

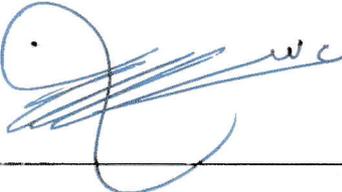
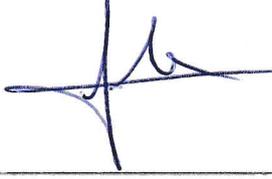


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SMN POWER HOLDING SAOG

SMN POWER HOLDING SAOG  
AL RUSAIL POWER COMPANY SAOC  
SMN BARKA POWER COMPANY SAOC  
("SMN Power" or "The Company")

## Policies & Procedures

# Ethics Charter & Rules for Gifts and Hospitality

Revision No.	003	Date of Issue	21 <sup>st</sup> January 2021
Chairman		Chief Executive Officer	
Ethics Officer		Chief Financial Officer	



# ETHICS CHARTER

SMN Power Holding Company SAOG (“SMN Power”) values are expressed in the way we work. SMN Power’s ethical standards are reflected in the fundamental principles that guide our practices: compliance with laws and regulations, integrity, fairness, honesty, and respect for others.

The following rules and principles apply to all employees of SMN Power Holding SAOG, SMN Barka Power Company SAOC and Al Rusail Power Company SAOC (collectively, “SMN Power” or “the Company”).

The Management of the Company will communicate this charter to the Operator and ask him to commit to apply similar principles in its operations.

## OUR CORE VALUES

### Compliance with Laws and Regulations

An overarching principle is that in all circumstances, SMN Power employees must observe the international, national, local laws and regulations, and ethical and professional codes of practice applicable to their activities. They will equally adhere to internal decisions and other regulations issued by SMN Power.

### Integrity

SMN Power accept no compromise in the matter of integrity, which must govern all its day-to-day business relations and professional practices. This being the case, SMN Power attach the greatest importance to ethical professional behavior of their employees, both towards colleagues and third parties.

SMN Power’ employees must all be aware of the fact that the reputation of the SMN Power depends on their actions. It is therefore imperative that each SMN Power Company employee should act in a manner that permanently and in all circumstances fosters a culture of integrity.

In practice, integrity demands that SMN Power employees should avoid any situation likely to create a conflict between personal interests and those of the SMN Power. Acting with integrity also means always maintaining SMN Power’ fundamental values, which help to establish a climate of trust and act as a shield against corrupt practices, which are a serious risk to the commercial survival and reputation of any business.

### Fairness and Honesty

For the SMN Power, the quality of a relationship depends primarily on the fairness and honesty of the parties, especially in the performance of contracts. These qualities mean that we honor the commitments we make and know the limits of our capacities, so that we do not make promises that we cannot keep.

This means that each time we communicate with other parties, we do so in good faith, in a constructive spirit, with awareness of the other's needs and with the intention of providing genuine, accurate and comprehensive information.

This principle applies not only to SMN Power's relations with customers, shareholders, investors, suppliers, non-governmental organizations (NGOs) and the public, but also to SMN Power's internal communication, among employees or between departments.

The aim of SMN Power is to establish long-term relations with its partners. This ambition cannot be realized without fair and honest behavior, which constitutes the bedrock of mutual trust. However, beyond this and in all circumstances, SMN Power's success depends above all on its reputation.

From this point of view, a failure to act fairly and honestly represents a threat to the future of SMN Power, to its image, its shareholders and its employees.

### **Respect for Others**

The principle of mutual respect is about reciprocity, each of us having rights to claim and duties to fulfill. That is why SMN Power's attribute equal value to both, whether in their dealings with people or with corporate entities.

This principle applies particularly to respect for the rights of individuals, for their dignity in all circumstances and for their differences, as well as the respect for cultures.

An imperative for employees in the performance of their functions, respect for others also governs the relations of any entity with its employees.

This principle governs SMN Power's policy on the respect for private life and diversity, the fight against discrimination and the prevention and punishment of bullying and harassment. From a wider perspective, it guides SMN Power's policies on relations with all parties and on conflict resolution.

