

Rules of Professional and ethical conduct for Bank Albilad Suppliers

Date: March01, 2017

Dear Suppliers,

Out of the endeavor to create a relationship based on mutual trust, good conduct and long-term relationships that ensures success for all parties, Bank Albilad is highly proud of being committed to engage in its business with the highest ethical and legal standards.

The objective of the Rules of Professional and ethical conduct for Bank Albilad Suppliers is to comply with the relevant regulations, laws, by-laws and resolutions applied in the Kingdom of Saudi Arabia, together with all Bank Albilad's internal policies, procedures and instructions, including but not limited to the code of professional and ethical conduct and dealing with gifts policy.

Out of compliance with these rules, Bank Albilad shall apply a preference criterion within the Supplier Selection Procedures. Therefore, these rules shall be read very well while understanding all the standards and principles, in addition to recognition and adherence thereto as a key prerequisite for participation in any tender. Additionally, we hope to inform your employees of these rules, act accordingly and to be applicable to everyone.

We are looking forward to receiving your responses as much as looking forward to your permanent and prosperous relationship.

Best Regards,

Contracting & Procurement Department Manager

Mr. Mazen Fahad Al Khalifa

Background

Bank Albilad shall abide by all the highest integrity, ethical and legal standards and comply with regulations, laws, by-laws and relevant resolutions applied in the Kingdom of Saudi Arabia, together with all Bank Albilad's internal policies, procedures and instructions, including but not limited to the code of professional and ethical conduct and dealing with gifts policy, in facilitating its business. Bank Albilad expects and requires all those engaging in businesses therewith the recognition and approval to comply with the rules of professional and ethical conduct for Bank Albilad suppliers, while everyone shall be aware of and abide by all laws, regulations, policies, and procedures referred above and applicable to that effect.

Trust constitutes the basis of our relationship, as Bank Albilad does not absolutely tolerate with any violation of conflict of interests rules. As such, all Bank Albilad's employees and its suppliers' employees shall act according to the rules of integrity and honesty at all times.

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1. Compliance with of Laws, Regulation and Rules:

Any supplier, contractor, service provider, or any person dealing with Bank Albilad of whatsoever title shall abide by all laws, regulation and rules as is illustrated in the purchase documents and agreements with regard to contracting or the documents governing its relation in Bank Albilad.

2. Environment, Health and Safety Practices:

- The supplier shall be liable for compliance with the related general policies in the environment protection field, along with health and safety regulations and performance of its duties in a way not exposing others to risks.
- The supplier shall provide its employees with a safe and healthy workplaces and the supplier shall conduct effective programs for developing and improving the work environment.
- The supplier shall apply a health and safety management system and shall recommend to apply a health and safety management program ISO 45001 or equivalent or similar system.

For further information, the supplier can refer to the International Standardization Organization's (ISO) websites <http://www.ios.org> or British specification and standardization institution group (BSI) <http://www.bsigroup.com> .

3. Supervision and Compliance:

The supplier shall be responsible for its own compliance and compliance of its employees with the standards and requirements of such rules, monitoring the ongoing commitment of what is stated therein and supervising its business activities. Internal reviews along with investigations and auditing must be conducted on a periodic basis for ensuring adherence to such rules and requirements thereof. Furthermore, the supplier shall be deemed responsible for ensuring its employees knowing and understanding the standards of such rules. The supplier shall hold accountable for its employees' behavior and conduct and ensure they are not in violation of what is stated in these rules.

Bank Albilad and its suppliers shall be jointly responsible for execution of such rules, and the supplier shall confidentially disclose to Bank Albilad all existing and potential incidents that

may give rise to a conflict of interests and unethical or fraudulent behaviors by a party, including the supplier's or bank's employees in connection with any of the bank's acts of purchase or private contracting. The supplier shall cooperate with Bank Albilad with respect to any inquiries or investigations related to prior, current, or potential incidents that involve unethical or fraudulent behaviors or a conflict of interest in connection with Bank Albilad's business.

4. Work's Ethical Practices:

Bank Albilad and its suppliers shall be engaged in their business according to the highest standards of ethical and professional conduct and the supplier is expected to abide by such requirements in each of the following fields:

4.1. Fair Commercial Practices:

The supplier may not involve in conspiracy tenders, discriminatory prices, or practices in violation of the competition principles or other unfair business practices.

