









CORPORATE GOVERNANCE REPORT 2022

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CORPORATE GOVERNANCE REPORT



FOR THE YEAR 2022

JTC - Corporate Governance Report for the year 2022

Jassim Transport and Stevedoring Company (JTC) is committed to applying the best practices in corporate governance based on the belief that sound management principles and institution efficiency depend on the continued application of these standards. In order to achieve this, JTC is committed to implementing the applicable principles of governance issued by the Capital Markets Authority for companies listed on Boursa Kuwait. This implementation is guaranteed to consolidate and develop the governance culture throughout the company and among its employees to achieve the best protection and balance between the interests of the company management and its shareholders and other related stakeholders.

The company's Board of Directors and Executive Management established the governance structure through the policies, rules and regulations that governs its business, and define the responsibilities, tasks and duties of each member of its management, committees and employees. This system is developed and modified whenever necessary to ensure the achievement of its objective.

Since the public listing of its shares, JTC has committed itself to initiate the implementation of all Corporate Governance standards in the best practice and it will be committed to subsequently submit the related reports on a timely manner and in accordance with Capital Markets Authority standards.

This report aims to provide a brief overview of the implementation of corporate governance requirements and procedures in the company to the shareholders:

The First Rule:

Board of Directors Composition at Jassim Transport and Stevedoring Company (Public K.S.C)

Name	Position	Membership	Academic qualification and experience	Date of election / appointment of the Secretary
Ali Fawaz Al Salman Al-Sabah	Chairman of the Board of Directors	Non-Executive	Sheikh Ali Al-Sabah joined JTC Board in 2019 as Chairman with his wide experience in the fields of trade and industrial projects management. He currently holds the position of Vice-Chairman & CEO at Gulf Glass Manufacturing Company (GGMC), a Board Member in Nafais Holding Company since 2017 and he is also the Chairman of Basil Salem Al-Sabah Motor Racing Club since 2010. Furthermore, Sheikh Ali has held several previous administrative and executive roles in various companies and institutions such as being the General Manager of Rihana General Trading & Contracting Company from 2009 to 2017, and a member of the board of Educational Holding Group Company from 2017 to 2019.	04/09/2019 Re-elected on 28/09/2022

Sabah Mohammed Abdulaziz Al-Sabah	Vice Chairman	Non-Executive	In addition to being the Vice Chairman of the Board of Directors, Sheikh Sabah AL-Sabah currently holds several Board positions in various companies. Sheikh Sabah has more than 16 years experience in several sectors including real estate, investment and industry. Sheikh Sabah holds a Bachelor degree in Business Administration & Management from Kuwait University.	08/05/2022 Re-elected on 28/09/2022
Sulaiman Mohammed Shaheen Al Rubaie	Member of the Board of Directors	Non-Executive	Mr. Sulaiman Al-Rubaie has more than 19 years of experience in merchant banking and private equity. He has a wealth of experience across many areas including advisory, mergers & acquisitions, equity and debt capital markets and restructuring. He is also holds several Board positions in various companies. Mr. Sulaiman Al-Rubaie received his MBA from London Business School and a Bachelor of Science Degree in Operations Research and Industrial Engineering from Cornell University, Ithaca, New York.	04/09/2019 Re-elected on 28/09/2022
Muhaiman Ali Behbehani	Member of the Board of Directors	Non-Executive	Mr. Muhaiman Behbehani has more than 21 years of experience in business development activities primarily in Energy sector and he currently holds several Board positions in various companies. Mr. Muhaiman Behbehani holds a Bachelor of Mechanical Engineering from University of Missouri and University of Toledo.	04/09/2019 Re-elected on 28/09/2022
Sara Tawfeeq AlNassar	Independent Member of the Board of Directors	Non-Executive	Sara has more than 27 years of experience, where she held multiple managerial positions in investment and real estate organizations. Sara obtained a Master of Science in Economics, with a concentration in Finance Economic and International Trade from Birkbeck College, University of London in 1998, and also obtained a Bachelor of Arts in Economics & Philosophy & Mathematical Statistics from Boston University, Massachusetts	28/09/2022
Sadoun Abdullah Ali	Vice Chairman	Non-Executive	Mr. Sadoun has more than 39 years of work experience. He also holds several Board positions in various companies. Mr. Sadoun Ali holds a Bachelor of Science in Business Administration with concentration in Finance from Ashland University, Ohio, USA.	04/09/2019 Till 08/05/2022
Chandresh Subodh Bhatt	Member of the Board of Directors	Non-Executive	Mr. Chandresh has over than 27 years of experience, spanning over private equity and equity research. Mr. Chandresh holds a Bachelor's degree in Commerce from University of Mumbai, India and Post-Graduate Diploma in Financial Management (PGDFM) from L. N. Welingkar Institute of Management Development & Research, Mumbai, India.	04/09/2019 Till 28/09/2022

