



National Petroleum Services Company K.S.C.C.

## Code of Conduct and Ethics Policy

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## 1 Preamble

National Petroleum Services Company K.S.C.C. (“NAPESCO” / the “Company”) expects its Directors, including the independent directors, and employees to perform their work to the best of their ability and to conduct themselves in a manner, which would reflect and enhance the Company's image and reputation. This Code of Conduct and Ethics (the “Code”) affirms this policy of the Company and is a guideline to:

- Promote honest and ethical conduct that reflects positively on the Company;
- Maintain a corporate climate in which the integrity and dignity of each individual is valued;
- Assure compliance with laws, rules and regulations that govern the Company’s business activities; and
- Assure the proper use of the Company’s assets.

The Code sets out standards on how every director, officer and employee should behave with all the Company’s stakeholders and general public. The ultimate objective of this Code is ensuring that the Company is perceived as an organization committed to high standards of integrity in all its dealings. This Code does not address every situation that may be encountered, and is not a substitute for a member of the Company’s exercise of good judgment and common sense.

## 2 Code of Conduct and Ethics

NAPESCO conducts its business with honesty and integrity, with respect for the interests of its business allies and prevailing work principles.

Members of the Company shall at all times maintain the good reputation of the Company and shall:

- Render, with integrity, a responsible and effective service of high quality which is accessible;
- Not abuse the authority that he or she has as a member of the Company in dealings with any person, complainant or organization;
- Act fairly and impartially to all when exercising any discretion in the performance of duties;
- Exercise those powers conferred on them in a responsible manner particularly by:
  - performing all their duties impartially without favoring anyone and without regard to status, sex, race, religion, political beliefs or aspirations;
  - Acting honestly, respectfully, transparently and in an accountable manner;
  - Treating all persons with equal consideration and objectivity;
  - Using any discretion vested in them sensibly, impartially and reasonably.
- Refrain from divulging any information received in the course of their work and duties unless the performance of duty or the needs require otherwise;

- Resist and report any offers of bribes or other forms of corruption emanating from any source; in their private life behave in a manner which does not bring discredit to or impair the dignity or reputation of the Company;
- Respect and apply this Code and if they have reason to believe that a violation of this Code or the law has occurred or is about to occur, report the matter to the CEO or the Chairman, as applicable.

### **3 Conflict of Interest**

The Board will take all reasonable measures to identify, and prevent or manage, conflicts of interest that could harm the interests of the Company. To ensure this, the Company expects all its employees to abide by the rules laid down in the Conflict of Interest Policy.

### **4 Related Party Transactions**

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related person transactions can present a heightened risk of actual or apparent conflicts of interest.

Related Party Transaction is defined as the transfer of assets or liabilities or the performance of services by, to, or for a related party irrespective of whether a price is charged, or whatever that price is.

Related Party Transactions are governed by the Company's Related Party Transaction Policy which states the rules and procedures that govern such transactions. Related Party Transactions must be disclosed in line with the requirements of the Central Company and other regulatory authorities.

### **5 Interaction with others**

Employees are expected to act with integrity and honesty in their dealings with customers and other parties with whom the Company is connected and in all internal matters. No director, officer or employee should act in a manner, which could lead to any damage to our reputation.

The manner in which we interact with others shall reflect the public's perception of the Company's culture and values. Consequently, Directors and employees shall be made to realize the importance of their role as representative of the Company in all interactions with customers, outside agencies.

### **6 Data Confidentiality**

“Confidential Information” means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but is not limited to, non-public information that might be useful to competitors or harmful to the Company or its customers if disclosed, such as:

- Non-public information about the Company's financial condition, prospects or plans, its

marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock repurchases and divestitures;

- Non-public information concerning possible transactions with other companies/Company's or information about the Company's customers, suppliers or joint venture partners that the Company is under an obligation to maintain as confidential; and
- Non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors.

Respect for confidentiality is the cornerstone of trust and confidence as well as a legislated obligation.

All employees must take reasonable and necessary steps to maintain the confidentiality and prevent the disclosure of Confidential Information. To ensure this, the Company expects all its employees to abide by the rules laid down in the Data Privacy and Confidentiality Policy.

