

Introduction

Kuwait Telecommunications Company (**stc**) is keen to apply the best governance practices and provide the transparency principle with regards to the information that enables the company to achieve sustained, long-term success, through the good governance principles, which it seeks to, enhance the rights of shareholders and stakeholders and provide contributions to society in general in addition to maintaining business continuity. The company is keen to reflect the level of innovation, efficiency and ability to achieve the company's vision related to enabling digital transformation in the State of Kuwait by adopting an integrated governance framework that complies with all laws, instructions, CMA guidelines and applicable regulations that complies with international best practices.

Since the governance process is a continuous process that requires development, the company is constantly aware of the latest developments in the field of governance, which reflected in updating its policies, procedures and charters, and reviewing the governance practices applied in the company. In addition to promoting a culture of professional behavior and ethical values within the company, as it is one of the main pillars to enhance the company's leading position and distinguish the company's identity from others. Therefore, the company established three clear basic ethical principles in line with the values of the company's dedication, vitality and courage.

The company recognizes the importance of following professional standards and ethical values in all dealings and disclosure and transparency of information in an accurate

and timely manner, which contributes to the development of the company's business and enhances the confidence of shareholders, investors and all stakeholders.

The Board of Directors affirms its constant keenness to keep abreast of the latest developments in communication and disclosure channels for shareholders, investors and stakeholders to be in continuous communication with the company's developments in an impartial, transparent and fair image.

From this standpoint, Kuwait Telecommunications Company (**stc**) has received many awards in the field of governance, as it won the British Capital Finance International CFI.co award in the field of Corporate Governance and Stakeholder Protection in the State of Kuwait for the year 2021. Also received the Best Corporate Governance Telecom Company Award from the International Finance Awards as the Best Telecommunications Company in Corporate Governance in the State of Kuwait for the year 2021, in recognition of the company's outstanding achievements and corporate culture based on promoting standards of integrity, transparency and positive communication with all stakeholders.

Rule (1): Building a Balanced Structure of the Board of Directors

Structure of the Board of Directors:

The role of the Board of Directors in the company represents the point of balance that works to achieve Shareholder's objectives and follow-up with company's Executive Management. The Board of Directors seek to achieve company's strategic goals by ensuring that the Executive Management performs all the entrusted tasks to the fullest and build an integrating economic, social, and governance Sustainability considerations in its processes if required, Whereas the decisions of the Board greatly affect company's performance and the soundness of its financial position, the company is keen on the composition of a balanced qualified Board of Directors with a variety of experiences to have a positive impact on the company and its performance in addition to enhancing its financial position and market share. Therefore, the company has been always keen on ensuring that the majority of the board members are non-executive members, including an independent member. The company was also keen that the Board members come from a diverse background and long experience in the field of telecommunications and networks, as well as the accounting and finance fields. This, in turn, adds all the expertise needed by the company when discussing the issues presented to the Board of Directors.

The Board of Directors is composed of 7 members. Herein, below is a statement of their classification, qualifications, and experiences:

Board of Directors



Dr. Mahmoud Ahmad Abdulrahman
Chairman

Representative of the Kuwait Investment Authority

Dr. Mahmoud Ahmad Abdulrahman is the president of the Board of Directors at the Kuwait Telecommunications Company (**stc**), and has held the post since the end of March 2015.

Dr. Abdulrahman combines large experience in administration, legal affairs and communication sector. He assumed several Academic leadership positions in the Ministry of Higher Education beside his career in legal work in serving many governmental and public entities and was appointed as an arbitrator to settle several disputes. He had served as a board member in Wataniya Mobile Telecommunication Company, Warba Bank, Kuwait Cement Company, and National Offset Company.

Dr. Abdulrahman joined as teaching staff in the College of Law once he graduated from Kuwait University. In 1995, he was appointed as Legal Affairs Director in Kuwait University for one year. From 1997 to 2005, he served as Head of Legal Office of Kuwait Civil Aviation Directorate. From 2002 to 2004, He served as Assistant Dean of College of Law at Kuwait University. As for now and since 2005, Dr. Abdulrahman serves as Legal Department Director in Kuwait Investment Authority. Dr. Abdulrahman is also a member of the board of directors in Health Assurance Hospitals Company (Dhaman).

Moreover, Dr. Abdulrahman has published several legal theses in the Law Magazine and other scientific magazines as well as executed two projects related to consumer protection law as well as the monopoly and merger law, which were submitted in the Kuwait National Assembly. Dr. Abdulrahman holds a PhD in Commercial Law from Exeter University, UK, completed in 1994, and a Bachelor's Degree from Kuwait University completed in 1988.



Mr. Ameen Ben Fahad Al-Shiddi
Vice Chairman

Representative of Saudi Telecom Company (**stc**)

Mr. Ameen Ben Fahad Al-Shiddi is currently serving as **stc** Group CFO. He joined **stc** in 2001 and occupied many significant positions before serving as the Senior President of Finance.

He was in charge of all financial activities such as accounting, audit, planning and budgeting. Mr. Ameen also handled all the treasury activities locally and internationally, financial risks, mergers, acquisitions, credit rating and investor relations. He has gained a wide experience with consultancy companies in KSA, in the communications industry and related activities before joining **stc**.

Mr. Ameen received his Bachelors of Science Degree in management from King Saud University in Riyadh and his Master's degree in Accounting from Southwest Missouri State University, USA. He also has CPA from USA and SOCPA from KSA.



Eng. Omer Abdullah Al-Nomany Board Member

Representative of **stc** Gulf Holding

Up until now, Eng. Omer was appointed as the CEO of **stc** Solutions in October 2017, having more than 15 years of experience in executive managerial roles. Eng. Omer has held key managerial positions in **stc**, and has led strategic initiatives such as the BSS Transformation Program and IT 2020.

In 2000, Eng. Omer joined **stc** as a Manager where he was later assigned as the Head of IT. In 2009, he was appointed as the Vice President of IT where he planned, managed and implemented the strategic vision of the IT delivery arm within **stc** in alignment with the strategic vision of the rest of the business sectors as well as the strategic vision of Saudi Telecommunications Company's board of directors.

After his graduation in 1994, Eng. Omer joined the Saudi Arabian Monetary Agency (SAMA) for 6 years, where he implemented complex critical projects.

Eng. Omer holds many scientific and precious certificates from a number of well-known universities and international institutions. He received his BSc in Computer Engineering from the Saudi Arabia's leading engineering and computer science college, King Saud University in Riyadh in 1994. Furthermore, Eng. Omer also holds a PMP, CISM and CISSP.



Mrs. Iman Mohammed Al-Ahmed Board Member

Representative of The Public Institution for Social Security

Mrs. Iman Mohammed Al-Ahmed serves as a board member of Kuwait Telecommunications Company (**stc**) until September 25, 2022. She began her career in the field of computer and information systems 35 years ago with the Public Institution for Social Security in 1983 as a systems engineer where she has held many positions and finally, the Deputy Director General for Information Technology.

Mrs. Iman Mohamed Al-Ahmed has a leading role and a practical experience in preparing the strategic plan for the implementation of internal and external projects related to electronic systems. She also has a practical experience in the contribution to the development of existing technical systems in order to cope with the technological developments in terms of automating all decisions, laws, circulars and legislations related to Social security as well as electronic systems and other systems serving the organization's departments.

Mrs. Iman Al-Ahmed was a Board Member at Wafra Real Estate Company representing The Public Institution for Social Security. Mrs. Iman Al-Ahmed graduated from Kuwait University in 1983. She holds a bachelor's degree in Economics and a specialization in Marketing. Mrs. Iman Al-Ahmed also participated in various training courses in all fields of technical, commercial, and financial in several international training centers.



