



Ooredoo Oman

RELATED PARTY TRANSACTIONS

POLICY

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Name	Related Party Transactions Policy	Ref. GOV/P1/V1
Functional Unit Owner	Legal, Regulatory and Corporate Governance Department	
Functional Unit Section	Corporate Governance	
Effective Date	February 2022	

Control Table

CONTROL TABLE			
Version/ Revision	Section	Remarks	Date of issue
1.0	All	New Policy	Feb 2022

Note: all policy updates, modifications should be notified to the Strategy and Transformation

Approval Table

APPROVAL TABLE		
Approved by Custodian:	Approved by Policy owner	Endorsed by:
		Decision BD01.22-D12
Department Focal Point for queries: Chief Legal, Regulatory and Corporate Governance		

All queries, suggestions, interpretation, clarification or requests to change this document, should be addressed to the Focal Point identified above, or if unavailable, the custodian Director.



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1.0. Purpose

- 1.1 Without prejudice to clause 3.2, a Related-Party Transaction, is a deal or arrangement between two parties who are joined by a pre-existing business relationship or common interest. For example, entities frequently carry on parts of their activities through Subsidiary Companies, joint ventures and Associate Companies. In these circumstances, the Company's ability to affect the financial and operating policies & decisions of the investee is through the presence of Control, joint Control or Significant Influence. Although these types of transactions are legal, they potentially could create a conflict of interest, or lead to another situation that is illegal.
- 1.2 The purpose of this Policy is to provide guidelines for the approval and disclosure of Related Party Transactions. This Policy intends to ensure fair and timely identification, approval, disclosure, full transparency and reporting of transactions between the Company and its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.
- 1.3 This Policy shall be applied in:
- 1.3.1 identifying Related Party relationships and transactions;
 - 1.3.2 identifying outstanding balances including commitments, between the Company and its Related Parties;
 - 1.3.3 identifying the circumstances in which disclosure of the above items is required;
 - 1.3.4 ensuring that all Related Party's Transactions abide by the process and obtain approvals as required under the Company's policy and the prevailing laws and regulations; and
 - 1.3.5 determining the disclosures to be made about those items.

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2.0. Custody

The Corporate Governance Department is the custodian of this Policy. Approvals for Related Party Transactions must be routed through this focal point.

3.0. Definitions

3.1. Related Party:

In accordance with the Code of Corporate Governance (Ninth Principle: Rules for Related Party Transactions) by Capital Market Authority, the Related Party is defined as follows:

3.1. A person is deemed a Related Party if such person:

- a) Is a director of the Company, its parent Company or its Subsidiary or Associate Companies in the past twelve months.
- b) Has Significant Influence on the Company and its performance.
- c) Is among the top senior executives of the Company or its Parent Company, such as the Chief Executive Officer, general manager or an employee who reports directly to the Board.
- d) Holds or controls 10% or more of the voting rights in the Company, its Parent Company or any of its Subsidiary or Associate Companies.
- e) Is a First Degree relative of any of the persons fulfilling the points a, b, c and d above.
- f) Is an Associate of any of the business entities stated in (3.2) below, wherein he/ she holds individually at minimum 25% of the voting rights.

3.2. An enterprise is deemed a Related Party if:

- a) It is a member of the same group, i.e. a Parent enterprise, Subsidiary or an Associate.
- b) It is a joint venture of the Company or related enterprises.
- c) Persons identified in (3.1) above hold jointly or severally at minimum 25% of voting rights or the right to direct their resolutions or have significant Control thereof.
- d) It is a commercial enterprise the directors of which act according to the Company will.
- e) It is pension fund or end of service project providing end of service scheme for the employees of the Company or any of its related enterprises.

3.2. **A Related Party Transaction (RPT)** is a transfer or exchange of resources, services or obligations between the Company and a Related Party, regardless of whether such a transaction was concluded for a consideration.

3.3. **A First Degree Relative** includes the father, mother, sons, daughters and spouse.

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- 3.4. **Company** is the Omani Qatari Telecommunications Company SAOG (Ooredoo Oman).
- 3.5. **Chairperson** is the Chairperson of the Board of Directors of Ooredoo Oman
- 3.6. **General Meeting** is the meeting of Ooredoo Oman's shareholders.
- 3.7. **Parent Company** means the enterprise that controls the financial and operational decisions of the Company, so that it avails of benefits or liabilities as a result of the Company's activities, and which is treated as such under International Financial Reporting Standards.
- 3.8. **Subsidiary Company** means the enterprise where the financial and operational decisions of which are controlled by the Company, so that it avails of benefits or liabilities as a result of the enterprise's activities, and which is treated as such under International Financial Reporting Standards ('IFRS').
- 3.9. **Associate Company** means the enterprise upon which the Company has Significant Influence over its financial and operational decisions, and which is treated as such under International Financial Reporting Standards.
- 3.10. **Key Management Personnel** those persons having powers, authority and responsibility for planning, directing and monitoring the business of the Company, directly or indirectly.
- 3.11. **Control** is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- 3.12. **Significant Influence** is the power to participate in the financial and operating policy decisions of an entity, but not Control over those policies. Significant influence may be gained by share ownership, statute or agreement.
- 3.13. In the context of this Policy, the following are not deemed Related Parties:
- a) Financiers of the Company
 - b) Labour syndicates, trade unions and federations.
 - c) Public utilities (managed by the government or companies under concession contracts).

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4.0. Nature of the Transactions

4.1 A Related Party shall not have any direct or indirect interest in the transactions and contracts with the Company except as follows:

- a) The normal contracts and transactions of the Company with its clients in the ordinary course of business without any differential advantage to the Related Party.