## 7 Accepting and presenting gifts

Directors and employees should refrain from accepting any gifts, either monetary or otherwise, from clients or contractors. Small gifts of minor monetary value (not more than KD 25/-) **(amount to be decided by the Company)** such as corporate gifts, calendars, promotional or commemorative items, etc. bearing the inscription of the giver may be accepted. Never accepts gifts of cash, cash equivalents, stock or other securities.

The offer of invitations, gifts, payments, services, hospitality or other benefits which could be seen to affect the concerned director or employee's ability to exercise independent judgment to influence our decisions or undermine the ability of our business relationships should in all cases be notified to the Head of HR. As a general rule, meals, refreshments, entertainment, accommodation or travel of reasonable value, should only be accepted on the basis that the expense would be deemed to be an appropriate business expense if it were to be charged to the Company.

Employees must not solicit or accept gratuities, directly or indirectly, from clients, or other parties dealing with the Company in connection with work that the employee is responsible for. Gifts, sponsorships or invitations may not be accepted by an employee, where such could be deemed to influence or compromise the employee's position or any business decision by the Company.

## 8 Bribery and Corruption

No Director or employee of the Company should, directly or indirectly, offer or accept bribes. Every demand for a bribe whether in business or privately must be refused and reported immediately to the Chairman or the CEO. All members of the Company must not engage in transactions in which they have grounds to suspect that bribes are involved. Any attempts at bribery and corruption in all business segments both with regard to the work of our business partners and our own employees and colleagues must be discouraged and avoided. The Company's business must be undertaken correctly and in observance of the law. Should we suspect that one of our partners does not act in compliance

with our ethical principles, it must be made clear to him that we do not approve of this conduct and reserve the right to terminate the relationship.

Never provide anything of value that could be perceived as a payment for obtaining, retaining or directing government business or acquiring an improper business advantage with a government official.

## **9 Press**

A Director or any employee should be careful when socializing or interacting with the press by chance or appointment, as employees are not authorized to speak on behalf of the Company or release any information related to the Company's activities. Any such authorization must come from the authorized official from the PR Department.

Unless explicitly authorized to speak on behalf of the Company, you must make it clear that your personal views are yours alone and do not reflect the Company's views or represent an official Company position.

## **10 Non Discrimination**

A Director or any employee must deal with current and prospective customers and colleagues without any discrimination because of race, color, national origin, religion, sex and creed. Hence, the work environment is to be free from disruptive influences, which can interfere with or interrupt the Company's work, as such behavior or attitude may lead to termination.

## **11 Maintenance of Company Equipment**

All employees should maintain the Company equipment and use them effectively without wasting unnecessary stationary, electricity, effort or time.

## **12 Compliance with laws and regulations**

All directors, officers and employees of the Company must abide by the prevailing local laws and regulations in their dealings and activities.

Any transaction undertaken in the name of the Company that would violate the laws, rules or regulations of any country or its political subdivisions in which this Company conducts business is prohibited.

Any form of bribery or attempt of bribery to gain business or financial advantages to a government official or any other persons by directors, officers and employees is strictly prohibited.

Directors, officers and employees must not engage in fraud or any form of infringement of the rights of others and neither should they involve themselves or the Company with contractors/clients intending to commit fraudulent or illegal activities.

All directors, officers and employees of the Company must be honest in all their dealings and communications with clients, auditors, superiors, and contractors.

Directors, officers and employees must not intentionally or recklessly mislead existing or prospective clients about the results that can be achieved through the use of the Company's services. Furthermore, directors, officers and employees may not suggest means that would violate the law in order to attain the requirements of the client.

If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the Company's Chief Executive Officer or his designee.

Observing the law is a minimum requirement. The Company's Code envisions a level of ethical business conduct well above the minimum required by law.

### **13 Anti-Money Laundering and Terrorist Financing Controls**

Money laundering refers to introducing money from criminal sources into the legal business cycle. Terrorist financing refers to funding for terrorist activities and can come from legitimate or criminal sources. The Company is committed to preventing and combating money laundering and terrorist financing. Every Director and employee of the Company must conduct only those transactions in which our partners have been clearly identified. In uncertain cases advice must be taken from the AML Unit to investigate the business background. In order to prevent involvement in transactions possibly related to money laundering, all employees of the Company must critically analyze the transactions underlying our commitment and document and report any suspicious elements.