Mr. Faisal Saeed Al-Homali

Board Member

Representative of **stc** Gulf Holding 3

Eng. Faisal Saeed Al-Homali has held broad and diverse leadership positions at the Saudi Telecom Company (**stc**) and its subsidiaries. Eng. Faisal currently is the Chief Commercial Officer of **stc** and the Chairman of Channels by (**stc**). In addition, Board member of the Board of Directors of Kuwait Telecommunications Company (**stc**), also heads the Boards of Directors of several **stc** subsidiaries along with **stc** Women Forum in (**stc**). Eng. Faisal has worked as the Chief Executive Officer for Channels by **stc** serving as Digital sales and distribution arm for **stc**'s Consumer Business Unit, Enterprise Business Unit, Virgin and Friendi MVNOs, Apple, Samsung and Huawei.

His journey spans over 24 years where he held several positions and got promoted through the ranks to become, he appointed as Chief Commercial Officer of **stc** on year 2021, and in July 2017, he was the CEO of Channels by **stc**, **stc**'s sales, distribution and e-commerce subsidiary, during this period, Eng. Faisal succeeded in spreading the culture of digital transformation, e-commerce, and the sharing economy and transferring the digital delivery processes to a distinguished level, through this success, the group maintained a record of success and a record level of revenue. From 2014 until 2017, Eng. Faisal was the Vice President of Sales for Consumers in (**stc**). Prior to 2014, Eng. Faisal led the Saudi Telecom's Mobile Business Unit, the key business driver for Saudi Telecom, where he developed its commercial strategies and managed company's sales, marketing, partnerships and alliances development in addition to leading the business operations improvements. Eng. Faisal was also a Board Member of (**stc**) Telecommunications Co. Bahrain from 2014 until 2019.

Eng. Faisal Saeed Al-Homali holds a Master Degree in Business Administration from Prince Sultan University, Bachelor of Science in Chemical Engineering from King Saud University and also Diploma in Sales and Marketing from Riyadh Chamber of Commerce.



Mr. Abdulaziz Abdullah Al-Ghamdi

Board Member

Representative of **stc** Gulf Holding 1

Currently, Mr. Abdulaziz Abdullah Al-Ghamdi is the Portfolio Management VP of the Portfolio Management sector in **stc**. He was also appointed as a Board Member in Kuwait Telecommunications Company (**stc**) in April 2019 representing the **stc** Gulf Holding 1.

Mr. Abdulaziz has an International experience in the Strategic Business interventions and in building PMO teams. His experience has extended to include the on boarding activities for the subsidiary and green field post acquisition/merger such as the Telecom Towers Company. Mr. Abdulaziz is also a board member in a number of companies including Maxis Brand - the largest Telecom Company in Malaysia.

In 2015, Mr. Abdulaziz joined the Investment Operations Section where he was appointed as the Investment Operations Director of subsidiaries Governance and was responsible for the corporate Governance as well as the critical HR matters of 15 subsidiaries.

Mr. Abdulaziz has more than 12 years of experience in Human Resource Management, Governance and subsidiaries Operations. In 2007, he joined **stc** as a Human Resource Professional where he was later assigned as the Team Leader of HR. In 2009, Mr. Abdulaziz was appointed as an Organizational Development Expert where he developed and maintained **stc**'s organizational structure and operating model based on company's business strategy. In 2012, he became the Human Capital Strategies Section's Manager formulating human Capital Strategies based on analytical tools to examine the internal and external. In 2013, Mr. Abdulaziz was appointed as the Human Resources Strategies, Procedure and Systems Director.

Mr. Abdulaziz has a Master's Degree in Human Resources Management from University of Westminster in London, UK in 2012. In Addition, he holds a Bachelor in Computer Information Systems from King Saud University, Riyadh in 2006.



Mr. Salah Ahmad Al-Fouzan Board Member

Independent Member

Mr. Salah Ahmad Meshari Al-Fouzan serves as board member of Kuwait Telecommunications Company (**stc**) since May 2016.

Mr. Salah began his career in the communication and investment sectors 18 years ago. In 1997, he started his career with Mobile Telecommunication Co. before moving to the business development career in 2002, where he held several leading positions.

In 2005, he was appointed as the Executive Director of the Mergers and Acquisitions Department. In 2008, he served as the Chief Business Development Officer where supervised and executed the selling and purchasing transactions of more than USD 20 billion including purchasing Celtel International Co., which was operating in several African countries, V-Mobile in Nigeria and Mobitel in Sudan. He was also responsible for the expanding activities through the acquisition of new licenses in Bahrain, Iraq and KSA. Furthermore, he supervised listing the companies in KSA and Zambia stock exchange markets. In 2010, he worked on the deal to sell Zain Africa to Indian flagship Bharti for USD 10.7 billion. In addition, he prepared numerous anonymous studies on a number of acquisition deals, financing arrangements and bank negotiations.

Mr. Salah was a board member in many companies and committees, including Kuwait Airways and the technical committee of Communication Regulatory Authority in Kuwait. Currently, he is an independent BoD member in Ekuity Investment Holding Company in Egypt. In 2009, Global Telecom Business (GTB) selected him among the top 100 Most Influential Personalities in Communications. Mr. Salah graduated from Gannon University, Pennsylvania, with a Bachelor's Degree in Electrical Engineering and a Diploma in Business Administration from Bradford University, UK.

The Board of Directors held (8) meetings in 2022, as detailed below:

Name	1/ 02/02/2022	2/ 13/03/2022	3/ 26/04/2022	4/ 02/06/2022	5/ 30/06/2022	6/ 25/07/2022	7/ 01/11/2022	8/ 14/12/2022	% of Attendance and Abidance	Absence %
Dr. Mahmoud Ahmad Abdulrahman (Chairman of the Board of Directors)	✓	✓	✓	✓	✓	-	✓	✓	87.5%	12.5%
Mr. Ameen Ben Fahad Al-Shiddi (Vice Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	100%	-
Mrs. Iman Mohammed Al-Ahmed* (Board Member)	✓	✓	✓	✓	✓	✓	-	-	100%	-
Mr. Abdulaziz Abdullah AlGhamdi (Board Member)	✓	✓	✓	✓	✓	✓	✓	✓	100%	-
Mr. Omer Abdullah Al Nomany (Board Member)	✓	✓	✓	✓	✓	✓	✓	✓	100%	-
Mr. Faisal Saeed Al Homali (Board Member)	✓	✓	✓	✓	-	✓	✓	✓	87.5%	12.5%
Mr. Salah Ahmad Meshari Al-Fouzan (Board Member - Independent)	✓	✓	✓	✓	✓	✓	✓	✓	100%	-

*The membership of Mrs. Iman Mohammed Al-Ahmed, in the Board of Directors of Kuwait Telecommunications Company (**stc**), representing the Public Institution for Social Security, has expired, as of September 25th, 2022.

Mr. Ahmed Meshari Al Faris

Board secretary

Mr. Ahmed Al-Faris is the Board of Directors Secretary, He was appointed during the Board of Directors meeting dated December 24, 2018.

Mr. Ahmed Al-Faris obtained a Master's degree in Business Administration (MBA) from Maastricht School of Management - The Netherlands in 2009 and a Bachelor's Degree in Accounting from Kuwait University in 2000. He has extensive banking experience through his work at the Central Bank of Kuwait and in the Islamic banking field at Kuwait Finance House from 2002 until 2014, then he joined Kuwait Telecom Company (**stc**) from 2014 until 2017 to work as Director of the Regulatory Compliance Department, after which he held the position Deputy Undersecretary of the Ministry of Commerce and Industry for Corporate Affairs and Commercial Licenses from 2017 until 2018.

Mr. Ahmed Al-Faris was also appointed as Board of Directors Member of the Public Authority for Industry for the year 2017-2018 and the Central Bank of Kuwait in 2018, in addition to his membership in advisory boards, such as the Permanent Committee for Improving the Business Environment and Enhancing Competitiveness, the Higher Committee for the Study of Demographic Imbalances in the State of Kuwait, and the Advisory Council College of Administrative Sciences at Kuwait University.

