



2023

ECONOMIC SANCTIONS AND TRADE CONTROLS POLICY

RABIGH REFINING AND PETROCHEMICAL

COMPANY

(Petro Rabigh)

Economic Sanctions and Trade Controls Policy

Title: Economic Sanctions and Trade Controls Policy		
Policy Reference:		
Applicable to: Directors, Executive Management, Officers, and Employees		
Replaces	Effective Date	Pages
N/A	[•] 2023	6

1. Introduction and Purpose

- 1.1. The Company is committed to compliance with the economic sanctions and trade control laws and regulations in the jurisdictions in which we operate. These laws include, but are not limited to, all economic sanctions, international trade laws, and export controls imposed and administered by the Kingdom of Saudi Arabia, the United Nations Security Council, the Arab League, and other potentially applicable jurisdictions or authorities (collectively, "**Sanctions and Trade Controls**") such as Japan, the United States, the United Kingdom, or EU. The Company, including management, employees, and agents, may not:
 - Sell any products or provide any services to, or otherwise do any business involving, countries or territories subject to comprehensive sanctions imposed by the Kingdom of Saudi Arabia, UN Security Council, or Arab League (as of the date of this Policy, North Korea and Syria),
 - Engage in any business with persons or entities that are designated on as subject to Sanctions, or
 - Otherwise engage in any conduct that violates or causes another party to violate Sanctions.
- 1.2. In furtherance of that commitment, the Company has adopted this Economic Sanctions and Trade Controls Policy (the "**Policy**").
- 1.3. This Policy shall be adopted by a resolution of the Board of Directors ("**Board**"), following a recommendation by the Audit Committee, and shall enter into effect from the date on which it is approved by the Board.
- 1.4. The Audit Committee shall periodically review the provisions of this Policy and recommend any amendments thereto to the Board.
- 1.5. Any amendments to this Policy shall be adopted in the same manner in which this Policy was adopted.

2. Policy Scope

- 2.1. This Policy covers all directors, senior executives and employees of the Company (including any senior executives and employees on secondment from other entities), as well as any consultants and advisers of the Company (collectively, "**Company Personnel**").

3. Economic Sanctions and Trade Controls

- 3.1. Economic sanctions are punitive and deterrent actions taken by one government or multilateral body (such as the UN) against another country, entity or individual. Sanctions laws and regulations are essentially limitations that target trade, financial and other dealings with a country, person or entity. Sanctions can take a variety of forms, including travel bans, asset freezes, arms embargoes, capital restraints, foreign aid reductions, and trade restrictions.
- 3.2. Sanctions may be comprehensive, prohibiting commercial activity with regard to an entire country, like the long-standing U.S. embargo of Cuba, or they may be targeted, blocking transactions by and with particular businesses, groups, or individuals. The subject of the sanctions can be a foreign government or government official, political party, criminal or terrorist organization, all individuals and entities in a comprehensively sanctioned country or territory, or a private individual or entity. In addition, sanctions

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can apply to all transactions with the country, person or entity, or may be limited to certain types of designated transactions or industry sectors.

- 3.3. Many countries maintain economic sanctions that may apply to the Company based on where the Company does business. KSA's sanctions regime is based not on a specific piece of sanctions legislation, but rather on anti-terrorism financing and anti-money laundering legislation, as well as obligations arising under different international conventions, Ministerial Decrees and Royal Orders, and diplomatic decisions. Japan's sanctions regime is primarily based on the Foreign Exchange and Foreign Trade Act ("FEFTA"), which mainly regulates cross-border transactions involving good, services, and finances. In the United States, the US Treasury Department's Office of Foreign Assets Control ("OFAC") has primary responsibility for administering US economic sanctions programs and regulations, and the US Department of Commerce's Bureau of Industry and Security has primary responsibility for administering US trade controls.
- 3.4. Governments use export and import controls are used to control which products and technologies can move freely around the world. Export controls are country-based and are typically implemented with national security and foreign policy considerations in mind. Trade controls may prohibit all exports to a country, entity or individual, or they may prohibit only certain exports. These controls generally follow the commodity (for instance, such that US trade controls apply to US-origin commodities). This is also generally true for trade controls in other jurisdictions.
- 3.5. Sanctions the Company is subject to govern all of the Company's transactions with any counterparty, to include customers; suppliers; brokers and intermediaries; consultants; shippers; vendors; and any agents of the Company. The Company may face potential liability for sanctions and trade control violations based on the actions of its officers, directors, employees, and Third Party Representatives¹ acting on its behalf.

