



F. Code of Conduct & Ethics

- This Code of Ethics and Business Conduct sets forth principles that you must follow in your activities as a director, officer, or employee of National Investments Company (NIC). It also covers your obligations to NIC, should you leave the Company. It should be read together with other applicable Company policies and procedures.
- The Code of Ethics does not cover every legal or ethical issue that you may face at the Company. Indeed, no code can attempt to anticipate the myriad issues that arise in any business. However, by following this Code and other Company policies and procedures, by adhering to the letter and the spirit of all applicable laws and regulations, and above all by applying sound judgment to your activities, you can demonstrate your commitment to the Company's values.

Purpose

- The purpose of this Code of Ethics and Professional Conduct for employees is to:
 - A. Reduce the risk of code of conduct violations.
 - B. Set clear guidelines for appropriate behaviour internally.
 - C. Provide a standardized message for all NIC employees.
 - D. Enhance NIC's image for employees and outsiders.

Scope

- This Code of Ethics and Professional Conduct is applicable to all directors, officers, and employees of NIC.

Audience

- All executives, officers and employees at NIC will have access to the document.

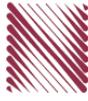


General Principles

- The employee shall consider the Company's interest to be as his/her main objective when working at the Company. The employee shall use his/her competences and expertise in the best way possible in order to achieve this within the framework of his/her duties at the Company.
- The employee, when conducting his/her tasks and duties as stipulated in the employment contract and the Human Resources Policy Manual, shall avoid any personal interests and goals by abiding by neutrality, objectivity, transparency, integrity, credibility, and cautiousness. He/she shall execute the work assigned to him/her with accuracy and honesty in line with the provisions of rules adopted by the Company.
- The employee, when conducting his/her duties at the Company, shall carefully observe the Company's policies, and all the rules, regulations, and resolutions issued by any of the regulatory bodies.
- The employee, within the framework of the Company, shall consistently maintain the Company's independency away from any external influence regarding his/her work or the Company's work.
- The employee, especially if he/she is occupying a leading or supervisory position at the Company, shall set a role model by maintaining full credibility when performing his/her work duties and adopting the appropriate professional and personal conduct.

Principles of the Code

- 1. Follow both the letter & the spirit of the law and NIC policies.**
- 2. Act in the best interests of stakeholders, the Company and the public.**
- 3. Identifying, Managing, and Reporting Conflicts:**



3.1. Potential Business Conflicts

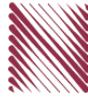
- Conflicts of interest may arise as a consequence of the Company's interests and its relationships with multiple customers, counterparties, and suppliers. Conflicts, for example, can occur between different customers and between customers and the Company itself.

Officers and employees are responsible for:

- identifying and managing conflicts in accordance with regulatory requirements and Company policies; and
 - Escalating any conflicts or potential conflicts to their supervisor or other designated person, as appropriate.
- Managers who identify conflicts of interest in the business or to whom conflicts are raised by employees should manage those conflicts in accordance with Company policies and the normal procedures of their business unit or department, whenever possible. There may be occasions, however, when a conflict is not addressed by existing Company policies or is potentially significant with respect to not only the manager's individual business area, but also the Company as a whole. In those situations, the conflict should be referred to the senior management of the business unit or in accordance with the normal escalation procedures.

3.2. Personal Conflicts

- Your day-to-day responsibilities may expose you to situations that potentially raise personal conflicts of interest. A conflict of interest may arise, for example, if you or a family or household member has an economic or personal interest that differs from (or that appears to differ from) the Company, its customers, or its shareholders.
- While it is not possible to describe every situation in which a potential conflict of interest may arise, the following are examples of situations that may raise a conflict of interest:



- a) Accepting special favours as a result of your position with the Company from any person or organization with which the Company has a current or potential business relationship.
 - b) Competing with the Company for the purchase or sale of property, services, or other interests.
 - c) Acquiring an interest in a transaction involving the Company, a client, counterparty, or supplier (not including routine investments in publicly traded companies or mutual funds).
 - d) Receiving a personal loan or guarantee of an obligation as a result of your position with the Company, or granting personal loans or giving gifts to other directors, officers, or employees that could make or might be perceived as making the recipient beholden to you (over and above repayment of the loan).
 - e) Working for a competitor, customer, or supplier or otherwise competing with the Company while a director, officer or employee of the Company.
 - f) Directing business to a supplier owned or managed by, or that employs, a relative or friend.
- Members of the Board of Directors should also disclose any actual or potential conflicts of interest to the Chairman of the Board and the Internal Auditors, who shall determine the appropriate resolution. All directors must refuse themselves from any Board discussion or decision affecting their personal, business, or professional interests.

