

AXXELA

RELATED PARTY TRANSACTIONS POLICY

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1. DEFINITIONS

A Related Entity means Oando Plc or any of its subsidiaries.

A Shareholder means a holder of A Shares of Glover B.V.

Axxela means Axxela Limited.

Axxela Group means Axxela and its subsidiaries.

Axxela Group Company means any member of the Axxela Group.

B Related Entity means Helios Investment Partners LLP or any of its subsidiaries (other than any Axxela Group Company).

B Shareholder means a holder of B Shares of Glover B.V.

Board means the Board of Directors of the relevant Axxela Group Company.

Business Partner means all brokers, finders, dealers, resellers, distributors, teaming partners, joint venture partners, contractors, suppliers, consultants, agents and any other third party with whom or through whom any Axxela Group Company does business.

Close Family Member means a spouse, child or dependent.

Employee means any person that holds a valid and subsisting contract of employment with any Axxela Group Company or renders employee type services to any Axxela Group Company under any form of management employment or consultancy agreement, whether on a full time or part time basis.

Director means a member of the Board of Directors of an Axxela Group Company.

Disciplinary Action Procedure means the Disciplinary Action Procedure of Axxela.

GC&CS means the General Counsel and Company Secretary of Axxela.

Glover B.V. means Glover Gas & Power B.V.

Glover B.V. Shareholders Agreement means the shareholders agreement entered into by the shareholders of Glover B.V. dated 13th September 2016 as amended on 9th March 2017 and as subsequently amended from time to time.

Governance and Remuneration Committee mean the Governance and Remuneration Committee of the Supervisory Board of Glover B.V.

Policy means this Related Party Transactions Policy.

Related Party means:

- (a) any Director, Shareholder or Relevant Personnel;
- (b) Close Family Members of any of the persons referred to in (a) above; and
- (c) any entity or firm in which any Director, Relevant Personnel, or a Close Family Member of any of the persons referred to in (a) above exercises significant influence or is involved in the management, control, or (in the case of an entity) has a controlling interest in the share capital of such entity;

Related Party Transaction means any transaction between any Axxela Group Company and any Related Party for the transfer of resources, services or obligations, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly and regardless of whether or not a price is charged and includes but is not limited to the following:

- (a) the issuance or subscription of securities;
- (b) the acquisition, disposal or leasing of assets of any kind;
- (c) the provision or receipt of services;
- (d) the establishment of joint ventures or joint investments;
- (e) the underwriting of the subscription of any securities or derivatives thereof, of any Axxela Group Company;
- (f) the provision or receipt of financial assistance (including loans and equity contributions in cash or kind);
- (g) the provision or receipt of guarantees and collateral; and
- (h) the granting of or being granted options.

Related Party Transactions Panel means the management committee responsible for reviewing potential Related Party Transactions. The members of the Panel are:

- (a) the Chief Financial Officer;
- (b) the GC&CS; and
- (c) the Internal Control and Audit Manager.

Relevant Personnel means any of the following:

- (a) a management level Employee; and
- (b) an Employee in the Corporate Services department.

Shareholder means a shareholder of any Axxela Group Company (other than any shareholder that is also an Axxela Group Company).

2. PURPOSE AND SCOPE OF THE POLICY

- 2.1 Related party transactions are well recognized features of commercial and business transactions and can be beneficial to a company. Such transactions may enable companies to advance their business in a cost-effective basis by leveraging on their existing relationships.
- 2.2 Axxela recognizes that while transactions between Axxela Group Companies and related parties could be beneficial, due to inherent conflicts of interest, such transactions have the potential in certain circumstances to be unfair to Axxela Group Companies and its shareholders.
- 2.3 It is essential that all related party transactions involving any Axxela Group Company are conducted on at arm's length basis.
- 2.4 In addition to the above, Axxela Group Companies are required to make public disclosure of all certain related parties transactions under applicable laws, rules and regulations and best practice instruments, including:
 - the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 ("CAMA");
 - International Accounting Standards (IAS 24) of the International Financial Reporting Standards;
 - The Income Tax (Transfer Pricing) Regulations 2012;
 - Axxela Transfer Pricing Policy;
 - Other local and international reporting requirements applicable to the Axxela Group.
- 2.5 It is the desire of the Axxela Group to maintain the highest level of corporate governance and international best practice. Accordingly, Axxela has developed this Policy on Related Party Transactions (the "**Policy**") to ensure that:
 - 2.5.1 related parties are properly identified;
 - 2.5.2 full and adequate disclosure of Related Party Transactions are made;
 - 2.5.3 there exists a documented process for the proper valuation, review and approval of Related Party Transactions;
 - 2.5.4 proper records are maintained of all Related Party Transactions;

