

POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)

(A Saudi Joint Stock Company)

ANTI-CORRUPTION, FRAUD AND WHISTLEBLOWING POLICY

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Article 1: Purpose

This Policy shall be referred to as the “Anti-Corruption, Fraud and Whistleblowing Policy,” and it has been developed in accordance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia. This Policy is established to realize the principles of transparency and integrity in conducting the company’s business and to foster an environment that encourages employees to report and disclose any illegal activities or violations of public order, whether actual or potential, and to conduct the necessary investigations therein. Furthermore, this Policy encourages contractors, suppliers, and contracted parties to disclose and report, without any fear of subsequent retaliation or discrimination, any fraud or any activity or conduct that violates public order, ethics, or morals, or any harmful behavior that they believe may cause financial loss to the Company, damage its reputation, or jeopardize the safety of persons, the environment, or the security of the Company or the community. This Policy guarantees the maintenance of the confidentiality of the whistleblowers' personal data and ensures its protection.

This Policy provides a platform for whistleblowers to express their concerns to the competent authority within the company regarding any suspicious or undesirable events/activities that conflict with the company’s policies or may adversely affect the Company's business or reputation.

This Policy shall not apply to the following:

- Labor-related complaints or grievances regarding treatment; in such cases, the applicable Grievance Procedures must be invoked.
- Policies and procedures related to customer and supplier complaints.

This Policy also aims to establish key controls that facilitate the detection and mitigation of fraud, embezzlement, corruption, and abuse of power within the Company, while strengthening organizational efforts against such conduct and its indicators. Furthermore, it seeks to enhance Corporate Governance and internal control mechanisms, and to establish procedures that enable competent personnel to take appropriate action in the event of suspected fraud, embezzlement, or corruption. This Policy applies to any statutory violation, fraud, embezzlement, corruption, or abuse of power committed by the Company’s employees, shareholders, consultants, suppliers, contractors, and/or any other party having a business/beneficial relationship with the Company. It shall apply equally to all financial crimes as well as those affecting reputation and ethics.

Based on the foregoing, this Policy covers two complementary aspects:

1. Preventive Aspect: This aspect focuses on the key pillars that the company and all its departments shall adopt to combat corruption. In this regard, the rules set forth in this Policy constitute general and primary principles; the Company, represented by its Executive Management, shall establish the executive rules and policies necessary to combat corruption, fraud, and unlawful acts.

2. Remedial or Supervisory Aspect: This aspect focuses on the key pillars for monitoring the first aspect by regulating the reporting of violations and unlawful acts. This falls within the mandate of the Company’s Internal Audit Department, in coordination with the Audit Committee of the Board of Directors.

This Policy shall outline both aspects across two chapters and two sections as set forth herein.

Introductory Chapter: Definitions and Interpretation of the Policy

Article 2: Definitions

The words and phrases used in this Policy shall have the meanings respectively ascribed thereto, with the masculine form also referring to the feminine, the singular to the dual and plural, and vice versa, unless the context or wording indicates otherwise.

Term	Definition
Governance Department	Corporate Governance Department within the company.
General Assembly	The Ordinary General Assembly of the company.
Policy	Anti-Corruption, Fraud and Whistleblowing Policy
Company	Power And Water Utility Company for Jubail and Yanbu (Marafiq) (Saudi Joint-Stock Company)
Board	The Board of Directors of the company.
Anti-Corruption, Fraud and Whistleblowing Policy	<p>Anti-Corruption, Fraud and Whistleblowing Policy are divided into two categories:</p> <ul style="list-style-type: none"> - Violations and Offenses Involving Assets, including completed or attempted acts such as fraud, deceit, theft, embezzlement, breach of trust, and money laundering. - Violations and Offenses Affecting Reputation, including completed or attempted acts such as bribery, forgery, abuse of authority, conflicts of interest, ethical breaches, and similar conduct. <p>The terms “fraud” or “corruption” are also used to refer specifically to violations and offenses involving assets.</p>
Whistleblowing (Report)	The act of drawing attention to or reporting an error, violation, act or omission, misconduct, illegal or unethical activity, corruption, conflict of interest, insider trading, or similar matters, whether actual or potential, to the competent authority for receiving such reports, the Board of Directors, the relevant committee, or the concerned individual(s).
Whistleblower	A person who submits or points out any violation or unlawful act that they sincerely believe is occurring within the company, its departments, divisions, or affiliated/invested entities. The whistleblower may be an employee, contractor, supplier, or consultant who becomes aware of activities in breach of regulations.

Article 3: Policy Interpretation Provisions

3.1 Rules of Interpretation

3.1.1 This Policy, along with any attached appendices (if any), shall be deemed an integral part hereof and a complement to its provisions, and shall be read and interpreted accordingly.

3.1.2 This Policy is directed toward and addresses job positions, not the individuals occupying those positions.

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

3.1.4 This Policy shall prevail over any other Policy on the same subject that may conflict with it.

3.1.5 The Board of Directors shall have the powers to establish the executive rules and procedures for this Policy.

3.1.6 This Policy is drafted in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. If the Authority decides at any time to consider any provision in the Corporate Governance Regulations as mandatory rather than advisory (supplementary), this Policy shall be read considering such decision; thus, the supplementary provision shall become mandatory by force of law and an integral part of this Policy. Furthermore, the inclusion of a supplementary provision in this Policy in the form of a mandatory rule shall not prejudice its status as supplementary and non-binding unless and until the Authority decides otherwise.

3.1.7 The company's consistent or occasional application of any of the guiding principles shall not affect the principle's status as a guideline unless the Board or the Authority issues a specific decision to the contrary. The company may alternate between applying the guiding principle and not applying it as it deems appropriate. Under no circumstances shall approval of this Policy or regulation be considered a binding obligation for the guiding principles contained therein.

3.2 Sources of Judgment on Incidents

3.2.1 The provisions of this Policy shall apply to the matters addressed herein, in both letter and spirit; no interpretation shall be sought where the text is explicit.

3.2.2 The provisions of this Policy shall not conflict with the legislative regulations in force in the Kingdom of Saudi Arabia. In the event of any conflict, the mandatory provisions of the applicable legislation shall prevail.

3.2.3 In the absence of a specific provision in this Policy regarding a particular matter, the following legislative hierarchy shall apply:

3.2.3.1 Mandatory provisions of the Corporate Governance Regulations issued by the Authority.

3.2.3.2 Provisions of the Companies Law and its Executive Regulations.

3.2.3.3 Provisions of the company's Articles of Association.

3.2.3.4 Resolutions of the General Assembly of the company.

3.2.3.5 Resolutions of the Board of Directors.

3.2.3.6 Interpretation by the Governance Department based on the circumstances surrounding each matter for which no specific provision exists.

Chapter I: Combating Corruption and Fraud

Article 4: Criteria for Determining Fraud and Corruption and Responsibilities

4.1 Behavior or act shall be deemed fraud or corruption if one or more of the following criteria are met:

4.1.1 The behavior or act constitutes a breach of professional and ethical standards of integrity.

4.1.2 The behavior or act was carried out with the intent to obtain an unlawful benefit, whether directly or indirectly.

4.1.3 The behavior or act resulted in a loss of the company's assets, profits, or reserves, or caused harm to the company's reputation.

4.2 Acts classified as fraud or corruption include, but are not limited to, the following:

4.2.1 Embezzlement of funds, tools, equipment, or assets.

4.2.2 Deliberate negligence in handling or reporting financial or operational irregularities, or disclosing information with the intent to damage the company's reputation.

4.2.3 Misuse of authority to obtain inside information regarding the company's activities for personal gain.

4.2.4 Disclosing confidential and proprietary information related to the Company's business and clients to external parties.

4.2.6 Accepting or soliciting anything of value or benefit from contractors, suppliers, or persons with a current or expected future relationship with the Company.

4.2.7 Exploiting one's position or authority to obtain direct or indirect benefits.

4.2.8 Any violations related to, derived from, or similar to any of the above items.

4.3 Responsibility of the Chief Executive Officer (CEO)

The CEO of the company is responsible for the effective implementation of anti-corruption and anti-fraud procedures, which includes the following:

4.3.1 Creating a work environment where the prevention and combating of fraud and corruption is the responsibility of all employees of the company.

4.3.2 Establishing and ensuring the presence of clear standards and procedures that limit fraud and corruption and facilitate their detection and accountability.

4.3.3 Ensuring compliance with relevant laws, regulations, procedures, and policies.

4.3.4 Ensuring that appropriate actions are taken upon the discovery of fraud or corruption cases.

4.4 Responsibility of Executive Directors:

4.4.1 Implementing adequate internal controls, including the documentation of anti-fraud and anti-corruption policies and procedures, and assessing their effectiveness in alignment with the company's fraud and corruption risk assessment.

4.4.2 Managing fraud and corruption risks, including demonstrating a clear stance against such acts through words and actions that clarify that fraud and corruption are intolerable, will be dealt with decisively and promptly, and that whistleblowers will receive the necessary protection.

4.4.3 Supporting and facilitating the periodic assessment of fraud and corruption risks as part of the company's risk management process, and reporting to the Board of Directors on the actions taken to manage these risks, as well as providing regular reports on the effectiveness of the anti-fraud and anti-

corruption program. This includes reports on any necessary corrective actions and on fraud and embezzlement cases that have been detected.

4.5 Responsibility of the Legal Department

4.5.1 Providing advice, within its jurisdiction and authority, to departments or units exposed to fraud or corruption, and coordinating with competent authorities to compensate the Company for losses incurred.

4.5.2 Notifying the Internal Audit Department and all relevant parties of fraud and corruption incidents within a "reasonable time," including the actions taken or to be taken regarding reported cases.

4.6 Responsibility of Human Resources

4.6.1 Taking all necessary actions in accordance with the provisions of the Saudi Labor Law in relation to incidents of fraud or corruption.

4.7 Responsibility of Employees, Contractors, and Suppliers

4.7.1 Adhering to this Policy and the Company's Code of Business Conduct and Ethics.

4.7.2 Possessing basic knowledge of the nature and indicators of fraud and corruption.

4.7.3 Being aware of their roles within the internal control framework.

4.7.4 Understanding that their work procedures are designed to control and mitigate the risks of fraud and corruption, and that non-compliance may lead to the occurrence or non-detection of such acts.

4.7.5 Read and understand the relevant policies and procedures, such as the company's Code of Conduct and Business Ethics, as well as other operational policies and procedures like the Human Resources Policy and the Procurement Policy.

4.7.6 To participate in creating a strong control environment that contributes to the development and implementation of anti-fraud and anti-corruption mechanisms and procedures, as well as participating in detecting suspicious activities.

4.7.7 To report any suspected cases of fraud and corruption.

4.7.8 To be cooperative in all investigations activities as requested.

4.8 Responsibility of the Internal Audit Department

4.8.1 Forming an anti-fraud and anti-corruption team and ensuring the effective implementation of this Policy.

4.8.2 Establishing and ensuring the availability of appropriate reporting channels that enable users to report their suspicions regarding fraud or corruption; the data of such channels must be accessible to all and shall be re-published periodically.

4.8.3 Providing objective assurance to the Audit Committee and Senior Management that anti-fraud and anti-corruption procedures are sufficient to identify risks and that controls are operating effectively.

4.8.4 Conducting a comprehensive and adequate review of the risks identified by senior management.

4.8.5 Periodically review the effectiveness of the anti-fraud and anti-corruption measures implemented in the company when developing the annual plan, and ensure that the necessary capabilities are in place to manage fraud and corruption risks.

4.8.6 Maintain regular communication with the parties involved in the company's risk assessment process, as well as relevant managerial positions within the company, to assist them in ensuring that all fraud and corruption risks are properly considered.

4.8.7 Monitoring, analyzing, and investigating identified or reported cases of fraud and corruption, in coordination and cooperation with competent authorities such as the General Department of Legal Affairs and the Human Resources sector, or external entities as required by the nature of the case.

4.8.8 Preparing 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 Retaining documents, records, and files related to proven cases of fraud and corruption for a period of ten years.

Chapter II: Reporting Violations and Unlawful Acts

Article 5: Responsibilities Regarding Violation Reports

Item	Activities	Responsible
5.1	Disseminating this Policy to ensure it is reviewed by all Company employees and any other company (companies) controlled by the Company, directly or indirectly.	Corporate Governance Management
5.2	Establishing communication channels to receive reports of violations and unlawful breaches. A dedicated email address / hotline will be made available for reporting violations and unlawful breaches by individuals.	Internal Audit Management - Information Technology
5.3	Whistleblowers shall send a notification via the dedicated email/hotline directly to the Whistleblowing Registrar to be recorded in the register.	The Secretary of the Violations Reporting Register affiliated with the Internal Audit Department
5.4	The Whistleblowing Registrar maintains the registration system and keeps a special log of reports as received from the whistleblower, including processed reports, closed and open reports, and others.	The Secretary of the Violations Reporting Register affiliated with the Internal Audit Department
5.5	The Director of the Internal Audit Department of the company is responsible for implementing the procedures for reporting violations and unlawful acts at the company level. They work to address all raised concerns fairly and comprehensively in accordance with this Policy. The Director of Internal Audit submits periodic reports on all significant cases of whistleblower reports concerning violations and unlawful breaches, along with the actions taken, to the Audit Committee of the Board of Directors. The Audit Committee is required to: <ol style="list-style-type: none"> 1. Regularly and periodically assess the adequacy and alignment of the company's plans and policies 	Director of Internal Audit Department Audit Committee

	<p>related to preventing and detecting fraud and corruption.</p> <p>Ensure the sufficiency of internal control measures for managing fraud and corruption risks, such as having an anti-fraud, embezzlement, and corruption program and effective reporting mechanisms, and take necessary actions upon discovering any such incidents.</p> <p>Provide guidance to the Internal Audit Department on the best approach to handle significant complaints.</p>	
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Article 6: Reporting Violations

6.1 All managers in the company are responsible for ensuring that employees are aware of this Policy and its implementation, and for fostering an environment where employees can freely express their concerns without fear.