In the application of this clause, normal transactions mean routine contracts and transactions of the Company carried out on a regular basis in order to achieve the Company's objective.

- b) Contracts and transactions entered through public tendering and full disclosure of the tender terms and conditions or after obtaining at least three (3) bids provided the offer by the Related Party shall be the best offer.

In both cases, the following shall be observed:

- a) The transactions shall be reviewed by the Audit & Risk Committee prior to execution of the transaction.
- b) Obtain the approval of the Board of Directors prior to execution, based on the recommendation of the Audit & Risk Committee.
- c) Inform the General Meeting of the transaction in the first meeting.

4.2 Transactions and contracts with the Related Parties which are not normal or not in the ordinary course of business shall be approved by the General Meeting, provided the approval shall be explicitly for each transaction solely and shall contain all the details related thereto.

In the case of requesting prior approval of the General Meeting, the agenda shall contain the following:

1. The details of the transaction as follows:
 - a) The name of the beneficiary Related Party.
 - b) Nature of the transaction and terms and conditions.
 - c) Value of the transaction.
 - d) Execution period of the transaction.
 - e) Conduct of an independent valuation in the case of a purchase or disposal of assets.
2. Statements by the Audit & Risk Committee and Board of Directors on the transaction.

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- 4.3 In considering each possible Related Party relationship, attention is directed to the substance of the relationship and the extent of its influence on the integrity of Company resolutions and transactions, and not merely the legal form.

5.0. Independence and Objectivity

- 5.1 A member of the Board of Directors or any Related Parties to the Company shall not have any direct or indirect interest in the transactions or contracts entered into by the Company or for the Company's benefit. As an exception to the foregoing, some transactions or contracts may be concluded with them provided that such transactions or contracts are in accordance with the rules issued by the concerned body.
- 5.2 The Company must keep a register for recording the names of members of the Board of Directors and the executive management who have interests, the nature of such interests and the approvals or resolutions passed in respect thereof.
- 5.3 A member of the Board of Directors and the executive management must notify the Company in writing of the interests he/she has with the Company and the securities held by him/her therein, within five (5) days at most from the date of his/her gaining the membership or appointment and he/she shall notify the Company of any change thereof.
- 5.4 In the event that the Company is considering awarding business to a Related Party, this Related Party should be treated at parity with other shortlisted bidders without being offered any preferential treatment and evaluation. Approvals of all Related Party Transactions are to be conducted in accordance with this Policy, the Decision Rights Matrix and applicable laws.
- 5.5 The concerned Related Party shall not be allowed to vote on the transaction in which it has direct or indirect interest in the General Meeting or Board of Directors.

6.0. Disclosure

- 6.1 All RPTs must be disclosed as per IAS (International Accounting Standards) 24 Related Party disclosures and segregating all payable amounts due to them, and receivable amounts due from them.
- 6.2 The Company shall ensure submitting details of all RPTs to shareholders in the annual report along with the notice to the General Meeting, covering the RPT details, confirming that the transaction is fair and reasonable and it is in the best interest of the Company's shareholders.

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- 6.3 The external auditor shall ensure in the following year that the Related Party has discharged all its obligations related to the RPT.
- 6.4 The Company shall comply with the International Financial Reporting Standards (IFRS). The Company shall disclose the Related Party Transactions in the financial statements as per the IFRS and the Code of Corporate Governance for Public Listed Companies and the Regulation for Public Joint Stock Companies issued by the Capital Market Authority (CMA) when identifying RPTs and make disclosure of the same.
- 6.5 Regardless of whether there have been transactions between the Parent Company and the Subsidiary Company, the Company must disclose their names.
- 6.6 The human resources department and relevant financial accounting department shall provide the following information for disclosure of Key Management Personnel compensation in total and for each of the following categories:
- 6.6.1 short-term employee benefits;
 - 6.6.2 post-employment benefits;
 - 6.6.3 other long-term benefits;
 - 6.6.4 termination benefits; and
 - 6.6.5 share based payments.
- 6.7 If the Company executed any RPT during the reporting period, it shall disclose the information in its financial statements.
- 6.8 The Company shall disclose the nature of the Related Party relationship as well as information about the transactions and outstanding balances, including commitments, necessary for stakeholders to understand the potential effect of the relationship in the financial statements. Without prejudice to Clause 6.1, at a minimum, disclosures shall also include:
- 6.8.1 The amount of the transactions;
 - 6.8.2 The amount of outstanding balances, including commitments

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7.0. Miscellaneous

- 7.1 Upon delivery of service or work by the Related Party, the department head of end user shall confirm the completion and delivery of services of such transactions to Finance team, including Financial Accounts team and Business Control team for disclosure purposes.
- 7.2 Transactions in violation of the rules for RPTs shall be null and void and will be invalid against the Company and shareholders. The Related Party shall be liable for the damage resulting from the transaction.

8.0. Amendments

- 8.1 This Policy supersedes all previous policies, circulars, memos, instructions on the subject.
- 8.2 Any changes to the provisions of this Policy shall follow the Company's Policy Approval Process.
- 8.3 For the avoidance of doubt, any changes to the provisions of this Policy shall be raised to the Audit & Risk Committee for recommendation and then to the Board for final approval.
- 8.4 Procedures, to implement provision of this Policy shall be approved by the CEO or whom he/she may delegate, and shall be periodically informed to the Audit & Risk Committee.
- 8.5 At any instance where the Policy is found to be inconsistent with the legal framework as determined or amended by the applicable laws and regulations, the legal framework will prevail and changes will be put forward to the Audit & Risk Committee and the Board for approval.