



Agility Public Warehousing Company K.S.C.P

Corporate Governance Report
For the Financial Year 2023

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Introduction

Agility Public Warehousing Company KSCP continuously strives to comply with the international best practices in Corporate Governance and all the applicable rules and regulations set by the regulatory authorities. In addition, the company ensures compliance with all its legal obligations in accordance with its articles of association and internal policies.

Agility approaches its corporate governance implementation through its Board of Directors which consists of an appropriate number of members, a majority of which are non-executive Directors. The Board is keen on the effective oversight of the company's operations while maintaining a sound and transparent governance framework by utilizing the different committees formed by the Board.

The Board of Directors is assisted in its duties by five committees - Audit, Risk, Nomination and Remuneration, Sustainability and DSV investment. In addition to the Executive Management and internal and external auditors of the company.

Corporate Governance Rules and Regulations

Rule I: Construct a Balanced Board

Board Composition

Agility's Board of Directors is committed to improve the corporate governance and compliance culture across the Group. The Board adheres to all the applicable and relevant international best practices of corporate governance and recognizes that good governance is vital for the long-term success and sustainability of the Company.

The Board of Directors aims to protect the interests of all stakeholders. The Board, directly and indirectly, through its committees, provides direction to executive management by laying down strategic frameworks and overseeing their implementation reflected through the overall performance of the Company. Moreover, the Board of Directors works to enhance the competitiveness of the Company to achieve high growth rates, which benefits the shareholders.

Agility has a balanced Board structure with diverse backgrounds, expertise and qualified skills to positively impact the Company's performance and enhance its financial position and market share taking into account the nature and size of its business structure.

The Board of Directors consists of seven members with a majority of non-executive members including independent members. When it comes to duties, the company ensures that the Board of Directors has sufficient time to perform their duties and responsibilities.

Agility Board Members are:

Name	Position	Type	Background	Date of appointment
Henadi Al Saleh	Chairman	Executive	Bachelor in Economics	16 May 2022
Tarek Sultan	Vice Chairman	Executive	Master in Business Administration	16 May 2022
Sultan Al Essa	Member	Independent	Bachelor in Business Administration	16 May 2022
Public Institution for Social Security	Member	Non-Executive	-	16 May 2022
Naser Al Rashed	Member	Independent	Master in Business Administration	16 May 2022
Faisal Al Essa	Member	Non-Executive	Bachelor in Business Administration	16 May 2022
Essam Al Mailam	Member	Non-Executive	Bachelor in Architectural Engineering	16 May 2022
Sonia Al Sharafi	Board Secretary	Board Secretary	More than 25 years of experience	29 May 2022

The Board of Directors held 11 meetings during 2023, and attendance was as follows:

Name	Meeting record											Attendance
	30 March	1 May	11 May	24 July	24 July	13 August	21 September	1 October	14 November	20 November	7 December	
Henadi Al Saleh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Tarek Sultan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Sultan Al Essa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
PIFSS**	x	x	x	x	x	x	x	x	x	x	x	0%
Naser Al Rashed	✓	✓	✓	x	x	x	x	x	x	x	✓	36%
Faisal Al Essa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Essam Al Mailam	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

* A ✓ is indicated for the member's presence and X for absence

**Please note that the Public Institution for Social Security didn't appoint a representative yet.

Summary of registering, coordinating, and archiving the Board's minutes of meetings:

The Board secretary, who is appointed by the Board, ensures that all Board members receive the required information, documents and records related to the Company in a timely manner. The Board Secretary is also responsible for all matters related to the Board's meetings including agendas, invitations to members, minutes of discussions and tallying results of the votes, in addition to ensuring the Board members are notified of meeting dates ahead of time, taking into account emergency meetings.

The secretary archives the minutes of meetings and numbers them accordingly, specifying the date, place, and the time of the meeting. The secretary also ensures proper communication between the Board members and Company's stakeholders.

Rule II: Establish Appropriate Roles and Responsibilities

During the year 2023, Agility's Board of Directors played an active role in overseeing the performance of the company and ensuring it complied with all Corporate Governance requirements as set by the Capital Markets Authority. When performing their duties, members of the Board follow a Charter that outlines the roles and responsibilities of the members.

Roles and responsibilities of the Board of Directors:

- Approving the company's strategies, goals, plans and policies.
- Acknowledging annual estimated budgets and approving periodic and annual financial statements.
- Supervising company's main capital expenditure, assets acquisitions and disposal of the same.