Summary of how to implement the registration and coordination requirements in addition to recording and archiving the Board of Directors minutes of meetings:

The Board of Directors Secretary assists the members of the Board on an ongoing basis to ensure that they obtain any required information in accordance with the decision of the Board of Directors or in consultation with the Chairman of the Board of Directors, in addition to assisting the Chairman of the Board of Directors in all matters related to preparing the agenda of the Board's meetings and issuing invitations to members of the Board. The secretary records all the decisions and discussions of the members of the board of directors, records the results of the voting operations that take place in the meetings of the board of directors, and works to preserve the documents of the board of directors.

The independent member declaration that it meets the criteria for independence, and a copy of the declaration shall be attached to the report:

The independent member states that his independency is still valid as stated in Article (2-3) of Chapter Three of Book Fifteen (Corporate Governance) of the Executive Regulations of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activity and their amendments, as well as the independent member has the qualifications, experience and technical skills which are constituent with appropriate company's activity.

Rule (2): Sound Identification of Roles and Responsibilities

Duties and Responsibilities of the Board of Directors:

The Company has a Board of Directors' list, which includes a definition of the functions and responsibilities of the Board of Directors, including but not limited to:

- Adopting the strategic goals, plans and policies of the company.
- Approving the annual budget estimates as well as the interim and annual financial statements.
- Overseeing major capital expenditure of the company, assets' owning and disposal.
- Ensuring company's commitment to policies and procedures, which ensure company's respect to the systems and internal regulations in force.
- Ensuring the accuracy and integrity of the data and information to be disclosed, according to the policies and procedures of disclosure and transparency in force.
- Develop a plan/policy to include sustainability factors in the company's overall strategy, main business plans, risk measurement and management process, if necessary.

The Company also has job descriptions for the Board Members, which include a clear definition of the functions and responsibilities of each Board Member, as well as the authority matrix, which clarifies the authorities of the Board of Directors, Executive Management and Committees.

Achievements of the Board of Directors

Taking into consideration the Board of Director's responsibilities in achieving the best financial and operational results in addition to implementing company's strategic plan at its best, at its current session, the Board has managed to realize many achievements for the fiscal year ended 31 December 2022. The company's achievements and successes during this year include its positive and tangible positive indicators in various financial, marketing and technical fields. In its fourteenth year of operation, the company was able to compete hard and gain subscribers' satisfaction by offering promotional offers, competitive prices, new services and enhancing customers' loyalty. This was reflected positively on the level of operating revenues and profitability of the company, which, in turn, has contributed to strengthening company's role and developing the telecommunications sector in the State of Kuwait in a way that serves the Kuwaiti society and contributes effectively in promoting the national economy and achieving attractive returns to its shareholders.

The Board of Directors continued to apply the best International standards and local regulatory requirements in the Corporate Governance System through the work of the Board committees with company's Executive Management.

Committees of the Board of Directors:

The Board of Directors formed its committees, and the instructions and rules of governance issued by the Capital Markets Authority were taken into account when forming these committees. The Board has formed 4 committees emanating from it, which are the Audit Committee, the Risk Management Committee, the Nominations and Remunerations Committee, and the Executive Committee.

The following is a statement of those committees:

Committee: Audit Committee	Name	Position	Classification
Committee Members:	Mr. Ameen Ben Fahad Al-Shiddi	Chairman	Non-executive
	Mrs. Iman Mohammed Al-Ahmed	Member	Non-executive
	Eng. Omer Abdullah Al-Nomany	Member	Non-executive
	Mr. Salah Ahmad Al-Fouzan	Member	Independent

<p>The Committee performs several duties including:</p>	<ul style="list-style-type: none"> Review the periodic financial statements before submission to the Board of Directors, also present the IA opinion and recommendation on the same to the Board of Directors in order to ensure the fairness and transparency of financial data and reports. Examine accounting topics and understand their impact on the financial statements. Assess the adequacy and effectiveness of the Internal Control Systems applied within the company and prepare a report that includes the Committee's opinion and recommendations in this regard. Assign an independent external auditor to examine and evaluate the internal control systems, and submit an annual report to the Committee along with the opinion letter and recommendations prior to presenting the same to the Board of Directors and sending it to the Capital Markets Authority. Evaluate the efficiency of the information security's procedures and the internal control system applied in this regard. Technical supervision on Internal Audit Department activities and reviewing the results of internal audit reports and regulatory authority's. Monitoring External Auditor work, and discussing any obstacles or difficulties encountered the external auditor that may include any scope activities limitations of the independent external auditor or obtaining requested information, or any disagreements with the management. Reviewing reports submitted by the Sharia Supervisory Board, ensure compliance with the provisions of Islamic Sharia, and submit its recommendations to the Board. Ensuring that the company is in compliance with laws, policies, regulations instructions, and provisions of Islamic Sharia.
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Based on the recommendation issued by the Audit committee and BOD decision in this regard the appointment of Mr. Abdullah Al-Anzi, as an observer (Observer) from outside the Board of Directors in the Audit Committee.

Mr. Abdullah Al-Enezi holds an Executive Master's degree in Business Administration from King Fahd University of Petroleum and Minerals, and a Bachelor's degree in Information Systems from the College of Computer and Information Sciences from King Saud University. He also holds the following specialized professional Certificates:

- Certified Internal Auditor (CIA).
- Certified fraud Examiner (CFE).
- Certified Information Systems Auditor (CISA).
- Certified Risk Management Assessor (CRMA).

With 25 years of experience in the field of internal audit, corporate governance, fraud control, risk management, and information security. He holds the position of Head of Internal Audit for the Saudi Telecom Group, and previously held the position of General Manager of Network and Information Systems Audit, and the position of General Manager of Investment and Operations Audit in the Saudi Telecom Group. Prior to that, he held the position of Senior Manager at Samba Financial Group, and he is a member of several audit committees in companies in the Kingdom of Saudi Arabia. In addition to his membership in specialized professional bodies, including the Saudi Association of Internal Auditors, the Saudi Organization for Certified Public Accountants, and a member of the Board of Directors of the Saudi Accounting Association.

In 2022, the Audit Committee held (6) meetings, detailed as follows:

Name	Statement of Meetings					
	1/ 27/01/2022	2/ 08/03/2022	3/ 20/04/2022	4/ 24/07/2022	5/ 30/10/2022	6/ 11/12/2022
Mr. Ameen Ben Fahad Al-Shiddi	✓	✓	✓	✓	✓	✓
Mrs. Iman Mohammed Al-Ahmed*	✓	✓	✓	✓	-	-
Eng. Omer Abdullah Al-Nomany	✓	✓	✓	✓	✓	✓
Mr. Salah Ahmad Al-Fouzan	✓	✓	✓	✓	✓	✓

*Mrs. Eman Mohammed Al-Ahmed member has expired in board of directors of Kuwait Telecommunication Company (stc) representing The Public Institution For Social Security from 25 September 2022.

<p>Commits Achievements</p>	<p>The Committee has accomplished many achievements, including:</p> <ul style="list-style-type: none"> ▪ Reviewing the financial statements (quarterly and annually) before submitting them to the Board of Directors. ▪ Discussing the annual and quarterly reports of the internal Shari'a audit and the reports of the Shari'a Supervisory Board in the presence of the Shari'a Audit Team and the Sharia Supervisory Board. ▪ Discussing reports submitted by the Internal Audit Department related to the audit reviews outcome during the year, and approve the annual Internal Audit plan. ▪ Approve the objectives of the Key Performance Indicators (KPIs) of the Internal Audit Department.
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Committee: Risk Management Committee	Date of formation: 29 March 2021	Committee Term: 3 years	Number of Members: 4
	Name	Position	Classification
Committee Members	Mr. Salah Ahmad Al-Fouzan	Chairman	Independent
	Mr. Ameen Bin Fahad Al-Shiddi	Member	Non-executive
	Mr. Faisal Saeed AL- Homali	Member	Non-executive
	Mrs. Iman Mohammed Al-Ahmed	Member	Non-executive

The Committee performs several duties including

- Preparing and reviewing the Risk Management strategies and policies, as well as the tendency of the risks before being approved by the Board of Directors. Ensuring the implementation of these strategies and policies, and that they commensurate with the nature and size of the company's activities.
- Ensuring the availability of adequate resources and systems to manage the risks.
- Ensuring that Risk Management personnel have a full understanding of the risks surrounding the company, and increasing employees' awareness of the risk culture.

