



The National Agricultural Development Company

Code of Conduct Policy

GRC-COC-017-2-P-1

February 26, 2025

Disclaimer: This document is a public version of the Policy. It has been edited to remove confidential information that may not be relevant to external audiences. The document is for informational purposes only and does not constitute legal advice. It does not create any legal rights or obligations and does not constitute investment advice or an offer of any kind. In case of any discrepancy between this public version and the internal policy, the internal policy shall prevail. This document may contain forward-looking statements subject to risks and uncertainties. The Board reserves the right to amend, update, or withdraw this document at any time in its sole discretion, subject to compliance with the applicable laws and regulations. No representation or warranty is given regarding the accuracy or completeness of this document, and NADEC assumes no liability for any reliance placed upon it.

Table of Content

1.	Introduction	3
2.	Roles and Responsibilities	3
3.	Policy Statement	4
4.	Work Environment and Common Ethics and Principles	9
5.	Consequences of non-compliance with the principles of behavior and work ethics	14

1. Introduction

1.1 Purpose of the Policy

This policy aims to promote good professional behavior in the Company to create a safe, productive, healthy and enjoyable social work environment that maintains respect and protects the Company's reputation, in accordance with the requirements of Company Law, Company's Bylaw and the Corporate Governance Regulations issued by the Authority and other applicable laws and regulations.

1.2 Scope of Implementation

Notwithstanding the applicable laws and regulations in force in the Kingdom of Saudi Arabia, the Company's Bylaw, internal policies, this policy shall be complementary thereto, read and interpreted therewith without replacing them. This policy shall apply to:

- 1.2.1 Company's Board.
- 1.2.2 Board Committees.
- 1.2.3 Executive Management
- 1.2.4 All company's Employees.
- 1.2.5 Anyone represents the Company before third parties.
- 1.2.6 Contractors, suppliers, vendors and subcontractors dealing with the Company.

2. Roles and Responsibilities

- 2.1 The Board is responsible for enacting this policy and revising it, ensuring its implementation, and monitoring its application.
- 2.2 The Board' of Secretary shall circulate this policy to all members of the Company's board and its committees and ensure that they read its contents and abiding by it.
- 2.3 The Governance Department shall be responsible for the publication of this policy and ensuring its implementation in cooperation with the Human Resources Department at the level of employees, and in cooperation with the Procurement Department at the level of contractors and vendors and shall establish communication channels available to report violations in this regard.
- 2.4 Everyone who works for the Company - including members of the Board and its committees, as well as employees, contractors, suppliers, vendors and subcontractors, and those acting on its behalf or representing it to third parties, is committed to what is stated herein, and to report any violation or anything they believe to be inappropriate, unethical or violating the laws and regulations of the Kingdom immediately, as soon as they are aware of it to the direct concerned employee in the Human Resources Departments. If there is no response, the matter can be escalated to the highest levels in the Company.
- 2.5 In order to ensure compliance with the Code, every member of the Board and its committees, employees, as well as contractors, suppliers, vendors and subcontractors, and those acting on its behalf or representing it to third parties, are bound to submit 'Declaration' at the time of establishing any business relationship with the company. These declarations have been outlined in Appendices A, B and C for Board and Committee members; Employees; and Contractors, Suppliers, Vendors and Subcontractors respectively.
- 2.6 Furthermore, it is important to note that these declarations may evolve over time to encompass additional requirements, as determined by respective departments, including Governance,

Human Resources, and Procurement. Any proposed revisions to these declarations must receive approval from the CEO.

3. Policy Statement

3.1 Company's Obligations:

- 3.1.1 The Company recognizes the importance of employees, respecting their values and cultures.
- 3.1.2 The Company is committed to providing a healthy working environment in line with its values and principles, which emphasize the application of the principle of transparency and merit in the application of all its policies and procedures approved.
- 3.1.3 Evaluating the employees in all aspects of their career on the basis of merit, competitiveness, equal opportunities, developing their abilities, helping them to improve their performance.
- 3.1.4 Providing appropriate training opportunities and continuous improvement of the employee's career.
- 3.1.5 Providing opportunities for discussion, deliberations and freedom of opinion and expression within the context of workplace.
- 3.1.6 Fostering entrepreneurship, innovation and providing opportunities for employees to participate in proposals for improving services and developing work in an environment of mutual trust and understanding.
- 3.1.7 Ensuring the employee's right to complain or complain about any wrong decision made rightly through the dedicated channels within the Company.
- 3.1.8 Providing awareness to employees about the Code of professional conduct and core values as well as that ethical conduct is an obligation and considered part of the way in which they do their work.
- 3.1.9 Not using the employees' personal information and resources for reasons other than what it was provided for without prior permission.

