



SOOR Fuel Marketing Company (K.S.C.P)

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Introduction

Corporate governance refers to the systems and practices that guide and regulate the management and operation of companies. The aim of corporate governance is to ensure the effective and transparent achievement of the company's strategic objectives while protecting the interests of all stakeholders, including shareholders, employees, customers, and the community.

Corporate governance systems consist of a set of principles and practices, including:

- 1- **Board of Directors:** The Board of Directors is a central body in the corporate governance system. It monitors the performance of the executive management and makes important decisions in line with the interests of the company and shareholders.
- 2- **Transparency and Disclosure:** Companies must adhere to high levels of transparency and disclosure to allow all stakeholders to understand the company's performance and make informed decisions.
- 3- **Distribution of Responsibilities:** Responsibilities must be clearly distributed among different board members and executive management to ensure a balance in decision-making and performance monitoring.
- 4- **Performance Evaluation:** Corporate governance systems require regular evaluation of the board's role and management performance to improve operations and achieve effectiveness.
- 5- **Shareholder Engagement:** Companies should actively engage with all stakeholders and listen to various perspectives to achieve a balance in interests.
- 6- **Compliance with Laws and Regulations:** Companies must comply with applicable laws and regulations, ensuring adherence to ethical and social standards.

Corporate governance plays a crucial role in building trust between companies and stakeholders, contributing to the sustainability of businesses and achieving long-term success.

Executive Summary

This report aims to present the level of compliance of **SOOR Fuel Marketing Company (K.S.C.P)** with the Corporate Governance Rules issued by the Capital Markets Authority (CMA) of the State of Kuwait, and to reinforce the principles of transparency, accountability, and sound governance practices in managing the Company. The preparation of this report reflects the Company's commitment to protecting shareholders' and stakeholders' rights and ensuring effective management based on integrity, impartiality, and institutional oversight.

During the year **2025**, the Company continued to enhance its corporate governance framework by strengthening the role of the Board of Directors and its affiliated committees, ensuring proper

segregation between executive and supervisory responsibilities, and applying approved policies governing the Board and executive management's activities. In addition, the Company updated its internal policies and procedures in line with regulatory requirements and modern governance standards.

The Board of Directors held regular meetings throughout the year to ensure effective oversight of the Company's operational and financial performance. This included reviewing and approving financial statements and business plans, as well as evaluating the performance of Board committees and executive management based on objective performance indicators. Furthermore, the Company enhanced its disclosure and transparency mechanisms by providing accurate information to shareholders in a timely manner, updating disclosure registers, and enabling access to information through official communication channels.

As part of strengthening internal control, the Audit Committee continued to oversee internal and external audit activities, while the Risk Management Committee reviewed and updated the Risk Management Framework and related documentation in accordance with **ISO 31000 standards**. The Committee also monitored the performance of operational departments from a risk and compliance perspective.

With regard to human capital, social responsibility, and ethical governance, the Company reinforced adherence to the Code of Professional Conduct, transparency principles, and conflict of interest policies, in addition to implementing social and community initiatives that support the Company's role and responsibility toward society.

This report reflects the Company's commitment to applying corporate governance principles and ensuring continuous improvement of control systems and organizational practices. Such efforts support the Company's strategic vision and operational objectives, enhance the confidence of shareholders, investors, and stakeholders, and contribute to ensuring the Company's long-term sustainability and growth.

