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napco national

# Code of Conduct

## Napco National

APPROVED BY		
Department	Process Improvement	CEO Office
Function	Process Improvement Senior Manager	CEO
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## Contents

Introduction	3
Our Philosophy and Values.	3
Principles.	4
Disclosure and Reporting of Concerns.	5
Transparency and Non-retaliation.	6
Acting with integrity inside and outside the company.	6
Dealings and Personal Privacy.	7
General Appearance.	8
Conflicts of Interest.	8
Anti-Bribery and Corruption.	9
Gifts, Hospitality Invitations and Entertainment.	10
Anti-Money Laundering.	11
Collection and Provision of Donations.	11
Commitment to Safety and Environmental Protection.	12
Compliance with Relevant Laws and Regulations.	12
Competition and Anti-Monopoly.	13
Insider Trading (After Listing the Company).	13
Compliance with International Trade Laws.	14
Keeping Records and Reporting.	14
Protection of the Company's Assets.	15
Confidentiality of Information.	16
Communication with Third Parties.	17
Information Technology Systems and Operation.	18
Sustainability and Human Rights.	18
Irregular Practices.	19
Fair Dealing.	20
Disciplinary Procedures.	20
Review, Amendment and Cancellation of these Rules.	21



## 1. Introduction

Napco National, “the Company” aims to apply the rules of professional code of conduct “the Rules” to members of the Board of Directors, members of committees, executive management/officials and workers (referred to as “the Concerned Persons”) while carrying out their duties and responsibilities towards the company in accordance with the best professional practices, in order to provide an ethical and professional work environment.

These rules aim to assist the concerned persons in strengthening their duties of loyalty and diligence towards the company, and to take measures that would protect the company’s interests. The company **obligates the concerned persons with these rules in order to raise the credibility, efficiency and effectiveness of its work and activities, enhance its position and maintain its reputation in the market.**

## 2. Our Philosophy and Values

What is good for society is good for the company, and we will strive to achieve what is good for the company. We are committed to embodying our values and behavior, as it is what distinguishes us from others as a company and stakeholders, and everything we do is an extension of our philosophy based on our seven values represented in:

**Honesty:** The credibility of words, the integrity of actions

**Precision:** Comprehensive in vision, accuracy in implementation

**Modesty:** Success crowned with humility

**Hard Work:** Dedication to work, overcoming difficulties

**Servant Leadership:** Let your boss be your servant

**Entrepreneur Drive:** Nothing is impossible under the sun

**Family Spirit:** Uniqueness in personality, unity in vision

Our values are the basis of the rules of business and its approach in carrying out our work. When the need arises to take any decision, we take into consideration the extent to which each option is compatible with these values.

### 3. Principles

Each of the concerned persons shall exercise his/her duty of care and loyalty towards the company and everything that would preserve the company's interests, develop it, maximize its value, and put its interests above his personal interest in all cases, protecting the rights and interests of the company and preserving its clients. Therefore, the concerned persons should apply the following principles:

- Commitment to the highest standards of personal integrity and a commitment to perform work effectively and efficiently.
- Compliance with all applicable laws, regulations, article of association, and instructions, including internal labor regulations, internal procedures, and any modification that may occur to any of them.
- Compliance with, understand and act upon business rules and conduct and report cases that constitute a violation of the rules.
- Cooperating in any investigation of any possible violation of the rules, laws, regulations and policies.
- Not to use the position or the powers of any of the concerned persons in order to achieve his own or others interest.
- It is prohibited to use the company's assets and resources except for achieving the company's purposes and objectives, and not to exploit those assets or resources to achieve private interests.
- Not to disclose any confidential or internal information about the company, its workers or its clients.
- Not to speak on behalf of the company except on the basis of a written mandate or legal authorization from the Board of Directors or the CEO, in accordance with the policy of distributing financial and administrative powers.
- Commitment to honesty, justice, sincerity, respect and good dealings between workers and others.
- Avoiding cases of conflict of interest, disclosing them as soon as they are known, and treating them fairly, if any.
- Applying quality standards in the services provided and ensuring client satisfaction.



