

BUSINESS CONDUCT Policy

You are
on **solid**
grounds

BUSINESS CONDUCT POLICY

Arabia is a Pan Arab company with international dealings. The management and staff members in the Head office and Branches are subject to the laws and regulations of the countries where they work. The Business Conduct policy applies in all countries where Arabia operates.

Arabia Insurance Company s.a.l (referred to hereafter as Arabia or Company) conducts business according to the highest ethical principles of conduct and expects its management and staff in all areas of operations to implement such policy at all times and throughout the duration of their career with the company.

The Business Conduct Policy is a guide to the Company's compliance structure, relevant laws, and key policies and procedures that oversee doing business in a legal and ethical manner. The principles outlined in this Business Conduct Policy address the core interests of the Company and in no way intend to address every situation. The principles provide guidance to protect Arabia's reputation and to do what is ethical and legal. When in doubt of any action, check with a superior.

Arabia is responsible for implementing this policy by:

- making the policy available
 - providing clear guidelines on matters of everyday business conduct
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- ensuring that all employees are aware of and understand the policy
- providing guidance on policies, standards, guidelines and procedures to any employee, or others who seek it
- monitoring and enforcing compliance with this policy
- developing, improving and updating this policy

1) Principles of Proper Business Conduct

Every member of management and staff is responsible to protect Arabia's assets from loss, damage, misuse, or theft. Arabia employees should perform their assigned duties according to their stated job descriptions, duties, and responsibilities. They should always exercise the best practices in their areas of specialization.

Every member of management and staff must:

- ❖ Set an example by own behavior and consistently treat others with respect and dignity.

Every member of management and staff must not:

- ❖ Use inappropriate verbal and written communication.
 - ❖ Place any religious or political symbols or pictures in the work place
 - ❖ Use any inappropriate, sexually suggestive, or offensive pictures, calendars, screensavers, or objects in the work place.
 - ❖ Forward offensive or inappropriate e-mails to others.
 - ❖ Exert pressure for certain accounting results
 - ❖ Practice poor record keeping
 - ❖ Get involved or participate in activities such as the under mentioned: (unacceptable business conduct which may result in legal or other actions):
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- Transactions that lack the proper supporting documentation
 - Lack of proper controls to protect physical assets from loss or impairment
 - Falsification of any reports or documents
 - Cashing of checks made payable to the Company (endorsements)
 - Misstatement of travel or expense reports or processing of non-business items for expense report reimbursement
 - Engaging in any unethical act to entice a customer or potential customer to do business with the Company or a competitive company
 - Failure to report accurately the proceeds from the disposal of assets that have not been reported or assets that have not been recorded
 - Acceptance of kickbacks
 - Authorization of payment for goods and services not received, or over-payment for goods actually received or valid services performed.
 - Misuse of Company computer resources, including e-mail and others.
 - Unauthorized or improper access, misuse, modification, destruction, copying or disclosure of Company data/software.
 - Failure to follow policies relating to capital expenditures
 - Theft of Company equipment or assets.
 - Using schemes to avoid complying with local laws or policies
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- Unauthorized use or disclosure of any confidential information.
- Disclosing privileged or confidential information without authorization by the CEO.
- Write personal letters on Arabia letterhead stationary.
- Write letters of support, comments or recommendations to outside parties on behalf of Arabia without prior approval.
- Charge personal telephone calls to Arabia.
- Accept favors or gifts from vendors, contractors or any other persons who have or propose to have business dealings with Arabia. It is never appropriate to ask for gifts, which could take the form of either goods or services. (see Bribes and Gifts section below)
- Using Arabia's telephones, faxes, equipment, supplies, or staff time for purposes of outside employment.

Employees found to be in violation of this section are subject to the disciplinary procedures, up to and including termination.

2) Bribes and Gifts Policy

Gifts offered to or exchanged by employees of different companies vary greatly. They can range from widely distributed advertising novelties of nominal value, which you may give or accept under appropriate circumstances, to bribes, which absolutely may not be given or accepted.

Neither you nor any member of your family may request, accept from or give to a supplier, customer, government agency or any other organization anything (including money or gifts) that could reasonably be construed to influence our business relationships. This prohibition applies to both

improper payments made directly by Arabia and its officers and those made indirectly through persons who may act on our behalf. In addition, it is prohibited to offer or accept kickbacks, which is anything of value offered or accepted for the purpose of obtaining favorable treatment in connection with a contract. Gifts include not only material goods, but also services, promotional premiums or discounts on personal purchases of goods and services.

From time to time, you may receive gifts that are meant to show friendship, appreciation, or thanks from people who do business with Arabia. You may also receive offers to provide services to you personally from vendors, employees, customers or others who want to do business with Arabia. These offers of personal service to you should be refused, and you should never ask others to perform these services for your personal gain.

