

Corporate Governance Report

Over the past years, we have worked to keep up with governance developments through our periodic reviews of its developments and follow best practices in order to resolve the challenges that may arise from time to time in both our markets and the global markets.

We have endeavored to comply with the corporate governance requirements issued by the Capital Markets Authority in accordance with Book (15) Corporate Governance regarding issuance of the executive regulation of Act No. 7 of 2010 on the establishment of the Financial Markets Authority, the regulation of securities activity, and the amendments thereof. We have begun a new phase whose focus is on setting a governance culture in our business patterns and the practices of our employees.

Rule I: Building a balanced structure of the Board of Directors

At the moment, diversity is the key to success in the light of rapid evolvement at the global business environments, and therefore Tijara & Real Estate Investment Company (Tijara) Board is composed of individuals with extensive and diverse expertise, skills and knowledge, which resulting in a balanced and effective form of the Board which enables it to exercise its functions and responsibilities while taking into account the renewable needs of the business.

1.1 Board of Directors overview:

Tijara Board of Directors has a suitable structure which conform with the size and nature of the Company's activities and with the tasks and responsibilities attributed to its members. The composition of the Board takes into account the diversity of professional and practical experiences as well as technical skills. The Nomination and Rewards Committee verifies that the members of the Board of Directors and the Executive Management have met all the requirements of the Company's Competency and Integrity Model Manual and reviews the required skills of the Board of Directors and the Executive Management on an annual basis.

The Board of Directors of Tijara is composed of (5) members in total, (1) executive member and (4) non-executive members ((2) of them are independent), all the members of the Board are professionals, and have the necessary skills to occupy this position, as well as experience and knowledge in the field of real estate investment. All the members of the Board are elected by the General Assembly every three years. The members were elected on 23/3/2022, and the following table shows a brief description of the composition of the Board:

Name	Member classification (executive/non- executive/independent), secretary	Education and practical experience	Date of election/ appointment of secretary
Sheikha\ Yasmeeen Mubarak Al-Jaber Al- Sabah	Board Chairman – Non-executive	Bachelor with 27 years’ experience	23/03/2022
Mr. Tariq Farid Al- Othman	Deputy Chairman and Chief Executive Officer	Bachelor with 31 years’ experience	23/03/2022
Mr. Saad Nasser Faraj	Independent Board member	General Secondary School Certificate with 59 years’ experience	23/03/2022
Ms. Anoud Fadil Al- Hadhran	Independent Board member	Master's degree with 22 years’ experience	23/03/2022
Sheikh\ Abdullah Ali Al- Khalifa Al-Sabah	Non-executive Board member	Bachelor with 12 years’ experience	23/03/2022
Ms. Tahani Al-Ajmi	Secretary	Master's degree	23/03/2022

		with 27 years' experience	
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1.2 Current Board Meetings of 2023:

Board meetings shall be held in the presence of the majority of members, for example, 6 meetings were held in the financial year ending December 31, 2023, as the Board Meeting shall held upon written invitation of the Chairman or upon a written request of at least two members of the Board or Committees. The invitation and the agenda shall be sent before at least three working days so that the Board members study the subject matters and make appropriate decisions. In addition, Company's Memorandum of Association and Articles of Association include the organization of Board meetings attendance, and how to deal with members' irregularity at those meetings. The following table indicate a brief summary of the Board of meetings:

Member Name	Meeting Number	1	2	3	4	5	6	Number of meetings
	Meeting date	8/2/2023	16/3/2023	1/5/2023	23/7/2023	29/10/2023	24/12/2023	
	Position							
Sheikha/Yasmeen Al-Sabah	Chairman of the Board	√	√	√	-	√	√	5
Mr. Tariq Al-Othman	Deputy Chairman, CEO	√	√	√	√	√	√	6
Mr. Saad Faraj	Independent member	√	√	√	√	√	√	6
Ms. Anoud Al-Hadhran	Independent member	√	√	√	-	√	√	5

Sheik/Abdul lah Al- Sabah	Member	√	√	√	√	√	√	6
Ms./Tahani Al-Ajmi	Secretary	√	√	√	√	-	√	5

1.3 Brief on how to apply registration requirements and maintain minutes of Board meetings:

The Company has a special record in which the minutes of Board meetings are recorded in successive numbers for the year in which the meeting was held, indicating the place, date, start and end time of the meeting, in addition to the preparation of minutes of discussions and deliberations, including voting process done, as well as classifying and maintaining it for ease of reference.

The Board also reappointed Ms. Tahani Al-Ajmi as Secretary of the Board of Directors on 23/3/2022. There is a clear regulation on the functions and responsibilities of the Secretary of the Board approved by the Board of Directors and in accordance with the requirements of the Capital Markets Authority, whereas she is responsible for recording and maintaining all the minutes of the Board's meetings signed and the reports presented to it, and informing the meetings schedule to the members of the Board of Directors before at least three working days, and ensuring the effective access of the Board Members to all the minutes of Board meetings and information concerning the Company.

1.4 The acknowledgment of the independent member of having independence controls:

Tijara considers the independence of Board members an essential advantage towards proper corporate governance. Tijara's standards of independence are consistent with the laws in accordance with the executive regulation of Act No. 7 of 2010 on the establishment of the Financial Markets Authority, the regulation of securities activity and its amendments.

Accordingly, the Board of Directors includes non-executive members and independent members. In addition, the Nomination and Rewards Committee reviews the independence of Board members on an annual basis and verifies that they have the required independence in accordance with the

Company's Terms of Independence Manual, which is approved by the Board of Directors and in line with regulatory requirements.

Rule II: Proper identification of tasks and responsibilities

The Company has a clear separation of competencies between the Board of Directors and Executive Management to ensure full independence, so that the Board can carry out its responsibilities effectively.