Meetings of the Board of Directors during the Fiscal Year 2022

	Meeting No.	1	2	3	4	5	6
	Meeting date	10/03/2022	30/03/2022	08/05/2022	12/05/2022	05/06/2022	27/06/2022
Name of the Member	Position	Attendance					
Ali Fawaz Al Salman Al-Sabah	Chairman of the Board of Directors	√	√	√	√	√	√
Sadoun Abdullah Ali	Vice Chairman	√	√	-*	-	-	-
Sulaiman Mohammed Shaheen Al Rubaie	Member of the Board of Directors	√	√	√	√	√	√
Muhaiman Ali Behbehani	Member of the Board of Directors	√	√	√	√	√	√
Chandresh Subodh Bhatt	Member of the Board of Directors	√	√	√	√	√	√
Sabah Mohammed Abdulaziz Al-Sabah	Vice Chairman	-	-	√*	√	√	√

* Sheikh Sabah Mohammed Abdulaziz Al Sabah was appointed on 08 May 2022 as Vice Chariman, replacing Mr. Sadoun Abdullah Ali.

	Meeting No.	7	8	9	10	-	-
	Meeting date	14/08/2022	31/08/2022	28/09/2022	10/11/2022	-	-
Name of the Member	Position	Attendance					
Ali Fawaz Al Salman Al-Sabah	Chairman of the Board of Directors	√	√	√	√	-	-
Sabah Mohammed Abdulaziz Al-Sabah	Vice Chairman	√	√	√	√	-	-
Sulaiman Mohammed Shaheen Al Rubaie	Member of the Board of Directors	√	√	√	√	-	-
Muhaiman Ali Behbehani	Member of the Board of Directors	√	√	√	√	-	-
Chandresh Subodh Bhatt	Member of the Board of Directors	√	√	-	-	-	-
Sara Tawfeeq AlNassar	Independent Member	-	-	√	√	-	-

* Ms. Sara Tawfeeq AlNassar was appointed on 28 September 2022 as Independant Member.
* The Membership of Mr. Chandresh Subodh Bhatt was ended on 28 September 2022 after reforming of the Board of Directors

- The requirement for minuting, organizing, and recording Board of Director meeting minutes is conducted according to the approved Board of Director's Charter. Section 8 and 9 of the Charter details the procedures for organizing board meetings, and preparing its Agenda and method of voting and recording its Minutes of meeting.
- The independent member's acknowledgment of the availability of independence controls as stated in Article (2-3) of Chapter Three of Book Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activity and their amendments, in addition to the availability of qualifications, experience and technical skills commensurate with the company's activity

The Second Rule:

Establishing appropriate Roles and Responsibilities.

The Board of Directors approved Charter defines the responsibilities and obligations of Members of the Board. Executive Management responsibilities and obligations are defined annually based on their objectives for that financial year and their assigned budget. The performance of the Board of directors and executive management are periodically evaluated according to their Key performance indicators. Authorities and powers granted to the company's Executive management are according to Board approved delegation of authority matrix in which such powers are clearly defined.

Main responsibilities of the Board of Directors

1. Approve, amend and direct the main objectives, strategies, plans and policies of the company.
2. Set the objectives to assess the performance of the executive management.
3. Approve the annual budgets, and approve the interim and annual financial statements.
4. Ensure company compliance with the policies and procedures that guarantee the company's compliance with the internal systems and regulations set forth.
5. Ensure the accuracy and integrity of data and information to be disclosed according to the rules of transparency and disclosure.
6. Establish a company-wide corporate governance code, supervise its effectiveness and amend it when needed.

