

Approved
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Wafra International Inv. Co.



Wafra International Investment Company

Conflict of Interest Policy

July 2024

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I. Document Control

Version	Date
2.0	

Approved by	
Board of Directors	
Controller	
VP – Compliance & AML	
Custodian	
VP – Business Excellence Department	

II. Definitions

#	Term	Definition
1.	WIIC	Wafra International Investment Company.
2.	Actual vs Perceived Conflict of Interest	Conflict of interest may be actual or perceived. Perceived conflict of interest often results from partial information. But conflict of interest, whether actual or perceived, reflects negatively on the Company.
3.	Bias	Bias is a preference or inclination, especially one that may inhibit impartial judgment. In many cases, for example, a manager may have a bias toward a certain strategy because he believe it is the best way to improve profitability on investment. However, when a bias favors the individual or institutional private interests, a conflict of interest may emerge.
4.	Conflict of Interest	The conflict between the private interests and official responsibilities of an individual or an institution in a position of trust, which may compromise impartiality or integrity or lead to unfair competitive advantage. A conflict of interest exists when an employee's duty to give undivided business loyalty to the Company can be prejudiced by actual or potential personal benefit from another source.
5.	Financial Interest	A Director or Senior Officer has a financial interest if such person or, to the knowledge of such person, a related party of such person has, directly or indirectly, derived or can potentially derive personal financial benefit including but not limited whether through any business, investment or family relationship, or in dealings with the Company, or by representing or misrepresenting the Company, or using the Company's name or resources.
6.	Individual Conflict of Interest vs Institutional Conflict of Interest	Individual conflict of interest exists when the private interest of a staff member may conflict with his/her official responsibilities. Institutional conflict of interest exists when the private interest of a Company may conflict with the official duties or position of that Company.
7.	Interested Person	Any Director or Senior Officer who has a financial interest or whose related party has a financial interest and who or whose related party, is presented a potential opportunity of benefit involving transactions or dealings with the Company.

#	Term	Definition
8.	Related Party	<p>A party is considered related to a company if: (refer to related party transaction policy and procedure for further clarification).</p> <ol style="list-style-type: none">1. The person has direct or indirect control over the company.2. The party is a Subsidiary company.3. The party is a member of the same Group in which the company is a party to.4. The party is a Board Member of the company or member of its executive management.5. The person is a Relative of a related party referred to in paragraph (1) or (4).6. Is a company under the control or combined control of or material influence of the related parties referred to in paragraph (4) and (5) through their direct or indirect voting power.

1. Introduction

1.1 Purpose and Scope

- 1.1.1 Wafra International Investment Company (WIIC) is committed to conducting business in a fair, honest and sound manner to help assure that the long-term interests of its shareholders are being served. As part of this commitment, this Conflict-of-Interest Policy sets out the policies and procedures for the fair and honest business practices and behavior that the Company expects from its Board of Directors and employees.
- 1.1.2 This policy applies to all of WIIC's employees, contractors, officers, and members of the Board of Directors, who are collectively referred to below as "Employees".
- 1.1.3 Any exception to the policies and procedures contained herein shall be approved by the Board Audit Committee.

1.1 Physical Ownership and Distribution

- 1.1.1 The VP – Compliance & AML Department will be the controller of this Policy. All inquiries and requests for revision related to the Policy shall be addressed to him/her.
- 1.1.2 The VP – BED will be the custodian of this document and will have physical custody of the master copy in printed form and soft copy file. For all official purposes, the master copy held by the controller will be considered as the definitive document.
- 1.1.3 The contents of this Policy are confidential and are intended for internal use by WIIC only. This Policy shall be the property of WIIC.
- 1.1.4 All inquiries regarding the policy must be directed towards the VP – Compliance & AML Department, who shall be responsible for ensuring appropriate dissemination of these policies to employees. In case of any questions or concerns regarding the policy, the employee has a responsibility to raise these matters to the VP – Compliance & AML Department.
- 1.1.5 WIIC shall grant "Read Only" access right privileges to designated employees for this Policy through the Intranet. The VP – Compliance & AML Department is responsible for ensuring that all stakeholders understand their roles and responsibilities in adhering to this Policy.