SMN Power expect their employees to act in keeping with these ethical principles in all their dealings, in all circumstances and whatever their role and level of responsibility.

At every level of SMN Power, from the Director of the Board to the employee, we all have an absolute duty never to act in a way that could cast the slightest doubt on the ethical integrity of SMN Power.

## **GUIDELINES FOR IMPLEMENTATION**

### **Understanding the rules**

SMN Power' values and their respect for the Ethics Charter are reflected first and foremost in the conduct of its personnel in all situations. All employees and persons acting on behalf of SMN Power must be familiar with and understand this obligation.

Managers must inform each employee of his or her duties in simple, practical, and concrete terms, by clarifying the measures and procedures to apply in areas such as confidentiality of information, commercial practices, internal company relations, and conflicts of interest.

Training or awareness programs are to be organized as needed to ensure that these rules are well understood in SMN Power. In particular, no appointments may be made to a position of responsibility without prior verification of the candidate's ability to implement and respect the rules applicable to the position, and the capacity to ensure their respect by others.

The management of SMN Power is accountable for the implementation of the Ethics Charter within SMN Power and the proper understanding by all employees of the objectives and terms of the Ethics Charter.

### **Documentation on SMN Power Ethics**

In order to inform all staff about SMN Power' ethics, this Charter will be distributed to all employees.

The Ethics Officer will collect, in the form of **Annexure 1**, their acknowledgement of receipt of the Ethics Charter, mentioning its date and revision, and this acknowledgment shall include a written statement regarding implementation and compliance with its content.

### **Appointment of an Ethics Officer**

The Board of Directors of SMN Power shall appoint an Ethics Officer, which Officer may be changed at the discretion of the Board of Directors. The Ethics Officer will be responsible for monitoring the implementation of this Charter. The Ethics Officer reports straight to the Board and the CEO of SMN Power.

All employees are invited to freely contact the Ethics Officer for their particular business area in order to seek guidance and advice, or even to draw attention to difficulties with or violations of the Charter's tenets.

Confidentiality will be maintained at all times to the extent possible in order to protect employees and information will only be disclosed strictly on a need-to-know basis.

## **Monitoring the implementation of the Charter**

The Chairman of the Board of SMN Power will send a “Compliance Letter” to the Board of Directors of SMN Power, if a fact needs to be disclosed.

The Ethics Officer will send report to the Chairman of the Board of SMN Power on the compliance and on corrective measure taken, if any. The Ethics Officer shall prepare such report on the basis of a template to be approved by the Board of Directors of SMN Power defining the content of the Ethics Officer’s Report. In particular, the following items shall be included in the Ethics Officer’s Report:

- i) Scope of the report and the ethics program
- ii) Distribution and sponsorship by the management of the Ethic Principles
- iii) Incorporation of ethics into management cultural benchmarks
- iv) Management of ethics risks and other conflicts of interests.
- v) Compliance management.

The Audit Committee of every affiliate of SMN Power remains alert to information indicating violations of the Charter. They report such cases to the Chairman of the Board of the applicable SMN Power Company and keep the Ethics Officer informed.

## **Responsibility for Charter Compliance**

All persons, acting on behalf of SMN Power regardless of their responsibilities and position, must be aware that any violation of the Ethics Charter on their part is their personal responsibility and will result in appropriate disciplinary action.

## Rules on Gifts and Hospitality

SMN Power Holding SAOG (“SMN Power”) has defined ethical standards reflecting the fundamental principles that guide the way we work compliance with laws and regulations, integrity, fairness, honesty and respect for others.

In line with these principles, the following Rules on Gifts and Hospitality have been defined.

Application of these rules is mandatory for all employees of SMN Power, SMN Barka Power Company SAOC and Al Rusail Power Company SAOC.

