MARAFIQ
Violations and Illegal Abuses Reporting Policy

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Article (1): Purpose

This Policy is referred to as "Illegal Violations and Abuses Reporting Policy", which was prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia. This Policy aims to achieve transparency and integrity in conducting the Company's business, create an environment that encourages employees to report and disclose illegal activities or contrary to public order, whether they are real or potential, and to conduct investigations thereon. This Policy also extends to include contractors, suppliers, and contractors urging them to disclose and report without any fear of retaliation and subsequent discrimination for any fraud, any activity or behavior contrary to public order and contrary to ethics, morals, or any harmful behavior that may cause, in their belief, financial loss to the Company, harm its reputation, the safety of people and the environment, or the security of the Company or society. This Policy ensures that the confidentiality of the whistleblower's personal data is preserved and protected. This Policy ensures the confidentiality protection of the personal information of the Reporters.

This Ppolicy provides a platform for Reporters to express their concerns to the relevant entity authority in the Company regarding any suspicious or unwanted events/activities that contradict the Company's policies or may have a negative impact on the Company's business or reputation.

This Policy does not apply to the following:

- Complaints related to work or the method of treatment, for which grievance procedures shall be taken.
- Customer and supplier complaints policies and procedures.

In addition, this Policy also aims to develop the main controls that would help in detecting and limiting fraud, embezzlement, corruption and abuse of power in the Company, enhancing organizational efforts against this behavior and its indicators, enhancing corporate governance and internal control means, and setting procedures that would enable specialists to take the appropriate action. In the event of suspected fraud, embezzlement or corruption. This Policy applies to any statutory violation including "fraud, embezzlement, corruption, or abuse of power" committed by the Company's employees, shareholders, consultants, suppliers, contractors, and any other party that has a business/benefit relationship with the Company. It applies to all crimes related to funds and those affecting reputation and morals alike.

From all of the above: this Policy covers two complementary aspects, which are as follows:

1. The preventive aspect: It focuses on the main axes that the Company and all its departments shall take to anti-corruption. In this regard, the rules stipulated in this Policy are general and main rules. The Company, represented by its executive management, shall develop executive rules and policies to combat corruption, fraud and illegal acts.

2. The remedial or control aspect: It focuses on the main axes of control on the first aspect by organizing the reporting of violations and illegal acts, which is the responsibility of the internal audit department in the Company in coordination with the audit committee of the Company's Board of Directors.

This Policy covers the two sides in two chapters and two sections as contained therein.

Preliminary Chapter: Definitions and Interpretation of Policy

Article (3):

The terms and phrases used in this regulation shall have the meanings assigned thereto, while the masculine form applying to the feminine, the singular to the plural and vice versa, unless the context or text indicates otherwise.

Term	Definition
Governance Department	Corporate Governance Department in the Company.

General Assembly	Ordinary General Assembly of the Company.
Policy	Violations and Illegal Abuses Reporting Policy.
Company	Power and Water Utility Company for Jubail and Yanbu (a Public Jjoint Stock Company).
The Board	The Company Board of Directors.
Violations and illegal abuses	Violations and illegal abuses are divided into two sections: - Violations and crimes against funds (and complete or incomplete attempt to the same) such as fraud, theft, embezzlement, credit abuse and money laundering. - Violations and crimes affecting reputation (and complete or incomplete attempt to the same) such as bribery, forgery, abuse of power, conflict of interests, moral abuses, etc. The term of fraud or corruption is also used to refer to violations and crimes against funds.
Reporting	The process of paying attention or reporting a mistake, infringement, act or omission, misconduct, illegal or immoral activity, corruption, conflict of interest, trading based on internal information, and etc., whether actual or potential, to the competent authority to receive the report, the board of directors, the concerned committee, or the person (s) concerned.
Reporter	The person who refers to any violation or illegal abuse that he believes in good faith to occur in the Company, Division, Department or companies invested therein (subsidiaries). In addition, the Reporter may be an employee, contractor, supplier or consultant and become aware of any activities contrary to the law.

Article (3): Policy Interpretation Provisions

3.1 Interpretation Rules

3.1.1 This Policy and the addendums attached thereto (if any) are considered an integral part thereof, and complementary to its clauses and shall be read and interpreted therewith for this purpose.

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

3.1.3 All headings in this Policy are for convenience of reference only and shall not affect the interpretation of the Policy provisions as a whole.

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

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

3.1.6 This policy is formulated in accordance with the jus cogens in the Corporate Governance Regulations issued by the Authority. In the event that the Authority decides, at any time, to consider any provision in the corporate governance Policy as jus cogen rather than a complementary, then this Policy is read in light of that, and the complementary provision becomes as jus cogen by force of law and an integral part of this Policy. In the event that a complementary provision is included in this Policy in the form of a jus cogen, this shall not prejudice its remaining complementary and not binding until the Authority decides otherwise.

