



Code of Conduct



Code of conduct

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1 PURPOSE

The Code of Conduct (the "Code") outlines the ethical requirements at Dr. Sulaiman Al Habib Medical Services Group Company and its subsidiaries (hereinafter also referred to as "HMG"). The Code represents a guide to ethical decision-making, where it assists HMG employees in making the right choices on a daily basis.

The Code of Conduct defines what HMG expects of its business and employees regardless of their positions.

HMG should embed positive ethics deep within its culture to enjoy healthy returns through employees' loyalty. HMG's top and senior management should motivate HMG's employees to abide by this Code.

2 VALUES

The foundation of HMG is built on our values, which differentiate us and guide our individual and collective actions. We conduct our business in a socially responsible and ethical manner. We respect the law, support universal rights, protect the environment and benefit the communities within which we work. In quest of our Vision, actions of our leadership, physicians and staff will be steered by the following values:



EXCELLENCE

Continually improve quality in everything we do through creativity, innovation, and continuous improvement to shape a brighter future.



PATIENT CENTERED CARE

Patient's needs should be anticipated by respecting patient's personal preferences, values, family situations, social status and lifestyles. HMG shall also be responsive at all times through patient surveys and ongoing staff training.



SAFETY

Safety is our top priority since patients and families have placed their lives and health in our hands. We should strive to enhance safety by continuously paying close attention to procedural and operational systems and by following policies and procedures that help prevent and mitigate errors.



TEAMWORK

We should actively collaborate and communicate to ensure an appropriate exchange of information and develop a work environment that promotes mutual respect, participation, create value for people, team growth and effective use of talents.



EFFICIENCY

All employees should make efforts to eradicate wastage of patient time and ensure effective and efficient use of available resources.



3 ABOUT THE CODE OF CONDUCT

3.1 Using the Code

- ✓ Read through the entire Code.
- ✓ Think about how the Code applies to your job, and consider how you might handle situations to avoid improper, illegal or unethical actions.
- ✓ Use the questions and answers to help clarify situations that you may encounter.
- ✓ If you have questions, ask your direct supervisor, manager, Human Resources Department or the Legal Affairs Department as appropriate.

3.2 Ethical Decision-Making

Ethical decision-making is essential to the success of HMG. Some decisions are obvious and easy to make; others are not. When faced with a difficult situation, asking ourselves the questions below can help us to make the right ethical decisions.

"Yes" answers to any of the below questions are required to qualify an action as ethical and in line with HMG's Values.

- Is it legal? ☒ Yes ☐ No

If you think an action may be illegal, do not proceed. If you need information about which laws apply in a given situation, talk with your supervisor, manager, Human Resources Department or the Legal Affairs Department.

- Is it consistent with HMG's policies? ☒ Yes ☐ No

If the proposed action does not comply with HMG's policies, you should not do it.

- Is it consistent with HMG Way? ☒ Yes ☐ No

Consider whether the action would be consistent with HMG's core Values.

- If it were made public, would I be comfortable? ☒ Yes ☐ No

Ask yourself if you would make the same decision if you knew that it would be reported to public media in a negative way affecting HMG's reputation or put it in litigation.



3.3 Code of Conduct - Compliance Procedures

HMG's Senior Management and employees must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since it is not possible to anticipate every situation that will arise, it is important that there is a consistent way to approach a new question or problem. These are the steps to keep in mind:

1 **Make sure you have all the facts.** In order to reach the right solutions, we must be as fully informed as possible. We must state clearly what the issue at hand is and when it was first observed or arose.

2 **Ask yourself:** What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

3 **Discuss the problem with your direct supervisor/manager.** This is the basic guidance for all situations. In many cases, your direct supervisor/manager will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor/manager's responsibility to help solve problems. If you are uncomfortable discussing the problem with your direct supervisor you can talk to your manager or Human Resources Department or the Legal Affairs Department.

4 **Seek help from the Human Resources Department or the Legal Affairs Department.** In a case where it may not be appropriate to discuss an issue with your immediate supervisor/manager, or local management, i.e. managers who you are not directly reporting to, ask to meet with Human Resources or the Legal Affairs Department.

5 **You may report violations in confidence and without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected. HMG does not permit retaliation of any kind against employees or officers for good faith reports of suspected violations.

6 **Always ask first, act later.** If you are unsure of what to do in any situation, seek guidance before you act.

All stakeholders are subject to HMG's Code of Conduct, which describes procedures for the internal reporting of violations of the Code. Board of Directors members, all of HMG directors, committees' members, officers (i.e. senior executives) and employees must comply with those reporting requirements and promote compliance with them by others. Failure to adhere to this Code by any stakeholder will result in disciplinary action, in line with HMG's internal policies and applicable rules and regulations.

All directors/committees members/officers/employees and others on whom this Code is applicable need to report any violation in writing addressed to: Legal Affairs Department as appropriate. If you opt to remain anonymous, you can draft a suspected violation/concern report through the Legal Affairs Department and informing them that you prefer to remain anonymous.



