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# **Policies and Procedures Related Party Transactions**

5<sup>th</sup> December, 2019

### **Background**

The Company aims to ensure that all transactions that involve potential related parties or conflicts of interest are determined on a fair, reasonable and consistent basis.

This policy is in line with the requirements of the Governance Code for Companies & Legal Entities Listed on the Main Market (the Code) issued by Qatar Financial Markets Authority (QFMA). This policy is in compliance with the professional conduct rules applicable on the Board whereby, the Board is required to formulate the policy for dealings with related parties. The policy regulates conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.

The Board shall comply with the principles of the Code and with the disclosure for dealings and transactions, which the Company enters into with any Related Party and in which such Related Party has an interest that may conflict with the Company's interest.

The Company Secretary shall provide assistance for the Chairman and all Board members in conducting their duties and shall comply to conduct all Board functioning in making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees.

The Audit Committee shall review the Company's dealings with the Related Parties, and make sure whether such dealings are subject to and comply with the relevant controls.

### **Related Party:**

A person is considered a Related Party to the Company if that person is a Board member of the Company or a company of its group; is a Member of the Senior Executive Management of the Company or any company of its group; owns at least (5%) of the Company shares or any of its group; or is a relative of any of the former mentioned to the second degree. It also includes the legal persons controlled by a member of the Board of the Company or any company of its group or of Senior Executive Management and their relatives to the second degree, or that participated in a project or a partnership of any kind with the Company or any company of its group.

### **Procedure for Dealing with Related Party Transactions**

Mannai Corporation has established a number of control processes that enable it to properly consider transactions from a related party and conflict of interest point of view.

At the time the Company becomes aware of a person's status as a related party, an update is recorded in the list maintained by the Legal Department. Such list is reviewed periodically.

Where any business unit / department / entity proposes to enter into a transaction with a related party, the following procedure applies.

1. The relevant responsible officer (from Entity, Business Unit or Department) makes appropriate disclosure to Legal Department and Group Accounts about the proposed transaction.

2. Group Accounts will consider the information provided in order to determine whether and how to proceed with the proposed transaction.
3. The Company Secretary shall bring all the pertinent details relating to proposed transaction for the consideration of the Board of Directors.
4. Any Related Party, which is a party, has a relation with a business dealing, or has a relation with or a transaction entered into by the Company, shall not attend the Board meeting while discussing that dealing, relationship or transaction. Such Related Party shall not be entitled to vote on what issued by the Board regarding these relationships or transactions.
5. Prior at least a week from the date of holding the General Assembly, the Board must disclose in details for the shareholders about the dealings and transactions which the Company enters into with any “Related Party” and in which such Related Party has an interest that may conflict with the Company’s interest, and must disclose them in the Company’s annual report.
6. In all cases, the Company must not carry out any dealing or enter into any major transaction with any “Related Party” only after the approval of the General Assembly of the Company, and must be included in the agenda of the next General Assembly to complete the procedures.
7. Once the transaction is approved by General Assembly, it may be carried out in accordance with normal operational procedures.

The Code defines Transactions as Commercial or financial transactions of the same nature whose value amounted (10%) of the Company’s transactions volume in one Year, or more than the average Company’s total transactions during the last three Years.

In all cases, all relationships held by the Company with others must serve the Company’s interest, as well as all transactions shall be made according to market prices and on arm’s length basis and shall not involve terms that are contrary to the Company’s interest.

#### **Evidencing arms’ length**

“Arm’s length” terms and conditions will be determined in accordance with the terms and nature of the transaction and, where appropriate or where no other method of determination exists, by reference to the opinion of a suitably qualified independent expert.

#### **Governance Report**

Group Accounts shall provide necessary details to Legal Department of all Related Party transactions to ensure compliance requirements of Disclosure of operations and transactions entered into by the Company with any Related Party.

Revised in the Board meeting held on 5<sup>th</sup> December, 2019

**Hamad Bin Abdulla Bin Khalifa Al Thani**  
**Chairman**