

CODE OF INTEGRITY

DEAR COLLEAGUES

Integrity is at the heart of **NES**. The trust that we inspire in our customers and stakeholders is the key to our success as an organization and as individuals.

As leaders in our industry, we hold ourselves to the highest standard of professional behavior. Our Code of Integrity is the expression of values which are shared throughout **NES**, its various businesses and affiliates.

In order to achieve our goals, we aim to attract and retain employees who are passionate about delivering their work with leadership, fairness and honesty. We recognize that we have a responsibility to each other and to our customers to uphold our principles of integrity.

We are the custodians of the **NES** brand and reputation and we continuously strive to defend the values they represent in the marketplace. We achieve this objective by conducting our business honestly and transparently. As part of this commitment, we encourage an open culture where we can exchange ideas and information, seek advice and raise concerns, without fear of retaliation.

This will allow us to serve the interests of our customers in the markets where we choose to operate, provide opportunities to our employees and create sustainable financial returns to our shareholders.

(Eng. Osman M. Osman)
NES President

NEAR EAST SERVICE

NES

شركة الشرق الأدنى للخدمات





NES is leading inspection, verification, testing and Certification Company. It was founded in 1967, out of the need for buyers and sellers to rely on an independent, honest and trustworthy third party to survey shipments of grain. Today, as **NES** entered new areas of expertise, it continues to fulfill the role of an independent and professional third party which can be relied on by traders, producers, consumers and governments alike.

NES's success rests on the trust it earns day after day from customers, employees, shareholders and from the communities where it conducts business.

This trust has been earned through the collective efforts of **NES** employees. **NES** is focused on maintaining this trust through the effective implementation of this Code of Integrity.

APPLICATION OF THE CODE

The Code applies to all employees, officers and directors of **NES** and its affiliated companies. All aspects of the Code, which are not specifically related to **NES** employees, must also be adhered to by contractors, consultants, freelancers, joint-venture partners, agents, subcontractors and anyone acting on behalf of, or representing, **NES**.

UNDERSTANDING THE CODE

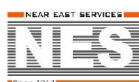
It is the personal responsibility of each **NES** employee to read and understand the Code and commit to uphold its principles. Employees are required to participate in periodic **NES** integrity training. Employees in a management role must also ensure that all other employees reporting to them have been properly trained, fully understand, and are able to comply with the Code.

SEEKING GUIDANCE

NES is committed to a culture where issues of integrity and professional ethics can be raised and discussed openly. Guidance and support is available to help employees understand the Code and to help them make the right decision when faced with an ethical dilemma.

NO RETALIATION FOR GOOD FAITH REPORTS

Employees are encouraged to speak out and report any concerns or suspicion that the Code is being violated. **NES** ensures that no-one faces any form of retaliation or adverse consequences for having sought advice or reported a violation of the Code. Retaliation against an employee who has reported a violation in good faith will result in disciplinary action



A CULTURE OF INTEGRITY

NES PRINCIPLES OF INTEGRITY

- **TRUST:** this is our single most valuable asset, the foundation of our brand and reputation. Customers rely on our integrity and this trust needs to be nurtured and safeguarded day after day. It can be jeopardised in an instant.
- **HONESTY AND TRANSPARENCY:** in everything that we do, we need to be truthful to ourselves, our customers and colleagues. No circumstances justify lies, deceit or a lack of honesty.
- **ACCOUNTABILITY:** each of our actions and omissions has consequences. We accept the consequences of our choices and do not blame others for our actions.
- **PRINCIPLES:** we believe in acting ethically, in fairness and respect for others. Our decisions will be guided by respect for principles and standards of good behaviour, not by arbitrary choices or personal preferences.

ASK YOURSELF THE RIGHT QUESTIONS

- Do I suspect that the particular course of action may be illegal or unethical?
- How would this look if this decision were reported in a newspaper, or if I were to talk about this with my family and friends?
- Does the proposed course of action involve lying or being untruthful?
- Could the proposed course of action endanger the personal safety or health of others?
- Could the proposed course of action damage **NES** or its reputation?
- Does the transaction have a legitimate business purpose?