Board of Director's achievements during the year:

1. Approved the interim and annual financial statements, and year budget, in addition to approving business plan during the year
2. Approval the annual financial statements and acknowledgement of its accuracy and management report and delegating the executive management to contact the ministry of commerce and industry to organize the general assembly meeting of the company.
3. Recommend to the General Assembly to distribute 16% of the share's nominal value equal to 16 Kuwaiti fils to each registered shareholder at the assigned end of record day in accordance with the regulatory procedures of cash distributions and record dates, and recommend to deduct 1% of the annual profits to charity through "Masharee Al Khair" Charity Organization.
4. Recommend to the General Assembly the distribution of Board of director's remuneration for year 2022.
5. Call to convene the General Assembly meeting and approve its Agenda for the financial year 2022.
6. Approved of submittal a renewal to CMA for purchasing and selling of Company's Treasury shares within the legal limit of 10% of its Captial shares.
7. Followed up on the Company's overall tasks and performance in global and local impacts.

Committees of the Board of Directors

The Board of Directors forms specialized committees and sets a charter clarifying its powers and responsibilities in order to assist the Board in fulfilling its responsibilities. A sufficient number of non-executive and independent board members are appointed in these committees who possess the necessary qualifications for membership. These committees are responsible for their

functions before the Board of Directors, but this does not relieve the Board of Directors of their responsibility for the duties assigned to these committees.

The following is an overview of the independent specialized committees established by the Board of Directors:

1. Audit Committee

Date of formation and duration:

the new Members were elected and formed in 2022 with a validity period of the current Board term of three years. The Committee was reformed from three non- executive members including the independent member as following:

1- Sheikh Sabah Mohammed Abdulaziz Al Sabah was appointed on 08 May 2022 as Member and Chairman of the Audit Committee, replacing Mr. Sadoun Abdullah Ali, in the Committee

2- Ms. Sara Tawfeeq AlNassar was appointed on 28 September 2022 as Independant Member of the Audit Committee.

3- The Membership of Mr. Muhaiman Ali Behbehani in the Committee was ended on 28 September 2022 after reforming of the Committee

Objective:

To assist the Board of Directors in implementing its responsibilities effectively with regard to reviewing financial reports and internal controls, and making the necessary related recommendations to the Board of Directors.

Committee members and meetings during the fiscal year:

	Meeting No.	1	2	3	4	5	6
	Meeting date	07/02/2022	10/03/2022	12/05/2022	09/06/2022	14/08/2022	10/11/2022
Name of the Member	Position	Attendance					
Sadoun Abdullah Ali	Chairman	√	√	-	-	-	-
Sulaiman Mohammed Shaheen Al Rubaie	Member	√	√	√	√	√	√
Muhaiman Ali Behbehani	Member	√	√	√	√	√	-
Sabah Mohammed Abdulaziz Al Sabah	Chairman	-	-	√	√	√	√
Sara Tawfeeq AlNassar	Member	-	-	-	-	-	√

Duties of the Committee include:

1. Review the interim and annual financial statements and report of the external auditor, and determine any significant impacts on the financial position of the company and approve them preliminarily before submission to the Board of Directors for final approval.
2. Analyze the observations of external auditors on the financial statements of the company and follow up on action that has to be taken in their regard if applicable.
3. Analyze the accounting principles and policies of the company and examine any changes that may affect the financial position of the company and identify the reasons for these changes whenever required.

4. Ensure the company's compliance with applicable accounting laws and regulations.
5. Hold periodic meetings with the external auditor and at least four times with the internal auditor and whenever needed, at the request of the committee or the auditors.
6. Review the results of the internal audit reports and ensure that corrective actions have been taken regarding the observations in the reports.
7. Review the charter, work plan and internal audit needs.
8. Oversee the work of the internal audit department in the company in order to verify its effectiveness in carrying out its duties and tasks.
9. Appoint an independent auditor to prepare a report reviewing the internal control systems to be submitted to the Committee and submit this report the Capital Markets Authority on an annual basis.
10. Review and initially approve the policies and procedures of the internal audit department.
11. Recommend to the Board of Directors the appointment or reappointment of the external auditors or their replacement and determine their fees.