### Key Points:

1. You must not offer or accept any Gift or Hospitality to/from a private party or to/from a Public Official that constitutes, or might reasonably be perceived as constituting, an improper inducement or reward.
2. Specifically, as regards Public Officials:
  - You must also not offer any Gift or Hospitality to a Public Official with the intention of influencing the Public Official in his official capacity and intending to obtain or retain business or a business advantage.
  - In some jurisdictions, applicable law sets out limits on the value of any Gift or Hospitality that may be offered to a Public Official, or particular circumstances in which a Gift or Hospitality may not be offered to a Public Official.
3. Particular vigilance is required if Gifts or Hospitality are offered or accepted in the “specific situations” identified in these Rules.
4. All (save for de minimis exceptions which may apply to your organization) Gifts and Hospitality received or offered must be registered.
5. Receiving and offering of Gifts or Hospitality is subject to certain approvals. A summary of the relating rules is depicted in this document.
6. Documentation – Register:
  - All Gifts and Hospitality offered must be documented, and documentation must be kept for inspection.
  - Throughout each organization’s Ethics Officer will designate a person who will maintain a Gifts and Hospitality Register pertaining to that organization. All Gifts and Hospitality must be communicated to that person, for registration. The name of this person can be obtained from the particular organization’s Ethics Officer.

## 1. The approach to Gifts and Hospitality

### 1.1 Gifts:

- Gifts should in principle not be offered or accepted, except when such offering or accepting is a matter of courtesy in normal business relations.
- Every Gift should be of modest value and should conform with applicable law.
- Gifts in cash are strictly prohibited, whether offered or received.

### 1.2 Hospitality:

- It is allowed to provide transparent and bona fide Hospitality, to build cordial business relations, in conformity with applicable law.
- Reasonable Hospitality in the course of official business can be offered or accepted as part of normal business courtesy, in conformity with applicable law.

### 1.3 Exercise caution:

Gifts and Hospitality should be addressed with caution in order to avoid inappropriate situations. Those situations would for instance occur where it would be illegal to offer or receive Gifts and Hospitality, where Gifts and Hospitality would entangle yourself and/or the Company in bribery or may reasonably be expected to lead to allegations of bribery, or where the independence of judgment of yourself or of the other party involved would be affected.

## 2. Rules

### 2.1 Prohibition

- It is prohibited to offer or accept any Gift or Hospitality to / from a private party or to / from a Public Official that has any one or more of the following characteristics:
  - It constitutes, or might reasonably be perceived as constituting, an improper inducement or reward; or
  - It might, or might reasonably be seen to, improperly influence the recipient; or
  - It is in breach of SMN “Ethics in Commercial Relations – SMN’s Guiding Principles”; or
  - Where offered, you know or believe that it is in breach of the recipient's company policies or procedures; or
  - It is unlawful under applicable law.
- It is also prohibited to offer any Gift or Hospitality to a Public Official, or to someone else at the request or with the consent of a Public Official:
  - with the intention of influencing the Public Official in his official capacity, and
  - intending to obtain or retain business or a business advantage, unless the Public Official is permitted or required by written law to be influenced in this way.

## **2.2 Decide whether you wish to give or accept it**

Use your judgment and these rules.

You may accept offers or propose to give gifts or hospitality that are appropriate and (where needed) you have approval to do so.

When is a gift or hospitality 'appropriate'? When it passes the '**GIFT**' checklist:

- It is Genuine as it gives the opportunity to continue the normal business relationship with the giver/recipient, there is no encouragement behind.
- It does not impact your Independence; it does not cause an obligation to do something differently or improperly; by accepting it you will remain independent in doing your job, or by giving it you will not expect anything to be done improperly in return.
- It is Fair to the relationship you have with the giver/recipient; consider ALL THE circumstances below:
  - ✓ Is it of high value or 'lavish'?
  - ✓ Is it offered at a time when the recipient is making (or involved in making/can influence) business decisions affecting the giver of the gift/hospitality?
  - ✓ Are you able to reciprocate?
  - ✓ Is it one of a number arising from the same supplier/ transaction/ /circumstances?
  - ✓ Is it on the 'prohibited list'?
- You give or receive it in a Transparent way; you achieve this by registering it and having an appropriate approval.

