

Annual Financial Statements

for the year ended 31 December 2007

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Independent Auditor's Report

to the members of Albaraka Bank Limited

Report on the financial statements

We have audited the group annual financial statements and the annual financial statements of Albaraka Bank Limited, which comprise the balance sheets at 31 December 2007, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 37 to 75.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material mis-statement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Albaraka Bank Limited at 31 December 2007, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.

Registered Auditor



Per J. Datadin

Chartered Accountant (SA)

Registered Auditor

Director

Durban

14 March 2008

20 Kingsmead Boulevard

Kingsmead Office Park

Durban, 4001

Directors' Report

for the year ended 31 December 2007

The directors have pleasure in presenting their report for the year ended 31 December 2007.

Nature of the business

Albaraka Bank Limited is a registered bank domiciled in South Africa and has as its principal objective the operation of its business according to Islamic banking precepts. The Bank serves the public through branches in Durban, Laudium (Pretoria), Fordsburg and Lenasia (Johannesburg) and Athlone (Cape Town). The Bank's parent company is the Albaraka Banking Group B.S.C, a company incorporated in the Kingdom of Bahrain. The address of its registered office is PO Box 1882, Manama, Kingdom of Bahrain.

Share capital

During the year the company's authorised share capital was increased from R150,0 million comprising 15 million ordinary shares of R10 each to R300,0 million comprising 30 million ordinary shares of R10 each. The issued share capital of the company amounts to R150,0 million comprising 15 million ordinary shares of R10 each.

Financial results

The results of the company and the group for the year ended 31 December 2007 are set out on pages 39 to 75.

Dividends

On 1 October 2007 the directors declared a dividend of 25 cents (2006 : 20 cents) per share amounting to R3,8 million payable to shareholders registered as at close of business on 12 October 2007.

Directors

The directors of the company during the year under review were:

Non-executive

AA Yousif	(Bahraini)	Chairman
SA Randeree	(British)	Vice chairman
OA Suleiman	(Sudanese)	
M Youssef Baker	(Egyptian)	

Independent non-executive

F Kassim	(Sri Lankan)
A Lambert	
Adv. AB Mahomed SC	
MS Paruk	
YM Paruk	

Executive

SAE Chohan		Chief executive
MG McLean		Deputy chief executive
MJD Courtiade	(French)	Financial director

Secretary

The secretary of the company is Mr CT Breeds whose business and postal address is as follows:

Business address

First floor, 134 Dr AB Xuma Street,
(Formerly Commercial Road)
Durban,
4001

Postal address

PO Box 4395,
Durban,
4000

Registered address

First floor, 134 Dr AB Xuma Street,
(Formerly Commercial Road)
Durban,
4001



Subsidiary company

The bank has a wholly-owned subsidiary, Albaraka Properties (Proprietary) Limited, which is engaged in property owning and letting.

	2007	2006
	R	R
Shares	100	100
Amount owing	18 566 678	7 371 008
Impairment losses	(370 684)	(85 161)
	<u>18 196 094</u>	<u>7 285 947</u>

The bank's share in the loss incurred by its subsidiary amounted to R285 623 (2006 : R306 178).

Subsequent events

No events have occurred between the accounting date and the date of this report that materially affect the reported results and financial position of Albaraka Bank Limited and its subsidiary company.

Balance Sheets

as at 31 December 2007

	Notes	Group		Company	
		2007	2006	2007	2006
		R'000	R'000	R'000	R'000
Assets					
Property and equipment	3	33 561	21 220	16 657	14 030
Investment in and amount due by subsidiary company	4			18 196	7 286
Deferred tax asset	5	4 549	2 491	4 368	2 491
Advances and other receivables	6	1 477 939	1 300 368	1 477 936	1 300 364
Investment securities	7	7 601	-	7 601	-
Cash and cash equivalents	8	162 656	146 364	162 656	146 364
Total assets		1 686 306	1 470 443	1 687 414	1 470 535
Equity and liabilities					
Share capital and share premium	9	150 000	150 234	150 000	150 234
Reserves	10	51 572	37 138	51 572	37 138
Shareholders' interest		201 572	187 372	201 572	187 372
Deposits from customers	11	1 443 489	1 253 661	1 443 489	1 253 661
Accounts payable	12	25 807	16 334	26 915	16 426
Welfare and charitable funds	13	15 438	13 076	15 438	13 076
Total equity and liabilities		1 686 306	1 470 443	1 687 414	1 470 535

