

Corporate Governance Report SOOR Fuel Marketing Co. S.A.K



Introduction

Corporate governance rules are represented in the principles, systems and procedures that achieve the best protection and balancing between the interests of companies and shareholders management therein and other stakeholders associated with them. The fundamental objective of implementing governance rules is underlined by the company's being in line with the shareholders' goals in a manner that enhances shareholders confidence in the efficiency of the company's performance and its capability to face crises.



Corporate governance rules regulate the methodology of taking all decisions within the company and motivate the existence of transparency and integrity for such decisions. Among the most significant corporate governance rules are to protect shareholders, segregate the authority between the executive management running the works of the company and the board of directors that prepares and reviews plans and policies in this company and thus adds assurance and enriches the feeling of confidence in dealing therewith. Further, it enables shareholders and stakeholders to efficiently control the company.

On 27 June 2013, the Capital Markets Authority issued decree No. 25 of 2013 in line with issuing the governance rules for companies under the umbrella of its supervision. The rules issuance were generated within the framework of the provision of article No(40) of the executive regulation of law No.7 of 2010 in connection with establishing the Capital Market Authority and Regulation of Securities Activity, that the Authority set a special system for governance. This is in addition to the provisions of Article No. 217 of the decree No. 25 of 2012 spreading the Companies law and its amendments, which restricted that “the concerned regulatory bodies shall lay down the corporate governance rules for companies subject to their control, in order to achieve the best protection and balance between the interests of the company’s management, its shareholders and other related stakeholders”. Furthermore, it explains the requirements which should be available in the independent members of the board of directors.

Such rules were amended by decree No. 48 of 2015 passed on 30th June 2015, which have been re-decreed within part fifteen of the executive regulation of law No. 7 of 2010 in connection with establishing the Capital Markets Authority and Regulation of Securities Activity. These rules have been applied on 30th June 2016.

Corporate governance rules handled a set of principles and basic requirements, on which the rational governance bases are based as well as the application methodology of such rules and principles. The methodology outlines the indicative ways of the good activation mechanism of governance principles including the existence of a balanced structure of the board of directors including nonexecutive and independent members, the statement of the responsibilities and competences of both of the board of directors and the executive management, stressing the ensured fairness of financial reports, the necessity of providing good risks management and internal control

systems, caring for the enhancement of professional conduct and moral values, the importance of the availability of disclosure and transparency mechanisms, the protection of shareholders' rights, the realization of the role of stakeholders, the elimination of the conflict of interests, the improvement of performance and stressing the social importance falling upon companies' shoulders.

In line with the positive steps taken by Capital Markets Authority (CMA) through the regulations, systems and decisions, through which it seeks for improving work environment, transparency and shareholders' protection, the company always aims at focusing its efforts through the integrated team to implement all the laws and decrees in the required professional manner in the specified time.

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

- ✦ The role of the board of directors represents the balance point which that focuses on achieving shareholders' objectives and following up the executive management whereas the board of directors seeks for achieving the strategic objectives of the company through executive management's undertakings of all the tasks entrusted to it in a perfect manner.
- ✦ Whereas the board decisions have a significant effect on the performance of the company and the safety of its financial position, therefore the company addressed concern that its board of directors consists of a sufficient number of members (9 members), in order to form the required number of committees deriving from it under the framework corporate governance rules and regulations. In establishing the board of directors, the diversity of specialized experiences and skills were taken into consideration in a manner that contributes to the enhancement of productivity in decision-making. Furthermore, non-executive members are the majority of the board and it consists also of one independent member. Company board assigns sufficient time for supervising and reviewing its tasks and responsibilities
- ✦ Further, the board of directors of the company allocates sufficient time for reviewing the tasks and responsibilities assigned to it including the preparation for the meetings of the board and its derivative committees along with keenness for attending them in addition to organizing the meetings of the board of directors of the company according to the provisions of the law and rational governance rules.
- ✦ A special register has been created for board minutes of meetings documentation in sequential numbers of the year, in which the meeting was held, and showing the location of the meeting, its date as well as starting and ending time. The board has appointed a board secretary (Ihab Ishak – Vice President, Finance and Accounts) from among the staff of the company along with settling his duties according to the governance rules of the company and in a manner that matches the responsibilities assigned to him.
- ✦ The duties and responsibilities of each, the board of directors and the executive management were clearly outlined in the policies and regulations approved by the board of directors and in a manner that reveals the balance in powers and authorities between the board of directors and the executive management, and so that none of the parties has absolute authority, in order to facilitate the operations of the company.