If the proposed course of action fails any of these tests, you should seek advice and re-consider your decision.

NO TOLERANCE FOR VIOLATIONS

Any breach of the Code, however small, can harm **NES**'s reputation and brand and is not tolerated. Violations of the Code will result in disciplinary action, including termination of employment and criminal prosecution for serious violations.

SEEKING GUIDANCE OR RAISING A CONCERN

When in doubt about the meaning of the Code or its application to specific circumstances, employees should discuss this with their supervisor or manager, the Human Resources department or with the **NES** legal department.. Employees can also discuss any matter relating to this Code with internal auditors.

If it is not possible or appropriate for an employee to address a concern with his/her line management, the **NES** Chief Compliance Officer can always be contacted. Employees who become aware of a violation or suspected violation of the Code are encouraged to make a report to the **NES** Chief Compliance Officer.

The **NES** Chief Compliance Officer can be contacted by current and former **NES** employees, by customers or suppliers, or by third parties regarding matters relating to the Code of Integrity by any of the following ways:

- Report: available at the company's website or
- By e-mail
- Phone or Fax:

The **NES** Integrity Helpline is operated by an independent service provider specialised in dealing with concerns regarding compliance and ethics. In most cases, the person calling the **NES** Integrity Helpline is able to speak to an operator and receive feedback in their own language. Communications made to the Integrity Helpline are treated confidentially and are reported to the **NES** Chief Compliance Officer who protects, when required, the anonymity of the informant.

When the **NES** Chief Compliance Officer, a Human Resources manager, an internal auditor or an **NES** in-house lawyer is contacted in relation to the Code of Integrity, the information provided is kept confidential and is only used to respond to or address the issue raised. Persons making a report are encouraged to provide their name and contact details but may also choose to keep their identity confidential. In this case, an appropriate means of communication can be designed to allow the caller to receive feedback without divulging his/her identity.

Suspensions of breaches of the Code of Integrity that are brought to the attention of the **NES** Chief Compliance Officer are investigated fairly. When appropriate, feedback on the outcome of the investigation is communicated to the person making the complaint or the report

INTEGRITY OF SERVICES

All **NES** services must be undertaken professionally and honestly in accordance with agreed standards, methods and policies. **NES** maintains its independence of judgment and does not surrender to pressure and inducements to misrepresent findings or alter the results of its inspections, certifications, audits or testing. All findings must be adequately documented and no untruthful or misleading reports or certificates issued.

All findings and results must be accurately documented and must not be changed improperly.

Findings and opinions issued by **NES** are supported by true and accurate job files and activity reports maintained in accordance with relevant **NES** policies.

INTEGRITY OF FINANCIAL RECORDS

Information recorded in **NES** financial records must be true and fair, timely and accurate.

All transactions must be properly and accurately recorded and book entries must be supported by proper documentation issued by bona fide parties.

All records must be retained in accordance with applicable laws and **NES** policies.

CONFLICTS OF INTEREST

CONFLICTS OF INTEREST: IN GENERAL

Conflicts of interest, or the possible appearance of a conflict of interest, must be avoided. **NES** employees are expected to declare to their line manager (or to the **NES** Chief Compliance Officer) as soon as they become aware that their personal interests or the personal interests of their close relatives or close friends may potentially conflict with the interests of **NES**.

A conflict of interest arises when an employee's opportunity for personal gain could interfere with his/her judgment, objectivity, independence or loyalty to **NES**.

The same applies when close relatives and close friends of an **NES** employee have an activity or an interest which conflicts with **NES**.

Conflicts of interest can arise in many ways. If in doubt, employees should seek guidance.

Employees must declare immediately in writing all such potential conflicts of interest to their manager and abstain from the decision-making process as long they are affected by a potential conflict of interest.

CLOSE RELATIVES: DEFINITION

Close relatives of an employee include: spouse or life partner; children, grandchildren; parents and grandparents; siblings; brothers- and sisters-in-law; sons- and daughters-in-law; and any person living with the employee. When appropriate, **NES** affiliates can issue a local policy extending this list to other relatives to take local customs into account.

