



الشركة العميلة للطاقة (ش.م.ك.م.)  
Action Energy Company (K.S.C.C)

**AEC - CODE OF ETHICS AND  
BUSINESS CONDUCT POLICY  
ISSUE DATE: OCTOBER 2024**

## Review & Approval

Approval	Date
BOD Approval	10/02/2025

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## Key Definitions

1. **The Company:** refers to the Action Energy Company K.S.C.C. and does not include any of its subsidiary, associate, or partnerships
2. **The Authority (CMA):** refers to the Capital Markets Authority in Kuwait.
3. **Board of Directors ('Board'):** refers to the governing council of the Company as required under the Kuwait Companies Law No.1 for 2016, and its Executive Bylaws as maybe amended from time to time.
4. **Board Members ('Directors' or 'Directors'):** refers to the natural person, or the representative of the natural person or the legal person elected to be a Board Member. The term covers Chairman, Vice Chairman, Executive Board Members, Non-Executive Board Members, and Independent Board Members of the Company.
5. **Chief Executive Officer ('CEO'):** refers to a person appointed by the Company's Board of Directors from amongst the Members of the Board (except the Board Chairman) or others, who shall be directly under the Board of Directors, who is in charge of managing all executive works relating to the Company's main activities, in accordance with the responsibilities and authorities granted to him.
6. **Executive Management:** refers to the C-suite executive positions directly subordinate/ reporting to the CEO in accordance with the organizational structure adopted by the Company. The Executive Management are appointed by the Board and are responsible for day-to-day business of the entity.
7. **Key Management Personnel:** refers to individuals who have authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any Board member (whether executive or otherwise) of that entity.
8. **Shareholders:** refers to an individual or legal entity (such as another corporation, a body politic, a trust or partnership) that is registered by the Company as the legal owner of shares of the share capital of a public or private Company.
9. **Stakeholders:** refers to every person of interest to the Company such as employees, creditors, suppliers, clients, agents, and service providers thereto.
10. **Employee/ Employees:** Employee means the Employee/s of the Company, including member/s of the Executive Management, part time Employee/s, seconded Employee/s etc.
11. **Conflict of Interest:** refers to situation in which an individual or entity is involved in multiple interests, relationships, or obligations that could potentially compromise their ability to act impartially, ethically, or in the best interests of one or more parties involved.
12. **Corrupt Practice:** Corrupt practice is any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation.
13. **Inside Information:** refers to information and data not announced to the public which if announced would influence the price or trading of a Security.
14. **Disclosure:** refers to the process of disclosing information (financial and non-financial), which would affect an entity, its dealings and customers, and is carried out either periodically (specific periods), or immediately when the information occurs or becomes available, so that the information is available at the same time to everyone, and it is not possible for one person to benefit before others from the information, in line with the requirements and regulations of the Capital Markets Authority.
15. **Nominal Value:** In the context of gift exchanges, the term "nominal value" typically refers to a suggested price range for gifts. The Company considers the nominal value of gift exchanges to be limited to a maximum of KD 50.

# 1. Introduction

## 1.1. Preface

Upholding ethical and professional standards is paramount for any organization to thrive. The Company is committed to fostering a workplace that embraces integrity, respect, and a shared sense of responsibility. This Code of Ethics and Business Conduct Policy ('Policy') serves as a cornerstone of the Company's commitment to these values, providing a framework for ethical decision-making and responsible conduct for its directors, Executive Management and Employees.

The Policy outlines the principles and expectations that guide interactions with colleagues, customers, partners, and the wider community. It encompasses a range of areas, including workplace behavior, ethical practices, compliance with laws and regulations, and the Company's commitment to mutual respect, equality, and inclusion.

## 1.2. Purpose and Objectives

The purpose and objectives of the Policy are to:

1. Promote ethical standards and responsible conduct of the Board, executives, and Employees.
2. Provide an ethical framework for the organization based on the Company's values and beliefs.
3. Provide guidance to the Board Members, Management, and Employees on the values and beliefs of the Company.
4. Ensure compliance with the laws and regulations and prevent abuse of insider information<sup>1</sup>.
5. Promote a culture of integrity within the organization and prevent fraud<sup>2</sup>.
6. Prevent the use of organizational business activities as a cover for money laundering<sup>3</sup> and related illegal activities.

This policy should be read in line with the following regulations and policies of the Company:

### Regulations:

1. Capital Markets Authority Law (Law No. 7 of 2010).
2. CMA Executive Bylaws as maybe amended from time to time.
3. Law No. 16 of 1960 (Kuwait Criminal Code) as amended by Law No. 31 of 1970 (the Amendment).
4. Law No 2 of 2016.
5. Law No. (106) of 2013 concerning Anti-Money Laundering and Combating the Financing of Terrorism, and its Executive Regulations.

### Company policy

1. Conflict of Interest Policy.
2. Related Parties Transactions Policy.
3. Whistleblowers' Policy.

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<sup>1</sup> Please refer to the section 2.8 on Preventing Market Abuse.

<sup>2</sup> Please refer to the section 2.9 on Combating Fraud.

<sup>3</sup> Please refer to the section 2.10 on Preventing Money Laundering and Combating the Financing of Terrorism.

4. Human Resources Policy.
5. Procurement Policy.
6. Corporate Communication Policy.
7. Delegation of Authority.
8. Other internal policies and procedures, as applicable.

Any deviations from the Policy shall be approved in accordance with the AEC Delegation of Authority.

### **1.3. Scope of Application of Policy**

This Policy applies to the following persons:

1. Members of the Board of the Company.
2. Members of Board Committees of the Company.
3. Executive Management of the Company.
4. Company Employees.