Formation of Board of Director of SOOR Fuel Marketing Co.

Name	Member Classification	Scientific Qualification	Practical Experience	Election/Secretary Appointment Date
Mr. Tarif Mohammed Al-Awadi	Nonexecutive	Bachelor of Business Administration	20 years in business administration	2-6-2016
Mr. Talal Ahmed Al-Khars	Executive	Bachelor of Science	20 years in business administration and development	2-6-2016
Sheikh/ Faisal Al-Jaber Al-Sabah	Nonexecutive	Bachelor of Business and accounting	25 years in Oil Sector	30-10-2017
Mr. Essa Ibrahim Al-Mousa	Nonexecutive	Bachelor of Computer Science	19 years in computer systems management, technological, technical and engineering services.	2-6-2016
Mr. Hani Fawwaz Abdulrahman	Nonexecutive	Bachelor of Business Administration Master in Financing	28 years in the financial, investment and risk management field	2-6-2016
Mr. Meshaal Yaqoub Al-Omar	Nonexecutive	Bachelor of Arts	17 years in real-estate field.	2-6-2016
Mr. Abdulwahab Al Mansouri	Nonexecutive	Bachelor of Law	23 years in legal field	30-11-2016
Mr. Asaad Ahmed Al-Saad	Nonexecutive	Bachelor in Mechanical Engineering	38 years in the oil refinery sector and petrochemicals sector	2-6-2016
Mr. Khalid Saleh Al-Ass'ousi	Nonexecutive	Bachelor of Engineering	31 years in the oil sector	2-6-2016
Mr. Jaber Mohammed Al-Hajeri	Independent	Secondary School	30 years in media field	2-6-2016

Board Meetings of the Company

Name	Designation	Meeting No. (1) dated 22/03/2017	Meeting No. (2) dated 27/03/2017	Meeting No. (3) dated 14/05/2017	Meeting No. (4) dated 16/05/2017	Meeting No. (5) dated 14/08/2017	Meeting No. (6) dated 25/09/2017	Meeting No. (7) dated 13/11/2017	Meeting No. (8) dated 11/12/2017
Mr. Tarif Mohammed Al-Awadi	Chairman	✓	✓	✓	✓	×	✓	✓	✓
Mr. Talal Ahmed Al-Khars	Vice Chairman & CEO	✓	✓	✓	✓	✓	✓	✓	✓
Sheikh/ Faisal Al-Jaber Al-Sabah	Board Member							✓	✓
Mr. Essa Ebrahim Al-Mousa	Board Member	✓	✓	✓	✓	✓	×	✓	×
Mr. Hani Fawwaz Abdulrahman	Board Member	✓	✓	✓	✓	×	✓	✓	✓
Mr. Meshaal Yaqoub Al-Omar	Board Member	✓	✓	✓	✓	×	✓	✓	✓
Mr. Abdulwahab Al Mansouri	Board Member	×	✓	×	✓	✓	✓	×	✓
Mr. Asaad Ahmed Al-Saad	Board Member	✓	✓	✓	✓	✓	✓		
Mr. Khalid Saleh Al-Ass'ousi	Board Member	✓	✓	✓	✓	×	×	✓	✓
Mr. Jaber Mohammed Al-Hajeri	Board Member	✓	×	✓	✓	✓	✓	✓	✓

- ✦ Sheikh/ Faisal Al Jaber Al Sabah was appointed as Kuwait Petroleum Company (KPC) representative in SOOR Fuel marketing company board instead of Mr. Asad Ahmed Al Sa'ad as per the letter received from KPC dated 30/10/2017