Income Statements

for the year ended 31 December 2007



	Notes	Group		Company	
		2007 R'000	2006 R'000	2007 R'000	2006 R'000
Income earned from advances		127 494	89 918	127 494	89 918
Income earned from equity finance		23 483	21 336	23 483	21 336
Income paid to depositors		(80 042)	(62 258)	(80 042)	(62 258)
Net income earned		70 935	48 996	70 935	48 996
(Impairment for credit losses)/reversal of impairment losses	6.3	(1 408)	2 032	(1 408)	2 032
Operating income		69 527	51 028	69 527	51 028
Non-Islamic income	14	-	-	-	-
Fee and commission income	15	10 519	8 214	10 719	8 614
Other operating income	16	1 187	1 653	888	1 353
Total income		81 233	60 895	81 134	60 995
Operating expenditure	17	54 326	45 560	54 195	45 439
Profit before taxation		26 907	15 335	26 939	15 556
Taxation	18	8 723	5 481	8 755	5 521
Profit for the period		18 184	9 854	18 184	10 035
Weighted average number of shares in issue ('000)		15 000	9 703		
Basic and diluted earnings per share (cents)	19	121,2	101,6		

Statements of Changes in Shareholders' Equity

for the year ended 31 December 2007

Group	Share capital and share premium R'000	Investment risk reserve R'000	Retained income/ (Accumulated losses) R'000	General credit risk reserve R'000	Regulatory credit risk reserve R'000	Shareholders' interest R'000
2007						
Balance at beginning of year	150 234	2 605	(1 723)	600	35 656	187 372
Total of income and expense for the period	(234)		14 434			14 200
Profit for the period			18 184			18 184
Fair value adjustment to investment securities net of deferred taxation			(1)			(1)
Expenses in respect of increase in authorised share capital	(234)					(234)
Dividends paid			(3 749)			(3 749)
Transfer from regulatory credit risk reserve			25 000		(25 000)	-
Balance at end of year	150 000	2 605	37 711	600	10 656	201 572
2006						
Balance at beginning of year	89 325	2 605	(9 796)	600	35 656	118 390
Total of income and expense for the period	60 909		8 073			68 982
Profit for the period			9 854			9 854
Proceeds from shares issued	61 000					61 000
Share issue expenses	(91)					(91)
Dividends paid			(1 781)			(1 781)
Balance at end of year	150 234	2 605	(1 723)	600	35 656	187 372



Company	Share capital and share premium R'000	Investment risk reserve R'000	Retained income/ (Accumulated losses) R'000	General credit risk reserve R'000	Regulatory credit risk reserve R'000	Shareholders' interest R'000
2007						
Balance at beginning of year	150 234	2 605	(1 723)	600	35 656	187 372
Total of income and expense for the period	(234)		14 434			14 200
Profit for the period			18 184			18 184
Fair value adjustment to investment securities net of deferred taxation			(1)			(1)
Expenses in respect of increase in authorised share capital	(234)					(234)
Dividends paid			(3 749)			(3 749)
Transfer from regulatory credit risk reserve			25 000		(25 000)	-
Balance at end of year	150 000	2 605	37 711	600	10 656	201 572
2006						
Balance at beginning of year	89 325	2 605	(9 977)	600	35 656	118 209
Total of income and expense for the period	60 909		8 254			69 163
Profit for the period			10 035			10 035
Proceeds from shares issued	61 000					61 000
Share issue expenses	(91)					(91)
Dividends paid			(1 781)			(1 781)
Balance at end of year	150 234	2 605	(1 723)	600	35 656	187 372

Cash Flow Statements

for the year ended 31 December 2007

	Notes	Group		Company	
		2007	2006	2007	2006
		R'000	R'000	R'000	R'000
Cash flow from operating activities					
Cash generated from operations	21.1	31 815	18 563	32 098	18 865
Changes in working capital	21.2	26 858	(37 921)	26 860	(38 049)
Taxation paid	21.3	(13 562)	(477)	(12 400)	(926)
Dividends paid	21.4	(3 749)	(1 781)	(3 749)	(1 781)
Net cash inflow/(outflow) from operating activities		41 362	(21 616)	42 809	(21 891)
Cash flow from investing activities					
Additions to property and equipment	21.5	(16 758)	(6 633)	(7 009)	(6 615)
Purchase of investment securities		(7 603)	-	(7 603)	-
Proceeds from disposal of property and equipment		46	578	46	578
(Increase)/decrease in investment in and amount due by subsidiary				(11 196)	257
Net cash utilised in investing activities		(24 315)	(6 055)	(25 762)	(5 780)
Cash flow from financing activities					
Proceeds from ordinary shares issued		-	61 000	-	61 000
Subordinated loan repaid		-	(35 000)	-	(35 000)
Expenses in respect of increase in authorised share capital		(755)	(91)	(755)	(91)
Net cash (used in)/from financing activities		(755)	25 909	(755)	25 909
Net increase/(decrease) for the year		16 292	(1 762)	16 292	(1 762)
Cash and cash equivalents at beginning of year		146 364	148 126	146 364	148 126
Cash and cash equivalents at end of year		162 656	146 364	162 656	146 364

Accounting Policies

for the year ended 31 December 2007



1 Reporting entity

Albaraka Bank Limited is a company domiciled in South Africa. The company's registered address is 134 Dr A B Xuma Street (formerly Commercial Road), Durban, 4001. The consolidated financial statements of the company as at and for the year ended 31 December 2007 comprise the company and its subsidiary (together referred to as the "group"). The group is primarily involved in corporate and retail banking according to Islamic banking precepts.