1.2 Revision

- 1.2.1 The Policy must be reviewed whenever required by the VP – Compliance & AML Department to ensure that it is up to date, reflecting the current practices in place as well as any changes in laws and regulations set by the regulatory bodies.
- 1.2.2 The Policy must be submitted to the BoD for approval based on the recommendation of the Board Audit Committee.

- 1.2.3 When changes are made, the set of policies that require modification shall be highlighted and the amended version shall be distributed to designated employees.

2. General Policies

2.1 Scope of Application

2.1.1 While this Policy does not attempt to describe all possible conflicts of interest that could arise, the following are some of the conflicts of interest that Directors and employees must avoid:

- A Director or Executive Management has a personal financial interest, whether direct or indirect, in a transaction or arrangement entered into by Company or in an entity doing business with Company.
- A Director or Executive Management intends to exploit a corporate opportunity that rightfully belongs to the Company.
- Receiving any advantage as a result of one's position as a Director or employee of the Company.
- Engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relationships with a third party.
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company.
- Accepting, or having a member of a Director or employee's immediate family accept, a gift from persons or entities that deal with the Company, in cases where the gift, considered in light of the totality of the circumstances, would reasonably be expected to influence the Director or employee's actions as a member of the Company.

2.1.2 In identifying conflicts of interest, the Company will consider all of the factual circumstances and will take into account, inter alia, whether the Company's Director or Executive Management:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the Company, its Suppliers or Clients
- has an interest in the outcome of a transaction with the Company, its Suppliers or Clients or of a transaction carried out on behalf of the Suppliers/Clients, which is distinct from the Company's interest in that outcome;
- carries on or has interests in the same business line as of the Company that is or might be potential competition for the Company or its products/services.

2.1.3 WIIC, without reasonable motivation, shall not give preferential treatment to Securities issued by it or Securities issued by the Parent Company or Subsidiary Companies over other Securities listed in the Exchange; and in all cases, the Client's approval must be obtained before being involved in a transaction related to such Securities.

2.1.4 WIIC shall not arrange transactions with the knowledge capability of knowing that it shall be one of the involved parties in such transaction.

2.2 Guiding Principles

2.2.1 The Company acknowledges and accepts that on certain occasions, some level of bias is inherent in its work and that in some cases this may lead to conflict of interest—whether actual or perceived, individual or institutional.

2.2.2 The primary goal of systems to manage conflicts of interest is to ensure that decisions are made – and are seen to be made – on proper grounds, for legitimate reasons and without bias. It endeavors to identify and actively manage these conflicts through these policies & procedures.

2.3 Roles and Responsibilities

2.3.1 Board of Directors:

- The overall responsibility of this policy is of the Board of Directors represented by the Chairman of the Board.
- The Board may delegate the day to day responsibility for overseeing compliance and implementing it to the Board Secretary.
- The Board of Directors responsibility as stated above includes monitoring and reviewing the implementation of the policy and underlying procedures as well as making recommendations for action resulting from investigation into complaints.
- The Board of Directors shall assume full responsibility for applying appropriate mechanisms to avoid or limit the occurrence of conflicts of interest through a clear separation between the interests of the Company and those associated with members of the Board of Directors.
- A member of the Board of Directors and their spouses and their relatives up to the second degree shall not have a direct or indirect interest in contracts or transactions concluded with or for the Company unless authorized by the Ordinary General Assembly.
- Members of the Board of Directors shall disclose to the Board of Directors any common interests he/ she has with the Company, whether directly or indirectly. Such shall be recorded in the meeting minutes of the Board of Directors. Such member may not participate in voting for the decision issued in this regard.
- It is not permissible for any member of the Board of Directors to combine the memberships of the Board of Directors of two competing Companies, or to participate in any business that would compete with the Company, or to trade for himself or for the account of others in any of the activities performed by the Company, unless approved by the Ordinary General Assembly.

