

Arabian Drilling Code of Business Conduct

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1.0 Message from CEO

As our company expands the frontiers of its business, it is constantly meeting new complex realities and challenges and it is important that our organization responds effectively and in accordance with its fundamental management values.

Arabian Drilling is committed to building a corporate culture of transparency and integrity based on ethical behavior and compliance with the law. This is essential for the long-term sustainability of our business in a competitive market environment.

However, neither this nor any code can address every situation or be a substitute for applying common sense and good judgment. When in doubt, seek advice from your direct supervisor, your Division Manager, Director, Internal Audit or the Legal Services, as appropriate.

The reputation of our business is the result of the actions each of us carries out every day. It is also a source of value for our customers and the communities where we operate, and one of the greatest assets we have. We count on each of you to proactively join our drive to promote best practices throughout our operations and reinforce the sustainability of our company.

Vision

Leading sustainable drilling services.

Mission

Evolve our business to add value to our people, customers, and shareholders by following the highest safety, technological, and operational standards.

Values

S.T.R.I.V.E for Excellence

SAFETY	The safety of our people is our guiding compass and guides all our actions. We adhere to the highest safety standards as we act to create operational excellence
TEAMWORK	We collaborate and coordinate our actions to empower each other to achieve exceptional outcomes.
RELIABILITY	We are consistent in our performance and always deliver on our commitment. We inherently value reliability to build long term relationships based on trust.
INTEGRITY	We are open and transparent in our conduct. We act with honesty, integrity and in compliance with our code of ethics.
VALUE	We create value for those around us through responsible, cleaner and safer access to energy community. As we highly adhere to Environmental, Social and Governance (ESG) standards in everything we do.
ENVIRONMENT	Our planet is our responsibility and all our actions are driven by our concern for the environment and our commitment to protect and preserve it.


 Ghassan Mirdad (Jun 8, 2023 19:06 GMT+4)
Ghassan Mirdad
 Chief Executive Officer
 Arabian Drilling


 Ghassan Mirdad (Jun 8, 2023 11:09 GMT+4)

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2.0 Introduction

The Code of Business Conduct applies to Arabian Drilling (AD) employees, contractors, subcontractors, commercial intermediaries, suppliers, and anyone who performs services for or on behalf of AD who might be capable of engaging in unethical behavior on AD's behalf. The Code calls for personal commitment to laws, honesty, company loyalty and transparency. These principles are not intended to be all-inclusive, but they do provide important information about the company's way of doing business.

This Code of Business Conduct defines guidelines and standards of integrity and transparency, which must be complied by all employees at all levels within AD.

As far as the nature of each relation permits, all principles detailed herein shall apply also to the relations that AD has with contractors; subcontractors; suppliers; associated persons, such as commercial intermediaries, non-commercial representatives, consultants, joint venture or business partners, or anyone who performs services for or on behalf of AD, whether paid or unpaid, all of whom might be capable of engaging in unethical behavior on AD's behalf.

Within the labor relationship established by AD, all employees must abide by the applicable laws, the external and internal regulations, the guidelines of this Code and any applicable internal policies and procedures, with a personal commitment to honesty, loyalty to AD and transparency in all work-related actions.

AD's employees are all expected to;

- (1) learn about and comply with the laws, regulations and AD's policies and procedures that apply to their job;
- (2) seek prompt advice and guidance if unsure about the course of action to take and encourage others to do the same;
- (3) be alert to and report any issues or potential violations to their direct supervisor or the Departmental Manager/ Director or the Internal Audit Department and;
- (4) never judge or retaliate in any way against an individual who raises an issue, reports a violation or participates in an investigation.

The following questions should be considered before making any work-related decision:

- Does the proposed action comply with applicable law and AD's internal policies and procedures?
- Does the proposed action comply with the letter and spirit of the Code of Business Conduct?
- Can the decision be justifiably viewed as the most appropriate course of action?
- Could the proposed action, if made public, compromise AD or be harmful to its reputation or its standing in the community?

3.0 Implementation of Code of Business Conduct

The Code is applied by Officers, Directors, Departmental Managers, the Compliance Department, the Internal Audit Department and the AD Board Audit Committee.

The AD’s Audit Committee will be the top-level decision making body for the implementation of this Code of Business Conduct by AD.

The Internal Audit Department, under the supervision of the AD’s Audit Committee, will resolve any question relating to the implementation or interpretation of the Code which cannot be satisfactorily resolved at the usual supervisory levels. The AD’s Human Resources Department shall implement the rules and procedures in order to ensure full compliance with the Code.

