



National Petroleum Services Company K.S.C

Conflict of Interest Policy

Document Number	Revision/Date	Number of Pages	Approved By
109001-OSP-008	0 / 01 JUL 16	5	

1 Preamble

The Conflict of Interest Policy is prepared to ensure that the highest degree of transparency and objectivity is maintained to cover all the process of National Petroleum Services Company K.S.C.C (“the Company” or “NAPESCO”). Conflict of interest among Company employees, directors, their immediate family members (i.e. spouse, children, parents, brothers and sisters) and the Company, over their commercial and economic interests, must be avoided.

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:

- 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; and
- 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 Conflict of Interest – Members of the Board of Directors

The Board will take all reasonable measures to identify, and prevent or manage, conflicts of interest that could harm the interests of the Company.

Board Members appointed by controlling shareholders

In cases where the controlling shareholders have the influence to appoint Board members, the members of the Board should exercise their duties towards the Company apart from the entity that appointed them. Members of the Board of Directors shall act at all times in the best interests of NAPESCO rather than particular interests or constituencies. This means setting aside personal self-interest and performing their duties in transaction of the affairs of NAPESCO in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board. No director shall directly or indirectly receive any profit from his/her position as such, provided that directors may be paid reasonable expenses incurred by them in the performance of their duties.

Disclosure of Conflict of Interest by the member of the Board of Directors

A Director must immediately disclose to the Chairman of the Audit Committee and/or the Chairman of the Board any situation that involves, or may reasonably be expected to involve, a conflict of interest.

Interest in the business and contracts made in favor of the Company

The member of the board may not – without an approval of the general assembly (to be renewed on annual basis) have any interest (directly or indirectly) in the business and contracts made in favor of the company, with the exception of business carried out by public tendering, if the board member has the best offer.

The board member shall inform the board about his personal interests in the business and contracts made in favor of the company. Such information shall be stated in the meeting minutes. The member who has such interests may not participate in voting over the resolution to be issued in this regard. The chairman of the board shall inform the general assembly meeting about the business and contracts in which the board member has interests. A special report made by the independent auditor shall be enclosed with such information

Interest in the business that competes with the business of the Company

Authorization from the general assembly is required to be obtained on an annual basis. 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.

Credit facilities granted to the Board of Directors or guarantees provided for loans granted under a contract of any Board Member with third parties

The Company shall not provide credit facilities of whatever type to its board members, or guarantee any loan granted under a contract of any board member with a third party, with the exception of banks and other finance companies, as per the controls set by the Central Bank of Kuwait in this regard

3 Conflict of Interest – Employees

The Company expects its employees to avoid any personal activities and financial or non-financial interests which may conflict with their commitment to effectively perform their jobs. Any employee who is actively engaged in business interests outside the scope of his employment at the Company shall be required to disclose the details of such business activities in writing. An employee should obtain the approval of Human Resources Department before rendering services to another employer.

Employees should not engage in any outside business activity, project of investment which by its nature, scope, or time requirements could:

- Involve a conflict of interest that might divert the employee from discharging their duties in an impartial manner;
- Interfere with the satisfactory performance of work with the Company or divert employee from paying attention to his daily work;
- Result in a compromise or misuse of authority or information;
- Adversely affect the interests or reputation of the Company.
- Personal or family matters must not at any time influence business decisions

4 Gifts and Gratuities

Soliciting or accepting cash, tangible property or services (including entertainment, travel, etc.) or anything of value as a gift or condition to a transaction will be prohibited.

All gifts and gratuities received by member of the staff or by a Board Member from any customer, the value of which exceeds KD 25 (**amount to be decided by the Company**), must be reported to the Human Resources Department immediately, who will provide an annual summary within 30 days of the respective period end, for review by the CEO.

5 Ownership of Securities

Purchase and sale of listed or unlisted securities in which an officer, employee, Board Member, or their related entities have any interest, will be made on the same terms as for other third parties and will be fully disclosed.

6 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.

7 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 National Petroleum Services Company K.S.C.C. (“the Company” or “NAPESCO”) 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.

8 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.

CONFLICT OF INTEREST STATEMENT

Signature :

Designation :

Date :