- 2.5.5 there is due and timely compliance with all applicable reporting and disclosure requirements governing Related Party Transactions; and
- 2.5.6 there is full compliance with all applicable laws and regulations governing related party transactions, including transfer pricing legislation.
- 2.6 Subject to Paragraph 2.7 below, this Policy shall apply to all transactions entered into between:
 - 2.6.1 Axxela Group Companies;
 - 2.6.2 any Axxela Group Company and an A Related Entity;
 - 2.6.3 any Axxela Group Company and a B Related Entity and
 - 2.6.4 any Axxela Group Company and any Related Party.
- 2.7 This Policy shall not apply to the following transactions:
 - 2.7.1 any transaction which is expressly permitted under the Glover B.V. Shareholders Agreement;
 - 2.7.2 any transaction entered into by any Axxela Group Company and any entity in which any Director or Relevant Personnel or their respective Close Family Members have not more than 2% shareholding interest (whether directly or indirectly) and such persons are not in charge of the management and control of such entity.
 - 2.7.3 any transaction entered into by any Axxela Group Company and any entity whose shares are freely traded on a stock exchange and in which any Director, Relevant Personnel or their respective Close Family Members have not more than 5% shareholding interest in and such persons are not in charge of the management and control of such entity.
- 3. CONFLICT OF INTEREST**
 - 3.1 Directors and Employees owe a duty to act always in the best interests of the Axxela Group and to avoid situations which might affect their independence or judgment with respect to any transaction between any Axxela Group Company and any Related Party.
 - 3.2 Every Director shall promptly disclose any real or potential conflict of interest that they may have to the Chairman of the Governance and Remuneration Committee. A Director shall abstain from discussions and voting on any matter in which the Director has or may have a conflict of interest.
 - 3.3 No Employee shall perform services as a consultant, employee, officer, director, advisor, or in any other capacity for a competitor or business partner of any Axxela Group Company without prior written approval of the Panel.

4. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

- 4.1 Related Party Transactions in which a Director has an interest shall be disclosed to the Chairman of the Governance and Remuneration Committee. Related Party Transactions in which a Relevant Personnel or his/her Close Family Member has an interest shall be disclosed in writing to the GC&CS by such Relevant Personnel.
- 4.2 Every Relevant Personnel shall at the beginning of the financial year, provide information regarding any entity in which he/she has interest as a director, officer, or holder of substantial shares/securities or Close Family Member of any such person, by completing the declaration of interest form provided by the Legal & Governance Department which is designed to elicit information about any existing or potential Related Party Transactions. In addition, Relevant Personnel are required to promptly inform the GC&CS of any potential Related Party Transactions which they become aware of subsequent to the annual declaration exercise.

5. PROCEDURE FOR DISCLOSURE

5.1 Directors

- 5.1.1 It shall be the duty of a Director to disclose to the Chairman of the Governance and Remuneration Committee any interest he/she may have (whether directly or indirectly) in any contract or transaction which may be a potential Related Party Transaction.
- 5.1.2 After any such disclosure by a Director, any existing or potential conflict of interest shall be reviewed by the Governance and Remuneration Committee and the Committee shall make a recommendation to the Board about the propriety of the transaction and whether the Axxela Group Company should proceed with the transaction.
- 5.1.3 Upon receipt of the recommendation of the Governance and Remuneration Committee, the Board shall review the transaction and make a decision on whether the member of the Axxela Group should proceed with the transaction.

5.2 Relevant Personnel

- 5.2.1 Each Relevant Personnel shall promptly notify the GC&CS of any interest he/she may have (whether directly or indirectly) in any contract or transaction which may be a potential Related Party Transaction.
- 5.2.2 Upon receipt of such disclosure, the GC&CS shall promptly and in accordance with Schedule 1 of this Policy either review and approve the transaction or convene of a meeting of the Related Party Transactions Panel to review the transaction and determine if the Axxela Group Company should proceed with the transaction.

5.3 Related Party Transactions between Axxela Group Companies

- 5.3.1 All transactions between Axxela Group Companies or between an Axxela Group Company and Glover B.V. shall be disclosed to the Board and to all relevant authorities in accordance with applicable law.
- 5.3.2 Related Party Transactions between Axxela Group Companies or between an Axxela Group Company and Glover B.V. shall be disclosed in their respective financial statements in accordance with the International Accounting Standards (IAS 24) of the International Financial Reporting Standards, the Income Tax (Transfer Pricing) Regulations, No.1 of 2012 and Axxela Transfer Pricing Policy.