3.1.7 The Company's application of any of the guidelines, steadily or incidentally, does not prejudice the provision to remain guiding unless a special resolution is issued by the Board or the Authority otherwise. The Company is entitled to exchange between applying and not applying the guiding provision in accordance with what it decides in this regard, and it is not allowed in any way to consider approval of this Policy / regulation as an approval for the guiding provisions contained therein to be mandatory.

3.2 Sources of Judging the Incident

3.2.1 The provisions of this Policy apply to the issues dealt with in these provisions in their terms and meanings, and there is no justification for effort in the source of the provision.

3.2.2 The provisions of this Policy shall not conflict with the legislative laws in the Kingdom of Saudi Arabia, and in the event of a conflict, the provisions of the jus cogen legislative laws shall be applied.

3.2.3 In the absence of a provision in this Policy on the issue, the following legislative sequence shall be applied:
3.2.3.1 The jus cogens in the Corporate Governance Regulations issued by the Authority are applied.
3.2.3.2 The provisions of the Companies Law and its executive regulations shall be applied.
3.2.3.3 The provisions of the Company's articles of association shall be applied.
3.2.3.4 The resolutions of the Company's General Assembly shall be applied.
3.2.3.5 The resolutions of the Board of Directors shall be applied.
3.2.3.6 Diligence of the Governance Department according to the circumstances surrounding regarding each issue for which there is no provision.

Chapter (1): Anti-Corruption and Anti-Fraud

Article (4): Article (4): Standards for Identifying Fraud and Corruption and Responsibilities
4.1 Behavior/conduct is considered “fraud or corruption” if one or more of the following conditions are met:
4.1.1 The behavior or conduct is in violation of the professional and ethical honesty standards.
4.1.2 Behavior or conduct was carried out with the aim of obtaining an illegal benefit, directly or indirectly.
4.1.3 Behavior or conduct that results in the loss of the Company’s assets, profits or reserves, or harms the Company’s reputation.

4.2 Acts that are classified as fraud or corruption include, but are not limited to, as follows:
4.2.1 Embezzlement of funds, instruments, equipment and assets.
4.2.2 Intentional negligence in dealing with or reporting financial or operational transactions in violation or disclosing information with the aim of harming the Company's reputation.
4.2.3 Abusing the power to obtain inside information about the Company's activities for personal purposes.
4.2.4 Disclosing confidential information about the Company's business and clients to third parties.
4.2.6 Accepting or requesting anything of value or benefit from contractors, suppliers, or persons who have a current or expected future relation with the Company.
4.2.7 Exploiting position and power to obtain direct or indirect benefits.
4.2.8 Any violations related to, resulted from, or similar to any of the above clauses.

4.3 CEO Duties:
The Company’s CEO is responsible for the effective application of anti-corruption and fraud measures, which includes the following:
4.3.1 Creating a work environment that makes the process of preventing and combating fraud and corruption the responsibility of all employees of the Company.
4.3.2 Developing/ ensuring the existence of specific standards and procedures that limit fraud and corruption and facilitate the process of detecting the same and holding those responsible accountable.
4.3.3 Ensuring compliance with relevant laws, regulations, procedures and policies.
4.3.4 Ensuring that appropriate measures are taken when cases of fraud or corruption are discovered

4.4 Responsibility of Executive Directors
4.4.1 Applying adequate internal controls, including documenting anti-fraud and anti-corruption policies and procedures, and evaluating their effectiveness in line with the Company's fraud and corruption risk assessment.
4.4.2 Managing the risks of fraud and corruption, including showing a clear attitude towards fraud and corruption including but not limited to expressing it with words and actions that make it clear that fraud and corruption cannot be allowed, that dealing with the same shall be decisive and speedy, and that the Reporters shall receive the necessary protection.
4.4.3 Supporting for conducting a periodic assessment for the fraud and corruption risks as part of the Company's risk management process, and reports are submitted to the Board of Directors on the measures taken to manage these risks, in addition to submitting regular reports on the effectiveness of anti-fraud and anti-corruption program. This includes reports of any necessary processing steps, as well as reports of detected fraud and embezzlement.

4.5 Legal Department Responsibility
4.5.1 It is responsible, within the limits of its competences and powers, for providing advice to the Company’s departments or units that were exposed to incidents of fraud or corruption,

working to coordinate efforts and cooperating with the competent authorities to compensate the Company for the losses incurred due to incidents of fraud or corruption.
4.5.2 It is also responsible for notifying the internal audit department and all concerned parties in the Company regarding fraud and corruption "within a reasonable time" and of the measures that were taken or shall be taken regarding cases of fraud or corruption of which they were notified.