Second Rule: Establish Appropriate Roles & Responsibilities

The corporate governance framework approved by the board of directors reflects the duties and responsibilities of the board of directors in line with the corporate governance rules, which are summarized in the following:

- ✦ Approval of significant strategies, plans and policies of the company including:
 - Laying down performance objectives, controlled execution and comprehensive performance of the company.
 - Updating organizational and job charts in the company and conducting periodic audits thereof.
 - Preparation of the company capital structure and its financial objectives.
 - Laying down the comprehensive strategy for the company, main action plan, their revision and direction.
- ✦ Declaration of the annual estimated budgets and approving the interim and annual financial statements.
- ✦ Participation in realizing the profits of the company.
- ✦ Supervision of the major capital expenditures of the company, acquisition and disposal of assets
- ✦ Verify the extent of the company's compliance with policies and procedures that ensure its respect of the applicable internal systems and regulations by the support of both the audit committee and the risks committee deriving from the board.
- ✦ Being liable to questioning by the shareholders and assuming the responsibility before the relevant stakeholders.
- ✦ Update the financial and administrative authorities delegated to the executive management.
- ✦ Following up the performance of each member of the board of directors and the executive management according to objective Key Performance Indicators "KPIs" with the support of the board's nominations and remuneration committee.
- ✦ Approval of the corporate governance report so that it can be read in the general assembly of the company and which incorporates the requirements and procedures of corporate governance rules' completion and the extent of compliance with them.
- ✦ Forming specialized committees deriving from the board according to a charter showing the term, validity and responsibilities of the committee and how the board controls the same. Further, the formation decision includes nominating members, fixing their tasks, rights and

duties in addition to evaluating the performance and works of such committees and the key members therein. Audit committee, risks management committee and nominations and remuneration committee were formed as per the detail shown in this report.

- ✦ Approval of the company governance system in a manner which does not contradict with the corporate governance rules issued by the Capital Markets Authority, general supervision over it and controlling the extent of its efficiency and amending it if required.
- ✦ Ensuring the accuracy and soundness of data and information that must be disclosed in accordance with the disclosure and transparency policies and regulations.

The corporate governance framework approved by the board shall reflect the tasks and responsibilities of the chairman in conformity with corporate governance rules and which are summarized as follows:

- ✦ Ensuring efficient discussion of all main issues by the board and in a proper time.
- ✦ Supporting and assisting the executive management.
- ✦ Representing the company toward third parties, as stipulated under the company articles of association.
- ✦ Encouraging all board members to completely and efficiently participate in handling board affairs in order to ensure that the board undertaking the actions for the interest of the company.
- ✦ Ensuring actual communication with shareholders and carrying their opinions to the board of the directors.
- ✦ Encouraging constructive relationships and efficient participation between both of the board and the executive management.
- ✦ Creating a culture encouraging constructive criticism on the issues, around which there is a disagreement in point of views among board members.

The company has a highly qualified teamwork of executive management. The corporate governance framework reflects the tasks and responsibilities of the executive management that it complies with in light of the authorities and powers granted and approved by the board of directors and which are summarized as follows:

- ✦ Execution of all policies, regulations and internal systems of the company and which are approved by the board of directors.
- ✦ Execute the annual strategy and plans approved by the board of directors.
- ✦ Preparing periodic reports in relation to the progress achieved in the business of the company in light of the strategic plans and objectives of the company.

- ✚ Managing daily work and running business in addition to the management of the company resources in the optimum manner, gratify profits and reduce costs, in conformity with the objectives and the strategy of the company.
- ✚ Maintaining the development and construction of ethical values culture inside the company.
- ✚ Establishing internal control and risks management systems to confirm the efficiency and sufficiency of such systems and caring for risks trend compliance approved by the management of the company.
- ✚ Developing IT infrastructure to provide data and information necessary for decision-making in accordance with the company's expansion requirements and its strategy.
- ✚ Preparing Key Performance Indicators "KPIs" of company's employees and evaluating their accomplished tasks periodically.
- ✚ Lay down a clear work mechanism in connection with following up regulatory rules and regulations related to the work nature of the company for ensuring strict compliance and implementation of the same.

