



Code of Conduct





Kuwait Petroleum Corporation | **مؤسسة البترول الكويتية**
and subsidiaries | **وشركاتها**

Second Edition
2017

Dear Colleagues,

Through its transformation into a performance driven organization. Kuwait Petroleum Corporation (KPC) has established itself to be among the leaders in the Petroleum Industry,

We monitor industry best practices and adopt those that provide KPC with more flexibility, innovation and competitive advantages in a challenging environment.

Our focus will be on promoting high-caliber competencies within the oil sector. We strongly believe they are valuable assets for us to grow, develop and retain.

We are proud of the value system that adheres to the basic principles of honesty, reliability, fairness, equality, integrity and respect to all.

We conduct business professionally and ethically across the entire oil sector. KPC culture secures means for success through transparency as well as promoting customer satisfaction and reliance.

We like to consider our community as one family, working under clear governance, and serving Kuwait, within an encouraging and stimulating environment. All employees know what is expected of them, and what their rights are.

In line with these pillars, there emerged the need to produce a code of conduct that clearly illustrates the expected patterns of behaviors from employees.

The code of conduct can be considered as a reference point to our community. A roadmap for our culture and our values in the Kuwait oil sector. In addition to other important critical pillars that we take pride in, such as team spirit, innovation and social responsibility.

The code of conduct represents an administrative tool establishing corporate values, responsibilities, duties, and the ethical aspirations of KPC and the K-Companies.

This booklet provides general guidelines to assist employees to make sound and responsible decisions at work, avoiding any disparities that can hinder the working environment.

I expect all of you to review the booklet and ensure our core competencies and pillars stay ingrained in our corporate culture at KPC and K companies.

A handwritten signature in blue ink, consisting of a long horizontal stroke followed by a stylized, cursive flourish that resembles the letters 'N' and 'A'.

Nizar Al-Adsani
KPC CEO



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Code of Conduct

This Code of Conduct applies to all those employed by Kuwait Petroleum Corporation (KPC) and all of its direct and indirect subsidiaries, to the extent permitted by corporation applicable law.

The intent of this document is to provide a set of guidelines to all employees in the conduct of their business and professional activities. Especially when dealing with colleagues, vendors, customers, contractors, government agencies and the public. This document serves as a reminder to all employees, that it is important for all of us to uphold the highest standards of integrity and personal conduct in all matters that involve the Company.

You should also be aware that breaches of these values, and hiding any transgressions negatively impacting the Company's interests, might result in disciplinary action. References to disciplinary action in this code are to disciplinary action in accordance with locally applicable policies and laws, and may extend to termination of employment in appropriate cases. In addition to such disciplinary action, employees may be subject to legal action in case of any infraction of public law.

The Company requires compliance to this Code of Conduct from all who perform works for its benefit, including, but not limited to, consultants, contractors, suppliers, internal contractors, and agents.





Staff Appreciation

I pledge to respect my colleagues irrespective of their nationality, faith or gender dealing with changes in the workplace environment based on loyalty and team spirit.



Staff Appreciation

1. Staff Appreciation

The Company policy is based on respecting other people's faith and religious rites, hence each and every employee is responsible for respecting other people's rights.

1.1 Respecting Others

- No employee is allowed to undermine the faith and religious rites of other employees.
- No employee is allowed to engage in any form of racial and sectarian discrimination by any means within the Company.
- No employee is allowed to publish or distribute any material related to sectarian discrimination or incite hostility or contempt for segments of the society through: speech, writing, illustrations, use of modern technology, media or social network sites.
- No employee is allowed to accuse others, make malicious statements that damage or offend their reputation either orally, in writing or through modern technology or media and social network platforms.
- No employee is allowed to undermine the rights of individuals with recognized disabilities, and every employee should respect those rights. Undermining the rights, of individuals, with recognized disabilities constitutes a violation of the Company's policy and an infringement of the law.

1.2 Harassment

The Company seeks to create a healthy environment void of all immoral behavior toward employees, contractors, suppliers or clients.

- All forms of sexual harassment are strictly forbidden including verbal, physical, ogling or any form of harassment using modern technology, media and social network platforms.
- It is strictly forbidden to falsely accuse others of harassment or to make derogatory comments to damage or offend another employee's reputation, whether verbally or in writing, using modern information technology, media and social network platforms.
- All complaints and investigations shall be immediately carried out and shall be handled in strict confidentiality.



Staff Appreciation

1.3 Individual Rights

(1)- Conducive Work Environment

The Company seeks to create a secure, healthy and enabling work environment for all employees.

All employees must treat their colleagues and subordinates with respect and not engage in verbal abuse, altercation, insult, defamation or any similar behaviors.

(2) Compensating Employee

The Company shall compensate employees, former or current, in the event of civil or criminal charges arising due to an employee's performance or due to carrying out instructions received from the Company. The Company shall be liable for all the costs, including sums paid to settle any action filed and any fines enforced against the employee at any level of legal proceedings and matters in accordance with the following conditions:

- The employee acted with good intention in the subject of the lawsuit and believed the actions served the interests of the Company.
- In case a criminal or civil lawsuit is filed, or procedures have been commenced involving penalties or financial liabilities, the employee has considerable justification to believe that the actions in which he was engaged were not in violation of the law.
- The employee reports the matter to the Company immediately after becoming aware of the commencement of legal process.
- The employee is permitted to make a legal defense.
- The employee allows the Company to take part in the defense.
- The employee obtains prior written consent from the Company before reaching a settlement related to the lawsuit or the subject matter.

(3)-Equal Job Opportunities

The Company policy ensures equal job opportunities in line with all applicable laws and regulations related to employing qualified candidates. The Company implements staff regulations, relevant programs and practices in a form void of discrimination in all aspects of employment relations and conditions including employment,



Staff Appreciation

assignment, promotion, redeployment, termination, entitlements, wages and selection for training programs.

(4)- Fair Treatment (Promotion, Development, Accountability)

Employees are the Company's future and greatest asset, hence the Company ensures fairness and justice in the decisions that have a direct bearing on job status, particularly in the following:

Promotion: is based on merit and good performance, and the Company implements clear criteria to select candidates and fill vacancies.

Development: the Company creates an environment conducive to building the capacity and skills of employees, in accordance with their job grades, and in line with the regulations and rules set by the Company and employee training plans.

Accountability: in applying disciplinary actions against an employee, the Company ensures legal guarantees for the employee, in accordance with the set disciplinary rules that ensure the protection of the employee's rights by permitting the employee to present a defense with supporting documentation as well as hearing witness accounts (if necessary) during administrative investigations. The employee has the right to appeal or seek review of a disciplinary penalty in accordance with the rules and regulations set by the Company.

(5)- Participation

The Company encourages employees to submit proposals and ideas to improve products, services, rules, regulations and procedures in addition to encouraging the submission of any proposals aimed at reducing costs and maximizing profits.



Commitment to Health, Safety, Security and Environment (HSSE) System

I pledge to protect the environment and to maintain workplace health, safety, security and environment practices for the wellbeing of my colleagues, and to accept change and innovation.



Commitment to Health, Safety,
Security and Environment
(HSSE) System

2- Commitment to Health, Safety, Security and Environment (HSSE) System

The Company seeks to achieve a minimum number of incidents, injuries and chronic diseases and to preserve the environment when conducting its business. The Company strives to ensure the safety of employees at all work sites through compliance with HSSE standards and the safety of operations and operational units.

Employees should comply, follow and implement HSSE work related standards, measures and practices that are in place and documented in HSSE Management Systems. It should be noted that any violation of HSSE standards within the Company may lead to a disciplinary action.



Citizenship and Social Responsibility

I pledge to positively contribute to the society showing consideration in relation to KPC and Subsidiaries common interest and to build long-term partnership with other entities.