In 2022, the Risk Management Committee held (4) meetings, detailed as follows:

Name	Statement of Meetings			
	1/ 26/01/2022	2/ 17/04/2022	3/ 24/07/2022	4/ 30/10/2022
Mr. Salah Ahmed Al-Fawzan	✓	✓	✓	✓
Mr. Ameen Bin Fahad Al-Shiddi	✓	✓	✓	✓
Mr. Faisal Saeed Al-Homali	✓	✓	✓	✓
Mrs. Iman Mohammed Al-Ahmed*	✓	✓	✓	-

*The membership of Mrs. Iman Mohammed Al-Ahmad, in the Board of Directors of Kuwait Telecommunications Company (stc), representing the Public Institution for Social Security, has expired, as of September 25th, 2022.

Committee's Achievements

The Committee has accomplished many achievements, including:

- Digitization of Risk Management and Business Continuity Dashboards.
- Review and amending the Risk Management Department Structure
- Winning two Global Awards for Business Continuity.
- Approval of the Risk Management plan for the year 2023.

Committee: The Nomination and Remuneration Committee	Date of formation: 29 March 2021	Committee Term: 3 years	Number of Members: 4
	Name	Position	Classification
Committee Members	Dr. Mahmoud Ahmad Abdulrahman	Chairman	Non-executive
	Mr. Ameen Ben Fahad Al-Shiddi	Member	Non-executive
	Mr. Abdulaziz Abdullah Al-Ghamdi	Member	Non-executive
	Mr. Salah Ahmad Al-Fouzan	Member	Independent

The committee performs several duties including:

- Recommending the acceptance of the nomination and re-nomination of the Board Members and Executive Management.
- Developing a clear policy for Board Members' and Executive Management's remunerations
- Identifying the appropriate skills required for Board of Directors membership and reviewing such requirements on an annual basis.
- Setting a mechanism to evaluate the collective and individual performance of the board members and the executive management.

In 2022, the Nomination and Remuneration Committee held (4) meeting, detailed as follows:

Name	Statement of Meetings			
	1/ 30/01/2022	2/ 08/03/2022	3/ 17/07/2022	4/ 13/12/2022
Dr. Mahmoud Ahmed Abdel Rahman	✓	-	-	✓
Mr. Amin Bin Fahad Al-Shiddi	✓	✓	✓	✓
Mr. Abdulaziz Abdullah Al-Ghamdi	✓	✓	✓	✓
Mr. Salah Ahmad Al-Fouzan	✓	✓	✓	✓

Committee's Achievements:

The committee has accomplished outstanding achievements during 2022, including:

- Development of human resources programs in the company.
- Reviewing the authority matrix in addition to the policies and procedures.
- Recommending to the Board of Directors holding a workshop on the company's strategy.
- Launching of the 2022 Board Performance and Effectiveness Assessment Program.

Committee: The Executive Committee	Date of formation: 29 March 2021	Committee Term: 3 years	Number of Members: 4
Committee Members	Name	Position	Classification
	Eng. Faisal Saeed Al-Homali	Chairman	Non-executive
	Dr. Mahmoud Ahmad Abdulrahman	Member	Non-executive
	Mr. Abdulaziz Abdullah Al-Ghamdi	Member	Non-executive
	Eng. Omer Abdullah Al-Nomany	Member	Non-executive

The committee performs several tasks including

- Discussing the Strategy, Action Plan and Estimated Budget before presenting to the Board of Directors.
- Follow up on the implementation of the strategic plan and performance indicators on a regular basis.
- Reviewing company's performance in general and the performance of all sectors of the company in details, in addition to discussing deviations from the work plan and the estimated budget.

In 2022, the Executive Committee held (7) meetings, detailed as follows:

Name	Statement of Meetings						
	1/ 2/02/2022	2/ 19/04/2022	3/ 02/06/2022	4/ 25/07/2022	5/ 06/09/2022	6/ 01/11/2022	7/ 14/12/2022
Eng. Faisal Saeed Al-Homali	✓	✓	✓	✓	✓	✓	✓
Dr. Mahmoud Ahmad Abdulrahman	✓	✓	✓	-	✓	✓	✓
Mr. Abdulaziz Abdullah Al-Ghamdi	✓	✓	✓	✓	✓	✓	✓
Eng. Omer Abdullah Al- Nomany	✓	✓	✓	✓	✓	✓	✓

*The membership of Mrs. Iman Mohammed Al-Ahmad, in the Board of Directors of Kuwait Telecommunications Company (stc), representing the Public Institution for Social Security, has expired, as of September 25th, 2022.

Committee's Achievements

The committee has accomplished outstanding achievements, including:

- Reviewing the strategy and work plan for the next three years
- Studying the estimated budget.
- Follow up the operational performance of the company periodically.
- Studying the investment opportunities.

Summary of applying all requirements that allow the Board Members to obtain information and data accurately and in a timely manner:

The company's Board of Directors has adopted the procedures guide to ensure that the Board of Directors members obtain information in an accurate and timely manner and in accordance with relevant laws and legislation. The guide defines the mechanism for requesting information and presenting it to the Board of Directors, in addition, the procedures and obligations of the members to maintain the confidentiality of the information that has passed on to them by virtue of their work.

The Executive Management

The company has a Qualified Executive Management team, and they are as follows:

Name	Position
Eng. Maziad Bin Nasser Al Harbi	Chief Executive Officer
Mr. Mohammed Mubarak Al Faran	Chief Financial Officer
Eng. Nasser A. Al-Saadon	Chief Strategy Officer
Mr. Issam Issa Al Asousi	Chief Corporate Affairs Officer
Eng. Amer Issam Atoui	Chief Consumer Officer
Eng. Fahad AbdulRahman Al Ali	Chief Technology Officer
Eng. Ahmad Hamad Al Hammad	Chief Human Resources Officer
Mr. Mohammad Fadhel Al-Sabea	Chief Audit Executive

The company has job descriptions that clearly define the tasks and responsibilities of each position, and the company has an approved Authority Matrix to all sectors within the company. The duties of the executive management include, for example (but are not limited to):

- Implement all the company's internal policies, regulations and systems approved by the Board of Directors.
- Executing the annual strategy and plan approved by the Board of Directors.
- Preparing periodic reports (financial and non-financial) on the progress made in the company's activity in light of the company's strategic plans and objectives, and presenting those reports to the Board of Directors.
- Managing the daily work and running the activity.
- Active participation in building and developing a culture of ethical values within the company.
- Developing an internal control and Risk Management systems, ensuring the effectiveness and adequacy of such systems, and adhering to the risk policy approved by the Board of Directors.

Executive Management



Eng. Maziad Bin Nasser Al Harbi Chief Executive Officer

Eng. Maziad Bin Nasser Al Harbi was appointed as the Chief Executive Officer of Kuwait Telecommunications Company (**stc**) effective on 2019, where he played a major role in building a distinct strategy that contributed to the company's transformation from a traditional telecommunications service company to the expansion of the business solutions and digitization services through its acquisition to Qualitynet during 2019 and E-Portal Holding Company during 2022. Whereby, Alharbi is currently the Chairman of the Board of Directors at E-Portal. He has over 25 years of proven executive management experience across the telecommunication, media and technology industries. In addition to serving as a Board and Committee Member in several companies, Al Harbi also held a number of senior executive positions where he acquired a well-versed and diversified leadership, managerial, as well as technical expertise and capabilities in several areas.

Prior to joining Kuwait Telecommunications Company (**stc**), Al-Harbi served as the Chief Executive Officer (CEO) of the Technology Sector at Etihad Etisalat (Mobily) from 2014 to 2019 in addition to being the Chief Corporate Affairs Officer (CCAO) between 2017 and 2019. In his dual leadership positions at Mobily, Al-Harbi was responsible for overseeing Mobily's internal corporate communications, external marketing communications in addition to coordinating company's decision making processes and enhancing the telecommunications network. He was also responsible for overseeing the technology planning and deployment of the latest technologies to transform the Kingdom to a digital country.