2.1 Brief on how the Company defines a policy of the tasks, responsibilities and duties of both Board members and Executive Management as well as the powers and authorities delegated to the Executive Management

The Company defined clearly the functions and responsibilities of the Board of Directors and Executive Management in approved policies and regulations in manner reflects the balance of powers and authorities between the Board of Directors and the Executive Management. The Company's Board of Directors also assumes all the powers and authorities necessary to manage the Company, and the Board holds the ultimate responsibility for the Company even if it forms committees or delegates other entities or individuals to carry out some of its works.

2.1.1 Functions of the Board of Directors;

The main functions of the Company's Board of Directors include, but not limited, the following tasks:

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- 1) To approve the Company's important goals, strategies, plans and policies, including, at least:
 - The Company's overall strategy and master business plans, in addition to reviewing and directing it.

- The optimal capital structure and financial objectives of the Company.
 - A clear policy of distributing profits for achieving the interests of shareholders and the Company.
 - Performance goals, execution monitoring, and overall performance in the Company.
 - Company organizational and functional structures and periodic review.
- 2) To approve annual estimated budgets and approval of interim and annual financial statements.
 - 3) To supervise Company's principal capital expenditures, ownership and disposal of assets.
 - 4) To ensure the Company's compliance with policies and procedures that ensure the Company conformity with the applicable internal rules and regulations.
 - 5) To ensure the accuracy and integrity of data and information to be disclosed in accordance with established disclosure and transparency policies and regulations.
 - 6) To disclose the progress of the Company's activity periodically and all the major developments that have taken place in its business.
 - 7) To establish effective communication channels that allow the shareholders to review regularly and periodically the various aspects of the Company's activities and any other substantial developments;
 - 8) To develop a specific governance system and overall oversight, monitor its effectiveness, and modify it as needed.
 - 9) Form its own committees according to a charter that explains the duration, validity, and responsibilities of the Committee, and how the Board monitors it, also, the committee form decision includes the nomination of the members, determination of their duties, rights, and responsibilities, in addition to assessing the performance and work of the committees and their principal members.
 - 10) To ensure that the organizational structure of the Company is transparent and clear, allowing for decision-making, achieving the principles of agile governance, and separating powers and authorities between the Board of Directors and the Executive Management. In this regard, the Board shall:

- Approve and develop the internal regulations and rules concerning the Company's work and subsequent determination of tasks, competencies, duties and responsibilities between different organizational levels.
 - Approve the policy of delegating and carrying out the work of Executive Management.
- 11) To define the powers delegated to Executive Management, and the decision-making procedures.
- 12) To oversee and monitor the performance of Executive Management members, ensuring that they perform all of the tasks attributed to them. The Board of Directors shall:
- Ensure that the Executive Management operates in accordance with the policies and regulations approved by the Board of Directors.
 - Hold periodic meetings with Executive Management to discuss the course of work and its obstacles and problems, as well as to review and discuss important information that is relevant to the activity of the Company.
 - Develop performance standards for Executive Management consistent with the goals and strategy of the Company.
- 13) To appoint or dismiss any member of the Executive Management and the Chief Executive Officer;
- 14) To develop a policy regulating the relationship between stakeholders in order to preserve their rights;
- 15) To establish a mechanism to regulate dealings with relevant parties to reduce the conflict of interest;
- 16) To ensure the effectiveness and adequacy of the internal control rules applicable in the Company periodically, including the following:
- Ensure the integrity of financial and accounting rules, including those relevant to the preparation of financial reports;
 - Ensure that appropriate regulatory rules are in place to measure and manage risks, by identifying the range of risks that the Company may face, creating an environment that is

familiar with the corporate risk-reduction culture, and communicating them in a transparent manner with the stakeholders and parties relevant to the Company.

17) Develop a plan/policy to incorporate sustainability factors into the Company's overall strategy, master plans of action and risk measurement and management, if required.

2.1.2 Chairman and CEO

The duties and responsibilities of the Chairman and Chief Executive Officer of the Company are clearly and completely separate. Each of the positions is separate and there is a clear division of tasks and responsibilities between the two positions.

2.1.3 Functions and Responsibilities of the Chairman

The Chairman of the Board of Directors is responsible for the proper and effective functioning of the Board of Directors, including the full and timely receipt by the Board and independent members of complete and correct information. The duties and responsibilities of the Chairman, include but not limited:

1. Ensure that the Board discusses all core issues in a timely and effective manner.
2. Representing the Company before third parties, as stipulated in Articles of Association.
3. Encourage all Board members to participate fully and effectively in the conduct of Board affairs to ensure that the Board perform in accordance with the interest of the Company.
4. Ensure the actual communication between the shareholders and that their views are communicated to the Board of Directors.
5. Promote constructive relations and effective participation between the Board and the Executive Management and between executive, non-executive and independent members.
6. Create a culture that encourages constructive criticism about the matters on which there is divergence of views among Board members.

2.1.4 Functions and responsibilities of Executive Management

The Executive Management of the Company is the group of people who are assigned to manage the Company's day-to-day operations. The primary role assigned to the Executive Management is as follows;

- Implement the Company's strategic plans and related internal policies and regulations, and ensure its adequacy and effectiveness.
- Carry out full responsibility for the overall performance and business results by creating a governance structure that promotes accountability and transparency.

