

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

(A Saudi Joint Stock Company)

CODE OF ETHICS AND CONDUCT POLICY

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Article 1: Purpose

This Policy shall be referred to as the "Code of Ethics and Conduct Policy", prepared in compliance with the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia.

Marafiq and its subsidiaries are continuously committed to upholding ethical principles and values, complying with regulations and the directives of regulatory authorities such as the Capital Market Authority. This commitment aims to enhance the company's reputation and brand image by ensuring that management and all employees, regardless of their positions or roles, exert their utmost efforts and apply the highest professional standards and ethical conduct to serve the company's clients and stakeholders, and to ensure the delivery of the best services. The principles of trust, responsibility, integrity, and respect are fundamental elements and cornerstones in building the reputation and trust that the company has established and continues to strengthen as a key source of value for its clients and a foundation for the commitments it has made to all stakeholders. Preserving the company's values and principles can only be achieved when all employees, without exception, perform their duties and conduct themselves, both personally and professionally, in a manner that upholds the respect and dignity of others, reflects positively on the company and its members, protects its reputation, and avoids any harm resulting from inappropriate behavior, whether inside or outside the company and whether within or outside the Kingdom.

This Policy aims to:

- 1.1 Define the professional and ethical standards that all employees of the company and its subsidiaries shall follow.
- 1.2 Emphasize the commitment of all employees of the company and its subsidiaries to the highest behavioral, professional, and ethical standards, such as honesty, integrity, and responsibility.
- 1.3 Assist in identifying ethical and behavioral issues and ways to address them.
- 1.4 Encourage all employees of the company and its subsidiaries to take responsibility for their actions and to act not only in accordance with the letter of the Policy or legal rules, but also to uphold the spirit of these laws and regulations. They must remain committed to integrity, impartiality, clarity, and transparency when making decisions or handling matters.

In line with the above, this Policy applies to all employees of the company and its subsidiaries, starting from the chairpersons and members of the boards of directors of the company and its subsidiaries, to all company personnel, whether working on a full-time or part-time basis. This includes contracted staff from employment agencies, security guards, hospitality and cleaning staff, and other workers affiliated with third parties.

Article 2: Definitions

The words and expressions used in this Policy shall have the meanings indicated alongside each of them. The masculine form shall include the feminine, the singular shall include the dual and plural, and vice versa, unless the context or wording clearly indicates otherwise:

| Term | Definition |
|--------------------------------------|---|
| Governance Department | The Corporate Governance Department within the company. |
| Policy | The Code of Ethics and Conduct Policy. |
| Company | Power and Water Utility Company for Jubail and Yanbu (Marafiq) (Saudi Joint-Stock Company). |
| Board (or) Board of Directors | The company's Board of Directors. |
| Authority | The Capital Market Authority. |

Article 3: Interpretation of the Policy

3.1 Rules of Interpretation

3.1.1 This Policy and any attached appendices (if any) shall be considered an integral part thereof, serving to supplement and complement its provisions, and shall be read and interpreted in conjunction with it for this purpose.

3.1.2 This Policy is directed toward job positions rather than the individuals occupying them.

3.1.3 All headings in this Policy are provided solely for ease of reference and should not affect the interpretation of the Policy's provisions as a unified whole.

3.1.4 This Policy contains general guidelines and directives that complement all other company policies related to professional conduct issued by the Company and its Human Resources Department. It shall be read and interpreted in conjunction with such policies for this purpose. In case of any conflict between this Policy and other company policies, the specific policies issued by the Human Resources Department shall prevail.

3.1.5 The Board shall have the authority to establish implementing rules and policies for this Policy.

3.1.6 This Policy is formulated in accordance with the mandatory provisions of the Corporate Governance Regulations issued by the Authority. Shall the Authority at any time determine that any provision in the Corporate Governance Regulations is mandatory rather than supplementary, this Policy shall be interpreted accordingly, and the supplementary provision shall become legally binding and an integral part of this Policy. If a supplementary provision is stated in this Policy in mandatory terms, this shall not affect its status as non-binding supplementary text unless and until the Authority determines otherwise.