- Proper delegation of powers, tasks and responsibilities.
- The company respects the privacy of every person who works for it, and considers what he/she does outside the workplace is not of its business, unless these actions affect the company's interests, impair the performance of their work, or threaten the company's reputation.
- Protection of confidential personal records, the concerned person who, by the nature of his/her work, is familiar with or has a means of accessing the personal records of other workers. He/she should keep these records confidential and use them only for the company's business purposes.
- The company honors and respects all those who choose to work for it, as they work of their own volition.
- Whoever works for the company is obligated to carry out the work entrusted to him/her and to fulfill his obligations towards it in a highly professional manner, have the highest ethical standards inside and outside work, and to behave appropriately, consistent with the rules of professional conduct.
- Job duties must be performed accurately, reliably and promptly within a reasonable time in accordance with the best practices, in good faith and with objectivity, and adherence to the orders of superiors at work, their directives and instructions according to the administrative hierarchy.
- The concerned persons shall not take any action that would influence, fraud, manipulate or mislead the internal or external auditor who audits or reviews the company's financial statements. It includes the types of behavior that may constitute an unacceptable or improper influence, like providing the auditor with inaccurate or misleading information, or incorrect or manipulated documents.

## 4. Disclosure and Reporting of Concerns

In order to improve the company's business and maintain integrity in its practices, individuals who express their concerns directly play an important role in maintaining an ethical work environment by reporting any suspected violations of regulations, policies or code of conduct.

All concerned persons must abide by the Company's ethical standards. Ethical behavior should be promoted and workers, supervisors, directors or third-parties are encouraged to report when they are suspicious of a certain degree (free of maliciousness) for a behavior that causes concern or constitutes a violation of approved regulations. They must report this issue immediately to give the company the

opportunity to address the issue and correct it in the best way before it becomes a violation of the law or a risk to the company's reputation and business.

The executive management, directors and workers are required to report any illegal or unethical behavior to their immediate supervisor (manager) in accordance with the Whistleblowing Policy. Likewise, any member of the Board of Directors and its affiliated committees must report any illegal or unethical behavior through the means of notification specified in the company and through the specified parties. (You can refer to the Whistleblowing Policy). Reported violations will be investigated and necessary actions will be taken by the relevant staff or the Council depending on the case. All information will remain confidential and the identity of the reporter will be kept confidential so that the company guarantees his/her protection from any case of retaliation in his/her job.

## 5. Transparency and Non-retaliation

The company considers transparency as the basis for the existence of a favorable climate for its success, which enables its workers to ask questions, detect violations and matters that occupy their minds, and express their opinions without fear of punishment.

Therefore, the company will protect any worker who honestly reports their concerns, but in case of intentionally false accusations, or lying, interfering or refusing to cooperate with investigations is considered a violation of the Code of Conduct. Honest reporting does not mean that the reporter is right when he/she states his/her concerns; but he/she must be sure that the information provided is correct and reliable if possible. It is obligatory to treat the matter in question fairly and the company will not tolerate acts of retaliation or discrimination against any person for reporting serious concerns or assisting in any investigation of the company. Disciplinary measures will be applied against any person found to be involved in retaliatory acts, up to dismissal from the company.

## 6. Acting with integrity inside and outside the company

The relevant persons should act in accordance with the rules and regulations and what is right, reflecting a positive image and reputation of the company and its trademarks owned or licensed to use



by third parties wherever the company conducts its business. Thus, all concerned persons, regardless of occupational level, must strive to achieve the following objectives:

1. Respect for each worker or representative of clients, suppliers or contractors, displaying a kind of affection and concern for him/her and taking into account his/her personal dignity.
2. Commitment and affirmation of equality in dealing with all workers, clients, suppliers and contractors regardless of race, color, sex, religion, age, origin, nationality or type of disability.
3. Perform the work within a reasonable time and during working hours.
4. Dedicating working hours to the duties and job tasks, and not doing any activities that are not relevant.
5. Not to hesitate to work outside the official working hours if the work interest requires so.
6. Preserve a working environment free from bullying, abuse, or behaving in a hostile or appalling manner.
7. Not to engage in any disturbance or harassment of any nature and not to be lenient in it.
8. Positivity in all dealings with colleagues, clients and suppliers in a manner that reflects professionalism and good handling and avoids appearing inappropriately.