Committee achievements during the year:

1. Review the interim and annual financial statements and report of the external auditor, and determine any significant impacts on the financial position of the company before submission to the Board of Directors for final approval.
2. Reviewed Company's Annual Internal Audit report.
3. Reviewed amendments and updates on various internal policies and procedures in the company.
4. Recommended to the Board the assignment of the company's external auditor and determine their fees.
5. Reviewed of departmental internal audit reports.

2. Risk Management Committee

Date of formation and duration:

The new Members were elected and formed in 2022 with a validity period of the current Board term of three years. The Committee was reformed as following:

1- Sheikh Sabah Mohammed Abdulaziz Al Sabah was appointed on 08 May 2022 as Member and Chairman of the Risk Committee, replacing Mr. Sadoun Abdullah Ali, in the Committee.

2- Ms. Sara Tawfeeq AlNassar was appointed on 28 September 2022 as Independant Member of the Risk Committee

3- The Membership of Mr. Sulaiman Mohammed Shaheen Al Rubaie, was ended on 28 September 2022 after reforming of the Committee.

Objective:

To assist the Board of Directors in implementing its responsibilities effectively with regard to Risk Assessment and Compliance through reviewing and analyzing the Risks that the Company might be exposed to, and provide the related recommendations to the Board.

Committee members and meetings during the fiscal year:

Members of the Committee	Meeting #	1	2	3	4
	Date	10/03/2022	09/06/2022	10/11/2022	25/12/2022
	Position	Attendance			
Sadoun Abdullah Ali	Chairman	√	-	-	-
Sulaiman Mohammed Shaheen Al Rubaie	Member	√	√	-	-
Muhaiman Ali Behbehani	Member	√	√	√	√
Sabah Mohammed Abdulaziz Al Sabah	Chairman	-	√	√	√
Sara Tawfeeq AlNassar	Member (Independent)	-	-	√	√

Duties of the Committee include:

1. Prepare and review risk management strategies and policies prior to obtaining final approval from the Board of Directors and ensure that they are in proportionate with the size and activities of the Company.
2. Review periodic Audit reports submitted by the risk management for the purpose of monitoring the potential risks , reviewing the efficiency and effectiveness of the systems and the procedures for monitoring and measuring the risks in the company.
3. Ensure that sufficient resources and systems are available to manage risk.
4. Assist the Board of Directors with identifying and assessing acceptable risk limits to the Company, and ensure that the Company does not exceed -on any aspect- the approved risk levels.
5. Examine the Company's proposed transactions and deals with related parties and recommend thereon to the Board of Directors.

3. Nominations and Remunerations Committee

Objective:

The objective of the committee is to assist the Board of Directors in complying with corporate governance principle relating to nominations and remunerations for members of the Board of Directors and Executive Management. It recommends the nomination and re-nomination of directors and executive management members; establishes remunerations policies, as well as reviewing the needs and skills required for membership of the Board of Directors and determining the different categories of remunerations.

Date of formation and duration of the committee:

The committee was formed in 2022 with a validity period of the current Board term of three years. The Committee was reformed by appointing Ms. Sara Tawfeeq AlNassar as Independant Member of the Nominations and Remunerations Committee, replacing Mr. Muhaiman Ali Behbehani, in the Committee on 28/09/2022.

Committee members and meetings during the fiscal year:

Members of the Committee	Meeting #	1
	Date	19/09/2022
	Position	Attendance
Ali Fawaz Al Salman Al-Sabah	Chairman	√
Sabah Mohammed Abdulaziz Al-Sabah	Vice Chairman	√
Muhaiman Ali Behbehani	Member	√
Sara Tawfeeq AlNassar	Member (Independent)	-

Duties of the Committee:

1. Recommend the nomination, appointment, reappointment and removal of members of the Board of Directors, members of the Committee and the Executive Management and make recommendations regarding the above to the Board.
2. Ensure that the remuneration of directors and executive management members is consistent with the long-term interests of shareholders within the appropriate control framework.
3. Create a clear relationship between the executive management performance and rewards remunerations
4. Review and recommend the executive management's remunerations.
5. Ensure the continued applicability of independency of the independent board member.
6. Review the company's Corporate Governance report for the year and present it to the Board for approval.
7. Reviewing the KEY Performance Indicators (KPI) for the Board Members, discussing the KPIs, and submitting recommendations to the Board.
8. Prepare the Nominations and Remunerations Committee KPIs and evalusations, and submit them to the Board.