4.6 Human Resources Responsibility

4.6.1 It responsible for taking all necessary measures in accordance with what is stipulated in the Saudi Labor Law with regard to incidents of fraud or corruption.

4.7 Employees, Contractors and Suppliers Responsibility

4.7.1 They shall be committed to this Policy and the Company's code of conduct and work ethics.
4.7.2 They shall have basic information on the nature of fraud and corruption and its evidence.
4.7.3 They have knowledge of their roles within the framework of internal control.
4.7.4 They shall be aware that their work procedures are designed to control and reduce the risks of fraud and corruption, and that failure to comply with them may lead to fraud and corruption occurring or not being detected.
4.7.5 They shall read and understand the related policies and procedures such as the Company's code of conduct and work ethics, in addition to other operational policies and procedures such as the human resources Policy and the procurement Policy.
4.7.6 They shall participate in creating a strong control environment that contributes to developing and implementing the mechanism and procedures for anti-fraud and anti-corruption, in addition to participating in controlling suspicious activities.
4.7.7 They shall report suspected cases of fraud and corruption.
4.7.8 They shall be cooperative in all investigations required from them.

4.8 Internal Audit Department Responsibility

4.8.1 It forms a team for anti-fraud and anti-corruption and ensuring the effective implementation of this Policy.
4.8.2 It finds and ensure the existence of appropriate reporting channels that enable its users to report their suspicions of fraud or corruption. The data of these channels shall be available to all and shall be republished periodically.
4.8.3 It provides objective assurance to the audit committee and senior management that the anti-fraud and anti-corruption measures are sufficient to identify the risks of fraud and corruption and that the controls are applied effectively.
4.8.4 It conducts a comprehensive and adequate revision of the risks identified by senior management.
4.8.5 It periodically evaluates the means of anti-fraud and anti-corruption applied in the Company when developing the annual plan, and ensures the availability of the necessary capabilities to manage the risks of fraud and corruption.
4.8.6 It communicates regularly with the parties concerned with conducting the Company's risk assessment, in addition to those related administrative positions in the Company, to help them ensure that all risks of fraud and corruption were properly considered.
4.8.7 It monitors, analyzes and investigates cases of fraud and corruption that were determined or reported, in coordination and cooperation with the competent authorities such as General Administration of Legal Affairs and Human Resources Sector, or outside the same, according to what is required by the nature of the case.
4.8.8 It prepares periodic/annual reports for the Audit Committee on fraud and corruption incidents and on the efficiency and effectiveness of the anti-fraud and anti-corruption Policy.
4.8.9 It maintains documents, records and exhibits in proven cases of fraud and corruption for a period of ten years.

Chapter (2): Violations and Illegal Acts Reporting
Article (5): Responsibilities with Regard to Violations Reporting

Item	Activities	Person In charge
5.1	Circulating this Policy to all employees of the Company and any other company (companies) controlled by the Company directly or indirectly	Corporate Governance Department
5.2	Establishing communication channels to receive reports of violations and illegal abuses. A dedicated e-mail address/hotline is available for reporting violations and illegal abuses by persons.	Internal Audit and Information Technology Department
5.3	The Reporter sends a notification via email/designated hotline, directly to the reports registrar for violations and illegal abuses to be recorded in the register.	Reports Registrar for Violations of the Internal Audit Department
5.4	The Reports Registrar for Violations and Illegal Abuses maintains the registration system, as well as maintains a special record of reports as received by the Reporter, including processed reports, closed and open reports, and so on.	Registrar of Violations Reports of the Internal Audit Department
5.5	The Director of the Company's Internal Audit Department is responsible for implementing the procedures for reporting violations and illegal acts at the Company level, as he works to address all concerns raised fairly and comprehensively in accordance with this Policy. In addition, the Director of the Internal Audit Department submits periodic reports on all cases of important violations and abuses reports and what was done in this regard to the Audit Committee of the Board of Directors, which - that is, the Audit Committee -: 1. Periodically and regularly determining the appropriateness and keeping pace with the Company's plans and policies related to limiting and detecting fraud and corruption. 2. Ensuring the adequacy of the internal control means to control the risks of fraud and corruption, such as the existence of a program to combat fraud, embezzlement and corruption, and the availability of effective reporting methods, and to take the necessary measures when discovering any of these incidents. 3. Directing the Internal Audit Department in the best way to deal with affecting complaints.	Director of the Internal Audit Department (Audit Committee)

Article (6): Violations Reporting

6.1 All Directors in the Company are responsible for ensuring that employees are aware of this Policy and its application, and creating an environment in which employees can express their concerns freely and without any fear.

