

CORPORATE GOVERNANCE

1) Internal Control Systems

KFH Capital maintains an effective and efficient control business environment across three core areas, Internal Audit, Risk Management, and Compliance Division, which are guided by a set of policies, procedures and Authority Matrix approved by the BOD and supported by all members.

- **Internal Audit** unit is an independent department. Internal Audit department is responsible for evaluating the adequacy and effectiveness of KFH Capital internal controls, assessing compliance with policies, procedures and related regulatory requirements.
- **Risk Management** is an independent unit responsible for identifying, measuring, monitoring, controlling and mitigating risks, as well as reporting on risk exposure.
- **Compliance Division** ensure all relevant laws, rules and regulations issued by the respected authorities are correctly followed.

2) Shareholder and Stakeholder Rights

KFH Capital is committed to protecting the rights of its shareholders, including minority shareholders. The Kuwait Companies Law, CMA Executive Bylaws, the KFH Capital's Articles and Memorandum of Association, as well as internal policies, offer guidance to protecting shareholder rights. These procedures, policies and practices are further enhanced by the relevant laws and regulations.

3) Corporate Social Responsibility

KFH Capital strives to achieve sustainable development and is supported by a Corporate Social Responsibility policy that aims to improve the living standards and economic conditions for employees and their families. The policy also considers how best to utilise available resources to benefit wider society, such as the reduction in unemployment.

4) Corporate values

The Board of Directors seeks to achieve the highest standards of corporate values across five core areas.

a. Code of Conduct Policy

This outlines the ethical standards expected from all KFH Capital stakeholders in the conduct of business to promote the competency and integrity of the Company.

b. Related Parties Transactions

This outlines the guiding principles on dealing with and managing transactions with the relevant parties, between KFH Capital and its BOD, their related parties, or their companies.

c. Conflict of Interest

The Board of Directors has approved a policy to monitor and manage any conflict of interest within the organisation, as set out by the rules and regulations issued by the regulatory bodies.

d. Confidentiality

The Board, Executive Management and the employees are committed to maintaining and preserving the confidentiality of the information and data in its dealings with customers, investors and other stakeholders, as per the rules and regulations issued by the Regulatory Bodies.

e. Whistle-blowing

KFH Capital promotes transparency, collaborative working environments, competency, and the highest working ethics standards for all employees. Procedures in place enable employees to contact the Board Chairman to communicate their concerns regarding potential violations carried out by any member of the organisation. KFH Capital shall ensure that whistle-blowers are protected and are not subject to any threats or penalties.

5) Disclosure

The disclosure system is an effective tool for influencing KFH Capital's behaviour and protecting investors, as well as enhancing their confidence in the organisation. KFH Capital shall provide its shareholders and investors with accurate, comprehensive, detailed, sufficient, and essential information to be able to evaluate performance to make effective decisions.

6) Reports

KFH Capital writes and publishes the required company reports in a timely manner throughout the year pertaining to its remit and jurisdiction. This includes Annual and Financial reports, Quarter Financial reports, Annual Financial reports, Corporate Governance reports, as well as a number of other reports.