Board of Directors Committees

Audit Committee

- ✚ Formation Date: 20-06-2016
- ✚ Committee Term: Expiring along with the expiration of the board of directors.

<u>Board Members</u>	<u>Title</u>	<u>Classification</u>
Mr. Hani Fawwaz Abdulrahman	Committee Head	Nonexecutive Board Member
Mr. Essa Ibrahim Al-Mousa	Committee Member	Nonexecutive Board Member
Mr. Jaber Mohammed Al-Hajeri	Committee Member	Independent Member

Number of meetings held in 2017: 6 meetings

Tasks and Achievements of the committee during 2017:

- ✚ Reviewing the periodic financial statements before being presented to the board of directors, showing opinion and recommending in its respect to the board of directors with an aim of ensuring the justice and transparency of financial reports and ensuring the integrity and fairness of financial reports and internal control systems of the company as the company held its periodic meetings, in which financial reports were reviewed and the committee raised a recommendation to the board of directors for approval.
- ✚ Follow up with the external auditors' works and ensure that they only submit the services required by the auditing profession in the company.

- ✚ Studying the observations of external auditors on the financial statements of the company and follow up the developments in this respect.
- ✚ Reviewing the Audit and corporate governance reports before presenting it to the General Assembly.
- ✚ Technically supervising the internal audit unit in the company for verifying the extent of its efficiency in executing the works and tasks specified by the board of directors. .
- ✚ Recommending to the board of directors on appointing, re-appointing, changing or fixing the fees of the external auditors.
- ✚ Reviewing the results of internal audit reports and ensures that the necessary corrective actions were taken concerning the observations stated in such reports.
- ✚ Reviewing the opinion and recommendations of internal control report (ICR) which was prepared by Grant Thornton to evaluate the extent of sufficiency of internal control systems in place.

Risk Management Committee

- ✚ Formation Date: 20-06-2016
- ✚ Committee Term: Expiring along with the expiration of the board of directors.

Board Members	Title	Classification
Mr. Hani Fawwaz Abdulrahman	Committee Head	Nonexecutive Board Member
Mr. Talal Ahmed Al-Khars	Committee Member	Executive Board Member
Mr. Jaber Mohammed Al-Hajeri	Committee Member	Independent Member

Number of meetings held in 2017: 4 meetings

Tasks and Achievements of the Committee during 2017:

- ✚ Reviewing and approving risk plan that was prepared by the Chief Risk Officer (CRO) concerning identifying the nature of risks facing the company.
- ✚ Reviewing the results of risk reports concerning evaluation of risk nature facing the company through different internal departments.
- ✚ Assessing and evaluating systems of identifying, measuring and monitoring risks associated with the company's activities.

Nominations and Remuneration Committee

- ✚ Formation Date: 20-06-2016
- ✚ Committee Term: Expiring along with the expiration of the board of directors.

Board Members	Title	Classification
Mr. Meshaal Yaqoub Al-Omar	Committee Head	Nonexecutive Board Member
Mr. Talal Ahmed Al-Khars	Committee Member	Executive Board Member
Mr. Jaber Mohammed Al-Hajeri	Committee Member	Independent Member

Number of meetings held in 2017: 2 meetings

Tasks and Achievements of the committee during 2017:

- ✚ A detailed annual report was prepared on all remunerations granted to board and executive management members for year 2016 and ensuring that the report is to be submitted to the general assembly of the company for approving the same.
- ✚ The committee has prepared Key performance indicators report (KPI) in order to evaluate the board of directors as a whole, and the contribution of each member of the board and each committee thereof, in addition to evaluating the performance of executive management.

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

Nomination and Remuneration Committee:

The nomination mechanism to the membership of the board of directors and executive management ensures the continuation of attracting and selecting competent staff to join the membership of the board and executive management. Furthermore, the company's mechanism of offering remunerations was approved by the company in order to keep competent staff and attract new competencies and to assist in fulfilling the company's objectives and its progress. The board of the company has formed a nomination and remuneration committee that consists of three of the board with one independent member. The board has specified the committee membership tenure and its working method, as well as indicated the powers and responsibilities of the committee in its charter, approved by the board.