- Safeguarding accuracy and validity of information to be disclosed in accordance with applicable disclosure and transparency policies and procedures.
- Ensuring compliance with policies and procedures that are in line with internal applicable rules and regulations.
- Establishing effective communication channels that allow the company's shareholders to view the various aspects of the company's activities and any material developments on a continuous and periodic basis.
- Establishing an effective corporate governance framework. .
- Follow up on the performance of each Board member and the Executive Management. .
- Prepare a Corporate Governance report to be included in the Annual Report and presented during the Annual General Assembly for the company.
- Establishing committees with charters that specify the term, structure and responsibilities of each and how the Board of Directors monitors and evaluates the performance.
- Ensuring that the company's approved policies and procedures are transparent and allow for a sound decision-making process.
- Preparing and approving job descriptions that portray the roles and responsibilities of each member of the Board of Directors.
- Defining the authority delegated to the Executive Management and the scope of work.
- Monitoring and overseeing the performance of the Executive Management.
- Determining employees' bonus schemes.
- Appointing or dismissing any of the members of the Executive Management.
- Ensuring the effectiveness and adequacy of the internal control systems in measuring and managing risks periodically.
- Setting a policy for governing the relationship with stakeholders and a mechanism for regulating transactions with related parties to avoid conflict of interests.

Roles and responsibilities of the Board Chairman:

- Ensuring the Board discusses all major matters effectively and in a timely manner.
- Encouraging effective contribution by all members of the Board of Directors during meetings.
- Representing the company in accordance with the company's articles of association.
- Ensuring effective communication with shareholders and reflect their views to the Board.
- Encouraging constructive and effective cooperation between the Board of Directors and Executive Management.
- Create a culture that encourages constructive criticism on issues where there are different viewpoints.

During 2023, the Board of Directors carried out its duties in line with its role and responsibilities, including:

- 1- Approved the Company's full year plan and monitored the performance of the company compared to this plan.
- 2- Monitored the performance of the Board committees and the Executive Management and ensured that they followed and implemented all the tasks assigned to them.
- 3- The Board of Directors discussed a contingency plan to be implemented when needed.

Roles and responsibilities of the Executive Management:

The company has a team of highly qualified Executive Management members able to carry out all the major duties entrusted to them in accordance with the Corporate Governance framework.

Responsibilities of Executive Management include:

- Executing company’s strategic plans, as well as ensuring adequacy and efficiency of the strategic frameworks established by the Board of Directors.
- Preparing periodic reports (financial and non-financial) demonstrating company’s performance during a specified period.
- Establishing a complete and integrated accounting system and preparing financial statements in accordance with the International Accounting Standards.
- Managing daily business activities, in addition to managing company resources efficiently.
- Participating actively in building and developing a culture of ethical values across the company
- Establishing internal audit and risk management systems and ensuring its efficiency and sufficiency.

Board Committees

Part of the Board’s responsibilities is to establish Board committees in order to enable it to perform its duties effectively and in line with the company's needs and working conditions. The Board of Directors has formed committees in accordance with the rules and regulations of the Corporate Governance policy set by the Capital Markets Authority. The Board Committees are:

- Audit Committee
- Risk Management Committee
- Nominations and Remuneration Committee
- Sustainability Committee
- Investment Committee - DSV

Audit Committee:

Formed: 29 May 2022

Period: 3 years

Members: 3

Meetings: 6

Members	Role	Classification	Attendance
Naser Al Rashed	Chairman	Independent	50%
Sultan Al Essa	Member	Independent	100%
Faisal Al Essa	Member	Non-executive	100%

Roles and responsibilities

- Review periodic financial statements prior to their submission to the Board of Directors and provide opinions and recommendations in order to ensure fairness and transparency of financial statements.

- Recommend to the Board of Directors the appointment or reappointment of external auditors, ensuring their independence and follow up on their duties.
- Review and monitor the auditors' observations.
- Study the accounting policies used, understand their impact on the financial statements and make recommendations to the board of directors.
- Evaluate the effectiveness of the internal audit systems and submit a report on that to the Board of Directors.
- Supervise the internal audit department and approve the audit plans proposed by it.
- Review internal audit and regulatory bodies' reports.
- Recommend the appointment or removal of the Director of Internal Audit and evaluate his performance.
- Ensure that the company complies with relevant laws and policies.

