

 **Estithmar**
Holding (Q.P.S.C.)

**Corporate Governance
Charter**



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1. Definitions

Group or Company	Estithmar Holding Q.P.S.C.
Board of Directors or Board (BoD)	The Board of Directors of Estithmar Holding Q.P.S.C.
Corporate Governance Charter or Code	The Corporate Governance Code for Companies and Legal Entities Listed on the Main Market
Articles of Association	The Articles of Association of Estithmar Holding Q.P.S.C.
General Assembly	The meeting which each shareholder is entitled to attend, discuss topics on its agenda, ask questions to the members of the Board of Directors, and vote on matters that require voting by the General Assembly.
Internal Control	Financial audits, performance evaluation, and risk management carried out by one or more independent units of the Company.
Auditor	A person licensed under the provisions of the law and registered in the External Auditors' List with QFMA to review and audit the financial statements and reports and give opinion thereon, as per the professional principles and the international standards on auditing or auditing standards for Islamic financial institutions, as well as to confirm whether the financial statements are free from material errors. Liquidation activities are also carried out by auditors.
Related Party	A person shall be deemed to be related to Estithmar if that person: <ul style="list-style-type: none"> - Is a Board member of Estithmar or any company thereof; - Is a member of the Senior Executive Management of Estithmar or any company thereof; - Owns at least 5% of the shares of Estithmar or any company thereof; - Is a relative of any of the aforementioned up to the second degree; - Is a legal person controlled by a member of the Board of the Group or by any company thereof or by a member of its Senior Executive Management and their relatives up to the second degree; or - Is a party engaging in a mutual project or partnership of any kind with Estithmar or any company thereof.

2. Introduction

2.1. Objectives

This Charter has been prepared to consolidate the principles of good corporate governance in Estithmar Holding Q.P.S.C. ("Estithmar"). The Board of Directors, Executive Management, employees and shareholders believe that good corporate governance is essential to the success of the Estithmar and that the application of the rules of governance is a very important requirement and a key foundation of Estithmar's business. Therefore, we will do our utmost to promote Estithmar's awareness of governance importance.

2.2. Commitment

The BoD, Executive Management, officers and employees of Estithmar shall be committed to the implementation of the rules of good governance as outlined in this Charter, being a key component of Estithmar's culture and practices and as well as of its vision to become a leader in its line of business.

The BoD shall ensure that all the principles set forth in this Charter are respected, and shall periodically review and update Estithmar's corporate governance practices to be in compliance with the regulatory requirements.

2.3. The Responsible party

The BoD is responsible for the adoption and implementation of the good corporate governance principles and international best practices within the Estithmar.

3. Board of Directors

3.1. BoD Charter

Estithmar's BoD adopts a charter defining the BoD's duties and responsibilities as well as the duties of the members of the BoD in accordance with the corporate governance rules applied by QFMA; providing Board members with guidelines to assist them in fulfilling their duties; outlining the rules by which the BoD shall abide in respect of Estithmar's governance; and developing standards that promote transparency and community

involvement in setting up the work mechanism of the boards of directors in public shareholding companies.

3.2. Functions and Responsibilities of the BoD

- Estithmar is managed by an effective BoD that is individually and/or collectively responsible for the optimal management of Estithmar. In addition to its duties and responsibilities set out in its charter, the BoD shall be responsible for:
- Defining Estithmar's objectives, vision, mission and strategy to achieve its aspirations; appointing and replacing Executive Management; determining remuneration of the members of the BoD and Executive Management; reviewing the performance of Executive Management; and ensuring adequate succession plans;
- Ensuring Estithmar's compliance with the laws and regulations, as well as with its Articles of Association and internal regulations;
- Approving the strategies related to business and activities; verifying the quality and integrity of financial control and internal audit; monitoring compliance; and undertaking internal control of Estithmar. Board members must have adequate knowledge of all the activities and functions of Estithmar;
- Ensuring the application of corporate governance principles in accordance with the Group's business activities, market position and other relevant economic factors;
- Developing a regulatory framework within Estithmar, especially with regard to the rules of organizational structure and conduct of business, including the mechanism for the distribution of competent staff and cadres to all departments and divisions within Estithmar in a professional and well-studied way;
- Conducting periodic reviews of arrangements and agreements with external auditors with a view to ensuring that they are consistent with the size and nature of Estithmar's operations;
- Ensuring the credibility and appropriateness of financial statements and accounting policies, including those relating to financial reporting;
- Submitting financial reports to shareholders in relation to Estithmar's business;