- ✚ The remuneration system of the executive management is associated with the Key performance Indicators "KPI".
- ✚ A detailed annual report was prepared on all remunerations granted to board and executive management members for year 2016 and ensuring that the report is to be submitted to the general assembly of the company for approving the same.

- ✚ The board remunerations shall be approved by the general assembly, pursuant to the recommendation of the Nominations and Remunerations committee.
- ✚ The committee has prepared Key performance indicators report (KPI) in order to evaluate the board of directors as a whole, and the contribution of each member of the board and each committee thereof, in addition to evaluating the performance of executive management.

Fourth Rule: **Ensured Integrity of Financial Reports**

Written undertakings by both of the board of directors and the executive management as to the integrity of prepared financial statements

The integrity and fairness of financial statements of the company are the most important indicators denoting the fairness and credibility of the company in presenting its financial status, which increases the trust of shareholders and investors in the data and information made available by the company and disclosed to its shareholders. The executive management of the company undertakes to the board of directors in writing that the financial reports of the company are properly and fairly presented and that they discuss all financial aspects of the company including operational data and results. Further, they are prepared according to the international accounting standards approved by the authority. Further, the annual report raised to the shareholders by the board of directors of the company includes an undertaking as to the integrity of all financial statements as well as the reports relevant with the business of the company as the said undertakings contribute to the enhancement of the questioning process, whether questioning the executive management by the board of directors or that of the board of directors by the shareholders.

Formation of Audit Committee

The company formed an internal audit committee of three members from the nonexecutive board members including the independent member. It enjoys full independence and includes a member holding scientific qualifications and a practical experience in accounting and financial fields. The board fixed the membership period of the committee and its work method. Further the powers and responsibilities of the audit committee were shown within its work charter approved by the board of directors. The committee met six times during 2017 and discussed several subjects within its powers and tasks. Further, it met with the company external auditors and internal auditor. During the committee's work, there was no contradiction between the Audit committee's recommendations and the board resolutions.

Independence and Neutrality of External Auditor of the Company

The ordinary general assembly of the company appoints/reappoints the auditor of the company pursuant to the board of directors' resolution. The nomination of the auditor was based on a recommendation from the audit committee. The audit committee took into consideration that the external auditor is registered in the Authority's special register whereby he satisfies all the requirements of the Authority decree in connection with the auditor's registration system, as well as to ensure that the external auditor is independent from the company and its board of directors thereof and that he does not undertake additional works for the company and which do not fall within the audit works and which may affect neutrality and independency.

The external auditor attends the annual ordinary general assembly meeting of the company and reads the report prepared by it to the company's shareholders.

Fifth Rule: Laying Down Proper Systems for Risk Management and Internal

Audit

A Chief Risk Officer was appointed based on a recommendation from the risks committee to the board of directors for determining and measuring the risks, to which the company is exposed. There is available in the organization chart of the company an independent risks management unit and which mainly works on measuring and following up the elimination of all types of risks facing the company .

Risks Management Committee

The risks management committee is consisting of three board members including the independent member. The board has outlined the membership tenure of committee and its working method. Further the powers and responsibilities of the risks committee are stipulated within its work charter approved by the board of directors. The committee met four times during 2017 and discussed several subjects within its powers and tasks.

Summary of Internal Control Systems

There is available in the company internal control systems covering all activities of the company and which work on maintaining the financial integrity of the company, the accuracy of its data and the efficiency of its operations from all aspects. Further, the organization chart of the company took into account the internal control principles of the double control process (Four Eyes Principles) represented in the proper determination of authorities and responsibilities, full segregation of tasks, non-conflict of interests, double inspection and control, double signature through the availability of financial and administrative structure and procedures and procedures

related to the operations of the company in addition to IT systems prepared and designed based on tasks segregation principle among different departments and positions concerned.