2 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value though profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value; and
- Investment securities are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in South African Rand which is the company's functional currency. All financial information is presented in South African Rand.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3 Basis of consolidation

Investment in subsidiary

Subsidiaries are entities controlled by the bank. Control exists when the bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Accounting Policies *(Continued)* for the year ended 31 December 2007

3 Basis of consolidation *(continued)*

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4 Property and equipment

Land is not depreciated. Items of equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Equipment, other than leasehold improvements and computer equipment are depreciated on a reducing balance basis. Leasehold improvements are depreciated over the term of the lease. The current estimated useful lives are as follows:

Buildings	50 years
Tank containers	20 years
Equipment	5 - 10 years
Vehicles	3 - 5 years
Computers	1 - 3 years
Computer software	3 - 5 years

The assets' depreciation methods, residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditure relating to an item of property and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Surpluses (deficits) on the disposal of property and equipment are credited (charged) to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

5 Impairment of non-financial assets

The carrying amounts of the group's non-financial assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are independent from other assets and groups. The recoverable amount is the higher of its net selling price and its value in use.

An impairment loss is recognised in the income statement whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount



that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill, a recognised impairment loss is not reversed.

6 Impairment of financial assets

At each balance sheet date the group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of an advance by the group on terms that the group would otherwise not consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group or economic conditions that correlate with defaults in the group.

Advances are stated after the deduction of specific and general portfolio impairments.

Specific impairments represent the quantification of incurred losses from separately identified non-performing advances. The amount of specific impairment raised is the amount needed to reduce the carrying value of the asset to the expected ultimate net realisable value, taking into account the financial status of the underlying client and any security in place for the advances.

In assessing the net realisable value, the expected future cash flows from advances are discounted to their present value at their original effective mark-ups.

Portfolio impairments cover losses which, although not specifically identified, are present in any portfolio of advances. The amounts required to fund the assessed level of provisions are charged to the income statement. In addition, a general credit risk reserve and investment risk reserve are maintained for significant unforeseen losses and, in particular, on advances not specifically identified as doubtful.

7 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8 Contingencies and commitments

Transactions are classified as contingencies where the group's obligations depend on uncertain future events and principally consist of third party obligations underwritten by the bank. Items are classified as commitments where the group commits itself to future transactions that will normally result in the acquisition of an asset.

Accounting Policies *(Continued)* for the year ended 31 December 2007

9 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial assets to another party without retaining control or substantially all the risks and rewards of the assets. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the group commits itself to purchase or sell the assets. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Held to maturity investments

If the group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are subsequently measured at amortised cost.

Available-for-sale financial assets

The group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Advances and other receivables

Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the group does not intend to sell immediately or in the near term.

When the group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within advances.

Advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective rate method except when the group chooses to carry the advances at fair value through profit or loss.



Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for as available-for-sale investments. Dividend income is recognised in profit or loss when the group becomes entitled to the dividend.

Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models. The group uses widely recognised valuation models for determining fair value of common and more simple financial instruments where inputs into models are market observable.

For more complex instruments, the group uses proprietary models which are usually developed from recognised valuation models. Some or all of the inputs into these models may not be market observable and are derived from market prices or rates or are estimated based on assumptions. When entering into a transaction, the financial instrument is recognised initially at the transaction price, which is the best indicator of fair value, although the value obtained from the valuation model may differ from the transaction price. This initial difference, usually an increase in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, liquidity risks as well as other factors. These adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows, discounted at the market rates at the reporting date. For finance leases the market rate is determined by reference to similar lease arrangements.

10 Income tax expense

Income tax expense on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Accounting Policies *(Continued)* for the year ended 31 December 2007

10 Income tax expense *(continued)*

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

11 Revenue recognition

Income from Islamic activities

Income from Islamic activities comprises:

- profits attributable to the purchase and sale of moveable and immoveable property, commodities and equities, manufacturing materials and finished products. The profit is recognised over the period of each transaction either on the straight line or reducing balance basis, depending on the nature of the transaction; and
- income for services rendered is recognised when earned.

Non-Islamic income

The group does not, as a policy, engage in any activities that involve usury.

However, any non-Islamic income earned by the company, due to circumstances beyond its control, is transferred to the welfare and charitable fund. Fair value gains and losses on treasury bills are regarded as non-Islamic income and are transferred to the welfare and charitable fund.

Dividends

Dividends are recognised when the right to receive payment is established.

12 Leases

The leases entered into by the group are primarily operating leases. The total payments made under the operating leases are charged to the income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

13 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise short-term negotiable securities, cash and short-term funds.

14 Employee benefits

Defined contribution plan

Obligations for contribution to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.



15 Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

16 Related Parties

A party is related to the company if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the company;
- It is a joint venture or an associate;
- The party is a member of the key management personnel of the entity or its parent;
- The party is a close member of the family of any individual referred to above.

Close family member of the family of an individual includes:

- The individual's domestic partner and children;
- Children of the individual's domestic partner;
- Dependents of the individual or the individual's domestic partner.