



CODE OF ETHICS

Performance with Integrity

April 2019



INTEGRITY LETTER FROM THE PRESIDENT

As one of the largest distributors and service providers of technology and payments solutions in the Middle East, we are now a Company of more than 600 employees working in the GCC. Alhamrani Universal Company (“AU”) has developed a reputation of performance with integrity! It is the foundation upon which AU is built and the foundation which we will continue to grow to reach our goals. Ultimately, our good reputation is our most valuable asset.

We must hold ourselves to the highest standards of ethical conduct every day, in every transaction and everywhere we do business without compromise. We must create and maintain a culture where employees are secure and comfortable knowing that all compliance issues will be addressed and that there will be no negative consequences for those who raise concerns.

The attached Code of Ethics is designed to help all of us understand the obligations of the domestic and foreign corrupt practices laws to allow us to preserve and enhance our strong reputation of compliance with the law.

The consequences of failing to embrace a strong compliance culture can be dramatic and painful. This Policy helps us meet that responsibility. It is designed to help you understand our ethical standards and how important they are to our business growth, health, and sustainability.

We each have a responsibility to maintain a compliance culture where unethical kinds of activities such as Money Laundering, Bribery and Corruption cannot take root. **To make sure we maintain this culture**, I ask three things from each employee:

1. Read and understand our Code of Business Ethics
2. Comply with the Code of Business Ethics (both the letter and spirit) in everything you do. Lead by example and don't compromise your integrity for anything or anyone; and
3. Report any compliance concerns you have through one of the many channels available to you. You are the “guardians” of this business on compliance. We strictly prohibit retaliation of any kind against anyone for raising or helping to address compliance concerns.

AU's fine reputation remains in the hands of every AU employee. I am confident that we will maintain that well-founded reputation in the years to come.

Thank you for your commitment for building and maintaining a world-class compliance culture at AU.

Tariq A. Abdat
President



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OUR COMMITMENT

1. Learn and Understand AU Code of Ethics:

- AU Code of Ethics applies to all employees, directors, managers and third parties representing Alhamrani Universal Company and its wholly owned affiliates (“AU” or the “Company”).
- Understand the policies in our Code of Ethics.
- Know the details of the Code of Ethics policies that are related to your specific job.
- Attend the compliance training assigned to you as scheduled.

2. Adhere to the Code of Ethics in every task you do:

- Be a role model – create and maintain a compliance environment and personally lead compliance efforts.
- Creates an infrastructure to prevent, detect and respond to compliance issues.
- Include compliance performance when hiring, evaluating and rewarding employees.
- Identify business compliance risks and build processes to prevent/manage those risks.
- Immediately raise and address compliance issues that arise.
- Consult with the Company Compliance when asked to participate in any case to government authorities and regulators.

3. Report compliance violations immediately:

- Speak up – it is better to immediately report violations to reach good results.
- Know all channels available for reporting compliance violations and issues.
- Collaborate in compliance investigations of violations or concerns.
- Do not retaliate against any person for reporting a violation or concern.



ANTI-CORRUPTION

Our Policy

Laws all over the world, prohibits corruption and bribery as it can hinder growth of economy and its stability. AU ensures in its commitment that all of the company business dealings are built on legal, ethical and best practices.

AU prohibits all of its employees of giving, receiving or participating with any form of bribery or facilitation in bribery payments. All business gifts and hospitality must not create an improper business advantage and should be exchanged in clean and good intention manner. These restrictions also apply to the actions of third parties — such as contractors, consultants, and agents — taken on our behalf or for our benefit.

These standards are intended to protect AU and avoid exposing AU and its employees to reputational, financial and other penalties, including imprisonment.



ANTI-CORRUPTION

Integrity in Action

Q You work in the Sales Dept., and a customer is organizing a three days event for his suppliers at an exclusive hotel, and invites you and your spouse to attend this event expense free. The business meeting will be only one day. Should you accept the invitation?

A No. The hospitality event offered by the customer is excessive and violates AU Gifts, Entertainment and Travel Policy, specifically since you are authorized to award business to this customer. You should discuss with Company Compliance whether you could attend (without your spouse) under the condition that AU pays for your accommodation and hospitality, or whether you could attend the business portion of the event only.

Q Can you ask a potential supplier to sponsor a basketball team where you are member of this team?

A No. Even if this was not your intent, your request for the sponsorship could be perceived as being made in exchange for giving the potential supplier an unfair advantage in the company's supplier selection process.

Q You worked very well to win an important contract for AU from a new customer. Before the customer send its award decision, a third party contacts you and tells you that he has a special process with the customer's procurement manager and asks if AU would like his assistance. Should you accept his offer?

A No. This indicates that the third party may be trying to offer you a bribe or otherwise provide AU with an unfair business advantage. You should consult the Company Chief Compliance Officer on what to do best.



