

Committee Chairman Speech



Mr. Bader Ben Saleh Al Anazi Audit Committee Chairman



Peace, Mercy and Blessings of God be upon all of you

Dear Shareholders,

On behalf of myself and my fellow Audit Committee of Kuwait Telecommunications Company (**stc**) members, it is my pleasure to welcome you to this Annual Audit Committee Report for 2024. We are delighted to share with you the key activities and achievements of the Committee during the year, which build upon the diligent efforts of previous years to enhance governance and ensure the sustainability of the company's operations.

the Audit Committee is one of the fundamental pillars of corporate governance, continually strives to support the Board of Directors in its oversight role, while promoting transparency and integrity across the company's operational and financial processes. In 2024, our focus remained on strengthening the internal control system and evaluating its effectiveness and efficiency to safeguard the company's assets, ensure business continuity, and achieve its strategic objectives. Among the Committee's key accomplishments this year was a comprehensive and meticulous review of financial reports to ensure compliance with international accounting standards and regulatory requirements. The Committee also prioritized enhancing the independence of internal and external auditors, enabling them to perform their roles effectively and objectively, resulting in reports that accurately and transparently reflect the company's financial position.

Furthermore, the Committee placed significant emphasis on addressing challenges related to cybersecurity. It reviewed the policies and procedures concerning data protection and confidentiality, particularly considering the accelerating pace of digital transformation. The Committee also monitored the implementation of the company's digital transformation strategies to ensure their alignment with our strategic objectives and to enhance the company's readiness for the future.

Commitment to governance and fostering trust between the company and its shareholders remain key priorities for the Committee. We have ensured that the company adheres to all relevant laws and regulations, thereby strengthening its reputation as an organization committed to the highest professional standards.

In conclusion, I would like to extend my sincere appreciation to the members of the Audit Committee for their dedication and efforts in fulfilling their responsibilities, and to the company's management for their continuous cooperation and support. We remain committed to working tirelessly to achieve the company's goals and ensure the sustainability of its performance, serving the interests of the shareholders and contributing to its long-term success.

Yours sincerely,
Bader Bin Saleh Al-Enezi
Chairman of the Audit Committee

Objective

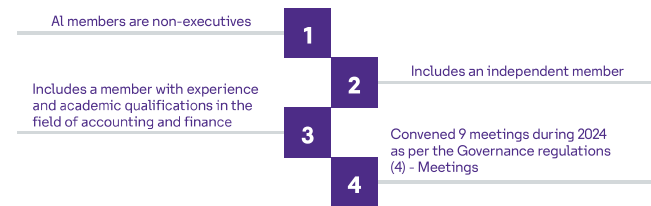
To strengthen the culture of compliance within the company by ensuring the validity and integrity of the company's financial reports, in addition to verifying the efficiency of the internal control systems implemented in the company.

Members

Mr. Bader Ben Saleh Al Anazi Committee Chairman - (Non-Executive) and Board Member - (Non-Executive)	Mr. Representative of General Organization for Social Insurance Committee Member - (Non-Executive) and Board Member - (Non-Executive)	Mr. Abdulaziz Al-Ghamdi Committee Member - (Non-Executive) and Board Member - (Non-Executive)	Dr. Methqal Mohammad Sartawi Committee Member - (Independent) and Board Member - (Independent)
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On April 1, 2024, the Audit Committee was reconstituted, and Mr. Bader Ben Saleh Al Anazi was appointed to succeed Mr. Ameen Ben Fahad Ben Abdulaziz Al-Shiddi.
On April 1, 2024, the Audit Committee was reconstituted, and Dr. Methqal Mohammad Sartawi was appointed to succeed Mr. Salah Ahmad Al Fouzan.

Committee features:



Roles and responsibilities:

Roles and responsibilities assigned to the committee as per the committee charter and governance regulations are as follows:



2024 - Snapshot

	Financial Statements <ul style="list-style-type: none">✓ Periodic review of FS (Quarterly & Year-end) before presenting it to the board.✓ Discussing external auditor's opinion on the FS and insure its independency.✓ Discussing significant changes in IFRS and its impact on the FS.✓ Ensuring the Financial statements are correctly Consolidated.
	Internal Control <ul style="list-style-type: none">✓ Reviewing the ICR report that is conducted by independent external auditor.✓ Discussing the quarterly and annual internal Shari'a audit reports and Shari'a Supervisory Board reports before submitting its recommendation to the board of directors.✓ Assigning the ICR project to an independent and approved firm to review the internal control system and then send it to CMA.✓ Enforce the whistle blowing policy and insure the compliance of it laws.
	Internal Audit <ul style="list-style-type: none">✓ Approving the internal audit charter and the risk-based plan.✓ Discussing IA reports and follow-up reports submitted by IA department to close the raised points.✓ Ensuring the independency of the Chief Internal Audit.✓ Discussing and reviewing IAD's objectives and KPIs.✓ Assess the Chief Internal Audit's performance.
	External Audit <ul style="list-style-type: none">✓ Reviewing the scope of work and objectives of external auditor.✓ Presenting proposals and recommendations related to assigning the external auditor by the board and General Assembly.✓ Presenting proposals and recommendations related to assigning the Shari'a Supervisory by the Board.
	Compliance <ul style="list-style-type: none">✓ Follow-up with the management on the periodical reports sent to the regulators.✓ Reviewing the compliance reports that reflect the company's compliance with external regulatory requirements and following up on the implementing the recommendations.✓ Ensuring compliance with corporate governance to enhance regulatory compliance.