

## Human Resources and Administration Policies and Procedures

Code of Business Ethics and Conduct

September 2016



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Message from the CEO and Vice Chairperson

Dear Colleagues,

At UPAC, we are all responsible for carrying out our work in a professional, ethical, and responsible manner.

UPAC maintains strong relationships with its employees, customers, suppliers and shareholders. By upholding its commitment to the principals set out in this Code, and by conducting business fairly, honestly, and ethically, UPAC will be able to further build on the relationships it has developed and preserve its professional image.

The Code of Business Ethics and Conduct has been developed as a basic 'rule book' – it acts as a guide to help you understand what your responsibilities and obligations are as employees in this organization. The Code outlines the fundamentals of our values, ethics and business practices; it provides us with the tools required when confronted with difficult choices.

The rules and regulations set out in this Code have been approved by myself and endorsed by the Board of Directors, and shall apply to all UPAC personnel without exception. Please familiarize yourself with these guidelines and ensure that your work principals comply with those found within the Code.

Thank you in advance for respecting our ethics and values.

Best regards,



Nadia Akil  
CEO and Vice Chairperson



## Vision

UPAC's vision is to become one of the leading players in the commercial real estate realm, both locally and regionally.

## Mission Statement

UPAC's mission is to successfully manage ongoing projects while continuing to expand its footprint and growth strategy into the commercial real estate realm in order to create value for its customers, stakeholders and shareholders alike.

## Strategic Pillars

UPAC recognize the need to be both flexible and entrepreneurial in order to keep up with a fast paced environment. We believe in professionalism and quality as well as teamwork and innovation when conducting business. We aim to develop a solid reputation that is recognized with integrity through all our actions. We take responsibility for our vision and values through personal ownership, hard work as well as understanding their impact on others.

The following pillars represent the key areas where UPAC believes it must excel in order to achieve its overall vision:

### People and Collaboration

- Create a culture that values teamwork, collaboration and respect.
- Enhance communication, engagement and the sharing of information.
- Focus on honesty and integrity - what is right, fair, and ethical.
- Training and development and encourage employees to realize their full professional potential.

### Customer Service and Quality

- Continually strive to direct all efforts towards understanding and satisfying the needs and expectations of UPAC's customer base in a timely manner.
- Delivering high quality products and services that fulfill UPAC customer's needs.
- Develop processes to further solidify and standardize functions and protocol.

### Innovation and Leadership

- Aim to differentiate products and services through technology and innovation, in order to best meet the requirements of end-users.
- Create a center of excellence devoted to utilizing technology to further enhance and create effective solutions.
- Foster an environment of entrepreneurial spirit - encourage empowerment for all employees.

### Growth

- Develop a professional network to facilitate knowledge sharing and support growth through the expansion of UPAC's footprint in the industry.
- Encourage creativity, flexibility, and innovative approaches to fulfill growth strategy
- Increase UPAC's overall brand awareness in the region

## How to Contact Us

UPAC fosters an honest, fair, and transparent work environment. As per policy and process, employees will always have the opportunity to voice their concerns through use of regular communication channels such as raising the issue to their Supervisor, Human Resources Department, Compliance Officer, or Legal Counsel. In addition to this, employees and personnel are free to use any of the following additional methods in order to voice their concerns safely, anonymously and confidentially without the fear of any repercussions.

### By Phone:

If you would like to contact UPAC, please dial 1 833-338 [Extension 1230]. If you would like to contact Agility, please dial 1 809-222 (Extension 4200) to reach the Toll Free Alert Line.

### By E-mail:

The following email options are available:

- UPAC Web Based Feedback Form [www.upac.com.kw/ContactUs.aspx](http://www.upac.com.kw/ContactUs.aspx)
- UPAC Customer Complaint Email [customer.feedback@upac.com.kw](mailto:customer.feedback@upac.com.kw)
- UPAC Whistleblowing Email [whistleblowing@upac.com.kw](mailto:whistleblowing@upac.com.kw)
- Agility Ethics Email [ethics@agility.com](mailto:ethics@agility.com)
- Agility Ethics and Compliance Portal [www.agility.ethicspoint.com](http://www.agility.ethicspoint.com)

Employees may also use any one of the various UPAC suggestion boxes which are located in various areas within the UPAC premises.