- The Board of Directors is responsible for reviewing potential conflicts of interest of any Board member, Executive Management, and determining the procedures to be followed for dealing with such conflicts of interest.
- The Board of Directors shall verify that none of the potential parties, including the Board of Directors and Executive Management exploit the Company's assets and resources or use their influence or powers granted to them in transactions to achieve their personal interests.

2.3.2 Executive Management

- Members of Executive Management shall refrain from participating in any decisions or tasks that involve any common interests with the Company, whether directly or indirectly which may negatively affect their ability to assume their tasks assigned to them in any way that ensures achieving the interests of the Company. Members of Executive Management shall ensure the proper implementation of this policy.
- Members of Executive Management shall sponsor and encourage an appropriate culture which emphasizes the importance of ethical treatment of Clients and the fair handling of Conflicts of Interest.
- Members of Executive Management are committed not to carry out any work for any external parties, whether paid or unpaid, without obtaining the prior approval of the Board of Directors that there is no conflict of interest in the event that there is a common interest between them and the Company.
- Directors, Senior Officers and Individual Staff members are responsible for understanding and managing individual conflict of interest issues. The Company has an additional responsibility to articulate its core values and educate staff in management of institutional conflict of interest issues.
- Notify the Compliance and AML Department of any personal interest he/she may have in the business and contracts that are completed for WIIC's account. Such notifications shall be logged in a register.
- Prohibited to participate in any activity which may likely compete with the activities of WIIC, or trade in any branch of the activities carried out by WIIC.
- Immediately disclose Conflicts of Interest to the Compliance & AML Department.

2.3.3 Employees:

- All employees are committed not to exploit internal information related to internal information until it is disclosed to the Public.
- All Employees are responsible for identifying and managing Conflicts of Interest on an ongoing basis and are required to:
 - Comply with this policy, Rules and other applicable policies and procedures relating to the identification, documentation, escalation and management of Conflicts of Interest.

- Act with integrity and exercise good judgement and discretion.
- Act with the requisite degree of independence and objectivity when discharging their responsibilities at the Company.
- Avoid, wherever possible, situations giving rise to Conflicts of Interest due to any of the following:
 - Personal financial interest
 - Family Members or Close Personal Relationships
 - Previous, current or potential future involvement in an activity or endeavor (whether at the Company or externally)
 - Different roles and responsibilities at the Company
- Immediately notify their Direct Line Managers and the Compliance & AML Department of the existence and general nature of a Conflict of Interest.
- Immediately disclose Conflicts of Interest to the Compliance & AML Department.
- Not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including Family Members or Close Personal Relationships.
- Challenge and escalate promptly issues of concern to their supervisors and the Compliance & AML Department so that Conflicts of Interest may be appropriately reviewed, managed and resolved.
- Comply with applicable policies which require transactions and arrangements between the Company and a Related Party to be carried out on an independent, arms-length basis.

2.3.4 Human Resources Department:

- The Human Resource Department is responsible for ensuring that all personnel are aware of the Conflict of Interest Policy and Procedures by including it in the orientation package for all new employees. Conflict of Interest Policy and how to report under it, will be displayed at all times on the Company's website.
- The Human Resources Department is also required to notify all employees of the Company, along with suitable e-mail / postal address for reporting interests or to seek clarification on any matter arising from conflict of interest.

2.3.5 Compliance & AML Department:

- Managing the process of internal disclosure of the interests of members of the Board of Directors and Executive Management and reviewing the contents of disclosure forms.
- Preparing a list of interests and identifying any cases of conflict of interest for the Board to take the necessary action regarding.

- Maintaining a register of interests and updating it periodically to keep track of any update on the interests of WIIC's Board Members, Executive Management, and Employees.
- Taking the necessary measures to ensure that the Company is able to detect potential conflicts of interest.
- Informing the Board of Directors, the Executive Management, and the various Departments of the Company of any decisions, laws, or instructions regarding conflict of interest.
- Presenting the results of assessments and proposed recommendations on procedures for dealing with actual or potential conflicts of interest to the Board of Directors.