The following are some of the functions and responsibilities of Executive Management to be committed in the light of the powers and authorities attributed to it by the Board of Directors:

- 1- Endeavor to implement all internal policies, regulations and bylaws of the Company, approved by the Board of Directors.
- 2- Implement the strategy and annual plan approved by the Board of Directors.
- 3- Prepare periodic (financial and non-financial) reports on the progress of the Company's activity in the light of the Company's strategic plans and objectives, and present them to the Board of Directors.
- 4- Develop an integrated accounting system that maintains books, records and accounts that accurately reflect the financial statements and income statements in detail, allowing the preservation of the Company's assets and the preparation of balance sheets in accordance with IAS.
- 5- Manage day-to-day business, conduct business, manage Company resources optimally, maximize profits and reduce expenses in line with Company goals and strategy.
- 6- Active participation in creating and developing a culture of ethical values within the Company.
- 7- Develop internal control and Risk Management System, ensure the effectiveness and adequacy of those systems and ensure compliance with the Risk Management approved by the Board of Directors.

2.2 Achievements of the Board of Directors during 2023

The Board's achievements in the financial year ending 31/12/2023 with respect to corporate governance applications were numerous, most notably among them:

- Reviewed, discussed and approved the financial statements of the Company;
- Reviewed and discussed the legal status of the Company and the status of current cases from or against tenants;
- Reviewed and discussed the status of Company-owned real estate and the problems facing these investments;
- Reviewed periodic risk management reports after the discussion by the Risk Management Committee;
- Discussed the actual performance against the estimated budget;
- The enhancement and improvement of Company operations that resulted to achieving interests for shareholders.
- Approved the company strategy 2024-2026
- Update and approved the company Policies and procedures.
- Attended a workshop about the importance of disclosure and ESG for BOD works development.

2.3 Brief on the application of the requirements for the formation of independent specialized committees by the Board of Directors:

Committees are formed and their members appointed by the Board of Directors after each election session of the Board. Committees of the Board are considered links between the Executive Management and the Board of Directors. The purpose of these Committees is to enable the Board to perform its functions effectively.

The Board of Directors of Tijara & Real Estate Investment Company has three main committees, as follows: -

1. The Audit Committee (the date of formation and selection of members of the Audit Committee was on 24/03/2022 and the Committee's term is three years from the date of formation corresponding to the term of validity of the Board).
2. The Risk Management Committee (the date of formation and selection of the members of the Risk Management Committee was on 24/03/2022 and the Committee's term is three years from the date

of formation corresponding to the term of validity of the Board).

3. The Nominations and Rewards Committee (the date of formation and selection of the members of the Nominations and Rewards Committee was on 24/03/2022 and the committee's term is three years from the date of formation corresponding to the term of validity of the Board).

During 2016, the Company's Board of Directors approved the regulations and rules of work of all Committees, which include defining the tasks of each committee, the duration of its work, the powers granted to it during this period, and how the Board of Directors monitors them in a specific work charter for each committee. The tasks and powers of the Committees have been specified, and they are delegated to the Committees by the Board of Directors. The Board shall review them periodically.

2.3.1 Audit Committee

The Company is fully aware that an independent audit committee is a key feature for the application of agile governance rules. The audit committee works to establish a culture of commitment within the Company by ensuring the safety and integrity of the Company's financial reports, as well as the adequacy and effectiveness of the internal control rules applicable in the Company.

Tijara Audit Committee is fully independent, and all its members are experienced professionals.

The Audit Committee is composed of three members, two of them are independent Board members, and its Head is non-executive Board member, and the representative of the Internal Audit Office attends meetings periodically, in addition that the representative of the External Auditor attends periodically the Audit Committee's meetings. The Audit Committee is composed of two independent Board members and its Head is a non-executive member of the Board.

The Audit Committee, on behalf of the Board of Directors, monitors matters relating to audit, and therefore has the responsibility to be satisfied that the internal audit is conducted in accordance with the professionalism and that the scope of the work is appropriate.

The audit committee meetings are held in a manner that takes into account the time considerations for the issuance of the Company's financial reports to third parties. The committee meets at least four times annually on a quarterly basis.

2.3.1.1 Responsibilities and Functions of the Audit Committee

The responsibilities and functions of the Audit Committee shall include, but not be limited to:

1. Review periodic financial statements prior to their presentation to the Board of Directors, and provide opinion and recommendation to the Board of Directors in order to ensure the integrity and transparency of financial reports.
2. Recommend the appointment and reappointment of external auditors to the Board of Directors, replacing them or defining their remuneration, taking into account the assurance of their independence and reviewing their letters of appointment.
3. Monitor the work of external auditors and ensure that they do not provide services to the Company other than those required by the audit profession.
4. Study the observations of the external auditors on the Company's balance sheets and follow up on them.
5. Study accounting policies, provide opinions and make recommendations to the Board of Directors on it.
6. Assess the adequacy of internal control rules applicable within the Company and prepare reports containing the Committee's views and recommendations in this regard.
7. Supervise the Company's Internal Audit Office to verify its effectiveness in carrying out the work and tasks specified by the Board of Directors.
8. Recommend the nomination, performance evaluation and reappointment of the Internal Audit Office.
9. Review and approve audit plans proposed by the Internal Audit Office and make observations thereon.
10. Review internal audit report results, and ensure that the necessary corrective actions regarding the observations stated in the reports has been taken.

11. Review the results of the reports of the regulatory bodies and ensure that necessary action has been taken.
12. Ensure that the Company complies with the relevant laws, policies, regulations and instructions.

