



**BURGE AL-WEAAM COMPANY
FOR GENERAL CONTRACTING
LIMITED**

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ANTI-BRIBER & ANTI-CORRUPTION POLICY AND PROCEDURE

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1. INTRODUCTION

1.1 Purposes of the document

BACO committed to conduct business with loyalty, fairness, transparency, honesty and integrity and in compliance with laws, regulations, similar mandatory requirements, international standards and guidelines, both domestic and foreign, that apply to the company.

In this regard, BACO adopts this Management System Guideline in order to:

- explain the general principles and controls, as well as the anti-corruption and anti-money laundering commitments that BACO has defined as reference framework for setting, reviewing and achieving its objectives for the prevention of corruption and money laundering in the context of its non-financial activities (hereinafter "money laundering") consistent with its specific context;
- indicate BACO fundamental principles and values to which Third Parties at Risk must commit themselves;
- provide Stakeholders with a description of the principles of conduct and the control methods implemented by BACO to prevent corruption and money laundering, in line with the provisions of its Code of Ethics.

1.2 Purposes of the document

- a) Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.
- b) A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.
- c) Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- d) Bribery is illegal. Employees must not engage in any form of bribery, whether it be directly, passively (as described above), or through a third party (such as an agent or distributor). They must not bribe a foreign public official anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the company's compliance fun.

2. PROHIBITED CONDUCTS AND ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING COMMITMENTS

Corruption and money laundering are often closely linked, both in terms of how they are committed and in terms of control mechanisms. Money laundering, for example, could be used to put the proceeds of corruption back into the market, and corruption could in turn be used to facilitate money laundering activities. This requires coordination between anti-corruption and anti-money laundering controls to ensure a comprehensive view of potential risks.

2.1 Anti-corruption and anti-money laundering commitments: specific elements

In compliance with the regulatory provisions summarized in chapter 2, BACO **prohibits without exception all forms of corruption**, active, passive, direct and indirect, in favor of and by anyone. It is therefore forbidden for BACO People, Third Parties at Risk and anyone acting in BACO interest, without any exception, to:

- offer, promise, give or pay, authorize someone to give or pay, directly or indirectly, money or other benefits (financial or otherwise) to Public Officials or private persons (active corruption);
- accept, or authorize someone to accept, directly or indirectly, money or other benefits (financial or otherwise) or their requests or solicitations by a Public Official or private person (passive corruption);
when the intention is to:
induce a Public Official or private person to perform improperly any function of a public nature or any activity connected with a business or reward them for such improper performance;
- centralized assistance on anti-corruption and anti-money laundering in accordance with the provisions of internal organizational documents and individual Anti-Corruption Regulatory Instruments of reference;
- all BACO People are required to exercise their role with awareness and to detect and communicate to the Anti-Corruption and Anti-Money Laundering Compliance Function and to the other competent functions any suspicious activity or any critical issue representing a potential risk of corruption or money laundering. For this purpose, particular attention should be paid to the structure and circumstances of transactions and potential factors that could lead to the belief that the transaction is structured in an unusual manner or with the intention of circumventing or violating legal requirements;
- all internal BACO documents relevant to the Compliance Program must be in line with this procedure and Policy, so that the purposes and objectives set out from time to time comply with the principles stated therein. In fact, the procedure provides a reference framework for the objectives concerning the prevention of corruption and money laundering, constituting the connecting document between the general principles stated in the Code of Ethics.

This Procedure and Policy:

- will be maintained and reviewed, periodically and whenever deemed necessary;
- will be disseminated, or made available, as documented information, to all the subjects mentioned above, including stakeholders.

3. IDENTIFICATION OF ACTIVITIES AT RISK AND REFERENCE PRINCIPLES

The Compliance Program is built on a risk-based approach. Consistently with applicable best practices, BACO has defined and implemented a structured risk assessment process aimed at identifying, assessing and tracking corruption and money laundering risks within the scope of its business activities and at guiding the definition and updating

the control measures contained in this Procedure and in the Anti-Corruption Regulatory Instruments.