Committee main achievements in 2023:

- 1- Reviewed the financial statements before submitting them to the Board on quarterly basis.
- 2- Reviewed the external auditor's notes.
- 3- Reviewed applicable accounting policies and ensured that they correctly reflect the company's financial position.
- 4- Reviewed the reports of the Internal Audit Department periodically and ensured that the necessary measures are taken.
- 5- Recommended the re-appointment of external auditors.
- 6- Held periodic meetings with the external and internal auditors.

Risk Management Committee:

Formed: 29 May 2022

Period: 3 years

Members: 4

Meetings: 7

Members	Role	Classification	Attendance
Naser Al Rashed	Chairman	Independent	43%
Tarek Sultan	Member	Executive	100%
Essam Al Mailam	Member	Non-executive	100%
Faisal Al Essa	Member	Non-executive	100%

Roles and responsibilities:

- Prepare and review risk management strategies and policies prior to getting them approved by the Board of Directors and verifying application of such strategies and policies in a manner appropriate to the company's nature and level of activities.
- Ensure availability of resources and systems sufficient for risk management.
- Ensure the independence of the risk management employees and that they fully understand the risks surrounding the company, and work to increase employees' awareness of the risk culture.
- Prepare periodic reports on the nature of risks surrounding the company and presenting them to the Board of Directors.

Committee main achievements in 2023:

- 1- Monitored and followed up on the implementation of the risk management function action plan.
- 2- Reviewed and approved the reports prepared by the risk management function.
- 3- Discussed the emerging risks that may affect the company's operations.
- 4- Discussed related parties' transactions and presented them to the Board of Directors.

Nomination and Remuneration Committee:

Formed: 29 May 2022

Period: 3 years

Members: 3

Meetings: 1

Members	Role	Classification	Attendance
Faisal Al Essa	Chairman	Non-executive	100%
Naser Al Rashed	Member	Independent	100%
Tarek Sultan	Member	Executive	100%

Roles and responsibilities:

- Recommending nomination or re-nomination of members for Board members and Executive Management.
- Setting a clear remuneration policy for Board members and Executive Management.
- Determining the required and appropriate skills for the Board of Directors and reviewing those requirements on an annual basis.
- Develop job descriptions for the Board members.
- Prepare on an annual basis a report within the governance report that includes the total remuneration granted to Board members, Executive management and managers.

Committee main achievements in 2023:

- 1- Ensure that the company's organizational structure is in line with the business needs.
- 2- Prepared a report on the remuneration granted to Board members, Executive Management and managers in accordance with the resolution No. 43 of the year 2021.
- 3- Ensure the independency of the independent board members.

Sustainability Committee:

Formed: 29 May 2022

Period: 3 years

Members: 3

Meetings: 2

Members	Role	Classification	Attendance
Tarek Sultan	Chairman	Executive	100%
Naser Al Rashed	Member	Independent	50%
Essam Al Mailam	Member	Non-executive	100%

Roles and responsibilities:

- Review Agility’s significant strategies, performance, activities and policies regarding sustainability and provide recommendations to the Board.
- Monitor the Company’s relationships with external stakeholders regarding significant ethics & compliance, health & safety, labor practices, environmental performance, community engagement, and charitable activities matters.
- Advise the Board and the management on strategies that affect and enhance the Company’s role and reputation among its stakeholders.

Committee main achievements in 2023:

- 1- Reviewed the results of external and internal assessments of the company’s sustainability performance.
- 2- Review Company’s sustainability updates and requirements, and their impact on the company.
- 3- Discussed the annual sustainability report.
- 4- Discussed the Company’s publicly published Middle East and Africa Environmental Sustainability Scorecard.
- 5- Reviewed and discussed the most critical long-term global sustainability issues impacting the company’s strategy.

Investment Committee - DSV:

Formed: 02 January 2022

Period: 3 years

Members: 6

Meetings: 5

Members	Role	Classification	Attendance
Henadi Al Saleh	Chairman	Executive	100%
Naser Al Rashed	Member	Independent	20%
Ehab Fekry	Member	Executive	100%
Jonathan Kerherve	Member	Executive	100%
Faisal Al Essa	Member	Non-Executive	100%
Essam Al Mailam	Member	Non-Executive	100%

Roles and responsibilities:

- Monitor the performance of DSV and the performance of the freight forwarding industry and the leading companies in this sector.
- Monitor the movement of the DSV share price listed on the Copenhagen stock market and the factors affecting it.
- Develop a plan to manage this investment.