PRIOR APPROVAL REQUIRED

Some potential conflicts of interest facing **NES** employees can be resolved with prior approval and appropriate clearance by **NES**. These include:

Directorship outside NES

Serving on the board of directors of a company outside **NES**, serving on the board of a professional or trade association or assuming a political appointment at a local or national level requires the prior approval of the **NES** Chief Compliance Officer (for Operations Council members it requires the prior approval of the Professional Conduct Committee).

Working outside NES

Taking a second job or employment outside **NES** requires the prior written approval of the Managing Director and the HR Manager. However, the following situations are not permitted: (i) working for a customer of **NES** for which the employee performs services in the course of his/her employment with **NES**; (ii) working for a competitor of **NES**; or (iii) working for a company supplying goods or services to **NES**

Hiring close relatives

Hiring a close relative of an existing **NES** employee requires the prior written approval of the Managing Director and the HR Manager. In addition, the hiring of close relatives of Operations Council members, or managing directors of an **NES** affiliate and of their direct reports, requires the prior written approval of the **NES** Chief Compliance Officer.

In no circumstances, is an **NES** employee permitted to hire, supervise or influence the terms and conditions of employment of a close relative.

NOT PERMITTED

Some situations of conflicts of interest are forbidden to **NES** employees. These include:

Self-dealing

- Personally offering or participating in any form of professional or consultancy services to a customer or prospective customer of **NES**.
- Competing with **NES** or working for a competitor of **NES**.
- Obtaining a personal gain, or procuring a personal gain for a close relative, by abusing a position within **NES** or accessing **NES** information.

Personal investments in suppliers, competitors and customers

- Knowingly engaging the services of a supplier or sub-contractor of **NES** in which an employee or a close relative directly or indirectly has a significant shareholding or other financial interests is not permitted unless: (i) the potential conflict has been transparently declared to the employee's line manager and (ii) the employee affected by the conflict does not take part in the procurement process.
- Making a personal investment in a supplier, sub-contractor, competitor or customer of **NES** is not permitted, unless by way of acquiring shares on a publicly traded stock exchange.

USE OF COMPANY ASSETS AND RESOURCES

SAFEGUARD COMPANY ASSETS AND FUNDS

NES employees have a duty to safeguard and to use company assets and funds under their control appropriately. It is not permitted to use **NES** assets or resources for any form of personal benefit or to perform work for an external party.

USE OF IT RESOURCES

Company computers, network systems and electronic communication tools must be used for professional purposes, in accordance with **NES** policies. Use of e-mail, internet and other modes of electronic communication may be monitored and audited by **NES** (when permissible under relevant privacy laws) when suspicion of abuse arises.

PROCUREMENT

NES employees in charge of purchasing goods and services from suppliers or selecting sub-contractors must do so with the sole aim of securing the best overall value for such services, with due regard to supplier quality and reputation. When appropriate, competitive offers must be sought prior to selecting a supplier or sub-contractor. **NES** does not award contracts to suppliers on the basis of personal preferences. Soliciting any form of personal advantages from a supplier or from a person seeking to offer services to **NES** is strictly prohibited.

BRIBERY AND CORRUPTION

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NES does not engage in bribery or corruption of any form, in any of the countries where it operates. Employees, or anyone acting on behalf of **NES**, must not offer or make payments to government officials, whether directly or indirectly, or offer them any gift or entertainment with the aim of influencing their decision, or encourage them to secure an improper advantage for **NES**. This applies equally to officers and employees of private entities.

Any **NES** employee who receives a demand for a bribe must report the matter immediately to his/her line manager and/or to the **NES** Chief Compliance Officer.

NO PAYMENT FOR BUSINESS

NES does not pay or offer any form of improper incentive for the purpose of securing business for **NES**.

