

Batelco Group's Policy on Acceptable Supplier's Conduct

1. PURPOSE

1.1 The purpose of this Policy is to set out Batelco Group's expectations from the Suppliers with whom any Batelco Group Company transacts, in order to help Batelco Group protect its integrity and successfully resist bribery / corruption. In addition, this Policy is to ensure that all the local and international Suppliers know Batelco Group's commitment to be a responsible corporate citizen.

1.2 Batelco Group recognizes the importance of sustainable business practices for the long-term success of business. Therefore, the Group is committed to conducting business with the highest standard of integrity and ethics. Suppliers are an integral part of the Group's business to help the group practice its commitment.

1.3 Batelco Group operates in various countries and thus it is subject to many different laws, rules and regulations in respective countries. In addition, relevant UN conventions, treaties and declaration may also apply as binding. Batelco Group, through this Policy, requires its Suppliers to comply with all relevant laws and regulations, both domestic and foreign, while in a business Transaction as well as promote ethical practices within their businesses.

1.4 This Policy is also to clearly advise all the Suppliers that any Company within Batelco Group shall not enter into any Transactions with Supplier(s) where it is the knowledge of the Company that the Supplier does not meet the requirements set out in this Policy.

2. DEFINITION(S) OF KEY TERMS

2.1 **'Batelco Group' or 'the Group'** is Bahrain Telecommunications Company, headquartered in the Kingdom of Bahrain and listed on the Bahrain Bourse.

2.2 **'Board'** means the Company's board of directors.

2.3 **'Company'** shall mean any business entity within Batelco Group. irrespective of its form of constitution to which an individual is related as employee or Board / Subcommittee member or through any other such relationship as defined under Section 3 – 'Scope'.

2.4 **'Company Personnel'** means all individuals working for the Company, or on Company's behalf, at all levels and grades, including general managers, directors, senior managers, officers, employees, trainees, part-time and fixed-term employees, wherever located. It also includes Board members of the Company.

2.5 **'Gift / Hospitality / Entertainment'** means anything of monetary value, such as cash, meals, loan, decoration items, trips, tickets to an event, and services. **'Value'** for this Policy means the retail price that a Person would have to pay to purchase the Gift, Hospitality or Entertainment. When the value of a particular item cannot be readily determined, it may be estimated by reference to the retail price of the items of similar quality. Where a ticket entitles a Person to food, refreshments, entertainment, or any other benefit, the market value is the face value printed on the ticket or known value of such a meal at the named restaurant.

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- 2.6 Good Faith** refers to a Whistle-blower reporting a concern, without malice or consideration of personal benefit, with reasonable basis to believe that his/her report is true and is not malicious, false or frivolous.
- 2.7 'Group Ethics Auditor'** is the officer that the Batelco Group Board Audit Committee designates from within the internal audit office in any of the Company or another independent position. This officer interacts with respective Company's Board Audit Committee on the matters related to this Policy.
- 2.8 Significant Financial Interest** in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Company Personnel or family member's judgment with respect to Transactions to which the entity is a party. This includes all forms of benefits.
- 2.9 Supplier(s)** for this Policy shall mean any person(s), company or organisation who enters into a Transaction wherein Company solicits the Supplier to bid/ quote through its procurement process. It includes Suppliers and any sub-Suppliers they choose to engage and shall include contractors, intermediaries and any other third party contracted by the aforementioned to provide goods or services.
- 2.10 'Transaction'** is an instance of the Company buying some goods / services/ rights / liabilities etc. in a business deal or any other arrangement agreed by the Company.

3. SCOPE

- 3.1** This Policy is for adherence of all Suppliers of the Company, irrespective of the nature of goods or services supplied. It includes all those who propose to supply any goods or services as well.
- 3.2** This Policy also applies to all personnel employed by or engaged to provide services to the Suppliers irrespective of their location of work.
- 3.3** This Policy is **not applicable** on Transactions where the Company approaches the Supplier to purchase off the shelf or standard products available in the market (since Supplier does not have information to make any representation with regard to their product manufacturers' compliance to this Policy.)
- 3.4** This Policy also applies to all the Company Personnel while dealing with the Suppliers.

4. Acceptable Suppliers' Conduct

4.1 Compliance

Suppliers should comply with all applicable laws, regulations, rules and ethical standards of the country in which they operate as well as where they provide products or services to or for a Company within Batelco Group.