3.2 Obligations of the relevant Parties:

- 3.2.1 Members of the Board and its Committees:
 - 3.2.1.1 The members are obligated by the laws and regulations applicable in the Kingdom of Saudi Arabia governing the practices, conducts and relationships that regulate the interaction between the Company and the member.
 - 3.2.1.2 Emphasizing the obligation of the member to exercise due care and loyalty towards the company, safeguard its interests, promote its growth, enhance its value, and prioritize the company's interests over personal gain.
 - 3.2.1.3 Committing to the interests of the Company and the interests of shareholders and to respect the rights of other stakeholders.
 - 3.2.1.4 Limiting the use of the Company's assets and resources to achieve the Company's goals and objectives, and not to use those assets or resources to achieve special interests.

3.2.1.5 Not using their position to achieve their own interest or interest.

3.2.1.6 Maintaining the confidentiality of the Company's internal information and not disclosing it to anyone except within the prescribed limits or what is legally approved.

3.2.1.7 Submitting declaration provided in Appendix A to Board secretary at the time of appointment to the Board or Committee.

3.2.2 Obligations of the Executive Management and All Employees of the Company:

3.2.2.1 Integrity and behavior:

- a. Adhering to the highest ethical standards through transparency, integrity, honesty, and good morals in all dealings between each other and with other stakeholders.
- b. Refraining from anything that violates job honor and dignity, whether it is inside or outside the workplace or during non-working hours, refraining from any actions or practices that violate morals, traditions, and general norms, and refraining from engaging in political matters, religious or sectarian beliefs, or Incitement against her or any form of racism.
- c. Not to impede the work progress or strike or incite them.
- d. Preserving the Company's reputation by not harming it by publishing information, statements or comments related to it by various media or communication, or by any means or method.
- e. Maintaining professional secrets related to work, and not disclosing any information whose disclosure may harm the interests of the Company, whether that was during the period of work or after leaving work.
- f. Ensuring familiarity with the regulations and their application without any transgression, violation, or negligence.
- g. Not to exploit the position for personal or other interests.
- h. Performing duties and tasks responsibly and efficiently in accordance with best practices within a specified timeframe, and during working hours honestly and objectively to serve the interests of the work with accuracy and high professionalism, through familiarity with the laws, regulations and work policies and following and applying the goals and objectives, without any transgression, negligence or violation of the work, as well as constantly endeavor to improve and develop his professional performance and capabilities.
- i. Preserving working time and devoting official and specific working hours to carry out job duties or duties, and not to perform any activities that are not related to his job duties, unless the member is expressly and in writing authorized to do so.
- j. Cooperating and facilitating in the investigation and inspection procedures carried out by the competent authorities, by all possible means and methods

including providing information and answering inquiries and questions to those responsible for the investigation and inspection tasks, in accordance with the work regulations and policies.

- k. Safeguarding the technical, commercial, and industrial secrets of the goods produced or material used in production directly or indirectly as well as all professional secrets related to the job or company that would be in the Company' interest.
- l. Maintaining the machines, tools, tasks, and materials that are owned by the Company and within the employee's control and returning the nonexpendable items to the Company.
- m. Refraining from any acts that violate public morals and good conduct, or any actions or practices contrary to the teachings of the Islamic religion, including insulting or inciting the religious beliefs of others inside or outside the workplace.
- n. Respecting their colleagues and consider them partners by working and collaborating to complete the work on a basis of competence and exchange of experiences.
- o. Communicating to focus around what is necessary for the work and not around minor or other matters not related to work.
- p. The basis for dealing between employees (male & female) is governed by the teachings of Islam and respect for customs and traditions.
- q. Refraining from exploiting any information relating to the private lives of workers with the intention of abusing or harming them.
- r. Be respectful, courteous, honest, and loyal in dealings with co-workers and customers.
- s. Avoiding the quarrels, the hostility, envy, backbiting, gossips, and the attempting to trap other employees.
- t. Maintaining friendliness and cooperation without discrimination, contempt, or disparagement.
- u. Not to engage in controversy on sensitive or controversial topics.
- v. Staying away from rumors, backbiting, gossip, slander, and anything that may harm the reputation of the employee or the Company.
- w. Not spreading rumors or negative messages among employees, which may result in abuse or defamation of any employee or the company, in addition to its negative impact on the work environment and the workers lack of focus on the tasks assigned to him.
- x. Not to do anything that would incite any employees or customers against the interest of the Company or/or incite employees to amplify the problems they face, but to try to solve the problems in proper ways and follow the policies of the Company concerned.