Application of Independent Internal audit Department/office/Unit Requirements

The company entered into contract with an independent external office for managing the internal audit operations (Al Eiban and Al Qatami Grant Thornton), which enjoys full independency and of vast technical experience in the field of internal auditing. There is available in the organization chart of the company an internal audit in-charge reporting to the audit committee and the board of directors for following up audit works in co-ordination with the office. The audit office mandated with preparing the internal audit reports on all the operations of the company's sectors and departments, including the remarks, resulting effects, recommendations, in addition to the replies of the departments and specified action plans in order to take the required measures according to the submitted recommendations and submit these reports to the Audit committee.

Sixth Rule: Promote Code of Conduct and Ethical Standards

✚ The consolidation of professional behavior and moral values culture inside the company reinforces the investor's confidence in the fairness of the company and the integrity of its financial statements, whereas the board and executive management members and all laborers in the company complies with the internal policies and regulations as well as legal and regulatory requirements leading to the achievement of interests of all parties relevant with the company, especially the shareholders, with no conflict of interests and with a high degree of transparency. The approved company governance framework comprises of a number of determinants and criteria addressing the establishment of the principles of the compliance of each of the board of directors and executive management's members with all the laws and instructions, represent all shareholders and compliance of achieving the interest of the company, the interest of shareholders and interest of other stakeholders and not only the interest of a specific group. Furthermore, it comprises the board of directors or executive management member's not using the job influence of the position in order to fulfill a personal interest or any personal goals for him or others, as well as avoiding the use of the company's resources and assets to achieve personal interests, use such assets and resources in the optimum manner to fulfill the objectives of the company. Further, the company has laid down a tight system and a clear mechanism preventing the board members and personnel from exploiting the information they accessed by virtue of their position for their personal benefit, in addition to prohibiting the disclosure of information and data of the company except in the cases permitted by the law, as well as confirming the laying down of procedures regulating operations with related parties and that there should be a clear segregation between the

company's interest and those associated with the board of directors member through the board's laying down off mechanisms for having the company interests dominate over the interests of its members.

Policies and mechanisms for controlling cases of conflict of interests

The company board has laid down the mechanisms and policies in connection with controlling the cases of conflict of interests, methods of addressing and handling them, as part of the corporate governance framework, taking into consideration the content of the companies' law.

Seventh Rule: Accurate Disclosure and Transparency in the Right Time

The accurate disclosure is one of the basic features and methods for following up the business of the company and evaluating its performance as it contributes to shareholders and investors' familiarity with the structures and activities of the company as well as the policies applied by the company in addition to evaluating the performance of the company in connection with the moral criteria. The board of directors established, through the corporate governance framework, mechanisms and systems for accurate and transparent presentation and disclosure and which determines disclosure sides, fields and properties. The board of directors cares for periodically reviewing the disclosure and transparency mechanisms and systems applicable in the company.

Disclosures of Board and Executive Management Members

The company has a special register for the disclosures of board and executive management so as it includes the disclosures of the ownership percentage and the trading of company' shares in addition to the declarations and undertakings by insiders and which are updated according to the provisions of the executive regulation of the Capital Markets Authority (CMA) resolution. Further, the company periodically updates such register in a manner that reflects the reality of the concerned parties.

Investors Affairs Organization Unit

The tasks of investors' affairs management was assigned to the Vice President of Finance & accounts and he is responsibility for making available and providing financial data, information and reports necessary for potential investors.

Development of IT Infrastructure and Relaying on them to Great Extent in Disclosures

The company developed IT infrastructure and which they use and rely on in its entire works as it uses several programs in its different departments.

Further, the company has a vital and effective website and it includes all information and data related to the works of the company and the last developments in addition to a section related to corporate governance as the company maintains the site periodically.

Eighth Rule: Respect of Shareholders' Rights

The implementation of rational governance rules achieves balance between the objectives of the company and those of its shareholders, protects shareholders' rights and achieves justice and equality among them. The company deals equally and with no discrimination with all shareholders. Under no condition the company conceals any information or any of the shareholders' rights. In this respect, the company complies with all provisions of the law and the executive regulation as well as the instructions and regulatory rules issued from its side. In addition, the company's article of association, its corporate governance framework, internal regulations, procedures and rules necessary for ensuring that all shareholders practice their rights in a manner that achieves justice and equality and in conformity with the applicable laws and regulations and the decisions and instructions issued in this connection.