4. Expectations for Company Personnel

- 4.1. Everyone who conducts business for and on behalf of the Company must follow this Policy. This includes all officers, directors, employees, and Third Party Representatives performing services for the Company or interacting with others on the Company's behalf.
- 4.2. The Company will not conduct business or have any dealings with (1) a government and/or country that is the subject of comprehensive sanctions, or (2) any individuals or entities who are the subject of any economic sanctions adopted, administered or enforced by the KSA Government, the United Nations Security Council, or any other relevant sanctions authority with jurisdiction over the Company. In addition, the Company will not engage in trading transactions, directly or indirectly, that violate applicable trade controls.
- 4.3. This Policy applies to both direct and indirect violations. For example, any dealings with a sanctioned party that occur through a Third Party Representative are still violations of law and this Policy.
- 4.4. It is the responsibility of all Company Personnel to ensure that the Company does not engage in transactions that violate applicable Sanctions and Trade Controls. The key to this Policy is the Company's ability to know with whom it is doing business. Company Personnel should never establish or approve a relationship with a counterparty until they are reasonably certain that the Company is aware of the party's true identity. This verification is essential for individuals the Company does

¹ "Third-Party" or "Third-Party Representative" means any outside individual or organization that is retained to represent or act on behalf of the Company to assist in securing a contract or other business advantage in any context, including in connection with the sale of the Company's goods or inspections, customs, import/export, permitting, shipping, or regulatory matters. Third-Party representatives may include, among others, vendors, suppliers, agents, brokers, consultants, distributors and counter-parties.

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business with, as well as legal entities. The Company must also be alert to changes in ownership, circumstances, and profiles of any counterparty doing business with the Company.

- 4.5. Before doing business with a counterparty, the Company will conduct appropriate screening to determine whether the individual or entity is subject to Sanctions and Trade Controls. In addition, the Company maintains internal controls to avoid doing business with any country or foreign government subject to comprehensive sanctions.
- 4.6. In limited circumstances, a company may request and receive a license to do business with a sanctioned person, entity or country from the appropriate regulatory authority. Any efforts to obtain a license on behalf of the Company must be approved by the Office of Legal Affairs and Chief Compliance Officer.

5. Mandatory Compliance

- 5.1. The Company will not tolerate any violations of Sanctions and Trade Controls. Failure to comply will be treated as a serious disciplinary offense and may result in disciplinary action up to termination of employment or termination of the Third-Party Representative's business relationship with the Company.
- 5.2. The authorities charged with enforcing Sanctions and Trade Controls take them very seriously. Failure to comply with these laws can result in significant fines and can subject the individuals involved to criminal prosecution, criminal fines, and imprisonment.

6. Training

- 6.1. The Chief Compliance Officer will develop and periodically conduct mandatory sanctions and trade controls training programs so that relevant Company Personnel are aware of the specific risks and are familiar with the applicable laws, sanctions programs, and trade controls, as well as this Policy.
- 6.2. The training programs will be targeted to Company Personnel who will be identified according to their roles in the Company and their related exposure to the identified risks. New Company Personnel will receive training following their hire, while all other relevant Company Personnel will receive training on at least an annual basis.

7. Investigation & Reporting

- 7.1. Company Personnel who observe or are aware of actual or suspected violations of Sanctions and Trade Controls should report such activities in accordance with the Company's Whistleblowing Policy.
- 7.2. All such reports will be treated as confidential, to be used only for the purpose of addressing the specific problem they address. Such reports will be shared by the Company's management and other authorized individuals only on a need-to-know basis. The Company prohibits retaliation of any kind against individuals who make a good faith report of corruption or who participate in any investigation. Failure to report known or suspected wrongdoing of which Company Personnel has knowledge may, by itself, subject that employee to disciplinary action.
- 7.3. Upon receipt of a credible incident report or complaint, the Company will conduct an immediate and thorough investigation; such investigations will, as necessary, be conducted by outside legal counsel and/or auditors, whose reports will be provided to the Office of Legal Affairs and Chief Compliance Officer. Findings of any investigation will be reported to the Ethics Committee, Board Audit Committee,

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and Board. The Board will also receive periodic reports summarizing any complaints, incidents and related findings.

- 7.4. Third-Party Representatives should immediately report to the Company any concerns about potential sanctions or trade control violations by the Company's employees, officers or directors or other Third-Party Representatives to the Office of Legal Affairs or via email at [\[CONTACT INFO\]](#)ⁱ.
- 7.5. Company Personnel with questions should contact the Chief Compliance Officer for guidance regarding all sanctions and trade control compliance inquiries and disclosures.

8. Policy Administration & Review

- 8.1. Administration of this Policy is the responsibility of Chief Compliance Officer.
- 8.2. This Policy shall be reviewed at least once every three years or whenever a significant change occurs, including any change in law, that impacts the content or substance of this Policy.

If you have questions about this Policy or the Company's Economic Sanctions and Trade Controls Program, please contact the Chief Compliance Officer.

ⁱ TBD