, it will exercise ownership rights in our investments, where appropriate, to protect the financial interest of the assets under our management. Ithmar's general approach to the exercise of our ownership rights is guided by financial considerations.

The Fund has not invested in listed entities so far but rather developed greenfield projects.

Principle 22

22. The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

22.1. The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

22.2. The general approach to the SWF's risk management framework should be publicly disclosed.

Identifying and managing risk is a clear and integral part of management responsibility at all levels in Ithmar. In addition to the board and its audit committee, different bodies, external and internal consultants are specifically charged with the task of identifying, monitoring and managing risks. An annual audit plan, validated by the Audit and Risk Committee and the Board, ensures a structured and consistent approach to risk assessment. Audit and risk reports are periodically reviewed by both the Committee and the Board, reinforcing oversight and accountability across three lines of defence.

The risk management framework is defined in details by the board and the strategy and investment committee and includes different levels of control internally and externally, both from an operational and governance perspective.

The general approach to Ithmar's risk management framework is defined under the decree of creation of the Fund which is available for public consultation on the website of the Ministry of Economy and Finance.

Principle 23

23. The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

The assets and investment performance of Ithmar are reported to the board in the annual report.

Principle 24

24. A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

The assets and investment performance of Ithmar are reported to the board in the annual report.