6. REVIEW OF RELATED PARTY TRANSACTIONS

- 6.1 All Related Party Transactions shall be reviewed by the GC&CS, the Related Party Transactions Panel, Governance and Remuneration Committee or the Board, as may be applicable in accordance with Schedule 1 (Process for Review, Approval and Ratification of Related Party Transactions) of this Policy.
- 6.2 In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the GC&CS, the Related Party Transactions Panel, Governance and Remuneration Committee or the Board, as appropriate, shall take into account, among other factors, the following:
 - 6.2.1 the terms, purpose and timing of the transaction;
 - 6.2.2 whether the transaction is entered into on terms comparable to those generally available to an unaffiliated third-party under the same or similar circumstances;
 - 6.2.3 whether or not the transaction could potentially create an exposure to an Axxela Group Company pursuant to the Income Tax (Transfer Pricing) Regulations of 2012;
 - 6.2.4 if the transaction involves the sale of an asset, the full description of the asset, including date acquired and costs basis;
 - 6.2.5 review of the valuation methodology used and alternative approaches to valuation of the transaction;
 - 6.2.6 whether there was a bidding process and the results thereof as well as the integrity of the bidding process;
 - 6.2.7 the extent of the Related Party's interest in the transaction;
 - 6.2.8 the approximate value of the transaction and the approximate value of the Related Party's interest in the transaction;
 - 6.2.9 information concerning potential counterparties in the transaction;

- 6.2.10 whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - 6.2.11 whether the proposed transaction could potentially have an adverse impact on the share price of any Axxela Group Company and/or the relationship between Axxela Group and Shareholders;
 - 6.2.12 description of any provisions or limitations imposed as a result of entering into the proposed transaction; and
 - 6.2.13 any other relevant information regarding the transaction.
- 6.3 The approval of any Related Party Transaction in accordance with this Policy shall not extinguish the requirement for any other approval required by the Glover B.V. Delegation of Authority.

7. TRANSACTIONS WITH RELATED ENTITIES

7.1 Subject to Paragraph 2.7 above:

- 7.1.1 all transactions between an Axxela Group Company and an A Related Entity shall require the approval of a B Shareholder; and
- 7.1.2 all transactions between an Axxela Group Company and a B Related Entity shall require the approval of an A Shareholder.

8. AMENDMENT

All amendments to this Policy must be approved by the Governance and Remuneration Committee and ratified by the Board.

9. BREACH OF THE POLICY

A breach of this policy shall be investigated and dealt with in accordance with the Disciplinary Action Procedure after due consideration has been given to all of the relevant facts and circumstances surrounding the transaction.

SCHEDULE 1

Process for Review and Approval of Related Party Transactions

Contract Threshold	Responsibility	Activity Control Steps
Contracts with value below ₦10million in which any Relevant Personnel or his/her Close Family Member has an interest (whether directly or indirectly).	Relevant Personnel	Notify GC&CS of potential Related Party Transaction
	GC&CS	Review transaction and approve or reject transaction.
Contracts with value of ₦10million and above which any Relevant Personnel or his/her Close Family Member has an interest (whether directly or indirectly).	Relevant Personnel	Notify GC&CS of potential Related Party Transaction
	Related Party Transactions Panel	Review transaction and approve or reject transaction
Any contract in which any Director (including any executive Director) or his/her Close Family Member has an interest in (whether directly or indirectly).	Director	Notify the Chairman of the Governance and Remuneration Committee.
	Governance and Remuneration Committee	Review the transaction and make recommendation to the Board on whether the transaction should be approved or rejected.
	Board	Review the transaction and the recommendation of the Governance and Remuneration Committee and make a decision on the propriety of the transaction and approve or reject the transaction.

Note: Any Director or Relevant Personnel who has any interest (whether directly or indirectly) in any contract being deliberated shall excuse himself or herself from any discussion relating to the contract or to the approval of such Related Party Transaction. Such a Director or Relevant Personnel's contribution shall be limited to providing the necessary information concerning the Related Party Transaction to the GC&CS, Panel, Governance and Remuneration Committee and the Board (as applicable).

APPROVAL:

Document Control	Designation	Signature	Date
Reviewed by:	Legal and Governance Manager		24-04-2018
Reviewed by:	General Counsel and Company Secretary		25-04-2018
Approved by:	Chief Executive Officer		25-04-2018