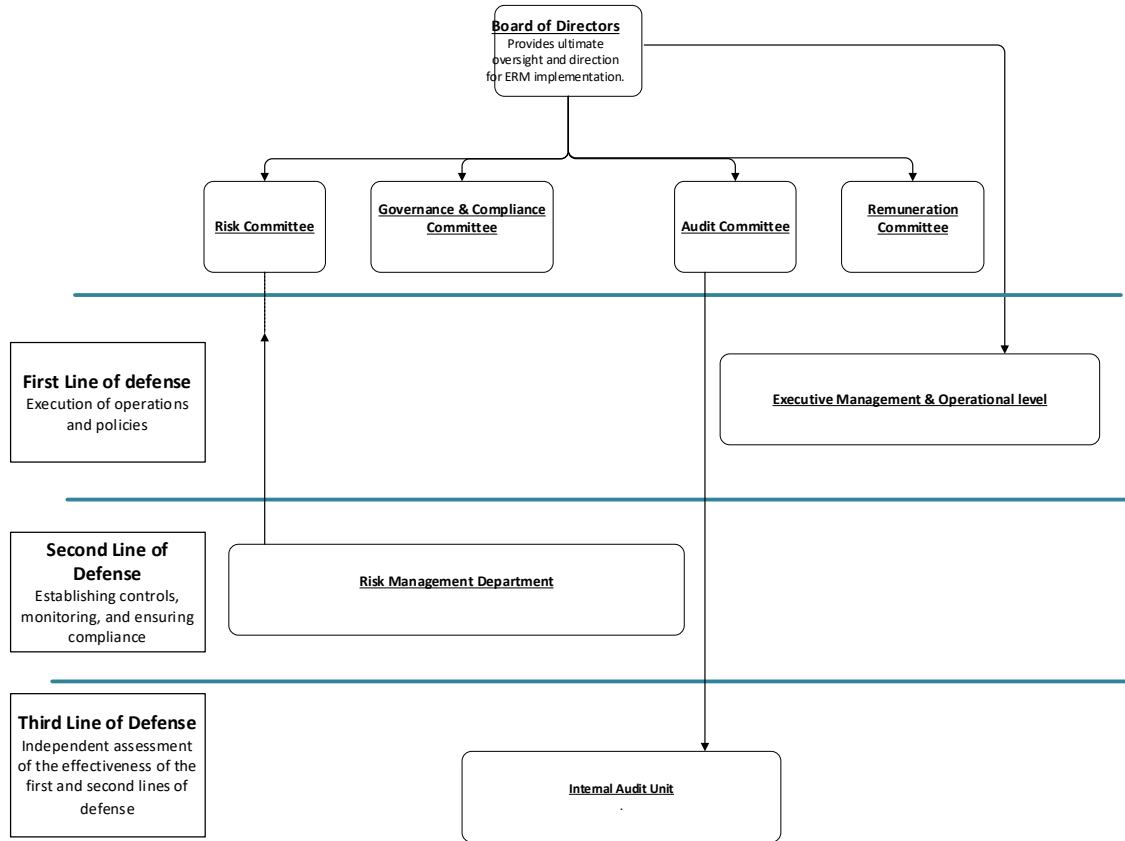
Governance Compliance Scorecard – 2025

Rule No. (Module 15)	Rule Subject	Compliance Status	Remarks
1	Building a Balanced Structure of the Board of Directors	Fully Compliant	The Board of Directors has been formed in accordance with regulatory requirements, including two independent members and specialized committees.
2	Establish Appropriate Roles and Responsibilities	Fully Compliant	Internal regulations have been approved, ensuring proper segregation between executive and supervisory authorities.
3	Recruit Highly Qualified Candidates for Board and Executive Management	Fully Compliant	A Nominations and Remuneration Committee is in place, applying a competency-based institutional selection mechanism.
4	Ensure Integrity of Financial Reports	Fully Compliant	Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and reviewed by an independent external auditor.
5	Applying Proper Systems of Risk Management and Internal Audit	Fully Compliant	The Risk Management Framework has been updated in accordance with ISO 31000 standards, with active internal audit functions.
6	Promote Code of Conduct and Ethical Standards	Fully Compliant	An approved Code of Professional Conduct is in place, along with conflict of interest policies.
7	Accurate Disclosure and Transparency in a Timely Manner	Fully Compliant	A disclosure policy is implemented, and insiders' disclosure registers are updated in compliance with regulations.
8	Respect of Shareholders' Rights	Fully Compliant	Shareholders are enabled to exercise their rights in accordance with the Company's Articles of Association and regulatory channels.
9	Recognition of Stakeholders' Role	Fully Compliant	Clear stakeholders' policies are in place, including reporting channels and whistleblower protection mechanisms.
10	Encourage and Enhance Performance	Fully Compliant	Annual evaluation of the Board of Directors and executive management is conducted based on objective performance indicators.
11	Corporate Social Responsibility	Fully Compliant	A corporate social responsibility plan and annual initiatives are implemented in cooperation with local entities.

Overall Compliance Level:

100% – Full Compliance with Corporate Governance Rules

The Governance Framework Diagram illustrates the hierarchy of oversight and supervision, as well as the flow of decisions and information within the Company. The framework ensures proper segregation of authorities, transparency, accountability, and effective communication between the Board of Directors, its committees, executive management, and relevant stakeholders.



Scope of Application

The provisions of corporate governance rules are based on the principle of "comply or explain," which stipulates that companies must disclose the extent of their commitment to these rules. If a company fails to comply with any of the rules, it is required to specify the rule and the article that has not been adhered to, providing detailed information in the governance report along with an explanation of the reasons.

Corporate Governance Framework

First Rule: Building a Balanced Structure of the Board of Directors

Board of Directors' decisions have a remarkable effect on the company's performance and proper financial position. Hence, SOOR's Board of Directors comprises a sufficient number of members (9 members) for the constitution of the required number of the Board

committees as per corporate governance principles and regulations. When the Board of Directors was constituted, various experiences and competent skills have been taken into consideration in a manner which optimizes decision making. In addition, non-executive members represent the Board of Directors majority. Also, the Board of Directors includes two independent members.

1 – Board of Directors Composition:

Name	Member Ranking	Academic Degrees	Practical Expertise	Nomination/ Election Date
Mr. Turaif Mohammed AlAwadhi	Non-executive	Bachelor of Business Administration	28 years, Business Administration	20/04/2025
Mr. Talal Ahmed AlKhars	Executive	Bachelor of Science	28 years, Business Administration and Development	20/04/2025
Mr. Abdulaziz Malek AlAli	Non-executive	Bachelor of Law	17 years, Field of Law	20/04/2025
Mr. Ashraf Alhaj Mahmoud	Non-executive	Bachelor of Accounting PhD in Healthcare Management	28 years, Business Administration & Development	20/04/2025
Mrs. Nour Mahdi Mahmoud	Non-executive	Bachelors of Public Relations and Advertising Masters in Business Administration	5 years in Healthcare field	20/04/2025
Mr. Jaber Mohammed Ashkanani	Independent	Bachelor of Accounting	25 years in Business Administration	20/04/2025
Mr. Mubarak AlSahli	Independent	Bachelor's Degree in Arts and Media	33 years in Media Field	20/04/2025
Mr. Mohammad Al AbdulKarim	Non-Executive	Bachelor of Chemical Engineering	28 years in Marketing at oil sector	24/2/2025
Mr. Shaker Al Otaibi	Non- Executive	Bachelor of Chemical Engineering	24 years of professional experience in petroleum engineering	24/2/2025
Mr. Salem AlHasawi	Board Secretary	Bachelor of Management and Marketing	36 years in Business Administration and Marketing	20/04/2025

- Mr. Shaker Al-Otaibi and Mr. Mohammed Abdulkarim were appointed as representatives of Kuwait Petroleum Corporation on the Board of Directors of Soor Fuel Marketing Company, pursuant to the letter received from Kuwait Petroleum Corporation dated 24/02/2025.