AD’s management shall take the necessary measures to ensure that all AD’s staff and all suppliers, agents, representatives, subcontractors, consultants and anyone who performs services for or on behalf of AD (all of whom might be capable of engaging in unethical behavior on AD’s behalf) know and understand the provisions of this Code and understand how it will apply in their workplace environment. AD’s management in consultation and with the assistance of the Internal Audit Department will ensure that training on the Code is provided to all AD employees.

AD’s employees requiring further information than that provided by their supervisors may contact the Internal Audit Department by e-mail at ethics@arabdrill.com.

4.0 Compliance

The guidelines set out in the Code take precedence over obedience to higher-ranking officials.

Agreement to comply with the provisions of this Code is a condition for employment in AD.

Compliance with this Code of Business Conduct shall be the exclusive and personal responsibility of every employee. In the event of any transgression, employees once informed of the Code’s application may not plead ignorance or obedience to higher ranking officials.

Employees should adopt a proactive attitude; avoiding an attitude of nonintervention in light of suspected violations, and act on their own initiative should they discover incidents of non-compliance with the Code in any kind of process.

All Managerial employees including Supervisors shall not approve or tolerate violations to this Code, and in case of awareness of such incidents, they shall report them immediately to the next higher management level or the Internal Audit Department (IAD).

Every employee should comply with the guidelines in this Code and cooperate with internal investigations when required.

Depending on the seriousness of the violation and applicable laws, disciplinary action may lead to dismissal and to legal action being initiated even after dismissal.

5.0 Reporting Violations

The Code regulates the development of a Compliance Line, with an option to keep reporters' identities confidential, and respects the right of defense of the staff involved.

Arabian Drilling has established and encourages the use of an Ethics Line or Mobile Number for any question, request for guidance or report of situation or conduct contrary to this Code.

Email: ✉	ethics@arabdrill.com
Phone: ☎	+966 50 953 7766

This communication channel will ensure the mechanisms to prevent any punitive measures against employees who contact the Compliance Line.

The Ethics Line will operate according to procedures designed by the Internal Audit Department under the direct supervision of the AD Audit Committee.

Callers to the **Ethics Line** may ask that all records regarding their report use an assumed name in order to safeguard the confidentiality of their identity.

AD's management will take the necessary measures to ensure complete confidentiality of the information received, a fair treatment for the personnel involved in violations of the Code, and the right of defense of any such personnel.

6.0 Compliance with the Law

Employees must comply with applicable laws.

All employees shall abide in all cases by the laws to which AD is subject to, including the laws in force in different countries in which AD has operations or dealings. Employees should be aware that, because of AD's global operations, inappropriate conduct in one country can subject AD or its employees to legal liability, not only in the country where the misconduct occurs, but potentially in other countries. If there is any question whether a proposed action or other occurrence may subject AD to legal liability in any country, employees should immediately present the issue to their direct supervisor, or the Internal Audit Department.

From time to time, AD issues policies, regulations and guidelines to better achieve its business purposes, follow best practices and comply with regulations imposed by the various jurisdictions in which it conducts business. While AD always strives to effectively communicate such policies, regulations and guidelines, employees are also expected to determine which ones are applicable to them. Employees can consult AD Compliance for assistance in this regard.

7.0 Transparent Management

Information furnished must be accurate and decisions transparent.

Employees should take the necessary steps to ensure the transparency of information and decision-making.

For the purposes hereof, information is transparent when it accurately reflects reality.

A decision is defined as transparent when it meets all of the following conditions;

- It has approval at the appropriate level as set forth in the applicable policy or procedure.
- It is based on a reasonable analysis of the risks involved.

- It leaves records of its rationale.
- It places the best interests of AD ahead of personal interest.

8.0 Conflict of Interest, Duty of Loyalty and Non-Competition

Conflict of interest must be disclosed.

A real or potential conflict of interest exists when a relationship between the employee and a third party might affect the interests of AD.

In their relationship with customers, suppliers, commercial intermediaries, contractors, and competitors, employees shall prioritize the interests of AD over any situation that may lead to a real or potential personal benefit, for themselves or any of their relatives or associates.

Conflicts of interests involving AD personnel must be fully disclosed in writing as required by AD's regulations. This disclosure must be made in accordance with internal policies and procedures or when AD might consider it appropriate.

Any work-related conduct that brings to employees or their relatives and associates, any unauthorized personal benefit that would harm AD or any of its stakeholders (shareholders, customers, suppliers, other employees, or the community), shall be considered contrary to the principles of this Code.

9.0 Gifts and Entertainment

Promising, giving and acceptance of gifts are restricted.