Generally speaking, accepting or giving gifts such as t-shirts, flowers, candy, logoed items, or other nominal items is acceptable, provided you do not ask for the gift and as long as it does not influence, or have the appearance of influencing, objective decision-making. Cash gifts are never appropriate.

Employees found to be in violation of this section are subject to the disciplinary procedures, up to and including termination.

3) Employees' Complaints and Grievances

A grievance is a problem or concern that you have which may relate to your work, your working environment or your working relationships. It may also relate to certain disciplinary action which the management has taken or is proposing to take against you.

Arabia recognizes the need to provide its employees with

a procedure to bring concerns and grievances to the attention of Management and to get authoritative answers from the decision-making levels of Management.

Most problems that are encountered in the workplace can be resolved informally between you and your Manager. Having said that, there is a formal procedure that can be followed if it cannot be resolved informally. Details of the procedure are set out below. Please note however, that this procedure does not form part of your Contract of Employment with Arabia and may be changed by Arabia at any time.

Generally, problems or differences should be resolved informally, whenever possible. However, when informal attempts have failed to accomplish a satisfactory resolution, an aggrieved employee may file a formal grievance under the internal procedure set below.

The employee should file a written grievance, addressed to his superior, which explains the nature of the problem, previous attempts at resolving the problem and a suggestion as to the way he or she sees the problem could be resolved.

The employee's superior/ manager is required to respond to the grievance, in writing, describing his decision and setting forth the reasons behind it, within ten (10) working days. If the employee has completed the above step and remains dissatisfied, he/ she may file an appeal with the divisional Vice President (VP). The divisional VP must review and submit a written decision to the manager within (10) working days of the receipt of the written request. The decision of the divisional VP is final, unless the issue is related to fraud, in which case the Executive and Administrative Committee (EAC) will make the final decision, based on the concerned VP's recommendations.

An employee may appeal:

- Disciplinary action
- Performance appraisal
- Discriminatory actions

Grievances, concerns, or problems, including but not limited to examples stated, must be addressed through the proper chain of vertical communication.

4) Whistle Blowing Policy

This section addresses concerns over improper, illegal, or fraudulent activities by any staff member.

All employees have the right and obligation to report improper and / or illegal activities, including but not limited to fraud, to the appropriate level of management.

All of us at one time or another might have concerns about what is happening at work. Usually these concerns are easily resolved. However, when they are about unlawful conduct, financial malpractice or misbehavior at work, it can be difficult to know what to do.

You may be worried about raising such issues or may want to keep the concerns to yourself, perhaps feeling it's none of your business or that it is only a suspicion. You may feel that raising the matter would be disloyal to colleagues and managers. You may decide to say something but find that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.

Arabia takes very seriously any form of malpractice and has introduced this procedure to enable you to raise your concerns about such malpractice at an early stage and in the right way. We would rather that you raised the matter when it is just a concern rather than wait for proof. If in doubt - raise it!

The management will not take any retaliatory action against upfront, honest, and faithful reporting. The confidentiality is protected, subject to applicable laws, regulations, or legal proceedings.

If you are aware of any illegal or unethical behavior or if you believe that an applicable law, rule or regulation or this Policy has been violated, the matter must be promptly reported to your supervisor, to your respective Divisional VP or to the VP Human Resources & Administration. In addition, if you have a concern about the Company's accounting practices, Information technology, internal controls or auditing matters, you should report your concerns to these same persons or entities. Your supervisor is normally the first person you should contact if you have questions about anything in this policy or as soon as you become reasonably concerned or if you believe an employee is violating the law or Company policy or engaging in conduct that appears unethical. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your supervisor. In those instances, you may contact your respective divisional VP or the VP-HR & Administration. Concerns may be raised verbally or in writing.

Furthermore, you should take care to report violations to a person who you believe is not involved in the alleged violation.

All reports of alleged violations will be promptly investigated.

The management would like to encourage all employees to feel confident in raising serious concerns and to question and act upon their concerns relating to any wrongdoing or unlawful conduct and /or financial fraud. Examples could include; funds are being used in an unauthorized manner,

improper dealing with vendors and service providers, improper action or misconduct, fraud, theft, or anything, which you think the management should know about (or look into) when it is just a concern (rather than wait for a concrete proof).

If you raise a concern under this policy, you will not be at risk of losing your job or suffering any form of retribution as a result, if the disclosure is made in good faith and not acting for personal gain.

The company will take appropriate action to protect those who raise a concern in good faith. No action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the obligation is not subsequently confirmed by the investigation. Every effort will be made to ensure confidentiality.