3- Citizenship and Social Responsibility

3.1- Compliance with Law

The Company is keen to raise legal awareness among employees to protect the Company's interests. The Company will raise awareness by informing employees of any new requirements resulting from the issuance of any new laws that have come into effect and will advise them upon venturing into any new business or project. Employees are responsible for notifying the Company about any incidents or circumstances that might involve legal implications for the Company. Employees have to comply with all laws and regulations within the Company and adhere to all laws of other countries during business trips or training courses.

3.2 - Drug Abuse

The Company is committed to ensuring a safe healthy and productive work environment. In return, employees should maintain sound physical and mental health during work to ensure effective performance and not to endanger safety of others at workplace.

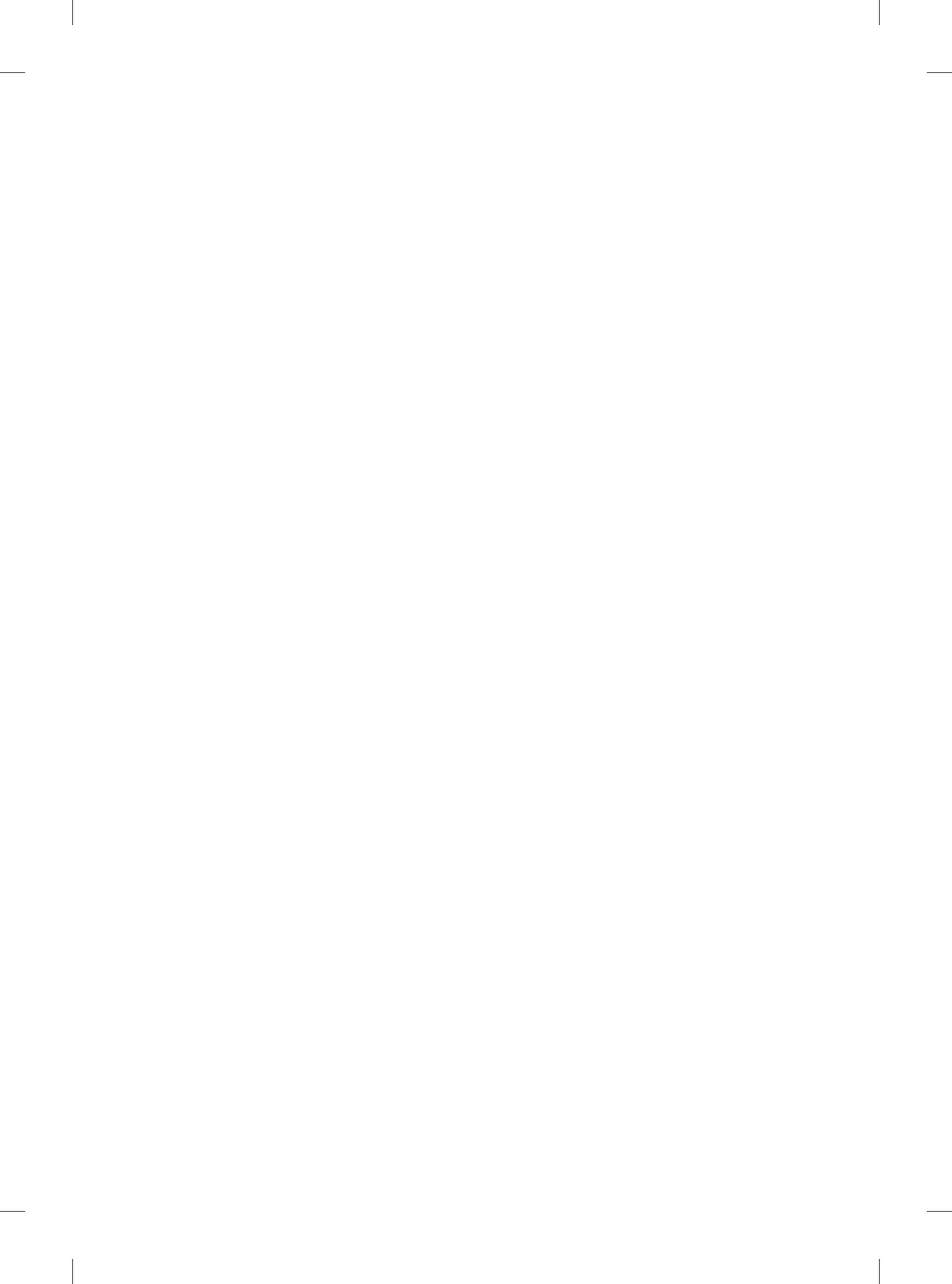
- Possession or abuse of non-medical or medical substances that are detrimental to mental health in the workplace, or when commuting to work, is strictly forbidden. Examples include alcohol, illegal drugs and drugs that require a prescription.
- The use, possession or transfer or sale of illegal drugs or other non-therapeutic substances that affect the mental state at any workplace whether owned or leased by the Company is strictly forbidden.
- Involvement in such acts is a violation of safe working practices which makes the transgressor subject to disciplinary action.
- The Company reserves the right to seek support of relevant authorities to inspect the offices of employees and their vehicles at work premises. It may also request them to surrender themselves in accordance with law to conduct a medical examination if there is a reasonable cause to believe that the individual appears to be abusing or under the influence of any of the aforementioned substances.