INTERMEDIARIES AND CONSULTANTS

NES does not engage the services of third parties to offer bribes, illicit commission or kick-backs on its behalf. **NES** does not use the services of intermediaries, agents, Consultants, partners, joint-venture partners or contractors in cases where it suspects that such partners may engage in corruption or other illicit trade practices. No intermediary or sales agent can be engaged unless a proper due diligence process has been conducted to assess their suitability and whether the remuneration of the intermediary is compatible to the services provided. A request for hiring the intermediary must be supported by a member of the **NES** Operations Council and authorised by the **NES** Professional Conduct Committee. Intermediaries must be given, sign and acknowledge a copy of this Code and agree to work to its principles in all aspects of their relationship with **NES**. **NES** employees managing the use of an intermediary are responsible for regularly monitoring their compliance with the Code.

FACILITATION PAYMENTS

Facilitation payments are one-off payments of a modest value made for the purpose of expediting or facilitating the performance by a low level public official of a routine action which **NES** is legally entitled to. Demands by officials for facilitation payments must be strongly resisted and only granted when refusing could be detrimental to employees' welfare or could create a significant risk to **NES** business.

REPORTING AND ACCOUNTING

In the rare circumstances where a facilitation payment has to be made, the employee making or authorising the payment must report in writing the reason why the payment was unavoidable, the amount paid, the date and the recipient of the payment. Facilitation payments must be accounted in a manner that allows them to be audited. Depending on local practices and legislation, **NES** affiliates can implement more detailed and restrictive rules or prohibit employees from making such facilitation payments.

NO ADVERSE CONSEQUENCES FOR REFUSING TO PAY A BRIBE

No **NES** employee will be penalised for refusing to pay a bribe, for refusing to engage in corrupt practices or refusing to make a facilitation payment.

POLITICAL DONATIONS AND CHARITABLE CONTRIBUTIONS

NO POLITICAL OR RELIGIOUS DONATIONS

NES upholds a strict policy of neutrality in the political process of any country where it operates. **NES** does not contribute funds or resources to any political party, elected official or candidate for public office in any country, and does not support any political campaign. **NES** does not support any religious organisation.

CHARITABLE CONTRIBUTIONS

Donations by **NES** to charitable organisations or direct investments by **NES** in not-for-profit programmes in the communities where it operates (including assistance in emergency relief efforts following a natural disaster, funding of education, health care, research or similar not-for-profit investments) require the prior written approval of the **NES** Chief Operating Officer responsible for the region concerned. Charitable contributions in excess of EGP 10,000 require the prior approval of the **NES** Professional Conduct Committee.

Approval for any form of charitable contributions will not be given if they are intended or appear to influence government officials or third parties to grant improper advantages to **NES**.

GIFTS AND ENTERTAINMENT

GENERAL PRINCIPLES

No gift, hospitality or entertainment should be offered or accepted if they influence improperly or create the appearance of an improper influence on business decisions.

Gifts, hospitality and entertainment shall not exceed what is usual in normal business relations. Any form of entertainment that could be damaging to the reputation of **NES** must be avoided. The following rules clarify the expected standard of behaviour of **NES** employees.

Affiliates may introduce more detailed and restrictive policies for their employees, taking into account local conditions.

GIFTS OFFERED TO NES EMPLOYEES

NES employees must never accept:

- Payment of cash, tips, loans or cash equivalent gifts from suppliers or customers.
- Any personal gifts, favours, entertainment or hospitality when those are given in connection with services performed by **NES**.
- Employees involved in decisions on procurement or selection of suppliers must not accept personal gifts offered by suppliers or prospective suppliers. Usual hospitality and entertainment, including participation in trade fairs and similar professional events which are sponsored by suppliers, is acceptable, subject to reporting and clearance obligations.

REPORTING AND CLEARANCE OBLIGATIONS

Employees are required to report and seek the prior approval of the **NES** affiliate's Managing Director before accepting any gift of a value above EGP 300. For gifts of a value above EGP 500 they must gain approval of the **NES** Chief Compliance Officer.

If gifts received cannot be refused or returned without causing offence, the person receiving the gift should choose a suitable method of disposal, for example donation to a chosen charity.