2.3.1.2 Number of Audit Committee meetings during 2023

The Committee met seven times during 2023 quarterly as follows-

Members	Meeting Number	1	2	3	4	5
	Meeting Date / Position	8/2/2023	1/5/2023	23/7/2023	29/10/2023	24/12/2023
Anoud Al-Hadhran	Head of the Committee	√	√	-	√	√
Abdullah Al-Sabah	Committee member	√	√	√	√	√
Saad Faraj	Committee member	√	√	√	√	√

2.3.1.3 Brief on Audit Committee Achievements during 2023

- Discussing financial statements and recommendations;
- Reviewing and recommending the performance and independence of external auditors;
- Reviewing the internal auditor's report and making recommendations;
- Reviewing and discussing current year Internal Audit Plan;

- Reviewing and discussing the ICR report over the past year;
- Meeting with the external auditor and discussing the Company's separate financial statements;
- Discussing estimated budget;
- Recommending the renewal of the contract with the internal auditor;
- Reviewing the most important regulatory and legislative updates;
- Recommending the renewal of the contract with the Internal Audit Office; and

During 2023, the Audit Committee assessed the adequacy of the Company's internal control rules, and the Committee found that the internal control rules applied were sufficient to verify the impact of the Company's risks, and its financial statements fairly reflect the Company's financial performance.

2.3.2 Risk Management Committee

Tijara Risk Committee develops policies and regulations for risk management, consistent with the tendency of the Company to tolerance risk.

The Risk Management Committee is composed of three members, two of them are independent Board members, and its Head is non-executive Board member.

2.3.2.1 Responsibilities and functions of the Risk Committee

The tasks and responsibilities of the Risk Management Committee include, but are not limited to:

1. Prepare and review risk management strategies and policies prior to their approval by the Board of Directors, ensure that they are implemented and they are consistent with the nature and size of the Company's activities.
2. Ensure the availability of adequate resources and rules for risk management.
3. Evaluate the rules and mechanisms used for identifying, measuring and following up the different types of risks to which the Company may be exposed, in order to identify its deficiencies.
4. Assist the Board of Directors in determining and assessing the acceptable level of risk in the Company, and ensure that the Company does not exceed this level of risk after approval by the Board of Directors.

5. Review the organizational structure for risk management and make recommendations thereon prior its approval by the Board of Directors.
6. Ensure the independence of Risk Management personnel from activities that result in a Company's risk exposure.
7. Ensure that risk management personnel have a full understanding of the risks which faces the Company, and work to increase personnel awareness and understanding of the risks culture.
8. Prepare periodic reports on the nature of the risks to which the Company is exposed and submit such reports to the Company's Board of Directors.
9. Review issues raised by the Risk Audit Committee that may affect the Company's Risk Management.

2.3.2.2 Number of Risk Committee meetings during 2023

The Risk Committee shall hold periodic meetings at least four times annually, as well as whenever required, and shall record the minutes of its meetings.

The Committee met four times during 2023 as follows:

Members	Meeting Number	1	2	3	4
	Meeting Date / Position	8/2/2023	1/5/2023	23/7/2023	29/10/2023
Saad Faraj	Head of the Committee	✓	✓	✓	✓
Tariq Al-Othman	Committee member	✓	✓	✓	✓
Anoud Al-Hadhran	Committee member	✓	✓	-	✓

2.3.2.3 Brief on Risk Committee Achievements during 2023

- Reviewing periodic risk report;

- Measuring risk level to assist the Board in determining and assessing an acceptable risk level for the Company;
- Discussing the related transaction report;
- Evaluating the internal control rules and mechanisms to identify and control various risks to which a Company may be exposed; and
- Assisting the Board in identifying and evaluating an acceptable level of risk, to ensure that the Company does not exceed this level of risk after approval by the Board of Directors.

2.3.3 Nominations and Rewards Committee

The availability of professional expertise and technical capabilities, as well as personal and ethical qualities in the person who is nominated for membership in the Board of Directors or Executive Management of the Company, is one of the main principles of the financial safety of the Company and an important element in preventing the Company from risks, in addition, the establishment of fair financial rewards contributes fundamentally in the recruitment of highly qualified and professional personnel, in addition to the establishment of the principle of loyalty to the Company and thus preserving good cadres and motivating workers of various professional levels to work to achieve the Company's goals and raise its status.

The Nominations and Rewards Committee is composed of three members, one of them is an independent member of the Board of Directors, and its Head is a non-executive member of the Board of Directors.

2.3.3.1 Nomination and Remunerations Committee's Roles and Responsibilities.

The Nomination and Remunerations Committee's Roles and Responsibilities shall include, but are not limited to the following:

1. Recommending nomination and re-nomination acceptance for membership of the Board of Directors, Board Committees and Executive Management, bearing in mind not to nominate anyone who fails to meet regulatory requirements, and taking into account the number of attendance, quality and effectiveness of the members' contribution in the Board meetings, and the performance of their duties and responsibilities.

2. Annual review of the required proper skills needs for Board membership. This in addition to appropriate skills for the membership of the Board of Directors, as well as attracting applications for those wishing to fill executive positions as needed, and studying and reviewing those applications
3. Preparing the job descriptions of the executive, non-executive and independent members.
4. Proposing nomination and re-nomination of independent members to be elected by the General Assembly, and ensuring the continued applicability of independency of the independent Board member.
5. Establishing a clear policy for Remunerations for Board members and senior executives.
6. Periodic review of the policy of granting remunerations and assessing its effectiveness in achieving its intended goals of attracting human cadres and keeping professional staff and technical capabilities necessary to raise the Company's profile.
7. Preparing the remunerations report on an annual basis, which includes the total remunerations given to Board members, Executive Management and Managers; whether cash, benefits, or privileges, of whatever nature and title, directly or indirectly through the Company or Subsidiary Companies.

2.3.3.2 Number of Nomination and Remunerations Committee's Meetings During 2023

The Nominations and Remunerations Committee shall hold periodic meetings, at least once a year, and record the minutes of its meetings, as needed.