6.2 A person shall report any matter when they believe a violation has occurred, and shall avoid making misleading or malicious reports.

Article 7: Whistleblowing Procedures

7.1 The whistleblower may submit a written or verbal complaint, anonymously or otherwise, accompanied by supporting documents (if any) via the hotline or email address specified in this Policy.

7.2 The Whistleblowing Registrar shall receive the report and assign a serial number to the received report.

7.3 The action taken by the Internal Audit Department in response to the report depends on its nature. The Head of Internal Audit will conduct a preliminary inquiry to determine whether a formal investigation is appropriate.

7.4 Based on the preliminary inquiry, the Head of Internal Audit decides whether further investigation into the report is necessary.

7.5 The Head of Internal Audit may consult with any advisor, department, or division within the company to investigate the reported matter.

7.6 If the Head of Internal Audit decides to conduct an investigation, they will set a target date for completing the investigation, and the Whistleblowing Register Custodian will record that date.

7.7 Once the investigation is complete, a decision is issued by the investigation committee formed by the Internal Audit Department, and the case is closed by recording it in the Custodian's register.

7.8 Failure to act with integrity, non-compliance with the company's Code of Conduct, failure to disclose conflicts of interest, insider trading, or other violations and unlawful acts may lead to disciplinary actions in accordance with the company's policies and procedures, including termination of employment or reporting to the relevant authorities.

7.9 Closed whistleblowing records shall be maintained by the company and encrypted to ensure confidentiality and to protect the privacy of the whistleblower's identity.

Article 8: Confidentiality of the Whistleblower's Identity

The whistleblower shall not be penalized for raising genuine concerns regarding violations and unlawful acts, nor shall they suffer any harm as a result of their report. This includes protection against unjustified disciplinary action and victimization. If the whistleblower believes they are subjected to harm within the workplace as a result of raising concerns under these procedures, they must immediately inform the Internal Audit Manager. Employees who harass or retaliate against a whistleblower shall be subject to disciplinary action.

Article 9: Whistleblower's Responsibility and Reward

9.1 The whistleblower shall not disclose any information or data to anyone other than the designated individuals mentioned in these procedures. If this requirement is not met, the company may take appropriate legal action as it deems necessary to seek compensation for the consequences of such disclosure, especially if it harms the company or damages its reputation.

9.2 The whistleblower shall, if possible, provide sufficient and complete information regarding the reported violations and unlawful acts.

9.3 The whistleblower shall report the violations and unlawful acts as soon as they become aware of them.

9.4 The whistleblower shall not conduct any investigation into the violations or unlawful acts on their own. They shall allow the company sufficient time to take the necessary steps to investigate the matter.

9.5 The whistleblower bears full responsibility for the consequences of submitting any false or forged report, whether by their own doing or with their knowledge, or in bad faith, or for making false claims intended to damage the reputation of the company or its employees, or to harm them in any way. Additionally, in cases where bad faith is proven, the company has the right to take legal action to seek compensation for damages caused to the company and its employees.

9.6 The whistleblower's reward shall depend on the nature and gravity of the violation and the extent to which financial loss or reputational damage was averted. The Audit Committee may recommend a reward for the whistleblower in accordance with the procedures adopted in this regard.

Article 10: Hotline

Hotline and Email Address for Reporting Violations

Email address : whistleblowing@marafiq.com.sa

Phone No. +966 13 340 9889

Article 11: Review and Amendment

11.1 The Audit Committee, in coordination with the Governance Department, shall review this Policy periodically and recommend any necessary amendments to the Board for approval prior to obtaining the consent of the General Assembly.

11.2 The Governance Department of the Company shall be responsible for maintaining the duly signed original version of this Policy and providing the Authority with a copy thereof, as well as any amendments made thereto from time to time.

Article 12: Effective Date

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

Name of the Policy	Anti-Corruption, Fraud and Whistleblowing Policy			
Reviewed and Amended by the Governance Department	Akram Ibrahim Hamdan	Signature:	Date	02/08/2023
	Faisal Khalaf Al-Anazi	Signature:	Date	02/08/2023
Board Secretary	Muhammed Abdulhamid Al-Mulhim	Signature:	Date	02/08/2023
Date of Policy Approved by the Board of Directors	Meeting No. 4/2023 dated 02/08/2023			
Official Language of the Policy	Arabic is the language and English, if available, is for guidance only.			

Jubail Address

P.O. Box 11133
Jubail Industrial City 31961
Kingdom of Saudi Arabia

Tel: 9-200-200-84
Fax: (+966) 13-340-1168

Yanbu Address

P.O. Box 30144
Yanbu Industrial City
Kingdom of Saudi Arabia

Tel: 9-200-200-84
Fax: (+966) 14-321-0367