GIFTS OFFERED BY NES TO BUSINESS RELATIONS

Personal gifts offered by **NES** to customers or business relations require the prior approval of the **NES** affiliate's Managing Director for any gift of a value above EGP 300 and, in addition, for gifts of a value above EGP 500, the approval of the **NES** Chief Compliance Officer.

Offering to pay for travel and accommodation of government officials or business partners at **NES** sponsored events, or for the purpose of visiting an **NES** operation, requires the prior approval of two members of the Operations Council. If the cost of such travel and accommodation exceeds a value equivalent to EGP 10,000, the approval of the **NES** Chief Compliance Officer is required.

FAIR COMPETITION

NES conducts its business using competitive and fair market practices. It does not engage in any understanding or agreements with competitors with the effect of biasing or improperly influencing the markets in which it operates.

Specifically, **NES** does not engage in discussions regarding pricing, contractual terms, market allocations, division of territories or customers. **NES** does not discuss competitive bid processes with competitors.

NES does not market its services and capabilities in a deceptive or misleading way, and does not make disparaging or untruthful allegations regarding competitors.

NES does not obtain confidential information on competitors by using illegal or unethical means.

Laws regulating competition are complex and vary from jurisdiction to jurisdiction. Advice must be sought from **NES** legal resources.

EMPLOYEE RELATIONS

NO DISCRIMINATION

All **NES** employees must be treated and evaluated solely on their job-related skills, qualifications, behaviour and performance. **NES** bases all aspects of the employment relationship on the principle of equal opportunity, regardless of race, colour, gender, religion, political affiliation, union membership, nationality, sexual orientation, social origin, age or disability. Discrimination based on these criteria is not tolerated.

BULLYING AND SEXUAL HARASSMENT

Any form of abuse, harassment and bullying is prohibited. Unwelcome sexual advances, requests for sexual favours or inappropriate physical contact are not tolerated. All employees are expected to treat their fellow employees with respect. Employees must be truthful and respectful at all times in dealing with their staff members, colleagues and management. This extends to **NES** customers, suppliers, their employees and management.

PROHIBITION OF CHILD LABOUR OR FORCED LABOUR

NES does not employ children under the age of completion of compulsory schooling or, in any case, under 16 years. If hired, young workers between the ages of 16 to 18 are protected from any type of work which may harm their health, welfare, safety or education.

NES does not engage in any form of slavery, sale or trafficking of children, debt bondage or serfdom, forced or compulsory labour. **NES** does not use under any circumstances, any forced, bonded or prison labour.

FREEDOM OF ASSOCIATION

NES recognises the right of its employees to form and join trade unions and bargain collectively. In situations in which the right to freedom of association or collective bargaining is restricted under law, **NES** facilitates parallel means of independent and free association and bargaining. Employees' representatives have access to the necessary time and facilities to carry out their representative functions.

COMPLIANCE BY SUPPLIERS AND SUB-CONTRACTORS

NES does not use suppliers or sub-contractors who use forced labour or child labour, and uses reasonable due diligence and monitoring to ensure that suppliers and sub-contractors comply with this requirement.

ENVIRONMENT, HEALTH AND SAFETY

ENVIRONMENT

NES endeavours to reduce the impact of its activities on the environment by promoting the efficient use of natural resources, reducing and preventing pollution and minimising emissions of harmful substances and greenhouse gas emissions.

HEALTH AND SAFETY

Employees must be provided with safe working environments, conditions and equipment with appropriate steps in place to prevent injuries and occupational illnesses.

NES employees are expected to report and record any work-related accident or pollution incident as required by **NES** policies or relevant laws. No employee will be penalised for reporting an accident or a pollution incident.

CONFIDENTIALITY

NES respects and protects the confidential information that is entrusted by customers and third parties in the course of business and takes appropriate measures to prevent accidental disclosure.

NES respects the privacy and confidential nature of the personal information of its employees. **NES** only acquires and maintains the personal data of employees, customers and business partners to the extent required for the effective operation of its business or for complying with legal requirements. No employee should seek access to personal or confidential data, unless for a legitimate business purpose.