2- Board of Directors' Meetings:

Name	Title	M1 dated 27/01/2025	M2 dated 10/02/2025	M3 dated 19/03/2025	M4 dated 23/04/2025	M5 dated 30/04/2025	M6 dated 12/05/2025	M7 dated 1/6/2025	M8 dated 12/8/2025	M9 dated 12/11/2025	No. Of meetings
Mr. Turaif Mohammed AlAwadhi	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Talal Ahmed AlKhars	Executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Ashraf Al-Haj Mahmoud	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Jaber Mohammed Ashknani	Independent member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Jaafar Ali Rajab	Independent member	✓	✓	✓							3
Mr. Abdulaziz Malek AlAli	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Ali Hussain AlKandari	Non-executive member	✓									1
Dr. Fadheel Mubarak AlBasman	Non-executive member	×	✓	×							1
Mrs. Nour Mahdi Mahmoud	Non-executive member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Yousef Yaqoub AlSaqr	Non-executive member	✓									1
Mr. Salem AlHasawi	Board Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Mubarak Al Sahli	Independent Member				✓	✓	✓	✓	×	✓	5
Mr. Abdul Karim AL Abdulkarim	Non- Executive member		✓	✓	✓	✓	×	✓	✓	✓	7
Mr. Shaker Al Otaibi	Non- Executive member		✓	✓	✓	✓	✓	✓	✓	✓	8

- A new Board of Directors was elected for the upcoming term at the Ordinary General Assembly meeting held on 20/04/2025.

- Ordinary meetings were conducted as scheduled, convened by the Chairman of the Board.
- The company's bylaws and articles of association outline the organization of the Board of Directors' meeting attendance process, as well as procedures for handling instances of irregular attendance by members.
- Throughout the year, Board members were provided with meeting agendas specifying topics, accompanied by relevant documents and necessary information, at least three working days prior to the meeting. This practice enables Board members to study the proposed matters and make informed decisions.

3- Recording, Coordination and retaining Board of Directors' Minutes of meetings.

- The company maintains an annual record, in connection with Board of Directors meetings, comprising minutes under serial numbers during the year in which the meeting was held as well as the meeting's venue, date, starting time and ending time. In addition, copies of all documents, which have been discussed during the meeting, are attached.
- Secretary of the Board namely Mr. Salem Al-Hasawi – Vice President of Sales, Marketing & PR Department – undertakes the duties entrusted to him in accordance with the executive regulations of the Capital Market Authority - Module 15 (First Rule / Article 2-7). Such duties are outlined in preparation for Board of Directors meetings and sending necessary documents and invitations within 3 days prior to the Board of Directors' meeting. Moreover, the Board Secretary registers all decrees and discussions made among members, records members' voting results on decrees, coordinates, and maintains all documents which have been discussed during meetings.

4. Independent Members' Commitment

The Board of Directors of SOOR Fuel Marketing Company includes **two independent members** who are entrusted with advisory tasks related to the company's various activities, in a way that helps the Board of Directors to take sound decisions that contribute to achieving the company's interests.

Each of the two independent members of the SOOR Fuel Marketing Company has committed that they have the following independence controls as stated in Article (2-3)

of Chapter Three of Module 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 its Amendments (Appendix 1):

- That he does not own five percent or more of the shares of SOOR Fuel Marketing Company.
- That he is not related to the first degree with any of the members of the Board of Directors of the company or the executive management in the company or in any company of its group, or the main related parties.
- That he is not a member of the board of directors of any of its group companies.
- That he is not an employee of the company or any of its group companies or any of the stakeholders.
- That he is not an employee of the legal persons who own controlling shares in the company.
- The independent member has the qualifications, experience, and technical skills corresponding with the company's activity.

Second Rule: Establish Appropriate Roles & Responsibilities

- SOOR's Board of Directors has approved the Board of Directors' Charter. The charter regulates the details of all roles, powers and authorities assigned to both the Board of Directors and the Executive management noting that this regulation reflects separation between the duties and powers entrusted to the Board of Directors and those assigned to the executive management in a manner which ensures entire independence and efficiency for all parties. Further, the Board of Directors' liabilities are clearly indicated in SOOR's articles of association with observation of the general assembly's roles.

1 - Board of Directors Roles & Responsibilities: -

- Approves the company's important strategies, plans and policies.
- Approves the company's capital structure and financial targets.
- Sets the company's overall strategies as well as the main business plans, reviews and directs the same.

- Participates in achieving SOOR's profits.
- Supervises SOOR's main capital expenditures, possession of assets and disposal thereof.
- Ensures compliance with policies and procedures in respect of adherence to applicable rules and regulations through support by both Audit Committee and Risk Committee affiliated to the Board of Directors.
- Assumes liability toward shareholders and bears responsibility before the relevant stakeholders.
- Monitors and supervises the executive management's performance.
- Monitors performance of each member at the Board of Directors and the executive management based on the key performance indicators determined by support from Nomination & Remunerating Committee.
- Approves SOOR's governance report which shall be recited at the general assembly. Such report shall include company's full governance requirements and procedures and compliance therewith.
- Determines SOOR's governance framework without contradiction to CMA's corporate provisions and principles. Supervises such framework in general, monitors its efficiency and modifies it when necessary.
- Ensures accuracy and authenticity of the data and information which shall be disclosed in conformity to disclosure and transparency policies and bylaws.

Corporate governance framework, approved by the Board of Directors, reflects the Chairman's roles and responsibilities pursuant to Corporate Governance principles as outlined hereunder:

- Ensures effective discussion of all principal issues by the Board of Directors in a timely manner.
- Supports and assists the executive management.
- Represents SOOR towards other parties as contemplated in SOOR's articles of association.

- Encourages all Board of Directors members to participate fully and effectively in running the Board of Directors' affairs so that the Board of Directors can take actions in favor of SOOR.
- Ensures actual communication with shareholders and forwards their opinions to the Board of Directors.
- Promotes positive relations and effective participation among both the Board of Directors and the executive management.
- Creates positive criticism attitudes regarding the issues which are exposed to different points of view among Board of Directors members.

