

# SAMI-AEC SUPPLIER'S CODE OF CONDUCT

Corporate Governance

SAMI Advanced Electronics Company (“SAMI-AEC”) is committed to the highest ethical and legal standards in the conduct of its business, and SAMI-AEC requires the same commitment from all Suppliers with which SAMI-AEC conducts business to acknowledge and agree to abide by and comply with the policies and principles set forth in the SAMI-AEC Supplier Code of Conduct.

Supplier shall provide their acknowledgement and acceptance of the SAMI-AEC Supplier’s Code of Conduct as below at the time of registration of SAMI-AEC approved supplier or, if previously and currently registered, at the time of submitting bids and proposals in response to SAMI-AEC’s invitations and solicitations to bid as well as performance of scope of work or supply of goods and/or services under any contract and purchase order award by SAMI-AEC.

## 1. SCOPE

This policy establishes a Code of Conduct for current and potential SAMI-AEC suppliers. SAMI-AEC suppliers include all vendors registered with SAMI-AEC and seeking to provide goods, services or manpower (including consultants) to SAMI-AEC or which are parties to agreements with SAMI-AEC for such purposes. The term SAMI-AEC herein includes SAMI-AEC and its subsidiary companies.

## 2. INTENT

SAMI-AEC is committed to conducting its business in an ethical, legal, safe, environmentally and socially responsible manner. SAMI-AEC requires its Suppliers to share this commitment and, therefore, has established this Supplier Code of Conduct. SAMI-AEC requires its Suppliers to consistently meet the following requirements in order to do or continue to do business with SAMI-AEC.

## 3. SUPPLIER CODE OF CONDUCT

### a) Compliance with Laws, Codes and Regulations

SAMI-AEC Suppliers must comply with SAMI-AEC’s standards of Business Code of Conduct, all applicable laws, codes and regulations as set forth in applicable procurement documents and agreements (including but not limited to proposals, invitations to bid, solicitations and resulting contracts and purchase orders).

### b) Environmental, Health and Safety Practices

It is the responsibility of the Supplier to assure that its facilities are designed and safely operated in compliance with the established government and industry environmental protection policies and that they do not present unnecessary risks to the environment or public. SAMI-AEC Suppliers shall maintain safe, sanitary and healthy camp and living environments for all their employees at all job sites. Such compliance shall include, but not limited to, the following:

1. Obtaining and maintaining environmental permits.
2. Proper handling and disposition of hazardous materials.
3. Monitoring, controlling and responsibility treating discharges generated from operations.
4. Conducting appropriate employee safety training and providing adequate safety equipment.
5. Maintaining records of safety training and monitoring safety performance.
6. Ensuring Suppliers' employees comply with applicable health and safety rules and regulations and perform their duties and work in a manner which will not endanger themselves or others.
7. Providing training required to promote sound public health and hygienic practices.

### c) Human Rights & Labor Practices

SAMI-AEC adheres to the principles that employees and workers be treated with respect, equality, fairness, and integrity. SAMI-AEC expects its Suppliers to apply the above principles towards their employees, in respect of:

- 1) Human trafficking and child labor

Suppliers shall not engage in the use of force, bonded labor or involuntary labor, slavery, or trafficking of persons. Suppliers shall ensure that child labor is not used in the performance of work.

## 2) Diversity and equal employment opportunity

Suppliers shall provide a work environment that supports diversity in the workplace through equal employment opportunities in accordance to applicable law to qualified candidates, free from unlawful discrimination.

Supplier shall work to maintain workplaces that are free from discrimination or harassment on the basis of race, gender, color, national or social origin, ethnicity, religion, age, disability, gender identification or any other status protected by applicable law.

## 3) Harassment

Suppliers shall ensure that their employee are provided an employment environment that is free from physical, psychological, verbal, and sexual harassment, or other abusive conduct.