Promising, giving and receiving gifts, meals and entertainment can be a part of building business relationships.

However, neither AD employees, nor any person who performs services for or on behalf of AD, should offer, promise, give, request, agree to receive or accept excessive or inappropriate invitations, gifts, meals or entertainment that could create or imply improper influence or obligate any recipient.

AD employees should exercise care in dealings with employees of private companies, as well as employees or officials of government agencies and government-affiliated entities, to ensure there can be no suggestion of impropriety.

Employees may give and accept courtesy gifts, meals or entertainment of modest value, such as small presents or hospitality gifts, only when such is not intended to bring about improper performance and could not be construed by an impartial observer as aimed at providing or obtaining undue advantages.

Employees must inform their direct supervisor if, they are offered, or expect to receive, invitations, gifts, meals or entertainment exceeding **SAR 400 (Saudi Riyal Four Hundred)** from one entity or individual.

Employees receiving or being offered gifts, meals or entertainment or special treatment which exceeds normal courteous relations must inform their direct supervisor of the facts in order to request instructions regarding the appropriate response.

Under no circumstances may cash or goods easily converted into cash be given or accepted.

Invitations to attend business-related events, conferences, conventions, commercial presentations or technical courses shall be authorized at the appropriate managerial levels.

These restrictions on the receipt or provision of invitations, gifts, meals or entertainment are equally applicable to relatives or associates of any person with whom any AD employee may be dealing or interacting with in any AD-related matter.

10.0 Use of Assets

AD’s assets must be used with care and responsibly.

Employees shall ensure that AD’s assets are used for the intended purposes and by duly authorized persons.

Every employee has a responsibility to protect AD’s property and other tangible and intangible assets against any unauthorized use, breach of trust, damage or loss through negligence or criminal intentions.

11.0 Security of AD’s Information

Information must only be accessed by authorized personnel and protected from undue disclosure.

Only duly authorized persons, and subject to any restrictions imposed by applicable law, may have access to AD’s internal physical, magnetic, electronic or optical information, and it may only be used for the purposes and periods specified in the authorization.

The Password is equivalent to an employee’s signature. It may only be known by its owner and disclosure to third parties is not permitted.

Employees are directly responsible for taking the necessary steps to safeguard AD’s information from damage or loss and to ensure its safe custody for the period established in the internal rules and regulations.

12.0 Confidentiality of AD’s Information

Information that must not be legally disclosed should be kept confidential.

AD employees must keep confidential all the information to which they have access in the performance of their work for AD, even if such information is not classified or is not specifically about AD (for example, information about shareholders, customers, competitors, suppliers, markets, public organizations, etc.), and regardless of the manner in which such information is obtained or communicated. Such obligation includes, without limitation, information obtained or communicated orally, in writing, electronically, by way of inspection of books and records, through voice or image recordings or in any other form, as well as information maintained in paper or digital documents or files, images, sound, voice and video recordings or in any other format.

Some employees have access, either on a regular basis or only on certain occasions, to confidential information through the work they do. This could include, for example, information related to sales, marketing and business plans, financial data, technical product information, merger or acquisition activity, senior management changes, trade secrets, current and future products or services, research and development activities, inventions, potential contracts, market research, not-yet-released financial results or information, financial projections, organizational charts and information, information stored in AD’s data storage systems, or a range of other information.

AD’s confidential information should never be shared with any person who does not need to know such information to perform work or a service for AD. As a general rule, confidential information can only be shared with authorized parties. Even within AD, confidential information should be shared only on a need-to-know basis. Personnel should follow all security procedures and be on the lookout for any instances that could lead to loss, misuse, or theft of AD’s information or property.

Confidential information of others with whom AD does business or interacts with must also be respected.

In case of doubt, all information should be presumed confidential and treated carefully. AD’s confidential information should always be protected to avoid improper or unintentional disclosure. Confidential

information should not be used to benefit another employer or outside business or inventions not sponsored by AD.

Non-disclosure shall be maintained, in line with applicable laws, until the corresponding information is made public. The obligation to protect confidential information continues for the employee even after the employment relationships ends.

Non-compliance with the obligation of confidentiality will be considered a serious violation, if it involves disclosure or facilitating the disclosure of non-public information related to AD’s undertakings or activities.

13.0 Use of Technological Resources

Hardware and software must be used only for corporate purposes or other expressly authorized uses. Use of non-licensed software is strictly prohibited.

Employees may not use AD’s equipment, systems and technological devices for purposes other than those authorized by AD.