### **1.4. Policy Custody and Distribution**

The contents of the Policy are confidential and for internal use only. The Policy shall be maintained by the Human Resources Department. The Policy will be circulated to the Board Members, Executive Management, and the Company Employees and/or published on the Company intranet for general access, as applicable. All Company personnel shall refer to and adhere to the Policy.

Any access to the Policy to interested third parties shall be subject to their signing of a standard non-disclosure agreement with the Company and the approval of the Human Resources Department.

### **1.5. Policy Maintenance**

The Policy shall be reviewed periodically (at least once in three years) and more frequently, if deemed necessary. Revision, if any, to the Policy shall be based on one or more or a combination of the following reasons:

1. Changes in applicable laws, regulations, and internal policies of the Company.
2. Gaps/ improvement opportunities identified by the Company's Internal Audit (IA) Department.
3. Any other change which necessitates amendment to this Policy.

All requests for revision to this Policy shall be submitted to Compliance Department and shall follow the steps mentioned below:

1. In the event of any request for revision to the Policy, the Human Resources Department in coordination with the Compliance Department shall review the request and assess if the proposed changes are pertinent and justified considering any of the above-listed parameters.
2. If the proposed changes are not justifiable, the Human Resources Department may reject such a request and notify the requester, accordingly, along with reasons for the rejection.
3. If requested changes are deemed to be justifiable, the Human Resources Department shall escalate the change request to the Executive Management for review, and the Board for approval.
4. Subject to endorsement by the Executive Management and approval by the Board, the Human Resources Department shall amend/ update the Policy. The revised Policy shall be circulated to the Board Members, Executive Management, Department Managers, and Company Employees.

5. Subject to approval by the Board, the Compliance Department shall amend/ update the Policy. The revised Policy shall be circulated to the Board Members, Executive Management, Department Heads, and the relevant Employees of the Company.

#### 1.6. Policy Maintenance Authorities

Authorities	Maintain	Update/ Amend	Review	Endorse	Approve	Publish
Human Resources & Admin Department	✓	✓	✓			✓
Compliance Department			✓			
Risk Management Department			✓			
Executive Management			✓	✓		
Board					✓	
IT Department						✓

#### 1.7. Precedence of Laws and Regulations

In the event of a conflict between any statement and/or course of action in this document and applicable regulations, the relevant laws and regulations shall always take precedence.

#### 1.8. Policy Queries and Clarifications

For any questions or concerns regarding the Policy, the employees shall direct them to the Head of Human Resources for prompt attention and resolution.

#### 1.9. Employee Acknowledgement

The employees shall confirm that they have read, understood, and acknowledge that they are subject to all the rules and guidelines contained in this Policy. Any deviation or violation of the established standards shall be deemed as material non-compliance and subject to disciplinary action at the discretion of the Company. Please refer to Appendix 1 for the Employee Acknowledgement Form.

Employees are required to acknowledge the Company's Code of Ethics and Business Conduct Policy upon joining the Company and subsequently whenever any amendments are made.

## 2. Code of Ethics and Business Conduct

### 2.1. Introduction

The Company is dedicated to cultivating a secure and positive work environment that empowers all its personnel and Employees to achieve their full potential. The Company expects each person to uphold the highest ethical standards, embrace its cultural values, and consistently demonstrate integrity and professionalism in accordance with this Policy.

This Policy serves as a comprehensive guide to the general conduct expected of all Company personnel to maintain harmonious working relationships within the organization, with its customers, and with other Stakeholders. It aligns with applicable laws and regulations as well as the Company's other policies. Every individual within the Company bears the sole responsibility for adhering to and implementing this, Policy.

By adhering to the principles outlined in this Policy, the Company collectively contributes to a workplace that promotes ethical behavior, fosters respect, and upholds the Company's reputation.

### 2.2. Core Values of the Organization

The Company adopts the following core values to constantly guide the directors, the Employees, and the Company in achieving their mutual goals, in a manner that is based on an ethical and ideological framework.

- a) **Integrity and ethics:** nurturing a culture of doing the right thing, in an honest, fair, and responsible way.
- b) **Respect:** treating all Stakeholders with utmost respect and professionalism as well as ensuring a safe and healthy organizational work environment.
- c) **Innovation and Creativity:** cultivating a culture of innovation that empowers its personnel and Employees to think creatively, generate new ideas, and contribute to the organization's success.
- d) **Agility:** enabling an environment of collaboration, resilience, and responsiveness to change and fostering learning, growth, and leadership within the organization.
- e) **Continuous Learning and Capacity Building:** empowering Employees through continuous learning, skill development, and knowledge sharing for organizational success.
- f) **Equality:** putting its people first and respecting and supporting different ethnicities, skills, perspective and thinking, and striving to be an equal opportunity employer<sup>4</sup>.
- g) **Non-Discrimination and non-harassment:** maintaining a work environment that encourages mutual respect and promotes mutually respectful relationships between Employees<sup>5</sup>.
- h) **Confidentiality:** upholding the highest standards of confidentiality as well as expecting Employees to safeguard all sensitive information entrusted to them<sup>6</sup>.

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<sup>4</sup> The Company conducts all its affairs with fairness and equality and fosters a unique and inclusive culture by providing a safe and respectful work environment. The Company is dedicated to upholding equality, prioritizing the well-being and dignity of all its Employees. deeply respecting and supporting individuals from diverse ethnic backgrounds, with various skills, perspectives, and ways of thinking. As an equal opportunity employer, the Company ensures that fairness and equality permeates every aspect of its operations. The Company actively cultivates a distinctive and inclusive culture, underpinned by the provision of a secure and respectful work environment. The Company expects all Employees to understand and reflect behaviors consistent with these principles.

<sup>5</sup> The Company prohibits harassment in any manner or form. The Company ensures prompt and thorough investigation of all reported or suspected occurrences of harassment and bullying. Where harassment is determined to have occurred, the Company will take appropriate disciplinary and/or corrective action.