During 2023, the Committee met as follows:

Members	Meeting Number	1	2	3
	Meeting Date / Title	8/2/2023	23/7/2023	29/10/2023
Yasmin Al-Sabah	Head of the Committee	√	-	√

Tariq Al-Othman	Committee Member	√	√	√
Saad Faraj	Committee Member	√	√	√

2.3.3.3 Brief on the Nomination and Remunerations Committee's achievements during 2023

During 2023, the Nomination and Remunerations Committee made several effective recommendations in order to strengthen and lay the Company's Corporate Governance Framework, for example, but not limited to the following:

- Discussing the governance report, which contains the total remunerations given to Board members, Executive Management and Managers; whether cash, benefits, or privileges, of whatever nature and title, directly or indirectly through the Company or Subsidiary Companies;
- Reviewing the performance evaluation of the Board members, the CEO and the sub-committees;
- Reviewing and ensuring the independence of independent members;
- Discussing the remunerations report;
- Verifying that there are no cases of conflict of interest among the Board members; and
- Reviewing the competency and integrity declarations of Board members.

2.4 Summary of how to apply requirements that allow Board members to obtain accurate and timely information and data:

In order to ensure flow of information between the Executive Management and the Board of Directors, the latter has developed a policy regulating the access of Board members to financial statements and any reports from the Company's departments by submitting periodic reports to the Board on the performance of the executive body. Any member of the Board of Directors shall be entitled to request any information or report from any department and to coordinate through the Board Secretary as regulated by the above policy, through a package of periodic reports submitted to the Board of Directors and committees.

Rule III: Recruiting Highly Qualified Candidates for Membership of the Board of Directors and Executive Management

The Company has clear mechanisms for recruiting members of the Board of Directors and Executive Management. The Nomination and Remunerations Committee is playing a pivotal role in order to ensure that highly qualified candidates are recruited for the membership of the Board of Directors and the Executive Management.

The Company's Competency and Integrity Rules Guide represents the minimum requirements that must be met by the members of the Board of Directors and the Executive Management who are nominated for the Company. This guide has been developed in accordance with the best practices and in line with the regulatory authorities' requirements. The Nominations and Remunerations Committee shall review the required skills requirements for membership of the Board of Directors and Executive Management on an annual basis.

3.1 Brief on applying the requirements for forming the Nominations and Remuneration Committee:

In addition to what is mentioned in Clause (2.3.3), the Nominations Committee complies with all the regulatory requirements in terms of the forming procedures, meetings and the execution of tasks entrusted thereto and therefrom, including, but not limited to, the following:-

- Preparing a governance report on an annual basis that includes the total remunerations given to Board members, Executive Management and Managers; whether cash, benefits, or privileges, of whatever nature and title, directly or indirectly through the Company or Subsidiary Companies.
- Reviewing the performance evaluation of the Board members, the CEO and the sub-committees.
- Verifying that there are no cases of conflict of interest among the Board members.
- Ensuring the availability of the appropriate level of training and familiarization for the members of the Board of Directors and the Executive Management.

3.2 Report of remunerations granted to Board Members, Executive Management, and Managers

3.2.1 Summary of the Company's Remunerations And Incentives Policy for Board Members, Executive Management, and Managers:

The Company grants its employees benefits and remunerations to motivate them to achieve the best results. These remunerations shall be disbursed at the Company's own will and shall not be deemed an obligation or an acquired right. Accordingly, the employee may not in any way claim their disbursement or compensation thereto, shall the Company stop providing them.

- The Company may pay performance incentives or remunerations whether on a monthly, quarterly, semi-annual or annual basis.
- The Company shall be exclusively entitled to determine the amount of the remunerations, whether the Company has determined them according to specific criteria or if these criteria are associated with the realization of a particular program or with extraordinary effort.
- Remuneration shall be fully associated with the results of staff assessment.
- The disbursement of any remuneration shall be subject to the applicable policy.
- The disbursement of any remuneration shall not constitute an obligation for the Company to disburse it again. The Company shall be entitled to suspend, increase, or reduce the remuneration disbursement through a recommendation from the Remunerations Committee and shall be submitted to the Board of Directors for approval.
- In the event that the Company does not achieve any profits, the Company may distribute remunerations, with the exception and recommendation of the Remunerations Committee and the approval of the Board of Directors.

3.2.2 Listing the following data:

Remunerations and Benefits for Board Members		
Total numbe	Remunerations and benefits through Parent Company	Remunerations and benefits through subsidiaries

Number of members	Fixed remunerations and benefits (KWD)	Variable remunerations and benefits (KWD)		Fixed remunerations and benefits (KWD)		Variable remunerations and benefits (KWD)	
	Health Insurance	Annual Remuneration	Committees , Remunerations	Health Insurance	Total monthly salaries during the year	Annual Remuneration	Committees , Remunerations
Five	0	30,000	0	N/A	N/A	N/A	N/A

The total remunerations and benefits awarded to five senior executives who have received the highest remunerations, in addition to the CEO and the Chief Financial Officer or their representative, if not included

Total number of executive	Remunerations and benefits through Parent Company		Remunerations and benefits through subsidiaries	
	Fixed remunerations and benefits (KWD)	Variable remunerations and benefits (KWD)	Fixed remunerations and benefits (KWD)	Variable remunerations and benefits (KWD)

	Annual Remunera tion	Social	Annual	Health	Total	Annual Remunera	Communi cations	Health Insurance	Social Insurance	Annual Tickets	Monthly Total
8	N/A	N/A	N/A	N/A	N/A	126,039	1,706	6,491	23,014	7,300	401,184

3.2.3 Any significant deviations from the remunerations policy adopted by the Board of Directors:

During 2023, there were no conflicts between the recommendations of the Nominations and Remunerations Committee and the Board decisions.