- Ensuring the validity of the disclosure and communication procedures with shareholders, investors and all other related parties in relation to Estithmar's strategy, financial results and major developments;
- Providing an effective internal control system for risk assessment and management, as well as developing an appropriate risk management framework;
- Developing a system whereby information on wrong or inappropriate behaviors in Estithmar can be reported to the BoD;
- Drafting clear, effective and adequate rules for dealing with conflict of interest issues;
- Ensuring that the Executive Management of Estithmar provides adequate and timely information on its operations to all Board members to enable them to carry out their duties efficiently and effectively; and
- Conducting an annual self-assessment of the performance of the Board and its members.

The Board may delegate some of its functions or form Board committees to carry out certain activities on its behalf. In this case, clear and written instructions shall be drawn up indicating the type and requirements of the tasks in order to obtain the Board's prior approval of specific points. In any event, and even where the Board delegates any of its functions or powers to any Board Committee, the Board shall remain responsible for all the functions and powers vested in it.

3.3. Board Members' Fiduciary Duties

Every Board member owes Estithmar fiduciary duties of care, loyalty and compliance with the laws and regulations in force, along with the policies and competence of the Board.

Board members shall act, at all times, on an informed basis, in good faith, with due diligence and care, and in the best interest of Estithmar and its shareholders.

Board members also work efficiently and effectively to carry out their responsibilities towards Estithmar to the fullest by:

- Conducting activities in a fair and equitable manner that ensures that personal interests do not conflict with the Board's decisions;
- Devoting the time and effort required to carry out responsibilities and duties;
- Taking impartial decisions;
- Making decisions independently;
- Observing confidentiality; and
- Possessing practical knowledge of the institutional and regulatory requirements affecting Estithmar, including its Articles of Association and bylaws, the requirements of QFMA, and, where applicable, the requirements of other regulatory bodies.

3.4. Powers of the BoD

The Board shall have the broadest authority to manage Estithmar and its subsidiaries, except the authority expressly reserved for the General Assembly under the Articles of Association.

The Board shall have the power to appoint Estithmar's CEO and senior executives and grant them the right to sign either jointly or individually on behalf of Estithmar. Such authority manifests itself through the delegation of authorities or through a policy approved by the Board. Senior executives report directly to Estithmar's CEO.

The Board shall provide the Executive Management (Estithmar's CEO and his executive heads) with a specific strategy, policies and plans to achieve Estithmar's objectives. The Board shall also re-evaluate and develop such strategy, policies and plans on a periodic basis using the studies, reports and information prepared by the Executive Management for this purpose.

The Vice-Chairman of the Board shall act in the place of the Chairman in his absence, while maintaining his own assigned duties.

3.5. Segregation of Positions of Chairman and CEO

In order to avoid vesting unfettered decision-making power in one person, Estithmar adopts the highest standards of corporate governance in line with international best practices and regulatory requirements to segregate the role and responsibility of the Chairman from those of the CEO of Estithmar. No one person may hold two positions at

the same time. The division of responsibilities between the two positions shall be clear. Moreover, no one person in Estithmar may, under any circumstances, have absolute authority to make decisions.

3.6. Responsibilities of Chairman of the Board

The Chairman is responsible for ensuring that the Board is functioning in an appropriate and effective manner, and that Board members receiving complete and accurate information in a timely manner.

The Chairman may not be a member of any Board Committees.