<sup>6</sup> Employees must maintain the confidentiality of all sensitive information, including financial data, trade secrets, intellectual property, and client or partner details. This commitment extends to protecting confidential documents shared by business counterparts during dealership relationships. Business counterparts must undergo an internal supplier registration process and provide identification and incorporation documents, which are stored exclusively at the Legal Department and handled with utmost discretion.

- i) **Data Protection:** complying with all applicable data protection laws and regulations to safeguard the privacy and security of personal data collected, processed, or stored during the course of business activities<sup>7</sup>.

### 2.3. Conflict of Interest

A conflict of interest arises when an individual's private personal interests clash with their professional duties, potentially hindering their ability to make unbiased decisions on behalf of the Company or perform their role objectively and effectively. A conflict situation can arise when a Key Management Personnel or an Employee performs or has such interests that may make it difficult to perform his/her Company work objectively and effectively.

The Company prohibits conflicts of interest and Key Management Personnel as well as Employees shall disclose any such potential conflicts to the Company prior to carrying out any transaction. Please refer to the AEC Conflicts of Interest Policy for relevant details.

### 2.4. Corporate Opportunities

The Company's Key Management Personnel and Employees shall not:

- a) Take for themselves personally, opportunities that are discovered using corporate property, information, or position.
- b) Use corporate property, information, or position for personal gain.
- c) Compete with the Company.

### 2.5. Interaction between Employees

Relationships between Employees/ Employee teams must be based on mutual respect, trust, and tolerance to enable and foster a learning, and a productive working environment.

All Employees will always behave in a respectful and professional manner with member/s of other departments, and must not purposefully, falsely, or maliciously attempt to injure the reputation of any colleague or team member.

Employees must exert their best effort to cooperate with others within the organization in the best interest of the Company, and for the promotion of its business.

### 2.6. Safe and Healthy Workplace

The Company is committed to providing a safe work environment to all its Employees and comply with applicable environmental laws and regulations that govern workplace health and safety norms. Employees must immediately report to their immediate supervisor, Department Manager, of unsafe conditions or work-related injuries, illnesses, and accidents.

### 2.7. Contributing to Communities

The Company encourages Employees to contribute to improving the quality of life of their communities and to giving back to society. The Company encourages Employees to:

- a) Participate in the activities of charitable or civic organizations that enrich their community.

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<sup>7</sup> All Employees must handle personal data responsibly and in accordance with the Company's data protection policies and procedures. This includes obtaining necessary approvals, protecting data against unauthorized access, ensuring data accuracy, as well as promptly reporting any data breaches or security incidents to the designated authorities.

- b) Volunteer in other deserving causes if such activities do not interfere with their job responsibilities.

## 2.8. Preventing Market Abuse

The Company supports fair and open markets for buying and selling securities. Insider trading is illegal and distorts financial markets. The Company shall comply with applicable market and listing regulations.

The Company prohibits buying, selling, or trading in the stock or securities of the Company while based on illegal use of inside information<sup>8</sup>.

The Company shall prevent inside information from being disclosed to people outside the Company. This will involve the following steps<sup>9</sup>:

- a) Keeping relevant files under lock and key – whether it is a physical lock on a file drawer or using encrypted/password-protected laptops or cell phones.
- b) Sharing information only with those within the Company who have a legitimate business need to know.
- c) Prohibiting disclosure of confidential information by Employees to family or friends<sup>10</sup>.
- d) Prohibiting disclosure of confidential information to the public or on social media in accordance with the social media guidelines for Employees.

The Company personnel shall:

- a) Abstain from making buy or sell recommendations to anyone else while in possession of Inside Information.
- b) Abstain from reporting any Inside Information to unauthorized individuals.
- c) Comply with blackout periods<sup>11</sup> when applicable.

**Note:** Failure to adhere to any of the aforementioned provisions may result in criminal charges and disciplinary/ legal action, and legal penalties etc.

## 2.9. Combating Fraud

The Company promotes a culture of integrity at every level in the organization and establishes effective control procedures to control any risk of fraud (internal, across Management levels, external) or help to eradicate any opportunity to commit fraud.

The Company prohibits all Stakeholders (Company personnel and external parties) from engaging in fraudulent activities<sup>12</sup>. The Company and its Stakeholders must:

- a) Never engage in any activity or conduct tainted with fraud, deception, or any illegal transaction.

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<sup>8</sup> Inside information includes not only confidential information within the Company but also covers any information that is not known to the public.

<sup>9</sup> Please also refer to AEC Disclosure Policy for details.

<sup>10</sup> Please refer to AEC Employee Confidentiality Undertaking Form and AEC Employee Non-Disclosure Agreement Form.

<sup>11</sup> A blackout period typically refers to a period during which employees, and other insiders of a company are prohibited from buying or selling shares of the company's stock. This restriction is often imposed during sensitive periods, such as when that company is about to release earnings or make a major announcement, to prevent insider trading and ensure market fairness.

<sup>12</sup> An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless and imprudent indifference or a lack of due diligence to ascertain as to whether it is true or false. However, mere inaccuracy in such information, committed through simple negligence, will not be enough to constitute a "Fraudulent Practice".

- b) Identify sensitive areas and issues in relation to possible fraudulent opportunities within the organization's business activities, with a view to establishing effective internal control procedures.
- c) Raise awareness among external and/or temporary colleagues and co-workers of the risk of fraud, specifying the rules that must be complied with and everyone's rights and duties.
- d) Never allow any risk situation to degenerate into fraud due to its negligence.
- e) Never bypass a procedure because "everyone does it."
- f) Never investigate an alleged case of fraud alone and without the support from an expert.
- g) Never engage in collusive practices such as bid rigging, or in connection with public procurement or government contracting or in furtherance of a corrupt practice or a fraudulent practice<sup>13</sup>.
- h) Never disregard the recommendations contained in the Company's guidelines for the use of IT and telecom resources, especially regarding the use of passwords.
- i) Comply with security rules covering access to information systems and never divulge individual official login IDs and passwords to anyone.