The use of software that does not comply with official AD’s standards is not permitted, unless authorized in writing by the respective technical areas. Employees must refrain from bringing into AD’s technological environment illegal copies of software.

Employees operating technological resources shall be informed about user restrictions and shall not violate licensing agreements or do anything to compromise AD’s responsibility or subject AD to liability to any third party or governmental authority.

Technological resources shall be handled in accordance with the operating policies and procedures defined by the corresponding departments.

AD has the right to monitor, at any time and without any notice, the use of its information technology resources, and therefore to access, review, copy or retrieve, files, documents, records, databases, electronic messages (including both business and personal messages), internet activity and any other information generated through the use of AD’s information technology resources. Accordingly, users of AD’s information technology resources should not have any expectations of privacy over information or communications generated or transmitted through, or stored in, AD’s information technology resources.

Information and data stored on AD’s premises and information technology resources (including AD’s computers) belong to AD and, accordingly, AD may choose to provide this information to regulators or other third parties if it deems it necessary or advisable.

14.0 Intellectual Property Rights

Copyright on any know-how developed in the workplace environment is reserved to AD.

Proprietary rights over any knowledge developed in the workplace environment belong to AD, which upholds its right to exploit such knowledge in the manner and at the time it considers most suitable, in accordance with applicable laws.

The ownership of intellectual property includes plans, systems, procedures, methodologies, courses, reports, forecasts, drawings or any other activity performed in or contracted by AD.

15.0 Internal Control Environment

All employees, in their respective functions, are responsible for abiding by and assisting in assuring the proper functioning of internal controls.

It is AD's policy to disseminate, at every level of its organization, a culture characterized by an awareness of the existence of controls and a control-oriented mentality. A positive attitude towards control is to be achieved in order to increase the efficiency of AD's activities and to ensure that AD's business is conducted in a way that is consistent with established best practices, AD's policies and procedures, and all applicable laws.

Internal controls are all those necessary or useful tools for addressing, managing and checking activities in AD; they aim at ensuring respect of this Code and the policies and procedures that have been or will be established throughout AD. These controls aim at protecting corporate assets, efficiently managing operations, providing precise and complete accounting information and preventing illegal conduct.

Management is principally responsible for building an efficient internal control system but employees at all levels of the organization are responsible for adhering to established controls and for identifying and addressing any perceived weaknesses or failures in the proper functioning of internal controls.

16.0 Accurate Record and Reporting

All employees, in their respective functions, are responsible for the creation and maintenance of accurate records.

It is AD's policy that;

- (1) AD's books and records should reflect transactions in conformity with accepted methods of reporting economic events,
- (2) misrepresentation, concealment, falsification, circumvention, and other deliberate acts resulting in inaccurate records are unlawful and will not be tolerated, and
- (3) transactions should be properly reflected on AD's books and records in such a manner as to permit the preparation of financial statements in conformity with applicable accounting standards. Also, the term "records" is broad, including virtually any form of information made or kept by AD.

17.0 Commercial Incentives and Bribery

Commercial incentives must be consistent with applicable laws and market practice and must be approved in accordance with AD's procedures.

The grant of any commissions, discounts, credits and bonuses must be performed in accordance with existing legislation and officially granted to legally recognized organizations with the corresponding supporting documentation.

Even if it complies with the above-mentioned requirements, any commercial incentive must be in line with market practice, at authorized values and following applicable policies and procedures.

Employees should not give anything, for example, money, gifts, travel expenses, excessive entertainment or any other advantage to anyone, that is or could be construed as;

- (1) intending to influence the decision of government officials or political representatives
- (2) intending to improperly influence anyone in the performance of a relevant function or activity, or
- (3) a violation of any applicable laws or regulations.

AD will not permit the use of representatives, intermediaries, agents, subsidiaries or joint venture companies to give, or promise to give anything to anyone on behalf of AD to avoid this prohibition.

Employees should exercise particular care in dealings with government officials, which should be interpreted widely to include employees or officials of government agencies, government-affiliated entities, or government controlled entities, including government-affiliated commercial entities to ensure there can be no suggestion of impropriety. No meals, gifts, travel or entertainment may be given to, or paid for on behalf of a government employee or official or private person, directly or indirectly, as per the principles of the Code.

Bribery is Strictly Prohibited.

AD will not condone, under any circumstances, the offering or receiving of bribes or any other form of improper payments.

While most countries have laws which make it illegal to engage in bribery, some of these laws criminalize not only bribery acts committed within the country’s territory but also acts of bribery taking place abroad.

A breach of any of these laws is a serious offence which can result in fines for AD and imprisonment for individuals.

