

Corporate Governance Report continued

Ethics and Compliance continued

(vi) Activities Carried out by the E&C Office in 2021 continued

The Ychsat E&C Office also conducted e-learning and sought acknowledgement from all employees to ensure that everyone across the Group is fully committed to our values and ethical principles. The acknowledgement covered areas including conflicts of interest disclosures as well as acknowledgement of the Code of Ethics and associated policies. The Code of Ethics and associated policies are accessible to all staff at all times and are also available on the Group's intranet.

The E&C Office also set up an independent helpline dedicated to receiving any concerns that employees might have, or to facilitate the reporting of any matters of concern anonymously. In addition to this, there is a dedicated email address through which employees can raise concerns or seek clarifications. An external-facing email address has also been set up, to enable external parties or business partners to raise any concerns.

The E&C Office routinely receives disclosures of potential or perceived conflicts of interest for approval. Conflicts of interest can include Financial Interest in an Outside Concern, Holding a Position as Officer or Director in an Outside Concern, Other Associations with Outside Concerns, Employment of a Related Person at the Ychsat Group, Family Members, Friends & Other Personal Relationships (Related Persons), or Use of Confidential Information or Ychsat Group Resources. These disclosures are reviewed on a case-by-case basis in conjunction with management and adjudicated upon appropriately.

From time to time, gifts, entertainment and sponsorships, provided or received, by members of the Group are reported to the E&C Office for review, and where approved, appropriate controls are put in place and monitored to ensure that even the slightest perception of bias or impropriety is neutralised. Only gifts and hospitality that are reasonable and appropriate are approved in line with global anti-bribery and corruption laws and the SCA Corporate Governance Guide, and to avoid the appearance of any conflict of interest that might violate applicable laws or harm relationships or reputations.

The E&C Office, in conjunction with the Ychsat Internal Audit team, conducts risk assessments in relation to the E&C matters on a biannual basis.

Through any of the various channels (e.g. helpline, email or direct reporting via line managers), areas of concern are reported to the E&C Office from time to time. The E&C Office reviews all matters placed before it, and forms a committee as appropriate to investigate concerns that might prejudice the ethical framework within which the Company operates. Reports are submitted to the Ychsat CEO, who in-turn authorises disciplinary or corrective actions, as appropriate.

(vii) Export Control and Sanctions Compliance

The Head of E&C, under the guidance and oversight of the General Counsel, also supports the Group's Export Control and Sanctions Compliance activities. The Export Control and Sanctions Compliance office is supported by a spectrum of champions embedded across various key departments throughout the organisation. Export Control champions, trained on various issues related to export control and sanctions are able to assist team members in ensuring compliance with regulatory requirements associated with the day-to-day work, including the preparation of technology control plans, ensuring controlled transfer and storage of physical and electronic control technology, classifying technology, identifying export classification codes and determining what products are permitted to go to which country.

Screening Champions, trained on using the various screening software to identify any SDNs, have also been strategically placed within the organisation to ensure that all business partners are effectively screened to eliminate the risk of anyone within the Ychsat Group ever having to deal with a sanctioned person or entity.

Related Party Transactions

The Company aims to operate at the highest level of integrity and transparency. The laws of the UAE and the SCA regulations lay down rules relating to Related Party Transactions. Related Party Transactions can present potential or actual conflicts of interest for Ychsat and may create the appearance that business decisions are based on considerations other than the best interests of Ychsat and its shareholders. However, there are also cases where Related Party Transactions may be in the best interest of Ychsat and its shareholders, and hence the Company has a policy in place to provide a sound framework for the review and approval of these transactions, in accordance with the requirements of the SCA Corporate Governance Guide and UAE Companies Law.

The Company did not conduct any transactions with Related Parties in the year 2021, according to the provisions governing transactions and Related Parties stipulated under the SCA Corporate Governance Guide, which is the authoritative text from a UAE listed company perspective and pursuant to the UAE Companies Law.