The risk activities identified by BACO through this risk assessment, on light of its operational and organizational context, include, by way of example, the following:

- contracts with Third Parties at Risk of corruption and money laundering (such as, by way of example, business associates, joint venture partners, suppliers, buyers/dealers of receivables, etc.);
- transactions involving the purchase and sale of shares in companies, businesses and branches, mineral rights and securities, etc., and joint venture contracts;
- non-profit initiatives, social projects and sponsorships;
- sale of goods and services (such as, by way of example, contracts with customers in the commercial process), trading and/or shipping operations;
- selection, recruitment and management of human resources;
- gifts and hospitality;

3.1 Third Parties at Risk

BACO, in the context of its business activity, may have relationships of various kinds with different types of Third Parties at Risk.

Such relationships may present risks for BACO both in terms of money laundering and corruption, as BACO could become involved in potential corruption and/or money laundering activities carried out by the same Third Parties at Risk.

In consideration of the above, Third Parties at Risk must (i) be subjected to preventive verifications/Due Diligence, in accordance with the manners set out in the specific regulatory instruments, before carrying out activities in favor or on behalf of BACO and (ii) enter into written contracts which provide, among others, for a reasonable consideration commensurate with the service expressly indicated in the contract and with current market practices, as well as contractual commitments aimed, among others, at requiring the Third Party at Risk to comply with Anti-Corruption and Anti-Money Laundering laws.

In the case of Third Parties or transactions presenting higher profiles of corruption and/or money laundering risk, may also adopt specific and reinforced mitigation measures, including: (i) requiring the adoption and implementation for the entire duration of the contract of anti-corruption and anti-money laundering rules and controls in line with those provided for in BACO Compliance Program; (ii) providing for BACO right to carry out audits on the Third Party at Risk in relation to the activities covered by the contract and the compliance commitments provided for therein; (iii) providing for monitoring of the transaction and of the Third Party and of any recommendations made as a result of the Due Diligence in case of Red Flags.

The subcontractor is subject to preventive controls in order to verify its reliability from an ethical- reputational point of view and must operate exclusively on the basis of a written contract containing commitments relating to compliance and Anti-Corruption and Anti-Money Laundering Laws equivalent to those provided by BACO for the Third Party at Risk.

From the moment the contract with the Third Party at Risk is concluded and until the end of the relationship, the following activities are envisaged: (i) according to a risk-based approach, periodic updating of the Due Diligence for long-term contracts, (ii) verifications by the relative manager of the proper execution of the contract also in relation to aspects of prevention of corruption and money laundering, and (iii) timely reporting of any criticality or suspected violation of the Anti-Corruption and Anti-Money Laundering Laws and of the compliance commitments provided for in the contract through the information channels provided by BACO.

In addition, all appropriate documentation must be filed to ensure the utmost fairness, transparency and traceability of the contractual relationship.

3.2 Sale and purchase transactions and joint ventures

In M&A transactions, in the purchase and sale of exploration mining rights and in the establishment of/entry by BACO into joint ventures, etc., various risks may arise, including, for example, the acquisition of concessions through criminal conduct, in particular corruption, or the sale of concessions/sale of companies to counterparties at risk using money from non-culpable offences.

In this context, a key aspect of any transaction is the Due Diligence, both on the target and on any potential counterparties.

The Anti-Corruption and Anti-Money Laundering Compliance Function provides expert assistance in identifying the main risk factors and Red Flags associated with the transaction and the potential buyer/seller, in preparing the anti-corruption and anti-money laundering compliance information that potential counterparties may request (e.g. in the case of transfers), and in drafting the anti-corruption and anti-money laundering declarations and warranties to be included in the contract relating to such transactions.

Particular attention must be paid to the ethical and reputational profile of the counterparty and, in the case of companies, to verifying the company's history and background. In relation to sales transactions, in case of critical issues related to the financial capacity of the potential buyer, further checks must be carried out in this regard in accordance with internal regulatory instruments.

With particular reference to acquisitions, also in order to mitigate the risk of successor liability for acts of corruption and/or money laundering carried out within the company/business to be acquired by BACO and to allow BACO to identify any misconduct before closing the transaction, a Due Diligence must be carried out also with reference to the target to be acquired. In addition, actions will have to be taken to ensure that the acquired company adopts regulatory instruments and control measures that are as much as possible in line with those adopted by BACO in the area of anti-corruption and anti-money laundering.