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## 1. Our Corporate Policy

UPAC is committed to conduct its business fairly and in full compliance with all applicable laws and regulations. UPAC strives to implement the highest standards of business conduct and ethics both internally within the organization, as well as externally with respect to its customers, suppliers and other related third parties.

It is crucial that all employees uphold these ethical standards and comply with such regulations when conducting business - as it is the ultimate responsibility of each employee to endorse these standards in preserving the Company's professional image and reputation within the business community.

## 2. UPAC's Code of Business Ethics and Conduct

### 2.1. Who Should Follow the Code?

This Code of Business Ethics and Conduct (hereafter 'the Code') applies to all UPAC employees, including UPAC's Board Members, its Executive Management, Directors and other key stakeholders. All of UPAC's employees and affiliated members are thus expected to familiarize themselves with this Code, with the Company's policies, as well as with all applicable laws and regulations related to their positions.

The Code should also be extended externally, and should apply when conducting business with all external third parties, including consultants, agents, independent contractors, subcontractors, vendors, and suppliers alike. The Code should apply at all times, should either party violate this Code, Policy or Regulation, immediate termination of such contract shall be enforced.

### 2.2. Who Should be Familiar with the Code?

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> CEO / Deputy Chairperson | <input checked="" type="checkbox"/> Chairman / Chairperson         | <input checked="" type="checkbox"/> Department Heads    |
| <input checked="" type="checkbox"/> Supervisors              | <input checked="" type="checkbox"/> Full Time Employees            | <input checked="" type="checkbox"/> Part Time Employees |
| <input checked="" type="checkbox"/> Trainees                 | <input checked="" type="checkbox"/> Auditors / Consultants         | <input checked="" type="checkbox"/> Unions              |
| <input checked="" type="checkbox"/> Volunteers               | <input checked="" type="checkbox"/> Contractor and Sub Contractors | <input checked="" type="checkbox"/> Suppliers           |
| <input checked="" type="checkbox"/> Shareholders             | <input checked="" type="checkbox"/> Board of Directors             | <input checked="" type="checkbox"/> Regulators          |
| <input checked="" type="checkbox"/> Customers                | <input checked="" type="checkbox"/> Consultants                    | <input checked="" type="checkbox"/> Community           |

### 2.3. Is the Code Comprehensive?

The nature of the Code is not meant to cover and address every situation that might occur; however, it is designed to provide a frame of reference against which to measure specific activities. The Code intends to convey to employees what is expected of them at a minimum and provide guidance for similar situations that may take place in the future - to encourage employees to 'do the right thing'. In addition to the Code, UPAC has developed a set of internal corporate policies and procedures to further guide employees on the conduct of business and ethical behavior.

#### 2.4. When in Doubt, Ask!

Questions concerning ethical or legal conduct will inevitably arise in the normal course of business. It is the responsibility of each employee to contact his/her supervisor and/or the Compliance Officer and/or the Legal Counsel before taking any action that may have ethical or legal consequences for the Company.

The Code does not replace specific internal policies that are already in effect and which employees are expected to be familiar with, but it provides a general framework as a broad reference. In the event that the Code conflicts with any other UPAC policy, practice or work rule, the Code takes precedence.

#### 2.5. What is expected from UPAC Employees?

It is the responsibility of each UPAC employee to fully comply with the rules and principles set out in this Code. Details of various internal policies relevant to specific employee positions should be reviewed and implemented as an addition to the fundamentals of the Code. Employees should report any violation or suspected violation immediately to his/her supervisor, or the Compliance or the Legal Officer. Failure to follow this Code may result in disciplinary action, including termination of employment. Furthermore, violations under this Code may also involve violations of certain laws and regulations and may result in severe civil or criminal penalties.

Employees should always be guided by the following principles:

- avoid any behavior or misconduct that could harm UPAC's reputation
- act honestly, and always comply with applicable laws and regulations
- always put the Company's interests ahead of any form of personal benefit or interest

#### 2.6. How to Report Violations

Any UPAC member or employee who becomes aware of any issue that involves a violation or a potential violation of an applicable law or of any provision of this Code has an affirmative responsibility to promptly and immediately report the matter to his/her supervisor or the Compliance Officer or the Legal Counsel.