## 7. Dealings and Personal Privacy

1. All concerned persons shall endeavor to deal fairly with the Company's clients, suppliers, competitors, and workers. No worker may use important information about the company (such as accounts, current performance, forthcoming decisions, plans, or new products) for his/her personal benefit, directly or indirectly. In addition, he/she shall not take advantage of any person through manipulation, concealment, misuse of information, misrepresentation of material facts, or any other unfair practices by which he deals.
2. Members of the Board of Directors, members of the Audit Committee, senior executives, or any person related to any of them, after listing the company, are not allowed to deal in any financial investment of the company during the prohibition periods specified by the regulations of the Capital Market Authority.

3. The concerned persons must disclose to the Legal Department as soon as he/she begins his/her work in the company about any financial investments owned by him/her in the company or owned by the husband, wife or minor children, and for any change that occurs thereafter within three days from the date he/she is aware of the change, and he/she must also update these data whenever requested to do so.
4. Protecting the personal data of clients, co-workers and others with whom they are dealing or supported.
5. Not to use personal data except for legitimate and necessities business purposes, and when there is a work-related justification to know it.
6. Not to spread rumors or negative messages among workers that may lead to abuse or defamation of any worker or a member of his/her family.

## 8. General Appearance

The concerned persons of different customs and traditions are required to maintain a decent public appearance consistently with the nature of their work and the civilized appearance of the company and its reputation. They must take into account the following:

1. They should be well-groomed and of a decent appearance.
2. Paying attention to overall hygiene.
3. Commitment to the dress code whenever the nature of work requires that and according to the company's instructions.
4. The worker's commitment to modest dress and observance of that throughout the work period.

## 9. Conflicts of Interest

1. All concerned persons must avoid situations of conflict of interest that may occur between them and the company, whether it is an actual, potential or even perceived conflict, which may endanger the reputation of the worker and the company. Therefore, the company's conflict of interest policy must be fully adhered to. The person concerned must use his/her conscience and



sound thinking. When in doubt, he/she should seek guidance from his/her line director or the Legal Department.

2. The person concerned should work to achieve the greatest benefit for the company while performing his/her work. More care must be taken if he/she is responsible for choosing to deal with a supplier on behalf of the company. Personal interests should not interfere or appear to interfere with his/her ability to make decisions that serve the interest of the company.
3. All of the company's workers are prohibited from practicing any profession or other independent work outside the company's working hours, including holding titles or positions in any company or in government or public or private institutions. They are also prohibited from carrying out activities that compete with the company's activities or providing advice to any other party in Kingdom of Saudi Arabia, except after the written consent of the CEO, the Chairman of the Board, or their delegates. It is also prohibited for the workers of the company, after the expiry of the term of the work contract, for any reason, to work for any entity competing with the company in Kingdom of Saudi Arabia for a period of two years from the end of the contract.

## 10. Anti-Bribery and Corruption

The concerned persons are prohibited from offering a bribe to any person or soliciting, giving, receiving or accepting anything of value in violation of public policy in return for carrying out a transaction by a company, government agency, or official, and in some instances, purposely abstaining from conducting certain procedures or transactions required which in turn may also affect the work negatively. It also occurs when a company obtains an unfair advantage over its competitors through a covert transaction. Since bribery is an illegal act, any person involved in the company receives bribes, extorts, or makes payments illegally or attempts to engage in any such activity, will be subject to severe disciplinary action up to and including termination of his services. The company also reserves the right to refer such matters to public authorities for possible prosecution and treatment as a criminal offence. The concerned persons shall avoid violating regulations prohibiting bribery and corruption, and shall:

1. Avoid offering, presenting or accepting bribes or illegal commissions in any way.

2. Use caution when dealing with government officials, including workers of state-owned enterprises, offering or accepting anything of value that could be considered a bribe, not just cash or expensive gifts.
3. Report any request or offer for an illegal bribery or commission.
4. Adhere to all policies and procedures currently applicable in the company or to be approved later by the Board of Directors.