3.3- Social and Political Relations

The Company encourages employees to maintain good relations with the community by actively participating in professional associations, licensed charities and social service centers as these institutions can play a vital role for the good and welfare of the community.

- The Company does not forbid its employees to participate and cooperate with local authorities and organizations that work for the good and welfare of the community on a voluntary basis. It also encourages employees to assume this responsibility and to participate in discussions devoted to solving the problems of society, provided that they do so in their personal capacities and without purporting to speak on behalf of the Company or creating such misimpression.
- Employees may voluntarily take part in the political process, while taking into account the following:-
 - No employee in the Company is allowed to use his authority to coerce an employee to donate to a political group, support or oppose a group or any particular political candidate.
 - No employee is allowed to participate in political campaign activities during working hours. Employees are also prohibited from using their position to support any political activity.
 - No employee is allowed to use any of the assets owned or leased by the Company in political activities, including computers, printers, copiers, e-mail and other assets.





Ethical Business Conduct

I pledge to act ethically and commit to the highest work ethics, professionalism, shouldering responsibility and provide high-quality services and products.



4- Ethical Business Conduct

4.1- Work Ethics

Reputation and client confidence are among the Company's most important assets; therefore, each and every employee should be committed to conducting business and performing his duties in an ethical, disciplined and orderly manner, and with honesty and integrity. This requires adherence to all relevant business laws, regulations and ethical practices, including commitment to the official working hours and appropriate business attire consistent with the general taste and norms within the Company.

- The Company requires its employees to make sure that their behavior is characterized by the highest standards of integrity and to report any violations of the law and regulations to the Compliance Officer. Employees should comply with all directives issued by the Company or its authorized representatives.

4.2- Conflict of Interests

All employees should work diligently in the interest of the Company. As such, every employee should avoid actions and behaviors that constitute or appear to constitute a conflict with the interests of the Company subject to the pre-disclosure of personal interest.

- Disclosure of possible conflict of interest and adherence to the instructions of the Compliance Officer in this regard protect the employee against the risk of losing the confidence bestowed on him by the Company.
- All employees, members of the Company's Board and its subsidiaries, as well as members of the Higher Tenders Committee, are required to disclose any conflict of interest that they may have.
- Any potential conflict of interest should be disclosed by employees to the Compliance Officer via a disclosure of potential conflict of interest form. Failure to do so may subject the employee to disciplinary action.
- The following examples represent conditions that may lead to a conflict of interest:
 - The employee or any relative of the first or second degree (husband, wife, brothers, parents, children, grandparents, grandchildren) has a significant financial interest with an entity that deals with the



Company and is aware of such interest (for example, suppliers, contractors, vendors, customers or licensors).