4.2. Respond to Bank's Invitations:

When inviting suppliers and being undesirous to participate in the tender, they shall send a letter of apology for non-participation to ensure the bank will continuously inform them of the future tenders.

4.3. Ethical sources of goods and services:

The suppliers shall, once bringing their goods and services from third parties, ensure they are satisfying at least standards of the country of origin with regard to health and safety, business hours, wages, employment conditions and environmental protection.

4.4. Relationships and Communications:

Bank Albilad's code of ethics and professional conduct rules requires that all transactions shall be concluded in a fair and integral manner in accordance with the highest ethical standards. Abuse or violation of any rules and ethics of business mentioned in the above-mentioned code along with the content of these suppliers' rules are detrimental to the honesty. The suppliers and their employees shall avoid even inappropriate or unethical appearance in the field of relations, procedures and communications related to the currently existing or proposed business relations with Bank Albilad.

Bank Albilad considers a conflict of interest and improper business practices when its existing and former employees exploit any information confidential or of a propriety right, whether commercial, technical, or other information obtained during working for Bank Albilad, with the purpose of influencing the bank's existing or proposed business transactions to gain a personal business benefit, benefit any other party or harm Bank Albilad in any other way either during their employment, at the end or upon termination of their employment.

The suppliers may not attract or encourage and attempt to benefit from any existing or former employee of Bank Albilad in any way that may make him/her disclosing or providing any information or revealing any of the bank's commercial secret or material or other prohibited information obtained during the course of his/her work, with the purpose of influencing existing, proposed or potential business transactions with Bank Albilad in consideration of a commercial benefit.

4.5. Integrity and anti-corruption

Bank Albilad sets high values of integrity, transparency, and anti-corruption and is fully committed to the applicable laws, by-laws, regulations, accounting standards, internal accounting controls, and applicable auditing practices in addition to the bank's anti-corruption and fraud policies and controls. The bank shall be keen about application and compliance with them by all its employees, dealers and suppliers, each according to its competence. The supplier shall abide by fighting all forms of corruption, extortion, embezzlement, and means of illicit gain. Therefore, the suppliers or their representatives may not pay, provide, lend, promise to pay, exchange or any other acts, any money, assets, services, benefits or interests as bribery, commission, temptation or other forms of corruption which aim at affecting or weakening the provisions or conducts of Bank Albilad or its representatives.

4.6. Integrity and anti-fraud & corruption

Bank Albilad is always keen on consolidating the relationship and promoting the trust between the bank and its customers and dealers without compromising or waiver of commitment to laws, legal

rules, sharia principles and provisions, in addition to rules and principles of professional and ethical conduct in general, and principles of disclosure, transparency and accountability in particular.

Pursuant to the Bank Albilad Gift Dealing Policy, the bank shall prohibit -as a general rule- accepting, taking, offering, or presenting any gifts or promising to do so, except in a limited and exclusively specific cases without prejudice to the related laws, governing legal rules and Sharia provisions.

As a general rule, all Bank Albilad officers and employees are prohibited to:

- Request or accept for themselves or for others, directly or indirectly, any gift or a promise of gift.
- Give or permit to give any gift or promise of the same to any person, directly or indirectly.
- Working on avoiding application of any rules, controls or requirements set out in the bank's related policy and rules, such as payment of the gift's value to the other party directly.
- Request or ask for any expenses for purchasing any kind of gifts from any natural or legal person.

Exceptional Cases of gift acceptance (Controls & Mechanisms):

As an exception of the rules, control and general provisions, gifts presented to the persons –in their capacities- during visits and meetings, may be accepted in cases rules of courtesy, protocols, along with Social and Islamic norms require accepting the same in accordance with certain controls, most important of which are as follows:

- The gift may not be in cash or any kind of cash alternatives such as (commercial papers, money bills, traveler's checks, Gift cards and certificates, purchase vouchers, etc...)
- The person giving the gift shall have no personal or public interest, and the gift may not be given against performance of any formal or informal work or refraining from a work done or will done by the member, officer or employee, directly or indirectly, or in consideration of revealing any exclusive or confidential official information.
- The gift itself shall be traditionally and legally acceptable whether in terms of its type, nature, shape or value (moral or material) in the occasions during which it is given, such as calendars, agendas, banquets, and events given to the officers by virtue of the nature of their work.