4.2 Confidentiality

4.2.1 During the initial engagement and procurement process, while the formation of a contract or at the time of performance of a contract, a Supplier may access some Confidential or proprietary information of the Company (for example - customers, employees, operations,

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finances and/ or business plans). Suppliers, in all such cases, should abide with the confidentiality undertakings contained in an agreement, terms and conditions and/or non-disclosure agreement (NDA) given by them at the time of request for proposal, invitation to tender or any such other bid solicitation document or agreement between the Company and the Supplier.

The Company reserves the right (in addition to all other legal or contractual rights) to disqualify a prospective Supplier / terminate the business relationship with a Supplier if the Company becomes certain about the breach of Confidentiality by the Supplier.

4.2.2 Suppliers must not have discussions involving Company's confidential information in public areas where discussions could be easily intercepted or overheard. Inadvertent nature of disclosure does not absolve a Supplier from an obligation towards the Company. Suppliers may use Company's confidential information only for the agreed purposes as defined in the contract with the Company.

4.2.3 In cases where the Supplier wishes to use Company's name in any of the document / media item they wish to publish, the Supplier should obtain prior written approval from the Company through the Head of Procurement department, who in turn will seek necessary approvals from the Company Personnel authorized to grant such approvals.

4.2.4. Where the Supplier's engagement requirements entitle the Supplier access to personal / confidential information of the Company's customers: the Supplier should:

- Transparently inform the Company and give the Company a choice to restrict the Supplier's use of that information, while absolving the Suppliers of any responsibilities of performance of duties associated with that information. If the Company does not impose restriction, the Supplier is still expected to collect the customer information fairly and legitimately, in line with Supplier's agreement with the Company.
- Allow Batelco, on request, to review Supplier's Information Security Program to ensure that it is in line with Batelco's Information Security standards and/or Suppliers agreement with the Company.
- Commit to comply with the results of information security reviews, which resulted in a need for a Supplier to undertake improvement action.

4.2.5 Batelco is a publicly listed company. Suppliers may come across non-public information about Batelco or third parties as a result of Transactions with a Batelco Group Company. Suppliers must avoid any stock market activities (generally termed as 'Insider Trading') such as buying or selling Batelco or another company's stock based upon this information. Suppliers must not even facilitate any other person's stock trading with this non-public information.

4.3 Health, Safety and Environment:-

4.3.1 Suppliers should adopt and maintain appropriate Health and Safety Management practices to limit exposure of their personnel to occupational hazards, prevent emergencies, safeguard machines, manage physically demanding work, and provide access to hygienic facilities and medical amenities.

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4.3.2 Suppliers should have responsible environmental policies. The Group's endeavor is to deal with the Suppliers, which make active efforts to prevent or minimize the negative impacts of their businesses on the environment. Suppliers should comply with all environmental laws and regulations, and also implement measures contributing to the protection of the environment.

4.4 Human Rights and Labour

4.4.1 Employment Conditions

Batelco Group is, and expect all its Suppliers to be, an equal opportunity employer. Compliance to governmental regulations protecting the rights of citizens of respective countries is the only acceptable exception. Suppliers should ensure the absence of the following from the work environment of their institutions:

➤ **Child Labour**

Suppliers should not employ and use workers who have not reached, as stipulated by local laws:-

- the age of completion of compulsory education, and / or
- the legal minimum age for employment

➤ **Discrimination / Harassment** of any employee on the basis of age, race, color, gender, religion, sexual orientation, marital status, national origin, physical or mental disability, medical condition, pregnancy, genetic information, ancestry or any other status protected under any applicable law

➤ **Forced Labor / Human Trafficking:** Any form of advantage taken of the people's circumstances by forcing, imprisoning, or making people bonded / slave labor against their free will and consent. It includes withholding or destroying employee's identity, travel / immigration documents, passports or work permits. Employees should be free to leave the employment after serving reasonable notice period.

4.4.2 Working Hours

Suppliers should not require workers to work more than the regular and overtime hours allowed by the law of the country of employment and /or work. The Supplier should also grant the right to paid vacation to its employees.