The duties and responsibilities of the Chairman include the following:

- Ensuring that the Board discusses all key issues in an efficient and timely manner;
- Approving the agenda of each Board meeting, taking into account any matter proposed by any Board member. The Chairman may delegate this task to any Board member, but the Chairman remains responsible for the proper performance of this duty by the authorized Board member;
- Encouraging Board members to participate effectively in the conduct of the Board's affairs to ensure that it acts in a manner that achieves the interest of Estithmar;
- Ensuring effective communication with shareholders and communicating their opinions to the Board;
- Ensuring effective participation of non-executive members and promoting constructive relationships among members; and
- Ensuring that an annual evaluation of the performance of the Board and its members is conducted.

3.7. Composition of the Board

The Board shall be formed in accordance with Estithmar's Articles of Association and other relevant regulations. The Board shall consist of executive, non-executive and independent members to ensure that the Board's decisions are not dominated by a single person or a small group of persons.

The majority of Board members shall be non-executive members and at least one-third of them shall be independent in order to make sound and objective decisions. Board members shall have adequate expertise and knowledge to perform their duties effectively and efficiently for the benefit of Estithmar. They shall also devote all the time and focus needed to carry out their duties throughout their term of office.

3.8. Appointment of Board Members

Nominations and appointments of Board members shall be made in accordance with specific formal procedures set forth in Estithmar's Articles of Association and the QFMA's rules, as applicable.

Board members shall be elected from among the shareholders according to the laws and regulations in force. The Board shall adopt clear and objective criteria for accepting nominations in line with the requirements of the QFMA in this regard.

Nominations shall take into account the qualification and competence of each candidate to perform his or her duties and responsibilities as a Board member. Moreover, candidates shall have the skills, knowledge and experience as well as the technical, professional and academic qualifications are required.

3.9. Board Committees

In accordance with the requirements of corporate governance, the Board shall be assisted in the discharge of its responsibilities and duties by specialized committees.

Each Board Committee shall be assigned to undertake one or more duties of the Board. The responsibilities of Board Committees shall be documented in writing and approved by the Board.

Each Board Committee shall have specific terms of reference in accordance with the Board Charter.

Board Committees are as follows:

Executive Committee

The Executive Committee shall undertake the following:

- Review the long-term strategies of Estithmar and refer the same to the Board for approval based on the economic and market conditions and Board's directives;

- Review the annual business plan and budget of Estithmar in line with the Group's strategy, economic and market changes and regulatory requirements and refer the same to the Board for approval;
- Review and approve budgetary reallocations against the approved items of the budget in accordance with the quarterly reports of departments;
- Monitor Estithmar's quarterly performance against Estithmar's strategy, business plan and budget;
- Review and approve Estithmar's brand vision and defined values of all associated brands across Estithmar;
- Review and adopt the Corporate Social Responsibility strategy in light of the Group's brand values;
- Review marketing and communication plans and resource allocation plans with a view to making them more efficient and effective in supporting Estithmar's business development and growth;
- Review and promote business and product developments and resources distribution across Estithmar; and
- Assume any other responsibilities delegated to it by the Board.

Nominations and Remuneration Committee

The Committee's responsibilities include the following:

- Identify qualified candidates for Board and Senior Executive Management membership, as well as the requirements for independence and non-executive members;
- Evaluate all candidates according to the Commercial Companies Law, QFMA's regulations, and the minimum requirements where applicable;
- Conduct an annual self-assessment of the composition of the Board to ensure the independence of Board members and non-executive members;
- Develop the remuneration policy for Board members in line with the remuneration policy and the Board's directives, taking into account the balance between the profits and risks associated with Estithmar's business activities;

- Approve and review the remuneration policy pertaining to the Board and Executive Management, and ensure that it is consistent with the criteria and limits mentioned in the Commercial Companies Law;
- Conduct an annual assessment of the performance of the Board and its Committees in line with the Board's policy, and provide relevant information at the annual General Assembly Meeting of Estithmar;
- Oversee the preparation and updating of Estithmar's Corporate Governance Charter in collaboration with the Executive Management and the Audit and Risk Committee of Estithmar;
- Provide the Board with the necessary recommendations and proposals on the scope of work of the relevant management committees, including other recommendations presented by the Executive Management through appropriate channels; and
- Oversee the HR policy in general and ensure that there is a succession plan in place for key executives in the Executive Management.