- The employee, or relative among those aforementioned, has a significant financial interest in any of the projects in which the Company has investments and is aware of such interest.
- Acceptance of an invitation for a vacation, cash funds or loan services (except for taking loans from financial institutions) directly or indirectly from a vendor, service supplier, accepting discounts (apart from discounts offered to staff in general) or accepting any other benefit that may influence or benefit the employee or any of their first or second degree relatives.
- Serving as a board member, manager, or employee for any other entity other than the Company which may have business relations with the Company.
- Directing the course of a business opportunity of the Company towards the employee's personal benefit.
- The use of the Company's assets (such as stationery, official letterhead which bears the name and logo of the Company, funds, facilities, equipment, tools, or personnel or professional knowledge gained from work) in favor of another employer, or personal interest.
- Participating in external activities that may adversely affect the sound judgment and performance of an employee or adversely affect his duties.

4.3- Bribery and Corruption

Corruption is an abuse of power for private interests. Bribery constitutes a form of corruption.

- It is forbidden for all employees to provide, seek or accept bribes in any form. It is also forbidden to allow any other person representing the Company to do so.
- It is forbidden for all employees to accept any gift, cash amount, a bribe or anything of value, whether directly or indirectly, from any person for the purpose of influencing a decision, official assignment or to obtain, retain, assign or influence business for the benefit of any third party or any other person.



4.4- Gifts and Entertainment

Symbolic gifts that express appreciation with the aim of promoting the Company's business, which bear the employer's logo, may be received or granted. Examples of this include calendars, diaries, inexpensive pens, calculators and plaques.

- In the event of receiving a gift worth one hundred dinars or more or equivalent amount in local currency (or any lesser monetary value stated in the regulations of the entity), employee must notify his line manager and Compliance Officer in accordance with the relevant reporting instructions.
- An employee is not allowed to request a gift, service, or any other benefits for himself or others from the entities that have business relations or desire to have business relations with the Company.

4.5- Working for a Third Party

Employment contracts in the KPC generally prohibit working for third parties, with the exception of volunteer work with licensed charities. Accordingly, the Company applies this requirement with the utmost rigor, and disciplinary action will be taken against any employee who fails to comply with this requirement as stated in the disciplinary code up to and including termination of the employee's engagement with the Company.

- Some KPC subsidiaries may allow employment by others as long as it does not interfere with the employee's performance of his official duties. In those cases, the employee must note that working for other parties may lead to a conflict of interest. Therefore, the Company may allow outside employment provided that the employee obtains a written approval from the Deputy Chief Executive Officer (or his/her designee) prior to accepting any outside employment. The line manager must also be notified in case the duties of that work fundamentally change. In all cases, an employee must devote working hours only towards performing his Company duties and employees are prohibited from accepting outside employment without written authorization from the appropriate competent personnel department.



4.6- Prevention of Fraud and Theft

Fraud and theft are considered a violation of the law and the Code of Conduct. Forms of fraud and theft include, but are not limited to, the following:

- Forging or falsifying contract documents, such as invoices.
 - Misappropriation of funds.
 - Falsification of qualifications and experience certificates.
 - Deliberate misuse of information to the detriment of the interests of the Company.
 - Unauthorized exploitation of the workforce of any of the contractors or their vehicles or equipment.
 - Misuse of approved funding, including petty cash and vouchers.
- An employee should request instruction from his line manager or Compliance Officer before taking any action that might be perceived as fraud or theft. In addition, the employee should document the incident and notify the Compliance Officer accordingly.





Confidentiality

I pledge to protect work related confidentiality while maintaining trust, respect and performance excellence.



Confidentiality

5- Confidentiality

The Company recognizes the importance of controlling the disclosure of data, information and knowledge flow within the organization as well as the importance of protecting intellectual rights of the Company.

5.1- Information and Knowledge Management

Intentional misuse of the Company's information for personal gain or for the benefit of any of the Company's competitors is considered a serious violation of the contract between the employee and the Company.