3.3 Non-profit initiatives, social projects and sponsorships

Non-profit initiatives, social projects and sponsorships present corruption and money laundering risks. One example is the risk that funds or valuable assets earmarked for such initiatives may be diverted for the personal use or benefit of a Public Official or private individual and that the initiative may be carried out in order to secure improper advantages.

In light of the above, it is important that such initiatives are:

- adequately reasoned;

- carried out after due diligence on the beneficiary/partner;
- governed by a specific written agreement/letter which (i) defines the subject matter and purposes for which the contribution may be used; (ii) provides, where applicable, for controls on the use of the contribution made by BACO in line with the purposes set out in the agreement; and (iii) contains anti- corruption and anti-money laundering compliance commitments;
- recorded truthfully and transparently in BACO books and records.

3.4 Sale of goods and services and trading and/or shipping transactions

Sales activities and trading and/or shipping transactions entail risks for BACO both of a corrupt nature and in terms of money laundering. This is the case, for instance, where goods and services are sold to counterparties/customers who make payments with proceeds of a crime.

With particular reference to contracts for the sale of goods and services and trading and/or shipping transactions:

- preventive controls (e.g. reference lists, related parties, Know Your Customer procedures) and contractual safeguards on customers/counterparties are defined in line with the applicable regulatory instruments;
- methods and/or parameters for determining the price and/or its fairness are defined;
- monitoring of economic transactions (receipts and payments) that are potentially anomalous or present profiles of risk.

3.5 Selection, recruitment and management of human resources

The human resources process is identified as an area at risk of corruption particularly with reference to selection and recruitment.

For these reasons, BACO has adopted human resources regulatory instruments that regulate all activities in line with anti-corruption principles.

In accordance with the provisions of the above-mentioned regulatory instruments, the selection and hiring process of BACO People must be carried out in such a way as to ensure that the resources identified possess the professional requisites and technical and/or managerial skills consistent with company needs and in such a way as to avoid situations of incompatibility, favoritism or facilitations of any kind.

The personnel selection process must therefore include checks on references and previous professional experiences, including verification of the possible presence of situations of incompatibility envisaged by law, including foreign legislation, on "pantouflage" or "revolving doors", or similar. In addition, suitability for the role will be checked and the following pre-employment checks will be carried out:

- Reference Lists;
- checks and compliance with any provisions contained in the "Transactions involving the interests of directors and statutory auditors and transactions with related parties" MSG;

- presence of conflicts of interest/privileged relationships;
- consistent with and to the extent permitted by applicable local laws, any criminal record and pending criminal proceedings and any civil or administrative sanctions or pending investigations, concerning activities related to the candidate's professional ethics.

The outcome of these checks will have to be assessed in relation to the role and duties the candidate should perform and the area of employment (organizational or geographical).

Assessments of individual candidates must be properly formalized and reasoned.

For instance, this could be the case when hiring a certain candidate in order to obtain or maintain an undue business advantage, or, in the context of human resources management, when reimbursing travel expenses or allocating bonuses in order to build up funds for corrupt purposes.

In the course of their employment, in accordance with a risk-based approach, employees are required to issue periodic compliance statements in accordance with the procedures defined by the relevant internal regulations.

3.6 Relations with Relevant Parties

In order to prevent unlawful activities connected to interactions with Relevant Parties, BACO promotes and supports dialogue and active cooperation with such parties (e.g. authorities, institutions, public officials) through relationships based on the principle of fairness and transparency. All relationships with, or relating to, or involving Relevant Parties must be carried out in compliance with the Code of Ethics, this MSG and the relevant Anti-Corruption Regulatory Instruments of reference.

The general principles set out below apply to all Interactions with Relevant Parties regardless of the specific case/type.

In particular:

- interactions must be based on fairness, transparency and traceability of the conduct and be reserved exclusively for the responsible functions and positions;
- Favours, collusive behavior, direct and/or indirect solicitations, or the payment of money or other benefits to Relevant Parties in order to obtain improper advantages for BACO People or for third parties or to induce them to perform (or to reward them for performing) their role improperly or to influence their decisions are prohibited;
- Facilitation Payments are never permitted;
- traceability of interactions with Relevant Parties must be ensured, in accordance with the relevant regulatory instruments, including any payments received or made by/to such parties.