3.1.7 The company's consistent or occasional application of any guiding (non-binding) provisions shall not render such provisions mandatory, unless a specific resolution is issued by the Board or the Authority stating otherwise. The company retains the discretion to alternate between applying or not applying the guiding provision, as it deems appropriate. Under no circumstances shall the approval of this policy/regulation be construed as rendering the guiding provisions contained therein mandatory.

3.2 Sources of Judgment in Practice

3.2.1 The provisions of this Policy shall apply to matters explicitly addressed by its texts, both in wording and meaning. There shall be no room for interpretation where a clear provision exists.

3.2.2 The provisions of this Policy shall not contradict the legislative regulations of the Kingdom of Saudi Arabia. In the event of any conflict, the mandatory provisions of the legislative regulations shall prevail.

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

- 3.2.3.1 The mandatory provisions of the Corporate Governance Regulations issued by the Authority.
- 3.2.3.2 The provisions of the Companies Law and its implementing regulations.
- 3.2.3.3 The provisions of the company's Articles of Association.
- 3.2.3.4 Resolutions of the company's General Assembly.
- 3.2.3.5 Resolutions of the Board of Directors.
- 3.2.3.6 Interpretation and discretion by the Governance Department based on the circumstances of each matter not explicitly covered by a provision.

Article 4: Maintaining Confidential Information

4.1 All parties subject to this Policy shall maintain confidentiality of information. The term "confidential information" refers to any documents, data, or information that is not publicly disclosed and pertains to the company, and whose exchange or disclosure is subject to restrictions set by the company to regulate such handling. This includes both tangible (physical) information, such as paper documents, and intangible information, such as verbal communication or data stored on electronic media (electronic or digital documents).

4.2 The company and its subsidiaries are committed to protecting the personal and confidential information related to their operations, employees, and clients by applying specific standards outlined in the company's policy. By way of example, and without limitation, confidential information includes, but is not limited to:

- 4.2.1 Employees' personal information, such as salaries, benefits, job grades, and related data.
- 4.2.2 Trade secrets.
- 4.2.3 Business plans, forecasts, and operational strategies.
- 4.2.4 Non-public financial information related to clients, partners, or suppliers.
- 4.2.5 Feasibility studies and assessments for new projects.
- 4.2.6 Clients' financial and personal information.
- 4.2.7 Contract and agreement details with suppliers.
- 4.2.8 Employee and family-related data and information.
- 4.2.9 Lists of employees, clients, partners, and suppliers, with or without contact information.
- 4.2.10 Software and computer programs.
- 4.2.11 Information related to the company's IT systems and infrastructure.
- 4.2.12 Plans for mergers, acquisitions, or asset sales.
- 4.2.13 Major management plans or significant administrative changes within the company.
- 4.2.14 Internal communications, such as video recordings, phone call recordings, and meeting minutes transcripts.

4.3 Anyone working for the company who deals with confidential information must adhere to high professional standards, including at a minimum the following:

- 4.3.1 No confidential information should be received from or disclosed to any party/person before negotiating and signing a Non-Disclosure Agreement (NDA).
- 4.3.2 Confidential information must be handled strictly in accordance with the terms and conditions of the agreed-upon confidentiality agreement.

4.3.3 Any employee or responsible party receiving or providing confidential information must thoroughly read and strictly comply with the terms and conditions set out in the confidentiality agreement.

4.3.4 Full compliance is required with all applicable internal rules, company policies, and local and international laws/regulations concerning data privacy and information security. The company has adopted several internal measures aimed at preventing the leakage of internal information and ensuring it remains within the company, including information related to cybersecurity and any undisclosed information that could impact the company or its reputation.

Article 5: Conflicts of Interest

5.1 Company employees are prohibited from having any direct or indirect personal interest in the company's contracts or projects, or in suppliers or contractors who are conducting or seeking to conduct business with the company.

5.2 No employee shall hold a controlling "personal stake" in any company or entity that conducts or intends to conduct business with the company. This includes holding a position, engaging in activities, owning a controlling financial interest, or any form of ownership in such a company or entity.

5.3 Employees are prohibited from holding any position in a company or entity that is dealing or intends to deal with the company.

5.4 Company employees are forbidden from engaging in any transactions outside the scope of their official duties as employees of the company.

5.5 Employees must comply with the company's Conflict of Interest Policy as adopted and updated from time to time.

Article 6: Business Ethics (Honesty and Integrity)

Work ethics are rooted in the values of honesty, integrity, and dedication to duty. They encompass consistency in policies, procedures, principles, objectives, and outcomes. Honesty and integrity are among the company's core values, which require all company affiliates to adhere to the following:

6.1 Adhere to professional and ethical conduct rules as well as the laws and regulations in force in the Kingdom of Saudi Arabia, and to the company's core values specifically, such as initiative, innovation, care, engagement, trust, and responsibility, as published on the company's official website. Accordingly, no individual subject to this Policy may assist any party in violating or circumventing the professional and ethical conduct rules or any applicable laws or regulations.

6.2 Avoid actual or potential conflicts of interest as outlined in the Conflict of Interest Policy. If an employee or official has any questions regarding a potential conflict of interest, they must consult with their direct manager, the General Manager of Human Resources, the Legal Affairs Manager, or the Governance Department with full openness, transparency, and clarity.

6.3 Treat colleagues, clients, suppliers, and any third parties with respect and dignity, regardless of religion, sect, ethnicity, nationality, or region.

6.4 Affiliates of the company and its subsidiaries must uphold the highest standards of professionalism at all times and demonstrate this through their behavior, actions, and appearance, including attire that aligns with public order, decency, and the company's orientation and policies. They must also embody a spirit of integrity, trust, credibility, and mutual respect.

6.7 Embezzlement, misuse of company or subsidiary assets, or unauthorized disclosure of company information is considered a breach of trust and integrity and constitutes fraudulent behavior. Therefore, company affiliates must comply with the following:

6.7.1 Safeguard the company's assets and properties, and refrain from using such assets for personal purposes or for personal gain. Employees are not permitted to use the company's official office supplies, trademark, documents, or name for unauthorized purposes. These assets include, but are not limited to:

6.7.1.1 Physical and intellectual property.

6.7.1.2 Computer systems, equipment, and technology.

6.7.1.3 Business and product plans.

6.7.1.4 Customer and employee information.

6.7.1.5 Supplier and distributor information.

6.7.1.6 The company's trademark.

6.7.1.7 Company communication channels such as email and telephones.

6.7.1.8 All other personal, private, and confidential information related to the company or its employees.

6.7.2 Refrain from conducting any transaction that transfers ownership or benefit, such as selling, lending, mortgaging, or donating any company-owned assets, regardless of their condition or value, unless they are authorized to do so according to the company's delegation of authority matrix.

6.7.3 Avoid negligence, waste, or unauthorized use of the company's assets.

6.7.4 Do not misuse any product, automated system, or intellectual property that was created, developed, or enhanced during their employment with the company. Such assets are considered company property, and this obligation continues even after the employment relationship ends.

6.7.5 Employment with the company and its subsidiaries must remain the employee's primary and sole work commitment unless otherwise stated in the employment contract. Therefore, employees must strictly refrain, without prior written approval from the company, from seeking or accepting external assignments or participating in any external activities that offer financial or reputational gain, as such activities may increase the company's liability and often undermine the employee's quality of work and commitment to their role within the company.

6.7.6 The rules of professional and ethical conduct align with and complement the principles of corporate social responsibility. These rules are intended to affirm and implement key principles adopted by the company, such as:

6.7.6.1 **Transparency:** The company is committed to disclosing its policies, procedures, decisions, activities, and their known and potential impacts on the environment and society. This information must be made available to affected or potentially affected stakeholders.

6.7.6.2 **Ethical Conduct:** The company adopts behaviors and practices based on the ethics of honesty, integrity, fairness, and responsibility toward all members of society, with a commitment to serving the interests of stakeholders, including customers and employees.

6.7.6.3 **Respect for Stakeholders' Interests:** The company takes into account the relationship between stakeholders' interests and broader societal expectations, as well as the nature of those stakeholders' relationships with the company. It also considers stakeholders' perspectives that may be affected by a particular decision.

6.7.6.4 Respect for Laws and Regulations: The company and all its members, without exception, are committed to complying with all applicable local and international laws, regulations, rules, and standards that are written, published, effective, and enforceable, in accordance with firm, defined, and documented policies and procedures.

6.7.6.5 Respect for International Norms of Professional Conduct: The company respects internationally recognized professional standards and norms acknowledged by the state.

6.7.7 Violating the rules of professional and ethical conduct may result in disciplinary actions or other corrective measures in accordance with the applicable laws of the Kingdom and the company's approved policies and regulations. These may include termination of employment and, if necessary, both civil and criminal prosecution. The implementation of disciplinary and/or legal actions depends on the nature, severity, and impact of the violation. These matters are addressed in consultation with the Governance Department, the Legal Affairs Department, and the Human Resources Department, taking into consideration whether the act was intentional or accidental and whether it was committed in good faith, as factors that may mitigate the penalty.

Article 7: Acceptance of Gifts

Gifts are tangible items and include goods or services (either fully paid or discounted), gratuities, entertainment, or other items of value, whether full or partial, that are offered as gestures of courtesy with the intent to build and/or strengthen partnerships, relationships, and goodwill between various business entities, or to influence how an employee performs their job duties. Therefore, gifts must not be accepted by the employee or their family members (parents, spouses, or children) under any of the following circumstances:

7.1 If the gift giver expects something in return, attempts to gain an unfair advantage, or seeks to influence the way the employee performs their job duties.

7.2 If accepting the gift would compromise the employee's ability to make fair and objective business decisions.

7.3 If the gift is intended to motivate actions or decisions that would not have occurred without the gift, or if accepting the gift results in any of the aforementioned situations.

7.4 The estimated value of gifts is subject to a maximum limit of 300 Saudi Riyals. Any gift, hospitality, or service exceeding this value must be rejected and disclosed to the direct manager. Even if the gift or offer is valued below 300 Saudi Riyals, the employee must still inform their direct manager.

7.5 Offering or receiving a gift in the form of training, accommodation, vacation, sponsorship of a conference or seminar, or anything similar ("sponsorship"), regardless of whether it is of a training nature or not, is considered an excessive gift that could affect the actual or perceived objectivity of any individual. Therefore, no member may accept or offer any such sponsorship unilaterally in their personal capacity.

Article 8: Bribery, Commissions, and Fraud

8.1 Employees are strictly prohibited from accepting bribes, promises, or preferential financial grants. Offers, transactions, contracts, and obligations must be based on objective business criteria. Collusion or conspiracy with competitors in any form is also strictly forbidden. Favoritism or potential favoritism constitutes a conflict of interest and a violation of the Code of Conduct.

Subject to the above, the following are not considered violations of this Policy:

8.1.1 Promotional or advertising materials of limited commercial value.

8.1.2 Occasional business entertainment, such as invitations to lunch or dinner events attended by the rest of the team, but not individually.

8.2 Fraud is a practice involving the use of deception to directly or indirectly obtain some form of financial benefit for the perpetrator or to facilitate such benefit for others, resulting in some form of loss to the party being defrauded. The actual loss resulting from fraudulent actions often relates to liquid assets such as cash, securities, and other tangible or intangible assets, leading to losses for the company, shareholders, or customers. Fraud may include the deliberate misrepresentation of facts to deceive someone into relinquishing something of value or a legal right.

The company has established a comprehensive set of anti-fraud and anti-corruption policies aimed at implementing controls that will help detect and prevent fraudulent activities. The company seeks to promote consistent institutional behavior by enforcing strict rules for establishing and managing internal controls, identifying and assessing potential fraud risks against the company, and conducting investigations into fraudulent acts.

8.3 The company is committed to complying with applicable laws, regulations, accounting standards, internal accounting controls, and recognized auditing practices. All employees are required to read, understand, and adhere to the company's anti-fraud policies and controls.

Article 9: Work Attire

9.1 In order to maintain and uphold the company's image, employees who are required to wear formal attire or a uniform during working hours are prohibited from wearing any other type of clothing.

9.2 The company provides specific work attire when required for the job. Employees and their visitors must adhere to basic dress code standards. Supervisors are responsible for monitoring their employees' compliance with workplace dress code standards.

9.3 The relevant department manager determines the time, place, and the employees required to wear work attire, taking into consideration the employee's safety, the work environment, and the company's needs.

9.4 Work attire that is worn frequently or regularly is issued to employees on a periodic basis, and the quantity provided is determined by the relevant policy.