Committee main achievements in 2023:

1. The committee discussed and approved to close 2 funded equity collars related to DSV investment to protect the value of this investment.

2. The committee adopted a governance guide for the management of this investment, since it is a financial and strategic investment for the company.

Ensuring Board Members receive information and data accurately and in a timely manner.

The Board Secretary ensured effective flow of information and coordination between members of the Board of Directors. The company has an advanced information technology infrastructure that ensures Board members obtain information in a timely and accurate manner in accordance with relevant laws. Additionally, during Board meetings, the Board of Directors has the right to access any information they seek related to the company or its activity.

Rule III: Recruit Highly Qualified Candidates for Members of a Board of Directors and the Executive Management

Board members' biographies:

Henadi Al Saleh - Chairman

Al-Saleh oversees the company's corporate governance program, which safeguards the interests of investors and stakeholders. She also leads digital transformation at Agility, oversees the company's innovation arm, Shipa, and the company's technology ventures team, which invests in start-ups and entrepreneurs that are reshaping the supply chain.

Al-Saleh joined Agility in 2007 to lead Investor Relations, and Financial Planning and Analysis. She was appointed Chairperson in 2014.

Al-Saleh has been designated one the most powerful businesswoman in the Middle East by Forbes magazine. She sits on the boards of the Council on Foreign Relations, Gulf Warehousing Company in Qatar, and the Kuwait Chamber of Commerce.

Before joining Agility, Al-Saleh was the head of debt/equity capital markets at NBK Capital in Kuwait. She earned a Bachelor of Economics from Tufts University.

Tarek Sultan – Vice Chairman

Tarek Sultan is the Vice Chairman of Agility. Sultan assumed leadership of the company in 1997 and spearheaded the company's growth through a series of acquisitions. Today, Agility is a global leader in supply chain services, infrastructure and innovation with 45,000+ employees and a footprint on six continents.

Sultan serves as a member of numerous international, governmental, and commercial advisory bodies and boards. They include the board of directors of DSV A/S, the world's third-largest freight forwarder, and the World Trade Organization's Business Advisory Group, created in 2023 to share the views of businesses on trade and regulation.

As a member of the World Economic Forum, Tarek sits on the WEF's International Business Council, which brings together 120 leaders to represent global business from all industries. He also is a member of the WEF's Stewardship Board for Shaping the Future of Mobility, and a Governor of the WEF Supply Chain and Transport Industries community.

Sultan has previously served as advisor to the Singapore Economic Development Board and as a member of the International Advisory Council of the University of Pennsylvania's Wharton School.

He served on the Board of Trustees for Kuwait's Silk City and the Boubyan Island Development Project of Kuwait, as well as on the boards of Gulf Bank and Burgan Bank.

Before joining Agility, Sultan was the managing director of New York Associates, a regional investment banking services provider, and an associate with Southport Partners, a U.S.-based corporate finance advisory firm specializing in the technology sector.

Tarek holds an MBA from the Wharton School and a Bachelor of Economics degree from Williams College.

Public Institution for Social Securities

Based on the State of Kuwait's belief in the importance of the social care for employed citizens, the Public Institution for Social Security was established under the Amiri Decree of Law No. (61) of 1976, to be the competent authority to provide sustainable insurance and social services, ensuring a decent living for citizens working in the country and abroad after retirement or work stoppage. Every working citizen in the various sectors of the country, along with the retired persons, benefits from the Institution's unified services. Social care in cases of old age, disability, sickness and death is among the most important aspects of these services.

Sultan Anwar Al Essa – Board Member

Sultan Anwar Al-Essa is the Chief Executive Officer and Vice Chairman of Union Real Estate Co. (UREC), a leader in developing, leasing and managing luxury apartments within Kuwait. Founded in 1975, UREC remains focused on providing the best service for its customers.

Mr. Sultan has been with UREC since 2008. Prior to that, he worked at Petroleum Services Co., a privately owned company focused on supplying and servicing the oil & gas sector. Mr. Sultan graduated from Northeastern University in Boston with a degree in Business Administration.

Faisal Jamil Al Essa – Board Member

Faisal Jamil Al-Essa is the Vice Chairman and Chief Executive Officer of Kuwait based National Real Estate Company K.P.S.C., one of the leading publicly traded real estate companies in the Middle East with more than \$US 2 billion in assets under management and projects and offices in more than ten countries. Before becoming Vice Chairman and Chief Executive Officer, Al-Essa served NREC by leading its business development function and as a Board member, chairman and MD of various subsidiary organizations. He is also Chairman of Kuwait Agro Holding, one of the leading fruits and vegetable, poultry and dairy companies in the Middle East.

