

Related Parties Transactions Procedures Manual

**Al-Dar Asset Management Co.
(ADAM)**

Introduction

1.1. Purpose

The purpose of this manual is to document and explain the Related Parties Transactions processes and procedures and serve as a means for defining and clarifying the roles and responsibilities associated with all personnel responsible for providing investments activities and Back-office services/ support.

Related Parties Transactions Procedures Manual enhances management's efforts to:

- Monitor compliance against established procedures
- Help ensure that Related Parties Transactions related policies and procedures are consistently applied/ practiced
- Improve efficiency in training employees during periods of transition
- Update procedural changes created by business process improvement initiatives, reorganization or the implementation of a new management information system etc.

The manual will ensure consistency of application of procedures and facilitate knowledge transfer within Related Parties Transactions Departments. The layout, content, and structure of the manual are designed for the manual to be a ready reference for all concerned employees in ADAM. The Financial control department is responsible for disclosing all related party transactions as per the Company's Accounting Policy, and particularly for Related Parties Transactions Departments.

RP1: Manual Administration

Activity Ref.	Description	Output	Performed by (Position/ Department)
Manual Distribution			
1	Forward the Related Parties Transactions Procedures manual and a Manual Distribution Form		
2	Sign and return the Manual Distribution Form to the Chairman .		
Updating the Manual			
1	Fill out the Request for Amendment Form and address it to the Chairman .		
2	Discuss the need for amendments with the Authorized Personnel and approve the same.		
3	Forward the proposed changes to the Board of Directors for approval.		
4	Forward the required amendments to the Authorized Personnel .		
5	Make the requested amendments in the Master copy and forward updates in hard copy to the Authorized Personnel .		
6	Request Authorized Personnel to post a soft copy in the Company network for easy reference.		
7	Communicate amendments in Related Parties Transactions policies & procedures to Company personnel.		

RP2: General and Specific Procedures

RP2.1: Review and Approval of Related Parties Transactions

Activity Ref.	Description	Output	Performed by (Position/ Department)
1	<p>The CEO and/or the Audit Committee must review the following factors, in addition to any other factors the Committee deems appropriate, in determining whether to approve a related person transaction:</p> <ol style="list-style-type: none"> 1.1 The terms of such transaction; 1.2 Interests of all related parties in the transaction; 1.3 The purpose and timing of the transaction; 1.4 Whether the Company is party to the transaction, and if not, the nature of the Company's participation in the transaction; 1.5 Information concerning potential counterparties in the transaction; 1.6 The approximate KD value of the transaction and the approximate KD value of the Related Person's interest in the transaction; 1.7 Description of any provisions or limitations imposed as a result of entering into the proposed transaction; 1.8 Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and 1.9 Any other relevant information regarding the transaction. 		