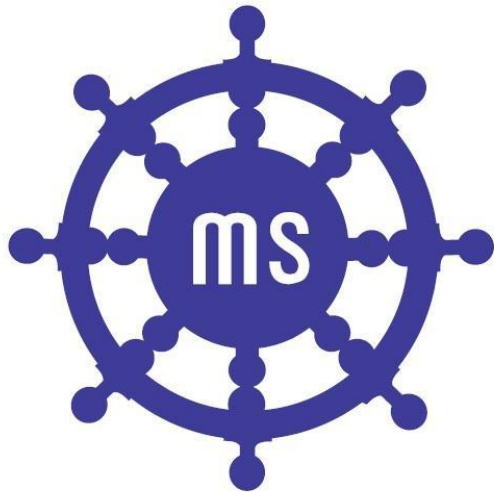




MARINE SERVICES COMPANY LIMITED



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# CODE OF ETHICS & CONDUCT

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JUNE, 2017

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MARINE SERVICES COMPANY LIMITED  
CODE OF ETHICS & CONDUCTS

## **Our Values:**

Honesty

Integrity

Innovation

Hard work

Respect for all



## MARINE SERVICES COMPANY LIMITED CODE OF ETHICS & CONDUCTS

### **A Message from Chairman**

Ethics and integrity are as critical as ever while we work to rebuild trust and restore pride in our organization.

The Code of Ethics and Business Conduct is an extension of our Vision & Values and together with our Employee Handbook and our company policies, guides us whenever we interact with each other, our customers, our business partners, and our suppliers. Should you find yourself in doubt, it is important for you to ask questions through the resources listed in the Code, and raise concerns using the confidential Ethics [abdulmalik.baghdadi@mscl-marser.com](mailto:abdulmalik.baghdadi@mscl-marser.com).

Our customers have high expectations of us, and we have even higher expectations of ourselves. We must demonstrate ethics and integrity in all we do; hold one another accountable to the highest ethical standards; and speak up when we see something that could cause harm to our customers, partners, team members, or our company's reputation.

Thank you for living our Vision & Values and working together to rebuild the trust of those we serve.

**Sincerely,**

**Dr. Mohamed A.H.M.Z. Bokhari**



# MARINE SERVICES COMPANY LIMITED

## CODE OF ETHICS & CONDUCTS

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## **Section No. 01**

### **Our Guiding Principles**

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## **Our Guiding Principles**

### **1.1. We follow the law.**

The Company is subject to a range of national and international laws and regulations. We comply with all of them, in letter and in spirit.

### **1.2. We follow our Company policies.**

The Company has issued policies to guide our conduct as we perform our jobs. We learn those policies and follow them. If we have questions, we ask.

### **1.3. We act with honesty and integrity.**

We do what's right. The way we achieve our business goals is just as important as whether we achieve them. Integrity is central to everything we do and guides all our business relationships – with government, the communities where we live and do business, our customers and suppliers, and each other.

### **1.4. We speak up if we suspect violations of the law, our policies, or our ethical standards.**

We all have the right—and the duty—to report suspected violations of laws, regulations, Company policies and our ethical standards. Speaking up protects you, your colleagues, our business partners and the Company.

### **1.5. We don't retaliate**

The Company will not retaliate in any way if you act in good faith to report a suspected violation. The Company will take steps to protect you from retaliation, so that you can feel safe and comfortable in reporting suspected violations. And we will take action up to and including termination against anyone who retaliates against you (or anyone who helps us investigate your report).



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## Section No. 02

### The Fundamentals

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## **The Fundamentals**

### **2.1. Who needs to follow the code?**

Our Code applies to all employees, regardless of location including our designated partners and contractors.

We expect and appreciate that all stake holders share our commitment to integrity, customer service, ethics, compliance, and behaviour that is consistent with our Code. We will take the appropriate actions where we believe they have not met our high standards, their contractual obligations, or have violated any applicable law, rule, or regulation.

In addition, this Code is a statement of principles; it supplements our policies and procedures, and explains where to go for additional information. Everyone is expected to learn and follow those policies and procedures as well as this Code.

If you're faced with an ethical dilemma and you're not sure what to do, ask these questions:

2.1.1 Is it legal?

2.1.2 Does it comply with our policies?

2.1.3 Is it consistent with our values, long term goals, and interests?

2.1.4 Would I be comfortable with my decision if it's made public? If your answer to any of these questions is "No", don't do it.

Of course, a Code cannot cover every situation. If you encounter a situation or have a question that the Code does not address, ask for help from one of the people or places listed below. They will help you do the right thing.





