

Governance Report

For the Fiscal Year Ending on 31 December 2023

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Rule One

“Building a Balanced Structure for the Board of Directors”

Brief on the formation of the Board of Directors:

Mashaer Holding Company’s Board of Directors is characterized by the diversity of practical experiences and professional specializations among its members, as reflected in the performance and decisions of the Board members.

Name	Member Classification (executive / non-executive / independent) Secretary	Academic Qualification and Practical Experience	Secretary Date of Election / Appointment
Fahad Abdullah Al-Saleh Chairman of the Board	Independent	Master of Business Administration 24 years of experience	2023/07/04
Haitham Tawfiq Al-Furaih Vice Chairman of the Board	Non-Executive	Master of Business Administration 23 years of experience	2023/07/04
Mansour Hamad Al-Mubarak Board Member	Non-Executive	Bachelor’s Degree in Business Administration and Finance More than 34 years of experience	2023/07/04
Saleh Abdulaziz Al-Sarawi Board Member	Non-Executive	Bachelor’s Degree in Business Administration, Information Systems, 20 years of experience	2023/07/04
Nawaf Abdullah Al-Refae Board Member	Independent	Bachelor of Business Administration - Marketing 27 years of experience	2023/07/04
AbdulQadir ben Suliman Al- Muhaidib Board Member	Independent	Master of Business Administration 12 years of experience	2023/07/04
Abdulaziz Zaid Al-Subaie Board Member	Executive	Bachelor’s Degree in Finance - Financial Institutions 21 years of experience	2023/07/04
Ali Haroun Ibrahim	Secretary	Master of International Business Law 32 years of experience	2023/07/04

Brief statement on the Company's Board of Directors' held meetings:

The Board's Meeting During 2023:

Member Name	Meeting No. (1/23)	Meeting No. (2/23)	Meeting No. (3/23)	Meeting No. (4/23)	Meeting No. (5/23)	Meeting No. (6/23)	Meeting No. (7/23)	No. of Meetings
	2023/2/14	2023/2/14	2023/5/10	2023/5/10	2023/7/4	2023/8/13	2023/11/12	
Fahad Abdullah Al-Saleh Chairman of the Board	√	√	√	√	√	√	√	7
Haitham Tawfiq Al-Furaih Vice Chairman of the Board	√	√	√	√	√	√	√	7
Mansour Hamad Al-Mubarak Board Member	√	√	√	√	√	X	√	6
Saleh Abdulaziz Al-Sarawi Board Member	√	√	√	√	√	√	√	7
Abdulaziz Zaid Al-Subaie Board Member	√	√	√	√	√	√	√	7
Nawaf Abdullah Al-Refae Board Member	√	√	√	√	√	√	√	7
AbdulQadir ben Suliman Al-Muhaidib Board Member	√	√	√	√	√	√	√	7

- (√) Indicates the member's attending the meeting of the Board.
- The above table shall be included in all meetings of the Board of Directors held during the year.

Brief on the implementation of registration and coordination requirements and keeping of the minutes of the Company's Board meetings

In coordination with the Chairman of the Board of Directors, the Secretary prepares the agenda and sends invitations to the members at least three working days before the date set for the meeting, providing them with all documents and data to be discussed pertaining to the meeting's agenda items. Minutes of the meetings shall be recorded, including the discussions and deliberations carried out between the Board members, as well as the voting processes conducted on the Board's decisions. Those minutes shall then be signed by the Secretary and all members present and numbered according to the holding date of the relevant meeting by year. All documents related to the Board meeting shall be kept and the Board decisions shall be followed up in terms of implementing and notifying them to the various departments of the Company, presenting any accomplished achievement to the Board of Directors in the following meetings, in addition to providing information to the members wishing to access them easily and conveniently.

