

Code of Conduct, Al Abdulkarim Holding

Preface

Al Abdulkarim Holding (hereinafter called "AKH" or "AKH and Affiliates") comprises all Al Abdulkarim Holding Affiliates with international offices, and its subsidiaries abroad.

Curtailing from our principles and the certainty of being a renowned Saudi Company that provides services to key sectors of the Saudi economy, we maintain this Code of Conduct Policy to ensure our continuous commitment to ethical and legal standards in the conduct of our business.

We appreciate the commitment and the motivation of our employees and stake holders and the successful implementation of our corporate goals that continues to have the company in the position as a leading and continually growing Saudi firm since inception. It is our intention to uphold this sustained growth in future and strengthen our global orientation in the local competitive arena. Our aim has always been to create value through our work for our employees, partners, customers and shareholders.

Additionally, our aspiration is to prove our competence through the quality and services we deliver to our customers. This strategic direction in a more complex and challenging market state dictates on us to be more competent to handle more sophisticated tasks.

It becomes more imperative that for AKH and Affiliates as a group and for its executives and each individual employee to feel secure in the knowledge about jointly held principles and perceptions as well as about the expectations of AKH management with regard to the conduct of each personnel working for AKH and Affiliates.

We have formulated commonly held principles in this Code of Conduct to which our business activities are geared and which will serve to guarantee the long-term and ongoing success of our work. The Code constitutes a set of guidelines binding on our executives and employees and a tool to support them in performing their work for AKH and Affiliates. The Code is also defined in more detail in internal guidelines such as those governing the prevention of corruption. The Code of Conduct must be observed by all executives and employees in all locations at all times. It is an expression regulating the way we go about our tasks among ourselves as well as externally with customers, suppliers and other third parties who maintain business relationships with AKH and Affiliates.

In actively practicing the Code, we ensure that our people are role models for each other. This is especially applicable to our executives and personnel with management responsibilities. They are obligated to give their colleagues extensive support in the implementation and in understanding the Code of Conduct in all aspects at all times.

The observance of the Code is crucial to the ongoing success and the image of AKH and Affiliates. We therefore expect it to be observed consistently at all times. We are equally convinced that each and every one of our firm will make his/her own contribution toward usual commitment to a complete compliance to the established Code of Conduct herein.

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Scope

This Code of Conduct is binding on all the executives and employees of AKH and Affiliates world widely. The Code of Conduct covers all matters concerning business within the Company and all areas where employees are perceived to be representing the Company in its operations and projects.

AKH and Affiliates is aware that cultural customs and practices vary widely in different countries where it has its business operations.

AKH and Affiliates however expects all its employees to follow the rules of conduct set forth below while taking account of the respectively applicable legal system where they perform their job duties. If standards in some clients' projects exceed those of the Code of Conduct, they must be reviewed and adhered to as deemed practicable. The designated compliance officers will record any deviations from the Code and inform the concerned employees in question accordingly.

Compliance with legal provisions

AKH and Affiliates is subject to laws, directives and similar rules and regulations in all areas of its operational activities. These are both national and international legal provisions as applicable as well as the local rules and regulations. Complying with the laws and rules and regulations laid down by authorities in the respective legal jurisdictions where we conduct our business is a matter of course for us. In doing so, we also take account of cultural differences provided that they accord with law and order. This Code of Conduct constitutes a set of regulations for proceeding in important areas of law, for example the prevention of corruption, which are specified in more detail in other Group guidelines.

It is, however, not possible for the Code of Conduct to cover all provisions, rules and regulations which need to be observed by employees and the executives of AKH and Affiliates when they carry out their activities worldwide. Irrespective of this, however, breaches of legal provisions not explicitly referred to in this Code of Conduct may result in considerable disadvantages to AKH and Affiliates, its executives and each individual employee. For this reason, all employees and executives of AKH and Affiliates are required to be fully aware of the pertinent legal provisions, rules and regulations affecting their work for AKH and Affiliates. In case of doubt the respective Division Manager or the Compliance Officer of AKH and Affiliates is to be consulted.