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### **2.2. We Expect Our Employees to Follow the Rules**

We take our rules seriously. Violations of law or our policies can have serious consequences for the Company and for anyone involved in the violation. Violation of the provisions of this Code or the referenced policies and guidelines is grounds for corrective action, which may include termination of your employment. Certain actions may also result in legal proceedings, including prosecution for criminal liability.



### **2.3. We Speak Up**

We all have a responsibility to speak up regarding a potential violation of law or Company policy. If you see something, do not take it upon yourself to investigate.

Make a report to one of the following:

- 2.3.1 Your manager (Department head or GM)
- 2.3.2 HR Department
- 2.3.3 By email: [abdulmalik.baghdadi@mscl-marser.com](mailto:abdulmalik.baghdadi@mscl-marser.com)

If we receive a report, we will look into it promptly and take action as appropriate.



#### **2.4. Code Violations and Resulting Disciplinary Actions**

Failure to comply with this Code and related policies will result in disciplinary action, up-to and including the termination of employment and possible prosecution from local law authorities.

Disciplinary actions are taken after investigations by management and respective authorities. And generally, follow the incremental steps including a verbal warning, written warning, final written warning, and dismissal. However, in cases of gross or serious misconduct employees can be terminated directly or lesser alternatives can be used such as salary/benefits deduction, demotion, and/or transfer to a different role.

Serious misconduct includes but not limited to:

- i. Criminal acts (theft, bribery, etc.)
- ii. Intentional damage to property
- iii. Assault or violent behaviour
- iv. Dereliction of duty
- v. Fraudulent behaviour
- vi. Falsification of records
- vii. False accusations
- viii. Abuse of company policies/procedures
- ix. Abuse of trust & power
- x. Failure to disclose or involved in conflict of interest activities
- xi. Incitement, harassment or bullying (especially due to retaliation against whistle-blowers)
- xii. Serious breaches of internet/email and data protection policies



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## Section No. 03

### The Rules

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## **The Rules**

### **3.1. We Treat Each Other with Respect**

Our people are our greatest asset. We do not discriminate. We make personnel decisions, including recruitment, hiring, training, promotion, compensation and benefits, based solely upon an individual's qualifications, skills, performance and abilities—and without consideration of any protected characteristic or condition.

If you encounter discrimination, harassment or threats, whether directed at you or someone else, report it immediately to your manager and HR Department. Remember, we have a strict “no retaliation” policy for good faith reports.

### **What to do?**

- 3.1.1 Treat each other with respect and courtesy. Don't create an uncomfortable, hostile or intimidating environment through your words or actions.
- 3.1.2 Resolve differences professionally. Respect our diverse characteristics, even when our cultures or ideas differ.
- 3.1.3 Follow the law.



### **3.2. We Handle Information Properly**

Employees must maintain the confidentiality of non-public information that belongs to the Company, our employees, and our customers and suppliers, unless disclosure is authorized by the Company or mandated by law.

Protected information can take many forms. It includes, for example, financial information, company trade secrets, and business plans. And it includes personal information about our employees such as their bank account details, ID numbers, and other personal information.

Those of us who have access to non-public information are responsible for keeping it safe and using it only for authorized and appropriate reasons.

This Code does not diminish your obligations if you are covered by a non-compete, non-disclosure or similar agreement.

#### **What to do?**

- 3.2.1 Only access, use, store or transfer the information you need to do your job.
- 3.2.2 Only share non-public information with someone who is authorized to have it and has a business need to know.
- 3.2.3 Protect non-public information from accidental disclosure. Keep electronic devices and systems password-protected. Change your passwords regularly—and don't share them with others or leave them where others might find them.
- 3.2.4. Put away sensitive documents when you aren't using them. Lock them up. Don't leave them on your desktop or workspace.
- 3.2.5. If confidential information is disclosed, lost or stolen, notify your manager and the respective Department immediately.



### **3.3. We Take Care of Company Assets**

We have a responsibility to protect and preserve the Company's assets. We also have a responsibility to use them properly, for legitimate business reasons. We should treat the Company's assets with the same care that we would treat our own.

When you incur business expenses, exercise judgment and discretion. The Company's Travel and Expense Policy set forth the limits in detail. If more than one Company employee is present, the highest-ranking employee generally should pay the expense, so that no one is called upon to approve an expense from which they benefited. Peers and employees in different reporting chains may split an expense.