- y. Failure of the worker to do anything that would induce or solicit all or some other workers that may harm the interests of the employer.
- z. Avoid utilizing social media to discuss matters related to daily activities, workflow, or internal company issues; instead use the communication channels provided by the Company professionally to submit your suggestions or correspond internally.
- aa. Reporting through the channels available within the Company for cases that violate the Company's policies.
- bb. Maintaining the Company's reputation and highlighting its values and identity.
- cc. Performing duties assigned with due care and loyalty towards the Company to develop it and maximize its value.

3.2.2.2 Anti-Fraud and Bribery:

Bribery is one of the greatest crimes and has the most impact on the corruption of societies. The Company shall condemn corruption and bribery in all of its forms, and has zero tolerance policy for the corruption and bribery in dealings or interaction with stakeholders.

The employee's duties and responsibilities in this regard shall include the following:

1. Informing the managers or the competent departments of the Company in case of suspicion of corruption or bribery.
2. Not accepting favoritism or nepotism in performing work tasks and responsibilities, which may negatively affect the confidence of those dealing with the Company.
3. Avoiding any form of moral or administrative corruption as well as using suspicious or illegal means to carry out business.
4. Not to abuse the employment authority and influence as well as to report the competent departments within the Company when there is a case of abuse or exploitation.

3.2.2.3 No Deception or Lying:

- a. Employees are not allowed to engage in fraud, unusual or potentially fraudulent activity and shall report any such activity immediately.
- b. Employees with access to funds, information, goods, and/or documents relating to the Company, its customers, suppliers, or other business partners are expected to use it professionally and solely for business purposes. The following cases shall be deemed as a violation of the Code of Conduct:
 1. Use of the Company's assets for personal benefits.
 2. Obtaining and disseminating confidential information without permission.

3.2.2.4 Using social media:

- a. Utilized social media appropriately, that adds value to the company and the job, but when it is used badly, it can undermine the company's reputation.
- b. Professionalism, good behavior, and adherence to the Company's policies are always expected from employees when using social media.
- c. Employees should be cautious while uploading and downloading content from the internet to safeguard the Company, and keep in mind that the Internet is a public medium open to all.
- d. Employees should be mindful that their private use of social media may also impact how people who have a connection with the Company see them.
- e. Employees should not share any messages that reflect their political views or tendencies that are contrary to general ethics.

3.2.2.5 Dress Code:

- a. All employees are expected to dress appropriately that according to the work environment and the type of work they perform.
- b. Employees who deal with stakeholders (such as: customers, suppliers, partners, representatives) shall wear what the Company's policies require.
- c. Employees shall adhere to the safety policies and procedures of their departments as well as wear protective clothing and safety equipment.

3.2.2.6 Submit Declaration

The Human Resources Department shall ensure that every employee signs the declaration provided in Appendix B and at the time of joining, as well as on an annual basis.

3.2.3 Obligations of contractors, suppliers, vendors and subcontractors, and those acting on the Company's behalf or representing it to third parties:

3.2.3.1 To preserve the Company's technical, commercial, and industrial proprietary information directly or indirectly, as well as all professional secrets related to the work or the Company, the disclosure of which could harm the Company's interests.

3.2.3.2 Adhere to the regulations, policies and procedures approved in the Company.

3.2.3.3 Commit to supplying the Company as per the need, quality, trust, pricing, service and time as well as any other favorable business terms or conditions.