Be vigilant and exercise good judgment when dealing with customers or business partners. Know who they are, what kind of business they are in, and where their funds come from.

### **14 Confidential Reports (“whistle blowing”)**

A whistleblower is defined as an employee who, in good faith, submits a confidential or anonymous allegation of misconduct or potential wrongdoing. Whistleblowers are not those who raise issues or concerns through the normal business or management channels in an open, non-confidential manner. If any employee believes reasonably and in good faith that malpractice exists in the work place, then he or she is expected to follow the rules as described in the Company's Whistleblower Policy.

### **15 Use of Company's Assets**

The Board and each Director shall act as a guardian of the Company assets and ensure that Company assets are used for legitimate business purposes only. Directors, officers and employees are prohibited from using Company assets, confidential or proprietary information or position for personal gain.

The Company has a detailed and comprehensive Data Privacy and Confidentiality Policy approved by the Board.

The Company's computers, networking resources, electronic communications systems (including e-mail), telephone and voice systems and other computer-processed information (collectively, Company's information technology systems") are the property of the Company, and are provided as a tool to enhance and facilitate business-related communications. All employees, therefore, should use the Company's information technology systems to provide service to customers and for other business purposes. The Company's information technology systems may not be used to create, store or transmit information that is hostile, malicious, unlawful, sexually explicit, discriminatory, harassing, profane, abusive or derogatory towards others. The Company's information technology systems may not be used to intentionally access web sites which contain illegal, sexually explicit or discriminatory content.

All Directors and employees are required to exercise the highest standards of corporate and social behavior in all of their information technology systems usage, language and communications.

## **16 Financial Relations with Customers**

Financial relations shall not be established between staff accounts and customers' accounts. Employees shall not consent to act as an agent or an official power of attorney holder for or on behalf of any customer for managing their accounts. Company's staff shall not provide collateral or stand guarantee for any facility extended by the Company to any customer.

## **17 Intellectual Property**

Intellectual property, including, but not limited to, patents, trademarks and copyrights, developed or otherwise acquired by Company employees, using company resources during their employment with Company and which is related to Company's business is the property of Company. All employees with access to Company intellectual property must not improperly disclose or use the intellectual property either during or after employment with Company, unless proper authorization is received.

Always be careful to protect confidential information belonging to the Company, as well as confidential information belonging to our customers, business partners and other stakeholders. Take reasonable physical and electronic precautions to safeguard the information.

Unless secured by means provided or approved by the Information Technology Department, do not access or store the Company's confidential information on personal devices such as your personal smart phone, laptop, desktop or other computing device.

## **18 Sexual Harassment**

The Company believes in providing its employees an environment free from all forms of discrimination and conducts which can be considered harassing, coercive, or disruptive, including sexual harassment. Anyone engaging in harassing conduct will be subject to discipline, ranging from a warning to termination.

Any unwanted physical, verbal or visual sexual advances, requests for sexual favors, and other sexually oriented conduct which is offensive or objectionable to the recipient, including, but not limited to: epithets, derogatory or suggestive comments, slurs or gestures and offensive posters, cartoons, pictures, or drawings would be considered as an act of Sexual Harassment.

Unwelcome sexual advances (either verbal or physical), requests for favours and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- submission to such conduct is either an explicit or implicit term or condition of employment (e.g., promotion, training, timekeeping or overtime assignments)
- submission to or rejection of the conduct is used as a basis for making employment decisions (hiring, promotion, termination)
- the conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment

Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates morale, and that, therefore, interferes with work effectiveness.

Any employee who feels that he/she has been the recipient of sexually harassing behavior, he/she must report (either written or oral) it immediately to the HR Head/ Department Head/ Supervisor. The complaint would be investigated and appropriate action will be taken by the management of the Company.

## **19 Customer Complaints**

Company's should give due attention to complaints raised by clients and customers, and should look into the matter accurately and professionally and provide their response at the earliest. All complaints must be routed through the Company's Customer Complaints unit.