AU DEALINGS WITH THIRD PARTY

Our Policy

Our dealings with customers and suppliers must be based on lawful, ethical and fair practices. When selling our products or services, or conducting or representing our interests, we must never offer valuable things to gain improper advantage. Our suppliers must comply with all applicable laws, including anti-corruption, employment and environmental laws. Building and preserving the reputation of AU and its employees is based on the integrity of our third party dealings. On the contrary, unethical dealings of third party can badly damage our company reputation.



AU DEALINGS WITH THIRD PARTY

Integrity in Action

Q You are about to sign a new contractor for one of your customer's projects civil work, when you learn that three members of the contractor's management team, including its GM, were recently convicted of fraud. Would you sign the contract with this contractor?

A No. With such bad records of this contractor's management team, you should look for an alternate contractor. AU's good reputations rely on dealing with reputable third parties who are committed to ethical business practices.

Q A new supplier is offering a good quality, low cost and reliable delivery with very competitive prices. You are not sure about the authenticity of its products. Do you award business to this supplier?

A AU deals only with authentic products suppliers to keep its good reputation. In light of your concerns, you should consult with your manager and Company Compliance to determine appropriate steps to determine the suitability of the supplier.



WORKING WITH GOVERNMENT AGENCIES

Our Policy

We deal sometimes with government agencies and officials during our business activities. We must adhere to the highest ethical standards, and comply with all applicable laws and regulations, including special laws and regulations relating to the sale or purchase of products and services and anti-corruption and anti-bribery laws of Saudi Anti-Corruption Law, FCPA and UKBA.

Any violation of a law or regulation relating to interactions with the government agencies, may subject both the Company and the individual employee to criminal penalties, which may include fines and jail sentences, or imposing penalties such as damage awards, fines and debarment from future contracts.



WORKING WITH GOVERNMENT AGENCIES

Integrity in Action

Q If the sales by my Business Unit to a government agency are through an intermediary (distributor or a subcontractor), must we comply with this policy?

A Yes. Even been a subcontractor may not expose us to all risks covered by this policy, all requirements of honesty and integrity in all contracts and submissions still apply.

Q If we have a PO from a government agency which has specific procurement requirements for the seller, can these requirements be ignored since we did not discuss and agree to them?

A No. Most of the POs provisions of the government are considered not to be rejected. When engaged in sales to a government agency, you should consult with the company Legal Department.



FAIR EMPLOYMENT PRACTICES

Our Policy

Our company is a multi-culture backgrounds workforce. We have an obligation to make and promote a culture of respect and fair employment practices that prevent any type of unlawful discrimination. We make sure that we comply with applicable employment law when recruit, hire, discipline, dismiss and compensate in a manner that honor employees.

We are required to rely on each other to perform our job tasks despite of personal backgrounds or characteristics so that we all can reach our full potential. For us to accomplish this objective, all employees must be treated with respect and honor in all interactions. We anticipate all employees to be aware of, and to adapt to the cultural differences among all of us.

We will recognize all local labor and employment laws and where we operate. This includes those laws that pertain to the elimination of any improper employment discrimination including all types of unlawful workplace harassment.



FAIR EMPLOYMENT PRACTICES

Integrity in Action

Q

What are the discrimination types prohibited by law?

A

AU is obligated to follow all applicable laws on non-discrimination in employment. Please consult the Company Compliance for the applicable legal requirements.

Q

How does the concept of “multicultural workforce” relate to fair employment practices?

A

Our work environment in which fair employment practice is performed, help us to attract and retain a high quality and diverse workforce. Multicultural initiatives complement our fair employment commitment and are aimed at fulfilling about a greater appreciation of the value and reinforce competitiveness of a workforce of employees from different cultures.



CONFLICTS OF INTEREST

Our Policy

The legal financial, business and other affairs outside of the Company work for employees, is their personal affairs. Nevertheless, such personal affairs must be lawful and carried out in a manner so as not to conflict with the employees' job responsibilities for the Company. Such employees must not use AU's name or resources for their personal affairs, use their position in the Company to obtain a personal benefit, give a relative or friend an unfair advantage or do anything that harm AU's good name and reputation. Manifesting a conflict of interest could have a negative impact on the Company and must be avoided.



CONFLICTS OF INTEREST

Integrity in Action

Q My job is in the operation facilities of our company. It came to my knowledge that a civil work contractor for one of our customer's whom his work is supervised by me likes to offer me a part-time job on weekends. Is there any problem if I accept his offer?

A Yes. You should avoid even such manifestation of a conflict of interest. When you are in such situation, you must inform your manager of the offer. Your manager will decide if it is appropriate for you to accept this offer since this would require you to give up supervision duty for the contractor of that customer.

Q A friend of mine was hired as supervisor for one of the suppliers for our company where I work as an operation manager. In the past, I have occasionally approved the use of their products when we have a business need. Now that my friend took this job, do I need to let my manager know about it?