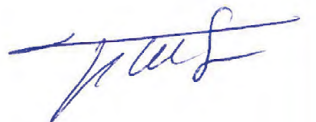
Independent member's acknowledgement that he fulfills independence controls, attaching a copy thereof to the report

Independent Board members acknowledge their impartiality and non-affiliation with any party, which would deprive them of their independence. Copies of the independent members' acknowledgements for the Board of Directors term (2023-2025) are attached to this report.

Acknowledgement

I, the undersigned Fahad Abdullah Issa Al-Saleh, in my capacity as a nominated independent member of the Board of Directors of Mashaer Holding Company (K.S.C.P), declare hereby that I fulfill all the independence conditions stipulated in Article (2.3) of the Corporate Governance Part of the Executive Regulations of Law No. (07/2010) on the establishment of the Capital Markets Authority and the regulation of securities activity.

This is my acknowledgment of the same.

Signature: 

Acknowledgement

I, the undersigned Nawaf Abdullah Al-Refae, in my capacity as a nominated independent member of the Board of Directors of Mashaer Holding Company (K.S.C.P), declare hereby that I fulfill all the independence conditions stipulated in Article (2.3) of the Corporate Governance Part of the Executive Regulations of Law No. (07/2010) on the establishment of the Capital Markets Authority and the regulation of securities activity.

This is my acknowledgment of the same.

Signature:



Acknowledgement

I, the undersigned AbdulQadir ben Suliman Al- Muhaidib, in my capacity as a nominated independent member of the Board of Directors of Mashaer Holding Company (K.S.C.P), declare hereby that I fulfill all the independence conditions stipulated in Article (2.3) of the Corporate Governance Part of the Executive Regulations of Law No. (07/2010) on the establishment of the Capital Markets Authority and the regulation of securities activity.

This is my acknowledgment of the same.

Signature:



Rule Two

“Proper Determinations of Tasks and Responsibilities”

Overview of how the Company determines the Policy of Tasks, Responsibilities and Duties of each member of the Board of Directors and the Executive Management, as well as the powers and authorities delegated to the Executive Management

Duties and Authorities

In the context of the Board of Directors' keenness to adhere to the rules and laws of the Capital Markets Authority (CMA), the Board of Directors has reviewed its bylaws and introduced amendments thereto that explain in detail all duties, authorities and competencies of the Board of Directors. The Board has also previously approved job descriptions for members of the Board and the Executive Management, clarifying separation of tasks and authorities between the Board of Directors and the Executive Management in a way that ensures full independence and effectiveness of all parties. The aforementioned bylaws include the main tasks of the Board of Directors, as follows:

- Establishing the Company's objectives, strategies, plans, policies, main business plans, optimal capital structure, financial objectives and organizational and functional structures, reviewing them periodically.
- Approving annual estimated budgets and interim and annual financial statements.
- Developing a clear policy for distributing various types of (cash/in-kind) profits, in a way that achieves the interests of shareholders and the Company.
- Approving performance objectives and monitoring implementation and overall performance in the Company.
- Supervising the Company's major capital expenditures, in addition to the ownership and disposition of shares and assets.
- Establishing sustainability factors in the Company's overall strategy, main business plans and risk measurement and management process.

Board of Directors' achievements during the year

The Board of Directors carried out several tasks during the year 2023 and its key achievements include the following:

- Approval of governance policies updates in accordance with the instructions of the Capital Markets Authority.
- Approval of the work policies of the Company's departments and their updates.
- Approval of the strategic and business plans for the next three years, ensuring their inclusion of sustainability factors.
- Approval of the Company's interim and annual financial statements.
- Review and approval of recommendations issued by the Nominations, Remuneration, Audit and Risk Committees.
- Review and discussion of reports prepared by Executive Management.
- Ensuring the Company's compliance with the laws and legislation related to its activities and following up on the implementation of the regulatory authorities' instructions.
- Discussing the risks facing the Company's business.
- Studying investment opportunities to diversify the Company's sources of income.
- Taking the necessary steps to exit non-profitable investments.