Compliance with AKH and Affiliates' Corporate Policy and Procedures

All executives and individual employees in AKH and Affiliates are fully abided with AKH and Affiliates corporate policy and procedures that govern its business. The Management in AKH and Affiliates places great emphasis to ensure full methods & procedures, accountability system and auditing are in place to ensure best conduct by all individual employees across company operations and projects including office based support functions. For example; customers' payment to AKH and Affiliates must be performed in accordance with its financial procedures that govern such critical process – such function shall be performed by the designated personnel and in full compliance with the approved procedure for collecting customer payment. Any deviation from AKH and Affiliates' Corporate Policy and Procedures will be subject to severe disciplinary action that might result in termination action. Additionally, any misconduct or contrary action to AKH Affiliates' related procedures must be promptly reported in writing to the Management and the Compliance Officer for further action.

AKH and Affiliates and its employees

Corporate culture

All the employees of AKH and Affiliates contribute to creating a corporate culture where the working atmosphere is professional, pleasant and built on trust. As part of our interesting and challenging tasks the focus is always on the individual, alongside entrepreneurial success. The relationship between all members of staff belonging to the Company should be guided by the principle of mutual respect in all areas of the company, at all hierarchical levels and in any region/location.

In considering the above, we take account of cultural differences. Moreover it is our declared objective that no one should be put at a disadvantage because of their age, race, gender, disability, ethnic origin, etc... We do not tolerate discrimination, harassment or retaliation in our working environment. Problems at work should be addressed openly and solutions are jointly found.

Employees

AKH and Affiliates rely on the commitment, the expertise and the sense of responsibility of its employees. We are well aware that we will only be able to realize our vision and achieve our ambitious goals in the future if we have enthusiastic people. Our continued success depends on the enthusiasm and dedication of our employees. For this reason, we pursue an exemplary, creative and employee-oriented personnel policy. The aim is to win the best qualified employees for AKH and Affiliates and to retain them. Our human resource development is the corner stone of our growth and distinctiveness in the market. Achieving set goals and performance of individuals are regularly discussed openly and further opportunities for development are further identified along with the Company rewarding program.

Special requirements placed on executives and managers

Through their conduct and the way they practice their duties, the executives and the managers in the Company and its Affiliates create a working environment in which an open exchange of ideas can take place. They take special care to ensure that each member of the team can bring in his abilities and develop his potential, thereby enabling him to make a contribution to the success of the company, while in conflict situations they act as mediators. The management style at AKH and Affiliates is characterized by its people-oriented approach, clarity, reliability and enthusiasm. The executives' team and managers of AKH and Affiliates act as role models, as to be fully obligated to observe and follow the principles laid down by this Code of Conduct.

Trust

All knowledge obtained from business matters through the conducting of business activities will be treated with strict confidentiality regardless of whether they are relevant to AKH and Affiliates or other parties. The greatest care will always be taken in handling and retaining such information. Each employee is obligated to handle this information carefully and responsibly and to protect it against access by unauthorized individuals and third parties. Employees must keep all company or business secrets strictly confidential, both during the term of their employment and thereafter, and must not disclose them to other unauthorized or third parties which also includes family members and friends.

Conflicts of interest

Employees will put their skills and service fully at the disposal of AKH and Affiliates. The prior approval of the designated officer from the HR Department must be obtained for any insignificant secondary (sideline) activity. Approval must always be obtained for secondary activities on behalf of suppliers, customers or competitors. Such secondary activity must not be detrimental to the interests of AKH and Affiliates nor may it have a negative effect on the performance of the employee. Possible or potential conflicts of interest arising from participating interests held in other companies must be reported to the respective Management or the designated Compliance Officer of AKH and Affiliates. Significant participating interests held by AKH and Affiliates employees in a competitor, customer or supplier must be approved by the Chief Financial Officer of AKH and Affiliates. Participating interests held by close relatives, such as the parents, spouse, dependent sons/daughters and other relatives, in companies of customers, suppliers or competitors of AKH and Affiliates are also to be reported if the employee becomes aware of a conflict of interest. A significant participating interest is defined as holding shares of 3 percent or more and, 1 percent or more in the case of listed companies. Employee dealings must not run counter in any case to the interests of customers or the interests of AKH and Affiliates. All necessary measures must be taken to avoid conflicts of interest or, where unavoidable, to find a solution. A periodic Conflict of Interest pledge is signed off by all Company personnel, Management and Executives and retained.