3.2.3.4 Not to give gifts or perks or any invitations, meals or entertainment, directly or indirectly, in exchange for work, or promise to perform a service or facilitate procedures.

3.2.3.5 Maintain the Company's reputation.

3.2.3.6 Report through available channels about cases of disclosure and conflicts of interest.

3.2.3.7 The Procurement department shall ensure that the declaration provided in Appendix C is obtained from every Contractor, Vendor, and Subcontractor, as the case may be, before establishing any business relationship, as well as upon the renewal of a service contract.

4. Work Environment and Common Ethics and Principles

The Company shall maintain a safe and healthy working environment in accordance with Saudi Arabian laws and regulations and is committed to fulfilling functional and contractual rights towards its employees, customers, and suppliers in accordance with the contracts concluded. In order to do so, employees of the Company, including the Board, its Committees and Executive Management shall commit to:

4.1 Respect

Everyone deserves due respect and dignified treatment, regardless of any other considerations. The Company encourages its employees to follow public morals in dealing with one another and not to underestimate others, insult or harass others with any behavior, action or statement, including but not limited to spreading lies and rumors gossip, slander, violation of freedom, mockery, violation of privacy and retaliatory behaviors... etc.

4.2 Privacy

The Company respects the privacy of every employee and establishes laws and procedures that prohibit others from accessing personal information of any individual save those directly connected to that information and as required by business interests or regulatory bodies.

4.3 Human Rights

The Company honors and respects all employee, where everyone works freely and without being compelled to work, and the company promotes all human rights established in line with the laws and regulations in effect in the Kingdom of Saudi Arabia and consistent with Islamic Sharia.

4.4 Appearance

People's customs and traditions vary based on several factors that are difficult to quantify, but people with different customs and traditions are required to maintain a decent public appearance commensurate with the nature of their work that respects the teachings of Islam, traditions and societal values, and the employee shall take the following into consideration:

- 4.4.1 To maintain a neat appearance and present oneself appropriately.
- 4.4.2 Preserving personal hygiene.
- 4.4.3 To comply with the uniforms whenever the nature of the work required and in compliance with the instructions issued by the Company.

4.5 Smoking

In order to ensure the health of everyone who deals with it, and to create a healthy and suitable work environment for all, the Company prohibits smoking in the workplace, and allows it in designated areas only.

4.6 Company's Resources and Properties

There are many ways to protect the Company's resources and property, including, but not limited to:

- 4.6.1 Optimize the Company's resources in order to achieve its goals.

- 4.6.2 Compliance with safety regulations within the Company and do not neglect and expose the property to the risk of fire or damage.
- 4.6.3 Ensure that computers are protected and that unauthorized use is prevented.
- 4.6.4 Do not use the Company's name, identity and trademarks for personal purposes.
- 4.6.5 Using the Company's tools, equipment and office tools only.
- 4.6.6 Using the official time of work to complete the Company's work.
- 4.6.7 Protecting the Company's assets from theft or vandalism and inform the Security department when such cases occur.
- 4.6.8 Recording of both audio and video types is allowed only with official consent from the Company or for security purposes after notifying the Company.

4.7 Sale and Providing Services to Customers

The Company is obliged not to display its products and services in an unprofessional manner, so as not to mislead the customer and make the wrong decision. Accordingly, employees for the Company shall disclose these facts in accordance with the terms of sale and service provision.

4.8 Selecting Suppliers

The Company recognizes the critical role of suppliers and contractors in the development of the company's performance, the success of its business, and the achievement of its objectives, while emphasizing the importance of all employees for the company adhering to the approved policies, and procedures and organizing work in accordance with the stipulated powers.

4.9 Transparency

Transparency is an important factor in creating an environment conducive to the Company's success; in an open environment, employees will be able to ask questions and reveal matters that concern them without fear of repercussions. Moreover, worker participation in issues related to the work facing the Company may lead to the creation of better means of working mechanisms, solving problems, saving funds, and so on; the presence of transparency helps the Company to improve.

