


Sahara International Petrochemical Company (SIPCHEM)			
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Attributes	Document SME:	Document Owner:	Document Sponsor:
Name:	Sherif A. Elagmawy	Sherif A. Elagmawy	Abdullah Al-Saadoon
Designation:	Chief Internal Auditor	Chief Internal Auditor	CEO, SIPCHEM
Signature:	<i>Sherif, Agamaw</i>	<i>Sherif, Agamaw</i>	<i>Abdullah Al-Saadoon</i>
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Contributors

#	Department	Name	Designation
1			
2			
3			
4			
5			

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1. PURPOSE

The purpose of this policy is to provide guidance in identifying and handling potential and actual Conflicts of Interest involving SIPCHEM Group. In most instances, Conflicts of Interest can be avoided simply by continuing to exercise good judgment. SIPCHEM Group relies on the sound judgment of its employees to prevent such conflicting situations.

2. SCOPE & FIELD OF APPLICATION

This policy complements, and does not replace, the Saudi Arabian legislations and laws governing the Conflicts of Interest and or any other laws and regulations that SIPCHEM Subsidiaries (in foreign countries) must comply with.


This Policy applies to the following:

- 2.1 Any Responsible Person.
- 2.2 Substantial Shareholders of the Company.
- 2.3 Board members of the Company or any of its affiliates and their relatives.
- 2.4 Senior Executives of the Company or any of its affiliates and their relatives.
- 2.5 Board members and Senior Executives of Substantial Shareholders of the Company.
- 2.6 Entities, other than companies, owned by a Board member or any Senior Executive or their relatives.
- 2.7 Companies in which a Board member or a Senior Executive or any of their relatives is a partner.
- 2.8 Companies in which a Board member or a Senior Executive or any of their relatives is a member of their Board of directors or is one of its Senior Executives.
- 2.9 Joint stock companies in which a member of the Board or a Senior Executive or any of their relatives owns (5%) or more.
- 2.10 Companies in which a Board member or a Senior Executive or any of their relatives has an influence on their decisions even if only by giving advice or guidance.
- 2.11 Any person whose advice or guidance influences the decisions of the Company, the Board, and the Senior Executives.

3. ABBREVIATIONS & DEFINITIONS

3.1 Conflict of Interest: Generally, a conflict of interest may occur if an endeavor or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her employment responsibilities in the best interest of SIPCHEM Group.

An individual is considered to have a potential Conflict of Interest when:

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3.1.1 He or she or any family member receives a financial or other significant benefit from a third party as a result of the individual's position at SIPCHEM Group.

3.1.2 The individual has the opportunity to influence SIPCHEM Group's business, administrative, or other material decisions in a manner that leads to personal gain or advantage; or

3.1.3 The individual has an existing or potential financial or other significant interest which impairs or might appear to impair the individual's judgment in carrying out their responsibilities to SIPCHEM Group.

3.2 Responsible Person: Is any person serving as an employee (at any level) with access to material/confidential information and/or with a capability of making/influencing decisions, or member of the board of directors of SIPCHEM and/or its affiliates.

3.3 Family Member: is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, nephew, niece, or spouse of a nephew or niece, uncle, aunt, or spouse of an uncle or aunt of any Responsible Person.

3.4 Agreement or Transaction is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan, or the establishment of any other type of pecuniary relationship by SIPCHEM Group.

3.5 CMA: The Capital Market Authority in the Kingdom of Saudi Arabia

3.6 The Group/SIPCHEM Group: SIPCHEM company and all its affiliates.

4. REFERENCES

None.


5. REQUIREMENTS

5.1 CONFLICT OF INTEREST POLICY

5.1.1 SIPCHEM Group complies with applicable laws and regulations.

5.1.2 SIPCHEM Group is committed to conducting business fairly, openly, and honestly and in accordance with the highest ethical and legal standards.


5.1.3 SIPCHEM Group is committed to the highest levels of integrity. Employees of SIPCHEM Group are expected to conduct their relationships with each other, SIPCHEM Group, and external parties with objectivity and honesty.

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- 5.1.4** This policy has been developed because Conflicts of Interest commonly arise, and do not need to present a problem to SIPCHEM Group if they are openly and effectively managed.
- 5.1.5** The general rule is that: Group employees are obligated to avoid and disclose ethical, legal, financial, or other Conflicts of Interest involving SIPCHEM Group, and remove themselves from a position of decision-making authority with respect to any conflicting situation involving SIPCHEM Group.
- 5.1.6** SIPCHEM Group requires all those receiving The Group funds or representing The Group, including its suppliers, contractors, and agents, to act in accordance with this policy. This includes reporting to the Chief Internal Auditor via channels indicated in the Whistleblowing Policy and Procedure Manual any suspected or actual instances of Conflict of Interest involving SIPCHEM Group.

