



# Compliance Policy





## Policy Approval

**This policy was approved by Board of Directors decision issued on 07/31/2023**



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## The Purpose

This Compliance Policy sets out the guiding principles and framework for Alandalus' approach to compliance.

## Scope

- All employees and contract practitioners must acknowledge their responsibility to report any suspected instances of suspected or known non-compliance to their immediate supervisor, CEO, or Compliance Officer.
- Appropriate means are provided to enable confidential reports, and reports can be submitted to avoid any fear of retaliation or blackmail.
- Failure to report known non-compliance or submission of reports that are not in good faith will be grounds for disciplinary action, up to and including termination.
- Reports of harassment or other workplace-related issues will be referred to the Conduct Misconduct Committee.
- Failure to adequately manage compliance risks could result in reputational damage, legal or regulatory penalties, financial losses, harm to our customers, or harm to the safety and health of our operations.

The company's compliance policy is based on the following fundamental principles:

- 1.The company's integrity and reputation are essential to its success: It is important to understand the rules, regulations, and standards that apply to the company's business and adhere to them.
- 2.The company's Board of Directors sets the ethical compliance tone from the top: The Board of Directors maintains high standards of ethical behavior and supports a comprehensive compliance program that holds management accountable.
- 3.All company departments are responsible for: providing resources to their teams to manage their compliance obligations and ensuring their teams adhere to our ethical standards.
4. Compliance is a responsibility shared by every employee: We all play a role and must understand and support our compliance responsibilities.

## Al-Andalus property Company's compliance policy is based on the following basic principles

1. The integrity and reputation of the company are fundamental to its success: it is important to understand and adhere to the rules, regulations and standards that apply to the company's business.
2. A company's Board of Directors determines ethical compliance from the top: The Board of Directors maintains high standards of ethical behavior and supports a comprehensive compliance program that holds management accountable.
3. All Company departments are responsible for: Providing resources to their teams to manage their compliance obligations and keeping their teams in compliance with our ethical standards.
4. Compliance is a responsibility every employee share: We all play a role and must understand and support our compliance responsibilities.



## **Compliance Concept**

Corporate compliance is defined as:

The presence of internal policies and procedures designed to prevent and detect violations of applicable laws, regulations, policies, contractual obligations, rules, and ethical standards by employees, agents, and others. This involves managing legal risks and internal controls.

## **According to this policy**

1. The policies, procedures and standards to which the Company must adhere ("Compliance Requirements") are defined and documented.
2. Compliance requirements that apply to each business unit are identified and business units are educated on these requirements.
3. A risk-based mechanism is used to monitor compliance with these requirements that are constantly applied in the company.
4. All employees of the company and its business units play an important role in the success of this compliance policy.

## **All employees must act in a professional and ethical manner, adhering to the following principles**

1. Honesty and Integrity: Everyone must act honestly, fairly and fairly in all business dealings. They should not misrepresent themselves, the Company or its services, nor should they provide false or misleading information.
2. Respect: All employees must treat each other, customers, and suppliers with respect and dignity. Discrimination, harassment, or any form of offensive or disrespectful behavior is prohibited.
3. Confidentiality: Employees must maintain and protect confidential and proprietary information about the company. They must not disclose any confidential information, either during or after their employment, to any unauthorized person.
4. Compliance: All employees must comply with all applicable laws, regulations, company policies, and industry best practices. Failure to comply with these standards could result in legal liabilities, fines, or damage to the company's reputation.

## **Reporting**

We encourage our employees to report any potential violations of this policy, or any unethical or illegal behavior, through the appropriate channels. To ensure fair reporting, we prohibit retaliation against employees who report in good faith. Any complaints will be investigated thoroughly, and appropriate action will be taken. Please refer to our Whistleblowing Policy.

## **Process and procedures for compliance violations**

- Identifying any violation of the laws and regulations, the company's compliance policy, or any of the internal policies and regulations is the most important step in the implementation process.



- Due to the variety of forms of violations and the different circumstances in which they can occur, we cannot use a uniform procedure to investigate and identify violations.

In some cases, informal meetings between supervisors and employees may be sufficient to address minor violations, while serious violations may merit a full and formal investigation by legal counsel or outside investigators.