## 2.10. Preventing Money Laundering and Combating Financing of Terrorism

It is of vital importance for the Company to have complete knowledge of its business partners/ counterparties with whom the Company has business dealings, including the identity of the end beneficiaries of its products and services. Relevant departments within the Company shall:

- a) Carry out identity and integrity checks on all business relations prior to signing any undertaking, to ensure that their business involves only legal activities and that their funds do not come from illegal activities, or sources subject to international sanctions<sup>14</sup>.
- b) Keep records and information associated with suppliers/ customers and related transactions.
- c) Monitor fund transfers involving high-risk geographical regions and ensure that operations or activities involving cash payments adhere to legal and regulatory requirements.
- d) Not conceal payments using a third party<sup>15</sup>.
- e) Before accepting payments, verify, analyze, and check the following relevant payment information, supplier communication, and supporting documents:
  1. **Payer Account:** ensure that the payment account is in the name of the contracting company.
  2. **Payment Currency:** verify that the payment is made in the currency specified on the invoice.
  3. **Payment Source:** confirm that the payment is not being received from unregistered accounts or accounts that are not typically used<sup>16</sup>.

<sup>13</sup> Coercive practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

<sup>14</sup> Conducting thorough integrity checks on business partners is essential to ensure their adherence to ethical standards and regulatory compliance. This involves evaluating factors such as financial stability, regulatory compliance, legal history, ethical practices, and reputation. Additionally, conducting AML checks and requiring completion of a Know Your Supplier Form (or AEC Supplier Registration Form) adds to the due diligence process. Principal Registration Department is responsible for carrying out such checks.

<sup>15</sup> The purpose of this provision is to prohibit the use of third parties (agents or middlemen) to disguise or conceal illicit payments such as bribes, kickbacks, or other forms of corruption.

<sup>16</sup> The concerned Employees shall obtain prior confirmation of the ownership and legitimacy of the payment account in all such instances.

4. **Payment Origin:** ensure that the payment is not being made from a country other than that in which the third party operates and in which its business is registered.

The Company shall establish a monitoring and reporting process to identify and track potentially suspicious transactions and activities. The Company Employees shall report any suspected fraud or activity to the Compliance Department.

## 2.11. Government Relations

The Company maintains ethical, transparent, and legally compliant interactions with governments worldwide. Given the stringent legal requirements imposed by various countries, the Company Employees must adhere to these regulations when engaging with government customers. As government entities are the Company's most prominent and valuable clients, Employee interactions with government officials significantly impact the Company's credibility, reputation, and overall success.

Employees who interact with government agencies and officials (who may be regulators, customers or otherwise), have the responsibility to:

- a) Ensure compliance with all applicable laws and regulations.
- b) Exercise particular care when third parties interact with the government officials on the Company's behalf.
- c) Provide timely, responsive, and accurate information in connection with any regulatory reporting requirements or proceedings.
- d) Cooperate fully and honestly with any government or law enforcement inquiry or investigation.
- e) Refrain from offering, promising, or providing any undue personal monetary, material, or other advantage, directly or indirectly, to any public official for the benefit of that official or any third party.
- f) Obtain prior written approval from their respective Department Managers before engaging in any payment or expense reimbursement for a public official's official travel, meal, or other related expenses on business purposes. The Company strictly prohibits any other form of promotional payment to public officials that may be interpreted as illegal or unethical.
- g) Report any suspected or actual violations of this policy to the Compliance Department.

## 2.12. Code of Conduct Guidelines

### 2.12.1. Code of Ethics

All Company personnel, including Board Members, Executive Management, and employees, shall adhere to the following:

- a) Act with integrity, competence, diligence, respect, and in an ethical manner with the public, customers, prospective customers, employers, Employees, colleagues, and other participants in the industry.
- b) Place the integrity of their profession and the interests of customers above their own personal interests.
- c) Use reasonable care and exercise independent professional judgment when conducting business activities and/or engaging in other professional activities.
- d) Practice and encourage others to perform in a professional and ethical manner that reflects positively on themselves, their profession, and the organization.
- e) Promote the integrity of, and uphold the rules governing, the Company's business as well as the industry.

- f) Maintain and improve one's professional competence and strive to maintain and improve the competence of colleagues and other associates.

## 2.12.2. Code of Conduct

All Company personnel, including Board Members, Executive Management, and Employees, shall adhere to the following code:

### 1. Conduct Relating to Professionalism:

- a) **Knowledge of the Law:** The Company and its Employees will understand and comply with all applicable laws, rules, and regulations of government, regulatory organizations, licensing agency, or professional association(s) governing the organization's business and professional activities within and outside the State of Kuwait. In the event of any conflict, the Company and the Employees must comply with the "stricter" law, rule, or regulation and not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- b) **Independence and Objectivity:** The Company and its Employees will use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities.
- c) **Misrepresentation:** The Company and its Employees will not knowingly make any misrepresentations relating to the Company's business, or other professional activities.
- d) **Misconduct:** The Company and its Employees will not engage in any conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on the Company, or the Employee's professional reputation, integrity, or competence.

### 2. Conduct Relating to Company's Duties to Customers:

- a) **Loyalty, Prudence, and Care:** The Company and its Employees have a duty of loyalty to their customers and must act with reasonable care and exercise prudent judgment. The Company and its Employees must act for the benefit of their customers and place their customers' interests before their own interests. In relationships with Customers, the Company and its Employees must determine their fiduciary duty and comply with such duty to the persons and interests to whom it is owed.
- b) **Fair Dealing:** The Company and its Employees must deal fairly and objectively with all Customers when providing product/ service recommendations, engaging in business deals, or engaging in other related professional activities.
- c) **Suitability:** The Company and its Employees must make reasonable inquiry into a client's or prospective Customers' requirements, and their business and financial constraints prior to making any product/ service recommendation or engaging in business deals.
- d) **Preservation of Confidentiality:** The Company and its Employees must keep information about current, former, and prospective customers confidential unless the information concerns illegal activities on the part of the client or prospective customer, disclosure is required by law or the client or the prospective customer permits disclosure of the information<sup>17</sup>. Please refer to the AEC Employee Confidentiality Undertaking Form.