Al Harbi started his career path as an Engineer at Saudi Electricity Company in 1995 before joining Lucent Technologies in 1996, Huawei Saudi Arabia in 2006, the Saudi Telecom Company (**stc**) in 2007, where he climbed the ladder from being a Testing and Maintenance Engineer to the position of Vice-President of the Home Business Unit.

Al-Harbi received his Bachelor's Degree in Electrical Engineering from King Saud University in the Kingdom of Saudi Arabia in 1995.



Mr. Mohammed Mubarak Al Faran Chief Financial Officer

Mr. Mohammed Mubarak Al Faran has been appointed as the Chief Financial Officer (CFO) of Kuwait Telecommunications Company (**stc**) in 2021, and he is currently the Vice Chairman of the Board of Directors and the Head of the Audit Committee at E-Portal Holding Company - a subsidiary of **stc** - since 2022. Mr. Al Faran has more than 15 years of an extensive experience in the Finance and Audit fields gained from many prestigious companies and governmental institutions. Mr. Al Faran held executive and senior positions in several international audit firms, the Saudi Telecom Company (**stc**) - the parent company of Kuwait Telecommunications Company (**stc**) - in addition to the Saudi Ministry of Finance.

Prior to joining **stc** Kuwait, Mr. Al Faran was the Budget Deputy Assistant of Budget Policies and Governance at the Ministry of Finance in KSA, whereby his main responsibility included the governance of the budget preparation and implementation processes as well as ensuring the compliance with all the internal and external budget policies. He started his journey with the Saudi Ministry of Finance as a Budget Deputy Assistant of Performance Reporting in 2019 and managed the process of developing the methodology for preparing the Kingdom's general budget in the Ministry of Finance in KSA as well as managing the governance of financial reporting. He also managed and served as a member in a number of government committees.

Prior to that, Al Faran joined the Saudi Telecom Company (**stc**) as a Financial Reporting Section Manager until 2013, before being appointed as the Financial Policies and Procedures Director from 2013 until 2019, in which he contributed to the leadership of the internal control evaluation project and the development of the accounting policies for the International Accounting Standards transition project.

Al Faran started his career with Deloitte Touch and Co. from 2005 to 2006 in the external audit field before joining Ernst and young from in 2006 until 2011. After almost 7 years of extensive experience in the Audit firms, Mr. Al Faran joined the Internal Audit Department of National Water Company in Saudi Arabia until 2012.

Mr. Mohammed Al Faran holds a Master's Degree in Finance from the University of Wollongong, Australia, 2008. He also holds a Bachelor's Degree in Accounting from King Saud University, Riyadh KSA, 2005. Moreover, Al Faran is a Certified Public Accountant (CPA) from USA, since 2011. In addition, he is certified from the Saudi Organization Certificate Public Accounting "SOCPA" since 2015.



Eng. Nasser A. Al-Saadon Chief Strategy Officer

Eng. Nasser A. Al-Saadon has been appointed as Chief Strategy Officer (CSO) at Kuwait Telecommunications Company (**stc**) in 2020. Eng. Nasser is an executive in the field of corporate strategy with over 24 years of progressive experience in the telecom industry where he handled several positions in various departments at the Saudi Telecom Company (**stc**).

Prior joining Kuwait Telecommunications Company (**stc**), Eng. Nasser was the General Manager for the Business Development and Innovations - Corporate Strategy Department - at the Saudi Telecom Company (**stc**) from 2016 till 2019.

In July 2001 Eng. Nasser held the position of a Project Manager at the Saudi Telecom Company (**stc**) - Network Sector from until 2002 before being appointed as a Director for the Network Planning Sector in 2005.

Later in February 2008, Eng. Nasser was responsible for the business side developing enterprise services for the Marketing Enterprise BU before being appointed as a General Manager for the Planning and Performance HBU from 2010 to 2011. In June 2014, Eng. Nasser was then transferred to the Consumer BU and took on the role of the General Manager Broadband and Bundles where he effectively managed the residential fixed and mobile broadband services till 2015.

Eng. Nasser is a board member of RIYADAH - the National Entrepreneurship Institute - representing **stc**, as well as the Investment Committee of **stc** Venture fund. Eng. Nasser is also an Advisory committee board member of STV fund.

Eng. Nasser received his Master degree in Business Administration (Marketing) from King Saud University in the Kingdom of Saudi Arabia, Riyadh in 2002. Eng. Nasser also holds a Bachelor of Science (Electrical Engineering) from King Fahad University of Petroleum and Minerals (KFUPM), Dhahran, in 1994.



Mr. Issam Issa Al Asousi Chief Corporate Affairs Officer

Mr. Issam Al Asousi was appointed as the Chief Corporate Affairs Officer of **stc** in October 2011. He is also a member of the audit committee of the Electronic Gate Holding Company - a subsidiary of **stc** - since 2022.

Mr. Issam Al-Asousi first started his career in the banking, where He took up his first position in 1980 at the Bank of Kuwait and Middle East as Head of the Banking Services Group, which includes several departments the most important of which are: VIP Private Banking Department, Marketing Department, Branch Management, Product Development, and Credit Cards Management, Which includes the provision of services to both customers and those with high purchasing power through Kuwait.

In 2003, Mr. Issam joined Al Dar Investment Company, where he played a key role in driving the institution's investment strategies, including the establishment of a Consumer Finance Company called "Wared". Furthermore, in 2008, Mr. Issam moved on to Al Dowalliah Investment Group as the Deputy Managing Director, where he was responsible for defining, implementing, and executing the organization's domestic and international strategies.

Mr. Issam graduated from Kuwait University in 1975 with a Degree in Commerce. After that, he received a one-year training program at Chase Manhattan Bank in Washington - United States of America in 1981. He also received a diploma in banking from the Kuwait Institute of Banking Studies in 1982, in addition to several courses from accredited foreign institutes



Eng. Amer Essam Atoui Chief Consumer Officer

Eng. Amer Atoui has been appointed as Chief Consumer Officer (CCO) at Kuwait Telecommunications Company (**stc**) in 2021. Eng. Amer Atoui is an analytical executive in the Telecom industry with a record of achievements in the performance turnaround of a number of multi-national telecom companies. Eng. Atoui has an extensive experience in highly competitive telecom markets as he held several leadership positions, leveraging his technical and commercial in-depth knowledge and cost optimization expertise.

Prior to joining Kuwait Telecommunications Company (**stc**), Eng. Amer Atoui was the B2C Managing Director at LAMI Insurance Technologies from 2020 till 2021 where he was responsible for structuring the startup B2C vertical and building its strategy.

He started his career at LibanCell as a Planning Engineer from 1999 until 2003 before being appointed as a Business Development Coordinator from 2003 until 2004. After that, Eng. Atoui held the position of an International Business Development Manager in COMIUM Group from 2004 to 2006.

Later, in September 2006, Eng. Amer was appointed as the Chief Executive Officer (CEO) of COMIUM Gambia for nine years where he led the setup of a Greenfield operation, and played a prominent role in implementing aggressive commercial strategies and cost saving initiatives that contributed to his success in achieving excellent financial performance targets.

From 2016 until 2016, he joined Helios Investment Partners as an Advisor to the Orange Kenya Acquisition Project before joining Telkom Kenya (Orange Kenya) as a Managing Director for the Consumer Business Unit from 2016 until 2019, where he led the rebranding, transformation and performance turnaround.

In 2006, Eng. Amer Atoui received his Executive-MBA as a (dual degree) from ESCP (FRANCE) and Ecole Supérieure des Affaires (Lebanon). He also holds a Bachelors of Engineering in Computers and Communications from the American University of Beirut, Lebanon in 1999.