4 OUR RESPONSIBILITY

4.1

Compliance

This Code of Conduct covers a range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees and officers of HMG. In addition, HMG's policies and procedures apply to all aspects of HMG's operations and all of our employees, Board members and other stakeholders, are obligated to and must conduct themselves accordingly.

4.2

To whom
does the
Code
apply ?

Employees and officers are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this Code of Conduct and/or HMG policy & procedures. This Code of Conduct apply to the following:

- Board members.
- Committees members.
- Management and employees of all HMG Group companies.

4.3

Open Door
Communication
- Speak up

Employees are encouraged to talk to Supervisors, Managers, Senior Management or other appropriate personnel about observed behavior, which they believe may be illegal or a violation of this Code of Conduct or HMG policy or when in doubt about the best course of action in a particular situation.

4.4

Non -
Retaliation

It is the policy of HMG not to allow retaliation in any manner for reports of misconduct by others made in good faith by employees. Employees are expected to fully cooperate in internal investigations of misconduct.

4.5

What happens if
you do not follow
the Code?

Those who violate the standards in this Code will be subject to disciplinary action (equal to violation type), in line with HMG's internal policies and applicable rules and regulations (e.g. Labor law).

5 PRINCIPLES OF CODE OF CONDUCT

The principles of ethical business behavior are laid down below. These principles govern how HMG conducts its affairs. This Code describes the behavior HMG expects of you and what you can expect of HMG. It should be viewed as an essential guide. The values underlying the Code are obvious and universal – honesty, integrity and respect for people. Your conduct will be judged by how you live by those values, and how you have met the intention and spirit of the principles in the Code.

5.1 People and Safety

Human Rights

5.1.2

HMG understands the basic rights of its employees. HMG seeks to conduct its activities while respecting the employees' and officers' human rights. There are two broad categories of human rights. The first category concerns civil rights and includes such rights as the right to life and equality. The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to health, the right to education and the right to social security (as per the applicable Labor Laws and internal policies).

Diversity, Discrimination and Harassment

5.1.1

As part of HMG's ethical values, employees should learn from and admire the cultures in which they work. The diversity of HMG's employees is a tremendous asset. We are firmly committed to providing equal opportunity, fair treatment and a harassment (verbal, physical or visual) free work environment to all employees, consultants, contractors, subcontractors, customers, investor and business associates. Further, we will not tolerate any discrimination based on race, color, creed, religion, sex, national origin or any other legally protected class.

5.1.3

Health and Safety

HMG will continually strive to comply with all applicable laws relating to occupational health and safety as well as environmental management and conservation. In addition, it strives to provide each employee and officer with a safe and healthy work environment. Each officer and employee has the responsibility for maintaining a safe and healthy workplace for all employees and officers by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions immediately. Violence and threatening behaviors are strictly not permitted. Employees and officers are expected to perform HMG related work in a safe manner, free of the influences of alcohol, illegal drugs or other controlled substances.



5.2 Obeying the Law



5.2.1 Compliance with Laws, Rules and Regulations

Obeying the law, rules and regulations is the foundation on which this HMG's ethical standards are built. All employees and officers must respect and obey the laws, rules and regulations of the country in which we operate at all times. Although employees and officers are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate management personnel.

5.2.3 Anti-Bribery and Corruption

Bribery occurs when you offer, pay or seek to accept a payment to influence a business outcome improperly. No personal payment should be offered, paid, sought or accepted for favorable treatment or to gain an unfair business advantage. Employees and officers must follow the applicable international and local anti-bribery and anti-corruption laws. All employees and officers are strictly forbidden from offering or accepting so-called "rashwa" or "facilitation" payments, even if such payments are nominal in value. An employee who retains a consultant or representative who will be acting on behalf of HMG in dealing with third parties must receive written confirmation from that consultant or representative that he or she will comply with the requirements of applicable anti-bribery and anti-corruption laws or other applicable regulations.

5.2.2 Preventing Money Laundering & Terrorism Financing

Money laundering occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including the financing of terrorism, offences covered by anti-money laundering legislation include prejudicing or obstructing an investigation and failing to report suspicious activity.

All employees will follow all applicable laws and regulations that prohibit money laundering and terrorism financing and that require the immediate reporting of prohibited cash transactions by learning to identify warning signs of money laundering attempts or other illegal activities prohibited by law and HMG Policy. HMG utilizes Saudi Arabia's anti-money laundry and anti-terrorism regulations as well as the international law to ensure compliance with the stipulated laws. A general guideline used by HMG to prevent money laundering and anti-terrorism:

- Never interact with suspicious activities;
- Do not make any donations unless with a government registered institution/charity;
- Perform extensive checks before business engagements with any entity; and
- Keep a track record of HMG's ownership structure and all changes.