## **2.3 Prior approval for Gift and Hospitality Offer or/ Received:**

Gifts or hospitality to those other than public officials should never be offered or accepted without the prior approval of the Chief Executive Officer where the value of the gift or the hospitality per person is more than the limits notified internally and available from Ascendant's Chief Operating Officer at any time. Gifts or hospitality of an insignificant value such as promotional items (e.g., pens, notepads, diaries and calendars) or refreshments offered during a meeting are not covered by this rule

The gift or hospitality is worth more than:

- ✓ RO 50 it needs to be approved by your line manager and the Ethics Officer.
- ✓ RO 150 it needs to be approved by your line manager, Senior Management and Ethics Officer.

You offer any gift or hospitality to a Public Official\* or to recipient who is connected through family with a Public Official; it needs a prior approval by your line manager and the **Ethics Officer; ALWAYS CONTACT YOUR ETHICS OFFICER FOR ADVICE.**

## **2.4 Documentation and Recording:**

You must ensure that an audit trail exists for all Gifts and Hospitality, which includes the following actions:

All1 Gifts and Hospitality, whether offered or received, must be communicated, as soon as

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<sup>1</sup> Registration is not required when the Gifts and Hospitality offered or received are in the public domain (typical examples: a press gathering, an opening ceremony with press presence).

reasonably possible, to the Ethics Officer of the Company. This shall be done by e-mail using the appropriate Ethics mailbox [ethics@smnpower.com](mailto:ethics@smnpower.com) , with a copy to your line manager. Only persons having a need to know will be able to have access to the register, subject always to the Ethics Officer's approval.

- All Gifts and Hospitality whether offered or received must be documented, including through itemized receipts, bills, or invoices. The person offering the Gift or Hospitality will satisfy itself that such documentation is in place and kept for possible inspection for a period of at least 7 years as from the date on which they were made or issued.

### 3. Glossary

For the purposes of these Rules:

- Gifts include any item of value, given to/received from an external party (i.e., non-SMN entities and non-SMN Group employees; employees who work for a joint venture/consortium in which a SMN Group entity holds a stake, are not considered to be an external party for purposes of this definition) which has business dealings with SMN Group. Gifts exclude petty items like pens, caps, calendars, USB sticks, T-shirts, and other marketing, branding or advertising materials of nominal value.
- Hospitality includes any business entertainment or business related expense taken regarding travel, accommodation, meals, or invitations to events (cultural, sports, etc.) including invitations to seminars, given to/received from an external party (i.e. non-SMN Group entities and non-SMN Group employees; employees who work for a joint venture/consortium in which a SMN Group entity holds a stake, are not considered to be an external party for purposes of this definition) which has business dealings with SMN Group. Hospitality excludes non-alcoholic refreshments and office-based working meals.
- Public Official means:
  - (a) an employee, officer or representative of, or any person otherwise acting in an official capacity for or on behalf of, a Government Authority.
  - (b) a person holding a legislative, administrative or judicial position of any kind, regardless of whether elected or appointed.
  - (c) an officer of, or individual who holds a position in, a political party.
  - (d) a candidate for political office.
  - (e) an individual who holds any other official, ceremonial or other appointed or inherited position with a government or any of its agencies; or
  - (f) an individual who exercises a public function for or on behalf of a country or territory or for any public agency or public enterprise of that country or territory.

- Government Authority means:
  - (a) a national government, political subdivision thereof, or local jurisdiction therein.
  - (b) an instrumentality, board, commission, court or agency, whether civilian or military, of any of the above, however constituted.
  - (c) a government wholly owned or government-controlled association, organization, business or enterprise.
  - (d) a political party; or
  - (e) a public organization, being an organization, whose members are (i) countries or territories; (ii) governments of countries or territories; and/or (iii) other public international organizations and includes, without limitation, the World Bank, the United Nations, the International Monetary Fund and the OECD.

**Attachment:**

- Attachment A: Table regarding approval required and value for Gift and Hospitality

**Attachment A:**

**TABLE OF APPROVAL REQUIRED AND VALUE FOR GIFT AND HOSPITALITY**

<b>Value*</b>	<b>More than 20</b>	<b>More than RO 50</b>	<b>More than RO 150</b>
<b>Registration</b>	<i>YES</i>	<i>YES</i>	<i>YES</i>
<b>Approval</b>	No, up to 50	Line Manager and Ethics Officer	Senior Management Line Manager and Ethics Officer

**\*Note: The numbers are on per person basis.**