

## STARCOMMS PLC

### RELATED PARTY POLICY

The Board of Directors has adopted the following policy related to the review, approval or ratification of Related Party Transactions. The Nomination and Corporate Governance Committee of the Board of Directors of Starcomms will have responsibility for overseeing this policy and may review and amend this policy from time to time.

#### A. DEFINITIONS:

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|---------------------------|---|
| A "5% Shareholder"        | means an entity or person that is the beneficial owner of more than 5% of any class of Starcomms Plc shares.  |
| "Board of Directors"      | means the Board of Directors of Starcomms Plc.  |
| "CEO"                     | means the Chief Executive Officer of Starcomms.   |
| "Company"                 | means Starcomms Plc and its consolidated subsidiaries.  |
| "Director"                | means a member of the Board of Directors of the Company.  |
| "Executive Officer"       | means the Board Chairman, C.E.O, any Officer in charge of the business unit, division or function (including, but not limited to sales, administration, or finance) and any other person who performs a policy making function for the Company. Executive officers of subsidiaries may be deemed Executive Officers of Starcomms Plc. if they perform such policy making functions for Starcomms. |
| "GC"                      | means the General Counsel of Starcomms or any such person performing such function in the Company.  |
| "Immediate Family Member" | of a person means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the person, any person (other than a tenant or employee) sharing the person's household.   |
| "Nomination Committee"    | means the Nomination & Corporate Governance Committee of the Board of Directors.  |
| "Related Party"           | means any person:<br>(1) who is, or at any time since the beginning of the Company's last fiscal year was, a director or Executive Officer of Starcomms Plc. or a nominee of a director or Executive Officer of Starcomms; or   |

- (2) who is a holder of 5% Shareholding or more of the shares of Starcomms Plc; or
- (3) who is an Immediate Family Member of any of the foregoing persons.
- "Related Party Transaction"** means:
- (1) any transaction, or a series of similar transactions, which is currently proposed or has been in effect at any time since the beginning of the last fiscal year, in which the Company was, or is proposed to be, a participant, in which a Related Party had, has or will have a direct or indirect material interest, and where the amount involved exceeds N1,000,000 and
- (2) any material amendment or modification to the foregoing regardless of whether such transaction has previously been approved in accordance with this policy.
- "SEC"** means the Securities and Exchange Commission.

#### **B. POLICY:**

It is the Company's policy that all Related Party Transactions shall be approved or ratified in accordance with this policy by the CEO and the GC or the Nomination and Corporate Governance Committee. A Related Party Transaction entered into without pre-approval of the CEO and the GC or the Nomination and Corporate Governance Committee shall not be deemed to violate this policy, or be invalid or unenforceable, as long as the transaction is approved by the CEO and the GC or the Nomination and Corporate Governance Committee as soon as reasonably practicable after it is entered into.

#### **C. APPLICATION:**

The procedures set forth in this policy are supplemental to, and are not intended to replace or supersede, any other policies or procedures of the Company that require any governing body or an officer of the Company to review and/or approve transactions. In addition, these procedures are supplemental to, and are not intended to replace or supersede, the Company's other policies and procedures that may be applicable to transactions with related persons, including the Starcomms Plc Code of Ethics, the Board Charter, and Corporate Governance Guidelines. Directors and Executive Officers shall continue to adhere to their obligations and responsibilities under the foregoing other policies and procedures. Transactions that are subject to the procedures set forth in this policy must be reported by each Director, nominee for Director, and Executive Officer as required by Section D regardless of whether such transactions are in compliance with the foregoing other policies and procedures.

Approval or ratification of a Related Party Transaction in accordance with the procedures set forth in this policy shall not constitute final approval of the Company's participation in the transaction in any case where, in accordance with the standard governance practices and procedures of the Company, the approval of the

transaction by the Board of Directors, a Committee of the Board of Directors or an officer of the Company would be required; nor, in any such case, shall the prior approval by the CEO and the GC or the Nomination and Corporate Governance Committee relieve the Related Party from providing to the Board of Directors, such Committee or such officer, as applicable, full disclosure of the material facts regarding the nature of the transaction and the related person's relationship to, and interest in the transaction.

**D. NOTICE OF POTENTIAL RELATED PARTY TRANSACTIONS:**

Prior to entering into the Related Person Transaction (a) the Related Person, or (b) Any Executive Officer or Director, nominee or beneficial owner who is an immediate family member of the Related Person shall provide notice to the GC and/or the Legal Department of the Company of the facts and circumstances of the proposed Related Person Transaction including:

- (i) the Related Person's relationship to the Company and interest in the transaction;
- (ii) the material facts of the proposed Related Person Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved;
- (iii) the benefits to the Company of the proposed Related Person Transaction;
- (iv) if applicable, the availability of other sources of comparable products or services; and
- (v) an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally

Although this policy requires notice of all potential Related Party Transactions, Executive Officers or Directors should pay particular attention to relationships that are outside the ordinary course of business, such as employment of Immediate Family Members; transactions that would be considered unusual for one or both of the parties; and transactions that are provided on terms that would be more favorable than those available to the general public.