5) Media Relations

Comments to the media on issues involving Arabia, competitors, colleagues, or clients are not allowed, unless authorized by the CEO. If the media contacts you, notify your superior before responding. Protect client confidentiality at all times.

6) Working with Family Members

It is usual in companies the size of Arabia to have relatives working for the same company. Children of an employee will be considered for employment in different branches / departments based on their qualifications. Generally, this does not result in conflict. It could be a conflict if you have a reporting relationship with employees who also work in the same area as a relative or member of your household.

Therefore, an immediate family member may not be

hired in the same department if the employment would create a supervisor / subordinate relationship with any individual described above, or have the potential for creating an adverse impact on work performance of the employee or others, or reasonably create an actual conflict of interest, the appearance of a conflict of interest, or the perception of unfairness to other employees.

Depending on the circumstances, employees who become family members through marriage may be prohibited from continuing in working relationships that would create one of the above conditions. This policy must be considered when assigning, transferring, or promoting an employee.

There could be also a conflict if you, on behalf of Arabia, do business with another company in which you or a direct family member has a personal or financial interest.

Such conflicts should be immediately reported to your superior when they arise.

7) Conflicts of Interest

A conflict of interest may occur when an individual's personal interests interfere or appear to interfere with Arabia's interests. Perceived conflicts of interest can be as damaging as actual conflicts. It is difficult to list every possible circumstance that could give rise to a possible conflict of interest.

Specific guidance must be obtained in the following areas, where conflicts of interest most often arise:

- Gifts and Personal Loans
 - Investments in other companies
 - Providing services to other companies
 - Working with or through direct Family Members
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8) Disclosure of Possible Conflicts of Interest

If you find yourself in a situation that could cause a conflict of interest or the appearance of one, you are required to inform your supervisor or the concerned Divisional VP so that the possible conflict and corrective action can be considered.

9) Relationship with Auditors and Outside Examinations

There may be occasions when the operations of Arabia are subject to audit or examination. These reviews may be conducted by internal business units, such as the Internal Auditing Department, or outside entities, such as Arabia's external auditor, or Governmental Agencies. Both the law and Arabia policy require that you cooperate fully with all appropriate requests for information, and prohibit attempting to influence, interfere with or provide inaccurate information in response to a legitimate audit or examination request. You may not fraudulently influence, mislead, manipulate or coerce auditors if you know or you are unreasonable in not knowing that by doing so you could render the financial statements materially misleading or affect the auditors in other ways. If you are contacted by an outside agency regarding a financial examination or audit, you must immediately notify the Operations Department and/or the Internal Audit Department before responding.

10) Relationships with Government Agencies

Arabia maintains good relationships and effective communications at all levels of government having authority over the areas in which the Company does business. Contacts with governmental officials, both in Lebanon and abroad, whether direct or indirect, must be maintained as proper business relationships. These contacts must never suggest a

compromise of the objectivity of such persons or cast doubt on the Company's integrity.

11) Information Security and Confidentiality

As an employee of Arabia, you are responsible for taking all appropriate actions, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of confidential information.

Written authorization from your VP is required before you may acquire, use, access, copy, remove, modify, alter or disclose to any third parties, any confidential information for any purpose other than to perform duties required in fulfillment of your job requirements.

12) Identification and Password

You are responsible for all activity performed with the use of your identification or password. You are not permitted to share your password with other employees, unless you are required to do so by your manager, in writing.

13) Assigned Computers

You are responsible for protecting any Company-owned or provided computer to ensure that its data, software and hardware are not misused, and protecting and backing up your computer data.

14) Reporting Breaches in Security

If you become aware of any breach in security, you should immediately report it to your supervisor.

15) General Business Operations Rules

Managers and supervisors are responsible for ensuring that the employees whom they supervise understand their responsibilities and act according to the below mentioned general principles:

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- a) Act with due skills, care, and diligence in all dealings with customers and third parties.
 - b) Act fairly and reasonably in all dealings with customers and third parties.
 - c) Identify customers' specific requirements in relation to the products and services which they are enquiring about.
 - d) Make sure that any advice to customers is aimed at their interest and based on the company's approved standards and policies.
 - e) Provide sufficient information to enable customers to make informed decisions on buying insurance products. Ensure that all information provided to customers is clear, fair and not misleading, and appropriate to customers' needs.
 - f) Provide adequate and timely documentation to customers to confirm that their insurance policies are in force.
 - g) Continue fair treatment of customers through the lifetime of their insurance products, and ensure that customers are kept well informed of important events.
 - h) Handle claims fairly and promptly
 - i) Maintain confidentiality of customer information.

15.1 Marketing and promotion

The Head Office Operations Division must approve all advertising and promotional materials.

15.2 Initial customer information about service

Before entering into an agreement with a customer to sell insurance policies, you must advise customers about the choice of the insurance policies and corresponding coverages that could be offered.