## 11. Gifts, Hospitality Invitations and Entertainment

The concerned persons should use common sense when accepting any hospitality invitation or gift from related parties, whether that relationship is past, existing or potential, and they need to make sure that this invitation is not for the purpose of achieving personal benefit that may conflict with the company's rules, regulations and policies. They must refuse invitations that may create in them a sense of any obligation towards the host or embarrassment (due to the circumstances or costs of the invitation).

In all cases, the following must be adhered to:

1. Obtaining the approval of the direct manager to determine the appropriateness of his/her response to that invitation or not.
2. It is prohibited to present any valuable gift on behalf of the company to any person or entity without obtaining the written approval of the competent direct management of the company.

The concerned persons should not accept gifts in exchange of work or promise to perform any service or work to a client or supplier. Therefore:

- Refrain from asking for gifts from clients and suppliers.
- Refrain from accepting valuable gifts, cash or cash equivalents.

Therefore, do not present, offer or accept a gift, meal, benefit, or entertainment unless:



1. It had a legitimate commercial purpose, or it was presented on an occasion in which gifts are usually given.
2. It is regular, of reasonable value and consistent with generally accepted practices in the business sector.
3. It does not cause embarrassment to the worker or the company in case of public disclosure.
4. It is permitted in accordance with the policies and procedures adopted in the company, or by the business of its grantor or recipient, as the case may be.
5. The intention to provide it was not bribery or the payment of an illegal commission or any other unacceptable money, and it should not be considered as such.
6. Gifts of symbolic value such as cups and trophies that he/she receives in appreciation of a business relationship can be given and accepted.
7. Gifts or discounts offered to large groups of workers can be accepted as part of an agreement between the Company and the client or supplier and use it as desired by the client or supplier.

## 12. Anti-Money Laundering

The company is committed to apply the applicable regulations that prohibit money laundering, as it seeks to verify its dealers in order to avoid any breach of these regulations. The concerned persons must abide by the following:

1. Knowing the company's business partners and counterparts and obtaining legal documents related to them (Know Your Client).
2. Compliance with all policies and procedures applicable in the company.
3. Reporting any suspicious transactions immediately so that they can be investigated and take the appropriate decision.

## 13. Collection and Provision of Donations

The company provides charitable, educational, humanitarian, scientific and other assistance in the communities in which it conducts its business. These donations are limited to persons, associations and

organizations that have been subjected to scrutiny in order for these donations to go to their beneficiaries in a way that benefits the communities to which they are donated in accordance with the approved policy of community contributions and charitable donations.

The concerned persons shall work to prevent the use of the company and its facilities as a place for collecting donations for personal purposes or in violation of regulations or from outside the activities carried out by the company within the approved policy of community contributions and charitable donations.

## 14. Commitment to Safety and Environmental Protection

The company is committed in providing a safe work environment, protecting the environment and promoting safety standards in the communities in which it operates. The company seeks to conserve natural resources and reduce the environmental impacts resulting from its activities. The concerned persons should do their part to implement the rules and regulations related to maintaining public safety, environmental protection and seeking to be approved by all of the company's workers.

## 15. Compliance with Relevant Laws and Regulations

The concerned persons must ensure that they take into account the company's interests at all times and do not give priority to their personal interests over its interests. Therefore, they must do the following:

1. The necessity of immediately reporting any actual or potential violation of the rules and regulations.
2. Disclosure of all interests that conflict or may conflict with the performance of their duties and tasks. It must also be ensured that they do not participate in business or decisions related to conflicting interests.
3. Disclosure of any vacant position before joining the company.
4. Disclosure of any business relationship of whatever nature that arises with persons or institutions related to the company's activities, including the professional, financial, commercial



and advisory relationship, as well as disclosing the direct relationship (parents, children, husband/wife, brothers and sisters).