5.3 Serving the Customer



HMG maintains its duties to its clients by ensuring loyalty, acting with reasonable care and exercising prudent judgment and decisions in addition to delivering the highest quality products and services. You should act to benefit your clients and place their interest on top of your own interest to maintain the highest standards while serving them. The following principles assist HMG in maintaining the high standards:

5.3.1

Integrity

Exercising business while ensuring integrity and trust by HMG towards its clients enhances our reputation and brand image with our clients. Maintaining such integrity with the clients is a sole discretion that HMG opts and thrives to achieve thoroughly and continuously. HMG's continuous communications, interactions and arm's length transactions should increase the trust and integrity with our clients.

5.3.2

Usefulness

HMG aims to providing products and services that are useful for all our clients and is committed to high quality of work that benefits our clients.

5.3.3

Responsiveness

We recognize the relevant clients' feedback once identified and act upon it by taking the correct decisions on timely basis. We take pride in responding to our clients' communications whether in the form of questions, problems or compliments. If you can assist, don't procrastinate. Act immediately!

5.3.4

Take Action

Should you at any time feel our clients aren't being well-served, don't hesitate to contact direct manager or the Legal Affairs Department and discuss your concerns. HMG continually improves its products and services by taking the initiative in placing the clients' interest above HMG's own interest while serving them.

5.4 Authority



All employees will understand and know this Code. Each employee and officer must understand the level of authority included in his/her job. All employees must all be careful to act within the limits of that authority.



5.5 Avoiding Conflicts of Interest

A “conflict of interest” exists when a person’s private interest interferes in any way with the interests of HMG. We always expect all directors, officers and employees to act in the best interest of HMG. A conflict situation can arise when an employee or officer takes actions or has interests that may make it difficult to perform his or her HMG work objectively and effectively. Conflicts of interest may also arise when a director or officer, or a member of his or her family or any relatives, receives improper personal benefits as a result of his or her position in HMG. It is a conflict of interest for an HMG directors or officer to work for a competitor, customer or supplier during his/her directorship or employment. Directors or officers should avoid any direct or indirect business connection with our customers, suppliers or competitors, except as required on HMG’s behalf. Conflicts of interest are prohibited as a matter of HMG policy and related regulations, except as approved by the Board of Directors or a delegated party.

When faced with a potential conflict of interest, ask yourself:

✘ Would this relationship or situation embarrass me or HMG if it showed up on the front page of a newspaper, or in case of litigation case?

☒ Yes ☐ No

✘ Am I reluctant to disclose the relationship or situation to my manager, the Legal Affairs Department or an authorized person within HMG?

☒ Yes ☐ No

✘ Could the potential relationship or situation create an incentive for me, or be perceived by others to create an incentive for me, to benefit myself, my friends or family or an associated business, at the expense of HMG?

☒ Yes ☐ No

If the answer to any of the above questions is 'Yes', the relationship or situation is likely to create a potential conflict of interest, and you should avoid it, or properly disclose it as per the Conflict of Interest Policy before entering in it.



The following list provides guidance to the areas that pose potential conflict of interest to the employees, officers or board member:

1

Personal
investments

2

Business
opportunities
found through
work

3

Personal
relationships
at work

4

Accepting
gifts and other
business courtesies.

In each of the above mentioned situations, you must avoid conflicts. If you face a potential conflict of interest, review and assess the situation with your respective Supervisor, Manager, Human Resources Department or the Legal Affairs Department.

A common conflict of interest involves an HMG's director or officer investing a significant amount of his/her personal funds in a customer, supplier, partner or competitor that could cause such director or officer to act in a way that benefits his/her personal investment at the expense of HMG.

If you are considering making investment that poses potential conflict of interest, don't make the investment. If you already have an investment that creates a conflict of interest, or are unsure whether an existing or contemplated investment is a conflict of interest, you should contact the Legal Affairs Department to evaluate the investment in your securities. Investments by any HMG director or officer in mutual funds or similar vehicles that invest in a broad cross-section of publicly traded companies that may include HMG's competitors, customer, suppliers, partners and its subsidiaries are not considered conflicts. Please refer to the Conflict of Interest Policy for more details.



5.6 Preserve Confidentiality



5.6.1 Patients Confidentiality

We respect and protect confidential information obtained from our patients. We take proactive measures to safeguard our documents, computers and other data devices that contain patient information. We commit to the following privacy and security principles:

We provide patients with notice of our privacy and security practices in accordance with applicable laws and regulations.

1

We only use and disclose patient information as required or permitted by applicable laws and regulations.

3

Teammates and vendors are not authorized to access, use or disclose patient information which is not necessary to perform their individual job function or more than the minimum necessary amount of information needed to fulfill their HMG duties.

5

Employees, patients, or visitors will not use any photographic or imaging device (e.g., digital cameras, devices such as a cell phone or handheld computer, etc. (to take pictures of premises, employees, visitors or patients without appropriate approval.

7

2 Patient information, including personal health information, is protected through reasonable and appropriate technical and organizational security measures, including, where appropriate and if allowed under local laws, encryption of patient information.

2

4 Vendors who process patient information on our behalf may only process patient information at our direction and as permitted by our privacy and security policies, and all applicable laws and regulations.