## **20 Insider Trading**

Directors, officers or employees in possession of material information about the Company must abstain from trading in its securities until such information is generally and publicly available by means of a press release or other public filing. "Material non-public information" about a Company is information that a reasonable shareholder would consider important in making a decision to buy or sell stock.

Insider trading occurs when an individual with knowledge of material non-public information about a Company uses it to gain profits or avoid losses in the stock market. Such material "inside information" might include earnings estimates, stock and dividend activity, changes of control or management, pending mergers, sales, acquisitions, reserves numbers or other significant business information or developments.

Providing such inside information to others who then trade on it is also strictly prohibited.

## **21 Fair Dealing**

The Board will not resort to unethical or illegal activities in the conduct of Company business including any improper dealing practice. Each director, officer and employee should endeavour to deal honestly and ethically with the Company's directors, officers, employees, auditors, advisors, customers, suppliers and competitors while engaged in business on behalf of the Company.

Non-compliance with this Code or the law or other unethical or dishonest business practices while acting on behalf of the Company are forbidden and may result in disciplinary action, including termination.

## **22 Corporate Opportunities**

Directors, officers and employees are prohibited from accruing for themselves personally (or for members of their immediate family) any opportunity that may be of interest to the Company that is discovered through the use of corporate property, information or position unless such opportunity is first offered to the Company and the Company affirmative determines not to pursue it. Each director, officer and employee will be prohibited from engaging into business that would result in competition with the Company.

Company members who discharge civic responsibility through membership of public or quasi-public decision making bodies (school boards, town councils, clubs, etc.) should be alert to possible conflicts of interest and declare any such conflict as these institutions may also be the consumers of financial services and therefore actual or potential customers of the Company. Accordingly, members must be scrupulous in declaring any such conflict of interest and judge carefully whether circumstances warrant withdrawal from deliberations on the placements of Company's business. Where members do accept positions as directors in companies or other Company's, in social or other clubs, they should avoid any potential conflict of interest by declaring the nature of their interest (if any) in formally constituted meetings of the organization and if required, to follow the organization's rules in respect to non-voting in such situations.

## **23 Health, Safety and Environmental Protection**

The Company is committed to conducting its business in a manner designed to protect the health and safety of its employees, its customers and the environment. The Company's employees must comply with all relevant laws and regulations, and must promptly report to their management any conditions that may pose a health, safety or environmental hazard.

## **24 Compliance and Implementation**

Each director, officer and employee is responsible for knowing the contents of this Code of Conduct and adhering to the standards as detailed herein.

Questions of interpretation or application of this Code with respect to a particular situation should be addressed to the Company's Chief Executive Officer or his designee. Such requests may be made in writing or orally and will be handled discretely.

Any suspected violation of applicable laws, rules or regulations or this Code, including any transaction or relationship that reasonably could be expected to give rise to a conflict of interest, should be reported promptly to the Company's Chief Executive Officer or his designee, without regard to the usual lines of reporting. Every reasonable effort will be made to ensure that all questions and information will be handled discretely.

## **25 Sanctions**

Disciplinary measures will be taken in the event of violations of the Code. This also applies to negligence in communicating this code and other guidelines. These measures will be carried out by the Human Resources Department following discussion with the employee's supervisor and may include termination of employment and prosecution.

### **Compensating Team Members fairly and lawfully**

Team members are expected to comply with all applicable employment-related laws. Immediately report any suspected violation of law or policy. Leaders must ensure that their team members are paid timely, accurately and in accordance with applicable legal requirements and the Company's policies. Understand the activities that must be recorded and reported as time worked and never instruct team members to omit covered activities in their time records. Do not withhold or deduct any amount from a team member's pay except as required or permitted by law. Team members who are required to record and report their time worked must do so accurately and completely. Never over or understate your time worked or otherwise provide incorrect or inaccurate time records. Failing to do so by over-reporting or under-reporting time worked—can lead to disciplinary action up to and including termination.

### **Ensuring a non-violent workplace**

Be polite and respectful at all times. If you disagree with a team member or other person at work, try to resolve it calmly. Never bully, threaten, intimidate or harm another person or their property through either verbal behavior (written or oral) or non-verbal behavior (such as gestures or expressions).