5. Sending all the disclosed information to the Legal Department, and everyone must update this information as soon as any change occurs so that the Legal Department should keep a permanent record that includes all the disclosed information. It is also necessary to maintain the confidentiality of this information and not disclose it unless there is a need to disclose it for legal or legal purposes.

## 16. Competition and Anti-Monopoly

The company is committed to promoting legitimate competition that allows the development of companies and their products and is committed to all competition protection and anti-monopoly regulations applicable in Kingdom of Saudi Arabia. Therefore, the concerned persons must follow the applicable regulations and the company's policies and procedures, and they are prohibited from doing any work that would constitute unfair competition or lead to monopoly in violation of the regulations. Concerned persons must inform the Legal Department of any action in violation so that the appropriate investigation can be carried out and the necessary decisions are taken.

## 17. Insider Trading (After Listing the Company)

The company prohibits trading in shares and other securities based on “material” information that is not publicly known. “Material” means information that the investors consider valuable and important in making decisions regarding the purchase, sale or retention of a share or any other security. Therefore, the concerned persons should:

1. Not buy or sell the company's shares, bonds, or any other financial investments based on material information about the company that is not publicly known by the investors.
2. Not buy or sell shares or any bonds or other financial investments in any other companies if they contain material information about those companies and such information is not publicly known to the investing public.

3. Not to provide material, non-public information to third parties, including friends, relatives and financial companies.

## 18. Compliance with International Trade Laws

The company abides by all import and export controls, economic penalties, customs, bans, boycotts and penalties, and seeks to compel suppliers, contractors and clients who deal with it to these controls.

The concerned persons shall assist in complying with these regulations and controls.

## 19. Keeping Records and Reporting

The company is committed to the highest international accounting standards and accounting systems applied in the Kingdom. Therefore, all concerned persons should reflect the company's transactions in its records, accounts and reports with the required accuracy to enhance the company's compliance with applicable laws and regulations. Therefore, the concerned persons should do the following:

1. Doing the best of their abilities and exerting the highest effort to ensure the accuracy of the company's records and documents, including the financial reports. It is also prohibited to falsify any company record.
2. Ensuring that all the reports, documents or communications authorized or required to be disclosed to the public should be non-misleading, clear, fair, accurate, timely, understandable and in accordance with the law.
3. Maintaining or disposing the company's records in accordance with the company's policies for maintaining records. The Legal Department can issue from time to time memoranda for maintaining certain records in case of an actual case or threat of a legal case or government investigations. The concerned persons must comply with the instructions in these rules, because failure to do so may expose the company and workers to significant legal risks.
4. Maintaining all records, reports and other documents that are required to be kept in accordance with the Governance Regulations issued by the Authority at the company's head office for a period of no less than ten years, and includes the Board of Directors and the Audit Committee's



report. Without prejudice to this period, in case of a lawsuit (including any existing or threatened lawsuit), a claim or any existing investigation procedures related to those minutes, documents, reports or papers shall be kept until the end of that lawsuit, claim or existing investigation procedures.

## 20. Protection of the Company's Assets

The company's assets and properties must be preserved and maintained and not to be neglected, so the concerned persons must adhere to the following:

1. Not to use the company's property for the personal benefit or the benefit of any person other than the company.
2. Excessive use of company property is considered misuse of property and exploitation of resources.
3. The use of the company's e-mail system should be limited mainly to the company's official business.
4. Unauthorized possession of the company's property, including equipment, information, or theft by misappropriation or intentional misreporting of time or expenses can result in termination of service and legal prosecution. The company treats theft of property in the workplace belonging to another worker as it treats theft of the company's property.
5. The use of the company's property outside the person's responsibility in the company - such as the use of the company's business products in an external business, or the use of the company's materials or equipment to assist personal interests requires the prior written consent of the company's president. The person concerned must renew this consent if he/she continues to use the property outside of work.
6. The company's available resources must be used to the best advantage, to achieve its objectives, its rights and property must be preserved while the concerned persons perform their job duties.