4

6 Employees and vendors who use HMG patient information to perform services on HMG's behalf are expected to promptly notify related department of any unauthorized use or disclosure of patient information.

6

8 HMG will obtain patient and employees consent in accordance with applicable laws and regulations, prior to using patients' or employees' pictures, testimonials or other information for marketing or other purposes.

8

✘ To the extent applicable laws or regulations require further safeguarding of patient information, HMG complies with all applicable requirements.



5.6.2 Confidentiality of Information Relating to HMG

All non-public information (any information that HMG has not disclosed or made generally available to the public such as information related to employees, inventions, contracts, strategic and business plans, major management changes, pricing, and proposals) about HMG should be considered confidential information (example, trade secrets; business plans; marketing plans; investment portfolios; payroll records; and any unpublished financial data). Directors, officers and employees who have access to confidential information about HMG or any other entity are not permitted to use or share that information with outside third parties for personal or third party gains. The following guidelines should be considered in this regard:

1

Do not pass on any confidential and/or inside HMG information unless it is legally required to concerned parties for conducting HMG's business. Proper communications channels shall be followed in this regard.

2

In certain situations, particular projects or negotiations may require you to disclose confidential information to counterparties such as banks, regulatory authorities, judicial and administrative proceeding and to comply with legal requirements. Hence, the disclosures of such information should be on a 'need to know' basis and as per the approved non-disclosure agreement. You should ensure the appropriate agreement is in place prior to revealing any sensitive information.

3

Ensure that HMG's confidential information is not disclosed to third parties unless a proper approval is obtained to reveal the information

4

Prematurely leaked HMG information to the press or to competitors may harm the sustainability of HMG, eliminate our competitive advantage and accordingly affect HMG's profitability in the future. HMG's responsibility is to extend beyond maintaining confidential HMG material, by achieving the following:

- Properly secure, label and (when appropriate) dispose of confidential HMG material;
- Safeguard confidential information that HMG receives from others under non-disclosure agreements; and
- Keep our trade secrets and other confidential intellectual property as private information.



5.6.3 Confidentiality of Information Relating to Customers and Suppliers

Employees and officers must maintain the confidentiality of proprietary information entrusted to them by HMG or its customers or suppliers, except when disclosure is authorized in writing by the Chief Executive Officer (CEO), without breaching any applicable regulations, or required by applicable laws or regulations. Proprietary information includes all non-public information that might be of use to competitors or harmful to HMG or its customers or suppliers if disclosed. It includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

5.6.4 Competitors and Former Employers

HMG respects its competitors and member's former employees and ensures fair competition without obtaining confidential information utilizing unethical means. If an opportunity arises to take advantage of a competitor's or former employer's confidential information, don't use it and take decisions upon it. Should you come in possession of a competitor's confidential information, contact the Legal Affairs Department to immediately assess the situation.

5.6.5 Outside Communications and Public Press Events

You should never discuss HMG's information with the press or other media means unless you've been explicitly and formally authorized to do so in line with the Delegation of Authority Matrix (DOA).

5.6.6 Corporate Opportunities

Employees and officers are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors or a delegated person. The most common types of situations falling within this corporate opportunity prohibit employees and officers from: (i) personally taking advantage of any business opportunity that typically would be pursued by, or would be of interest to, HMG; (ii) personally taking advantage of any other business opportunity that HMG may want to take advantage or (iii) competing with or otherwise disadvantaging HMG.

No employee or officer may use corporate property, information, or position for personal gain, and no employee or officer may compete with HMG directly or indirectly. Employees and officers owe a duty to HMG to advance HMG's interests when the opportunity to do so arises.



5.7 Competition and Fair Dealing

We seek to outperform our competitors fairly and honestly. We seek competitive advantages through superior performance not through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the relevant authority's consent, or inducing such disclosures by former or present employees of other companies is prohibited. Each employee and officer should endeavor to respect the rights of and deal fairly with HMG's customers, suppliers, competitors and employees.

No employee or officer should take unfair advantage of any co-worker, supplier, contractor or agent through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

HMG and all of its employees should never propose to or enter into any agreement with a competitor to fix prices, rig bids or other terms of business, profit margins or other aspects of competition for sales of HMG's products and/or services.

5.8 Investments in Securities

5.8.1 Personal Investments

Please refer to section 5.5 and Conflict of Interest Policy.

5.8.2 Insider Trading

Trading in stocks or securities based on material non-public information, or providing material non-public information to others so that they may trade, is illegal and may result in criminal prosecution.

Insider Information is one, which is "Non-Public" and "Material" information. "Non-public information" is information that is known within HMG and counter-parties and has not been publicly released. "Material information" is information that a reasonable investor would consider important when deciding to buy or sell securities. Some examples of non-public information that could be considered material include:

- Financial forecasts;
- Undisclosed financial results;
- Changes in sales, market share or production;
- Changes in debt ratings or analyst upgrades or downgrades of securities, earnings, dividends or stock splits;
- Financial liquidity problems;
- Significant litigation exposure;

- Proposed mergers, acquisitions, or divestitures;
- Marketing plans;
- Strategic plans;
- Price List;
- Discount schemes;
- New product/services information; and
- Material changes in top management structure, etc.