Committee achievements during the year:

1. Review applications for nominations submitted for membership of the Board of Directors and evaluate the attached documents, including the CVs of the candidates and their skills.
2. Ensure the independence of the nominated candidates for the position of independent Board member.
3. Recommend to the Board of Directors to accept the nominations submitted for membership of the Board of Directors for the next three years

A summary of how to apply the requirements that allow the Members of the Board of Directors to obtain accurate and timely information and data:

The company's executive management provides Board members with the necessary information to make the appropriate decisions at the right time to achieve their obligations. Effective communication and relationship between the members of the Board of directors and the Executive management are at the core of the management process to achieve the company's vision and objectives. A separation between duties and responsibilities of the Board of directors and Executive Management exists to ensure independence to achieve company and stakeholder goals. The Secretary of the Board acts as the liaison between Board members and executive management for required information and reports. The Board of directors holds periodic meetings

with the Executive management to discuss ongoing business progress reports and to discuss information regarding company activities.

The Third Rule:

Recruiting Highly Qualified Candidates for the Board of Directors and Executive Management

About the Nominations and Remunerations Committee

The Board of Directors has formed a Nominations and Remunerations Committee consisting of three members, including an independent member, to assist in the nomination and selection of members of the Board of Directors, members of the Board's Committees and members of the Executive Management. The committee shall select candidates according to the company's needs and the required skills to manage its business and set the principles for Board and Executive Management remunerations. The Committee submits its remuneration recommendations for initial approval by the Board of Directors and final approval by the Company's General Assembly.

Report on remuneration and incentive system for Board of Directors and Executive Management for year 2021

Policy in brief

The Company follows the remuneration and incentives standards for the Board Members, in line with the requirements of the applicable laws of the State of Kuwait and the rules of governance. The total remuneration shall not exceed 10% of the Company's net profits (after deduction of depreciation, reserves and shareholders' dividends of not less than 5% of the company's capital or any higher percentage, as provided for in the Company's Articles of Association). The remuneration of the members of the Board of Directors is approved by the General Assembly in its annual meeting, upon the recommendation of the Nominations and Remunerations Committee. The independent Board member may be exempted from the maximum remuneration, subject to the approval of the Company's Ordinary General Assembly.

As for the Executive Management remuneration, it is determined based on the set KPIs linked to the management objectives for each functional level and performance results achieved by the company, including:

Fixed Remuneration:

These remunerations are determined by the level of responsibilities assigned, the levels of expertise and competencies of each employee and the career path of the job. This type is determined including the allowances and benefits according to the employment functional level and the approved employee salary scheme.

Performance-linked Remunerations:

This portion of remunerations is allocated based on the individual performance of executive management members and the company's overall performance. The annual remuneration proposal is prepared by the Human Resources Department and calculated based on each employee's specific allotments and performance evaluations. The remuneration is calculated according to a fixed criterion for the calculation of remunerations either (as a fixed amount for each functional level or a percentage of the salary or salary multiplier). The remunerations amount is determined based on the employee's performance evaluation rate.

Total remuneration granted for year 2022

1. Board of Directors (K.D/Year)

Remuneration and benefits of Members of Board of Directors							
Total number of members	Remuneration & benefits through the parent company			Remuneration & benefits through the subsidiaries			
	Fixed	Variable		Fixed		Variable	
	Health insurance	Annual remuneration	Committee's renumeration	Health insurance	Monthly salaries (total for the year)	Annual remuneration	Committee's remuneration
5	0	26,000*	0	0	0	0	0

*Subject to the approval of The General Assembly

2- Executive Management (K.D/Year)

Total executive positions	Remuneration & Benefits through the parent company							
	Fixed							Variable
	Monthly salaries (total for the year)	Health insurance	Annual tickets	Housing allowance	Transportation's allowance	Social Security	Leave Salary	Annual remuneration
6	286,439	0	6,801	0	12,415	3,795	33,174	0

Note: *There has been no substantial deviations from remuneration policy approved by Board of Directors.*

The Fourth Rule:

Safeguard Integrity of Financial Reporting

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 the financial reports of the Company are presented soundly and fairly, and state all the financial aspects of the Company including operational data and results. 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 responsible for the validity and accuracy of these data.