3.7 Gifts and hospitality

Gifts and hospitality must never be offered, given or received in circumstances in which an impartial third- party observer would reasonably conclude that they are intended to create a duty of gratitude or to improperly influence a decision or activity by the recipient

in order to obtain an undue advantage. This principle must be strictly observed even when BACO People pay gifts or hospitality through the use of personal financial resources.

For this purpose, all gifts and hospitality offered or received must:

- be, according to the circumstances, reasonable and in good faith;
- be respectable and conform to generally accepted standards of professional courtesy;
- be carried out in relation to legitimate business purposes and not purely personal ones;
- not be offered, made or accepted in order to obtain any benefit in return or to exert undue influence on any commercial, legal or regulatory decision of any relevance to BACO or any other party.
- not consist of a payment in cash or equivalent (e.g. cheques, gift certificates, vouchers);
- comply with local laws and regulations applicable to the recipient of the gift/hospitality, including codes of conduct or other legislation that the public or private entity, to which the person belongs, has adopted;
- be recorded accurately and transparently, also from an accounting point of view, and supported by appropriate documentation.

4. WHAT IS AND WHAT IS NOT ACCEPTABLE

4.1 Gifts and hospitality

4.1.1 BACO accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements:

- It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for Favors or benefits.
- It is not made with the suggestion that a return favor is expected.
- It is in compliance with local law.
- It is given in the name of the company, not in an individual's name.
- It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
- It is appropriate for the circumstances (e.g. giving small gifts around Christmas or as a small thank you to a company for helping with a large project upon completion).
- It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift.
- It is given/received openly, not secretly.
- It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.

- It is not above a certain excessive value, as pre-determined by the company's compliance function (refer to GIFT, ENTERTAINMENT AND HOSPITALITY POLICY).
- It is not offer to, or accepted from, a government official or representative or politician or political party, without the prior approval of the company's compliance function.

4.1.2 Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the compliance function, who will assess the circumstances.

- a) BACO recognizes that the practice of giving and receiving business gifts vary between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.
- b) As good practice, gifts given and received should always be disclosed to the compliance function. Gifts from suppliers should always be disclosed.
- c) The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the compliance function should be sought.

4.2 Facilitation Payments and Kickbacks

- BACO does not accept and will not make any form of facilitation payments of any nature. We recognize that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognize that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.
- BACO does not allow kickbacks to be made or accepted. We recognize that kickbacks are typically made in exchange for a business favor or advantage.
- BACO recognizes that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk.

Under these circumstances, the following steps must be taken:

- I. Keep any amount to the minimum.
- II. Ask for a receipt, detailing the amount and reason for the payment.
- III. Create a record concerning the payment.
- IV. Report this incident to your line manager.

4.3 Political Contributions

BACO will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognize this may be perceived as an attempt to gain an improper business advantage.

5. INTERNAL CONTROLS, ACCOUNTING PROCEDURES AND BOOKKEEPING

The internal control system ensures financial and non-financial controls to safeguard against the risk of corruption and money laundering. In particular, with reference to financial controls, BACO Policy.

Internal controls concerning financial information in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, in accordance with generally accepted accounting principles, including applicable regulatory instruments, with the objective of minimizing the risk that accounting entries that are inaccurate in amount, due to error or fraud, significant in terms of their impact on the annual financial statements or interim financial information, occur or are not identified.

It is the responsibility of each structure involved to ensure, to the extent of its responsibility, the traceability of the decision-making process and the conservation of the supporting documentation of the activity carried out, including the documentation supporting the payments made and received, so as to allow the smooth and timely recording in the accounts, the identification of the different levels of responsibility and the division and segregation of duties, for the accurate reconstruction thereof.

As regards financial controls, payments made and received must be in line with contractual requirements.

In any event, without prejudice to further control measures provided for by internal regulatory instruments concerning the selection of counterparties and the making of payments, such payments may not normally be requested, made or received:

- to/from a party other than the contractual counterparty or the party contractually intended as the recipients of the payment/party making the payment;
- to/from numbered bank accounts or in cash or similar instruments, through anonymous or fictitiously registered current or savings accounts;
- to/from a third Country other than that of the parties or the recipients of the payment/parties making the payment foreseen in the contract or in the performance of the contract. For the purposes of this provision - and without prejudice in any event to any further control measures provided for by internal regulatory instruments concerning the selection of counterparties and the making/receiving of payments.