3.3. Gifts and Entertainment

- CMA Executive Bylaw Article (6-1) Book # 8 stated that “Without prejudice to the rights of a Licensed Person to collect commissions, charges and fees required for providing services as mentioned in the agreement entered with the Client, the Licensed Person, while practicing an activity involving Securities, Shall not pay any fees or commissions, provide monetary or non-monetary benefits or gifts, whether directly or indirectly, to his clients. Furthermore, it shall not receive any of the mentioned except in the following cases:



- a) Fees, commissions or non-monetary benefits that are not intended to encourage the Licensed Person to provide better service for its clients, such as symbolic gifts.
- b) Any charges or monetary amounts incurred by the Licensed Person for providing services to its client such as, costs of safekeeping , commissions of settlement and clearing and fees that do not contradict in its nature with the duties of the Licensed Person to act honestly, fairly and professionally in a way that fulfils the interests of its clients.

The prohibition set out herein shall apply to employees of the Licensed Person.”

4. Confidential Information

- 4.1. The employee shall take the ordinary and necessary precautions to ensure the confidentiality of the information, documents, or memos circulated during work, either through various electronic means of communication, or any other method. The employee shall keep any of the mentioned documents in the assigned places in the Company according to the adopted procedures, and be cautious not to allow those unconcerned with the documents to peruse them.

5. Prevent the misuse of inside information

- 5.1. As described by the CMA, inside information is an information and data not announced to the public which if announced would influence the price or trading of a security
- 5.2. The misuse of inside information may result in disciplinary action by the Company, up to and including termination of your employment or service, and civil and criminal penalties.

6. Compliance with the laws

- 6.1. In their work, NIC employees must strictly obey all applicable provisions of the law and the generally accepted principles of business policies.



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6.2. Respect the laws of the State of Kuwait and abide to its authorities regulations/instructions, taking into consideration country's traditions/public rules.

- **SAFEGUARDING COMPANY ASSETS**

Employees must ensure reasonable care in protecting NIC's assets as they are vital to the operations, regardless of whether the asset is tangible or intangible. The use of NIC's assets for illegal or non-ethical business purposes is strictly prohibited.

Assets include but are not limited to:

- Intellectual Property
- Employee Data
- Computers
- Programs & Codes
- Customer Lists / Customer Sensitive Data
- Confidential & Proprietary information



7. Chinese Wall principles

1. Introduction

The main purpose of implementing “Chinese Wall” is to set principles to prevent deliberation of information between NIC different business activities.

2. Definition

- Chinese Wall Definition

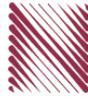
Chinese wall is a business term describing an information barrier within an organization that was set to prevent exchanges or communication that could lead to conflicts of interest. For example, a Chinese wall may be set to separate and isolate people who make investments from those who are privy to confidential information that could improperly influence the investment decisions. Firms are generally required by law to safeguard insider information and ensure that improper trading does not occur.

- Insider Information

Information and data that are private/ not public regarding any activity/ plan/ operation or condition of the company which if announced would provide a financial advantage.

- Material Information

Any information concerning a Listed Company, Listed Fund, Issuer or Obligor, as the case may be, relating to its activity, a person, its financial position or its management which is not available to the public and which relates to its assets, liabilities, financial position or general course of business, which may lead to a change in the price or volume of trading in a relevant Listed Security, or affect the willingness or unwillingness to acquire or divest an interest in such a Security, or may affect the Issuer’s ability to meet its obligations.



- Conflict of Interest

A conflict of interest (COI) is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. Typically, this relates to situations in which the personal interest of an individual or organization might adversely affect a duty owed to make decisions for the benefit of a third party.

3. Information Barriers & Conflict Clearance

- Information barriers and conflict clearance procedures help to ensure proper management of certain types of conflicts.
- The company has therefore established procedures known as 'Chinese Walls', to ensure the following: -
 - 1) The integrity of various business areas, and
 - 2) Potential conflicts of interest are properly managed and clients' interests are preserved at all times.
- It is essential that all employees are aware of the existence of information barriers and the requirement to maintain Chinese Walls.
- Failure to maintain Chinese Walls might breach CMA regulations and affect NIC's reputation and business.