Executive Management Duties and Responsibilities

The Company's Executive Management carries out a set of tasks, which can be summarized as follows:

- Implementing the general strategy and annual plans approved by the Board of Directors.
- Working to implement all of the Company's bylaws, internal policies and systems approved by the Board of Directors.
- Establishing an integrated accounting system that maintains books, records and accounts that reflect, in a detailed and accurate manner, the financial statements and income accounts, aiming to preserve the Company's assets in accordance with the international accounting standards approved by CMA.
- Establishing internal control and risk management systems, ensuring the effectiveness and adequacy of those systems, managing daily work and activities, as well as managing the Company's resources optimally, working to maximize profits and reduce expenses in accordance with the Company's general objectives and strategy.
- Preparing (financial and non-financial) periodic reports on developing the Company's activities in light of its strategic plans and objectives, presenting them to the Board of Directors.
- Preparing financial statements in accordance with international financial reporting standards approved by Kuwait Capital Markets Authority.
- Active participation in building and developing a culture of ethical values within the Company.

Executive Management Achievements

During the year 2023, the Executive Management accomplished the following

- Developing an action plan to implement the strategy approved by the Board of Directors.

- Maintaining cashflow within the Company by managing and monitoring cashflows.
- Reducing operating and capital expenses.
- Coordinating with subsidiaries and associates to maintain cashflow and rationalize expenses.
- Committing to fulfill payments owed by the Company on time.

Overview of the application of Board of Directors' requirements to form specialized, independent committees, taking into account information about each committee

Pursuant to Module Fifteen “Corporate Governance” of the Capital Markets Authority, the Board of Directors formed each of the following committees:

Audit Committee, Risk Management Committee and Nominations and Remuneration Committee.

First: Audit Committee:

The Audit Committee works to establish a culture of compliance within the Company by ensuring the safety and integrity of its financial reports, as well as ensuring the adequacy and effectiveness of the internal control systems applied by the Company. The Audit Committee consists of three non-executive members, including an independent member, and shoulders the main responsibility for reviewing the periodic financial statements before presenting them to the Board of Directors, expressing an opinion and recommendation thereon, with the aim of ensuring the financial reports' fairness and transparency. The Board of Directors determines the Audit Committee's responsibilities, authorities and tasks related to the technical supervision of the Internal Audit Unit in the Company, so as to verify the extent of its effectiveness in implementing the work and tasks entrusted thereto by the Board of Directors.

Achievements of the Committee

- Reviewing interim and annual financial data and reports before presenting them to the Board of Directors, expressing opinions and recommendations thereon.
- Approving the annual Audit Committee report.
- Adopting and approving the internal audit work plan.
- Evaluating the entity conducting internal and external auditing.
- Discussing internal audit reports and the corrective actions adopted by the management regarding those observations.
- Supervising internal audit work and following up on internal audit achievements.
- Appointing an independent auditor to prepare an internal control report.
- Recommending to the Board of Directors to appoint and reappoint the auditor upon confirming his independence and determining his fees.
- Ensuring the Company's compliance with relevant laws, policies, systems and instructions.

The Audit Committee was reconstituted on 13/08/2023, where its validity is linked to the term of the current Board. The Committee consists of the following three (3) members:

Mr. Nawaf Abdullah Al-Refae	Chairman of the Committee
Mr. Haitham Tawfiq Al-Furaih	Member
Mr. Saleh Abdulaziz Al-Sarawi	Member
Mr. Ahmad Bader Al-Aslawi	Secretary

The Committee held (4) meetings.

Second: Risk Management Committee

The Risk Management Committee consists of three non-executive members and shoulders the primary responsibility for developing effective internal control systems that provide oversight over the integrity of the financial statements and the efficiency of the Company's business, in addition to evaluating the extent of compliance with regulatory controls. The Board of Directors determines the Committee's responsibilities, powers and tasks related to identifying, evaluating and monitoring all risks to which the Company is exposed, developing solutions thereto in line with the Company's objectives to avoid the occurrence of risks.