Audit & Risk Committee

The responsibilities of Estithmar's Audit and Risk Committee relating to financial statements are as follows:

- Review significant issues relating to financial statements and reporting, including complex or unusual transactions, as per the regulatory directives and professional pronouncements, and determine their impact on Estithmar's financial statements;
- Review judgment by the Executive Management with respect to responsibilities relating to financial statements;
- Review Estithmar's financial statements and their complementary notes, and consider the accuracy and completeness of the information before disclosure, and forward the same to the Board for approval;
- Review with the management and external auditors all matters to be disclosed in accordance with generally accepted auditing standards or regulatory requirements;
- Review the results of interim audits and reviews with Executive Management and external auditors, and ensure their completeness, consistency and compliance with

- the best international accounting standards before submitting them to the regulatory authorities;
- Collaborate with Executive Management and external auditors to review any fines imposed by regulators and/or other bodies;
 - Understand how interim financial information is developed, and the nature and extent of internal and external auditor involvement;
 - Investigate, in collaboration with internal or external auditors, any fraud, illegal acts or deficiencies in internal control or other similar areas;
 - Review any legal issues that may impact Estithmar's financial statements;
 - Review Estithmar's financial and accounting policies and procedures and express opinions and make recommendation on the same to the Board; and
 - Review Estithmar's dealings with Related Parties, and confirm whether such dealings are subject to and compliant with the relevant controls.

The responsibilities of Estithmar's Audit and Risk Committee relating to internal control are as follows:

- Understand the scope of internal and external auditors' review of financial reports and receive reports on significant findings and recommendations, together with each business unit (or dept.) responses;
- Get explanations from the Management and internal and external auditors on whether Estithmar's financial and operating controls are functioning adequately and effectively; and
- Consider how the security of computer systems and applications, as well as contingency plans for financial information processing are managed in the event of systems breakdown.

The responsibilities of Estithmar's Audit and Risk Committee relating to internal audit are as follows:

- Appoint and dismiss internal audit officers at Estithmar;
- Review and approve the charter, plans, activities and organizational structure of the internal audit division;

- Ensure that there are no undue restrictions or limitations on Estithmar's internal audit work, as well as on the access by internal audit to the records and documents of Estithmar and personnel where necessary in the performance of
- ~~Review the~~ Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing and other applicable international standards and best practices;
- Periodically review the results of internal audit; meet with Estithmar's Internal Auditors to discuss matters that Estithmar's Audit and Risk Committee or Internal Auditor believes should be discussed privately; follow up on the corrective actions taken on specific issues and ensure their proper implementation and prevent recurrence of such issues; and report the results of the Committee's review to the Board on a regular basis; and
- Ensure that the Management responds to the recommendations of the Internal Auditors and that all information, records and other requirements sought by the Internal Auditors necessary for the performance of their duties are made available to them by the Management without any difficulties.

The responsibilities of Estithmar's Audit and Risk Committee relating to external audit are as follows:

- Review the audit scope proposed by external auditors, including coordination of external audit efforts with internal audit;
- Ensure prompt response by the Board to the queries and matters contained in the letters and reports of external auditors;
- Evaluate the performance of external auditors;
- Make recommendations to the Board regarding the appointment, reappointment or dismissal of external auditors and their fees; and
- Meet separately and regularly with Estithmar's external auditors to discuss all matters that the Committee believe to they should be discussed in strict confidentiality, as well as the response of the Executive Management to the reports submitted by them.