2.3.6 The Company:

- **Training:** The Company educates staff so they can effectively understand and manage individual and institutional conflict of interest issues in ways that support the Company's values.
- **External Monitoring:** The Company monitors its business arrangements for changes in institutional conflict of interest concerns and, if necessary, restructure them.
- **Internal Monitoring:** The Company monitors and updates, as appropriate, its own policies and procedures regarding both individual and institutional conflict of interest.

3. Mitigating Conflicts of Interest

3.1 Personal Transactions of WIIC's Employees

3.1.1 WIIC must establish adequate arrangements aimed to limit cases of conflicts of interest between Members of the Board of Directors, its clients, employees or agents; or making use of the confidential information of those clients, in particular, the following cases:

- Enter into Securities transactions in which one of WIIC's clients is a party.
- Enter into Securities transactions through using confidential information related to clients.
- Provide inappropriate advice or recommendation to the Client in order to perform a process or to enter into a Securities transaction with the purpose of attaining a benefit for any of WIIC's employees or agents.
- Disclose any confidential information obtained by one of WIIC's employees or agents, to another person with the purpose of entering into Securities transactions in which one of WIIC's clients is a party, or provide inappropriate advice or recommendation to another person in order to enter into such a transaction.

3.1.2 It does not fall within the remit of conflict of interests to exempt the Investment Portfolio Manager from receiving their due fees from their employees for the management of the portfolios owned by them, provided that their policies and procedures manual includes provisions and procedures related to this matter.

3.1.3 Measures to set out Personal Transactions for Employees must include the following:

- WIIC's employees shall be informed of the restrictions set out in in the cases of Personal Transactions
- The employee shall immediately inform the Compliance & AML Department of any transaction performed for himself, any of his Relatives, or a Subsidiary Company owned by him or owned by any of his Relatives.
- WIIC shall define a list - to be periodically updated - of Securities not to be dealt with by its employees or agents.
- WIIC shall keep a record of transactions disclosed by its employees in accordance with item.

3.2 Declaration of Conflicts of Interest

- 3.2.1 Each member of the Board of Directors and Executive Management must disclose to the company all of his interests and relationships on an annual basis, and update the same in case of any changes in interests and relationships (through the relevant disclosure form included within this policy).
- 3.2.2 All disclosed interests must be recorded in a special register kept by the Compliance and AML Department.
- 3.2.3 The data obtained through the disclosure of interest forms is used as follows:
- Identifying the parties in which any member of the Board of Directors or Executive Management has an interest.
 - Identify any existing situation that constitutes a conflict of interest and deal with it in accordance with the procedures contained in this policy.
 - Preparing a list of those parties, the nature of the relationship, the extent of the existence of a conflict of interest, and the procedures for dealing with it.
 - Members of the Board of Directors and Executive Management must review and update the disclosure form on an annual basis, Appendix (1), and also immediately disclose any changes that would lead to the occurrence of any conflict of interest situations.
 - Disclosure by members of the Board of Directors and executive management of common interests with the company should include the following:
 - Job positions in companies or other entities.
 - Membership in the boards of directors of other companies.
 - Own shares, directly or indirectly (according to the definition of indirect interest contained in this policy) in any company that is a customer, competitor, or major supplier to the company or any entity that may deal with the company in any other way.
 - Relationship up to the second degree with any member of the Board of Directors or the executive management of the main entities that the Company deals with.
 - Any personal interest or interest of any of the relatives up to the second degree in any potential transaction with the company.
 - Any other interests that may be considered relevant to the tasks assigned to them.
- 3.2.4 The Board of Directors shall periodically review the following:
- Any changes to the disclosure of conflicts of interest.
 - Any cases of conflict of interest that have arisen or been disclosed, in addition to a summary explaining the actions taken in this regard.