7. All necessary measures and precautions must be taken to ensure the safety of the company's electronic systems and protect them from damage, modification or hacking, using it in an improper, illegal or ethical manner, or by unauthorized persons.
8. They should not participate in personal activities during working hours that interfere with or prevent the performance of work responsibilities.
9. Not to take any opportunity to make financial profit that the concerned person knows because of his/her position in the company, or through the use of the company's property or information.

## 21. Confidentiality of Information

1. The concerned persons shall at all times abide by all arrangements to protect against information leakage, full preservation of any confidential or internal information. It is prohibited to announce or declare any of them to any other party unless it is for regular or legal demand, or if they are required by the interest and nature of work in the company through the Legal Department.
2. All concerned persons should take all necessary precautions to prevent the leakage of confidential or internal information. This includes making sure that it is not displayed in a visible way in the work area so that others can view it. They must also take all reasonable precautions to lock down computers and maintain their user name and password, take care when sending or receiving information, whether through e-mail, fax, or any other means and not to take out any document or statement, whether in paper or digital format, of a confidential nature outside the company's head office to any party without the written approval of the Legal Department.
3. Information that is not intended for publication must not be disclosed to others within the company unless the reason for their knowledge is related to work.
4. Upon termination of service of any of the concerned persons, he/she must stop using or disclosing any of the confidential or internal information or documents in his possession. In this case, he/she must return it and hand it over to the company. In all cases, returning or destroying any of those documents, papers or information does not relieve the concerned person of any obligation to maintain non-disclosure of confidential or internal information even after the termination of the contractual relationship with the company.



5. With the exception of the ordinary general assembly meetings, members of the Board of Directors may not disclose confidential information of the company to which they have access. They may also not use any information they find out by virtue of their membership in order to achieve any benefit for themselves, their relatives or others. Doing so leads to removal from office, and the member must be required to compensate for it.
6. Ensuring that messages via external email, text messages, web postings or social media are appropriate and do not reveal any confidential information.
7. Non-public information is information that the company has not published or made available to the public. Examples of what this information contains include, but not limited to:
  - Information of company's clients.
  - Names and number of workers, their personal information and their salaries.
  - Contracts of all kinds.
  - Strategic plans and commercial transactions.
  - Major changes in management.
  - Introducing new products to the market.
  - Prices, profits and general or marketing expenses.
  - Product costs.
  - Financial information.
  - Annual working holiday.
  - Marketing and sales information.

## 22. Communication with Third Parties

The company is committed to full, accurate and timely disclosure when submitting documents to public authorities and communicating with the media and external parties. Each of the concerned persons is responsible for:

1. Maintaining the confidentiality and integrity of the company's information, whether ordinary or confidential. He/she must ensure that confidential information is not sent or published through social media channels.
2. Avoiding the appearance as the company's spokesperson without obtaining a permission to do so from the CEO or Chairman of the Board, and this includes contacts with investors or the media.

## 23. Information Technology Systems and Operation

The availability of secure technologies enables the company to carry out its business and protect its information and operational technologies. Therefore, the concerned persons should do the following:

1. Not to use computers, phones, Internet or intranet services provided by the company except for the permissible purposes that pertain to the company's business and files.
2. Preserving the company's equipment in their custody, especially if they are not present in its facilities.
3. Being vigilant for cyber-attacks and phishing emails, avoiding clicking on suspicious links or opening emails that may look suspicious, and be careful when downloading files, especially from unknown sources.
4. Taking the initiative to report any potential or actual loss of company information, or any unauthorized access to its technologies, whether potential or actual, or any potential or actual violation of the company's systems or information.
5. Full compliance with the information security policy in accordance with the company's policy, especially attempting to access any suspicious or prohibited websites.