Among the Committee's achievements

- Reappointment of a specialized risk management company.
- Reviewing the Company's strategic plan and ensuring that it is commensurate with the size and nature of the Company's activities.
- Approving the plan set in terms of risks and submitting it to the Board of Directors for approval.
- Submitting periodic reports to the Board of Directors on the nature of the risks to which the Company is exposed.
- Recommending the approval of work policies of the Company's departments.

The Risk Management was reconstituted on 13/08/2023, where its validity is linked to the term of the current Board. The Committee consists of the following three (3) members:

Mr. Saleh Abdulaziz Al-Sarawi	Chairman of the Committee
Mr. Nawaf Abdullah Al-Refae	Member
Mr. Haitham Tawfiq Al-Furaih	Member
Mr. Ahmad Bader Al-Aslawi	Secretary

- The Committee held (4) meetings.

Third: Nominations and Remuneration Committee

The Board of Directors has formed the Nominations and Remuneration Committee, consisting of three members; one independent member and the Chairman is a non-executive Board member. This Committee is responsible for preparing recommendations related to nominations for the positions of members of the Board of Directors and Executive Management, as well as recommendations regarding the policies and regulations governing the granting of compensation and remunerations.

Among the Committee's achievements

- Restructuring the Nominations and Remuneration Committee.
- The Committee prepared the part related to the remuneration, salaries and benefits granted to members of the Board of Directors and Executive Management for the fiscal year ending on 31 December 2022, within the governance report's items.
- The Committee ensured that the independent member of the Board of Directors meets the independence condition.
- Recommending the selection of companies' representatives for associate companies' board membership.
- The Committee approved appropriate training programs for both members of the Board of Directors and Executive Management.

The Nominations and Remuneration Committee was reconstituted on 04/07/2023, where its validity is linked to the term of the current Board. The Committee consists of the following three (3) members:

Mr. Fahad Abdullah Al-Saleh	Chairman of the Committee
Mr. Mansour Hamad Al-Mubarak	Member
Mr. Abdulaziz Zaid Al-Subaie	Member
Mrs. Shereen Abdelrahman Al-Abdallah	Secretary

The Committee held (4) meetings.

Brief on how to implement the requirements that allow Board members to obtain information and data accurately and in a timely manner

In coordination with the Chairman of the Board of Directors, the Secretary provides the members of the Board of Directors with any information requested thereby that enables them to carry out their duties and tasks efficiently and effectively.

Rule Three

“Selection of qualified persons for membership of the Board of Directors and Executive Management”

Overview of the application of the requirements for the Nominations and Remuneration Committee formation:

The Nominations and Remuneration Committee works to complete the Committee's requirements by developing a clear remuneration policy for the Board of Directors and Executive Management, determining the different segments of remuneration that will be granted to employees, conducting a periodic (annual) review of the remuneration granting policy and evaluating its effectiveness in achieving the desired goals.

Report on the remunerations granted to members of the Board of Directors, Executive Management and managers, where the following information shall be included as a minimum:

1. Brief on the Company's Remuneration and Incentives Policy, especially what relates to members of the Board of Directors, Executive Management and managers.

The Chairman of the Board of Directors or his representative shall read out at the Company's General Assembly meeting a report on all transactions with employees of the Executive Management and Board members. Those transactions include remuneration granted to members of the Board of Directors, the Executive Management, managers and their deputies. The Company's General Assembly ratifies and approves these transactions and the remuneration granted to members of the Board of Directors and the Executive Management.