4.4.3 Wages and Benefits

The Supplier shall comply with the applicable laws and regulations with regard to remuneration paid to workers, including those relating to minimum wages, overtime hours and legally mandated benefits.

4.4.4 Association / Trade Union and Grievance Process

Suppliers shall not restrict employees to associate or not associate with any Trade union or similar third party advisor / support as permitted by the applicable law and regulations. Suppliers should also have adequate process in place for their employees to bring matters of attention to the Company management without fear of reprisal.

4.4.5 Rational Disciplinary Measures

The Supplier shall treat all employees with respect and shall not use physical punishment, mental or physical coercion, any form of abuse or harassment or threat of such treatment as a measure of disciplining the employees.

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4.5 Avoidance and Declaration of Conflict of Interest:

4.5.1 Batelco Group / Company allows Business dealings with parties related to Company Personnel as any other business transaction provided due declarations are made in advance by the Supplier and the respective Company Personnel follows the company's internal policies in this regard. Suppliers should avoid any such action that, whether in actual or in perception, creates a conflict of interest for that Company Personnel related to the Supplier or affects the objectivity of his judgment while performing company duties. Suppliers must disclose any such relationships, which has not been disclosed earlier, to Batelco Group through an official communication addressed to Batelco's Group Ethics Auditor for review as soon as the Supplier becomes aware of the situation.

4.5.2 Suppliers must not deal directly with any Company Personnel whose spouse, domestic partner or other family member or relative has a significant financial interest in the Supplier (Except for publicly traded stocks / securities). Supplier may deal with other authorized company personnel after declaring the related facts

4.6 Transaction Records

Every Transaction with a Batelco Group Company would result in some records in the Supplier's books. The Group expects the Supplier to prepare timely, accurate, truthful and complete records of all such Transactions. It may include financial accounting, time spent for the Company or reimbursable expenditure incurred for the Company work. Financial and business records should be in line with the applicable laws and generally accepted accounting standards. Suppliers should provide these records to Batelco Group on request according to their agreement with the Group / Company.

4.7 Expenditure Commitment Authority and Payment Expectations

Suppliers may communicate and discuss business matters with many Company Personnel during the normal course of business. However, Supplier should not assume that those Company Personnel are authorised to commit any expense on behalf of the Company. In general, commercial commitments can be communicated to the Suppliers only by an authorised member of Procurement team of the Company. The Supplier should therefore:

- Ask their contact in the Company to confirm in writing about the authority to make this commitment, when any Company Personnel makes any promises for business.
- Insist on a signed purchase order before undertaking any work for the Company. All such communications should be from official channels of the Company. The Company will not honor commitments made through personal email and telephone calls etc. Any Supplier, performing work on requests not backed by a purchase order from the Company, may not expect any payment for that work by the Company.
- Deal only with the Procurement officials of the Company to finalise the terms and conditions of the Transaction. Where suppliers are not aware of the contacts of Procurement Officials they may send an email to procurement@sure.com to know the contact details.

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- Ensure that a correct invoice is submitted to the accounts payable unit within the Company. Incorrect invoices may be returned to Suppliers for correction and resubmission and may result in processing delays.

4.8 Gifts; Hospitality and Entertainment to Company Personnel

4.8.1 Suppliers must **Not Offer** any Gift / Hospitality / Entertainment to any of the Company Personnel exceeding a cumulative value of £50 for a Gift and £100 for Hospitality/Entertainment, subject to the guidelines below.

4.8.2 Company Personnel are allowed to accept only nominal Gift of negligible value. (For example, pens, calendars, stationery or consumables, branded for marketing by the Supplier's firm, which are generally given by the Supplier to various parties for promotional purpose and are not personalized or customized for the recipient.)

4.8.3 Examples of acceptable Hospitality / Entertainment might be dining out as part of a group for business purpose; tickets to a sporting event; music concert or charitable / professional events when the institutions extending this Hospitality and / or Entertainment are a sponsor of such events. The cumulative value of £50 for a Gift and £100 for Hospitality/Entertainment applies.

4.8.4 Suppliers must desist even from offering a Gift / Hospitality / Entertainment falling outside of the cumulative value of this allowance. Any payment or offer to pay cash or cash-equivalent perquisites to any Company Personnel is **prohibited irrespective of the value**. Besides, the Supplier should note that frequency of such events should be minimal.