Safety

A central concern of AKH and Affiliates is to ensure a high level of safety for its employees on and off duty. Safety is one of AKH and Affiliates Corporate Values. The strict observance of all relevant rules and regulations on occupational safety is a basic principle of being responsible in our work together.

AKH and Affiliates' accomplished the following:

- Policy Statement
- Safety and Loss Prevention Procedures, Program and Handbook.
- Safety Commitment Letter and Letter of Authorization for projects.

As one of the most critical safety topic; safe driving on and off duty is continually in focus, we place great emphasis on practicing highest compliance with safe driving regulations:

- **Safe Driving:**

The Company continually issues driving safety tips and encourages safety talks amongst all organizational levels to ensure highest compliance with the safe driving and full adherence to the local driving rules and regulations. The new "SAHER" system implementation in Saudi Arabia comes with bundle of unsafe driving penalties that can reach to severe punishment like jail sentence for citizens and jail/exile for expatriates. AKH and Affiliates has put great emphasis on its personnel at all levels to get fully acquainted with all aspects of "SAHER" system including the new speed limits, regulations, tickets, etc..

AKH and Affiliates has a complete Safety and Loss Prevention policy and procedures set forth in a written manual for its operations and projects.

Company property

All facilities and other property belonging to AKH and Affiliates are to be treated very carefully and used in an efficient, cost-effective and environmentally aware manner. Company property may only be used for business purposes. Employees are obliged to protect the property of the company appropriately against loss, theft or misuse.

All personnel and Management members in AKH and Affiliates sign off the “Computer Use Agreement” and “System Access Authorization.” The latter must be fully approved by the individual’s Division Manager before access can be authorized by the Company Computer Security function.

Dealings and communication with third parties

AKH and Affiliates conducts itself as a fair competitor in a competitive global environment and is a reliable partner to all its customers and partners. Our commitment creates value not only for our employees and stakeholders but also for our customers and business partners. Our conduct in respect of external partners and market participants is therefore professional, transparent, respectful and fair. Service providers and suppliers are selected on the basis of objective criteria and quality quotations obtained for the purpose of comparison. AKH and Affiliates promotes open and objective communication based on trust. Reporting is transparent, reflects the facts and is carried out in a timely manner in accordance with pertinent legal provisions.

AKH and Affiliates operates in an integrated business system (ERP) where all Company transactions and financial statements are extracted from. The Company excels in Supply Chain Management and Change Management, hence a complete Supply Chain Manual has been developed and completed by the Supply chain Management team and uploaded into the Company portal for direct access by all employees to govern all business transactions in Trade & Logistics and Finance.

Our financial statements include an accurate documentation of business transactions. As a professional company, AKH and Affiliates stringently complies with all the reporting duties that full adherence to government rules entails. Official statements destined for the concerned parties and other third parties are only made by specially authorized persons. Collaboration with the authorities is cooperative and supportive while, at the same time, safeguarding our customers and partners’ rights and interests. AKH and Affiliates never divulges information about specific customer or employee-related matters.

Key areas of law

Prevention of corruption

AKH and Affiliates upholds the highest ethical standards in all business transactions. We do not tolerate any immoral or corrupt practices by our employees' at all organizational levels or by our business partners. AKH and Affiliates places all measures to prevent all forms of kickback and corruption, whether public or private, active or passive. The AKH and Affiliates Guidelines on the prevention of corruption can be used by our employees to help them in their daily work. Nonetheless, if in doubt each employee is obligated to consult his/her Division Manager for further action to address the case.

