

# **Anti-Money Laundering Policy (AML)**

## **July 2023**

**V.01**

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## **1. Introduction**

Bindawood Holding Company and its Subsidiaries (hereafter referred to as "the Company" or "Bindawood Holding") is committed to maintaining the highest standards of integrity, transparency, and compliance with all applicable laws and regulations including anti-money laundering (AML) laws. This Policy outlines the guidelines and procedures to prevent our Company from being involved in any form of money laundering or illicit financial activities. Compliance with this policy is mandatory for all employees including the affiliated companies' employees, vendors, and third parties associated with the Company.

Bindawood Holding is dedicated to preventing money laundering activities and ensuring that our operations are conducted with the utmost transparency. We strictly adhere to the regulations outlined by the Anti-Money Laundering Law of Saudi Arabia, as well as international best practices in combating money laundering and terrorism financing.

This policy is considered as one of the tools that will help the Company to achieve its goals and accomplish its strategies, especially in Governance and Compliance practices. All employees are responsible to comply with it and the regulations applicable to AML, and refer to compliance department for further information and explanations.

Management at all levels is responsible for ensuring compliance with this policy. They are expected to foster a culture of awareness, provide necessary resources, and lead by example.

## **2. Definition of Money Laundering**

Money Laundering definition is the process by which it attempts to hide and disguise the true origin and ownership of the proceeds from criminal activities, thereby avoiding prosecution, conviction and confiscation of criminal funds.

As per Article 2 from the Kingdom of Saudi Arabia Anti-Money Laundering Law released in 1439H, which states that *"It shall be considered to have committed a money laundering offence who conduct any of the following acts:*

- 1. Converts or transfers or conduct any transaction on funds that the person knows are proceeds of crime for the purpose of disguising or concealing the illegitimate origin of the funds, or to help a person involved in the commission of the predicate offense that generated the funds to evade the legal consequences for his/her acts;*
- 2. Acquires, possesses or uses funds that the person knows are proceeds of crime or from illegal source;*

3. *Conceals or disguises the true nature, source, movement, ownership, place, disposition, or manner of disposition, or rights with respect to funds that the person knows are proceeds of crime;*  
4. *The attempt to conduct any stated acts in Sup (1), (2), (3) in this article, or participation in by means of agreement, providing assistance, abetting, providing counseling, advice, facilitation, or collusion, cover-up or the attempt to commit any of the acts provided for in this Article.”*

### **3. Due Diligence**

Reference to Article 1 paragraph 20 from the Kingdom of Saudi Arabia Anti-Money Laundering Law, which states that: *“Due Diligence Measures: The process of obtaining or verifying information on a customer or beneficial owner to enable the Financial institutions or identified un-financial activities to assess the extent to which the customer exposes it to a range of risks.”*. Therefore, the company takes all required steps through its relevant departments to ensure that the information of the parties that the company is having any relationship with is collected, kept up-to-date and identification information is updated when changes occur in any relationship. A consistent process is applied to all parties.

Keeping into consideration that the Company’s activities are not identified as high risk in regards to AML. However, the company is performing efficient procedures to ensure the eligibility and legality when dealing with any parties, such process may include for example:

1. To obtain more information/documentation regarding the source(s) of funds and the parties nature of business;
2. To obtain information regarding the parties assets and transactions;
3. To ensure a proper understanding of the parties activities;
4. To ensure that the account is used for the same purpose defined by the parties for payment purposes;
5. To obtain additional documents or information to identify the parties; and
6. To undertake parties site visits.

The company shows no tolerance for any suspicious activities or any lack of information in its relationship with any parties.

### **4. Reporting “Whistleblowing”**

Whistleblowing is a practice which enables the employees or stakeholders (any person who has an interest in the Company, including creditors, customers, suppliers and the community as per the definition by the Capital Markets Authority (“CMA”) to report genuine and legitimate concerns with assurance of anonymity. Whistleblowing gives the Company and its management an opportunity to verify the accuracy of these concerns, which may not otherwise come to light, and

take appropriate action to protect the interests of the Company, its employees and its stakeholders.

The company already have a Whistleblowing policy approved by its Board Of Directors, which specifying all the necessary information to report any violations or suspicious activities, the company also encouraging all its employees to report any suspicious activities or concerns including Money Laundering.

## **5. Dealing with reported suspicious activities**

**1. Investigation:** Any investigations required will be conducted without regard to the suspected wrongdoer's length of service, position or title, or relationship with the Company.

**2. Protection:** All employees / stakeholders who in good faith report a violation or who testify, assist, or participate in any way in an investigation or hearing shall be protected from harassment, intimidation, coercion, discrimination, retaliation or adverse employment consequences.

**3. Confidentiality:** The Company understands that reporting of suspicious activities may involve highly confidential and sensitive information, and that the whistleblowers may prefer to make an anonymous disclosure. Therefore, the Company will ensure that the whistleblower's identity will remain confidential as much as possible. In certain situations, the Company may be forced to reveal required information that might include the whistleblower's identity, and in such cases, the Company will make sure that this information will not be exposed to anyone other than the concerned parties.

## **6. Reporting to the Authorities**

The Company if applicable will report any suspicious activities in regards to AML to the relevant authorities in the Kingdom of Saudi Arabia.

## **7. Responsibility**

Compliance Department, headed by the Chief Audit and GRC Officer, shall receive all complaints/matters and deal with it accordingly, via the following channels:

1. Personal presence to Compliance Department – BinDawood Holding Head office
2. Direct Email: (whistleblowing@bindawood.com)
3. Telephone Number: (+966-126053557 Ext 4444)

## **8. Effective date**

1. This Policy shall come into force from the date of publish on the company's official website and internal portal.
2. This Policy will be reviewed on a regular basis for any updates and amendments in alignment with the related rules and regulations by Compliance Department.