SOOR has a competent Executive management team. Corporate Governance framework reflects the Executive management's roles and liabilities to which it shall adhere in view of the authorities and powers vested and approved by the Board of Directors as summarized herein below:

- Implements SOOR policies, regulations and internal systems approved by the Board of Directors.
- Executes the annual strategies and plans approved by the Board of Directors.
- Prepares the periodical reports related to the progress accomplished in company's activities in view of SOOR's strategic plans and targets.
- Administers the daily tasks and run activity in addition to optimal management of SOOR's resources, profit maximization and expenditure reduction as per company's goals and strategies.
- Participates effectively in promoting and developing ethical value attitudes at SOOR.
- Prepares Internal Control Review & Risk Management System to ensure the effectiveness as well as adequacy of such systems and abide by risk tolerance approved by the Board of Directors.
- Upgrade the IT infrastructure to generate data and necessary information required for decision making pursuant to SOOR's expansion strategy and needs.

- Prepares key performance indicators for SOOR's employees and periodically evaluates the duties accomplished by them.
- Formulates a clear action mechanism in respect of monitoring the regulatory rules and regulations pertaining to SOOR activities in order to ensure implementation and compliance therewith.

2 - Board of Directors Achievements During 2025:

- Approval of the annual estimated budget and adoption of the interim and annual financial statements for the year 2025.
- Follow-up on the activities of the Board committees and affirmation of the roles, responsibilities, and authorities of those committees.
- Holding periodic meetings between the Board and the committees to ensure the proper execution of their duties and to evaluate the performance and work of the committees and their key members.
- Monitoring the performance of each Board member in accordance with objective Key Performance Indicators (KPIs), with the support of the Nomination and Remuneration Committee.
- Reviewing the risk report related to observations stated in the internal audit reports of Soor Fuel Marketing Company.
- Reviewing the Internal Control Review Report.
- Reviewing and approving the Corporate Governance Report, the Audit Committee Report, and the Compliance and Adherence Report for the year 2024.
- Discussing the remuneration report for the Board of Directors and executive management for the financial year ended 31/12/2024.
- Discussing the preparation and updating of certain risk management documents in accordance with the requirements of the regulatory authority's rules and practices (Code of Practice).
- Reviewing and approving certain internal policies and procedures of Soor Fuel Marketing Company, in addition to updating the corporate governance policies.
- Reviewing the Company's Integrated Report for the year 2024.

- Discussing the recommendation of the Nomination and Remuneration Committee regarding applications submitted by candidates wishing to run for membership of the Board of Directors of Soor Fuel Marketing Company for the upcoming term (2025–2027).
- Discussing the update of the Authority Matrix of Soor Fuel Marketing Company.
- Forming the new Board committees and approving their charters.
- Approving updates to certain internal Company documents, such as the salary scale, succession plan, and the Company’s organizational structure.
- Discussing the Internal Audit Office Performance Evaluation Report (Quality Assurance) for the period from January 2022 to December 2024.
- Recommending the appointment of the External Auditor, Mr. Bader Al-Abduljader / Al-Aiban & Al-Oseimi – Ernst & Young, for the financial year ended 31/12/2025.
- Establishing the foundations of strategic planning and approving the Strategic Planning Statement for the years (2026–2028).

3 - Board of Directors’ Main Committees

The main committees of the Board of Directors are internal structures comprised of board members assigned specific tasks that reflect their respective competencies. The company has three main committees: Audit Committee, Risk Committee, and the Nominations and Remuneration Committee.

Audit Committee

- Formation Date: 30/04/2025.
- Committee Tenure: Expires when the Board of Directors’ term comes to its end.

Committee Members	Title	Ranking
Mr. Ashraf Al-Haj	Committee Chairman	Non-executive member
Mr. Abdulaziz Al-Ali	Vice Chairman	Non-executive member
Mr. Jaber Mohammed Ashknani	Committee Member	Independent member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 12 meetings

Audit Committee's Assignments & Achievements during year 2025:

- The Committee held four meetings with the External Auditor to review the interim and annual financial statements prior to their submission to the Board of Directors, expressing its opinion and submitting recommendations to the Board with the aim of ensuring fairness and transparency in financial reporting, as well as the integrity and soundness of the Company's financial reports and internal control systems. During these periodic meetings, the financial reports were reviewed and the Committee's recommendations were submitted to the Board of Directors for approval.
- Monitoring the performance of the External Auditor and ensuring that no services are provided to the Company other than those required in accordance with the auditing profession.
- Reviewing the External Auditor's observations on the Company's financial statements and following up on the actions taken in this regard.
- Reviewing audit and governance reports prior to their submission to the General Assembly.
- Providing technical oversight of the Internal Audit Unit at the Company, outsourced to (Moore Global), to verify its efficiency in carrying out the tasks and responsibilities assigned by the Board of Directors.
- Submitting the necessary recommendations to the Board of Directors regarding the appointment of the External Auditor, Badr Abduljader / Al-Aiban & Al-Osaimi – Ernst & Young, for the financial year ended 31/12/2025.
- Reviewing the results of internal audit reports and ensuring that appropriate corrective actions are taken in respect of the observations contained therein.
- Reviewing the Internal Control Review (ICR) report.
- The Committee held four meetings with the Internal Auditor to follow up on internal audit activities and to review audit reports covering the Company's various departments.
- The Committee conducted an evaluation of the performance of the Internal Audit function, including the Internal Auditor and internal audit firms.

Risk Management Committee

- Constitution Date: 30/04/2025
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Member Name	Title	Ranking
Mrs. Nour Mahdi Mahmoud	Committee Chairman	Non-executive member
Mr. Ashraf Alhajj	Vice Chairman	Executive member
Mr. Jaber Mohammed Ashknani	Committee Member	Independent member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 6 meetings

Risk Management Committee's Assignments & Achievements during the year 2025:

- Reviewing the Risk Management documents in compliance with ISO 31000 standards.
- Reviewing the Strategic Risk Analysis and Assessment Report of Soor Fuel Marketing Company.
- Updating the Risk Register of Soor Fuel Marketing Company (Risk Register / Review 2025).
- Discussing the Risk Treatment Register (Risk Treatment Register V1.2/2025).
- Annual renewal of the ISO 31000 Risk Management Certification for Soor Fuel Marketing Company following the successful completion of the audit.
- Establishing the Strategic Planning Framework and approving the Strategic Planning Statement for the years (2026–2028).