6.2 A person shall report any matter whenever he believes there is a violation, and he shall avoid reporting if it is misleading or malicious.

Article (7): Violation Reporting Procedures

7.1 The Reporter of violations and illegal abuses submits, anonymously or otherwise, a written/oral complaint with supporting documents (if any) to the hotline or email address provided for in this Policy.
7.2 The Reports Registrar for Violations and Illegal Abuses receives the report, and the Registrar assigns a serial number to the received report.
7.3 The action taken by the Internal Audit Department in response to a report submitted depends on the nature of the report, and the Director of the Internal Audit Department conducts preliminary inquiries to determine whether it is appropriate to conduct an investigation.
7.4 Based on the preliminary inquiry procedures, the Director of the Internal Audit Department decides whether or not there is a need for further investigation into the report.
7.5 The Director of the Internal Audit Department may seek the assistance from any consultant or any other department or division in the Company to investigate the reported matter.
7.6 The Director of the Internal Audit Department, if he decides to conduct an investigation, determines the target date for completing the investigation, and the Reports Registrar for Violations records that date.
7.7 Once the investigation is completed, the decision is issued by the Investigation Committee formed by the Internal Audit Department, and the Case is closed by recording the same in the registrar's record.
7.8 Failure to act honestly, failure to comply with the Code of Conduct approved by the Company, failure to disclose a conflict of interest, trading based on internal information or other violations and illegal abuses may lead to disciplinary action in accordance with the Company's policies, and procedures that include dismissal from work or informing the competent authorities of that.
7.9 The record of closed reports is kept with the Company, and is encrypted to preserve the confidentiality of matters and the privacy of the Reporter's name.

Article (8): Confidentiality of the Reporter

The Reporter shall not be penalized for violations and illegal abuses that raise real concerns and shall not suffer any harm as a result of making a report, including unjustified disciplinary action and harm. In addition, if the Reporter believes that it faces harm within the workplace as a result of raising concerns under these procedures, it shall immediately report to the Director of the Internal Audit Department, and employees who abuse or retaliate against the Reporter shall be subject to disciplinary action.

Article (9): Reporter Responsibility and Rewards

9.1 The Reporter shall not disclose any information or data to any person other than the specific persons mentioned in these procedures. In the event of non-compliance with that, the Company is entitled to take the required legal measures, as it deems appropriate in this regard to claim compensation for the consequences of the Reporter’s disclosure of these information or data that may harm the Company or tarnish its reputation.
9.2 The Reporter shall, if possible, provide sufficient and complete data on the reported violations and illegal abuses.
9.3 The Reporter of violations and illegal abuses shall report them as soon as it becomes aware of that.
9.4 The Reporter shall not conduct any investigation of the violations and illegal abuses on its own, and shall grant the Company sufficient time to take the necessary procedures for the investigation.
9.5 The Reporter is responsibility for all the consequences of submitting any false or forged report, whereby with its knowledge, bad faith or false allegations to tarnish the reputation of the Company or its employees or harm them in any way. In addition, in the event of proven bad faith, the Company is entitled to take legal measures to ensure to be compensated and its employees for the harms they suffered.

9.6 The reward of the violations and illegal abuses Reporter depends on the nature and seriousness of the violation or abuse and to avoid financial loss or reputational harm. The Audit Committee may recommend a reward for the Reporter in accordance with the procedures followed in this regard.

Article (10): Hotline

Hotline and email address for violations reporting
Email address: whistleblowing@marafiq.com.sa
Phone: +966 13 340 9889

Article (11): Revision and Amendment

11.1 The Audit Committee periodically revises this Policy in cooperation with the Governance Department and recommends any amendments thereto to the Board for approval before obtaining the approval of the General Assembly.

12.2 The Governance Department in the Company maintains the original duly signed copy of this Policy and, from time to time, provides the Authority with a copy thereof and any amendments thereto.

Article (12): Policy Validity

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

Policy title	**Violations and Illegal Abuses Reporting Policy**			
Revised and amended by: Governance Department	Name: Dr. Akram Ibrahim Al-Hamdan Faisal Khalaf Al-Enezi	Signature:	Date:	02/08/2023
Board Secretary:	Name: Muhammad Abd al-Hamid al-Mulhim	Signature:	Date:	02/08/2023
Date of Policy Approval by General Assembly:	2/8/2023 - Meeting No. 4/2023			
The approved language of the Policy	The Arabic language, and the English, if any, is only considered as a guiding language.			