2. Inclusion of the following two statements:

Board Members Remuneration and Benefits							
Total Number of Members	Remuneration and benefits through the Parent company			Remuneration and benefits through subsidiaries			
	Fixed remuneration and benefits (KD)	Variable remuneration and benefits (KD)		Fixed remuneration and benefits (KD)	Variable remuneration and benefits (KD)		Committees' Remuneration
		Health Insurance	Annual Remuneration		Health Insurance	Monthly salaries (Total during the year)	
7	N/A	56,000	13,500	N/A	N/A	14,000	N/A

Details of the segments and types of remuneration and benefits mentioned are as follows, for example:

Total remuneration and benefits granted to five senior executives who received the highest remunerations, in addition to the CEO and the CFO or their replacement if they are not included																
Total number of executive positions	Remuneration and benefits through the Parent company							Remuneration and benefits through the Subsidiaries								
	Fixed remuneration and benefits (KD)							Variable remuneration and benefits (KD)	Fixed remuneration and benefits (KD)							Variable remuneration and benefits (KD)
	Monthly Salaries	Health Insurance	Annual Tickets	Housing Allow.	Transport Allow.	Children Education Allow.	Annual Remuneration		Monthly Salaries	Health Insurance	Annual Tickets	Housing Allow.	Transport Allow.	Children Education Allow.	Annual Remuneration	
6	326,266	7,600	37,950	-	16,200	11,745	98,817	-	-	-	-	-	-	-		

Details of the segments, types of the aforementioned remunerations and benefits mentioned are for example.

3. Any material deviations from the Remuneration Policy approved by the Board of Directors.

None.

Rule Four

“Ensuring Financial Reports Integrity”

Written pledges by the Board of Directors and Executive Management regarding the integrity and soundness of the prepared financial reports

Mashaer Holding Company is keen on the soundness and integrity of the financial statements before shareholders, regulatory authorities and third parties, where the financial management and the Executive Management sign written pledges regarding their accuracy and integrity, then submitting them to the Board of Directors, which, in turn, approves them and pledges their integrity to the General Assembly.

Governance Report
31 December 2023
Guarantee of Financial Reports Integrity

I, the undersigned Anwar UI-Haq Abdul-Haq, in my capacity as Senior Manager of the Financial Department, Mashaer Holding Company (KSC - Public), acknowledge and undertake hereby the accuracy and integrity of the Company's consolidated financial statements, which were provided to the current Account Controller.

I also acknowledge that the company's financial reports have been presented properly and fairly, in accordance with the International Financial Reporting Standards applied in the State of Kuwait and as approved by Kuwait Capital Markets Authority, and that they reflect the financial position of the Company as on 31 December 2023.



Anwar UI-Haq Abdul-Haq
Senior Manager - Financial Department

Governance Report
31 December 2023
Guarantee of Financial Reports Integrity

I, the undersigned Abdulaziz Zaid Al-Subaie, Chief Executive Officer and member of the Board of Directors, Mashaer Holding Company (KSC - Public), acknowledge and undertake hereby the accuracy and integrity of the Company's consolidated financial statements, which were provided to the current Account Controller.

I also acknowledge that the company's financial reports have been presented properly and fairly, in accordance with the International Financial Reporting Standards applied in the State of Kuwait and as approved by Kuwait Capital Markets Authority, and that they reflect the financial position of the Company as on 31 December 2023.



Abdulaziz Zaid Al-Subaie
Chief Executive Officer and member
of the Board of Directors

Governance Report
31 December 2023
Guarantee of Financial Reports Integrity

I, Chairman and members of the Board of Directors of Mashaer Holding Company (KSC - Public), acknowledge and undertake hereby the accuracy and integrity of the Company's consolidated financial statements, which were provided to the current Account Controller. I also acknowledge that the company's financial reports have been presented properly and fairly, in accordance with the International Financial Reporting Standards applied in the State of Kuwait and as approved by Kuwait Capital Markets Authority, and that they reflect the financial position of the Company as on 31 December 2023.