Nomination & Remuneration Committee

- Formation Date: 30/04/2025
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Committee Member	Title	Ranking
Mr. Ashraf Al-Haj	Committee Chairman	Non-executive member
Mr. Mubarah Al Sahli	Vice Chairman	Independent member
Mr. Talal Ahmad AlKhars	Committee Member	Executive member
Mrs. Rana Alkhateeb	Committee Secretary	

Number of meetings held in 2025: 7 meeting

Nomination & Remuneration Committee's Assignments & Achievements during year 2025:

- Recommending the opening of the nomination process for membership of the Board of Directors of Soor Fuel Marketing Company for the upcoming term (2025–2027).
- Discussing the Key Performance Indicators (KPIs) Report for the year 2024.
- Discussing the Board of Directors and Executive Management Remuneration Report for the year 2024.
- Reviewing applications submitted by candidates seeking nomination for membership of the Board of Directors of Soor Fuel Marketing Company for the three-year term (2025–2027).
- Discussing updates to the job descriptions of the Board of Directors' members and the Board Secretary.
- Reviewing the Nomination and Remuneration Committee Charter approved by the Board of Directors.
- Discussing updates to the Board of Directors and Executive Management Remuneration Policy.

4 . Additional Board Committees

Governance & Compliance Committee

- Formation Date: 06/09/2023
- Committee Tenure: Expires when the Board of Directors' term comes to its end.

Committee Member	Title
Mr. Abdulaziz Malek Al-Ali	Committee Chairman
Mr. Talal Ahmad Al Khars	Vice Chairman
Mrs. Rana Mazen Al-Khatib	Committee Member
Mr. Emad Habib Makar	Committee Member
Mr. Salem Al Hasawi	Committee Secretary

Number of meetings held in 2025: 4 meetings

Governance & Compliance Committee's Assignments & Achievements during year 2025:

- Preparing the Compliance Report for the year 2024.
- Preparing the Monthly Compliance Plan for the year 2025.
- Updating the dedicated register for meetings of the Board of Directors and its committees.
- Periodically updating the disclosure register of Board members and Executive Management, as well as the register of insiders' transactions.

5 -Requirements' Application Method which allows Board of Directors members to obtain information and data accurately and in a timely manner: -

- Vice Chairman and Chief Executive Officer periodically forwards SOOR's latest achievements to the Board of Directors.
- Further, SOOR, through the Board's Secretary, provides to the board members accurate and clear information and data in order to be able to undertake and take over their assignments and duties effectively and actively.
- SOOR ensures that all prepared reports are extremely valid and precise and that they are furnished to board members at the proper time for facilitating the process through which decisions are timely made.

Third Rule: Recruit Highly Qualified Candidates for Members of a board of Directors and the Executive management.

1 – Nomination & Remuneration Committee

SOOR has a Nomination & Remuneration Committee affiliated to Board of Directors. The committee comprises of three board members including one independent member. Further, its chairman is a board non-executive member. The board has determined its membership tenure and operation method in addition to its powers and responsibilities in the committee's charter approved by the board.

The nomination mechanism includes progressive selection of competent board and executive management members. Also, SOOR has approved a remuneration mechanism for maintaining efficient employees and attraction of new competent persons in addition to assistance for achieving SOOR goals and progress. The remuneration system – pertaining to executive management - is based on key performance indicators.

Moreover, the committee has prepared KPI Report for overall evaluation of the Board of Directors as well as participation by each board member and each of the board ad hoc committees in addition to appraisal of executive management performance.

2 – Report on remunerations granted to Board Members & Executive Management

An annual detailed report – on all remunerations – either as sums or benefits - granted to board members and executive managements – has been prepared for year 2025 in addition to making sure that the report will be forwarded to SOOR general assembly for approval and recitation by the Board's Chairman.

A summary of the remuneration and incentives policy followed by SOOR Fuel Marketing Company, what is related to the members of the Board of Directors and the Executive Management.

Under the framework of the remuneration system of SOOR Fuel Marketing Company, bonus decisions are taken based on the results of the company's performance, performance against set goals, evaluation of overall individual performance and commitment to the values of SOOR Fuel Marketing Company, work principles, policies and procedures of the company. To evaluate the performance of the members of the Board of Directors, the Remuneration Committee considers the commitment to attend the meetings of the Board of Directors and the nature and effectiveness of participation by each member of the Board in addition to carrying out the tasks and responsibilities entrusted to them.

Details of remuneration and benefits of members of the Board of Directors

Total Number of Board Members	Remuneration and Benefits from the parent company				Remuneration and Benefits from subsidiary companies			
	Fixed Remuneration and Benefits (Kuwaiti Dinar)		Variable Remuneration and Benefits (Kuwaiti Dinar)		Fixed Remuneration and Benefits (Kuwaiti Dinar)		Variable Remuneration and Benefits (Kuwaiti Dinar)	
	Health Insurance	Monthly Salary (Annual Total)	Annual Remuneration	Committee's Remuneration	Health Insurance	Monthly Salary (Annual Total)	Annual Remuneration	Committee's Remuneration
9	None	None	55,000	6,000	None	None	None	None

Details of remuneration and benefits of members of the Executive Management

Total Number of Executive Positions	Remuneration and Benefits from the parent company							Remuneration and Benefits from subsidiary companies				
	Fixed Remuneration and Benefits (Kuwaiti Dinar)			Variable Remuneration and Benefits (Kuwaiti Dinar)				Fixed Remuneration and Benefits (Kuwaiti Dinar)	Variable Remuneration and Benefits (Kuwaiti Dinar)			
	Annual Salaries	Total Medical Insurance	Total Ticket Allowance	Total PISS co. Share	Total Life Insurance	Annual Educational Allowance	Annual Bonus	Annual Salaries	Total Medical Insurance	Total Ticket Allowance	Housing Allowance	Annual Bonus
7	331,200	13,200	15,000	18,975	2,963	18,000	81,000	-	-	-	-	-