The following are some of the most important advantages of fostering a culture of transparency and clarity among all parties:

- 4.9.1 Improve communication between the Company and its employees.
- 4.9.2 Increase the opportunities for communication between executive management staff and employees.
- 4.9.3 Helps grow confidence, collaboration and commitment.
- 4.9.4 Helps employees deal with and accept change.
- 4.9.5 Transparency limits the influence and promotion rumors and prevents misunderstandings.
- 4.9.6 Strengthen the role of direct supervisors.
- 4.9.7 Urges employees not to hide any information related to their work so as not to influence the decisions taken, except for what may be interpreted as disclosure of work secrets or which adversely affects the nature of the work and the interest of the employer and is governed by the policies and regulations of the employer.

4.10 Listening

- 4.10.1 Creating communication channels that deal with the communication mechanism between employees and executive management, which facilitates the process of overcoming and resolving the workplace difficulties as well as encourage positive participation between the two parties.
- 4.10.2 Effective communication creates a conducive environment for extremely productive work.
- 4.10.3 The executive management should communicate with the employees and try to understand their needs and contribute to the development of his performance as well as know the problems facing the employee to be solved, which will reflect positively on the work environment.

4.11 Gifts and Hospitality

- 4.11.1 In the context of relationships where gifts and hospitality are offered and/or accepted, all employees of the Company shall exercise caution and apply sound judgment when offering and accepting gifts from or to stakeholders, to protect the integrity of both the employee and the Company in accordance with relevant laws and regulations.
- 4.11.2 Professional judgment should be applied to determine whether the gift or hospitality is reasonable, appropriate and justified, taking into account the value, nature and timing of the gift / hospitality and the assumed intentions. The Company's employees shall observe the following:
 - 4.11.2.1 Not to request or accept any gift, invitation, service, or anything of material value (as mentioned in Clause 5.11.2.4(B) or moral value, whether it is for employee or employee's relative(s) from a person, or an organization that has a relationship or aspire to have a relationship with the Company, so that it could have a direct or indirect impact on the objectivity of the Company's employees in the implementation of their job duties, or may influence their decisions, or may compel them to commit to something in exchange for accepting that.
 - 4.11.2.2 Statutory accountability shall be imposed on anyone who is proven to have done, participated in, or assisted in bypassing the regulations related to requesting or accepting gifts and invitations.
 - 4.11.2.3 If the refusal of the gift would cause offense to the Company, or if its return is not possible in practice, or if it was presented to the Company's employees in official visits and events, or when receiving official guests, which requires the rules of courtesy and protocols of visits and events to accept it, then the gift may be accepted, provided that the following are observed follows:
 - A- It shall not be cash in any way, or in the form of loans, shares or financial derivatives.
 - B- That the gift and its value be of what is customary to be given, according to the occasion on which it was presented and its nature, such as shields, for example.
 - C- In the event that the gift is a reduction or waiver of fees, it shall relate to an invitation to attend a conference or meeting that enhances knowledge and

reflects positively on the Company's business and does not result in a conflict of interest.

D- That the gift presented is not related to the recipient's position in the Company, or it was presented as a reward of work done in the Company.

E- The presenter of the gift should not have a private or public interest that he hopes to obtain from the Company or one of its employees.

4.11.2.4 The employees of the Company shall submit a written disclosure directly to the Compliance Department after receiving the gift through a disclosure form in the following cases:

A- If the gift has value and has a price that can be sold for.

B- If the gift is perishable and its value exceeds (1000) thousand riyals.

4.11.2.5 The employees of the Company are prohibited from presenting gifts, grants and invitations to those who have a personal business relationship with the Company unless they are presented through the competent department in accordance with the policy approved by the Company in this regard.

4.11.2.6 It is prohibited to accept or solicit gifts and gifts that have the potential to damage the Company's reputation.

4.11.3 It is allowed to accept some activities of an entertainment nature, such as accepting invitations to lunch and dinner, attending some events or regular work celebrations and the like. Provided that these occasions are of a reasonable nature and during the period of meetings or any other business occasion, especially if the purpose is to hold discussions or meetings related to work or to enhance the Company's business relations with some other parties.

4.12 Outdoor Activities

All persons concerned with the Company are prohibited from engaging in any "independent" or "additional" activity or work outside of working hours that would negatively affect the quality or quantity of work performed, or to carry out activities that compete with the activities of the Company or an activity that involves sponsorship or support from the Company for any use or External organization, negatively affects the reputation of the Company, or uses or interferes with the Company's time, facilities, resources or supplies.