4.8.5. Supplier has to ensure that Gift / Hospitality / Entertainment are not offered in close proximity to a major business decision or in an attempt to gain special treatment.

4.8.6 Company Personnel are not allowed to solicit any sort of Gift / Hospitality or Entertainment from the Suppliers. If any such solicitation occurs, the Supplier must inform the Company by using any channel provided in the Company's Whistleblowing Policy or by sending an email to (ethics@btc.com.bh)

4.9 NO to Bribery / Kickback / Corruption / Unethical Business Practices

4.9.1 Suppliers must ensure that they do not play a part in any bribery / kickback / corruption / unethical business practices (such as forming cartel amongst competitors) in any Transaction with the Batelco Group companies. This prohibition applies, even if it is not directly benefitting any Company Personnel (For example- Supplier offering or providing anything of value to any third party in association with any Transaction of the Company without obtaining a written authorization of the Company).

4.9.2 Suppliers must refrain from tempting current or past Company employees for divulging any confidential, proprietary or other restricted information, in order to gain a commercial advantage during any Transaction.

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4.10 Delivering the Promised Quality

Suppliers must deliver the product / service promised in their proposals / tenders. In no circumstances should the Supplier deliver an inferior quality / brand without - a) disclosing all the facts and reasons to the Company and b) obtaining a clear approval from the Company. The Supplier, in approved cases, must compensate the Company for the price difference between the promised and actual delivery.

4.11 Communicating this Policy to Supplier's stakeholders

The Company expects its Suppliers to actively communicate this Policy to their parent, subsidiaries or associates, subcontractors and employees and ask them to ensure that this Policy is enforced and complied with.

5. SPECIFIC RESPONSIBILITIES OF SUPPLIERS

Suppliers should have controls and processes in place that are designed to facilitate compliance with the law and this Policy:

- 5.1 Suppliers are expected, in all of their activities, to maintain high ethical standards, acting with integrity, trust, respect, honesty and without harassing Company Personnel when visiting and/or dealing with any Batelco Group and in accordance with any specific policies provided to the Supplier. Supplier may help this cause by providing a complaint mechanism, with the option of anonymity, to the Company's employees and to their employees, agents and subcontractors etc. to report violations of this Policy. Suppliers must protect the persons, who reports violations in good faith, from retaliation.
- 5.2 Suppliers should promptly report any identified or suspected violations of this Policy to the Group and /or the Company they are transacting with. Reports may be made through the Batelco Group's Whistle-blowing Hotline or through an email to Batelco's Group Ethics Auditor on ethics@btc.com.bh. As stated in Batelco group's Whistleblowing Policy, it will not accept retaliation against any person(s) who reports violations in good faith. Suppliers must provide reasonable assistance to Batelco Group when an actual or suspected violation of this Policy is investigated by the Group.
- 5.3 Batelco Group expects their Suppliers to self-monitor and comply with this Policy, and allow the Group to seek relevant information and details when the Group needs to verify or validate Supplier's compliance to this Policy. Suppliers should cooperate by correcting any deficiencies identified in this verification / validation process.

6. CONSEQUENCES OF FAILURE TO COMPLY

6.1 Failure to comply with this Policy may be considered as a reasonable basis for disciplinary / remedial action, which may include from a letter of reprimand to the termination of services / contract / ban on future engagements based upon the impact of the non-compliance on Company's interest and history of such non-compliance by the same Supplier / Company Personnel. Management shall follow the formal disciplinary action procedure of the Company in this regard.

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6.2 The Company may also pursue legal action, against any or all, for recovery of damages suffered by the Company and compensation of other notional losses.

7. SUPREMACY OF LAW

All applicable laws and regulations of the legal jurisdictions of the countries where the Company operates also guide and govern this Policy. In the event of any inconsistency between the requirements and the procedures prescribed herein and those in the prevailing laws and regulation of the country, the Laws and regulations shall prevail over the Policy.