**E. DETERMINATION OF RELATED PARTY TRANSACTIONS:**

The Legal Department of the Company, in consultation with the GC and with external counsel, as may be appropriate, shall determine whether a potential transaction or relationship constitutes a Related Party Transaction that requires compliance with this policy and/or disclosure as a Related Party Transaction under applicable SEC rules. A list of transactions that have been determined not to be Related Party Transactions, and, therefore, not subject to this policy, is attached as **Exhibit 1**.

If the Legal Department and the GC determine that the transaction or relationship constitutes a Related Party Transaction, the transaction will be referred to the CEO and the GC or the Nomination and Corporate Governance Committee in accordance with Section F of this policy.

**F. REVIEW AND APPROVAL OR RATIFICATION OF RELATED PARTY TRANSACTIONS:**

Related Party Transactions involving Executive Officers and/or their Immediate Family Members other than the CEO or the GC will be referred to the CEO and the GC for approval. Related Party Transactions involving the GC and/or her Immediate Family Members will be referred to the CEO for approval. Related Party Transactions involving a shareholder having more than 5% of the issued share capital of the Company, Directors, Director's nominees or the CEO and/or their Immediate Family Members will be

referred to the Nomination and Corporate Governance Committee for approval. All determinations by the CEO and the GC under this policy shall be reported to the Nomination and Corporate Governance Committee at its next regularly scheduled meeting.

In reviewing Related Party Transactions, the CEO and the GC or the Nomination and Corporate Governance Committee will be provided with full details of the Related Party Transaction, including:

- (1) the terms of the transaction;
- (2) the business purpose of the transaction;
- (3) the benefits to the Company and to the relevant Related Party; and
- (4) whether the transaction would require a waiver of the Company's Code of Ethics.

In determining whether to approve a Related Party Transaction, the CEO and the GC and the Nomination and Corporate Governance Committee will consider, among other things, the following factors to the extent relevant to the Related Party Transaction:

- (1) whether the terms of the Related Party Transaction are fair to the Company and such terms would be on the same basis if the transaction did not involve a Related Party;
- (2) whether there are business reasons for the Company to enter into the Related Party Transaction;
- (3) whether the Related Party Transaction would impair the independence of an independent Director;
- (4) whether the Related Party Transaction would present an improper conflict of interest for any Director or Executive Officer of the Company, taking into account:
  - (i) the size of the transaction,
  - (ii) the overall financial position of the Director or Executive Officer,
  - (iii) (the direct or indirect nature of the Director's or Executive Officer's interest in the transaction
  - (iv) and the ongoing nature of any proposed relationship, and any other factors deemed relevant; and
- (5) whether the Related Party Transaction is material, taking into account:
  - (i) the importance of the interest to the Related Party,
  - (ii) the relationship of the Related Party to the transaction and of Related Parties to each other,
  - (iii) the Naira amount involved and
  - (iv) the significance of the transaction to Starcomms Plc's investors in light of all the circumstances.

Any member of the Nomination and Corporate Governance Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction, but may, if so requested by the Chair of the Nomination and Corporate Governance Committee, participate in some or all of the Committee's discussions of the Related Party Transaction.

## **G. TRANSACTIONS THAT ARE NOT RATIFIED:**

In any case where either the CEO and the GC or the Nomination and Corporate Governance Committee determines not to ratify a Related Party Transaction that has been entered into without approval, such approvers may consider additional action, in consultation with counsel, including, but not limited to, termination of the transaction on a prospective basis, rescission of such transaction or modification of the transaction in a manner that would permit it to be ratified by the CEO and the GC or the Nomination and Corporate Governance Committee, as the case may be.

### **EXHIBIT 1**

#### **Transactions that are not Related Party Transactions**

1. Executive Officer's compensation and benefit arrangements (including the exercise of any rights or sale of instruments received in connection with such compensation plans), and corporate-sponsored investment opportunities approved by the Board of Directors or the Management Development & Compensation Committee of the Board of Directors.
2. Director compensation arrangements approved by the Board of Directors or the Nomination and Corporate Governance Committee.
3. Ordinary course of business travel and expenses, advances and reimbursements.
4. Indemnification payments and payments under directors and officers indemnification insurance policies made pursuant to the Starcomms Plc Articles of Association or pursuant to any policy, agreement or instrument.
5. Any transaction between the Company and any entity in which a Related Party has a relationship solely as a director, or has less than 5% of the shareholding, or an employee (other than an Executive Officer) or all of these relationships.
6. Consumer products and services provided to Related Parties in the ordinary course of the Company's business and on substantially the same terms as those prevailing at the time for comparable services provided to unrelated third parties or to the Company's employees on a broad basis.