Employees must maintain the confidentiality of **NES** information and the personal data of colleagues and not disclose or discuss any sensitive information regarding **NES** financial performance, investment, strategies, plans or customers. This obligation continues after the end of the employment relationship.

INTELLECTUAL PROPERTY

NES protects its own intellectual property and respects the intellectual property of others. Through its employees' work and capacity for innovation, **NES** generates valuable ideas, services, business processes and strategies. This intellectual property plays a central part in generating competitive advantage and must be protected against dissemination and misuse.

NES's intellectual property can take many forms, including processes, designs, methods, operating procedures, commercial and marketing strategies, customers' information, pricing and costing models. Employees must not disclose copy or use this intellectual property except for its intended purpose.

Employees must apply the same degree of care when being exposed to customers' intellectual property.

NES does not knowingly infringe upon a third party's intellectual property. Using unlicensed software, using or reproducing copyrighted materials without authorisation or knowingly breaching a valid patent is prohibited.

EXTERNAL COMMUNICATION

NES is a publicly traded company and will be subject to disclosure obligations intended to allow investors to make timely and informed investment decisions. **NES** provides consistent, accurate, transparent and clear information to its shareholders and investors, to the market and to the community at large regarding its business and activities. Communications to shareholders, investors, the media and the public regarding **NES**, its business and its financial performance, must only be made by authorised persons.

No employee shall speak on behalf of **NES**, discuss or disclose any information regarding **NES** to the media, to financial analysts, to current or potential investors, or issue any public statement on behalf of **NES** unless specifically authorised to do so.

Personal opinions, with regards to religion and politics, or any form of objectionable content cannot be expressed on **NES** letterhead, e-mail or in any other context where such opinions or materials could appear to be attributable to **NES**.

When participating in online discussion forums and social media, **NES** employees must comply with the Code of Integrity and the **NES** Social Media Policy.

INSIDER DEALING

Employees must not pursue any personal investment or business opportunity on the basis of non-public information regarding **NES**, its customers or suppliers.

Employees are prohibited from trading in **NES** shares, options and other securities issued by **NES** while in possession of non-public insider information which, if disclosed, could have an impact on the share price of **NES**. Information is non-public if it has not been officially disclosed by **NES** in accordance with stock exchange regulations.

Insider information typically includes non-public financial results, draft strategic plans of the Group, proposals for acquisitions and mergers, and planned changes in the senior management. Advice must be sought from **NES** legal resources prior to any form of transaction which could fall within this category.

In the course of its business, **NES** sometimes obtains important non-public information regarding customers or third parties. Employees are prohibited from trading in shares of customers or such third parties while in possession of such confidential information.

It is forbidden to pass any such information, or give investment tips to third parties or close relatives on the basis of insider knowledge obtained in the course of employment with **NES**.

COMPLIANCE WITH LAWS

NES complies with applicable laws in the countries where it does business. Legislation covering various aspects of **NES**'s activities can be complex. Employees need to know the rules that apply to **NES** and to them as individuals. If in doubt, legal advice must be sought from **NES** legal resources. Ignorance of the law is no excuse.

When this Code or **NES** policies impose more stringent standards than those mandated by applicable laws, employees must comply with the more stringent standards. When in doubt as to how to resolve a contradiction between this Code and applicable laws, employees should seek guidance.

In the course of **NES** business, employees may be contacted by regulatory agencies or government officials in relation to an enquiry involving **NES**. In the event of non-routine requests for information or documentation, employees must seek advice from **NES** legal resources. Under no circumstances should anyone acting on behalf of **NES** attempt to mislead, conceal evidence, destroy documents or otherwise obstruct any legitimate investigation.



IMPLEMENTATION

The Code of Integrity was approved by the Operations Council and by the Board of Directors of **NES**. The Professional Conduct Committee of the Board of Directors receives regular reports on breaches and oversees its implementation.

The Code takes effect from first January 2017.

CONTACT INFORMATION

COMPLIANCE CONTACT

Name: -----

Date: -----

A special thank you to all employees and stakeholders for their constructive contribution to our Code of Integrity.