Rule IV: Ensuring the Integrity of Financial Reports

The integrity of the Company's financial statements is one of the important indicators of the Company's integrity and credibility in presenting its financial position, which increases investors' confidence in the data and information provided by the Company, and allows shareholders to exercise their rights. Therefore, the Company has put in place clear mechanisms to ensure the soundness and integrity of its data.

4.1 Written commitments of the Board of Directors and Executive Management to the soundness and integrity of financial reports:

- The Executive Management has made a written statement to the Board of Directors certifying that Tijara's financial reports are presented soundly and fairly, and state all the financial aspects of the Company. They further certify that the financial data are prepared according to the international accounting standards approved by the Capital Market Authority and that the Executive Management is fully responsible for the validity and accuracy of these data.
- In turn, Tijara's Board of Directors undertakes to its shareholders through this report to present its financial statements in a sound, fair and accurate manner to shareholders and investors.

4.2 Brief on applying the Audit Committee's formation requirements:

In addition to what is indicated in Clause (2.3.1), the Audit Committee complies with all the regulatory requirements in terms of the forming procedures, meetings and the execution of tasks entrusted thereto and therefrom, including, but not limited to, the following:-

- The Committee reviewed the periodic financial statements before their submission to the Board of Directors and expressed an opinion and recommendation thereon to the Board of Directors with the aim of ensuring the fairness and transparency of the financial reports.
- The Committee evaluated the adequacy of the internal control systems applied within the Company and prepared reports containing the Committee's opinion and recommendations in this regard.
- The Committee supervised the Company's Internal Audit Office in order to verify its effectiveness in carrying out the roles and tasks specified by the Board of Directors.
- The Committee reviewed and approved the audit plans proposed by the Internal Auditor.
- The Committee reviewed the results of the internal audit reports, and ensured that the necessary corrective measures were taken regarding the observations contained in the reports.
- The Committee verified the Company's compliance with relevant laws, policies, systems and instructions.
- The Committee verified the auditors' independence and reviewed their letters of appointment.

4.3 During 2023, there were no cases of conflict between the recommendations of the Audit Committee and the Board decisions.

4.4 Emphasis on the Independence and Impartiality of the External Auditor

Tijara has a well-established and clear policy on the appointment and recruitment of the External Auditor to ensure the independence and impartiality of the external auditor.

During 2023, Tijara's Audit Committee verified the independence and impartiality of the Auditor in accordance with the requirements of the Company's internal policies and regulations and in accordance with the requirements of the regulatory authorities, including, but not limited to:-

- It was confirmed that the External Auditor is independent from the Company and its Board of Directors, and that he does not carry out any additional assignments for the Company related to reviewing and auditing activities, which may affect impartiality or independence of the External Audit.
- It was confirmed that d that Auditors are listed in the special register with the Capital Markets Authority, so that they fulfill all the conditions stipulated in the requirements of the Capital Markets Authority's decision regarding the rules for registering the auditors.
- The Auditor attended the Audit Committee's meetings to discuss his views with the Audit Committee before submitting the interim and annual financial statements to the Board of Directors to decide upon.
- It has been verified that the External Auditor is able to attend the General Assemblies' and read the report prepared by the same to the shareholders.

**Rule V: Development of Sound Systems of Risk Management
and Internal Controls**

5.1 Brief statement on the implementation of the Risk Management Committee's formation requirements:

The Company has an independent risk management structure according to the Company's organizational structure. The Company's risk management is preliminarily engaged in measuring, following up, and minimizing all types of risks facing the Company, as follows (but not limited to):

- Developing effective systems and procedures for managing the Company's risks, in order for the Company to be able to perform its main tasks to measure and follow up all types of risks to which it is exposed, provided that this process is carried out continuously and reviewed periodically and that systems and procedures are modified when needed.
- Developing periodic reporting systems, as they are an important tool in monitoring risks and reducing their occurrence.

The risk managers shall have independence by reporting directly to the Risk Management Committee emanating from the Company's Board of Directors. In addition, they shall have a significant amount

of authority enabling them to properly perform their roles without granting them financial powers and authority.

5.2 Introduction to Requirements for Forming the Risk Management Committee:

In addition to what is mentioned in clause (2.3.2), the Risk Committee complies with all the regulatory requirements in terms of the forming procedures, meetings and the execution of tasks entrusted thereto.

Below are its main tasks:

- Preparing and reviewing risk management strategies and policies and submitting them to the Board of Directors for approval.
- Ensuring the availability of adequate resources and systems to manage risks.
- Preparing periodic reports on the nature of the risks to which the Company is exposed.

5.3 Internal Control Systems:

Tijara is always striving to develop the principles of internal control, and in the context of that, we have done the following:

- Detailed identification of authorities and responsibilities through policies and procedures, and ensuring their circulation among departments to achieve business credibility and achieve efficiency and effectiveness of operational processes.
- A detailed list of powers approved by the Board of Directors, and the Company was to completely separate the tasks assigned to each department and to ensure that there is no conflict of interest.
- It was also keen to cover the internal audit of some of the Company's departments during 2023 and follow up the taken decisions to address the Internal Auditor's observations, and work is underway on the rest of the departments.

5.4 Brief statement on implementing the requirements for the formation of the Internal Audit Office:

The Company contracted with an independent Internal Audit Office and recruited an internal Audit Coordinator. The Company also commissioned an Independent Audit Office to evaluate and review internal control systems and preparing a report (ICR).