### 3. Conduct Relating to the Duties of Employees to the Company:

- a) **Loyalty:** The Employees must act for the benefit of the Company and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to the organization.

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<sup>17</sup> Confidential information includes information that suppliers and customers have entrusted to the Company on a confidential basis.

- b) **Additional Compensation Arrangements:** The Employees must not accept favours, benefits, compensation, or consideration that competes with, or might reasonably be expected to create a conflict of interest with, the Company's interest unless they obtain a written consent from all involved parties.
- c) **Bribery and Corrupt Activities:** The Company prohibits Employees from giving or accepting bribes either to obtain or retain business for the Company, or to obtain or retain an advantage in the conduct of the Company's business and any such act shall be deemed as gross misconduct by the Employee<sup>18</sup>.
- d) **Acceptance of Payments:** The Company prohibits Employees from seeking or accepting, either directly or indirectly, any payments or services (irrespective of size or amount) outside the normal course of the Employee's business duties from any other person, Company or organization that does or seeks to do business with the Company.
- e) **Responsibilities of Supervisors:** The Employees must make reasonable efforts to detect and prevent violations of applicable laws, rules, regulations, and the Code of Ethics and the Code of Conduct by anyone subject to their supervision or authority.
- f) **Diligence and Reasonable Basis:** The Employees must exercise diligence, independence, and thoroughness in analysing business opportunities, making business proposals/ recommendations, and executing business deals.
- g) **Financial Record-Keeping:** Employees must ensure that the Company's accounting and financial records do not contain any false or intentionally misleading entries or information.
- h) **Record Retention:** The Employees must develop and maintain appropriate accounting records and other related communications with clients and prospective Customers.

#### 4. Gifts, Hospitality and Entertainment:

These guidelines on gifts, hospitality, and entertainment apply to all Company personnel, regardless of their position or level of authority. Official gift exchanges and other event related/ promotional activities shall be governed as per the guidelines in the Corporate Communications Policy.

##### a) General Guidelines

Company Employees shall refrain from offering or accepting any gifts, whether in the form of cash, tangible items, or intangible benefits, to or from any individual or entity, including customers, suppliers, government officials, or competitors. This prohibition extends to both personal and professional contexts. Any exceptions to this policy require prior approval in writing by the designated authority<sup>19</sup>.

##### Note:

1. To prevent potential conflicts of interest and maintain the integrity of business relationships, the Company has further established a policy on restrictions on gift exchanges on an annual cumulative basis. Please refer to the AEC Delegation of Authority for applicable limits and related guidelines.
2. Company employees must obtain prior approval before accepting/ offering any gifts that exceed the Company's gift acceptance/ offering guidelines<sup>20</sup>.

<sup>18</sup> Any such act of the Employees will be subject to formal investigation under the Company's disciplinary action procedures, which may include appropriate disciplinary action or dismissal from the Company.

<sup>19</sup> The Chief Operating Officer (COO) shall serve as the designated authority for approving exceptions to the Company's gift policy.

<sup>20</sup> The Chief Operating Officer of the Company shall approve any gift exchange in such cases.

## **b) Gift Acceptance Guidelines**

The following represent the Company's established norms for accepting gifts:

1. Company Employees may accept gifts from business partners and clients that are nominal in value<sup>21</sup> and infrequent.
2. Company Employees may accept gifts from colleagues that are personal and not extravagant.
3. Company Employees may not accept gifts from government officials or employees of state-owned enterprises.
4. Company Employees may not accept gifts that could be perceived as a bribe or kickback.
5. Company Employees shall decline gifts that are inappropriate or that could raise ethical concerns.

## **c) Gift Offering Guidelines**

The following represent the Company's established norms for offering gifts:

1. Gift-giving by Company Employees shall be infrequent and nominal in value<sup>22</sup> and not be intended to influence business decisions or create a conflict of interest.
2. Gifts from Company Employees shall be appropriate for the recipient and the occasion.
3. Gifts given by Company Employees shall not be excessive or extravagant or appear to be a bribe or kickback.
4. Company Employees shall not offer gifts to government officials or employees of state-owned enterprises.
5. Company Employees shall not offer gifts to individuals who are in a position to influence the Company's business.
6. Official gifts to external business parties shall require prior approval from the Corporate Communications Department. Please refer to the Corporate Communications Policy for appropriate corporate gifting guidelines.

## **d) Appropriate Gifts for Giving**

The following are examples of acceptable gifts for giving:

1. Small gifts, Company-branded items, or local souvenirs, for business partners or clients during visits, meetings, conferences, and on special occasions such as Eid etc.
2. Gifts of nominal value, such as flowers or food items, for colleagues on special occasions like birthdays or anniversaries.
3. Charitable contributions in lieu of gifts, with the recipient's consent and knowledge of the designated charity.

## **e) Reporting Offering/ Acceptance of Gifts**

1. Employees must notify the Compliance Department within five business days of any offering/ acceptance of gifts. This notification shall include detailed information about the gift, such as its nature, the receiver's/ giver's name and affiliation, and the estimated value.
2. Employees must complete and submit a Gift Declaration Form for any gift they accept, regardless of whether it exceeds the Company's gift acceptance guidelines. The completed forms will be maintained in the Compliance Department's records.