Member Name	Position	Signature
Fahad Abdullah Al-Saleh	Chairman Independent	
Haitham Tawfiq Al-Furaih	Vice-Chairman Non-Executive	
Abdulaziz Zaid Al-Subaie	Member Executive	
Mansour Hamad Al-Mubarak	Member Non-Executive	
Nawaf Abdullah Al-Refae	Member Independent	
Saleh Abdulaziz Al-Sarawi	Non-Executive Member	
AbdulQadir ben Suliman Al-Muhaidib	Independent	

Overview of the application of the Audit Committee formation requirements

The Board of Directors formed the Audit Committee in accordance with the requirements of Module Fifteen "Corporate Governance", issued in accordance with the Executive Regulations of Law No. 07 of 2010 Establishing the Capital Markets Authority. The Audit Committee held four meetings.

In case of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, a statement detailing and explaining the recommendations and the reason(s) behind the Board's decision not to comply with them shall be included

There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

Emphasizing the independence and impartiality of the external auditor

The Audit Committee submitted a recommendation to the Board of Directors to appoint an external auditor and determine his fees after ensuring his independence and impartiality.

Rule Five

"Establishing Sound Internal Control Risk Management Systems"

Brief on the application of the requirements for forming an independent risk management department/office/unit

An independent risk management unit was established under the Risk Management Committee, which tasks were assigned to a specialized consulting company to study, measure and follow up on all types of risks to which the Company is exposed on an ongoing basis. The said unit's periodic reports are submitted to the Risk Management Committee to limit the occurrence of those risks.

Overview of the application of the Risk Management Committee formation requirements

The Risk Management Committee aims to assist the Board of Directors in supervising matters related to current and future activity risks. The Committee evaluated the systems and mechanisms for measuring the various risks to which the Company is exposed through its various activities by reviewing periodic reports issued by the specialized consulting company and submitting its corrective measures recommendations to the Board of Directors for approval and adoption of risk avoidance mechanism.

Brief explaining the internal control and oversight systems

The Company is governed by internal control and oversight systems that cover all its activities, which work to maintain the integrity of the Company's financial position and the accuracy of its data, through approved organizational structures that are based on the principle of separation of tasks and prevent conflicts of interest. Also, the Company adopts work policies and procedures manuals that clearly define all tasks and responsibilities. Further, the Company has entrusted an independent audit office to examine and evaluate the internal control systems of all departments therein.

Brief on implementing the formation requirements for an independent internal audit department/office/unit

An internal audit unit has been established, directly reporting to the Audit Committee, which tasks are assigned to a specialized independent consulting company, which appointment is based on a recommendation of the Board's Audit Committee in order to carry out internal audit work on the Company's departments subject to the approved plan. The consulting company submits its reports to the Audit Committee, which meets with the internal auditor periodically. The Committee then submits its recommendations to the Board of Directors for corrective measures approval.

Rule Six

“Promotion of Professional Behavior and Ethical Values”

Brief on the Code of Ethics that includes standards and determinants of professional behavior and ethical values:

The Company’s Code of Ethics’ update has been approved with a view to enhancing the culture of professional behavior and institutional and ethical values by setting major guidelines that represent the Company’s policies in accordance with the rules of governance. The Code of Ethics aims to promote honest ethical behavior that reflects positively on the Company and maintains an institutional climate that preserves the value and integrity of every individual, providing an appropriate and effective work environment under governance rules. It ensures adherence to the laws, rules and regulations that govern the Company’s activities and operations, in addition to proper use of the Company’s assets. It also works to develop team spirit and consolidate employee loyalty to the Company in a way that retains experienced and competent employees. Relevant standards include rules and ethics of conduct and clarify how the Company’s managers, officials or employees deal with stakeholders or the public dealing therewith. The Code of Ethics also includes all standards that members of the Board of Directors and the Executive Management, as well as all Company employees, are required to adhere to in order to achieve the interest of the Company, its shareholders and stakeholders.