Reports include, but are not limited to, the following:

- Procedures for controlling and supervising the efficiency and effectiveness of the internal control systems necessary to protect the Company's assets, the validity of the financial data, and the efficiency of its operations in its administrative, financial and accounting aspects.
- Comparing the development of risk factors in the Company and the existing systems to assess the efficiency of the Company's daily business, and to face unexpected changes in the market.
- Evaluating the Executive Management's performance in implementing internal control systems.

The Company also contracted with an Independent Auditing Office to evaluate the performance of the Internal Audit Office and prepare a report during 2023. The report was presented to the Audit Committee and to the Company's Board of Directors.

Rule VI: Promoting Professional Behavior and Ethical Values

Promoting a culture of professional behavior and ethical values within the Company is one of the main pillars for carrying out the Company's business. Therefore, the Company pays attention to the need to verify that all the Company's employees, whether Board members, Executive Management, or other employees, comply with the Company's policies and internal regulations and the legal and regulatory requirements by reviewing the Code of Conduct and Ethics, in addition to reviewing the manual for mechanisms to reduce conflicts of interest, as we are convinced that they will lead to the realization of the interests of all parties related to the Company, especially the shareholders, without conflict of interest and with a great degree of transparency.

6.1 Summary of the Code of Conduct containing standards and parameters of professional conduct and ethical values:

In order for Tijara to ensure that the members of its Board of Directors and the employees of its executive staff are committed to performing their work in the best way to enhance the Company's image and to achieve its objectives, the Company has developed a Code of Conduct that aims to guide and provide members of the Board of Directors with standards of professional conduct and work

ethics, avoiding cases of conflict of interest and organizing operations with related parties. All members of the Board of Directors and employees of the executive staff signed a pledge and declaration of commitment to the Code of Conduct.

6.2 Summary of policies and mechanisms on reducing conflicts of interest:

The Company has a clear policy to reduce conflict of interest, adopted by the Board of Directors. During 2023, all Board members signed the annual declaration on compliance with the Conflict of Interest Reduction Measures.

Rule VII: Timely and High-Quality Disclosure and Transparency

The Company is well aware of the importance of transparency and disclosure as one of the main features of the methods of monitoring the Company's activities and evaluating its performance, so it has been keen to update its disclosure mechanisms in addition to conducting a periodic update on the disclosure record of the Board members and the Executive Management.

7.1 Summary of implementing accurate and transparent presentation and disclosure mechanisms that define the aspects, areas and characteristics of disclosure

Tijara has an approved guide to policies and mechanisms for disclosure and transparency, which includes, but is not limited to, the following:

- Methods of disclosure of financial and non-financial information and data related to the Company's financial position, performance and ownership.
- How to disclose, in the utmost transparency, all information and data in a timely manner to all stakeholders without discrimination, provided that the data and information are accurate, correct and not misleading.
- Classifying the disclosed information in terms of its nature (financial information, non-financial information), or in terms of the periodicity of its disclosure, in addition to material information.

Transparency and disclosure policies and procedures have been set in accordance with the best international practices and in line with all the requirements of the regulatory authorities.

7.2 Overview of Company's practice of keeping a register of disclosures related to Board Members, Executive Management and Managers:

The Company maintains a special register that contains the disclosures of members of the Board of Directors, the Executive Management and Managers, including all transactions and declarations that reflect the reality of the situations of the related parties. The register is made available to be reviewed by all the Company's shareholders, without any fee or charge. The Company updates the data of this register periodically.

7.3 Overview of forming the Investors Affairs Regulation Unit

The Company has an Investors Affairs Regulation Unit, which is responsible for making available and providing the necessary data, information and reports to its potential investors. The Unit has appropriate independence (according to the organizational structure approved by the Board of Directors), in a way that allows it to provide information and reports in a timely and accurate manner, through the recognized means of disclosure, including but not limited to the Company's website.

7.4 Overview of how to develop the IT infrastructure, and the extent to which it is relied upon in disclosure processes

The Company is constantly striving to create means and channels to communicate with shareholders, investors and stakeholders, and the Company is updating the Company's website to display all recent information and data that help current and potential shareholders and investors to exercise their rights and evaluate the Company's performance.

Rule VIII: Respect for Shareholders' Rights

The Company's Corporate Governance Framework ensures that shareholders exercise their basic rights with a great deal of justice and equality to ensure equal treatment for all shareholders, which is clearly stated in the Company's articles of association and internal regulations, in addition to updating the participation mechanisms in the General Assembly meetings of shareholders to ensure that all shareholders are encouraged to participate and vote.

8.1 Overview of the requirements for defining and protecting the general rights of shareholders to ensure justice and equality among all shareholders

The Company's articles of association and internal regulations clearly set out the procedures and controls necessary to ensure that all shareholders exercise their rights in a manner that achieves justice and equality, and in a way that is not in conflict with the laws and regulations in force, and the decisions and directives issued in this regard.

8.2 Overview on forming the shareholders register held by the clearing agency

The Company shall maintain a special register to be held by the clearing agency that includes the names, nationalities and domiciles of shareholders, and the number of shares owned by each of them. This register is updated with any changes to the data recorded therein, according to the data received by the Company or the clearing agency.

8.3 Overview on the methods of encouraging shareholders to participate and vote in the Company's General Assembly meetings.

The Company has policies and procedures approved by the Board of Directors and in line with all regulatory requirements, which include in detail the mechanism of participation in the meetings of the General Assembly of shareholders and the procedures for convening the Assembly in a manner that guarantees the following:

- Allowing the shareholders to actively participate in the meetings of the General Assembly, to discuss the topics listed on the agenda and related inquiries related to the various aspects of activity, and to direct questions in this regard to the Board members and the external auditor. The Board of Directors or the External Auditor shall answer the questions to the extent that does not expose the Company's interests to harm.
- Enabling shareholders who own five percent of the Company's capital to add items to the agenda of the General Assembly meetings.
- Allowing shareholders to view all data contained in the register of disclosures of members of the Board of Directors and members of the Executive Management.