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For Company purpose only – not to be given to Suppliers

8. SPECIFIC RESPONSIBILITIES OF COMPANY PERSONNEL

8.1 Head of Procurement shall provide a copy of this Policy (**Section 1 through 7**) to each prospective Supplier with the invitation to participate in bidding for the business with the Company. The Policy should accompany a clear message that:

- Compliance to this Policy shall form an integral condition of the work contract between the Supplier and the Company unless specific agreement is reached for the company to accept other similar rules advised by the Supplier to the Company.
- If the Supplier has their own written rules to replace any of the contents of section 4 of this Policy then the Supplier may advise those to replace the respective wordings, subject to review and agreement by the Company's Legal and Regulatory department to ensure the consistency with this Policy. Such changes will be taken up for discussion only with the selected Supplier. Such agreed changes will then be part of the Agreement between the Supplier and the Company.

8.2 In exceptional incidents where a Transaction is processed outside the Procurement process then the Company Personnel in-charge of that Transaction shall ensure the compliance to the responsibility defined for the Head of Procurement.

8.3 Batelco's Group Ethics Auditor shall:

- arrange to review the cases where a breach of this Policy is reported,
- maintain a record of reported incidents and
- report the results to the respective Board Audit Committee.

9. REPORTING A CONCERN – COMPANY PERSONNEL

9.1 It is the moral duty of every Company Personnel to safeguard the Company's interests and thus to report any concerns that breach of this Policy (such as a Supplier may have given or offered an expensive Gift or significant Hospitality that contravenes this Policy or the Supplier company has employed Child labour) that a Company Personnel becomes aware of. In the first instance, the company Personnel may speak to the Company's Head of Internal Audit.

Alternatively, he /she can report it through the various reporting channels provided in Company's Whistleblowing / Fraud reporting Policy. The common channel of such reporting is an email to **ethics@btc.com.bh**. Company has a strict Policy of zero tolerance of retaliation against people who report their concern in Good Faith.

For more information about and alternative channels of reporting your concerns, read our Whistleblowing / Fraud reporting Policy.

9.2 In case a Company Personnel discusses a concern with his / her Line Manager and wishes to report the concern using the Whistleblowing / Fraud Reporting Policy then the Line Manager shall not make any attempt to discourage or prevent the Person from reporting in such a manner.

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10. DISCIPLINARY / INVESTIGATION MECHANISM

- 10.1 A Committee shall decide on Individual cases subject to disciplinary / legal action under this Policy. This Committee shall be constituted at the time of need and would dissolve at the completion of disciplinary / punitive / legal action.
- 10.2 On receipt of the case, based upon the nature and merits of the case, the Group Ethics Auditor shall arrange for the constitution of an Investigation Committee, which will formulate the way forward for each case in a structured manner and within reasonable time.
- 10.3 The Committee shall provide their recommendation to the Chief Executive Officer (CEO) of the Company.
- 10.4 The CEO shall discuss the matter in the next scheduled Strategic Leadership Team meeting and finalise the decision. (**Strategic Leadership Team** is the team of executive management level employees of the company, who are the highest decision makers in their respective business / support / service unit. Designations may vary depending upon the organizational structure of the Company)
- 10.5 Where the cause of the breach is ascertained as omission from company personnel to communicate the Policy to the Supplier, disciplinary action may be taken against the erring company personnel in accordance with company's approved Code of Discipline.
- 10.6 **Head of Human Resources** shall advise, in the case of any breach of this Policy by a Company Personnel the Committee on the disciplinary meeting formalities and shall ensure the adherence of the relevant process in order to avoid legal issues.
- 10.7 Company management shall also ensure the availability of appropriate legal opinion and assistance to cover the legal aspects of the case.
- 10.8 If the case so merits, Board's Audit Committee may appoint external independent investigators.

11. REVIEW OF THE POLICY

- 11.1. This policy is subject to an annual review and update in order to ensure ongoing alignment with the Company's strategy, business processes, and to reflect any change in the external business environment.
- 11.2. **Strategic Leadership Team (SLT)** shall review this Policy annually and when a revision is required, the CEO will present it to the Board of Directors with **SLT's** recommendation. Head of Procurement shall communicated any changes to the Policy immediately to all the stakeholders.
- 11.3. Head of Procurement shall be responsible to present it to the SLT review if an early review is required.
- 11.4. In case any changes are necessary in the interim, any Policy related changes would be subject to the Board of Directors' prior approval, whereas any Procedural change can take immediate effect with the approval of the CEO and notification to BOD.
- 11.5. Changes to the names and contact details given in the policy may be made by the Head of Human Resources as and when need arises without seeking approval from the Board.