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<sup>21</sup> Nominal value is generally considered to be items worth less than KD 50.

<sup>22</sup> Nominal value is generally considered to be items worth less than KD 50.

## f) Business Entertainment and Hospitality

The Company recognizes that business entertainment, such as dining out or attending industry events, can be a valuable tool for building rapport and strengthening relationships with business partners. However, these activities must be conducted with the utmost discretion and professionalism to ensure they align with the Company's overall objectives and uphold its reputation.

The Company permits the exchange of infrequent business hospitality, such as meals or entertainment, between Employees and their business counterparts, provided that the cost of such hospitality remains within the reasonable limit. Employees must uphold the highest standards of personal integrity, impartiality, and honesty in all such business interactions.

Meals and entertainment organized by Employees for business purposes must adhere to the approved budget allocations and receive prior approval from their respective Department Managers/ Executive Management, as applicable. The expenses should be reasonable and aligned with the Company's business objectives. [Employees must notify their respective Department Managers in advance of any business entertainment or hospitality expenses they intend to incur or receive. This notification requirement is designed to ensure adherence to Company policies, maintain transparency, and manage expenses responsibly. Failure to comply with this policy may result in disciplinary action or non-reimbursement of unauthorized expenses. This approval process ensures that these activities are aligned with the Company's strategic objectives and do not exceed the allocated financial resources.]

## 5. Political Contributions:

The Company shall not make any corporate political contributions, including direct or indirect contributions to candidates, political parties, etc. This includes but is not limited to:

- a) Monetary donations.
- b) In-kind contributions, such as goods or services.
- c) Employee solicitation of political contributions.

However, to contribute to the development of regulations and legislation that impact the Company's business interests or those of its Shareholders and Employees, the Company may engage in communication with the government and other relevant stakeholders, as appropriate.

The Company allows Employee participation in the political process. Employees must adhere to the following guidelines when engaging in such activities on their personal time and using their personal resources:

- a) Employees shall not make political contributions on behalf of the Company.
- b) Employees shall not solicit political contributions from other Employees or customers.

## 6. Donations and Charitable Contributions:

### a) Objectives of Corporate Donations and Charitable Contributions

The main objectives of corporate donations and charitable contributions shall include, but not be limited to the following:

1. **Philanthropic Support:** Supporting causes that align with the Company's values and social responsibility initiatives.
2. **Community Engagement:** Fostering positive relationships with local communities and enhancing the Company's reputation.

3. **Strategic Partnerships:** Strengthening partnerships with organizations that contribute to the Company's business goals and objectives or its reputation and goodwill.

#### b) Eligibility of Recipients

The eligible recipients for corporate donations/ charitable contributions will be determined based on the following criteria:

1. **Non-profit Organizations:** Eligible recipients shall be registered as non-profit organizations under applicable laws.
2. **Charitable Organizations:** Eligible recipients shall have a demonstrable track record of providing charitable services or programs that align with the Company's values.
3. **Educational Institutions:** Eligible recipients may include recognised educational institutions that support the Company's philanthropic interests or workforce development initiatives.
4. Other organizations/ entities, as applicable.

#### c) Evaluation Criteria

The key evaluation criteria for corporate donations/ charitable contributions shall be as follows:

1. **Alignment with Company Values:** Donations should align with the Company's core values, mission, and ethical principles.
2. **Impact and Effectiveness:** Donations should support organizations or programs with a clear measurable impact on their intended beneficiaries.
3. **Financial Responsibility:** Donations should be made within the Company's financial budget and capacity, considering the potential return on investment.

#### d) Approval Process

The approval process for corporate donations/ charitable contributions shall be as follows:

1. **Donation Proposals:** Employees may propose potential donation recipients through a designated submission form.
2. **Management Review:** Proposals will be reviewed by a Management Committee designated by the CEO to assess alignment with the Company policy guidelines and strategic objectives.
3. **Board Approval:** Final approval for donations shall be subject to the approval of the CEO and the Board in accordance with the Company's Articles of Association.

#### e) Documentation and Reporting

The Corporate Communications Department shall maintain detailed records of all corporate donations/ charitable contributions, including recipient information, donation/ contribution amount, and purpose.

### 7. Standard of Performance and Behavior at the Workplace:

- a) **Dress & Appearance:** The Employees must always dress appropriately at the workplace and ensure that their personal hygiene and grooming reflects appropriate standards. [If the Company has supplied Employees with uniform and other apparel, they must always wear such uniform and apparel when required to do so. The Employees must ensure that all such clothing and items are clean and presentable when worn.] Please refer to AEC Dress Code Guidelines.

- b) **Personal Property:** The Employees must not leave any personal valuables or items unattended, either on the Company premises or in the Company vehicles. [The Company shall not be liable for loss or damage to any such individual property whatsoever.]
- c) **Use of Company's Communication Facilities:** The Employees must not use Company telephone/mobile phone or mail facilities for private purposes without prior permission from their Department Manager<sup>23</sup>. Abuse of these facilities and non-adherence to IT and Cybersecurity Policies and procedures shall be considered as a matter for potential disciplinary action.
- d) **Computer, Email, and Internet Use:** All Employees with access to the Company's computers and systems including email<sup>24</sup> and internet facilities as part of their job must not abuse such facilities for purposes unrelated to the Company's business<sup>25</sup>. Or upload any unauthorized software on the computers provided by the Company.
- e) **IT/ Cyber Security:** Employees are responsible for the security of their computer systems, data, passwords, personal account passwords (i.e., Net ID Passwords) and personal identification numbers and will be held accountable for any activities linked to their accounts. Users must follow known uniform and Company's established standards for maintaining and managing passwords and adhere to IT and Cybersecurity Policies and procedures.
- f) **Smoking and Use of Substances at Work:** The Company strictly prohibits smoking and the use of other substances on its premises and vehicles by the Employees.
- g) **Access to Company Premises:** The Employees must not bring any unauthorized person or persons on the Company premises without prior authorization of their Department Manager unless such action is authorized by the Company and is a requirement of the job. [The responsible Employee shall appropriately monitor such visitors during their presence on Company premises and including preventing their access to restricted areas.]
- h) Individual Opinion and Activities**
1. The Company prohibits Employees from participating in the publication of any report or document related to the Company's business or its disclosure to any outsider or third-party whether for a justifiable or unjustifiable reason.
  2. The Company prohibits Employees from reporting information to the media on Company's activities, whether current or future, without obtaining prior written authorization from the CEO, or from the Chairman of the Board, even if he/she is the person creating, handling, or in charge of that information.
  3. While the Company] upholds the right of its Employees to hold and express their personal political opinions, it also recognizes the professional nature of the workplace. Therefore, employees are expected to maintain a respectful and civil demeanour when engaging in political discussions. As a rule, Employees should refrain from engaging in political discussions that could disrupt the workplace or interfere with the productivity of others.
- i) **Conduct Relating to Use of Social Media:** The Company understands that many of its Employees use social media, messaging platforms and digital channels to engage and connect with others, both on business and personal level. Employees are advised to refrain from discussing any information about the