In turn, the Board of Directors of JTC undertakes to its shareholders through this report to present its financial statements in a sound, fair and accurate manner. All members have signed this declaration, and it is maintained within the company's records.

Audit Committee formation

The Company formed an Audit Committee in line with the nature of the company's activities in. The Audit Committee consists of three members, including an independent Board member. Committee members possess the necessary scientific qualifications and professional experience in accounting and finance. There was no contradiction between the recommendations of the Audit Committee and the decisions of the Board of Directors.

Independence and impartiality of the external auditor

The External Auditor is appointed upon the approval of the General Assembly based on the recommendation of the Board of Directors. The External Auditor of the company is fully independent from the Company and its Board of Directors and shall not carry out any additional assignments for the Company related to audit and auditing activities, which may affect the neutrality or independence of the External Audit. The Audit Committee also verifies the independence of the external auditor and reviews and discusses the issued annual and quarterly financial reports by the external auditor before submitting them to the Board for final decision/ approval.

The Fifth Rule:

Sound Systems of Risk Management and Internal Controls

JTC has appointed a specialized company to measure and follow up on various risks that may face the company and report on these risks. This Company is fully independent and reports directly to the Risk Management Committee. It possesses the authority necessary for performing its tasks and has no financial authority or powers. The Department recruits qualified human resources that have the necessary professional qualifications.

The Company's approved organizational structure also has an independent internal audit department that reports directly to the Audit Committee. This department effectively analyzes the company's internal control environment.

The company relies on internal control and monitoring systems in all its activities by observing the principles of internal control of the dual control process, namely the proper identification of authorities and responsibilities, complete separation of duties and non-conflict of interest, dual examination and control, and dual signature. This is achieved by clearly delegating authorities' structure for financial and administrative duties.

The Sixth Rule:

Promote Ethical Standards and Responsible Conduct

- **Overview of the charter which consists of the standards of the ethical values and code of conduct**

The company implements its Board approved Code of Conduct, which includes standards and policies that consolidate the culture of professional conduct and ethical values of the company and the basic principles of professional ethics within its corporate governance framework. Promoting these standards within the company enhances investor confidence in the integrity and soundness of its financials.

The Code of Conduct is based on the principle of compliance of each board of directors and executive management member with all laws, regulations and professional standards for the interests of the company, its shareholders and other stakeholders. The code also includes the obligation of each member not to exploit the powers and authorities of their positions and the assets and resources of the company to achieve a personal interest for themselves or others. The code also includes the mechanisms that prevent members of the Board and staff from exploiting insider information that came into their possession by virtue of their positions within the company or assisting others in achieving a personal interest and acting justly and fairly with all parties in the company.

The company has developed an internal reporting system to facilitate reporting by employees regarding their doubts about improper practices or suspicions about financial reporting, internal or other control systems. The reporter is granted confidentiality and protection from retaliation or punishment for reporting these doubts. The company's rules also mandate maintaining the confidentiality of the company's internal information and setting the procedures and disciplinary consequences for violations of the code set for professional conduct.

- Overview of conflict of interest policies

The company follows a conflict of interest policy approved by its Board which aims to reduce conflicts of interest arising from its business process. This policy includes clear examples of interest conflict situations and ways to address them. A conflict of interest policy states that any member of the Board shall notify the Board of Directors of any personal interests that the Board member may have in the business and contracts related to the company's business. Such notification is recorded in the minutes of Board meetings, and the member interested in a certain business is not allowed to vote on a Board resolution on that subject. The Chairman of the Board shall also notify the General Assembly upon meeting regarding the businesses and contracts for which a member of the Board of Directors has a personal interest, along with a special report from the Auditor on the subject.