Al-Essa is a graduate of US based Barry University with a degree in Business Administration.

Naser Al Rashed – Board Member

Nasser Mohammed Al-Rashed is Chairman of Aswaq Trading Company, a leading privately held retailer in Kuwait that carries successful in-house brands. Under his leadership, Al-Rashed established the company as a reputable retailer that offers high quality fashion brands to Kuwait and the Middle East markets.

Al-Rashed has strong management experience in both public and private sectors, with previous senior roles in the Civil Aviation Authority and the Kuwait Fund for Arab Economic Development. He also served as a director in several boards of publicly listed companies in Kuwait.

Prior to his current role in Aswaq Trading Company, he was with the Public Warehousing Company where he held positions of increasing responsibility, serving as its Deputy General Manager, Managing Director, and Chairman.

Mr.Nasser holds a Bachelor of Engineering from Purdue University and a master of Business Administration from Santa Clara University, USA.

Essam Al-Mailam – Board Member

Essam Musaed Al Mailam has more than 25 years of experience in real estate development in Kuwait and abroad, held several positions in a number of shareholding companies as well as governmental institutions.

He has also served as Chairman and Managing Director of Nakheel United Real Estate Company, and Chief Executive Officer of the Public Utilities Management Company, among other executive positions. Mr. Al Mailam is also the Chairman of Ahjar Holding Company, a Board member of Kuwait Petroleum International (Q8), and a member of the Committee for General Projects and Housing at the Kuwait Chamber of Commerce and Industry. Mr. Al Mailam holds a bachelor's degree in architectural engineering from the University of Miami, USA.

Nomination and Remuneration Committee

The Board of Directors has formed the Nomination and Remuneration Committee in accordance with the rules stipulated in article 4-1 of the Corporate Governance Module 15.

Committee's main responsibilities are:

- Recommending nomination and re-nomination for members of the Board of Directors and Executive Management
- Setting clear remuneration policy for members of the Board and the Executive management along with annual review of the required skills needed for the Board membership
- Preparing job descriptions for the members of the Board of Directors
- Preparing detailed annual report of all remuneration given to members of the Board and Executive Management

The Company, in compliance with the highest standards of transparency set forth in leading practices and Corporate Governance regulation, has prepared a detailed report on all the benefits awarded to the members of the Board and the Executive Management during 2023 as follows:

Board of Directors Remuneration

Summary of Board remuneration policy

Board remuneration is recommended by the Board Nomination and Remuneration Committee and approved by the shareholders during the general assembly meeting. The total board remuneration should not exceed 10% of the company's net profits after deducting depreciation and reserves. Total board remuneration paid during the year 2023 was as follows:

Remuneration and benefits paid to the members of the Board of Directors during the financial year 2023					
Total Number of Members	Remuneration and benefits through the parent company approved by the AGM on 30 May 2023			Remuneration and benefits through the subsidiaries	
	Fixed remuneration and benefits (KD)	Variable Remuneration and benefits (KD)		Fixed remuneration (For executive Positions) (KD)	Variable Remuneration (For executive Positions) (KD)
	Health Insurance	Annual Remuneration	Committees' fees	Monthly Salaries	Bonus
7	0	0	0	99,218	350,000

Note: Annual Remuneration and committee fees are what has been "paid" in 2023 for the year 2022

Executive Management Remuneration

Summary of Executive Management remuneration policy

Executive Management remuneration consists of two components. The first component is fixed compensation which primarily reflect the professional experience and organizational responsibility as set out in the staff member's job description and terms of employment. The second component is variable remuneration linked to the achievement of approved targets. This compensation policy is reviewed by the Nomination and Remuneration Committee and relative departments on an annual basis. The total remuneration given to Executive Management for the year 2023 was as follows:

Total remunerations and benefits for the highest paid senior executives during the financial year 2023										
Total Executive positions	Remuneration and Benefits through the parent Company								Remuneration and benefits through the subsidiaries	
	Fixed remuneration and benefits (KD)						Variable remuneration and benefits (KD)		Fixed remuneration (KD)	Variable remuneration (KD)
	Monthly Salaries	Health Insurance	Annual Tickets	Housing Allowance	Transportations Allowance	Children's education allowance	Annual Bonus*	Special Bonus	Salaries/ others	Bonus
5	437,806	25,296	14,363	35,608	9,363	21,684	1,897,204	N/A	N/A	N/A

Note: Annual Bonus figure is what has been "paid" in 2023 for the year 2022

There was no material deviation from the company's compensation policy approved by the board.