Our commitment to implementing that behavior helps us make sound decisions, where our policies are based on the following principles

- Respect: Our respect for society and the environment where we work, as well as our commitment to all legislation and dealings with others with the highest professional and ethical standards.
- Financial integrity and honesty: We are committed to ensuring that the Company’s financial statements reflect its assets, liabilities and financial position, with the utmost accuracy, clarity and transparency.
- Diversity and equal opportunities: We are keen to encourage a culture of mutual respect for different opinions and to attract qualified elements to join us, without any discrimination or bias.
- Health and Safety: We ensure the provision of a safe working environment for our employees and our community, free from causes of accidents and diseases.

Brief on the policies and mechanisms to reduce conflicts of interest

Within the framework of the Board of Directors’ keenness to protect the honesty, integrity and transparency of the shareholders’ interests and to avoid actual conflicts of interest in personal and professional relationships between them, the Company has adopted a Conflict-of-Interest Policy and is reviewing its Policy of Dealings with Related Parties, in a manner consistent with the nature of the Company’s business and regulatory developments in the markets. The Company adopts a General Policy for reporting any violations or breaches, which ensures the employees’ reporting their complaints regarding any improper practice by applying appropriate mechanisms that allow for investigating such matters, while ensuring the protection of whistleblowers to avoid any negative reaction or any harm thereto consequent to that practice.

Rule Seven

“Accurate and Timely Disclosure and Transparency”

Brief on the application of the mechanisms and accurate and transparent disclosure and presentation that define related aspects, areas and characteristics

In compliance with the Disclosure and Transparency Policy approved by the Board of Directors to enhance mechanisms for accurate disclosure of all fundamental issues related to the Company’s performance and financial position, the relevant departments and the Conformity, Compliance and Anti-Money Laundering Department verify that the Company discloses essential data and information that the Company is legally obligated to disclose to Bursa Kuwait and the Capital Markets Authority, in addition to uploading disclosures to the Company’s website.

Overview of the application of disclosure record requirements for members of the Board of Directors, Executive Management and managers

The Company is committed to the rules of governance in terms of disclosures by members of the Board of Directors,

Executive Management and managers and prepared a special record for their disclosures through the Investor Affairs Unit. That record is available for review by all Company’s shareholders, where the Investor Affairs Unit is keen to update the data therein periodically so as to reflect the true positions of all related parties.

Brief on the application of the Investor Affairs Regulatory Unit formation requirements

The organizational structure includes a unit for organizing investors’ affairs concerned with providing the necessary data, information and reports to prospective investors through recognized means of disclosure, including the Company’s website.

An overview of how to develop the basic information technology environment and rely heavily on it in disclosure processes

The Investor Affairs Unit created a page on the Company’s website under the title of “Investor Relations”, which provides information and data about the Company, as well as various reports that the Company’s shareholders, economists and current or prospective investors may need to access.

Rule Eight

“Respect of Shareholders’ Rights”

Brief on the application of the requirements for determining and protecting shareholders’ general rights, so as to ensure justice and equality among all shareholders

The Company is committed to its responsibilities towards shareholders and adopts corporate governance standards stemming from its belief that the proper application of corporate governance enhances shareholders’ and others’ confidence. The Company treats all shareholders equally and without discrimination and does not, in any way, withhold information or any of its shareholder rights; rather, the Company adopts a special policy to protect their rights and is keen to update it in accordance with applicable laws and resolutions. This policy explains the role of both the Board of Directors and Executive Management in protecting shareholders’ rights and ensuring that they all enjoy the same voting rights and same treatment, obtaining all information related to voting, while granting them opportunity to discuss with the Board of Directors and inquire therefrom about any tasks or works carried out by the board.

Brief on creating a special register to be kept with the clearing agency, as part of the requirements for continuous follow-up of shareholders’ data

The Company has contracted with the Kuwait Clearing Company KSC to carry out the role of keeping shareholders’ record, including their nationalities and the number of shares owned by each of them, so that each shareholder shall have access to his record. Data included in the record is treated with the utmost levels of protection and confidentiality.

As for the strategic shareholders and beneficiaries, they disclose to Bursa Kuwait, the Capital Markets Authority and the Company regarding any amendment to their shares.