If the Company provides you with a cell phone, tablet, computer or other device, the device remains the Company's property. You may make reasonable personal use of the device. However, by using the device, you consent that the Company (1) can reclaim the device at any time; and (2) may monitor and inspect your use of the device for any lawful purpose, including ensuring that it has a legitimate business purpose and complies with the law and Company rules. Similarly, if you use a personal device for Company business or on a Company network, you consent that the Company may monitor your use and inspect the device to ensure compliance with the law and Company rules.

#### **What to do?**

3.3.1. Protect and preserve the Company's assets. Take reasonable steps to avoid loss, theft, damage and waste.

3.3.2. Use Company assets the way they're supposed to be used i.e. for conducting the Company's business. Do not use Company assets for your personal benefit.



### **3.4. We Avoid Conflicts of Interest**

We have a duty to the Company to make our business decisions based on the Company's best interests. However, a conflict of interest can arise if you have a relationship with one of the Company's competitors, suppliers or customers that interferes with your ability to make objective decisions. Conflicts may involve family relationships, outside employment, financial interests, or business opportunities.

You must promptly disclose any conflict of interest (whether actual or apparent) to enable the Company to evaluate and address the conflict. Disclosure should be made to your manager and the HR Department. In addition, you must avoid or terminate any activity that causes a conflict of interest, unless the Company determines that you may continue the activity.

Failure to identify and/or disclose conflict of interest activities can result in disciplinary action

(Section 2.4).

If you have any questions about conflicts of interest, you can consult with your manager and the HR Department.

#### **What to do?**

- 3.4.1. Promptly disclose a potential conflict of interest to your manager, the HR Department or the respective Department.
- 3.4.2. Don't do anything that conflicts with the Company's interests unless you have permission. That includes working for (or advising) a competitor, a supplier or a customer.
- 3.4.3. Get approval before taking a financial interest in one of the Company's competitors, suppliers or customers.





### **3.5. We Don't Disclose Non-public Information or Use It for Personal Gain**

During our jobs, we may learn information about the Company, Business Partners, Customers, or Suppliers that is not publicly available. Keep that information confidential and do not use it for personal gain.

It's generally fine to discuss your work with family and friends, but there are things you can't discuss. Any kind of non-public information about the Company, business partners, customers, or suppliers shouldn't be discussed.

#### **What to do?**

- 3.5.1. Don't discuss non-public information with anyone outside the Company (including your family and friends). If they use the information improperly, you may have legal liability.
- 3.5.2. Only share inside information with colleagues if they need to receive it to perform their job.



### **3.6. We Maintain Accurate and Complete Records.**

The Company creates and keeps its books and records with accuracy, completeness and integrity. We rely on our books and records to make smart and timely business decisions.

We all create records while conducting our regular business activities. For example, we file expense reports, draft contracts, execute contractual agreements and exchange emails. These documents should be accurate and complete. We never make intentional misrepresentations or omissions. Even a seemingly small misstatement can damage your reputation and the Company's reputation, and can undermine the Customer's trust in us.

In addition, we preserve our books and records as provided in our record retention policy and retention schedules.

#### **What to do?**

- 3.6.1. Be thoughtful and careful when you create records, including email and text messages.
- 3.6.2. Be truthful. Fraud and falsification are unacceptable and may be illegal.
- 3.6.3. Be accurate, complete and timely when you record financial information on business transactions. Follow the Company's controls and procedures.
- 3.6.4. Follow our records management policy and retention schedules when you maintain and destroy records. Never destroy records that are subject to a legal hold.



### **3.7. We Do Not Tolerate Bribery or Corruption**

Bribery and corruption are wrong, illegal and violate Company policy. We do not give or accept bribes under any circumstances, directly or indirectly. Nor do we permit others to pay bribes on our behalf. No business goal is more important than our integrity.

We follow all applicable laws concerning bribery and corruption.

Bribery entails offering, giving, soliciting or receiving something of value for the purpose of influencing how someone conducts their duties. Bribery includes payments to both government officials and private citizens.

A bribe can be anything of value. The value can be large or small. It can be money, goods, services, or entertainment. Free or discounted use of our equipment could be considered a bribe. Even something intangible, such as preferential hiring for the children of government officials or Customers, could qualify.

In some places, it is customary to exchange gifts and entertainment with government officials. Employees generally may follow lawful local customs in this regard.

However, in many places, providing gifts or entertainment to government officials is not permitted, or gives rise to reporting requirements. Therefore, to ensure that you comply with all applicable laws, you must obtain advance permission from the HR Department before providing a government official with anything of value, including gifts or entertainment.



