



PETROLEUM SERVICES COMPANY W.L.L.

Global Anti-Corruption Policy

1. OBJECTIVE

The objective of this Anti-Corruption Policy (the "Policy") is to specify the Company's policy related to corruption and corrupt practices. PSC Employees are required to compete fairly in accordance with the highest ethical and legal standards. Conduct intended to give an improper advantage to the Company is strictly prohibited. It is a violation Anti-Corruption Policy to give, offer or receive anything of value to any person for an improper purpose.

2. SCOPE

This Policy applies to every employee of PSC, whether they are Kuwaiti citizens or any other nationality and whether they are working in Kuwait or during their business trips elsewhere. Every employee must adhere to and promote PSC principles of integrity that underlie this Policy and the Code of Conduct.

3. APPLICABLE DOCUMENTS

3.1 Internal

- Code of Conduct
- PSC Policy & Procedures

4. PURPOSE

4.1 A purpose of this Policy is to describe acceptable and unacceptable business activity under both applicable law and the Company's Code of Conduct. Almost all Anti-Corruption Laws (as defined below) deal with bribery of government officials. A significant component of PSC business involves the sale of products to governments of Kuwait and commercial entities affiliated with Kuwait government. As such, it is critical to always adhere to the policies and procedures outlined herein.

4.2 The Company's Code of Conduct (the "Code of Conduct") generally describes the Company's commitment to ethical conduct. The Code of Conduct specifically forbids actions that would violate laws that are designed to prevent bribery, such as the Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act (the "Bribery Act") and other similar laws.

4.3 Employees may not ignore or disregard circumstances that suggest a possible violation of the standards in this Policy. It is a violation of this Policy to intentionally disregard or to be willfully blind to, the making of an improper payment, whether the payment is made by an employee or by an independent third party representing or acting on behalf of the Company.

5. OVERVIEW OF ANTI-CORRUPTION LAWS

The Anti-Corruption Laws prohibit offers and payments to government officials and certain others of money, offers, gifts, promises or anything of value to obtain or retain contracts or business. Such activity is generally illegal, whether done directly or indirectly. Thus, a payment made to a third party acting on behalf of the Company with knowledge that the third party will give some portion of the payment to a government official likely violates the Anti-Corruption Laws. Knowledge includes actual knowledge or a firm belief that a payment or offer is being made, will ultimately be made or is substantially certain to be made to the government official as well as the conscious disregard of, or "willful blindness" to, circumstances that indicate a substantial likelihood that the third party will pass on some of the payment to a government official to obtain business.

5.1 Defining Government Officials -Except as expressly provided below, no officer or employee may offer or make (directly or indirectly any improper payment, or give anything of value, to or for the benefit of any of the following:

- a. Any officer or employee, even low level employees, of a government or organization associated with a government, such as a government owned commercial or semi commercial enterprise.
- b. Any political party or official of a political party.
- c. Any person acting on behalf of a government or political party.
- d. Any candidate for political office.
- e. Any other person if there is a substantial likelihood (or a genuine concern) that the payment will be passed on to any of the persons or entities mentioned above.

5.2 Restrictions -This Policy forbids not only cash payments, but also the giving, either directly or indirectly, of gifts or "things of value" to or for the benefit of any of the above persons or entities. A "thing of value" includes items such as vacations, stocks or other securities, offers of future employment, and unsecured or below-market loans. A payment "for the benefit of" a foreign government official can include, for example, a significant gift to that person's favorite charity.

5.3 Payments that May Be Permitted -There are certain types of payments that may be permitted under the Anti-Corruption Laws. Facilitating payments are payments consisting of nominal tip or gratuity, to a minor government official in order to obtain or expedite the performance of that official's non-discretionary and routine duty. Facilitating payments are permitted, subject at all times to the following important limitations:

- a. The payment is not prohibited by applicable law.
- b. The payment has been approved by the General Manager or Chairman of PSC.
- c. If the payment exceeds KWD 10.000, the payment to be approved by the General Manager of PSC.

5.4 Payments Related to Promotion or Performance of a Contract -Payments to government officials for reasonable and bona fide expenditures, such as travel, lodging and meal expenses, that are directly related to the promotion or demonstration of a product or the execution and performance of a contract are permitted. Thus, for example, it may be permissible to take a government official to a business meal at which the Company's products are being discussed or to provide air transportation and hotel accommodations to government officials visiting a Company facility to see a product demonstration, or to inspect manufacturing progress under a contract. It is not acceptable, however, to send visiting officials on a vacation as part of the trip.

5.5 Gifts, Meals and Entertainment -Social entertaining or giving a gift to an official at holiday times or on similar such occasions when social entertaining or to an official is generally permitted. Of course, good judgment and discretion should be exercised, recognizing that the purpose of the Anti-Corruption Laws is not to impose a blanket prohibition on the exchange of social amenities between government officials and the Company, but rather to prohibit the Company from corrupting, or attempting to corrupt, governmental decisions. Gifts, meals and entertainment will be permitted if:

- a. The gift is of nominal value, preferably with a company logo on it.
- b. The gift is not cash or a cash equivalent.
- c. The meal or entertainment is reasonable and proportionate.
- e. The gift, meal or entertainment does not violate local law.
- f. The gift meal or entertainment is not intended to induce the recipient to misuse his/her position.

5.6 Exceptions for Payments Permitted under Local Law -A payment may be permissible if it is either (i) lawful under the written laws and regulations of Kuwait (ii) not made with the intent of influencing official conduct. Further, no facilitating payment or payment permitted under local law can be made without first obtaining advance written approval from General Manager and/or Chairman of PSC.

6. AUTHORIZATION TO ACT ON BEHALF OF THE COMPANY

No person, other than an employee of the Company, may be authorized to represent PSC or act on behalf PSC.

7. ACCURATE BOOKS AND RECORDS

Every expenditure of money or other thing of value, no matter the purpose or size and every payment to a third party who is representing or acting on behalf of PSC, must be accurately identified and recorded in the books and records of PSC. Under no circumstances and for no reason may an expenditure be inaccurately recorded.

8. REQUIRED PRIOR REVIEW AND/OR APPROVALS

8.1 All charitable donations obtained from PSC require review for compliance with applicable local law by the General Manager and/or Chairman.

8.2 As of the date of this policy, PSC does not permit political contributions to be made to any political party or person(s).

8.3 Travel by government officials as defined in this policy, which is paid by PSC, requires advance approval by General Manager and/or Chairman unless it is contractually required.

8.4 Any facilitating payments as defined in this Policy or payment, made in accordance with local written laws, require advance review by the General Manager and/or Chairman for legality.

9. ASSISTANCE

9.1 Employees may seek assistance with this Policy from:

- a. Human Resources
- b. The General Manager
- c. The Division Manager

10. REQUIRED REPORTING

Employees must immediately report to PSC Human Resources and/or the General Manager of any violation that might happen by any PSC employee and failure to report the violation will be the ground for disciplinary action which may include termination and prosecution.