Competition and anti-trust

AKH and Affiliates which operates in and out of the Kingdom of Saudi Arabia is fully abided with the rules of free and fair competition. In obtaining information about competitors we use only legitimate means. We expressly forbid unethical or illegal business practices. All anti-competitive conduct, especially cartel agreements, is especially prohibited. Breaches of competition law may incur great fines, damage claims and a loss of image which may be severely detrimental to AKH and Affiliates and its position in the market. This being the case, any employee involved in any misconduct will have to expect a prompt disciplinary action in addition to the applicable legal consequences in the respective region. We make it clear to our employees that they should swiftly approach the respective Division Manager for clarification, whenever they suspect any abnormal situation..

Import permit and controls

AKH and Affiliates complies with the law governing Import Permits, including all Customs and other Government clearance Agencies' rules and regulations. In addition, we ensure that all concerned employees must observe the relevant regulations and guidelines. One of the most emphases on top of the Company stewardship in complying with these important rules and regulations is the on-time delivery to our customers for goods subject to import permits.

Environmental protection

Environmental protection is a major part of AKH and Affiliates' corporate values. The Company issues a Health, Safety and Environment Policy. A Safety Commitment Letter is being issued for each project we execute for our customers and internal operations. The way we handle natural resources is therefore responsible and exemplary to a high standard in all areas. Protecting the environment and its resources for the generations of today and tomorrow is a declared fundamental concern of AKH and Affiliates. All executives and employees of AKH and Affiliates are therefore urged to act in an environmentally responsible manner and in an awareness of this responsibility in all areas in their work for AKH and Affiliates. Wherever we operate, complying with the prevailing laws and directives on environmental protection is a matter of course for AKH and Affiliates.

Data protection

AKH and Affiliates respects the rights of its employees and of third parties in relation to personal data. The storage, use and application of this data is carried out exclusively in accordance with the respectively valid rules and regulations laid down by respective laws on data protection. Each Affiliate or organization of AKH and Affiliates set in place suitable data protection measures to ensure compliance with regulations on data defined by laws and internally by the Company's policy and procedures.

Implementation and adherence to the Code of Conduct

Each executive or individual employee of AKH and Affiliates contributes to implementing the Code of Conduct in his/her area of work in the right way at all times. Each employee and, in particular, the executives and managers are urged to actively promote the implementation of the Code of Conduct. It is the responsibility of managers to ensure that their employees are aware of the Code of Conduct and are thus able to observe it in practice. To this end, all managers will ensure suitable organizational measures are in place. The Code of Conduct to be accessed via the Company portal any time.

This Code of Conduct is of great significance for the image of AKH and Affiliates worldwide. Failure to observe the Code of Conduct may result in significant disadvantages not only for the individual who commits breach but also most particularly for AKH and Affiliates at large. All executives and employees must therefore be aware that breaches of the Code of Conduct may incur special disciplinary action in accordance with the labor law, a reprimand and termination action will be taken against significant cases. Moreover, depending on the type of breach, such an act may have consequences under civil and criminal law. If there is doubt about how to understand this Code of Conduct or if there are any questions on whether a particular way of behaving accords with the standards laid down under the Code of Conduct employees are required to first seek clarification from the respective Division Manager. In a complex cases and if there is still doubt, employees are encouraged to approach the AKH and Affiliates Compliance Officer. If an employee becomes aware of a transgression of the Code of Conduct he/she should immediately report this to his/her manager or to the AKH and Affiliates Compliance Officer. At the request of the employee, all information shall be treated confidentially in as far as is permissible under the law and provided that there are no significant company requirements to prevent this.

Each individual employee can address comments and suggestions on this Code of Conduct as a whole to the AKH and Affiliates Compliance Officer Mr. Sayed Fahmi any time. The Compliance Officer can be reached either by email; complianceofficer@akh.com.sa, office telephone; +966 3 889 2085 extension 102 or Mobile: +966 50 584 4158.