Any material deviations from the remuneration policy approved by the Board of Directors:

There are no material deviations from the remuneration policy approved by the Board of Directors

Fourth Rule: Ensured Integrity of Financial Reports

1 -Written Undertakings by Board of Directors & Executive Management on Soundness & Integrity of Prepared Financial Reports

Integrity and fairness of SOOR's financial statements are regarded as an important indicator to the company's truthfulness and credibility in presenting its financial position, a matter which makes shareholders and investors more confident in the statements and information provided and disclosed by the company to its stakeholders. Executive management undertakes in writing to Board of Directors that the company's financial reports are validly and fairly presented and to approach all financial sides related to SOOR including operational statements and outcomes. Besides, such reports are prepared as the recognized IFRSs. In addition, the annual report – provided to shareholders by SOOR Board of Directors – includes a written undertaking of soundness and integrity of all financial statements as well as the reports related to SOOR's business noting that the foregoing reports participate in enhancing accountability of the executive management by the Board of Directors or of the board by shareholders.

2 - Audit Committee Formation

SOOR has an audit committee that comprises of two non-executive board members and one independent member. The committee enjoys absolute independence. It includes one member holding academic qualifications and practical expertise in accounting and financial fields. The board has determined the Audit committee's tenure and operation method. Moreover, its powers and responsibilities specified in the committee charter approved by the board. The committee held nine meetings in 2024 where it discussed multiple subject matters within its powers and assignments. It further met periodically with SOOR's external and internal auditors.

3- Conflict between Audit Committee's Recommendations & Board of Directors Decisions

In the event there is a conflict between the audit committee's recommendations and Board of Directors' decisions including – when the Board of Directors rejects the committee's recommendations, in connection with the external auditor and/or internal auditor, there shall be a detailed statement reflecting the recommendations and the reason

or reasons for the board's deviation from adherence to them. In 2025, there was no contradiction between the committee's recommendations and Board of Directors' decisions.

4 - Independence & Neutrality of External Auditor

SOOR's general ordinary assembly reappointed the company's external auditor (Al-Aiban and Al-Osaimi – Ernst & Young/ Badr Al Abdul Jader) for the year ending on 31/12/2025 as per Board of Directors' decision. This decision was based on the audit committee's recommendations taking into consideration that the external auditor is listed in the Authority's external Auditors register and meets all necessary requirements in this regard. Moreover, the external auditor is independent from SOOR and its Board of Directors and he neither undertakes additional works for SOOR nor works included under audit processes nor tasks which affect neutrality and independence.

Moreover, the external auditor attended SOOR annual general ordinary assembly meeting where he recited the report prepared by him to SOOR shareholders.

Fifth Rule: Applying Proper Systems of Risk Management and Internal Audit

1 - Risk Management

SOOR has an independent risk management department affiliated to the Risk Committee and Board of Directors. This department mainly measures, monitors and evaluates all risks surrounding SOOR and finds solutions to mitigate the adverse impacts of such risks.

2 - Risk Management Committee

The Risk Management Committee is comprised of three board members including one independent member. The board has determined its tenure and operation method. Moreover, the Risk Management Committee's powers and responsibilities are contemplated in the committee charter approved by the board. The Risk Management Committee held four meetings in 2024 where it discussed multiple subject matters within its powers and assignments.

3 - Internal Controls Review

SOOR's Internal controls include all systems which are adequate to maintain the company's financial integrity, statement accuracy and operation efficiency in all respects. Moreover, SOOR has taken into consideration the four eyes principles for internal control process which represented in sound determination of powers and liabilities, the entire separation between assignments, no conflict of interests,

examination, double control and signature by the availability of an administrative and financial structure as well as the procedures pertinent to SOOR in addition to IT systems prepared and designed based on separation of assignments among the respective departments and positions.

4 - Application of Independent Internal Audit Unit/ Office/ Department Requirements

SOOR has signed a contract with an external firm to administer internal audit processes (Moore Global) which has full independence and expanded technical expertise in the auditing field. This firm has prepared audit reports for all activities and operations of SOOR including its various departments. Auditing reports include comments and recommendations in addition to departments' responses as well as business plans determined for taking necessary actions according to forwarded recommendations. Such reports have been presented to the Audit Committee.

The committee also appointed an independent internal auditor for Soor Fuel Marketing Company, who reports to the Audit Committee and the Board of Directors, to oversee and monitor the effectiveness of the internal auditing process and ensure continuous coordination between the company's various departments and the auditing office.

5. Three Lines of Defense

Within the corporate governance and internal control framework adopted by Soor Fuel Marketing Company, the Three Lines of Defense model is applied to ensure clear definition of roles and responsibilities related to risk management and internal control. The internal control system is considered a fundamental component of the governance framework, whereby operational departments act as the First Line of Defense through the execution of operations and adherence to approved policies and procedures.

The Risk Management function and Compliance activities fall under the Second Line of Defense, where they are responsible for developing control measures, monitoring risk exposure levels, and ensuring that the relevant departments comply with applicable internal and external laws, regulations, and instructions.

As for Internal Audit, it represents the Third Line of Defense, performing an independent assurance role by evaluating the effectiveness and efficiency of internal controls, risk management practices, and the level of compliance within the Company. Internal Audit reports are submitted directly to the Audit Committee to ensure independence and transparency in review and assessment.

In addition, both the Audit Committee and the Risk Management Committee, which are committees of the Board of Directors, perform an oversight and supervisory role without involvement in execution. Their role is limited to monitoring the performance of Executive Management, assessing the effectiveness of internal control and risk management systems, and ensuring that reports are escalated to the Board of Directors to support appropriate decision-making.