The responsibilities of Estithmar's Audit and Risk Committee relating to risks are as follows:

- Oversee the training programs on risk management prepared by Estithmar, and nominations to such programs;
- Regularly develop and review Estithmar's risk management policies, taking into account Estithmar's business, market changes, investment trends and expansion plans of Estithmar;
- Prepare and submit periodic reports on Estithmar's risks and their management to the Board - at a time determined by the Board - including its recommendations, and prepare reports on certain risks at the behest of the Board or its Chairman;
- Ensure effective risk control framework and oversee evaluation results;
- Evaluate the oversight procedures of Estithmar's units in identifying risks, market risks, strategic risks, legal and reputational risks, as well as action plans implemented to monitor and manage these risks; and
- Evaluate and recommend to the Board the structure and adequacy of the Group's insurance program, taking into account Estithmar's business and the insurable risks associated with its business.

The responsibilities of Estithmar's Audit and Risk Committee relating to reporting and other responsibilities are as follows:

- Submit regular reports to the Board on the Committee's activities and results of audits by the internal and external auditors; and
- Review any other reports on Estithmar's issues that relate to Estithmar's Audit and Risk Committee.

In addition, the Committee shall assume other responsibilities, as follows:

- Review and evaluate the efficiency of the Committee's terms of reference and Audit and Risk Charter, and request Board approval in case of changes, if any, and publish the amendments according to the regulatory requirements;
- Seek independent external counsel to assist the Committee in assuming its responsibilities;
- Evaluate and confirm the independence of external auditors; and
- Implement the assignments of the Board regarding Estithmar's Internal Control.

3.10. Non-Executive Board Members

A non-executive Board member is a member who does not assume any executive duties within Estithmar, does not hold any full or part time position in any of its committees, is not a member of any Board Committee whose work is related to executive functions in Estithmar, and does not receive monthly or annual remunerations or salaries from Estithmar, except the remuneration he/she receives as a Board member.

The duties of non-executive members include but are not limited to:

- Participating in Board meetings and giving independent opinions on the Group's strategic issues, internal policies, performance, accountability, resources, key appointments, business standards and activities;
- Ensuring that the interests of Estithmar and shareholders are given priority in case of conflict of interest;
- Participating in Estithmar's Audit and Risk Committee;
- Monitoring Estithmar's performance in achieving its agreed objectives and evaluating performance reports including annual, semi-annual and quarterly reports;
- Developing policies and procedures for Estithmar's corporate governance to ensure the optimal application thereof; and
- Allowing the Board and its various Committees to benefit from their expertise, skills, various competencies and qualifications through their continued presence in Board meetings and active participation in the General Assembly meetings of Estithmar, as well as their understanding of the shareholders' views.

3.11. Independent Board Member

An independent Board member is a member who is independent of the Management, is not engaged in any business or relationship that may clearly affect his or her future decision, and has no actual or potential conflict of interest.

3.12. Assessment of Board Members

The Board believes that the assessment of Board members will lead to a stronger working relationship among Board members, greater efficiency in the use of time during Board meetings, and increased effectiveness of the Board as a governing body.

To ensure that Board members are assuming their duties, roles and responsibilities effectively, the Board conducts an annual assessment that allows the Board to demonstrate its responsibility for its decisions and for Estithmar's operations through a Full-Board Assessment.

All Board members are also asked to complete a self-assessment and indicate to what extent they are comfortable with their individual performance as members of the Board: Self-Assessment of Board Members.

The Nominations and Remuneration Committee undertakes the process of evaluating Board Committees on an annual basis.

The results of the evaluation are presented to the Board for the purpose of evaluating the results and making the necessary recommendations to enhance transparency and performance in the best interest of Estithmar.

3.13. Board Meetings

The Board shall hold its meetings regularly to ensure that it performs its duties to the fullest. The Board shall meet at least six times a year.

The Board shall meet when invited by its Chairman to convene as provided for in Estithmar's Articles of Association. The Chairman shall ensure that all members receive the agenda, minutes of previous meetings, reports of Board Committees and sufficient written information on the meeting items at least one week before the date of the meeting, noting that other items may be added to the agenda.

The procedures for attendance and voting and the conditions for the meeting of the Board are outlined in Estithmar's Articles of Association.