- The topics presented to the General Assembly shall be accompanied by sufficient information to enable the shareholders to make their decisions properly.

As for the voting mechanisms, the Company has mechanisms approved by the Board of Directors and in line with all regulatory requirements to ensure that all shareholders have the opportunity to exercise the right to vote without putting any obstacles leading to the ban on voting, as voting is an inherent right of the shareholder and cannot be revoked in any way.

Rule IX: Realizing the Role of Stakeholders

The Company believes that stakeholders' contributions constitute a very important resource for building its competitiveness and strengthening its levels of profitability, so it supports all means of cooperation with stakeholders. The Company has a praiseworthy policy that guarantees protection and recognition of the stakeholders' rights and encourages them to follow up the Company's various activities.

9.1 Overview of the systems and policies that guarantee the protection and recognition of the stakeholders' rights:

Tijara is committed to protecting the stakeholders' rights and creating opportunities for operation and continuity through sound financial projects, and this is within the policy to ensure that the Company respects and protects the stakeholders' rights stipulated in the relevant laws in force in Kuwait, which provides stakeholders with the opportunity to obtain actual compensation in the event of violation of any of their rights. The policy defines stakeholders as shareholders, regulators, customers, employees and related parties.

The Company is keen to address all the stakeholders' rights in a fair and equal manner, and the Company's dealings also guarantee the achievement of fair treatment without any discrimination with Board members, related parties and stakeholders. The Company also guarantees stakeholders appropriate compensation in the event that their rights mentioned in the official contracts signed with them or approved by the regulations in general are violated.

9.2 Overview of how shareholders are encouraged to participate and vote in the Company's

Assemblies:

In the context of the Company's encouragement to stakeholders to participate in following up the Company's business and any developments in its business, the Company shall provide stakeholders with any data related to their activities to be relied upon when needed.

The Company has also developed a reporting policy that allows any stakeholder to communicate his complaint to the Board of Directors, which ensures that stakeholders are not subjected to any harassment.

Rule X: Performance Enhancement and Improvement

Out of keenness to improve the Board's performance and strengthen its decisions, the Company evaluated the performance of the Board, the Board and the members of the Executive Management through an individual questionnaire for the members, according to the best international practices for analyzing the questionnaires and developing paths that we focus on during the year to develop and grow the Board's performance.

10.1 Overview of developing requirements for establishing mechanisms which allow all Board Members and Executive Management to receive continuous programs and training courses

The Company has mechanisms that allow it to pay attention to the training aspects of each of the Board members and the Executive Management, through the development of induction programs for the newly appointed members, in addition to the existence of plans for training programs in a way that helps in performing the tasks entrusted to them.

10.2 Briefing on Board of Directors and Executive Management' Performance Evaluation Collectively and Individually

The Company has a clear policy approved by the Board of Directors regarding performance evaluation, including objective KPIs clearly and in writing. During 2023, an evaluation was conducted for all members of the Board of Directors and the Executive Management in addition to

the Board of Directors Collectively. These evaluations were reviewed by the Nominations and Remunerations Committee.

10.3 Overview on the efforts of the Board of Directors to create institutional values among the Company's employees, through achieving strategic goals and improving performance rates

The Company's board of directors works to create values within the Company in the short, medium and long term, by setting mechanisms and procedures that work to achieve the Company's strategic objectives, and improve performance rates, which contributes effectively to the creation of institutional values among employees and motivates them to work continuously to maintain the Company's financial health.

One of the prominent efforts the company undertakes to promote its core values internally is by providing an opportunity for all employees to present their ideas and initiatives to the executive management. This is achieved through regular sessions and meetings between senior management and employees from all levels within the company. These sessions are held to review and discuss any recommendations for the improvement or enhancement of work procedures that are in the best interest of both the employees and the company.

The Company is also working on the continuous development of its internal integrated reporting systems in order to become more comprehensive, as this helps each of the members of the Board of Directors and the Executive Management to make decisions in a systematic and sound manner, thus achieving the shareholders' interests.

Rule XI: Importance of Social Responsibility

11.1 Summary of a policy that ensures achieving a balance between the objectives of the Company and society:

The Company believes in its responsibility towards society and is committed to contributing to its development as much as its capabilities allow, by working to attract national labor, improving the

living conditions of the workforce and their families, and allocating a percentage of the Company's profits to direct it towards social services and projects.

11.2 Overview of programs and mechanisms that help to highlight efforts made in the field of social work:

Social responsibility includes the Company's employees and the society. It also focuses on fair treatment upon recruitment and responsibility related to health and safety due to the nature of the Company, in addition to the responsibility to preserve the environment. During 2023, the Company supported:

1. Undertaking the blood donation initiative in collaboration with the blood bank:

Tijara & real-estate investment company conducted a blood donation campaign for its employees, believing in the significant role these campaigns play in meeting the needs of the central blood bank. Organizing this blood donation campaign stems from the company's responsibility towards supporting the healthcare sector and its commitment to community development and service on all levels. This campaign represents our belief in the necessity of extending a helping hand to patients and hospitals, given the constant need for blood units to address various medical requirements.

2. Supporting the national campaign for cancer awareness "Can".

1. Organizing a lecture at the company's headquarters for female employees, as well as extending an invitation to the 25 February Tower tenants to participate in the informative lecture about breast cancer "Your Health is Your Capital".
2. Hosting a sports marathon involving male employees as part of the national awareness campaign for prostate cancer "Take the Test Initiative".



Sheikha/ Yasmine Mubarak Al-Jaber Al-Subah
Chairman