3.2.5 All cases of conflict of interest in which any member of the Board of Directors or Executive Management is a party must be reported to the Compliance and AML Department, which in turn shall be presented to the Board of Directors.

3.3 Identification and Dealing with Conflicts of Interest

- 3.3.1 All concerned Departments must refer to the list received from the Compliance & AML Department when carrying out their activities in order to determine any actual or potential transaction taking place with any party included in that list.
- 3.3.2 In the event that any case of conflict of interest or any potential or actual transaction is identified with any party included in the list, the concerned person/ Department must notify the Compliance & AML Department with the details of the transaction, which in turn shall be assessed and determined whether such a transaction constitutes a conflict of interest or a related party transaction.
- 3.3.3 If the transaction is classified as a related party transaction, the transaction and the relevant supporting documents and information are to be shared with the Risk Management Department for evaluation according to the mechanism contained within the approved related party transactions policy.
- 3.3.4 If the transaction involves an actual or potential conflict of interest, the Compliance and AML Department shall present the details of the transaction to the Board of Directors for review and approval before entering into the relationship or potential transaction or to make a decision regarding actual conflict cases or to obtain prior authorization from the General Assembly in cases stipulated by law.
- 3.3.5 The Company shall apply the following procedures as a minimum to identify and deal with cases conflicts of interest:
- Applying effective procedures to control the information flow process in order to limit the damage that shareholders may be exposed to in the event of any conflict of interest.
 - Implement appropriate control systems to determine and follow up on the participation of Board Members in membership on the Boards of Directors of more than one Company and external interests of the Board Members and Executive Management.
 - Ensure that common interests with the company are disclosed in a timely manner without delay.
 - Disclosure to shareholders or stakeholders clearly and transparently, which gives them the opportunity to make decisions based on knowledge of the information available.
 - Establishing a mechanism for the Company's employees and external stakeholders to report their doubts about any improper practices. Set appropriate arrangements that allow an independent and fair investigation to be conducted while ensuring the protection of the whistleblower (kindly refer to the approved Whistleblowers Policy for more information).

- Ensure that prior authorization is obtained from the General Assembly in cases stipulated by law.
- If necessary, the Board of Directors may request a member of the Board, executive management, or relevant employees not to participating in or manage a particular transaction that may create a potential conflict of interest.

3.4 Investigating Conflicts of Interest

- 3.4.1 All concerned Departments must refer to the list received from the Compliance & AML Department when carrying out their activities in order to determine any actual or potential transaction taking place with any party included in that list.
- 3.4.2 The Board of Directors shall discuss any potential cases of conflict of interest that have not been disclosed by either a member of the Board of Directors or Executive Management, and the concerned Board Member shall refrain from attending the meeting in which these cases are scheduled to be discussed.
- 3.4.3 The Board of Directors has assigned the Board Audit Committee to investigate cases of conflict of interest of Board Members and Executive Management that have not been disclosed previously, and submit a report thereon to the Board of Directors with the results of the investigation.

3.5 Mandatory Guidance

- 3.5.1 Board Members and Senior Officers should not have any direct or indirect interest in the contracts and transactions executed by the Company unless having a license/authorization from the general assembly on annual basis, unless the transaction was done under competitive market and the board member had the best to offer.
- 3.5.2 Board Members and Senior Officers should inform the Board about any personal interest in the transaction and contracts executed by the Company. The following should be complied by the Company in such cases:
- Such interests should be documented in the minutes of the Board meeting,
 - Chairman should inform the General Assembly about such transaction, as and when convened.
 - The concerned member who has the such interest should not participate in the voting on the matter.
 - The same should be attached with the special report from the external auditor.
- 3.5.3 Board Member and Senior Officers should not participate in any transaction that compete with the Company's objective or make trading with the business branches, if any of the Company.
- 3.5.4 The Company should not grant any credit facility to Board Members or provide any guarantee on loan taken by the Board Member.

3.5.5 The Board member should not participate in any transaction that may compete with the company, or make trading in one of the business branches of the Company.