Classification of Roles within the Three Lines of Defense

Function	Classification	Part of Internal Control?	Responsible Entity
Risk assessment, development of controls and risk mitigation procedures, and support in building internal control systems	Second Line of Defense	✓ Yes	Risk Management
Monitoring compliance with laws, regulations, and internal policies	Second Line of Defense	✓ Yes	Compliance Department
Governance oversight (non-executive supervisory role)	Board Oversight	✗ No	Risk Committee (Board of Directors)
Independent evaluation of the effectiveness of internal controls	Third Line of Defense	✗ No (independent assurance)	Internal Audit
Evaluation of financial statements only, not operational controls	Independent external assurance	✗ No	External Audit

Sixth Rule: Promote Code of Conduct and Ethical Standards

Code of Conduct which includes professional as well as ethical standards and restrictions

SOOR has a code of conduct approved by the Board of Directors. This code of conduct includes standards and restrictions pertinent to professional conduct as well as ethical values. Through sound professional conduct and ethical values, we can enhance the investor's confidence in SOOR integrity and financial statements accuracy noting that all Board of Directors and Executive management adhere to internal policies and regulations as well as statutory and regulatory which optimize interests of all parties

related to SOOR and shareholders with no conflict of interests and with high transparency. In other words, SOOR's governance framework includes compliance by all Board of Directors and executive management members with all laws and regulations in a manner which meets interest of SOOR, shareholders and all related parties and not only the interest of a certain group. Code of conduct stresses on each member and employee inside SOOR not to strive to achieve a persona interest to himself or to a third party in addition to not using job influence for achieving a personal goal or benefit; moreover, each member in SOOR shall avoid exploiting the company's resources and assets to a personal benefit. But he shall rather use them to optimize the company's targets. Above all, SOOR has determined a precise system which prohibits board members and employees from using the information, obtained by them by virtue of their positions, to their own personal advantage. Also, they are prohibited from disclosure of the company's information and data other than in the cases permitted by law. In brief, there shall be an obvious separation between the interest of a Board Member and the interest of the company.

2 - Proper Policies & Procedures for Limitation of Conflict of Interest:

SOOR's Board of Directors has determined the mechanism and policies required for limitation of interest conflict cases including their correction methods as a part of the company's governance framework with observation of Companies Law.

Seventh Rule: Accurate Disclosure and Transparency in the Right Time

1 - Mechanisms of Precise Transparent Presentation and Disclosure which determine disclosure's respects, fields and issues

Precise disclosure is deemed one of the main advantages and methods to monitor the company's operations and evaluate its performance. This leads shareholders and investors to be aware of the company's structures and activities as well as the policies adopted by the company in addition to appraisal of the company's performance in connection with ethical standards. Board of Directors has determined, within the company's governance framework, an approved policy for accurate and transparent presentation and disclosure which reflects the sides, fields, and issues pertinent to disclosure noting that the Board of Directors is concerned with periodical review of disclosure and transparency mechanisms and systems applicable at the company.

2 - Board of Directors & Executive Management's Disclosure Record

SOOR maintains a special record which includes disclosures by board members and the executive management of the ownership percentage of the company's shares in addition

to declarations by insiders which are updated as per provisions of CMA regulation noting that such record is made available for perusal by all the company's shareholders without charge or consideration. Moreover, SOOR periodically updates this record in a manner which reflects the condition of the stakeholders.

3 - Investors Affairs Unit

The company has an independent Investor Affairs Unit, reporting to the Board of Directors, responsible for facilitating and providing the necessary data, information, and reports for potential investors. This is achieved through recognized disclosure channels, including the company's official website.

4 - Upgrade of IT Infrastructure & Strict Reliance thereon in Disclosure Processes

SOOR uses Information Technology at a large level by upgrading several systems adopted in the company's various operations.

Furthermore, SOOR possesses a substantial and effective website encompassing all information and data pertinent to the company's business together with the latest developments which help investors as well as current and potential investors to practice their rights and evaluate the company's performance in addition to a section related to corporate governance noting that SOOR periodically updates its website.

Eighth Rule: Respect of Shareholders' Rights

1 - Identification and protection of shareholders' general equities to ensure fairness and equality among shareholders

SOOR has a recognized policy belonging to shareholders' equity. Further, SOOR article of association include procedures and restrictions required for all shareholders to practice their rights in order to improve and protect shareholders' general equity for ensuring fairness and equality among all shareholders regardless of their levels. Under no circumstances, the company shall not conceal any information or any of shareholders' equity.

Herein below some of shareholders general equity guaranteed by SOOR:

- Entry of shareholding in the company's registers.
- Shareholders' rights to deal with shares including possession's registration and/or acquisition.
- Shareholder right to obtain the prescribed share of dividends.

- Shareholders receive a share of the company's assets in case of liquidation.
- Shareholder right to obtain the details and information pertaining to the company's activity as well as operational and investment strategy in a regular and proper manner.
- Shareholder's right to participate in general assembly in addition to voting over its decisions.
- Shareholder's right to elect board members.
- Monitor the company's performance in general and the Board of Directors' assignments in particular.

2 -Accuracy and On-Going Monitoring of Shareholders' Data

For progressive monitoring of all matters related to shareholders' details, SOOR maintains a special register with Clearing Agency. This register contains shareholders' names, nationalities, addresses and number of shares held by each one of them. Any changes made to the details, set forth in such register, are updated in shareholders' register based on the details received by the company or clearance agency. Each concerned person is entitled to request the company or clearing agency to provide him with statements of such register.