Eng. Fahad Abdul Rahman Al Ali Chief Technology Officer

Eng. Fahad Abdul Rahman Al Ali has been appointed as Chief Technology Officer (CTO) at Kuwait Telecommunications Company (**stc**) in 2019, and he is currently a member of the Board of Directors at E-Portal Holding Company - a subsidiary of **stc** - since 2022. Eng. Fahad joined **stc** in 2016 as a Network Implementation and Operations Director in the Technology Sector.

He held several executive positions in the telecommunications sector and had a number of achievements across preparing strategies in addition to building and implementing the development of telecommunication networks in several companies inside and outside Kuwait.

Prior to joining Kuwait Telecommunications Company (**stc**), Eng. Fahad Al Ali has taken over several positions at Zain Telecommunications Company since 2000. He was a Technical Solutions and Planning Director from 2014 to 2016, Network Director from 2010 to 2014, Transmission Department Manager from 2006 to 2010, Transmission Engineer and Team leader from 2000 to 2006 in Kuwait, Bahrain and Iraq Operations.

Eng. Fahad Al Ali holds a Master's Degree, (Executive MBA) in 2013-2014, from Harvard Business School - Boston. He has also received his Bachelor's Degree in Communications and Electronics Engineering from Northumbria University - Newcastle UK in 1999.



Eng. Ahmad Hamad Al Hammad Chief Human Resources Officer

Eng. Ahmad Al Hammad has been appointed as a Chief Human Resources Officer (CHRO) at Kuwait Telecommunications Company (**stc**) in 2019 after he joined the Company as the Remunerations and Organization Design Director in the Human Resources Sector during the same year.

Prior to joining Kuwait Telecommunications Company (**stc**), Eng. Al Hammad has taken over several positions at KFH and NBK. From 2017 until 2019, he worked in the Human Resources sector of the Kuwait Finance House Group as the Senior Manager of the Performance Management and Rewards Department, in addition to and several positions in the HR, Strategy and Corporate Affairs as well as the Corporate Strategy and PMO business sectors where he managed the HR and business transformation programs.

During his career at KFH, Eng. Al Hammad was responsible for the total rewards philosophy as well as the performance management process and culture across KFH group where he supervised the operations across three countries and several subsidiaries of KFH. Prior to Joining KFH, Eng. Ahmad worked at the National Bank of Kuwait in the IT field as a system architect and infrastructure specialist in the IT-D Platforms Area from 2009 to 2013, and Environmental specialist from 2008 to 2009.

Eng. Ahmad Al Hammad received his BSc. in Computer Engineering from California State University, Chico, USA in August 2007 and he received many Certificates from Harvard Business School and George Washington University.



Mr. Mohammad Fadhel Al-Sabea Chief Audit Executive

Mr. Mohammad Al-Sabea has been appointed as Chief Audit Executive at Kuwait Telecommunications Company (**stc**) in July 2022. Prior to joining **stc**.

Mr. Mohamed held the position of Head of Internal Audit at Health Assurance Hospitals Company (DHAMAN).

Mr. Mohamed Al-Sabea has more than 25 years of experience in internal auditing, where he has extensive experience in the field of governance and risk management in addition to holding a number of leadership positions in various industries. Mr. Al-Sabea started his professional career at the Central Bank of Kuwait and Kuwait Petroleum Corporation (KPC) in 1996 before moving to the investment sector to occupy the position of Vice President of the Internal Audit at Aayan Leasing and Investment Company. He later joined Al-Imtiaz Investment Group as an Executive Manager of Risk Management. Mr. Al-Sabea also held the position of Head of Internal Audit at Kuwait Telecom Company (**stc**) between 2014 and 2019 before joining Boubyan Bank as Assistant General Manager for Internal Audit.

Mr. Mohammad Al-Sabea obtained his Bachelor's degree in Accounting and Auditing in 1996. He also obtains several recognized professional certificates including the Certified Public Accountant USA (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE), Internal Controls Certificate (COSO), Certified Risk Manager (ISO 31000) and Certified Corporate Governance Officer (CCGO).

Rule (3): Selecting Qualified Persons for the Membership of the Board of Directors and the Executive Management

Nominations and Remunerations:

The Board of Directors formed the Nominations and Remunerations Committee in accordance with the governance provisions as set out in Article 4.1 of the Corporate Governance Book, where the composition of the committee includes an independent member, In addition, the committee's work charter of work is available, which includes its duties and responsibilities. The committee is concerned with (but not limited to) the following:

- Recommendation to accept the nomination and re-nomination of the members of the Board and Executive Management.
- Developing a clear policy for the remuneration of the Board of Directors and Executive Management.
- Determine the right skills required for membership of the Board of Directors and reviewing those needs on an annual basis.
- Reviewing of the organizational structure of the company and make recommendations to the Board of Directors regarding any proposed changes to the organizational structure.
- Attracting applications of those willing to occupy Executive positions as needed, studying and reviewing those applications.
- Identifying different segments of remunerations that will be granted to employees, such as fixed bonuses segment, bonuses linked to performance segment, rewards in the form of shares segment, and end of service benefits segment.
- Preparing a job description for the Executive and Non-Executive members as well as the Independent Members.
- The committee verifies the independence of independent member
- Preparing a report of the total remunerations granted to Members of the Board of Directors, the executive body and the managers; whether cash or benefits or privileges, of whatever nature and title, directly or indirectly through the company or Subsidiary
- Determining the mechanisms for evaluating the performance of the Board as a whole and evaluating the performance of each member of the Board and Executive Management separately.
- Periodical review of payroll and job grading.
- Ensuring that bonuses are awarded according to the approved policy of remunerations.
- Reviewing Human Resource Policies of the company and any amendments to them before submission to the Board of Directors.

In abidance with the highest standards of transparency as stipulated in the leading practices and in the rules of Corporate Governance, the company abided by preparing a detailed report on all the bonuses granted to the members of the Board of Directors and the Executive Management. The following are the details of the bonuses given to the members of the Board of Directors and the Executive Management, which shall be announced in the general assembly meeting.

The following table shows the Remuneration and compensations of the Board Members for 2022, noting that the Board of Directors of Kuwait Telecommunication Company (**stc**) is composed of (7) members, including the Chairman:

Remunerations and benefits of Members of Board of Directors							
Total number of members	Remunerations and benefits through the parent company			Remunerations and benefits through the subsidiaries			
	Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		Fixed remuneration and benefits (Kuwaiti Dinar)		Variable remuneration and benefits (Kuwaiti Dinar)	
	Health insurance	Annual remuneration	Committees' remuneration	Health insurance	Monthly salaries total of the year	Annual remuneration	Committees' remuneration
7	---	152,061	202,600	---	---	---	---

*Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

Total remunerations and benefits granted to five senior executives who have received the highest remunerations, including the Chief Executive Officer and the Chief Financial Officer*														
Total executive positions	Remunerations and Benefits through the parent company						Remunerations and Benefits through the subsidiaries							
	Fixed remuneration and benefits (Kuwaiti Dinar)					Variable remuneration and benefits (Kuwaiti Dinar)	Fixed remuneration and benefits (Kuwaiti Dinar)					Variable remuneration and benefits (Kuwaiti Dinar)		
	Monthly salaries (total of the year)	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's education allowance	Annual remuneration	Monthly salaries (total of the year)	Health insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Annual remuneration
5	417,525	-	10,683	105,483	90,315	10,072	817,024	154,420	-	-	-	8,400	12,940	109,714

* Details of the segments and types of remuneration and benefits mentioned are examples without.

Rule (4): Ensuring the Integrity of Financial Reports

Financial Reports and the External Auditor

Board of Directors and Executive Management provide a written pledge to confirm the validity and integrity of financial reports prepared. Also the Board of Directors has composed the Audit Committee in accordance with the rules of Corporate Governance, according to the provisions of Article 5.6 of the Corporate Governance book by "Capital market Authority Regulations".

Details of the composition and achievements of the committee were presented above.

The company issues a set of financial reports on periodic basis that includes:

- Interim financial statements.
- Profits announcements.
- Annual reports.