All employees should be restrained from obtaining personal benefits from Insider Information relating to HMG's suppliers, customers and other stakeholder. The same should also not be shared with relatives, friends, spouse or children.

If the Group or any of its subsidiaries are listed, all directors and officers (i.e. senior executives) need to comply and refer to the Listing Rules issued by the supervisory and regulatory bodies of the capital market and the regulations issued by the Capital Market Exchanges with respect to trading in securities.



5.9 Internal and External Dealings



5.9.1 Directorships Policy

Directors and officers are restricted to hold directorships (including membership in Board committees) in non-affiliated, for-profit organizations, unless the matter is disclosed to the Board (or a delegated party) to approve it, and prohibited to accept such directorships that would involve a conflict of interest with or interfere with the discharge of the director's or officer's duties to HMG.

With the Board approval, directors and officers may hold directorships in non-affiliated, non-profit organizations, unless such directorships would involve a conflict of interest with or interfere with the discharge of the director's or officer's duties to HMG, or obligate HMG to provide support to the non-affiliated, non-profit organizations. Directors and officers may serve as directors of affiliated companies and such service may be part of their normal work assignments if approved by the respective authority.

5.9.2 International Trade Controls

All employees will understand and follow applicable trade control and customs laws of the countries we deal with and operate in. No employee is allowed to participate in any form of boycott or other restrictive trade practices prohibited by the applicable laws and regulations of the countries we deal with and operate in. HMG will make all efforts to ensure that all import/export requirements are being met and that any violation is immediately reported to the proper authorities.

5.9.3 Supplier Relationships

HMG will only conduct business with suppliers and vendors that understand and comply with local and other applicable laws and all additional HMG defined standards (as defined in this Code of Conduct) relating to labor, health, safety, environment, improper payments and respect for intellectual property. HMG will always provide a competitive opportunity to earn a portion of HMG's purchases of materials and supplies. In addition all HMG directors, officers and

employees shall make all reasonable efforts to maintain the best relationships with all HMG suppliers.

5.9.4 Government Dealings

HMG, its directors and officers will follow all regulations applicable and associated with government contracts and transactions and obtain all required licenses from related authorities and ensure the validity of these licenses before performing the business activities prescribed in the bylaws of HMG. HMG and all employees will be truthful and honest in all aspects of their dealings with government agencies and companies. HMG will not do business with suppliers who are prohibited from doing business with the government.

5.9.5 Use of Third Parties to Evade Requirements

Neither HMG nor any of its employees will use third parties to evade any of the legal and/or Code of Conduct requirements to gain favor or win any specific contracts or business with governments or other clients.



5.10 Gifts and Entertainment



The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers or vendors. HMG employee or officer, or his/her family members should not accept gifts or entertainment that could in any way influence, or appear to influence business decisions. Further, HMG employee or officer should not offer gifts or entertainment that might be perceived as inappropriately influencing directly or indirectly another company's business dealing with HMG. Consider the following criteria when accepting or offering gifts and entertainment:

Is not a cash gift.



Is reasonable in value and not frequent (market value of less than SR 100.



Is consistent with customary business practices.



Does not violate any laws, regulations or applicable policies of the other party's organization.



Cannot be construed as a bribe or payoff



Any personal favors that are offered to an employee or a family member which could be construed as influencing an employee's business decisions must be declined.

Invitations to local or international events, year-end functions or any similar functions, which are extended to employees as a courtesy during the normal course of business by existing customers or suppliers, may not be accepted without the prior approval from the CEO. Any employee involved

in decision-making during the procurement process may not accept invitations of any nature.

Acceptance of a meal, refreshments, or other minor hospitality in the normal course of business relations is permitted as a courtesy if the purpose of this is to hold bona fide business discussions or to foster better business relations. When practical the courtesy should however be reciprocated.



In accordance with applicable Laws and Regulations, employees are prohibited from soliciting for themselves or for a third party (other than HMG itself) anything of value from anyone in return for any business service or confidential information of HMG and accepting anything of value (other than bona fide salary, wages, fees, or other compensation paid by HMG in the usual course of business) from anyone in connection with the business of HMG, whether before or after a transaction is discussed or consummated. All gifts received or offered, other than the exceptions listed below, should be disclosed in writing immediately to employee's supervisor and to the Legal Affairs Department as specified in the Gift & Hospitality Policy. The exceptions are as follows:

- 1 If the benefit is available to the general public under the same conditions that it is available to the employee.
- 2 Acceptances of gifts, gratuities, amenities, or favours based on obvious family or personal relationships when the circumstances make it clear that it is those relationships rather than the business of HMG, which are the motivating factors and do not constitute any conflict of interest.
- 3 Acceptance of meals, refreshments, travel arrangements or accommodations or entertainment in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations, provided that the expense would be paid by HMG as a reasonable expense if not paid by another party.
- 4 Acceptance of loans from other banks or financial institutions on customary terms to finance proper and usual activities of HMG's employees, such as home mortgage loans, except where prohibited by laws and regulations and as per the internal policies.
- 5 Acceptance of advertising or promotional material of minimal value and infrequent (i.e. less than SR 100), such as pens, pencils, note pads, key chains, calendars and similar items.
- 6 Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers.