18.0 Workplace Environment

Prohibits unlawful discrimination in employment relationships.

All persons have the right to apply for a position in AD or to be considered for a new position in accordance with opening requirements and merit criteria, without arbitrary discrimination.

All employees, at all levels, shall cooperate to maintain a respectful environment should there be personal differences.

AD has already implemented policies in line with applicable laws aiming to promote a healthy and safe workplace environment.

Harassment-Free Workplace

Arabian Drilling is committed to providing a workplace free of all types of harassment. AD strongly disapproves of, and will not tolerate, harassment of employees by managers or co-workers. AD will also provide a work environment to protect employees from harassment by non-employees in the workplace.

Harassment includes verbal, physical and visual conduct that creates an intimidating, offensive or hostile working environment or that interferes with work performance. Some examples include racial slurs; ethnic or sexual jokes; offensive statements, posters or cartoons; intimidation tactics; distribution of inappropriate jokes or offensive language on electronic mail or any other AD computer or networks; use of pornographic screens or software; or other similar conduct. Sexual harassment includes behaviors such as solicitation of sexual favors, unwelcome sexual advances or other verbal, visual or physical conduct of a sexual nature.

19.0 Relations with Community

Relations with government officials are regulated.

All employees of AD must respect the legislation and regulations regarding relations with local government officials, and should at all times act in accordance with [section 9.0](#) and [section 17.0](#) of this Code when dealing with government officials.

20.0 Respect for Environment Legislation is promoted

Arabian Drilling aims to achieve continuous improvement in environmental performance, concentrating its efforts on areas of greatest impact at our service locations, yards and office sites. AD seeks to comply and expects all employees to comply with the spirit as well as the letter of applicable environmental laws and regulations. Where none exists, employees must set themselves appropriately high standards.

AD is committed and expects all employees to be committed to driving down the environmental impact of AD's operations through the efficient use of resources, transport planning, the reduction of waste and emissions and the careful handling of hazardous substances.

AD's environmental standards apply to all locations and aspects of our business.

21.0 Insider Trading

As a listed company, all Arabian Drilling employees have to ensure that there is no trading of the company's securities based on Insider Information. This is in compliance with the rules of the Capital Markets Authority. It is an act of violating the law if any individual trade stock on "inside information".

The term "insider trading" generally is used to refer to the use of material, nonpublic information to trade in securities or to communications of material, nonpublic information to others who may trade based on such information. While the law concerning insider trading is not static, it is generally understood that the law prohibits insiders of the Company from doing the following;

- (1) Trading in the Company's securities while in possession of material, nonpublic information concerning the Company.
- (2) Having others trade on the insider's behalf while he or she is in possession of material, nonpublic information.
- (3) Communicating nonpublic information concerning the Company or other companies that the Company does business with to others who may then trade in the Company's securities or pass on the information to others who may trade in the Company's securities. Such conduct, also known as "tipping". Tipping results in civil and criminal liability for the insider of the Company who communicates such information.

22.0 Acknowledgement

ARABIAN DRILLING CODE OF BUSINESS CONDUCT - ACKNOWLEDGEMENT

Arabian Drilling (AD) is committed to the highest ethical and legal standards in the conduct of its business. AD employees at all levels are required to acknowledge and agree to abide by the policies and principles set forth in this AD Code of Business Conduct.

Acknowledgement must be signed by AD employees and the scan copy of Form shall be send through an email to; CompDept-ADC@arabdrill.com

Potential or actual violations of this Code of Business Conduct and other ethical irregularities should be reported directly to the Internal Audit Department by email, or telephone as detailed in [section 5.0](#) of this code.

ACKNOWLEDGMENT FORM

I hereby acknowledge and agree to abide by the policies and principles of **Arabian Drilling Code of Business Conduct**. I understand that the compliance with this Code of Business Conduct is a condition of employment.

I further acknowledge that I have read and understand all of my obligations, duties, and responsibilities under policies and principles mentioned under each provision of Arabian Drilling Code of Business Conduct. I will also read and understand all of my obligations, duties & responsibilities under all future amendments and modifications thereafter.

I understand that violations of Arabian Drilling Code of Business Conduct or policies and principles may result in disciplinary action including a warning, revision of responsibilities, and suspension without pay and/or dismissal.

I hereby represent and confirm that, I will comply with all provisions are set forth in this Code of Business Conduct.

Signature: _____

Employee Name: _____

Badge No.: _____

Job Title: _____

Department: _____

Date: _____

** After filling this Acknowledgement Form, please return to Arabian Drilling CompDept-ADC@arabdrill.com*