4.7. Diversity and Non-Discrimination

The supplier shall fight all forms of discriminations and promote the principle of equal opportunities for all employees.

4.8. Force to work

The supplier shall not use any form of obligatory or compulsory work, while the work shall be voluntarily. The supplier and must not ask the workers to provide deposits or force them to sign debt securities as an employment condition.

4.9. Disclosure of Interests

The supplier shall ensure the validity and correctness of all data it provided with regard to the disclosure of interests in accordance with Bank Albilad Conflict of Interests Policy. The supplier shall immediately disclose all expected or potential events, circumstances, or changes made or will be made in the ownerships, legal status or relationships that may affect the disclosure whether it is a direct or indirect effect.

The supplier should be aware that the bank would not tolerate any kind of omission or concealment of information with the excuse of ignorance of the rules and regulations or lack of direct impact, etc.

5. Preferred Products

The supplier shall ensure that the priority would be given to the products and services of national origin in accordance with the national product preference rules.

6. Quality of Deliveries

The supplier shall consider that Bank Albilad is highly keen on receiving the services or goods at a level and method that ensure conformity to the best standards and specifications of acceptable quality. Therefore, it is hoped that the supplier prove conformity to the quality requirement in its offers. This requirement shall be also applicable to the implementation reports.

7. Confidentiality

“Confidential Information” concept includes but not limited to any of the bank’s documents, data or information undeclared to the public while their exchange or publication is associated with restrictions set by the bank, or by the law or any binding regulations, whether they are physical such as paper documents, etc. or non-physical such as information verbally received or stored in electronic media (electronic or digital documents).

Bank Albilad considers any breach of confidentiality; any unauthorized disclosure, or any use of the information owned by the bank or its confidential information to be very serious issue (without prejudice to other legal and contractual rights of the transaction). In addition, the bank may not hesitate to cancel the qualification of any potential supplier or end any existing relation with any current supplier when the bank proves that the supplier has breached the confidentiality obligations.

Each supplier, its own employees, and Bank Albilad employees must comply with high professional and ethical standards in their dealing with the confidential information.

These standards must include at least the following:

- Not to receive or reveal any confidential information to another party/person without signing the confidentiality agreement (Non-Disclosure).
- Confidential information shall be treated under the terms and conditions of the confidentiality agreement approved.
- The officer/employee who receives or submits confidential information shall read and implement the terms and conditions contained in the confidentiality agreement with utmost accuracy.
- All advertising materials, press releases or publications referring to Bank Albilad or any existing or potential relationship with a supplier shall be approved by the bank's Marketing and Communication Sector prior to their publication and use in any form. To contact with the Marketing Sector: Mmarketing@bankalbilad.om

8. Application

These rules shall be considered as a compliment and general description of what Bank Albilad expects and requires with regard to its suppliers, while provisions hereof may not be construed as an alternative to any of the supplier's obligations provided for in the rules, agreements, contracts or any other provisions mentioned in the call for submission of proposals, bids and other Request for Proposals documents, agreements and information concluded between the bank and the supplier.

These rules constitute an addition to those obligations. In case of any conflict between these rules and any existing agreements, contracts, Requests for Proposal documents or information, the conditions contained in these agreements, contracts or documents shall prevail to that effect.

The requirements and demands of these rules are not subject to assignment, and the bank, its suppliers, employees or representatives shall have no right to suggest or approve any behavior that contradicts the suppliers' behavioral rules.

9. Declaration

I,..... nationality, as per ID number/..... in my capacity as the owner/director ofCompany /Establishment ,enrolled in the Commercial Register under number ,dated....., do hereby declare voluntarily and in my duly and legally considerable capacity and ensure that:

- I have read the Rules of Professional and ethical conduct for Bank Albilad Suppliers, and undertake acting and adhering to the content hereof.
- All our employer have been informed about the rules of professional and ethical conduct for Bank Albilad suppliers and were enabled to read these rules while ensuring that they are fully aware of all the content hereof. Furthermore, we ensure that this declaration includes the suppliers and subcontractors whereby execution is made in our dealings with the bank. The Abovementioned Company/Establishment shall bear all responsibilities and consequences arising due to violation of the content of these rules.

Identity, capacity and authority of the undersigned on behalf of the mentioned Company/Establishment were checked by reviewing his/her original ID, together with the relevant Company /Establishment's documents submitted to the bank and he/she signed before me.

Company's Representative

Signature

Stamp