Should you not be certain about the appropriateness of a particular gift, please discuss the gift with your Supervisor, Manager, Human Resources Department, or the Legal Affairs Department PRIOR to giving or receiving such a gift. All gifts over a value of SR 100 (or several small gifts totaling SR 100) must be declared in writing to the Legal Affairs Department. Please refer to the Gifts & Hospitality Policy for more details.



5.11 Protecting HMG's Reputation and Community

5.11.1 Environmental Responsibilities

HMG expects its employees and officers to follow all applicable environmental laws and regulations. If you are uncertain about your responsibility or obligation you should check with your supervisor, manager or Human Resources Department or the Legal Affairs Department for proper guidance.

5.11.2 Safety Policy

HMG is responsible for helping to maintain a safety working environment in line with local laws and regulations and in accordance to our internal policies and standards. HMG expects its employees to follow all the elements of HMG's safety policy that includes:

- Identify and manage risks associated with HMG's facilities, maintenance work shop, kitchen, laundry, etc.; and
- Undertake appropriate reviews and evaluations of its operations to measure progress and to foster compliance with this policy.

5.11.3 Customer Relations and Product/Service Quality

HMG expects its employees to meet customer satisfaction by:

- Providing high-standard customer service that meets or exceeds guest needs under all reasonable circumstances;
- Furnishing services that reliably meet responsible standards of performance, efficiency, and courtesy; and
- Furnishing accurate and sufficient information about its services, including details of guarantees and warranties.

5.11.4 Community Involvement and Sustainable Development

HMG is interested in contributing to sustainable development in accordance to its policies. HMG understands the importance of an ethical philosophy and commitment towards community involvement and development.



5.12 Prohibition Against Taking Commission or Referral Fees



You are prohibited from accepting anything of value in exchange for referring third parties to any person, organization, or group doing business or seeking to do business with HMG.

5.13 Financial Reporting and Responsibility



5.13.1 Financial Controls and Disclosures

HMG requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions. All business expense accounts must be documented and recorded accurately in a timely manner. If you are not sure whether a certain expense is legitimate, ask your supervisor, manager or finance director. All of HMG's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect fairly and accurately HMG's transactions, must be promptly disclosed to the relevant authorities in accordance with any applicable laws or regulations and must conform both to applicable local legal requirements and to HMG's system of internal controls.

Business records and communications often become public. HMG's employees and officers must avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to email, internal memos, and formal reports.

5.13.2 Records Management

HMG must be able to retrieve Records quickly and reliably. When a Record's retention period is over, appropriate disposal is required in line with applicable regulations. A Record contains information that is evidence of a business activity or required for legal, tax, regulatory and accounting purposes or is important to HMG business or corporate memory. It is the content which determines a Record not its format. Records include contracts; audit reports; financial information; product specifications; corporate policies, guidelines and procedures; minutes of meetings; etc.



5.13.3 Financial Reporting

HMG's policy is to comply with all financial reporting and accounting regulations applicable to HMG (i.e. Saudi Organization of Certified Public Accountants and International Financial Reporting Standards). If any employee or officer has concerns or complaints regarding accounting or auditing matters of HMG he or she must report any/all concerns to the CFO or Head of Internal Audit immediately. HMG expects employees and officers to take this responsibility very seriously and provide prompt and accurate answers to internal inquiries.

5.13.5 Avoiding Improper Influence on Conduct of Auditors

HMG Management and employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence HMG's independent auditors for the purpose of rendering the financial statements of HMG misleading. Prohibited actions include but are not limited to those actions taken to coerce, manipulate, mislead or fraudulently influence an auditor: (1) to issue or reissue a report on HMG's financial statements that is not warranted or incorrect in the circumstances (due to material violations of general accounting principles, SOCPA standards, international financial reporting standards (IFRS), accepted auditing standards or other professional or regulatory standards); (2) not to perform audit, review or other procedures required by generally accepted auditing standards or other professional standards; (3) not to withdraw an issued report; or (4)

not to communicate matters to HMG's Internal Audit Department or Audit Committee or Legal Affairs Department.

5.13.4 Internal Controls

Reliable internal controls are critical for proper, complete and accurate business conduct. HMG expects its employees to understand the internal controls relevant to their position, and follow the policies and procedures related to those controls. HMG encourages all employees to talk to their supervisors or manager immediately if they ever suspect that a control is not available or does not adequately detect or prevent inaccuracy, waste or fraud.

5.13.6 Preventing Fraud

HMG relies on its internal controls and personal integrity of employees and officers to protect HMG assets against damage and unauthorized use.

Employees and officers should not engage in any scheme to defraud anyone or HMG in violation of HMG's policy. Consequences will apply to any dishonest or fraudulent activities, including misusing or stealing HMG assets or misleading the financial statements or cheating on travel and entertainment expense reports, among other violations.