Among the general rights of shareholders guaranteed by the company are the following:

- Register the value of the shareholders' equity in the company's records,
- The shareholders' rights to transact with the shares including the registration of ownership, its transfer and/or assignment,
- The right of shareholders to obtain the determined share in the profits distributions,
- The right of shareholders to obtain a share of the company assets in the event of liquidation,
- The right of shareholders to obtain the data and information concerned with the company activity, operational and investment strategy in a regular and convenient manner,
- The right of shareholders to participate in the meetings of the general assembly of shareholders and voting on its decrees,
- The right of shareholders to elect members of the board of directors,
- The right of shareholders to control the company's performance generally and the board of director's operations in particular.

With purpose of continuous follow-up of all matters related to shareholders' data, the company keeps a special register with the Clearing Agency wherein shareholders' names, nationalities, addresses and the number of shares owned to each are recorded. Any changes occurring to the data recorded in such register are notated in the shareholders' register according to the data received by the company or the clearing agency. Every concerned person shall be entitled to ask the company or the clearing agency to provide him with data from such register.

Ninth Rule: Respect the Rights of stakeholders

The company respects and safeguards the rights of stakeholders in all its dealings and internal and external dealings. Therefore, it established, within the corporate governance framework, policies including rules and procedures that ensure protection and acknowledgment of stakeholders' rights.

Encouragement of Stakeholders to Participate in Follow-up of Different Activities of the Company

For the sake of non-conflict of stakeholders' interests, whether they are contracts or transactions concluded with the company, with those of the shareholders, it should be taken into consideration that no stakeholder shall get a privilege through his dealing in contracts and transactions falling within the usual activities of the company. Further, the company establishes internal policies and regulations that ensure a clear mechanism for awarding the contracts and the transactions with its different types and through different tenders or purchase orders.

Tenth Rule: Recognize the Roles of Stakeholders

- ✚ A training and development policy was established along with focusing on an annual training plan of board and executive management members in financial, investment, risks management, analysis, strategic planning and leadership fields and the most important consistent laws to the Capital Markets Authority.
- ✚ The company established systems and evaluations for evaluating the performance of both of the members of the board of directors and the executive management on a periodical basis and through a set of objective Key Performance Indicators (KPIs) that is associated with the extent of achievement of strategic objectives of the company, the quality of risks management and the sufficiency of internal control systems for evaluating the performance of the board of director as a whole and the contribution of each board member and every board committee as well as performance indicators of the evaluation of the executive management on a yearly basis for showing and determining strengths and weaknesses and suggesting its treatment in conformity with the interest of the company.

Corporate Values Creation with Company' Staff

The board of directors works on creating values inside the company on short, medium and long terms through establishing and providing mechanisms and procedures that work on achieving the strategic objectives of the company and improving the performance rates in a manner that efficiently contribute to the creation of corporate values with the staff and motivating them to continuous work for maintaining the financial integrity of the company.

Eleventh Rule: Focus on the Importance of Corporate Social Responsibility

Establish equilibrium between the objectives of the company, objectives of the community, and the programs and mechanisms used in the social work field.

- ✚ SOOR Fuel Marketing Co. established a policy for achieving the balance between both of the objectives of the company and the objectives of the society and which works on developing living, social and economic conditions of the society.
- ✚ Whereas the company is interest in taking care for talented persons in different fields, the company sponsored different programs during the year such as “the Proteges Program” and the graduation project performed by students of Engineering College in Kuwait University and others.
- ✚ Increasing the employment percentage of Kuwaiti staff.
- ✚ The company participated in the protection of environment from pollution and environmental damages through adopting wastes recycling throughout the company and by working on wastes’ collection as a preliminary step for recycling the same.
- ✚ The company cares for cultivating and educating its staff on the objectives of the social responsibility assumed by the company in a manner to contribute the promotion of the performance level of the company and respecting all applicable laws and applications and complying with.