The Seventh Rule:

Ensure Timely and High-Quality Disclosure and Transparency

- Overview on implementation of transparent disclosure process

The company follows a policy based on disclosure and transparency to enable shareholders, investors and the public to know and follow its activities and evaluate its performance and ethical standards. Accurate disclosure in a timely manner creates an environment of trust and confidence among investors and other stakeholders regarding the company's financial position and all aspects related to its activities, financial statements and projects. Therefore, mechanisms of clear and transparent presentation and disclosure of the material information and all matters relating to its activities have been developed. These include financial statements, performance, ownership and decision-making. JTC strives to abide by requirements and instructions related to disclosure at the appropriate time issued by the various regulatory and supervisory authorities.

- Overview of Company's practice of keeping a register of disclosures related to Board Members and Executive Management

The Company maintains a special register that contains **the disclosures of members of the Board of Directors and the Executive Management**. It includes the data relating to their transactions according to the insider trading disclosure rules for companies listed on Boursa Kuwait. The data of the Register is updated periodically and contains information related to remunerations, salaries, incentives and other financial advantages included in the annual report presented to the General Assembly. The register is made available to any shareholder upon request, free of charge.

- Overview of the formation of the Investor Relations Unit

The organizational structure approved by the Board of Directors includes an investor affairs unit. This unit provides the necessary data, information and reports to current and prospective investors and answers their queries regarding the company. This unit is independent enough to provide accurate data, information and reports in a timely manner through various appropriate means.

- **Overview of the development of the information technology systems which the company is dependent on for disclosure activities**

The company relies, in its disclosures and communications with shareholders, investors and stakeholders, on various means, including information technology. The company's website contains comprehensive information on its investments, financial reports and essential information. The website also includes a section on corporate governance and investor affairs through which recent data are published to assist current and prospective shareholders and investors in obtaining the necessary information about the company and assessing its performance.

The Eighth Rule:

Respect the Rights of Shareholders

- **Overview of the implementation of requirements of of determining and protecting the general rights of shareholders to ensure equality and balance among shareholders**

The company's governance aims at achieving balance between the objectives of the company and objective of its shareholders', protecting their rights, and achieving fair dealing and equality among all shareholders, so that no shareholders would receive any special treatment, regardless of their position. The company does not at any time deny any shareholder an information or a granted right.

The Company's Articles of Association, regulations and internal policies also provide for the procedures that guarantee the achievement of this objective, including the general shareholders' rights guaranteed by the Company, such as:

1. Register shareholding values in company records.
2. Dispose of shares from the ownership registration and transfer and/or convert them.
3. Obtain the approved share of dividends.
4. Acquire a share of the company's assets in case of liquidation.
5. Obtain the data and information about the company's activity and operational and investment strategy regularly and easily.
6. Review the shareholders register.
7. Participate in the shareholders' General Assembly meetings and vote on its decisions.
8. Elect members of the Board of Directors.
9. Monitor the company's performance in general and the board of directors' performance.
10. Hold accountable the company's Board of Directors or Executive Management and file the claim of responsibility in the event of failure to perform the tasks entrusted to them.

- **Overview on the formation of a share register held by a clearing agent to ensure continuos follow up of the shareholders data**

The Company has established a special register with Kuwait Clearing Company that includes the names, nationalities and domiciles of shareholders and the number of shares each owns. The information in this register is maintained with high confidentiality and protection.

This register is updated with any change to the data recorded in it, and the company's shareholders may request to view the register in accordance with the procedures of Kuwait Clearing Company. Updated records of the company's shareholders are also kept at the Investor Affairs Unit in the company.