In particular, the following Chinese walls exist within the company: -

I. Private Side

On the private side of a Chinese Wall, it is assumed that most of staff have access to inside information. Abovementioned staff will therefore be deemed 'insiders' as anyone within the Chinese Wall may have access to files, attend meetings, or overhear conversations that include references to the inside



information. As a result, each employee working in a department lying within the above category is obliged to deal with accessed information as confidential and is not allowed by any means to disclose it to any person until such information has been formally defined as “Public”. Inside information should only be communicated within the private side of the company on a strict ‘need to know’ basis, i.e. information regarding transactions may be shared among members of a specific deal team, including to a public sider that has been brought ‘above the Wall’ (see section 5 page 33). Inside information regarding transactions must not be shared generally with other employees in the same department who are not members of that specific deal team, unless a legitimate business ‘need to know’ reason exists.

NIC has an insider list of employees who are well trained and acquainted with their duties and responsibilities as insiders according to CMA regulations.

II. Public Side

The company’s Chinese Walls allow the public side of the company (e.g. Trading and Research) to continue to trade and make recommendations even when the private side possess inside information. In addition, Chinese Walls do not preclude the flow of public information from the inside areas of the company, but extreme caution must be exercised to prevent an ‘accidental’ Wall crossing. If there is any concern this may have occurred, the Compliance Department must be contacted immediately.

In some circumstances, public side confidential information may be deemed to be inside information. For this reason, the work of the Research Department, in particular impending research publications, must remain confidential at all times. It is a breach of this Policy for employees of any NIC outside of the Research Department to be informed of any impending research, unless this forms part of their management duties or they have been specifically brought ‘above the Wall’ (see section 5 page 33 below).



NIC has its tools to maintain efficiency of Chinese wall by implementing the following: -

- NIC code of ethics.
- Segregation of duties principle.
- Delegation of authorities.
- Four eyes principles.
- Internal control methods.

4. Wall Crossing

4.1. In some circumstances, it may be necessary to involve an employee from the public side of the company to facilitate on a private side transaction. This is known as 'Wall crossing' or being brought 'above the Wall'.

The Wall Crossing procedure comprises several steps coordinated through the sector head and Compliance Department. Communication must not take place prior to obtaining CEO approval. In some cases, the request to provide inside information to a public sider is received from a third party directly to the individual to be Wall crossed. In this situation, the potential Wall Crosser, i.e. the public sider, should liaise with the Compliance Department before agreeing to receive any information.

4.1. Request Wall crossing

Prior to Wall Crossing, the Compliance Department must be contacted either by telephone or via e-mail by the private side individual requesting to provide an individual from a different Chinese Wall area with inside information. (If the private side individual is not sector head, the private sider must obtain approval from their sector head prior to contacting the Compliance Department.

Note: Where the request to provide inside information to a public sider is received from a third party directly to the individual to be Wall Crossed, the potential Wall Crosser, i.e. the public sider, should liaise with the Compliance Department before agreeing to receive any information.



5. Above the Wall

5.1 As a result of their seniority and management function, certain employees are treated as ‘Above the Wall’. These individuals are assumed to have access to inside information from departments separated by Chinese Walls. Above the Wall individuals may have management, compliance or risk responsibilities and are not solely client facing. They are permitted to communicate above the Wall on a ‘need to know’ basis in order to adequately perform their duties. Two or more Above the Wall staff may communicate inside information to one another without adhering to the Wall Crossing procedures. To avoid contamination, such conversations generally must be held away from other staff. The status of Above the Wall staff is documented and monitored. Above the Wall staff is subject to restrictions on their personal investment transactions that accurately reflect their enhanced access to inside information.

6. General Conditions

- The sector heads must ensure that the key principles for the dissemination of confidential information are communicated to all employees. These key principles include the ‘need to know’ principle and respect for any confidentiality agreement signed with a client.
- All NIC employees must understand that they should treat confidential information with due care and that they have a duty to safeguard confidential information, whether obtained from those with whom the company does business or from within the company. All such information must only be used for its intended purpose and must not be used for any personal employee benefit or the company’s general benefit.



- Confidential information must only be used for the specific purpose or transaction for which it was given and must be circulated on a strict ‘need to know’ basis. When giving information, the recipient(s) should be clearly informed about the nature of the information.

“Need to know means that communication of confidential information shall not take place unless strictly required for the proper discharge of the employee’s function, and not contrary to the terms of any confidentiality agreement, unless disclosure is required by law. The ‘need to know’ principle applies to both sides of the Chinese Wall and every employee whether an insider or not.”

- Operations & IT systems must also be constrained to reflect these key principles. Additionally, to help preserve confidential information, measures such as a clear desk policy and safe storage systems must be observed. Further measures include a requirement for all consultants and contractors to sign a confidentiality agreement.

“Kindly refer to NIC’s clear desk policy for further information”

Records must be kept in relation to any personal transactions involving misuse or improper disclosure of confidential information which are notified to NIC or identified by it, including any authorization or prohibition in connection with such a transaction.