5.14 Protection and Proper Use of HMG's Assets

All employees and officers must protect HMG's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on HMG's profitability. All HMG assets are to be used for legitimate HMG purposes only and not for a personal use. Any suspected incident of fraud or theft should be reported immediately for investigation.

5.14.1 HMG's Proprietary Information

It is the obligation of all employees and officers to protect HMG's assets which includes HMG's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of HMG policy. It could also be illegal and result in civil or criminal penalties. Each employee must take prior internal approval before discussing proprietary information with third party outsiders or permit third parties to use HMG's proprietary information. All employees must respect the validity of trademarks, patents, copyrights and other protected intellectual property rights of others at all times and seek authorized licenses for the use of such rights prior to using such materials.

5.14.2 HMG Equipment

HMG utilizes and offers its employees tools and equipment to execute the daily operations effectively; however, holds us responsible in order not to misuse HMG's property. HMG funds, equipment and other physical assets are not to be requisitioned for personal use. If you are uncertain about the use of HMG equipment, refer to your respective department policy, and if you still face any doubts in this regard, please contact your direct manager, human resource, IT or the Legal Affairs Department to provide the appropriate guidance.

5.14.3 Communication Facilities

Use of communication facilities (software, hardware, network such as computers and mobile devices) are critical aspect of HMG's physical and intellectual properties. Ensure to follow all IT security policies. If you are faced with a situation that the network security has been violated for example, you lost your business laptop or business mobile phone or think that your network password may have been compromised you should promptly report the incident to Information Technology Department.

5.14.4 Physical Security

Always secure your business laptop, important equipment and your personal belongings while working in HMG's or any subsidiaries' premises. Don't tamper with or disable the security and/or safety devices. Be aware and scrutinize external people onsite or outside the work premises. Promptly report any suspicious activity to HMG's Security. For more information please contact your supervisor, manager or Human Resources Department or the Legal Affairs Department.

5.14.5 Employee Data

HMG collects and stores employees' personal information on its network. Access to this data will be granted in accordance with the local applicable laws, regulations and with HMG's internal policies. HMG shall ensure the employees data are secured in accordance to the stipulated standards.





5.15 Personal use of social networking and third party websites

Employees and officers are prohibited from representing HMG on web platforms and social media, unless is authorized in writing and in line with the internal policies. If an employee chooses to identify himself as an HMG employee or to discuss matters related to HMG in a social Web space, some readers may view him/her as an actual spokesperson for HMG, even though his/her web activity is a personal project and personal expression. Thus, the person who is or had been doing so shall disclose this matter to HMG immediately. Before an employee identifies himself/herself as an HMG employee or authorized spokesman on a web platform, he/she must obtain written approval from HMG and also he/she must refer to and follow the Code of Conduct and applicable policies, as they would help him/her avoid miscommunication. Employees should ensure that their profiles and related web platform content are consistent with how they want to present themselves to colleagues and customers. Please refer to the Social Media Policy for more details.

5.16 Communication, E-Mail and Internet Use

You should use HMG's computers, E-mail system and Internet connection primarily for HMG business. You should use the same care, caution and etiquette in using the internet sending/receiving e-mail messages and communicating with others as in all other written or oral business communications. HMG will not tolerate discriminatory, offensive, defamatory, pornographic and other similar type of messages or materials sent/received by e-mail or accessed through the Internet. Since the e-mail system, telephones and Internet connection are HMG resources, HMG reserves the right to monitor and inspect, at any time and without notice in a way that protects HMG's assets and information, all electronic and telephonic communications and information on personal computers owned by HMG or computers on the premises used in HMG's business. Employees should not have any expectations of privacy with respect to any communications through HMG's communication systems and computers. In order to protect HMG's assets and information, HMG will perform whatever necessary actions on the personal data and information stored in HMG's computers or phones in the way it sees appropriate and without any responsibilities on HMG or any of its employees.



6 WHISTLEBLOWING POLICY

6.1 Introduction

As an employee of HMG, you are often the first to realize that there may be something wrong within HMG. However, you may not express your concerns because you feel that speaking up would be disloyal to colleagues or management. You may also fear harassment or victimization, and think it may be easier to ignore the concern rather than report it.

HMG Board of Directors is committed to the highest standards of openness, probity and accountability. In line with that commitment, we encourage HMG employees and who have serious concerns about any aspect of HMG's work, to come forward and voice those concerns.

It is recognized that certain cases will have to proceed on a confidential basis. This policy makes it clear that staff can do so without fear of reprisals. This policy is intended to encourage and enable employees of HMG to raise serious concerns with the management rather than overlooking a problem or discussing it externally.

6.2 Scope of the Policy

The scope of this policy should be applicable to all directors, officers, employees, temporary staff, trainees, and agency staff.