6. THE ROLE OF COMPLIANCE BUSINESS SUPPORT

The Compliance Business Support Functions provide assistance to the business units and their related Subsidiaries in managing compliance obligations, including those relating to anti-corruption and anti-money laundering.

In particular, these functions contribute - also by means of dissemination, awareness-raising and communication actions - within the activities provided for in the Compliance Program, to:

- ensuring support in the management of compliance obligations, facilitating, where required, information flows related to the Compliance Program;
- promoting actions aimed at minimizing the risk of non-compliance with applicable process requirements;

- providing support to the business/support functions and relevant Subsidiaries, within the framework of the Due Diligence processes in which they have been directly involved at operational level, in carrying out checks and compliance relating to anti-corruption and anti-money laundering.

7. TRAINING AND COMMUNICATION PROGRAM

BACO People must be informed about the applicable laws and the importance of compliance with such laws and with this producer as well as the additional Anti-Corruption Regulatory Instruments, so that they understand and are aware of the different crimes, risks, personal and administrative responsibilities for the company and the actions to be taken to counter corruption and money laundering and the possible sanctions for individuals and legal entities in case of violation.

To this end, training and periodic updates on anti-corruption and Anti-Bribery are mandatory for all BACO employees. Participation in training and periodic updates constitute for BACO employees the correct fulfilment of their labor contractual obligation. Training is provided with different granularity and manners and on a regular basis based on the role and risk to which BACO employees are exposed.

The process for training human resources is governed by the Human Resources policy. In application of these regulations, an BACO training program is defined which includes the provision of on-line courses (e-learning) and classroom/distance training events with possible tests to verify learning.

The Anti-Corruption and Anti-Bribery Compliance Function provides the contents of the training under its responsibility. When defining and implementing the training Program, the relevant Integrated Compliance Function provides the Human Resources Function with indications on content, duration, target audience and learning certification requirements, sharing the implementation methods.

On the basis of these elements, the relevant function is responsible for: (i) planning and implementing training; (ii) monitoring and tracking the participation of BACO People in training courses; (iii) maintaining all records in compliance with applicable labor, privacy and other laws.

BACO guarantees the communication of this producer to Third Parties at Risk through specific contractual clauses and/or declarations and promotes, as far as is reasonable under the circumstances, training and awareness- raising initiatives dedicated to them.

8. MONITORING, REPORTING AND CONTINUOUS IMPROVEMENT

8.1 Second and third level monitoring

The Compliance Program is subject to second- and third-level monitoring activities carried out by the responsible functions. In particular:

- in accordance with the provisions of the "Integrated Compliance" BACO implements compliance monitoring activities aimed at periodically detecting and analyzing the trend of anti-corruption and anti- money laundering compliance risks by performing specific checks and analyzing risk indicators aimed at ensuring adherence to regulatory requirements and the effectiveness of the models used to monitor them. The compliance monitoring activities in the areas of anti-corruption and anti-money laundering are planned and carried out according to a risk-based approach, consistent with the methodologies and timeframes defined in the corporate regulatory instruments governing the Integrated Compliance process;

8.2 Reporting by the Anti-Corruption and Anti-Bribery Compliance Function

The Anti-Corruption and Anti-Bribery Compliance Function prepares an annual report on the relevant activities within the scope of the Compliance Program (hereinafter "Report") in the reporting period and also provides the planning of relevant activities for subsequent periods. This Report is an integral part of the Integrated Compliance Function Report and follows the related information flows.

The Anti-Corruption and Anti-Money Laundering Compliance Function prepares a half-yearly update, except in the case of extraordinary events that demand a different recurrence, of the Report on the basis of the activities carried out during the six months in question and any significant events occurring during the period. This update follows the information flows of the Integrated Compliance Function Report.

8.3 Continuous improvement

BACO is committed to working towards continuous improvement of its activities and the results thereof, with regard to the sustainability, adequacy and effectiveness of the Compliance Program.

The Anti-Corruption and Anti-Bribery Compliance Function must periodically review this MSG to ensure that it remains effective to the highest degree, as well as that it reflects the latest legislative changes. In addition, the business units, the Supervisory Board, Internal Audit, the Company's external auditors and the responsible units of the Integrated Compliance Function shall recommend improvements to the MSG on the basis of emerging "best practices" or where gaps or critical issues are identified in its provisions or its implementation.