While we rely on our supervisors to handle such situations professionally and confidentially, we understand that there may be some circumstances in which employees may be unable to approach their supervisor directly; or situations where the complainant may not be a direct UPAC employee but an external party. In such cases employees or other members may report these issues confidentially and anonymously by using the one of following communication channels:

- Customer Complaint Email [customer.feedback@upac.com.kw](mailto:customer.feedback@upac.com.kw)
- Whistleblowing Email [whistleblowing@upac.com.kw](mailto:whistleblowing@upac.com.kw)
- Web based Feedback [www.upac.com.kw/ContactUs.aspx](http://www.upac.com.kw/ContactUs.aspx)
- Suggestion Box Available in various areas of the UPAC premises

UPAC encourages its employees and personnel to ask questions about ethical and legal issues, and where there is a clear violation, to report such the violation to the applicable persons. The Company will take all reasonable steps to protect the anonymity and confidentiality of the persons reporting the violation and any retaliation kind taken against the persons presorting such violations will not be tolerated.

### 3. Business Policies and Procedures

#### 3.1. Employment Practices

UPAC is keen to provide its employees with a healthy work environment which fosters intellectual growth and professional development. Our internal corporate policies and employment structure aim to reward high performance and excellence. UPAC takes pride in upholding its vision and values through the pillars of collaboration, innovation, growth and leadership. UPAC is a socially responsible organization, not only do we assume a social obligation in providing a healthy and safe work environment for our own employees, we are also actively engaged in reflecting this social responsibility to the wider local community.

The Code supports a corporate culture built on respect and professional values. One of the core fundamental elements of our corporate culture is respecting cultural diversity in the work place. UPAC supports an environment that is free of discrimination, harassment, and intimidation and expects its leaders in the business to act as role models in this respect. Whether this is based on a person's race, gender, color, religion, national origin, sex, or status, any form of discrimination, harassment or other is extremely disruptive and inconsistent with UPAC's values and its commitment to providing a dignified work place.

If an employee believes that any form of discrimination or harassment has occurred or has questions about such rules, he/she has an obligation to contact their Supervisor, Compliance Officer or Legal Counsel. All reports will be reviewed and investigated, and corrective action shall be taken accordingly. All complaints will be handled confidentially and there shall be no retaliation against the persons reporting such incidences of harassment or those reporting violations. This Code protects all members from any sort of adverse action potentially taken against them.

UPAC is committed to providing a safe work environment that is free from the effects of alcohol and drug abuse. The possession, distribution, or use of any illegal drugs or alcohol on UPAC premises is strictly prohibited and is a violation of this Code, resulting in disciplinary action, and potentially termination of employment.

This policy applies to all UPAC employees and personnel with regards to any, action, decision taken, process, employment decision, or other.

#### 3.2. Health, Safety and Environment

UPAC is committed to providing its employees with a safe, healthy and secure workplace which minimizes the risk of injury and the exposure to health risks. UPAC complies with all health and safety laws as well as our own internal health and safety policies and procedures which further build on safety and health requirements.

Accounting for environmental considerations forms an integral part of UPAC's mission. As a growing socially responsible Company, UPAC continually strives to improve its performance and activities in an effort to reduce any adverse impact on the environment.



## 4. Company Property, Records and Confidential Information

### 4.1. Handling of Company Property

It is the obligation of every UPAC member and employee to protect Company property against any improper handling or damage. Theft, removal or destruction of corporate property, material or equipment is strictly prohibited. Any suspected case of theft must be reported directly to the Compliance Officer or Legal Counsel.

Any and all Company assets, including devices and other equipment are to be used within the UPAC premises and for business purposes only. The removal of Company assets is permissible only for the purpose of conducting UPAC related business and only when properly authorized.

### 4.2. Company Records

UPAC is obligated to maintain proper records and reporting systems at all times. UPAC's records must accurately and fairly reflect the actual activity that it is being recorded. No false, dishonest or inaccurate information will be recorded within UPAC's files for any reason.