An employee must obtain the authorization of the line manager or the concerned officials within the Company prior to sharing information outside the Company.

5.2- Requests for Employee Information

An employee must refer any requests for the disclosure of information about another employee to the relevant personnel department and Legal Department, whether the information required is personal, relating to an employee's medical status, or any other information regarding employees.

An employee should not access or disclose information regarding current or former employees without prior authorization or permission from the relevant department.

5.3- Representation of the Company or Speaking on its Behalf

All public relations activities and communications with the media and senior government officials should be conducted via the concerned Deputy Chief Executive Officer (or his/her designee).

Each employee must distinguish between personal statements made on his behalf and official statements made on behalf of the Company. In the event an employee receives inquiries from media representatives and he does not have the authorization to issue statements, the employee shall refrain from expressing any comment in this regard and shall advise the media representative to seek the competent authority within the Company's organization. Each press release regarding the Company should be issued by Corporate Communication Department.



Confidentiality

5.4- Information Technology – Privacy and Security and Copyright

The Company uses modern systems of information technology in conducting its business. Since the Company allows authorized employees and contractors to use these systems, it expects all employees to optimally use information technology and take responsibility for its use. Employees must refrain from any prohibited actions, including, for example, the following:

- Access or attempt to access data or computer files of other people's computers.
- Violation of prohibited regulations pertaining to the use of computers.
- Tampering with any of the computer hardware or software components.
- Illegal copying of documents protected by copyright and intellectual rights or publication of the Company's documents.
- Disclosure of confidential data or sharing confidential information with unauthorized employees, whether working within the Company or externally, especially if such disclosure was through social media platforms.
- Attempting to acquire or hack computer information.
- Unauthorized use or disclosure of username or passwords.
- The use of information technology to disclose confidential information that affects the interests of the Company.
- Leakage of documents or information affecting a tender process, agreement or other interests of the Company.

Note: The Company reserves the right to monitor the use of computers by employees, including work-related e-mail.

5.5- Information Confidentiality

Many employees have been entrusted with duties of a sensitive nature which reflects the Company's confidence in them. Employees in those positions and performing these duties must categorically exercise a high degree of ethical responsibility since they are privy to the Company's accounts, data related to the wages of employees, personal records, invoices, data pertaining to the partners of the Company, contracts with suppliers and service providers. Some employees are also privy to operational data, license contracts, data stored on computers and



Confidentiality

other sensitive, confidential or personal data. Each employee, whether current or former, is reminded of his contractual commitment to safeguarding confidentiality.

- Employees are not allowed to disclose any confidential information, information of a sensitive nature to unauthorized persons, alter any of the Company's records or make an attempt to modify the content of such records since this constitutes a betrayal of trust which would entail disciplinary action up to and including dismissal.
- Employees are not allowed to use modern technology and other means to record meetings and conversations without prior written authorization or permission.
- Former employees must adhere to the confidentiality obligation and may not disclose any information without the prior written consent of the Company.
- In case of doubt or enquiries as to what constitutes confidential information, employees must seek the advice of the Compliance Officer.



Reporting

I pledge to report any breach of the code of conduct and commit to protect the wellbeing of the surrounding workplace environment maintaining the sense of honesty, professionalism and responsibility.



Reporting

6- Reporting

- Employees should report any violation of the Code of Conduct to the Compliance Officer in writing or by e-mail.
- An employee should provide serious evidence that justifies and supports his claim that the reported incident is genuine and should provide all the supporting documents of his reported claim.
- All reported irregularities and the identity of the informant shall be handled in strict confidentiality, in accordance with the applicable laws.



General Guidelines





What is meant by respecting the law when traveling on business assignments or training sessions?

In accordance with paragraph (3.1), Compliance, “employees should comply with all laws and regulations applicable in the Company, and comply with all the laws of other countries during business trips or training courses”.