With regard to the External Auditor, the Audit Committee is responsible for:

- Reviewing the scope of work, methodology and work plan of the external auditor, and the coordination between external audit and internal audit.
- Recommending to the Board of Directors assigning and re-assigning the external auditor, proposing to change the external auditor, discussing the fees offered, and review their engagement letter.
- Also ensuring that the external auditor is registered as an approved service provider in the Capital Market Authority, and that the provider meets all requirements of the capital market authority regulations.
- Monitoring the external auditor performance and ensuring that there are no services provided that may cause conflict of interest.
- Verifying the independence of the External Auditor on periodic basis prior to assigning or re-assigning, and verifying that the External Auditor does not perform any additional tasks not related to external audit activities and responsibilities that may affect the independence of the provider.
- Discussing obstacles or difficulties encountered by the external auditor that may include scope limitations or obtaining required information, or any disagreements may result with the management.

Rule (5): Development of sound Risk Management systems and internal controls

Internal Control Systems and Risk Management

Risk Management is responsible for implementing the risk strategy and policy as well as preparing periodic reports on the nature of the risks to which the Company is exposed to, also submitting them to the Risk Committee for approval to be presented to the Board of Directors. Risk Management Officers have the independence and experience to perform their role through establishing adequate and appropriate internal controls for the company's activity and the nature of its business. Company's management is independent by direct subordination to the Board's risk Committee as per with the approved risk management organizational structure and governance regulations.

Summary of the internal control systems:

- Approved policies and procedures that cover all key activities and processes of the company.
- A comprehensive and detailed Organizational Structure approved by the Board of Directors and covers all the sectors and departments within the company.
- Approved job descriptions covering all the company's employees.
- Approved regulations by the Board of Directors, which cover all board committees, according to the rules of Corporate Governance.
- Approved policies by the Board of Directors that cover all the requirements under the rules of Corporate Governance.
- Approved financial and administrative authority matrices by the Board of Directors, to determine all the powers of various parties and covers all key processes.
- Integrated mechanism that cover all major operations.
- Monitoring and control by several independent parties, including internal parties (Internal Audit, Quality Control, and Compliance) and external parties (External Audit, And the ISO Audit Team, Sharia'a Audit).

Internal Audit:

The company has an effective internal audit department with complete technical and administrative independence, through its direct subordination to the Audit Committee - Board of Directors. The Internal Audit department performs several tasks, including:

- Conducting Risk Assessment covering all the departments across the company to prepare a risk based audit plan and presenting the same to the Audit Committee for approval.
- Conducting audit reviews that cover all company's operations and activities according to the approved audit plan by the Audit Committee in order to assess the effectiveness and efficiency of internal controls.
- Conduct quarterly follow up to check whether the Executive Management has taken the corrective actions agreed upon the internal audit reports.
- Reporting and discussing all the audit findings with the Audit Committee with the presence of Executive Management's representatives.
- Carry out other special assignments assigned by the Audit Committee

Rule (6): Promote Code of Conducts and Ethics

Rules of Code of Conducts and Ethics:

Summary of the professional and ethical behavior standards:

The company, represented by the Board of Directors, the Executive Management and all employees, believes that the professional and ethical behavior is one of the most important tributaries of the company's success in achieving its goals. Based on this belief, the board of directors has adopted a policy to define the professional and ethical behavior standards within the company, as well as the responsibilities of each of the company, the board of directors and the management Executive and staff. The policy also stipulates that the responsibility to report if an incorrect or unsafe matter is observed, rests with everyone without exception.

The policy also addressed other important aspects, such as the relationship with commercial partners, the integrity of financial statements, information security and environmental health and safety. All the Board of Directors Members, executive management and employees should abide by it in all their work tasks, regardless of the place and conditions of work.

A summary of the policies and mechanisms on reducing cases of conflict of interest:

The company has a conflict of interest policy that aims to ensure that appropriate procedures are in place to effectively detect and address conflicts of fundamental interest, in addition to ensuring that the Board of Directors deals with existing, potential and expected conflict of interest cases and that all decisions are taken in the interests of the company. This policy is an integral part of the company's full commitment to integrity and justice in dealing with stakeholders. This policy also clarifies the basis for dealing and managing cases of conflict of interest, the concept of conflict of interest, and the parties whose interests conflict with the company's interest, in addition to the role of the Board of Directors and the Executive Management. And the Department of Compliance, Internal Audit, and the Company's General Assembly regarding conflict of interest. The policy also reviewed the procedures for dealing with cases of conflict of interest and the disclosure mechanism.

The report issued by the company's auditors indicated a statement on the balances and transactions with related parties, as the parties are considered related parties when the party has the ability, directly or indirectly through one or more intermediaries, to control the other party or the possibility of influencing it in a way Great when making financial and operating decisions.

Related parties principally include major shareholders of the Company, members of the Board of Directors, members of senior management and companies over which they can exercise significant influence. In addition to the above, the Company has also entered into some other transactions related to the normal course of business with the Parent Company, which are included in operating expenses. The balance due to the Parent Company is disclosed as on the statement of financial position date on December 31, 2022. The following are the significant transactions with the Parent Company that are included in the statement of profit or loss and comprehensive income:

Year	2021	2022
Currency	Thousand Kuwaiti Dinars	Thousand Kuwaiti Dinars
Management Fees	10,385	11,773
Other Revenue Expenses	13,716	15,785
Other Operational Expenses	9,254	24,221

Rule (7): Disclosure and transparency

Accurately and in a timely manner

Disclosure and transparency

A summary of the application of the screening as well as the accurate and transparent disclosure mechanism that determine the aspects, areas and characteristics of disclosure:

Commitment to the principle of transparency in work is one of the main keys to encourage shareholder confidence. Therefore, the company is committed to a policy of disclosure and transparency by following all laws, regulations, and instructions related to disclosure issued by various supervisory authorities in a timely manner, believing in the importance of transparency in enhancing the confidence of shareholders and stakeholders and maintaining the company's reputation in Labor market.

In compliance with the regulations and laws regulating the process of disclosure and transparency issued by the concerned supervisory authorities, the company shall disclose accurate and appropriate financial statements, profit reports, audit reports and other information accurately, transparently and clearly, as well as the material information related to the company, while adhering to maintaining its strict confidentiality and taking the necessary measures to ensure that that Dealing with documents and data related to that information remains regulated to a minimum, in addition to providing more effective communication tools with all stakeholders and stakeholders for the purpose of providing comprehensive reports, which in turn is consistent with one of the company's objectives, which is commitment to the transparency policy.

The company's management confirms that all data provided in this regard are accurate, correct and not misleading. Also, all the company's annual financial reports are in compliance with International Accounting Standards for Financial Reporting and its requirements.

The company, through the Compliance and Governance Department, maintains a special record that includes all the company's disclosures with the Kuwait Stock Exchange and the Capital Markets Authority during the previous five years. The total number of disclosures made by the company during the year 2022 is 46 disclosures, as the company believes in promoting the principle of transparency, the material information disclosures are also available on the company's official website on the Internet, in compliance with the requirements of the Kuwait Capital Markets Authority.

A brief on the application of the requirements of the register of disclosures made by the Board Members and Executive Management:

The company has a special record for the disclosures made by the Board of Directors Members and Executive Management, provided that this record is available for perusal by all the company's shareholders. The company also confirms that company's shareholders have the right to see this record without any fee or charge, with its commitment to update the data of this register periodically to reflect the real situation of the related parties.

A brief statement about the requirements of the formation of a unit for organizing investors' Affairs:

The company has established the Investor Relations Department, and this department is responsible for the process of communicating with current and potential shareholders in addition to providing the necessary data, information and financial reports. The Investor Relations Department has an appropriate independence reporting line, in a way that allows it to provide data, information and reports in a timely and accurate manner through the recognized means of disclosure, including the company's website.