3 - Method to Encourage Shareholders to Participate and Vote in SOOR General Assembly Meetings

- SOOR respects shareholders' right to participate in the company's general assembly meetings and vote over its decisions. This is deemed as an original right of shareholders irrespective of their different levels noting that participation and voting mechanism therein is contemplated in Shareholders' Equity Policy and governance framework applicable at SOOR in conformity to the company's articles of association. The company's articles of association clearly include the procedures and restrictions required for ensuring participation by all shareholders of their rights in a manner which establishes fairness and equality without inconsistency with the applicable laws and regulations as well as the orders and instructions issued in this regard.
- SOOR has approved shareholders' participation mechanism in the company's general assembly meetings based on an invitation by the Board of Directors for meeting within three months following the end of the fiscal year noting that convention by SOOR shall be through all notification channels including Kuwait Stock Exchange's website and daily newspapers. The Board of Directors invites

the general assembly for meeting if required or at a justified request by a number of shareholders who hold not less than ten percent of the company's capital or at request of the auditor in the course of fifteen days of request.

- SOOR approves the voting mechanism as to shareholders' general meetings as set forth in the company's articles of association by allowing all shareholders to participate in voting right without placing any obstacles which may lead to voting restriction. This is because voting is an original right to shareholder. Hence, it cannot be terminated in any way.

Ninth Rule: *Respect the Rights of Stakeholders*

1- Regulations and policies which ensure protection and recognition stakeholders' rights

SOOR respects and protects the rights of stakeholders in all incoming and outgoing transactions. Therefore, it has prepared, within the company's governance framework, a policy approved by the Board of Directors including rules and procedures which ensures the protection of stakeholders' rights and allows them to obtain indemnifications if any of their rights are breached.

For no conflict of interests belonging to stakeholders, either in connection with contracts or spot transactions with the company, with those pertinent to shareholders, it is worth saying that stakeholders may not obtain privileges via their dealing in contracts and transactions which fall within the company's usual activities. Moreover, the company determines internal policies and regulations which ensure an obvious mechanism in respect of awarding all various types of contracts and transactions via tenders or different purchase orders.

2 - Encouraging stakeholders to participate in monitoring SOOR's different activities

The company allows stakeholders to obtain the information and data pertaining to their activities to be depended on in a timely and regular manner.

In addition, the company sets proper mechanisms to make it easier for stakeholders to forward a report to the company's Board of Directors on any unsound practices burdened on them by the company noting that proper protection shall be made available to reporting parties.

Tenth Rule: Encourage and Enhance Performance

1 - Board of Directors & Executive Management Members' Progressive Training Program & Course Mechanism

SOOR approves adequate training programs, workshops and conferences for the current board members and the executive management pertaining to the company's business and role of board members in order to elaborate their skills and expertise in addition to matching with developments in a manner which helps them to perform their duties.

2 - Overall Appraisal of Board of Directors Performance & Individual Performance of each Board member and Executive Management member

SOOR has applied systems and appraisals so as to evaluate the performance of board members as well as executive management members on a periodical basis. In this regard, evaluation relies on a series of key performance indicators related to the accomplishment of the company's strategic goals, effective risk management and adequate internal audit for appraisal of each of the aforementioned members as well as the relevant committees. In addition, there are performance indicators which evaluate the executive management's performance on an annual basis to reflect their points of strength and weakness and deal with them to the benefit of SOOR.

3 - Corporate Value Creation

Board of Directors strives to establish short, medium and long-term values by determining and providing mechanism and procedures which can fulfill the company's strategic goals and improve performance rates in a manner that efficiently participates in motivating employees to work continually to maintain the company's financial integrity.

The company works hard on internal and integral reporting systems to become more comprehensive as this helps the board members as well as the executive management to make decisions effectively hence meeting shareholders' interests.

Eleventh Rule: Focus on the Importance of Corporate Social Responsibility

1 - Making balance between SOOR goals and society targets as well as programs and social responsibility work

SOOR has determined a policy to make a balance between the company's goals and society objectives represented in improving the living, social and economic conditions of society.

2 - Adopted programs and mechanisms which reflect the efforts exerted by SOOR at social work level

1. Sponsorship was provided for the publication of campaign advertisements aimed at raising awareness of the Drug and Psychotropic Substances Law, in cooperation with the Ministry of Interior.(MOI)
2. A sponsorship was provided to Kuwait Sports Club as support from Soor Fuel Marketing Company for the club sports and cultural activities .
3. A sponsorship was provided for a graduation project for students at the College of Engineering and Petroleum on preparing an engineering model of marine operations in the oil and gas sector.

Appendix (1)

التاريخ : 2025/04/23

السيد/ طريف باقر العوضي
رئيس مجلس الإدارة
المحترم ،،،
تحية طيبة و بعد،

الموضوع : إقرار عضو مجلس الإدارة (عضو مستقل)

أقر أنا مبارك فالج السهلي كويتي الجنسية ، رقم مدني (264031100759) عضو مجلس إدارة شركة السور لتسويق الوقود بصفتي عضو مجلس الإدارة المستقل ، بأنني أتمتع بكافة شروط الاستقلالية التالية :

- 1- أنني أتمتع بالاستقلالية على النحو الوارد في المادة (2-3) من الفصل الثالث من الكتاب الخامس عشر (حوكمة الشركات) من اللائحة التنفيذية للقانون (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما .
- 2- أنه يتوفر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع نشاط الشركة .

و تفضلوا بقبول فائق الاحترام ،،،


عضو مجلس الإدارة المستقل
مبارك فالج السهلي

التاريخ : 2025/04/23

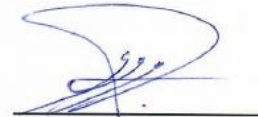
السيد/ طريف باقر العوضي
رئيس مجلس الإدارة
المحترم ،،،
تحية طيبة و بعد،

الموضوع : إقرار عضو مجلس الإدارة (عضو مستقل)

أقر أنا جابر محمد عبدالله اشكناني كويتي الجنسية ، رقم مدني (269032000533) عضو مجلس إدارة شركة السور لتسويق الوقود بصفتي عضو مجلس الإدارة المستقل ، بأنني أتمتع بكافة شروط الاستقلالية التالية :

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و تفضلوا بقبول فائق الاحترام ،،،



عضو مجلس الإدارة المستقل

جابر محمد عبدالله اشكناني