3.6 Best Practices

3.6.1 Loyalty to the Company: No Employee should be subject, or even appear to be subject, to influences, interests or relationships which conflict with the best interests of the Company. This means avoiding any activity which might compromise or seem to compromise the Company or the Employee, or bring embarrassment to or adversely affect the reputation of the Company or the Employee.

3.6.2 Disclosure of Information: The Company directors and senior officers are required to complete and submit to the authorized person, a declaration of potential conflicts of interest of which he/she is aware. This declaration should be in a prescribed form provided by the Company. [Refer Appendices 1, 2 and 3 for Declaration format]

3.6.3 Each director and senior officer should make this disclosure with following particulars, at the time of his/her joining the Company:

- investments through shareholdings, debts or deposits whether made directly or through related parties, [Appendix 1]
- directorships held by them or related parties [Appendix 2], and
- Related parties and nature of relationship [refer to related party transaction policy and procedure],
- He/she has to also undertake to inform the Company of change/s if any to the above, within 15 days of which such change is effected.

3.6.4 Dealing with Suppliers, Customers and Others- All contacts and dealings with customers, suppliers, and potential suppliers must be conducted so as to avoid even the appearance of impropriety or violation of any applicable law/regulation or this Policy.

3.6.5 Employees may not offer, ask for, provide or accept anything of value either for themselves or for others in return for favorable treatment from the Company, customers, suppliers or potential suppliers, or others.

3.6.6 Disclosure by prospective staff, clients, suppliers and contractors: Those who are applying for tenders, contracts or for supplying goods or for employment or rendering services, have to declare their interests including relationships with Director or Senior officers with the Company [Refer Appendix 4 for Declaration of interests by prospective staff/clients/suppliers and contractors]

3.7 Employee Practices to Avoid Conflicts of Interest

- 3.7.1 Permitted gifts without prior approval: Employees may give or accept low value gifts that do not exceed an estimated value 100 KWD (e.g. giveaways or token gifts such as pens, coffee mugs, etc.) as well as larger items (e.g. large boxes of confectionery or larger gift hampers, etc.). Perishable gifts (e.g. such as small boxes of confectionery or small fruit baskets, etc.) provided due to accepted business courtesies regardless of value provided during social occasions (such as Ramadan, Eid, New Year, etc.) are generally accepted, and do not need to be disclosed to the Human Resources Department.
- 3.7.2 Permitted gifts with prior approval: In case gifts are received that exceed an estimated value of 100 KWD, the same shall be disclosed to the Human Resources Department and shall not be accepted unless cleared in writing by the Compliance & AML Department, and the CEO.
- 3.7.3 Permitted business entertainment: Employees may provide business entertainment (refreshments, entertainment, meals) only if it is of reasonable value, motivated by accepted business courtesies and in accordance with the Company's policies.
- 3.7.4 Travel and Entertainment Policy: Employees may accept business entertainment only if it is of reasonable value and motivated by accepted business courtesies. In addition, Employees may accept any business entertainment of a value of more than KD 100, per Employee, only with the approval of the CEO.
- 3.7.5 No payments or "kickbacks": Employees may not for their own benefit or the benefit of others solicit or accept any payment, "kickback" or loan of any amount from anyone (including any company or other entity) that does business or wants to do business with the Company. However, this prohibition does not extend to personal loans to Employees made in the ordinary course of business by financial institutions or consumer lenders with which the Company does business, unless it could reasonably be viewed as being done to gain a business advantage.
- 3.7.6 Annual submission: Each Director and Senior Officer shall annually submit to the Board of Directors / Compliance & AML Department, a statement which confirms that such person has received a copy of this Policy, has read and understands this Policy, is in compliance with the Policy and has agreed to comply with the Policy
- 3.7.7 All circumstances of conflict of interest, including those specified above, should be avoided. If an Employee has any doubt about whether an activity may create a conflict of interest, the Employee must report that activity to his or her immediate Manager or HR Manager.