Examples of such records include, but are not limited to such items as: timecards, time reporting documents and overtime sheets, travel and business expense reports, as well as accounting and other financial records.

This policy applies to all UPAC employees and members. It is strictly prohibited to provide incorrect and dishonest records.

### 4.3. Confidentiality

In line with UPAC employees' and members' contractual obligations to maintain confidentiality, no member is, without proper authorization, allowed to (neither during nor after their employment) disclose or release any confidential or proprietary information acquired during their employment, to anyone not employed at UPAC.

Confidential and proprietary information is one of the Company's most valuable resources and should be treated as such. Any attempt to disclose such propriety information will have an adverse effect on the Company and could potentially lead to legal action against the member responsible for such disclosure. The continued preservation and security of information applies to all UPAC employees, members and personnel and is in line with corporate policies and applicable laws and regulations.

## 5. Conflict of Interest

### 5.1. Conflicts of Interest

A potential conflict of interest exists when an individual's position within the Company is compromised by presenting the individual with an opportunity to gain (whether such gains are monetary or non-monetary) outside the confines of the standard benefits of employment and compensation by UPAC.

A conflict of interest may also arise when an employee or member's personal interests contradicts that of the Company's, potentially creating inconsistent loyalties causing the member to perhaps place their own personal interest before that of the Company.

As a basic rule of thumb, if an employee or member is faced with a situation of potential conflicting loyalties, where it may appear that their personal interest could potentially be in direct or indirect conflict with UPAC's interest, then a Supervisor or Compliance Officer should be alerted immediately.

## 5.2. Insider Trading

Employees and members of UPAC are not permitted to take part in any transaction (whether buying or selling) in UPAC stock or any other issuers shares while in possession of material (nonpublic) information that they have accessed while conducting UPAC business. Employees are also prohibited from providing any advice, guidance or assistance on the buying or selling of securities on the basis of privileged material information. Any form of investment tip of this sort is not only unethical but is illegal and can potentially lead not only to immediate termination, but legal action as well.

Any employee or member who may have what he / she believes to be insider information or is unsure as to the nature of the information they possess, should contact the Compliance Officer or Legal Counsel to discuss the situation.

## 5.3. Outside Affiliations

Outside affiliations provide a common path for conflicts of interest. This could happen in case the employee has a personal interest with an external company that does business with UPAC, who may potentially secure his/her own interest by influencing dealings between both parties. On the other hand, the employees' interest in that company may also influence their business judgements and decision making within UPAC. This would be an ethically challenging situation which could adversely affect the integrity of UPAC.

Such considerations should be disclosed and discussed with the employee's Supervisor, the Compliance Officer, or the Legal Counsel.

## 5.4. Money Laundering

UPAC is committed to comply fully with all anti-money laundering and anti-terrorism laws globally. It is integral that all employees and members thoroughly assess all prospective customers and business partners to ensure legitimate and lawful business activities at all times.

It is prohibited to be involved, whether directly or indirectly, in any such criminal acts or to facilitate any unlawful or criminal acts and / or business arrangements. All employees, members and personnel alike have an obligation to take all necessary steps in order to prevent such suspicious activities.

## 6. Gifts, Meals and Entertainment (GME)

Although certain forms of corporate hospitality are permissible in some cases, any exchange of gifts, meals or other forms of entertainment may be perceived as a way to influence an employee to direct business to a particular supplier, customer or vendor. Although corporate hospitality and gift giving is permissible, it is only allowed to the extent outlined in this Code, as well as is further detailed in the internal corporate policy P13 Public and Business Relations Policy.

The following rules apply for GME giving and receiving. Employees and their family members may only accept or offer an unsolicited non-monetary GME provided the following conditions are met:

- GMEs should always be in a non-monetary form, in case the GMEs has a nominal value, it should not exceed value equivalent to US \$100 annually .
- GMEs shall not be granted in order to influence any person in order to obtain preferential treatment, confidential information, or unauthorized access to any information or facilities.
- Employees shall not accept any GMEs especially when these GMEs are received with the expectation of preferential treatment.
- All UPAC Employees should report and declare any and all received GMEs immediately to their respective Department Heads and to the HR Manager.
- UPAC employees shall not accept or allow a close family member to accept on their behalf any gifts, services, loans or other forms of preferential treatment in any case and especially in exchange for past, current, or future business relationships with UPAC.