<sup>23</sup> If, for any reason, personal use is made of these items then arrangements must be made to pay the cost price of all services used.

<sup>24</sup> Company email address provided to Employees must be used only for Company business and not for personal or any other purposes, whatsoever.

<sup>25</sup> The Company may allow limited personal use of its internet facility during the formal breaks. However, any activities such as accessing pornographic or other unsuitable material, including other restricted activities will be considered a serious offence subject to disciplinary action or even dismissal from the Company.

operations, policies, or plans of the Company on all social media platforms or other digital platforms<sup>26</sup>. Please refer to the Corporate Communications Policy.

**j) Conduct Relating to Protection of Company Assets**

1. All information stored in personal computers and laptops including programs, studies, legal documents, personal information, or any kind of documents or information, are the properties of the Company and must be properly secured.
2. All intellectual property and information are the sole property the Company and this information should be treated in the strictest confidence.
3. On termination of employment for any reason, or at any time when the Company requests, Employees must return to the Company all notes, memoranda, formulae, records, files and other papers, tapes, data discs, and copies in their possession relating to any such intellectual property, knowledge or information described above. An ex-Employee will not, without the prior written permission of the Company, for any reason, work for others, or on their own account, on any of the secret processes, formulae, or data on which they may have worked or to which they have had access whilst in the employ of the Company.

**8. Reporting:**

Every Employee has a responsibility to promptly report any suspected violations of applicable laws, regulations, this Code of Ethics and Business Conduct, or Company policies and procedures. This includes reporting any circumstance that you, in good faith, believe may constitute a violation<sup>27</sup>. Please refer to the AEC Whistleblowers' Policy.

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<sup>26</sup> Employees are free to use social media or other digital platforms in their personal capacity, provided their comments do not reflect adversely on the Company.

<sup>27</sup> The Company will protect any individual who reports violations of this policy in good faith. However, the reporting of a violation will not excuse the violation. The Company will investigate any violations reported and will take appropriate corrective action.

# APPENDIX

## Employee Responsibilities

Employees must maintain the highest levels of ethical standards in their dealings, on behalf of the Company, within and outside the organization, and comply with the relevant laws and regulations, as applicable.

1. Employees shall adhere to the core values of the Company in their everyday interactions and maintain the reputation of the Company as an organization well known for its high standards in all its business activities and operations.
2. Employees shall provide information that is accurate, complete, and relevant to ensure full, fair, truthful, timely, and understandable reporting and documentation that the Company will be required to file or maintain internally or submit to Government agencies or to other private entities.
3. Employees shall cooperate fully and provide truthful information when responding to an investigation or audit<sup>28</sup>.
4. Employees shall cooperate and tell the complete truth when responding to an investigation or audit. Never alter or destroy records ever in response to an investigation or when an investigation is anticipated.
5. Employees shall use corporate information, assets and resources made available or entrusted to them in a responsible manner.
6. Employees shall not use corporate information, assets, opportunities, or their position in the Company for personal gain or to compete directly or indirectly against the interests of the Company. Employees must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to clients, prospective customers, and their organization.
7. All Employees shall act in the Company's best interests and to refrain from placing themselves in positions that might produce a conflict or an appearance of conflict between their self-interest and that of the Company. Employees who find themselves in a position that can cause a conflict of interest must immediately notify the Compliance Department accordingly.
8. Employees shall advance the business interests of the Company protect the confidentiality of Company information and information related to the Company's business-related transactions.
  - a) Employees shall be responsible for safeguarding and keeping confidential information that the Company considers to be of a confidential or sensitive nature. Such information<sup>29</sup> may include, but not be limited to financial records and reports, strategic planning information, Employee-related documents, customer related information, unpublished manuscripts, and other materials that the Company deems confidential and not to be disclosed to an unauthorized recipient or that might be harmful to the Company or its customers, if disclosed. This will apply regardless of whether such information is marked "Confidential".
  - b) Employees shall not use confidential information for their own personal benefit or for the benefit of persons or entities outside the Company.
  - c) Employees shall exercise caution and discretion with respect to any appropriate temporary removal or copying of confidential or sensitive information from the Company's premises and shall safeguard the information from unintended disclosures or loss.

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<sup>28</sup> Records must never be altered or destroyed, regardless of whether an investigation is ongoing or anticipated.

<sup>29</sup> Examples of confidential information include proprietary information such as trade secrets, patents, trademarks, copyrights, business plans, marketing plans, sales forecasts, engineering and manufacturing ideas, designs, databases, records, salary and/or bonus information, and unpublished financial data and report, as well as any non-public information that might be of use to competitors or customers if disclosed.