5.2 Disclosure and Management of Conflicts of Interest

- 5.2.1** All positions of influence, financial benefits, financial interests, and other potential Conflicts of Interest must be disclosed. If an appearance of impropriety or actual Conflict of Interest exists, appropriate actions must be taken, which will vary depending upon the particular facts.
- 5.2.2** The employee involved in the conflict must work cooperatively with their manager to achieve a resolution of the conflict in the best interests of The Group. Depending upon the nature of the conflict, this may include the employee being removed from a position of decision-making authority with respect to the conflict situation or other more serious actions.
- 5.2.3** Before a board or committee action on an agreement or transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who attends the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- 5.2.4** A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- 5.2.5** A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such a person shall not attempt to

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exert his or her personal influence with respect to the matter, either at or outside the meeting.


- 5.2.6** A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a Conflict of Interest may not vote on the agreement or transaction and shall not be present in the meeting room when the vote is taken unless the vote is by secret ballot. Such a person's ineligibility to vote shall be reflected in the minutes of the meeting.
- 5.2.7** In the event it is not entirely clear that a Conflict of Interest exists, the employee/board member with the potential conflict shall disclose the circumstances to his line manager or to the Chair, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

5.3 Gifts and Entertainment

- 5.3.1** SIPCHEM Group employees may not receive or offer gifts, entertainment, or anything else of significant value (e.g., financial payments, awards, loans, services, fees, etc.) for the purpose of influencing the action of The Group or of the recipient.
- 5.3.2** Gifts and entertainment (except those generally valued at \$100 or less) received from vendors, suppliers, and consultants as part of normal business practice, must be declined.
- 5.3.3** This guideline is not intended to prohibit normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote The Group's legitimate business interests.
- 5.3.4** If an employee believes there is an appropriate reason to make an exception to this policy for an individual situation, he or she should contact the line manager to obtain a written approval (i.e., via e-mail) from a General Manager or Higher Authority (i.e., VP, President, CEO) prior to giving or accepting the gift.

5.4 Confidentiality

- 5.4.1** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be averse to the interests of SIPCHEM Group. Furthermore, a Responsible Person shall not disclose or use information

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relating to the business of The Group for the personal profit or advantage of the Responsible Person or a Family Member.


5.5 Monitoring the Implementation and Violations of The Conflict-of-Interest Policy

- 5.5.1** The Audit Committee shall supervise the implementation of this policy, through a review of cases, agreements and transactions that are made with stakeholders or that are likely to result in conflicts of interest and shall submit the recommendations it deems necessary to the Board of Directors.
- 5.5.2** The Audit Committee shall review all the situations and transactions that the company plans to undertake with any related parties and shall provide its views and recommendations on such situations and transactions to the Board of Directors.
- 5.5.3** In compliance with the Companies' Law and the CMA, SIPCHEM Group Board of Directors shall notify the CMA and the General Assembly of the contracts or transactions executed by the Company with a related party.

5.6 Examples of Conflict-of-Interest Activities and Relationships

The following activities illustrate types of potential or actual Conflicts of Interest that should be avoided and disclosed, as applicable, in accordance with this policy. The list is not all inclusive and is intended only to provide guidance.

- 5.6.1** Self-benefit: Using your position or relationship within SIPCHEM Group to promote your own interests or those of your family, including use of confidential or privileged information acquired in the course of employment at The Group for benefit or gain of yourself or your Family Members.
- 5.6.2** Influence peddling: Soliciting benefits for yourself or your family from outside organizations in exchange for using your influence to advance the interests of that organization within the group.
- 5.6.3** Other business relationships and dealings: Approving agreements or transactions with organizations in which you or your family have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of the agreements or transactions, or otherwise direct the foundation's business dealings with that business or entity.
- 5.6.4** Outside commitments: Participating in social activities is not restricted as long as you participate as an individual and not as a representative of The Group.

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5.6.5 Property transactions: Directly or indirectly leasing, renting, trading, or selling tangible property to or from the group.

5.6.6 Use of The Group property for personal advantage: Using or taking SIPCHEM Group resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized activities.

5.6.7 Recording or reporting false information: Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.

5.7 Ownership and Frequency of Review

The Conflict-of-Interest Policy remains the property of SIPCHEM Group. However, its custody and management rest with the Internal Audit Department.

This policy shall be subject to review every two (2) years or as may be deemed necessary. All suggestions for review and or amendments shall be forwarded to the Group Chief Internal Auditor for necessary action.

6. RESPONSIBILITIES

All Sipchem Direct and Contract employees are responsible to adhere to this policy.

7. VERIFICATION AND FEEDBACK PROCESSES


None.

8. RELATED STANDARDS AND DOCUMENTS

- 8.1 SIPC-IA-Y-002 Whistle Blowing Procedure
- 8.2 SIPC-IA-Y-003 Anti-Fraud Program
- 8.3 SIPC-HRCE-N-001 HR General Policy and Procedure

9. SYSTEM DOCUMENTATION & RECORDS

The soft copy of this document will be issued in Q-Pulse and retained for its validity.

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10. ATTACHMENT

None.