Overview of how to encourage shareholders to participate and vote in the Company’s assembly meetings

The Company follows a set of procedures that allow shareholders to participate, discuss and vote in the Company’s ordinary and extraordinary assembly meetings, as follows:

S.	Procedure	Tool
1.	Publishing (4) invitations to attend the General Assembly at intervals.	Press Advertisements
2.	General Assembly’s date will be announced on Bursa Kuwait website.	Bursa Kuwait Website
3.	General Assembly’s date will be announced on the Company’s website.	Company’s Website
4.	Directly communicating with shareholders to confirm their attendance and providing them with the necessary data related to those meetings.	Phone Calls

Rule Nine

“Understanding the Role of Stakeholders”

Overview of the systems and policies that ensure the protection and recognition of stakeholders' rights

The Company has adopted internal policy and regulations to protect stakeholders' rights in all internal and external transactions and is keen to update them in accordance with the laws and resolutions issued in their regard. The policy clarifies the parties whose interests' conflict with the Company, as well as the roles and responsibilities to which the members of the Board of Directors and the Executive Management are committed within the framework of that policy. This policy also clarifies the role played by the Company's Conformity, Compliance and Anti-Money Laundering Department in verifying the adequacy of systems and mechanisms and their ability to detect cases of conflict. In addition, the policy also clarifies the role undertaken by the Secretary of the Board of Directors in coordination with the Internal Audit Unit towards the responsibility of following up on the implementation of the Conflicts-of-Interest Policy. It also explains how to disclose and verify the existence of cases of conflicts of interest, where the Secretary maintains a record of those cases.

Overview of how to encourage stakeholders to participate in following up on the Company's various activities

The Company follows a set of procedures that allow stakeholders to follow the Company's various activities, through press releases and news included on its website and official accounts on social media sites.

Rule Ten

“Performance Enhancement and Improvement”

Brief on the implementation of the requirements for establishing mechanisms that allow members of the Board of Directors and the Executive Management to obtain training programs and courses on an ongoing basis

Through its Strategic Plan, the Company is keen to provide members of the Board of Directors and Executive Management with ongoing training programs and workshops, with a view to achieving the objectives desired thereby towards the Company and in line with the CMA's requirements to consolidate their knowledge of the latest developments in the relevant administrative and economic fields. To that end, the Company has organized a training course entitled “Environmental, Social and Corporate Governance Overview” for members of the Board of Directors and Executive Management to promote the aforementioned objectives.

Overview of how to evaluate the performance of the Board of Directors as a whole and the performance of each member of the Board and of the Executive Management

The Company has developed mechanisms for evaluating members of the Board of Directors and Executive Management through a set of objective performance measurement indicators linked to the extent to which the Company's strategic objectives have been achieved.

Overview of the Board of Directors' Value Creation efforts among the Company's employees by achieving strategic objectives and improving performance rates

The Company adopts policies and procedures that contribute to achieving its strategic objectives and enhance institutional values among employees, thus contributing to maintaining the Company's sound financial position.

Rule Eleven

“Focusing on the Significance of Social Responsibility”

Brief on developing a policy that ensures achieving a balance between the Company's and society's objectives

Stemming of the Company's belief in the importance of its role in society, the Board of Directors has adopted a Social Responsibility Policy, whereby Mashaer Company has undertaken several initiatives that aim to achieve a balance between the Company's objectives and those the society seeks to achieve. Further, the Company performs its role towards society, e.g., providing gifts and donations to the Islam Presentation Committee to work on increasing religious awareness of new converts and ensure harmonizing their hearts with society.

Overview of the programs and mechanisms used that help highlight the Company's efforts in the field of social work

The Company has adopted field visit programs for several entities representing different segments of society. For example, field visits were made to the nursing home and the orphanage, as well as to Islam Presentation Committee, out of the Company's belief in the importance of its role towards society in a way that enhances impact on these segments of society.

Fahad Abdullah Al Saleh
Chairman of Board of Directors