A statement of how to develop the information technology's infrastructure and to rely heavily on it in disclosures:

The company follows a policy of accreditation and expansion in the use of information technology to communicate with shareholders, investors and stakeholders, through the establishment of a section dedicated to corporate governance on its website. The corporate governance page displays all the updated information and data that helps shareholders, current and potential investors to exercise their rights and assess the performance of the company. In addition, there is an investor relations page that is also available on the company's website and the investor relations mobile application.

Rule (8): Shareholders' and Stakeholders' Right

Protecting Shareholders' Equity

Summary of the application of the requirements for identification and protection of public rights of shareholders, to ensure justice and equality among all shareholders:

The company is committed, through the Investor Relations Department, to its responsibility towards the shareholders in adopting the highest standards of transparency and fair treatment in the process of communicating with them. The company believes that the proper application of Corporate Governance enhances the value for its shareholders and provide appropriate guidelines for each of the Board of Directors, and its committees, and Executive Management to carry out their duties in order to serve the interests of the company and its shareholders. Therefore, the company seeks to achieve the highest levels of transparency, accountability and effective management through adopting, and following-up the execution of strategies, objectives and policies aimed at compliance with its regulatory and ethical responsibilities.

It is worth noting that we have activated and strengthened the channels of communication with investors and financial analysts, after listing the company's shares in Boursa Kuwait. The company is also committed to transparency and providing financial information about the company through different communication channels, according to the best professional practices in disclosure and transparency. In addition, the company was keen to communicate with local and foreign investors as well as financial analysts in order to meet with them and answer their queries. The company also participated in conferences held for investors to enhance communication with all categories of shareholders and the financial community.

In addition, the website and the Investor Relations mobile app. provide a range of information about the company's stock, financial data and reports on the company's performance. The company has also adopted a special policy to protect shareholders' rights.

Furthermore, the company guarantees to all shareholders the right to access all information and relevant disclosures through publishing it on the website and the annual reports available to all shareholders, in addition to enabling them to obtain all information pertaining to the Board Members, their qualifications, their stock ownership in the company, their chairmanship or membership in the boards of other companies, as well as the information on company's executives. It is also available to all stakeholders to obtain all relevant information.

Summary on the establishment of a special registry to be kept with the clearing agency, as part of the requirements of ongoing follow-up for data of shareholders:

The company has, since its inception, created a special registry to be kept with the clearing agency to keep a record of shareholders names and the number of shares owned by each one of them. This register is updated on a daily basis, and any changes to the data recorded in the shareholder register are also modified according to the data received by the company or clearing agency in this regard. A brief on how to encourage shareholders to participate and vote at the assembly meetings of the company:

- Initially, the company discloses the date of the General Assembly Meeting after the date has been determined by the Board of Directors.
- The company directs a public invitation to shareholders to attend and participate in the General Assembly Meeting, (whatever type of meeting it might be), including the agenda. The invitation is made through the announcement in, at least, two daily newspapers published in Arabic, twice. The first ad should be published two weeks prior to the General Assembly Meeting while the second ad should be published one week prior to the General Assembly Meeting. The second ad must be published in the official Newspaper.
- The company also announces the date of its General Assembly Meeting through the web page of Boursa Kuwait in addition to the Investor Relations web page on the company's official website.
- The company has recently launched a mobile application for Investor Relations so that respective investors can follow all company news and have access to all financial disclosures, invitations, reports, as well as information related to the performance of the company's share

Rule (9): Understanding the Role of Stakeholders

Realizing the role of stakeholders

A brief on the systems and policies that ensure the protection and recognition of the rights of stakeholders:

The company respects and protects stakeholder's rights in all its internal and external dealing and transactions, as the contributions of stakeholders constitute a critical resource for building the company's competitiveness and enhancing its levels of profitability. In order that the stakeholders' transactions, whether contracts or deals with the company, do not conflict with the interests of the shareholders, the company has taken into consideration the following:

- That none of the stakeholder obtains any advantage by dealings in contracts and transactions that are included in the company's normal activities.
- The company should develop internal policies and regulations that identify a clear mechanism for documenting contracts and deals of different types.

The company also adopted a number of policies, including, but not limited to:

- Stakeholder Protections Rights Policy.
- Conflict of Interest Policy.
- Whistleblowing policy.
- Related Parties Transaction Policy.

About how to encourage stakeholders to participate in the follow-up of the company's various activities:

The company is committed dealing with the Board of Directors Members and stakeholders on the same conditions that the company applies with the different stakeholders without any discrimination or preferential terms, in addition to making sure to review the deals and transactions proposed by the company with related parties and to make appropriate recommendations in this regard to the Board of Directors.

The company is also committed to providing stakeholders with information and data related to their activities on a regular basis in accordance with the contracts concluded with them and in a manner that does not violate the confidentiality of information policy applied within the company. All contracts concluded with stakeholders are included in contractual clauses that guarantee the confidentiality of the information provided to them to perform the tasks assigned to them.

On the other hand, the company is committed to ensuring the rights of stakeholders in accordance with the laws in force in the State of Kuwait that regulate the relationship between the company and its stakeholders, including, for example, the Kuwaiti National Labor Law, the Companies Law and its Executive Regulations, the Commercial Law, and instructions issued by the Authority Financial markets and other regulatory authorities.

Rule (10): Promote and Enhance the Performance

Performance Enhancement

Summary on the requirements for developing mechanisms that will allow all of the Board Members and Executive Management to, continuously, obtain training programs and courses:

The company is committed to perform a continuous training and qualification, which provides the board of directors members and the executive management with the appropriate understanding and knowledge of all topics related to the company's activities, and makes them aware of the latest developments in the relevant administrative, financial and economic fields, in addition to the ability to strategically plan according to the company's needs and then achieve the company's goals.

A brief on the method of evaluating the performance of the Board of Directors as a whole as well as the performance of each member of the Board of Directors and the Executive Management:

The company has developed systems and mechanisms to periodically evaluate the performance of each member of the Board of Directors and the Executive Management. This is achieved through developing a set of performance indicators linked to the extent of achieving the strategic goals of the company, the quality of the Risk Management and the adequacy of the internal control systems. The Board of Directors has also adopted the performance indicators to measure the performance of both the Board of Directors and the Executive Management.

A brief on the Board's efforts on (Value Creation) within the employees of the company, through the achievement of strategic objectives and improving performance rates:

The Board of Directors and the Executive Management are keen to create corporate values within the company by following the highest standards of the Code of Professional Conduct, in addition to applying the Employee Guide. This shall enable achieving higher levels of applying work ethics, achieve the strategic goals of the company, and improve performance rates, which in turn contributes effectively to creating institutional values among employees and motivates them for continued work to maintain the financial soundness of the company.

Rule (11): Focusing on Corporate Social Responsibility

Corporate Social Responsibility

A brief of a policy development that ensures a balance between societal and corporate goals:

Kuwait Telecommunications Company (**stc**) always aspires to be one of Kuwait's leading and dedicated companies to play an active and fundamental role in establishing and applying its corporate social responsibility (CSR) agenda consisting of key pillars that benefit and contribute positively to the local community, in line with Kuwait's 2035 vision.

stc seeks an integrated and modern approach in implementing its CSR initiatives, with the participation of members of the **stc** family, voluntary teams and third parties, creating a friendly, cooperative and result-oriented atmosphere that yields to the development of the society and pours into the benefit of the State of Kuwait as a whole. As a Kuwaiti company, we invest in the synergetic relationship that focuses on giving back to our society, as we believe that giving is the essence of success.

stc also holds responsibility towards the community which lies at the top of its priorities. Ever since its establishment more than 14 years ago, **stc** has made every effort to highlight and affirm its commitment to society, playing an active role in supporting the Kuwaiti community in its various sectors and categories in the fields of environment, entrepreneurship, health, and education. It also aims to invest in sustainable initiatives that support and benefit the local community, backed by ethical values and principles of governance, neutrality and transparency.

An overview of **stc's** CSR agenda:

For further details on **stc's** most recent CSR initiatives, please refer to the CSR section published on the Company's website and the Annual Report for 2022.