A Yes. This is a pure conflict of interest. You must notify your manager and Company Compliance of your friend relationship with the supplier, and you should not participate in any decisions regarding the use of that supplier.



MONEY LAUNDERING

Our Policy

Money laundering is the generic term used to describe the process by which criminals of terrorism, narcotics, bribery and financial fraud disguise the original ownership and control of the money of criminal conduct by making such money appear to have derived from a legitimate source.

Money laundering is a growing problem in our global economy where more than 100 countries now have laws that make it a crime to accept or process the money of criminal activities.

We are fully obligated to complying with all anti-money laundering and anti-terrorism laws throughout the world. Conducting business will be only with reputable customers involved in legitimate business activities, where funds are derived from legitimate sources. All of our customers and suppliers go through a risk-based “Know Your Customer” due diligence procedures and we take reasonable steps to prevent and detect unacceptable and suspicious forms of payment. If we fail to discover any relationships and transactions that expose us at risk of being linked to improper money laundering can severely harm our reputation, and create a risk of criminal prosecution.



MONEY LAUNDERING

Integrity in Action

Q During one of the trade shows, a customer told you he started a new business. After a week, the customer places an order for surveillance system that is far larger than you would expect from a new start-up business. Prior to completing the order, you request a site visit to the customer' business facility to assess the legitimacy of his operations, and he refuses. Should you accept and complete the order?

A No. Given the customer unusual large order and his refusal to allow you to visit his site, you have a reason to be suspicious of this customer. Following the standard "Know Your Customer" procedures, you should not sell any product to this customer until you have received adequate assurances that his operation is a legitimate business.

Q A customer located in Dammam places a large order of ATM spare parts, more than his usual needs. The customer requests a drop shipment to Najran which has limited number of ATM locations, and offers a cash advance in the form of a money order because the order exceeds the customer's credit terms. Should you accept this customer's order?

A No. As this order is unusually large, the request of drop shipment and the payment by money order, this transaction raises several red flags all of which indicates the possibility of money laundering. You must reject the order and immediately notify the Compliance.



REPORTING COMPLIANCE CONCERNS

Our Policy

Efficient Compliance policies, is the strength of compliance culture that provide employees to speak up freely and report actual or potential compliance concerns without any retaliations, so that they can be treated quickly and effectively. All of us have an accountability to raise compliance concerns or violations instantly. Failure to do so can result significantly is an adverse outcome for AU and its employees. We strictly prohibit retaliation of any kind against employee for reporting or helping to address a compliance violations or concern.



REPORTING COMPLIANCE CONCERNS

Our Responsibility



SPEAK UP. As you are AU's guardians for compliance issues. Immediately report and raise any actual or potential compliance violation through the reporting channels available to you. The sooner a concern is raised and addressed, the better. In case you are not satisfied about how your concern is being addressed, please advise your manager or Company Compliance.

Be aware of the several channels that you have for raising compliance concerns, which include your manager, Compliance or the Compliance Hotline:

AU Compliance Hotlines

STC: **800 844 0102** | Zain/Mobily: **800 850 0402**

ALL COMPLIANCE CONCERNS SHOULD BE RAISED BASED ON A GOOD FAITH BELIEF in the legitimacy of the concern. A compliance concern should never be raised for the sole purpose of harming someone's reputation or employment status.

DO NOT TAKE ANY RETALIATORY ACTIONS against any person for reporting a good faith compliance concern or participating in a compliance investigation.



REPORTING COMPLIANCE CONCERNS

Integrity in Action

Q What shapes a compliance concern?

A The following are some examples of compliance concerns:

- A Violation of our Compliance Policies or applicable anti-corruption laws.
- A demand or request by others to violate our Compliance Policies or applicable anti-corruption laws.
- Not reporting immediately a known violation of our Policies or laws.
- Refusal to cooperate in investigations of possible Policy violations.
- Talking retaliation against another employee for reporting a compliance concern.
- Not to demonstrate “Know your customer” diligence to ensure compliance with our Policies.

Q What happens when a compliance concern is raised?

A Accordance to AU Compliance Investigation Guidelines, all Compliance concerns are thoroughly investigated in. Based on the nature and significant of the concern, the investigation process will include:

- Assigning an investigation team with members who have the proper expertise and objectivity.
- Conducting an investigation, including interviews and review of relevant documents.
- Recommending corrective actions to the appropriate managers for implementation and providing feedback to the person raising the concern.

Q Should I make a report if I am not sure my concern is a compliance concern?

A You should report your concern anyway. All reported concerns are evaluated according to AU Compliance Investigation Guidelines. We prefer to receive and evaluate a potential concern than risk having a real compliance violation go unreported. Reporting any concern, will allow the Company to make a timely assessment as to whether there is a compliance violation or not.