3.14. Board's Secretary

The Board appoints a Secretary whose responsibilities include the recording and safekeeping of all minutes of meetings, as well as books and reports submitted to and from the Board. Under the direction of the Chairman, the Board's Secretary shall be in charge of ensuring timely access to information and coordination among Board members, as well as between the Board and other stakeholders, including Executive Management and employees. The Board's Secretary shall also ensure that Board members have easy

and timely access to all minutes of meetings, information, documents and records related to Estithmar.

3.15. Conflict of Interests

Estithmar adopts an internal policy regulating transactions with Related Parties and transactions for personal accounts, as well as rules for tenders and outsourcing.

Entry into any commercial transaction with any Related Parties shall not be permitted unless it is fully compliant with the provisions of the Commercial Companies Law No. 11 of 2015 in this regard. The said rules and procedures include the principles of transparency, fairness and disclosure in addition to the requirement that a Related Party transaction be approved by a majority vote of shareholders without that Related Party participating in the voting process.

All employees of Estithmar are required to periodically disclose any personal interests and dealings in Estithmar's shares, including Related Parties that have relations with Estithmar.

Pursuant to the provisions of the Commercial Companies Law No. 11 of 2015, Article 109, Board members and their first-degree relatives or their controlled companies shall not be allowed to participate in any tender or contract to which Estithmar is a party.

4. Executive Management

4.1. Executive Management

Estithmar's Executive Management consists primarily of senior staff who are accountable to the Board for the effective oversight of the day-to-day management of Estithmar. Estithmar's corporate governance principles and decision-making by the Executive Management shall be clear and transparent and aim to promote effective management of Estithmar. This includes clarity of the role and authority of senior positions within Executive Management, including that of Estithmar's CEO. Estithmar's Executive Management team contributes significantly to the establishment of good corporate governance through personal conduct. Moreover, members of the Executive Management adequately control the business operations they manage and ensure that Estithmar's activities are consistent with Estithmar's strategy, risk appetite and policies approved by the Board.

4.2. Qualifications

The members of Estithmar's Executive Management must meet the highest standards of professional knowledge and expertise, as well as personal qualifications, integrity and impartiality. They should demonstrate high ethical standards and professional conduct. Moreover, they have to respect the division of powers and responsibilities at the strategy level (i.e. functions delegated to the Board) and at the executive level (i.e. functions delegated to the Executive Management) within Estithmar. They should also be fully aware of their role regarding corporate governance, and understand their duties and responsibilities in implementing the regulatory requirements and Board's instructions in the best interest of Estithmar.

4.3. Functions

The Executive Management shall carry out the following functions:

- Carry out Estithmar's operational activities;
- Develop an organizational structure to be approved by the Board, defining duties, responsibilities, authorities and administrative reporting lines for operations and avoiding conflicts of interest;
- Implement the relevant instructions and directives of the Board for the benefit of the Group;
- Provide appropriate procedures for identifying, assessing and managing the risks faced by Estithmar;
- Provide appropriate procedures to ensure that all compliance requirements are met;
- Provide appropriate procedures as per the instructions of the Board to ensure the integration and effectiveness of internal controls, and evaluate the same regularly;
- Keep the necessary records for all procedures and decisions of Estithmar; and
- Develop management information systems that include reports on business operations and internal control results, and submit them directly to the Board and Internal Audit.

4.4. Responsibilities

The Executive Management is responsible for the optimal implementation of business operations, and for the relevance, integrity, completeness and timely availability of information on business operations to the Board. It also ensures that sufficient information is available on Estithmar's operations and provides Board members with the financial information necessary to enable them to perform their duties efficiently and effectively.

The Executive Management is also responsible for making arrangements for Board meetings and is accountable to it for the drafting of the following key proposals:

- Estithmar's policies and strategies
- Annual budgets and business plans
- Risk reports, including duties and responsibilities to support and consult with staff on the assessment of risk management mechanism and its tools
- Periodic risk assessment
- Internal control system

Financial reports, forms and periodic reports

5. Risk Management & Internal Control Framework

5.1. Risk Management Function

Risks are inherent in Estithmar's activities and are managed through several specific mechanisms designed to assess and control them. The success of Estithmar's risk management is attributable to the focus on predetermined roles and responsibilities, starting from the Board down to various committees, executives, managers and employees.