### **Respecting Team Member privacy**

The Company may collect personally identifiable information about team members to meet legal requirements or enable effective business operations. If your role requires that you have access to team member personally identifiable information, make sure you take steps to properly secure it, and that you access or use it only when authorized by the Company for legitimate business needs and in accordance with applicable laws and Company policies. Regardless of your role, if you gain access to a team member's personally identifiable information or other private data, always take care to keep it secure and never share it with anyone—inside or outside of the Company—without the team member's permission except as necessary to meet legal or legitimate business requirements.

## **Preventing Theft & Fraud**

Fraud is a type of theft by deception. It involves making someone believe (by words or conduct or by concealing important information) something that isn't true, with the intent of having them take (or refrain from taking) some action in reliance on the misrepresentation with the result that they suffer economic harm. Any team member who engages in or assists others with theft or fraud will be subject to disciplinary action up to and including termination and will also be subject to prosecution.

## **Using Information Technology and other resources**

The Company provides team members with facilities, furniture, supplies, equipment and information technology resources to help them perform their work for the Company. We must all be good stewards of these resources. We need to use and maintain them carefully and protect them from theft, loss, damage, waste and abuse.

Team members may occasionally use Company resources, including information technology resources, for limited personal use, but it must be appropriate and kept to a minimum. Inappropriate use would include such things as engaging in illegal activity, viewing pornography, accessing hate sites and hacking. Team members also should never use Company resources to support secondary employment, outside business ventures or personal political activities.

## **Effective Records Management**

A Company record is physical or electronic evidence of a transaction, event or decision that the Company retains to satisfy legal, regulatory or contractual requirements. Examples of Company records include sales or service contracts, invoices, purchase orders, journal entries and employment records. The Company may be subject to fines and penalties if we fail to retain or are unable to locate records during the required retention period.

Retain all Company records in accordance with applicable retention requirements and store them in approved electronic or physical storage locations. Properly dispose of Company records that have satisfied their retention requirements and are not subject to a preservation directive from the Legal Department.

## **Contracting Authority**

To promote efficiency, ensure compliance with legal, accounting and financial reporting requirements, and protect Company's assets from fraud, waste and abuse. The Company has established policies, procedures and controls governing the negotiation and approval of contracts between the Company and its customers, suppliers, business partners and other stakeholders.

Authority to enter into and sign contracts on Company's behalf has been delegated to different team members depending on the nature, parties, scope and financial value of the contract involved. The Company's Authority Matrix should be referred when entering into contracts with outside parties.

## **26 Administration and Waiver of Code**

This Code shall be administered and monitored by the Head of Human Resources.

All members of the Company are required to follow this Code at all times. Generally, there should be no waivers to this Code. However, in rare circumstances, conflicts may arise that necessitate waivers, which will be evaluated on case to case basis by the CEO. However for directors and executive officers, only the Board of Directors will have the sole and absolute discretionary authority to approve any deviation or waiver from this Code.

## **27 Policy Review**

The ownership of this policy is with the Board of Directors. The Board of Directors shall review this policy at least annually and shall make amendments, if deemed necessary.

## **28 Copyright Statement**

The Company has a proprietary right over this Policy and its contents. No part of the Policy should be copied nor is to be removed from the Company's premises without the express written permission of the Policy Owner.

The content of the Policy is to be treated as confidential and is not to be shown nor distributed to any non-authorized persons or customers, inside or outside the Company.

## **29 Policy Administration**

All Policy administration requirements like access, review, update, approval authority for review, and amendments of the Policy and the register of amendments will be as per the Authority Matrix of the Company.

**Your Personal Commitment to**

**Company**

**Code of Conduct and Ethics**

I acknowledge that I received a copy of **the Code** of Conduct and Ethics dated \_\_\_\_\_ ("**the Code**"), that I have read **the Code** and that I understand it. I undertake to comply with **the Code**. If I learn that there has been a violation of **the Code**, I will contact my supervisor or Chief Executive Officer or the Head of Human Resources. I acknowledge that **the Code** is not a contract, and that nothing in **the Code** is intended to change the traditional relationship of employment-at-will.

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_