15.3 Identification of customer requirements

Customers' requirements could be identified by seeking from them information about their circumstances and objectives, as might reasonably be expected to be relevant in establishing their specific insurance needs in relation to the coverage which they are enquiring about.

15.4 Advice and recommendations to customers

You must explain how the proposed contract(s) would meet those needs, and provide sufficient information regarding the different options that the customer has in order for him to make an informed decision.

15.5 Customer information before commitment to contract

Before customers make their final commitment to enter into a contract of insurance, you must provide them with sufficient information on the key features of the product being proposed, to enable them to make an informed purchasing decision, including:

1. All the important details of cover and benefits.
2. Any significant or unusual restrictions or exclusions, conditions or obligations attaching to the customer and the period of cover.

Before customers make their final commitment to enter into a contract of insurance, you must provide them with full details of costs of the insurance products, including:

- a) The level of insurance premiums, the periodicity of payment (if available)
 - b) The consequences of discontinuing the payment of any premium and / or fees and charges other than the insurance premium.
 - c) The customer's duty of disclosure to the company
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- d) Cancellation rights and conditions
- e) The internal complaints procedure.

15.6 Confirmation of cover and policy documentation

On the conclusion of contracts, you must provide customers with timely written confirmation and details of the insurance cover, including:

- a) The date when cover starts and the period of cover.
- b) Any certificates or documents which the customer uses to make a claim, and their responsibilities in relation to making claims.

15.7 After sales service

You must respond to and administer all customers' requests for amendments to their insurance policies in a timely manner. In particular, the branch manager must:

- a) Provide written confirmation of any changes/ amendments to the policy in the form of an endorsement.
- b) Provide full details of any additional premium or charges to be paid or returned to the customers.
- c) Issue the needed debit /credit notes as per the accounting manual.

15.8 Claims

In the event of notification of claim:

- a) Respond promptly and provide customers with an explanation about how the claim will be handled and any actions required of the customer.
- b) Provide reasonable guidance to customers in pursuing their claim.
- c) Open a claim file and provide the customer with a claim number.

- d) Consider and handle claims fairly and promptly, and keep the customer informed of further progress.
- e) Inform and explain to customers, in writing, if and why you are unable to deal with all or any part of the claim.
- f) Settle the claims in accordance with the applicable procedures.

15.9 Renewal, expiry and cancellation

The branch must notify the customers of the renewal or expiry of their policy in time to allow the customers to consider and rearrange any continuing cover they might need, including details of the renewal terms (if offered), and details of any changes to the cover. The renewal notice should be sent at least one month before expiry. A follow-up action should be in place.

15.10 Customers' Complaints

The branch should disclose the process of dispute resolution to customers and this should be easily accessible to enable them to complain at any time during the insurance process. Each branch should inform their customers of the complaints procedure; the procedure should be posted on the notice board and should outline the steps, and the name of the person in charge of the complaints. Complaints must be received either orally or in writing.

On receiving complaints from customers, the branch must:

- a) Acknowledge complaints promptly and provide customers with an explanation about how the complaints will be handled and any actions required of the customer.
 - b) Consider and handle complaints fairly and promptly, keeping customers informed of progress and provide final responses to customers' complaints without under delay.
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In the final response to customers' complaints, the branch manager must:

- Accept (or partially accept) it, and where appropriate offer compensation or other forms, or redress or reject (or partially reject) the complaint, informing customers of the company position.

15.11 Information to customers

The branch must ensure that all information presented to customers is clear, fair and not misleading, and comprehensive to the client.

The branch manager must ensure that information presented to customers is provided on the company's letterhead or via any other electronically transmitted means. As a general rule, all information to be provided to the customer should be in writing. If the information is initially presented orally, supporting written information must be provided later. In case of a telephone conversation, information shall be provided to the customer immediately following

the conclusion of the call. Information may be provided orally (without supporting written information) where the customer requests it, or where immediate cover is necessary.

15.12 Fair treatment and conflict resolution

The branch must avoid conflicts of interest. If any conflict is unavoidable the branch must fully explain the position and manage the situation so as to avoid prejudice to any party.

15.13 Confidentiality and security of customer information

The branch must ensure that any information obtained from customers must not be used or disclosed except in the normal course of negotiating, maintaining, or renewing insurance for that customer, unless:

- a) They have the customers' consent.
- b) Disclosure is made in accordance with the branch regulatory obligations or the branch is legally obliged to disclose the information.

Notification of receipt of the Business Conduct Policy

I confirm receipt of the Business Conduct Policy, which contains important & essential rules of Arabia Insurance.

I also confirm that I have read and obtained the needed clarifications and became aware of the content of the said booklet.

Name of employee:

Signature:

Date: