

**Issuer: Board of Directors**  
**Subject: Whistle-blowing Policy**  
**Release Date: 2019\12\25**  
**Adopted By: Board of Directors**  
**Adoption Date: 2020\1\09**

**No. 2019-1**

## **Whistle-blowing Policy**

### **1) Purpose**

In line with AlKathiri Holding Company values, the company seeks to conduct its business in conformity with its personal traits (identity), the dynamics of teamwork and organizational culture at all times. AlKathiri Holding's personal traits are demonstrated by being a group of highly skilled individuals whose resolution is to be modest, determined and continuously seeking knowledge through good example. AlKathiri Holding teamwork dynamics supports mutual trust, lenience, solidarity, and keenness. AlKathiri Holding's organizational culture promotes a culture of integrity, commitment, determination, and persistence.

However, we acknowledge that all organizations face the risk of their activities going wrong from time to time, or of unknowingly harboring malpractice. We believe we have a duty to take appropriate measures to identify such situations and attempt to remedy them. By encouraging a culture of openness and accountability within the organization, we believe that we can help prevent such situations from occurring. We expect all staff to maintain high standards in compliance with our code of ethics and to report any wrongdoing that falls short of these fundamental principles. The aim of this policy is to ensure that our concerned persons are confident that they can raise any matters of genuine concern without fear of reprisals, in the knowledge that they will be taken seriously and that their concerns shall be investigated appropriately and in a confidential manner.

The following guidelines stipulate the procedure by which employees/concerned persons can report concerns about workplace practices.

### **2) Personnel responsible for implementing policy**

The Board has overall responsibility for AlKathiri Holding's whistle-blowing policy but has delegated day-to-day responsibility for overseeing and implementing it to the Designated Whistle-blowing Officer (DWO). Monitoring and reviewing the operation of the policy, and any recommendations for change within the organization resulting from investigations into complaints under the policy is the responsibility of the Audit Committee.

Concerned Persons are responsible for the success of this policy. They shall ensure that they take steps to disclose any wrongdoing or malpractice they may become aware of. If there are any questions about the content or application of this policy, the DWO should be contacted for clarification.

### **3) Who is covered by the policy?**

This policy applies to all individuals working for AlKathiri Holding at all levels and grades including, members of the executive management, senior managers and employees (including permanent, temporary and part-time employees), trainees, customers, members of the public, agency staff contractors, external consultants, suppliers and vendors (collectively referred to as “Concerned Persons” in this policy) whom might obtain insider knowledge regarding malpractice or illegal activities taking place within the organization, either through witnessing the behavior or being advised of it (Tip-offs) which fall under the categories outlined below.

### **4) What disclosures are covered?**

This policy shall be used if there is a genuine concern that there are substantial grounds for believing that:

1. A fraud or theft is suspected.
2. A criminal offence has been committed, is being committed, or is likely to be committed; or
3. A person has failed, is failing, or is likely to fail to comply with his or her legal obligations whether derived from statute, regulations or contracts; or
4. The state of health and safety of anyone is threatened, is being threatened, or is likely to be threatened; or
5. The environment has been, is being, or is likely to be damaged; or
6. Any of the above is being, or is likely to be, deliberately concealed.

In the framework of AlKathiri Holding's business, particular concerns which may fall under the terms of this policy include, for example, breach of our code of conduct/ethics, breach of confidentiality, financial fraud or breach of health and safety requirements. In general, this policy covers actions and omissions that may be considered illegal in contradiction with applicable policies or procedures, or fall outside the scope of an individual's authority, or conflicts of interest or actions which could damage AlKathiri Holding's reputation.

Concerns should be reported or disclose in good faith and any false accusations are forbidden under this procedure. If there are doubts whether the matters of concern are within the scope of this policy (for example, if there are suspicions or uncertainty as to whether the law has been broken, or whether a person is acting outside the scope of their authority), such concerns should be reported to the DWO in line with the procedures stipulated below.

## **5) How should a disclosure be made?**

Possible/actual fraud activities should be reported by submitting a complaint to the company's website <https://alkathiriholding.com/contact/> noting that in the future, other channels such as telephone reporting and e-mails could be introduced.

Thereafter, AlKathiri Holding and its affiliates employees must formalize their concerns with the DWO in writing. Any person raising a concern (whistle blower) must state that they are using the Whistle-blowing Policy and specify whether they wish their identity to be kept secret. The DWO will ask such persons raising concerns to formalize their concerns in writing either before or after the first interaction. The DWO shall acknowledge receipt of formal written disclosure and keep a record of further action to be taken.

All formally written disclosures should be addressed to the DWO and should include (if possible) a clear understanding of the issue being raised, should be factual rather than speculative, date & time of the disclosure, incident or suspicion, name of the complaint, the details of communications, the nature of the disclosure, time & period of the alleged disclosure, the circumstances of the allegation, the location of the allegation, the name or names of the accused and the amount involved.

## **6) Investigation of disclosure**

Alkathiri Holding is committed to fully, fairly, quickly, and confidentially investigating disclosures where circumstances permit. Following the submission of a formal written disclosure, the DWO (or another individual acting in his place) will acknowledge receipt and make appropriate arrangements for examining the disclosure (Tip-Off).

The length and scope of the examination will depend on the subject matter of the disclosure. In most cases, the DWO an initial assessment of the disclosure will be carried out to determine whether there are bases for a detailed investigation to take place or whether the disclosure is, for example, based on wrong information. Based on the preliminary assessment, the DWO may delegate, consult with, and seek guidance from, the relevant department(s) at Alkathiri Holding & its affiliates. (for example, if a disclosure relates to a financial matter, the DWO should consult with Finance and if it relates to health and safety, he should seek the advice of Health & Safety, etc.). Further, if the disclosure, after examination and initial assessment, relates to a Financial and/or Compliance issue, the DWO shall either recommend file & close or conduct a detailed investigation. However, if the disclosure relates to a people issue the matter will be delegated to HR & raised to Grievance Committee if needed. The closing status of these matters will be reported to the Audit Committee through DWO monitoring.

In any case, a report shall be submitted to the Audit Committee and the Committee shall report to the Board of Directors a summary of the outcome of the Whistleblowing disclosures within the regular reports submitted by the Audit Committee to the Board of Directors during the year. If there is dissatisfaction with the investigation or its conclusion then the whistle blower who raised the concern should write directly to Alkathiri Holding's Board Secretary detailing the concerns, and the Board Secretary shall then communicate the written complaint to the Grievance Committee.

If a longer investigation required, the DWO will usually appoint an investigator or investigative team including personnel with experience of operating workplace procedures or special knowledge of the disclosure subject matter. The investigative team shall recommend changes to minimize the risk of the recurrence of any malpractice or impropriety that has been uncovered. The Audit Committee will then be responsible for reviewing and, if considered appropriate, implementing these recommendations.

In case the preliminary assessment of the investigation results involves Senior Members of Alkathiri Holding & its affiliates, a special committee formed by the Audit Committee shall handle the investigation. Whistle blowers will be, as far as the DWO considers it appropriate and practicable, kept informed of the progress of the investigation. However, the need for confidentiality may prevent Alkathiri Holding from giving specific details of the investigation or actions taken.

## **7) Anonymously**

Alkathiri Holding & its affiliates acknowledge that disclosures made under this policy may involve highly confidential and sensitive matters and that the whistle blower may prefer to make an anonymous disclosure. However, Alkathiri Holding regrets that it cannot guarantee to investigate all anonymous allegations. If the investigator cannot obtain further information, give feedback, or ascertain whether the disclosure was made in good faith, proper investigation may be impossible. It is preferable for whistle-blowers to reveal their identity to the DWO. Nonetheless, measures can be taken to preserve confidentiality and protect anonymity if appropriate (see below on confidentiality).

Excluding rare cases that requires external investigation by relevant government authorities, all reports shall be treated on a confidential and anonymous basis and only those with a need to know will be involved in or know of the investigation.

Alkathiri Holding acknowledges that there may be matters that cannot be dealt with internally and in need of external parties involvement. Thus, the external parties shall be notified and become involved either during or after the investigation. Alkathiri Holding will endeavor to inform whistle blowers if a referral to an external authority is about to or has taken place, although

Alkathiri Holding may need, if Alkathiri Holding considers it appropriate, to make such referral without the knowledge or consent of the whistle blower.

## **8) Confidentiality**

Every effort will be made to keep the identity of an individual who makes a disclosure under this policy confidential, at least until any formal investigation is undertaken. The whistle blower will be expected, for the purpose of not jeopardizing the investigation, to keep the fact that they have raised a concern, the nature of the concern and the identity of those involved confidential. However, there may be circumstances in which, because of the nature of the investigation or disclosure, it may be necessary to disclose the identity of the whistle blower. This may occur with respect to associated disciplinary or legal investigations or proceedings. Alkathiri Holding shall, if Alkathiri Holding believes such circumstances exist, exert every effort to inform the whistle blower that their identity is likely to be disclosed and all reasonable steps will be taken to protect such persons from any victimization or detriment as a result of having made a disclosure. If it is necessary for persons raising concerns to participate in an investigation, the fact that they made the original disclosure will, so far as is reasonably practicable, be kept confidential. However, it is possible that the whistle-blower's identity could still become apparent to third parties in the course of an investigation.

## **9) Protection and support for whistle-blowers**

Concerned Persons who raises bona fide concerns under this procedure shall not be subjected to any detriment because of such action. Detriment includes unjustified disciplinary action and victimization. If a whistle blower believes that they are being subjected to a detriment within the workplace as a result of raising concerns under this procedure, they should inform the DWO immediately. Employees who victimize or retaliate against those who have raised concerns under this policy will be subject to disciplinary action.

If an investigation under this procedure concludes that a disclosure has been carried out with the aim of maliciousness, in bad faith or with a view to personal gain, the whistle-blower will be subject to disciplinary action. Those choosing to make disclosures without following this procedure may not receive the protection above said.

## **10) Recognition**

The DWO may, depending on the nature & gravity of the disclosure, recommend some sort of recognition to the Audit Committee for approval. The recommended recognitions shall be decided by the CEO and Head of Human

Resources and approved by the Compensation Committee. This applies only if the whistleblower disclosed their complete identity and assisted in the investigation by providing proof and evidence. This policy, however, reaffirms that if a disclosure was made maliciously, in bad faith or with a view to personal gain, the whistle-blower shall be subjected to disciplinary action.

#### **11) Review and amendments of this policy**

The Board of Directors will be responsible for reviewing this policy from an operational perspective periodically (i.e. every two years).