Risk management is critical to Estithmar's sustainable profitability. Each employee within Estithmar is accountable for dealing with the potential risks in the discharge of his or her duties. The role of the Board is at the top of Estithmar's risk control mechanism, where it is responsible for assessing and monitoring risks through its Audit and Risk Committee in coordination with Estithmar's CEO.

5.2. Internal Audit

Estithmar's Internal Audit function is independent and has clearly defined duties and role designed to add value to and improve Estithmar's operations. The Internal Audit is responsible for identifying and reporting on deficiencies or weaknesses in Estithmar's systems and processes with a view to enhancing control and mitigating risks in its activities. In particular, the Internal Audit function shall:

- Audit internal control systems and processes and provide specialized coverage to verify and assess risks, including:
 - Efficiency and effectiveness of the systems and procedures in use as well as under development;
 - Compliance with the control rules and mechanisms established by Management;
 - Adherence to Estithmar's objectives and strategies;
 - Compliance with all internal regulations, rules and procedures;
 - Reliability and credibility of information provided to Management; and
 - Availability of arrangements for purchase, registration, keeping and disposal of assets.
- Submit reports to the Board through Estithmar's Audit and Risk Committee;
- Have access to all of Estithmar's activities and records;
- Be independent of Estithmar's day-to-day operations; and
- Have internal auditors who are specialized in audit matters and possessing the highest professional and personal qualifications in order to improve the performance level of Estithmar.

6. External Audit

6.1. External Auditor

The nomination and replacement of Estithmar's external auditors shall be made in accordance with the provisions of the Commercial Companies Law No. 11 of 2015 and Estithmar's Articles of Association.

In accordance with applicable rules and regulations, the external auditor of Estithmar shall be independent and qualified, and shall be appointed upon the recommendation of

the Board Audit and Risk Committee. The selection of the external auditor shall be included as a separate item on the agenda of the General Assembly.

The purpose of the external audit function is to provide the Board and shareholders with objective assurance that the financial statements have been prepared in accordance with the applicable laws and regulations and the International Financial Reporting Standards (IFRS), and to verify that they accurately reflect Estithmar's financial position and performance.

The external auditor shall comply with the highest professional standards, and shall not be contracted by Estithmar to provide any advice outside the scope of the audit. Moreover, the external auditor shall be fully independent of Estithmar and its Board and shall avoid any conflict of interest that may affect its relationship with Estithmar.

The external auditor shall attend the Ordinary General Assembly Meeting to present his annual report and answer any questions or queries in this regard. In addition, the external auditor shall be invited to attend the quarterly meetings of Estithmar's Audit and Risk Committee to discuss important issues related to financial statements before submitting the same for Board approval.

The external auditor shall be accountable to the shareholders and committed to Estithmar to carry out the audit with due diligence and professionalism.

7. Disclosure Requirements

7.1. Annual Reports

The Board shall adopt a policy of transparency and disclosure. This policy ensures timely and accurate disclosure of information on all material matters relating to Estithmar, including its financial position, performance, ownership and governance.

The Board shall present an annual report to the shareholders including:

- Financial statements for the fiscal year concerned
- Explanation of the applied accounting standards that ensure a true and fair picture of Estithmar's performance
- Compliance and risk policies, including foreseeable risk factors
- Estithmar's organizational structure, including Board Committees and their functions, membership and working mechanisms

- A full list of Board members, including information on their experience, membership in any other companies, and nature of their positions
- Report on the total fees and remuneration paid to Board members and the general policy for remuneration payment
- Estithmar's corporate governance policy
- Estithmar's plans, objectives and strategies
- Any penalties or fines imposed on Estithmar
- Any other material issues concerning employees and stakeholders

Estithmar shall ensure that shareholders, investors and market participants have access to information in accordance with applicable laws and regulations. Estithmar is committed to providing the annual report to shareholders upon request and publishing the same on Estithmar's website. Estithmar shall comply with all disclosure requirements, including financial reporting, as required by the applicable laws and regulations, by providing accurate financial information.