For further guidance on the above please refer to UPAC's internal policy no. P13 Public and Business Relations Policy.

All members and employees should follow the above guidelines when dealing with or handling GMEs. In cases of doubt, employees are requested to refer to their Supervisor, or Compliance Officer, or Legal Manager for further clarification.

## 7. Improper Payments

All business dealings must be made on a fair and lawful basis. Members and employees who regularly deal with Third Parties (vendors, suppliers, consultants, and customers) should be fully aware and fully compliant with all laws governing such relations. Any attempt by an employee or member to offer (or receive) gifts, gratuities or any other form of benefit (an improper payment) to a Third Party, whether monetary or not, for any purpose and specifically for the purpose of retaining an advantage, is strictly prohibited. UPAC expressly prohibit all forms of improper payments, whether to public officials or to private persons, whether these activities are active or passive.

Members and employees alike must familiarize themselves with all applicable anti-corruption laws and conduct business in strict compliance with these laws. Personnel who are involved in government work are required to comply with the rules and regulations of those public agencies. It is always prudent to exercise extreme caution when choosing any Third Party, from potential partners, representatives, consultants and agents and any suspicious activity that may appear to violate this policy should be reported to the Compliance Officer of Legal Counsel immediately, as these activities may result in legal or criminal action, as well as immediate termination.

Any transaction that may appear to be illegal or unethical or may seem contrary to anti bribery and anti-corruption laws should be promptly rejected and immediately reported to a Superior or the Compliance Officer or the Legal Counsel. Similarly, any request for payment by or for government officials should be immediately reported to the Compliance Officer or Legal Counsel. All UPAC employees and members are expected to be familiar with this policy under the Code.

In all cases, any questions or clarifications concerning the applicability of these laws and policies should be discussed with the Compliance Officer or the Legal Counsel.

## 8. Competition and Fair Dealing

It is illegal to seek any sort of competitive advantage through unethical or unlawful business practices. UPAC conducts its business with honesty and integrity, dealing with third parties in a fair, transparent and lawful manner.

Employees are required to offer customers the best prices and services at all times, in a fair and transparent manner. Any attempt to take advantage of a situation by restraining trade, reducing competition, colluding on pricing, or manipulating information in an effort to gain new businesses or other benefits from a particular customer is strictly prohibited and illegal.

All decisions on pricing shall be made independently of competitors, relying on general market conditions and competitive prices. UPAC personnel shall not enter into discussions with any competitor on the subject of pricing, discounts, bids, terms of a sale, margins, profits, or any other subject that may appear to be inappropriate.

All UPAC personnel should always exercise independent judgement and refrain from entering into any discussions with competitors regarding the above mentioned subjects. Should these discussions take place, the employee is requested to immediately exit the meeting or promptly end the interaction.

Employees are advised to consult with the Compliance Officer or Legal Counsel with any questions or clarifications to the above.

## 9. Political Contributions

While employees and members are free to participate in political activities and play an active role in society to engage in the political process, UPAC will not be a participant in any form of political activity. As such UPAC will not make and is not expected to make any political contributions, or donations, whether monetary or other, in any kind of political party or their agencies, institutions or representatives.

10. Acknowledgment of UPAC’s Code of Business Ethics and Conduct Form:

UPAC’s Code of Business Ethics and Conduct outlines the fundamental obligations of all UPAC personnel.

I acknowledge that I have read and understood UPAC’s Code of Business Ethics and Conduct and agree to the obligations and conditions expected of me as a member of this organization.

In the unlikely event that the Code conflicts with any other internal corporate policies, the Code shall take precedence unless it is otherwise clearly stipulated in a particular policy, or unless stipulated by law. This Code does not constitute an employment contract. UPAC reserves the right to modify this Code at any time to the extent permitted by law.

I hereby agree to adhere to the conditions contained within this Code, and agree to comply with its content in all cases and in full confidentiality. I agree to return this form back to Human Resources in the event of my departure from the Company.

This document consists of 14 pages.

Name:

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Signature:

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Date:

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*Please submit your completed form to the Human Resources Department*