- **Overview on the methods of encouraging shareholders to participate in the voting process at the general meetings**

The company is keen to encourage shareholders to participate and vote in the meetings of the company's assemblies through the mechanisms established to participate in the meetings of the shareholders' general assembly and voting mechanisms. The company complies with the following when arranging for shareholder's general assembly meetings:

- Send an invitation by the Board of Directors to the shareholders to the hold their meetings including the agenda, time and venue of the meeting by advertising in accordance with the mechanism specified in the Companies Law.
- Allow all shareholders to exercise the right to vote in person or by proxy without any obstacles that lead to the prohibition of voting.
- Provide shareholders with an opportunity to participate effectively in meetings of the General Assembly, discuss the agenda items, and direct questions regarding the members of the Board of Directors and External Auditor.
- No fees are imposed on any category of shareholders for attending the General Assembly meetings, and there is no preferential advantage for any category against other categories of shareholders.

The Ninth Rule:

Recognize the Legitimate Interests of Stakeholders

- **Overview on the policies and procedures which ensures protection and acknowledgment of the rights of stakeholders**

Within the framework of its corporate governance policies, the Company follows policies for dealing with stakeholders in recognition and protection of their rights. These policies include the need to deal with stakeholders on the same terms the company applies in dealing with board members of directors without any discrimination or preference. They also include the mechanisms to deal with stakeholders and meet their requirements appropriately while maintaining a good relationship, respecting the rights of shareholders and maintaining their confidentiality of information.

- **Overview of the methods of encouraging stakeholders to participate in following up the the company's various activities**

JTC seeks to encourage stakeholders to participate in the follow-up of the company's various activities by providing the information and data related to its activities in a timely and transparent manner. This is achieved through adopting a policy in which stakeholders can report inappropriate practices of the company and provide appropriate protection in its policy for the reporting parties.

The Tenth Rule:

Encourage and Enhance Performance

- **Overview of developing the processes which allow all Board Members and Executive Management on receiving continuous training workshops**

The company strives to continuously train and develop its human resources to achieve better performance and governance. Training and development efforts contributes to the enhancement and expansion of business It has a positive effect on the performance of the Board and Management and enables them to fulfill their responsibilities and achieve better results. Therefore, the company has activated a policy to continuously train its Board and Management,

and encourage participation in seminars and conferences related to the company's business with the aim to identify the latest developments and keep abreast of changes in the company's business sectors.

JTC's Sales Training initiative was aimed at optimizing sales performances by developing sales effectiveness and efficancy. The objectives of the strategy were multiple pronged; to familiarize the team with the best practices and tips in selling and sales management systems, enhancing existing time management skills and selling activities, and to identify and adopt appropriate selling behaviors needed to maximize performance.

- **Briefing on Board of Directors Evaluation collectively and individually:**

The performance of the company's Executive Management are evaluated periodically through the Company's approved evaluation mechanisms and KPIs related to Company as well as departmental strategic objectives. However, the Nomination and Remuneration Committee following up on the KPI's and the evaluation standards as per the Company policy approved by the Board of Directors.

The company relies on the self-evaluation system to assess the annually performance of the members and committees of the Board of Directors. This system determines which aspects or requirements require attention or development. As for executive management and employees, they are evaluated periodically according to specific performance indicators linked to their objectives, accordingly the requirements for development and training are determined according to evaluation results.

- **An overview of the efforts of the Board of Directors to create corporate values for employees of the company through the achievement of strategic objectives and improved overall performance rates.**

The Board of Directors continuously emphasizes the importance of creating organizational values for employees within the company by developing mechanisms and procedures that work to achieve the strategic objectives and improve performance in the company. These mechanisms and procedures also enhance the culture of compliance with laws and regulations that create a disciplined work environment that follows the prevailing rules. Additionally, they raise the spirit of responsibility and professional ethics, that result in enhanced employee performance and effectiveness in the achievement of company objectives.

The Eleventh Rule:

Importance of Social Responsibility

- **Summary of the development of a policy to ensure a balance between each of the company goals and society goals**

JTC, being one of the earliest companies operating in the Kuwaiti market and considered one of the main pillars in its field, focuses its activities on supporting society in recognizing the importance of encouraging active companies and its social responsibility, as this has a positive impact on the entire society within which JTC operates.

- **Brief about the programs and mechanisms helping to highlight the company's efforts exerted in the field of social work**

The Company also annually donates an amount equivalent to (1%) of its annual earnings to charities through "Masharee Al Khair" Charity Organization in contribution to its commitment to social responsibility towards the people of Kuwait.



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