## d) Business Practices

Suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior. Suppliers are expected to conform to these requirements in each of the following areas:

### 1) Fair Trade Practices and Anti-Trust

Suppliers shall not engage in collusive bidding, price discrimination or other unfair trade practices.

### 2) Ethical Sourcing

Suppliers shall source goods or services from others that meet, as a minimum, country or origin standards for health and safety, working hours, pay, employment conditions and environmental protection.

### 3) Trade Controls

Suppliers shall comply with all applicable trade controls, applicable export, re-export, and import trading laws and regulations, and any economic sanctions that apply to SAMI-AEC's business activities.

### 4) Conflict Minerals

Suppliers shall take necessary precaution to ensure that the tantalum, tin, tungsten, and gold in the product they manufacture or supply to SAMI-AEC does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or an adjoining country.

### 5) Counterfeit Parts

Suppliers shall develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into their deliverable products to SAMI-AEC.

## e) Relationships, Conflict of Interest, and Communications

1) SAMI-AEC Business Ethics Policy is that all transactions are to be conducted fairly, honestly and with integrity, according to the highest ethical standards. Abuse or violation of this ethics policy is considered dishonesty.

2) Suppliers and their personnel shall avoid even the appearance of unethical or compromising practices in relationships, actions or communications with regard to existing or proposed business relationships with SAMI-AEC.

3) Suppliers shall avoid all conflicts of interest or situations giving appearance of a potential conflict of interest. This includes a conflict between the interest of SAMI-AEC, SAMI-AEC's employees' personal interests or those of close relatives, friends, or associates.

## f) Anti-Corruption Laws (Bribery, Kickbacks and Fraud)

- 1) No funds, assets or services shall be paid, rendered, loaned or promised for payment or otherwise dispersed by Suppliers or their representatives as bribes, "kickbacks" or other payments designed to influence or compromise the conduct of SAMI-AEC or its representatives. SAMI-AEC deems facilitation payments as illegal payments.
  - 2) The Supplier itself warrants as well as on behalf of Supplier's lower tier suppliers, subcontractors, agents, representatives and employees certifies and represents that it will perform under any proposal, bidding or performance of contract or purchase order of SAMI-AEC in accordance with Anti-corruption laws of the Supplier's country, UKBA (United Kingdom Bribery Act), the U.S. FCPA (U.S. Foreign Corrupt Practices Act of United States), Saudi Arabian Anti-bribery laws and rules, and shall not, directly or indirectly, authorize, promise, approve or offer to pay or actually pay any money or thing of value or gift to a local or foreign official in connection with delivery of the product or performance of its scope under PO issued by SAMI-AEC, which are contrary to the laws of the U.S. the Kingdom of Saudi Arabia, UK, any foreign country or the laws of the Supplier's country under PO. For the non-compliance or violations of this provision, SAMI-AEC may take any action or combination of actions against the Supplier, its agents and/or any individual employees including but not limited to immediate termination of the PO or contract for default or convenience, removal of individual employees found to be in violation and/or suspension of payments. The Supplier warrants that it shall include this provision in all lower tier suppliers and subcontractors' contracts and/or orders. The Supplier further warrants and represents that it shall comply with any and all applicable statutes laws, rules, regulations and ordinances of the UK, USA, KSA and any other country in which Supplier performs its scope or deliver the product under the PO.
- g) Gifts, Gratuities and Hospitality
- 1) Suppliers and their personnel shall not offer or provide SAMI-AEC or its personnel gifts, gratuities or hospitality unless it involves nominal value and is in line with customary business practices. Nominal gifts are described as gifts of a general nature having a low value, including such items as logo inscribed pens, caps, shirts and coffee mugs. Customary business practice in terms of hospitality would include the acceptance of reasonable business entertainment and business meals. Gifts, gratuities and hospitality offered or extended by Suppliers to SAMI-AEC personnel which exceed nominal value or reasonable hospitality are reportable under internal SAMI-AEC policies and regulations.
  - 2) For the avoidance of any doubt, SAMI-AEC pays for its employee's business expenses. Suppliers are not required or requested to incur or reimburse business expenses for SAMI-AEC employees.
- h) Accurate Record Keeping
- Suppliers shall accurately, and securely capture, store, and retain (based on the applicable retention requirements), all business records and interactions with SAMI-AEC. Suppliers shall provide these records upon request by SAMI-AEC.
- i) Information Protection
- 1) Suppliers shall not utilize current or former SAMI-AEC employees to disclose or provide any confidential, proprietary, or other restricted business information obtained while in SAMI-AEC service to influence SAMI-AEC's existing or proposed commercial transactions for the purpose of gaining a commercial advantage or to otherwise damage SAMI-AEC. SAMI-AEC will take the necessary measures to detect any such improper business practices and will take appropriate action against current or former employees and Suppliers who violate these restrictions.
  - 2) Suppliers shall protect all sensitive information, including confidential, proprietary, intellectual, and personal information obtained during its course of business with SAMI-AEC.