During business related trips such as scholarships, external training courses, business trips and assignments to the Company's foreign offices, each employee should comply with all laws, rules and regulations of the Company during the official working hours as well as complying with the Code of Conduct regardless whether the laws applicable in the country, where they are assigned, are less stringent.

What is a Conflict of Interest?

The legal status in which a person is in a position or is perceived to be in the position of accepting or receiving a benefit from any third party that has at any point of time business dealings or commercial interests with the Company (such as employees, workers, contractors, suppliers and others). Even if such a person is the sole beneficiary of the interest, directly or indirectly, or it is to the benefit of a family relation or personal friend in a direct or in an indirect way, or if the benefit affects the employee's ability to function and perform his duty objectively and impartially.

What is Disclosure?

In the event of a conflict of interest of any employee who possesses decision-making authority, or who is in a position to influence the making of a decision at any stage, the employee must disclose any conflict of interest by completing the attached Disclosure Form and submitting it to the Compliance Officer.

General Guidelines

What are the steps that an employee should follow in the event of a potential conflict of interest to avoid being subject to disciplinary action?

- 1- During the performance of any duty, the employee should be aware of any actual or potential conflicts of interest that may arise.
2. Disclose existence of any kind of conflict as soon as he/she becomes aware of it.
3. Avoid participation in any particular decision that may constitute a conflict of interest.
4. Comply with any final decision on non-participation in decision-making, or recuse himself/herself from any situation that could give rise to personal interest, and take any other measures to avoid conflicts of interest.

What are the steps to be taken by an employee in order to protect himself/herself against being subject to disciplinary action if an employee is offered any benefit directly or indirectly which is against the Code of Conduct?

1. Reject the gift or benefit.
2. Identify the person who made the offer.
3. Seek witnesses, if possible.
4. Report the incident to the Compliance Officer as soon as possible.

What is Reporting?

Reporting is the process followed in reporting any violation of the Code of Conduct that takes place.

Who is the Informant?

Informant can be any employee, all of whom are responsible for reporting the occurrence of any violation of the Code of Conduct and non-employees who work or perform an assignment for the Company. This also includes, but not limited to, consultants,

contractors, suppliers, vendors, contractors' subcontractors, agents and any employee or agent of an external party who knew or knows of the occurrence of actions, behaviors or practices that are in violation of the Code of Conduct, the law, or the regulations and procedures of the Company.

What are the Reporting Procedures?

Any employee at any grade or level, or any external party, may inform the Compliance Officer of the occurrence or the likelihood of the occurrence of a violation of the Code of Conduct either in person, in writing, by telephone or via the direct email of the Compliance Officer, or by any other means of communication.

Is there any Protection for the Informant?

All reports shall be treated with the strictest confidentiality to protect the informant.

- Any employee can report irregularities in the Code of Conduct without fear of harassment, negative impact on job grade, being subject to disciplinary action or any other arbitrary action against him.
- If the informant acts fairly and in good faith when reporting what is believed to constitute a violation of the Code of Conduct, based on reasonable grounds, the Company shall ensure that he/she is not subject to any detrimental action as a consequence of reporting, even if the employee does not provide evidence of the reported matter.

Are Reported Irregularities Investigated?

All reports are subject to review, investigation, and verification of the accuracy of the information and the facts mentioned therein by the Compliance Officer of the Company.

General Guidelines

What is the Proper Dress Code?

An appropriate dress code must be professional, decent and in accordance with public taste and norms within the Company.

Notwithstanding the HSSE requirements with regard to work gear of employees working in the Company's operational sites during official working hours.

Examples of inappropriate clothing for female employees include (but are not limited to)

- Transparent materials
- Tight clothes that expose details of the body
- Sports apparel
- T-shirts
- Shorts

Examples of inappropriate clothing for male employees include (but are not limited to):

- Shirts with inappropriate expressions or drawings
- Bermuda shorts
- National dress without wearing Igal and Qutra
- Sports apparel
- T-shirts
- Shorts

Examples of inappropriate clothing for employees of both genders include (but are not limited to):

- Athletic shoes
- Hats