## 24. Sustainability and Human Rights

The company has joined the UN Global Compact (UNGC) team. The team aims to achieve sustainability in the Kingdom of Saudi Arabia, where it is currently working on laying strong and solid foundations that promotes the principles of the (UNGC) in all companies and institutions in the Kingdom. . This



charter is the largest global sustainability initiative to encourage companies around the world to adopt sustainability and social responsibility, and urges them to link their corporate strategies with the ten principles of the United Nations, which include human rights, labor, environment, combating corruption, and achieving sustainable economic, environmental and social development goals, in terms of dignity, and professional competence, integrity, respect for diversity, international law, equality, human rights, freedom and peace.

Based on the foregoing, the company commits to the health and safety of its workers, and all its suppliers are required to demonstrate the same commitment to health and safety standards, working hours, wages and working conditions.

To assist with compliance, it must do the following:

1. Abiding by all applicable labor laws and regulations in the countries in which the company conducts its business.
2. Immediate reporting of any actual or potential violation.
3. Providing opportunities for expression and freedom of opinion at work.

## 25. Irregular Practices

1. It is stipulated that any of the concerned persons should not have been subjected to any judicial ruling that has been passed against him/her, or be under investigation or trial in any crime involving moral turpitude or dishonesty, and not have committed any act or violation of integrity or honesty.
2. It is required for any of the concerned persons not to have committed any violation of the laws, or regulations related to securities business.
3. Any of the concerned persons must give written notice to the Legal Department when any regulator or court has imposed disciplinary measures or sanctions on him/her in relation to securities business, or when a judgment is issued against him/her, a trial is conducted against him/her, or an investigation is conducted with him/her for violating banking or financial regulations or any other violation related to fraud or any act against integrity, honor or honesty.

## 26. Fair Dealing

The concerned persons must abide by the following:

1. Ensuring that a member of the Board of Directors represents all shareholders in the company, and is committed to what achieves the interest of the company and the interests of the shareholders and taking into account the rights of other stakeholders, not just the interest of the group that elected him/her.
2. Dealing and managing the company's business affairs honestly and observing the highest methods and ethical principles in management, and staying away from everything that affects the company's name and reputation inside and outside work.
3. Devoting time and effort to perform the work and being careful not to waste the time of others.
4. Cooperating with colleagues at work in a manner that leads to the proper functioning of the company.
5. Ensuring that loyalty to the company is an attribute required by management and workers, and everyone must affirm loyalty and act at all times for the company's interest in all business relationships, including relationships with clients, government agencies, and bosses, co-workers, and informing the senior management of any behavior that may reflect negatively on the company.
6. Recognizing and act on the understanding that all workers are partners in the responsibility to support the goals of the company; related to internal administrative and financial control and adherence to these objectives.
7. Sharing experiences and knowledge with others to embody team spirit.
8. Having a positive spirit and cooperate in all practices to raise the efficiency and productivity of work.

## 27. Disciplinary Procedures

The company tries its best to impose a system that suits the nature and circumstances of each violation of the rules of professional conduct. The company uses a progressive disciplinary system,



issuing letters of reprimand for first-time violations of minor importance, prevention or reduction in periodic benefit increases, bonuses, or termination of service. When it is found that the worker has violated the rules of professional conduct, a memorandum of final decision is issued. A copy of any letter of reprimand shall be placed in the worker's personal file as part of the worker's permanent work record.

## 28. Review, Amendment and Cancellation of these Rules

These rules do not contradict with the conflict of interest policy of the Board of Directors and executives, which is applied comprehensively with regard to cases of conflict of interest for members of the board and executives. This policy shall be effective from the date of its approval by the Board of Directors. These rules must be periodically reviewed and evaluated to ensure their effectiveness and efficiency, and any modifications or cancellations of some or all of these rules are made only by the Board of Directors. In case that some of these rules are amended or canceled, it will be circulated as necessary. The Chairman of the Board also has the right to issue bylaws branching from this regulation to clarify or organize some of the titles, organize the operations and implement these rules.



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