The Policy helps management to ensure that whistle blowing policy has covered all misconduct including but not limited to:

Unacceptable accounting & auditing practices and procedures that might lead to fraudulent financial reporting

Irregularities or a conduct which is an offence or a breach of Saudi Arabian Laws & regulations, as applicable to HMG, issued by, for example:

- ✘ Ministry of Commerce & Investment (MoCI);
- ✘ Ministry of Labour (MoL);
- ✘ General Authority of Zakat & Tax (GAZT);
- ✘ Saudi Arabian Organization of Certified Public Accountant (SOCPA); and
- ✘ Capital Market Authority (CMA);

Corruption (such as bribes and others);

All types of Frauds;

Misrepresentation of facts;

Intentional omission of or hiding facts;

Decisions made & actions taken not confirming to established policies & procedures;

Failure to comply with any legal obligations, including failing to comply with the terms of a contract and failing to keep records as required by law;

Commission of crime;

Sexual or other harassment;

Abuse of Delegated Authorities;

Discrimination;

Misuse of HMG assets;

Disclosures related to miscarriages of justice;

Health, safety & Environment risks, including risks to the public as well as other employees;

Serious failure to comply with appropriate professional standards;

Abuse of power, or use of HMG's authorities for any unauthorized use or personal gain;

Other wrongdoing; and

Deliberate concealment of any of above .

Concerns are to be reported under this policy which may relate to something that:

- ✘ Is unlawful;
- ✘ Is against HMG's Contract Procedure Rules, Financial Procedure Rules or other policies;
- ✘ Falls below established standards or practice; or
- ✘ Amounts to improper conduct.



6.3 Harassment or Victimization



The Board of Directors and Senior Management recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Board of Directors will not tolerate harassment or victimization and will take action to protect you when you raise a concern in good faith. Where feasible, you will be contacted when your concern has been investigated to ascertain whether you have suffered any detriment as a result of your whistleblowing. If at any time, either during or after the investigation, you feel that you have suffered any detriment as a result of your whistleblowing you should contact the Legal Affairs Department.

6.4 Confidentiality



The Board of Directors treats the details of all whistleblowers in confidence and will do its best not to reveal your identity. However, it must be appreciated that the investigation process may reveal the source of the information without us revealing your identity directly, and a statement by you may be required as part of the evidence.

6.5 Anonymous Allegations



Allegations can be made anonymously. However, this policy encourages you to put your name to your allegation, as concerns expressed anonymously are often much more difficult to investigate. For example, we may need to contact you to obtain further information or verify the details you have already given us. Anonymous allegations will be considered wherever possible at the discretion of HMG's CEO or Legal Department Affairs (as applicable). The factors to be taken into account when determining whether and investigation in such a case can proceed would include:

- The seriousness of the issues raised;
- The creditability of the concern; and
- The likelihood of confirming the allegation from other, attributable sources.

6.6 Untrue Allegations



If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make malicious or vexatious allegations, may result in disciplinary actions in line with HMG's internal policies and applicable rules and regulations (e.g. Labor law).



6.7 How to Raise a Concern



The earlier you express the concern, the easier it is to take action. As a first step, you should normally raise concerns with your immediate manager or other appropriate manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if you believe that your management is involved, you should contact the Legal Affairs Department. The Legal Affairs Department can give advice and guidance on how matters of concern can be pursued.

Although you are not expected to prove an allegation, you will need to demonstrate that there are sufficient grounds for your concern. There are special rules surrounding the gathering of evidence. Any attempt to gather evidence by people who are unfamiliar with these rules may adversely affect the outcome of the case as evidence has to be collected in accordance with current legislation. This is of particular importance in regard to surveillance. If you are at all unsure about the gathering of evidence, you should contact the Legal Affairs Department for advice. Concerns are best raised in writing using the Whistleblowing form, **Appendix B**.

REPORTING LINES

7.1 Reporting Violations and Penalties

Employees are granted the right to speak up and communicate the identified violations to the Code of Conduct to designated personnel. HMG advises its employees to apply the following guideline when required to raise an identified unethical issue:

- Discuss with your direct superior or manager on the identified issue and request for formal assessment of the situation;
- Obtain the necessary advise and recommendations from direct superior/manager to resolve the issue;
- In case your direct superior/manager has not taken the required actions, escalate the same to the Legal Affairs Department or any other designated and authorized personnel to resolve the issue ;
- If the issue is still not being addressed by the designated personnel, HMG advises its employees to disassociate themselves from dealing with such business transaction until the issue has been resolved;
- On the other hand, if the issue has been qualified as unethical by the senior management and other designated departments, it should be reviewed, assessed and necessary actions should be taken to resolve the issue and penalize the commit-
ters; and
- HMG should utilize the documented violation penalizing processes documented within the Human Resources policies and procedures (if available) including for example the following steps:
 - ✘ Discuss verbally the unethical violation with the employees committing the violation and consider as a verbal warning;
 - ✘ Submittal of formal documented warning when needed;
 - ✘ Terminate the employees if the unethical act have been taken on frequent basis or has committed an act that may result in dismissal; and
 - ✘ Other actions in line with applicable rules and regulations.