4.13 Opportunities available in the Company

The concerned persons shall present any legitimate interests that may arise for the benefit of the Company, so they are prohibited from doing the following:

4.13.1 Taking any of the opportunities that are discovered for their personal benefit or taking advantage of them for themselves by using the property of the Company or the information available to them that belongs to the Company or exploiting the position for personal gain.

4.13.2 Carrying out any work or activity that competes with the Company.

4.14 Harassment

- 4.14.1 All concerned persons are committed to ensuring that the work environment is free of any kind of harassment, inconvenience, discrimination, persecution, abuse, bullying, etc., so that the dignity of the individual is saved and preserved; Therefore, all concerned persons are responsible for providing help and aid to ensure that all individuals within the Company do not suffer from any form of harassment.
- 4.14.2 In the event that any of the concerned persons are exposed to harassment, he will find the full support of the Board and the executive management to put an end to and stop immediately this harassment.

4.15 Nepotism

The Company does not forbid the hiring of relatives if it is done without favoritism, nor does it intend to engage in consensual relations between co-workers. Therefore, the necessary precautions and measures must be taken to ensure that employment decisions and appointments are not affected by favoritism, personal relationships and relations of relatives, and in particular it is not permissible For the concerned persons – relatives and those who have a close relationship with the persons who applied to the Company and the Company wishes to employ them or the decisions of retaining the employees who are on the job, or promoting them, and their rewards - supervising, directing and interfering in any direct or indirect way in the decisions related to them.

4.16 Intellectual Property:

All systems, research, solutions, software, and other items that qualify as intellectual property and are developed for the benefit of the Company (whether created by the employee during the course of their duties or by third parties) are owned by the Company. Employees are prohibited from retaining or transferring these materials outside the Company, even after their employment ends. Similarly, the Company is obligated not to use any non-public intellectual property owned by other companies or individuals without obtaining prior consent from the legal owner.

4.17 Environment,

The Company acknowledges that its operations and business activities impact the environment and society. Therefore, the Company is committed to minimizing this impact as much as possible and conduct regular risk assessments and audits to identify and mitigate risks to make cause harm towards environment. To fulfill the commitment, the Company strives to use sustainable and recyclable sources and materials in its industrial activities, maximizing their effectiveness to reduce waste. Additionally, the Company is dedicated to utilizing technologies, materials, and methods that minimize environmental harm, wherever feasible and practical. The Company also works to ensure that its suppliers and contractors align with these sustainability objectives.

4.18 Health & Safety

Company assures the safety of everyone involved with the company operations as a top priority. Company believes that all accidents and injuries can be preventable and are committed to fostering a culture where safety is integral to every business decision. It aims to uphold the highest standards of health, and safety protection across all areas of our business, including design, construction, operation, maintenance, and decommissioning.

4.19 Drugs & Alcohol

Employees are required to perform their job duties without the influence of drugs or alcohol, as working under such influence poses an unacceptable safety risk to both themselves and others. This includes illegal drugs, controlled substances, and the misuse of prescription medications. All employees must remain free from any substances that could impair their job performance or compromise workplace safety. Compliance with this policy is essential to maintain a safe, productive, and healthy working environment.

4.20 Money Laundering

The Company is committed to full compliance with Anti-Money Laundering Law and the Law on Terrorism Crimes and Financing, and CMA's relevant instructions ("AML Laws"), as per their applicability to the subject matter or the relevant business segment. Employees must actively prevent, detect, and report any money laundering activities and ensure strict adherence to the AML Laws.

The human resource department is expected to conduct Employees due diligence, follow KYC protocols (negative listing etc.), during on-boarding process before making any offer as well as Procurement department is expected to consider this element during vendor on-boarding process. Engaging in or facilitating money laundering, directly or indirectly by any existing employee is strictly prohibited and will result in disciplinary action and potential legal consequences.

5. Consequences of non-compliance with the principles of behavior and work ethics

The Company shall review the compliance of this policy, and impose penalties in case of any violation in accordance with the relevant rules, regulations and instructions, in addition to organizing the Company's work and penalties policies for employees and requirement of contracts executed with suppliers and contractors.