**What to do?**

- 3.7.1. Never give or accept a bribe. In particular, never offer or give a government official, Customer, or private citizen anything of value to obtain or keep their business, or to gain any other business advantage.
- 3.7.2. Never direct or permit a third party to give or accept a bribe on our behalf. If we can't do something directly, then we can't do it indirectly through a third party.
- 3.7.3. Don't turn a blind eye to suspicious payments made by our employees or others acting on our behalf, such as unexplained facilitation fees. Ask questions and, if necessary, seek help.
- 3.7.4. Always keep complete, accurate and contemporaneous records of payments and receipts, especially involving government officials, customers, and suppliers.



### **3.8. We Don't Let Gifts or Entertainment Influence Our Judgment**

Gifts and entertainment are common ways to develop relationships with business partners, Customers, & Suppliers. But gifts and entertainment also can raise concerns. They may create conflicts of interest or raise questions regarding our decision-making. And they can raise risks of bribery and corruption.

We expect you to use your common sense and good judgment regarding gifts and entertainment. Never feel like you have to give or accept a gift or entertainment. If a situation makes you uncomfortable, simply avoid it. And you can always ask your manager or the HR Department for advice.

In most cases, the difference between gifts and entertainment is clear. Gifts are tangible items. Entertainment involves an activity attended by representatives of MSCL and a business partner/Customer/Supplier.

To protect against the risks associated with business gifts and entertainment, we have limits on what we can give or accept.

#### **3.8.1. General Rules**

- 3.8.1.1. Gifts and entertainment must comply with all applicable laws, this Code, and the corporate policies governing the entity that gives or receives the benefit.
- 3.8.1.2. Never offer, give or accept anything of value as part of a quid pro quo (an agreement or expectation to do something in return).
- 3.8.1.3. Never solicit a gift or entertainment from a business partner.



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- 3.8.1.4. If another person (i.e. a family member) receives a gift or entertainment because of your business relationship with the giver, it's the same as if you received it yourself.
- 3.8.1.5. You may not provide anything of value to a government official without advance approval from the Department Head, HR Manager, and/or GM (or higher). An employee of a government-owned or controlled company is considered a government official.
- 3.8.1.6. Gifts of cash or cash equivalents (like gift cards) are prohibited.

### **3.8.2. Entertainment**

- 3.8.2.1. An employee may accept or provide entertainment that is customary and reasonable in value and frequency.
- 3.8.2.2. Entertainment generally will be considered reasonable in value if it does not exceed SAR 500 per person.
- 3.8.2.3. Repeated entertainment involving the same business partner (i.e. a regular dinner) generally will not be considered reasonable in frequency
- 3.8.2.4. Entertainment provided to others must be approved by management.

Some gifts or entertainment are prohibited regardless of their value. For example, gifts of an offensive or prurient nature are prohibited. Similarly, so-called "adult" entertainment is not allowed. Inherently dangerous activities are not permitted. Non-local travel may be accepted only if you are traveling to or from a business



meeting and you obtain a waiver as provided in this Code.

Other gifts and entertainment are permitted without regard to value. These include promotional items such as hats, shirts, key chains, calendars and notebooks. Food and beverages served on our premises or the premises of a business partner (i.e. in a conference room or a cafeteria) also are permitted. Hospitality (including food, beverages and entertainment) offered in connection with a conference, seminar or similar meeting is permissible if the primary purpose of the event is business-related and the hospitality is reasonable and is offered to all or a significant portion of the attendees.

Gifts and entertainment paid for by the Company must be accounted for accurately and completely in our books and records.

### **What to do?**

- 3.8.3. Use common sense and good judgment regarding gifts and entertainment.
- 3.8.4. Understand and follow the limits on gifts and entertainment.
- 3.8.5. Avoid gifts or entertainment that creates a potential conflict of interest.
- 3.8.6. If you have a question, ask your manager or the HR Department.
- 3.8.7. Waivers and Exceptions

From time to time, a situation may arise that is not contemplated in this Code of Conduct. In those circumstances, the Company reserves the right to waive or make exceptions to the Code. However, waivers and exceptions should be rare, and should reflect a pressing business or legal need.

A waiver or exception must comply with all laws and regulations. In addition, it must be approved by the General Manager and Department Head.



### **3.9. We Follow Antitrust and Competition Laws**

Antitrust laws (also called competition laws) protect consumers by ensuring fair competition. They prohibit a wide range of improper business practices and agreements, including price fixing, bid rigging and market allocation.

We compete fairly, ethically and lawfully. We gain our competitive advantage through superior performance rather than engaging in improper business practices or reach improper agreements (either explicit or implicit) with competitors.