All annual financial reports of Estithmar shall be in compliance with the IFRS. It is essential that the external auditor's report affirms that Estithmar has complied with the IFRS when preparing its financial statements.

Estithmar's annual audited report shall be distributed to all shareholders, investors and other Related Parties.

7.2. Corporate Governance Report

Based on the QFMA Corporate Governance Code, the Board shall prepare the annual corporate governance report approved by the Chairman. The said report shall include the Board's assessment of Estithmar's compliance with the provisions of the QFMA Corporate Governance Code. The report shall be submitted to the QFMA annually or whenever requested. It shall include, upon its publication, all information pertaining to the fulfillment of the requirements of the regulatory authorities, including:

- Procedures followed by Estithmar in this regard.
- Any violations committed during the fiscal year and reasons thereof, in addition to the measures taken to avoid recurrence in the future.

- Board and its committees, and their responsibilities and activities during the year, as well as the remuneration policy for members of the Board and Executive Management.
- Internal control procedures, including financial supervision and risk management.
- Procedures for identifying, assessing and managing risks, as well as a thorough analysis of risk factors, and discussion of the systems used to address potential or unforeseeable market changes.
- Assessment of the performance of the Board and Executive Management in the application of internal control systems, including identification of cases in which the Board has been informed of internal control issues, and the way of addressing risks and recommendations made thereon by the Board.
- Statement of weaknesses in internal control that affect or may affect Estithmar's financial performance and the procedures followed to deal with internal control deficiencies (such as those cases disclosed in annual reports and financial statements).
- Estithmar's compliance with the applicable market disclosure requirements, regulations and laws.
- Estithmar's compliance with internal control systems in identifying and managing risks.
- All information related to risk management operations and internal control procedures.

Estithmar's annual corporate governance report shall be prepared and then discussed with Estithmar's CEO and Estithmar's Audit and Risk Committee prior to approval thereof by the Chairman.

8. Rights of Shareholders and Other Stakeholders

8.1. General Rights of Shareholders and Key Ownership Elements

Shareholders shall enjoy all the rights conferred upon them under the relevant laws and regulations, and Estithmar's Articles of Association. The Board shall ensure that shareholders' rights are respected in a fair and equitable manner.

8.2. Ownership Records

Prior to the General Assembly meeting, shareholders shall be granted access to the Board Members' register, obtain a copy of the Articles of Association, annual report, financial statements, Related Parties' contracts, and any other documents specified in accordance with the laws in force and Estithmar's Articles of Association. Estithmar's website also contains all relevant information and disclosures that are required to be made public.

8.3. Shareholders' Rights Related to General Assembly Meetings

Estithmar's Articles of Association include provisions that establish the right of shareholders to invite the General Assembly to convene as stipulated in the relevant laws. Shareholders are also entitled to add other items to the agenda, discuss matters on the agenda, ask questions and get answers, and make the right decisions.

In addition, all shareholders of Estithmar have the same rights associated therewith.

8.4. Shareholders' Rights Regarding Dividend Distribution

The Board shall, in accordance with the laws and regulations in force, draft a clear policy for dividend distribution and submit it to the General Assembly. This shall include the rationale on which this policy was drafted in order to achieve the interests of Estithmar and its shareholders.

8.5. Stakeholders' Rights

The Board shall ensure that all employees are treated according to the principle of equal opportunities and without any discrimination on the basis of race, gender or religion.

The remuneration and incentives policy shall be developed for the Management and employees of Estithmar to encourage them to serve the best interest of Estithmar on the long term.

Moreover, the Board shall adopt a 'whistleblowing' policy to enable Estithmar's employees to report any suspicious, immoral or illegal behaviors that are detrimental to Estithmar's reputation through the mechanism adopted for this purpose. Under the said policy, the Board shall ensure the confidentiality and protection of reports made by employees against any negative retaliations by their colleagues or by the superiors of involved employees.