- 3) Supplier are expected to deploy appropriate Information Security Management Systems to ensure the protection of the abovementioned information and to comply to with applicable intellectual property rights and data privacy laws.

## 4. MONITORING AND COMPLIANCE

- a) Suppliers shall conduct periodic internal reviews and inspections to ensure their compliance with this Supplier Code of Conduct and its applicable requirements. If a Supplier identifies areas of non-compliance, the Supplier is expected to notify the SAMI-AEC Procurement Manager as to its plans to remedy any such non-compliance.
- b) SAMI-AEC or its designated representatives may engage in periodic monitoring activities to confirm Suppliers' compliance with this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires, review of publicly available information, or other measures necessary to assess Supplier performance. The supplier performance assessment will be used as a factor in the selection of bidders, or restrict Supplier access to new SAMI-AEC business opportunities.
- c) Suppliers are responsible for ensuring that the standards and requirements of this Code are communicated and understood by their personnel working on or in support of SAMI-AEC projects, jobs, contracts, agreements and orders. Suppliers will be held responsible for the conduct and actions of their employees.
- d) The implementation of this Policy is a shared responsibility between SAMI-AEC and its Suppliers.
- e) Suppliers are to promptly disclose to SAMI-AEC, on a confidential basis all current and potential incidents which give rise to the appearance of conflicts of interests and instances of unethical or fraudulent behavior by any party, including Supplier employees or SAMI-AEC employees, related to any of SAMI-AEC procurement and contracts business. Suppliers are to cooperate with SAMI-AEC in any inquiries or investigations pertaining to past, current or potential instances of apparent unethical or fraudulent behavior or conflicts of interest related to any SAMI-AEC business activity.
- f) Suppliers' employees that become aware of violations of this Policy are obliged to notify SAMI-AEC. Supplier employees are to report violations and irregularities directly to SAMI-AEC Governance & Ethics hotline at +966112201350, extension 4444 or by e-mail at GNE@aecl.com. Based on the assessment of information made available to SAMI-AEC, SAMI-AEC reserves the right (in addition to all other legal and contractual rights) to disqualify any potential Supplier or terminate any relationship with a current Supplier found to be in violation of this Supplier Code of Conduct, without any liability.
- g) Suppliers are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation.

## 5. INTERPRETATION

This Supplier Code of Conduct is a general statement of SAMI-AEC's expectations and requirements with respect to its Suppliers. This Policy shall not be read in lieu of, but in addition to, any Supplier obligations set forth in a) requests for proposals, invitations to bid or other solicitation documents, or b) agreements by and between SAMI-AEC and the Supplier. In the event of a conflict between this Policy and any SAMI-AEC solicitation documents or applicable agreements, the terms of SAMI-AEC's applicable solicitation documents or agreements shall prevail.

## 6. WAIVER

The requirements of this policy are not subject to waiver. Neither SAMI-AEC, its Suppliers nor their personnel or representatives are authorized to propose or approve any code inconsistent with this Code of Conduct.

Thank You