- d) Employees shall always take proper and adequate precautions and enforce such precautions to preserve the secrecy and confidentiality of Company information in the performance of their duties.
  - e) Employees shall not copy confidential information without appropriate and prior written permission from the information owner and must, upon the Company's request, return to the Company or destroy any confidential information which is in their possession including, any copies thereof.
9. Employees shall comply with the "Clear Desk Policy" of the Company. At the end of the working day or when leaving the office for a major part of the day, Employees shall tidy their desk of papers and any files and keep them in their desk drawer and/or in filing cabinets maintained for this purpose which shall be kept locked overnight.
- Note:** The clear desk and clear screen policy refer to practices related to ensuring that sensitive information, in both digital and physical formats, and assets (e.g., notebooks, cell phones, tablets, information systems, etc.) are not left unprotected at personal and public workspaces when they are not in use, or when someone leaves his workstation, either for a short time or at the end of the day.
10. Employees shall disclose to their immediate supervisor or Department Manager, or other appropriate personnel when in doubt about the best course of action in a particular conflicting situation. Employees must report any breach of laws, rules, regulations, or this Policy to the appropriate/ designated personnel. The Company shall ensure that its Employees are not subject to harassment or retaliation for any report that is made in good faith.

## Board and Executive Management Responsibilities

1. Board Members and Executive Management must set the tone by embodying the Company's commitment to ethical business conduct. Their actions and decisions should serve as a model for all Employees, demonstrating the importance of integrity, transparency, and accountability in all aspects of business operations. Please refer to the AEC Conflict of Interest Policy.
2. The Board Members and the Executive Management shall avoid any conflict between their personal interests and the interests of the Company in their dealings with suppliers, customers, and other third parties, and in the conduct of their personal affairs.
3. The Board Members and the Executive Management shall not use the assets and resources available to them from the Company for personal gains or for the benefit of related parties.
4. The Board Members and the Executive Management shall be responsible for protecting the assets and resources of the Company and shall alert the Company Board to any event that could lead to the loss, misuse, or theft of Company property.
5. The Board Members and the Executive Management shall complete and sign the Company's "Board and Management Confidentiality Undertaking Form" affirming their compliance to maintain confidentiality of Company's information, disclosure of which may adversely affect the Company's business operations or its customers or otherwise harm the Company. Please refer to Appendix 2 for the Board and Management Confidentiality Undertaking Form.
6. The "Board and Management Confidentiality Undertaking Form" signed by the Board Members and the Executive Management shall continue to remain valid up to a period of three years from the date of termination of the relationship/services between the concerned individual and the Company.
7. The Board Members and the Executive Management shall disclose all transactions with related parties as per applicable laws, resolutions and instructions issued in this regard.
8. The Board Members and the Executive Management shall ensure that all transactions with, or for the benefit of a related party/affiliate, are on terms and conditions that are acceptable (arm's length transactions) and in compliance with the policies set by the Board.
9. Develop a mechanism that allows the company's employees to report internally the doubts thereof concerning any unsound practices or issues that raise suspicions in the financial reports or the internal control systems or any other issues. Moreover, proper arrangements that allow conducting an independent and fair investigation concerning such issues shall be developed, along with ensuring confidentiality for the bona fide whistle-blower to ensure protecting him against any negative effect or damage that may be caused thereto due to reporting such practices.

## Company's Commitment to Employees

The Company actively pursues its commitment to employees by:

1. **Providing a Safe and Healthy Work Environment:** The Company is committed to providing a workplace that is free from hazards and complies with all applicable safety regulations. The Company shall promote healthy lifestyles through its various initiatives and programs.
2. **Treating Employees with Respect and Dignity:** The Company values equality, diversity and inclusion and fosters a workplace where all Employees feel respected, valued, and treated fairly. The Company commits to a zero-tolerance policy for discrimination, harassment, and bullying.
3. **Providing Opportunities for Growth and Development:** The Company invests in its Employees' professional development by offering training programs, and career advancement opportunities. The Company encourages Employees to take ownership of their careers and to set personal and professional goals.
4. **Recognizing and Appreciating Employee Contributions:** The Company recognizes and appreciates the contributions of its Employees through various programs, performance bonuses, and special recognition events.
5. **Promoting Open Communication and Feedback:** The Company encourages open communication and feedback from its Employees. We have established mechanisms for Employees to provide feedback, such as Employee surveys, suggestion boxes, and one-on-one meetings with managers.
6. **Maintaining a Work-Life Balance:** The Company recognizes the importance of work-life balance and encourages its Employees to take time for themselves and their families. The Company supports its Employees in effectively managing their professional responsibilities while maintaining a fulfilling personal life.
7. **Maintaining Employee Privacy:** The Company is committed to protecting the privacy of its Employees' personal information. The Company recognizes the importance of safeguarding sensitive data and ensuring that Employees' privacy is respected.

## Breach of Policy

A breach is defined as non-compliance with any requirement set out in this Policy which has not received appropriate prior approval. A lack of adherence to this Policy may have severe consequences both to the Company and its Employees, including:

### 1. For the Company:

- a) Violating laws and regulations.
- b) Receiving monetary fines, criminal penalties, and/or regulatory enforcement orders.
- c) Exposing the Company to reputational risk.

### 2. For Employees:

- a) Disciplinary action, up to and including dismissal.
- b) Potential criminal or regulatory censure in an individual capacity including imprisonment.

The Human Resources & Administration Department is responsible for overseeing and monitoring implementation of the Policy and periodically assessing its suitability, adequacy, and effectiveness.

Any information brought to the notice of the Human Resources & Administration Department and/or the Compliance Department on solicitations to engage in a prohibited act or possible violation of the Policy shall be promptly reported to the CEO. Further, adequate steps shall be taken to investigate the matter, accordingly.