9.5 The Safety and Security Department is authorized to issue personal protective clothing.

Article 10: Grievance Procedures

Grievance procedures address employee complaints related to operational conditions, with the aim of improving employee satisfaction and enabling them to perform their duties effectively. The grievance process consists of three (3) hearing levels.

10.1 First-Level Hearing

10.1.1 The employee must initiate the grievance in writing and submit it to their immediate supervisor.

10.1.2 The employee must discuss the grievance with their supervisor, who will conduct an investigation and respond to the employee within two weeks. The response may be verbal or written, as appropriate.

10.2 Second-Level Hearing

10.2.1 If the issue is not satisfactorily resolved by the immediate supervisor, the employee may escalate the grievance to the next level of supervision (typically the department manager), who will attempt to resolve the complaint within two weeks.

10.2.2 If the department manager does not resolve the issue, the employee may escalate the matter to the Vice President / General Manager, who will attempt to resolve the grievance within two weeks.

10.2.3 If the issue still remains unresolved, the employee shall refer the matter to the Human Resources Department.

10.3 Third-Level Hearing

10.3.1 When the employee submits a written grievance, the Human Resources Department must notify the relevant department manager about the pending complaint.

10.3.2 The Employee Relations and Benefits Department will schedule another meeting involving all parties to resolve the complaint. During this meeting, a Human Resources representative will act as a neutral mediator working to reach a mutually acceptable resolution.

10.3.3 The complainant(s) and the immediate supervisor may bring other employees from the company as witnesses at this stage of the procedure.

10.3.4 The department manager or management representative must provide a written response to the grievance within two weeks following the meeting.

10.3.5 If the grievance remains unresolved, or if its nature may have implications for other employees, the complaint may be escalated to a higher level, the General Manager of the Employee Relations and Benefits Department.

10.3.6 If the grievance is not resolved by the General Manager of the Employee Relations and Benefits Department, the employee may escalate the grievance to the Company Grievance Committee.

10.3.7 The Company Grievance Committee shall investigate the grievance and submit a recommended resolution to the Chief Executive Officer of the company.

10.4 If the grievance or complaint is not finally resolved within the company, or if the employee is not satisfied with the final decision, the employee may submit the complaint to the relevant authority in accordance with the Labor Law. In such cases, it becomes the responsibility of the General Manager of Employee Relations and Benefits, in coordination with the company's legal representative, to follow up and resolve the grievance or complaint with the competent judicial authority.

10.5 No employee shall be subjected to any unfair treatment for submitting a grievance or complaint under the provisions of this Policy.

10.6 The employee must be granted release from regular duties as necessary to attend grievance hearings, without any deduction from their salary.

Article 11: Disciplinary Procedures

The company imposes disciplinary actions for violations in accordance with the Company's Approved Violations and Penalties Schedule, which is attached to the Code of Conduct.

Article 12: Intellectual Property Rights - Inventions/Patents

Inventions made in the course of work are considered the property of the company. The employee is rewarded for them in accordance with the company's approved policy, but the use and patent rights remain the exclusive property of the company.

Special awards may be granted for exceptional achievements by employees, in accordance with the approved company policy.

Article 13: Duties of Loyalty and Care

13.1 Every member of the Board of Directors, the executive management, and company employees is required to uphold the duties of loyalty and care toward the company, take actions that protect its interests, contribute to its growth and value maximization, and always prioritize the company's interests over personal interests.

13.2 A member of the Board of Directors must represent all shareholders of the company and take all necessary actions that serve the best interests of the company and its shareholders, while also considering the rights of other stakeholders, not only the interests of the group that elected them.

13.3 No employee or board member is permitted to exploit their position to gain benefits for themselves or others.

Article 14: Review and Amendment

14.1 The Nominations and Remuneration Committee shall review this Policy in coordination with the company's management when necessary and recommend any amendments to the Board of Directors for approval prior to obtaining the General Assembly's approval.

14.2 The Governance Department of the company shall retain the original signed version of this Policy.

Article 15: Effective Date of the Policy

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

| | | | | |
|--|---|------------|------|------------|
| Name of the Policy | Code of Ethics and Conduct 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. | | | |

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