However, there are basic principles that will be consistent from case to case:

1. Every report of known or suspected violation will be promptly and thoroughly investigated.
2. The employee under investigation will be given an opportunity to explain their actions.
3. Supervisors or managers directing the investigation carefully document all actions taken and decisions reached.
4. A report must be prepared, if necessary, even if the investigation reveals that no violation occurred.
5. The investigation report must include a summary of the incident, the investigation conducted, its results, and the actions taken regarding the reported violation.
6. In the event of a violation of the Systems or the Company's Compliance Policy, the Company will determine how and why the violation occurred and the Company will identify and implement steps to prevent similar violations from recurring.

### **Compliance Procedures**

The compliance process consists of, but is not limited to, the following:

- Listing all compliance rules that impose obligations on the company, recording them in the compliance register (an internal library for storing instructions and legislation), and periodically updating them.
- Identifying the risks associated with non-compliance with compliance rules and determining their risk levels according to the approved risk register.
- Assisting and supporting administrative units in self-assessing their level of commitment.
- Monitoring cases of non-compliance through any available means and promptly forwarding them to the administrative units to take necessary corrective actions.

### **Responsibilities of related parties**

#### **Board of Directors' responsibilities regarding compliance:**

The Board plays a role in evaluating the quality of the company's management of our compliance policy and procedures. It ensures the successful implementation of the compliance policy to manage non-compliance risks, including the effective and timely resolution of compliance issues by executive management, with the assistance of the management responsible for implementing the compliance policy.



### **Executive Management Responsibilities**

Executive management sets a good example by performing their duties ethically and ensuring the awareness of compliance is raised for all employees.

The responsibility for effectively implementing the compliance policy and procedures falls on the Compliance Department as follows:

- Approving reports on compliance activities and recommending their submission to the Audit Committee
- Establishing a permanent and effective compliance function in the company as part of the compliance policy.
- Adopting a methodology for compliance rules (legislation and instructions), which determines the extent to which the rules apply to the company or not.
- Ensure that a self-evaluation of compliance rules is conducted in accordance with management plans.
- Ensure the specified time period and develop corrective treatment plans for observations of non-compliance and implement them according to the specified schedule.
- Executive management supports compliance tasks within the company according to the appropriate authority and responsibilities it has, including providing the necessary financial support, adequate and specialized human resources with appropriate competence, and appropriate training and support.
- Ensure that employees in their administrative units are able to view the policy and ensure compliance with what is stated therein.

### **Responsibilities of the department responsible for activating the compliance policy and procedures:**

- Establish and develop the compliance policy and its related procedures.
- Follow up on legal and regulatory developments and update policy and procedures when needed.
- Directing work teams concerned with compliance and providing the necessary training and guidance.

### **Responsibilities of Compliance Officers (in internal departments) responsible for implementing instructions or legislation.**

- Provide reports to the Compliance Management about compliance with laws and regulations.
- Review and assist in the development of policies and procedures related to compliance.

### **Risk Management:**

- Analyze and evaluate compliance-related risks and provide recommendations to mitigate these risks.
- Develop procedures for dealing with compliance violations and related reports.



### **Top Leadership and Department Managers:**

- Provide support for the compliance policy and promote it among the work teams.
- Encourage employees to comply with and adhere to the policy.

### **Employees Responsibilities Regarding Compliance with the Compliance Policy and Related Procedures:**

- Report any suspected violation of the policy or laws.
- Participate in training sessions and workshops related to compliance.

### **Education and Training:**

- Training is provided to all employees and relevant parties on an as needed basis.
- External parties (such as suppliers and contractors) are educated about company compliance issues through signed contract negotiations.
- Education and training can be conducted through a variety of different platforms, including but not limited to in-person, company-wide meetings, departmental meetings, knowledge-sharing platforms, and email communications.

### **Final provisions**

- 1- This policy will enter into force as of the date of its approval by the Board of Directors.
2. This Policy is reviewed periodically - when necessary - By Compliance Management and is responsible for reviewing the policy and reviewing and recommending updates, if necessary, at least annually or upon changes to higher order policies or legislative requirements or following any significant event or incident that may warrant a change to this Policy. Any amendments proposed by management are presented to the Governance Department, which studies and reviews the proposed amendments and recommends their approval.
3. The Compliance Management participates with other departments in any amendments or proposals to this policy and takes their opinions and comments to achieve the goal behind it.