Antitrust laws are complex. Violations can lead to significant civil and criminal penalties for the Company and for the individuals involved. They also can lead to expensive private litigation. Even the appearance of an antitrust violation can have serious consequences. Accordingly, we have a zero-tolerance policy for antitrust violations.

If a competitor or a business partner raises an improper subject, stop the conversation and report the incident immediately to the HR Department.

If you have any questions, seek appropriate guidance from your manager or HR department before taking action.

#### **What to do?**

- 3.9.1. Don't discuss sales terms with competitors, especially prices or price related strategies (past, present, or future).





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- 3.9.2. Don't discuss market allocation—such as division of customers or territories —with competitors.
- 3.9.3. Don't discuss bids that we may or may not make with competitors.
- 3.9.4. Don't discuss possible boycotts of suppliers or other third parties.
- 3.9.5. Take special care when you know that competitors are around. Industry meetings and trade shows are good examples.



### **3.10. We Don't Tolerate Retaliation against Whistleblowing**

The Organization requires all employees to observe high standards of business and personal ethics as outlined in this Code of Conduct. Employees and representatives of the organization must practice honesty and integrity in fulfilling their duties & responsibilities and comply with all applicable laws and regulations.

Each employee has an obligation to report the following activities or concerns in accordance with this Whistle-blower Policy:

- i. Questionable or fraudulent activity
- ii. Violations and suspected violations of this Code of Conduct
- iii. Violations and suspected violations of laws, rules, or regulations
- iv. Retaliation or retribution against an individual who reports the above activities

This policy is intended to encourage and enable employees to raise concerns within the Organization for investigation and appropriate action. "Whistle-blower" is defined by this policy as an employee who reports, to one or more of the parties specified in this policy, an activity that is considered to be illegal, dishonest, unethical, or otherwise improper.

Whistle-blower protections are provided in two important areas: confidentiality and retaliation.

- **Confidentiality**

The confidentiality of the whistle-blower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights of defense.



- **Retaliation**

We stand for zero tolerance towards retaliation against whistleblowing. With this goal in mind, no employee who, in good faith, reports any questionable activities or violations shall be subject to retaliation or adverse employment consequences.

The organization will not retaliate against a whistle-blower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments or conditions and threats of physical harm.

Moreover, an employee who retaliates against someone who has reported in good faith is subject to discipline up to and including termination of employment (Section 2.4).

Any whistle-blower who believes he is being retaliated against must contact the Human Resources immediately. The right of a whistle-blower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

### **What to do?**

3.10.1. If an employee has knowledge of or a concern of illegal or dishonest/fraudulent activity, the employee is to contact his immediate supervisor or the Human Resources Manager.

3.10.2. All reports or concerns of illegal and dishonest activities will be promptly submitted by the receiving supervisor to the Human Resources Manager, who is responsible for investigating and coordinating any necessary corrective action.



- 3.10.3. Any concerns involving the supervisor should be reported directly to Human Resource Manager. Any concerns involving the Human Resource Manager should be reported to the General Manager.
- 3.10.4. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to disciplinary action (Section 2.4).
- 3.10.5. The whistle-blower is not responsible for investigating the alleged illegal or dishonest activity, or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.
- 3.10.6. Management will evaluate the severity of the concern to determine whether an internal or external investigation is required. There will be oversight of investigation to ensure appropriate and timely resolution which will be communicated to all parties
- 3.10.7. If you think that you or someone you know has been retaliated against, contact any of the resources listed in this Code.



### **3.11. We Communicate Responsibly and with One Voice**

When the Company communicates with external parties, we tell the truth. We speak with accuracy, integrity and transparency. We also speak with consistency.

To ensure that our corporate communications meet our standards, only designated Company representatives should make public statements that a listener could construe as being made on behalf of the Company. If you are contacted for information or comments regarding the Company, do not engage. Politely refer the person to the HR Department, which can answer their questions or direct them to the appropriate designated spokesperson.

The Company respects your right to participate in social media. However, if you use social media, your comments and posts could be considered public statements. Do not disclose any confidential information. Also, avoid making statements or expressing views that could be attributed to the Company. If you comment or post about the Company, you should identify yourself as an employee, but make clear that your opinions are your own. Only designated Company representatives should speak on behalf of the Company on social media.

#### **What to do?**

3.11.1. Don't make public statements that a listener could construe as being made on behalf of the Company unless you are a designated spokesperson.

3.11.2. Remember that social media comments and posts are public statements. Only designated representatives should use social media to make public statements about the Company.

3.11.3. Politely refer questions to the HR Department, which can answer their questions or direct them to the appropriate designated authority