Rule IV: Safeguard the Integrity of Financial Reporting

Financial statements and external auditors

The Board of Directors and Executive Management provide a written undertaking affirming the soundness of financial statements, which represent all financial and operational aspects of the company, and that they have been prepared in line with International Standards approved by the Authority.

Financial Reports:

The company issues a set of financial reports on a regular basis, and they include:

- Internal monthly financial reports
- Periodic and annual financial statements
- Earnings reports
- Annual reports

Audit Committee

The Audit Committee is considered one of the main pillars in applying sound Corporate Governance as the committee works to incorporate the culture of accountability inside the company by ensuring the soundness and integrity of financial reporting of the company.

The Board of Directors has established an Audit Committee according to the regulations in Article 5-6 of Chapter 15 of the Corporate Governance bylaws. The Audit Committee consists of three non-executive members, including independent members, all of whom have specialized expertise consistent with the nature of the company's activity. Also, members of the committee possess the qualifications and practical experience in the fields of accounting and finance.

The Board of Directors has approved the committee charter that defines the terms, structure and responsibilities of the committee. The committee did not detect any contradictory views between the committee's recommendations and the Board of Directors' Resolutions. The committee meets four times a year on a quarterly basis.

Audit Committee responsibilities:

The Audit Committee has many regulatory functions in the company such as:

- Review periodic and annual financial statements prior to their submission to the Board of Directors.
- Follow up on the work of the external auditors.
- Evaluate the efficiency of internal audit systems, and prepare reports and recommendations.
- Review the results of the internal audit reports.
- Review the outcome of regulatory bodies' reports.
- Verify company's compliance with relevant laws, policies and regulations.

With regard to the external auditor, the Audit Committee works to:

- Recommend to the Board of Directors the appointment, re-appointment or change of the external auditor, as well as, specify the appropriate remuneration. Moreover, the Audit Committee should ensure that the auditor is among the approved and licensed auditors by the relevant authorities.
- Verify the independence of the external auditor periodically before his or her appointment or reappointment. The committee should ensure that the external auditor does not perform any additional tasks which may affect the external auditor's independence.

Based on the above, the Audit Committee has recommended to the Board in 2023 the reappointment of the external auditors: Mr. Waleed Al-Osaimi / Ernst & Young - Aiban, Al Osaimi & Partners and Mr. Nayef Al-Bazei / RSM-Al Bazei and Partners which was later approved by the General Assembly for approval.

Rule V

Apply Sound Systems of Risk Management and Internal Audit

The company has appointed an external consultant, reporting directly to the risk committee, to perform its risk management responsibilities which includes, identifying and measuring the risks the company may face and gauging its risk appetite. The consultant has identified adequate internal control systems relevant to the activity of the company and the nature of its work. The risk manager has also worked on the development of regular periodic reporting systems to assist the company in performing its core functions. Members of the risk team have the proper qualifications to perform their jobs and they report directly to the risk committee.

Risk Management Committee

The Board of Directors has formed a Risk Management Committee according to the Corporate Governance regulations as outlined in Article 6-4 of Module 15 of the Capital Market Authority bylaws of the executive Law No. 7 of 2010 and their amendments. The committee consists of four members from the Board of Directors: an executive member, an independent member, and two non-executive members, one of them chairing the committee.

The Risk Management Committee has a number of responsibilities:

- Assist the Board of Directors in identifying and evaluating the company's acceptable risk level.
- Prepare and review risk management strategies and policies and ensure they are appropriate to the company's nature and level of activities prior to getting them approved by the Board of Directors. The committee should also verify application of those strategies and policies.
- Verify independence of the risk management employees from activities that exposes the company to risks.
- Review the organizational structure of risk management and provide recommendations in this regard prior to the approval by the Board of Directors.

- Prepare periodic reports concerning the nature of risks facing the company and submit such reports to the Board of Directors.

Summary of the efficiency of company Systems of Control and Internal Audit:

The company has efficient internal control systems that cover all of its activities and maintain the company's financial soundness, data accuracy, and operations effectiveness in various aspects. Within its organizational structure, the company implements the dual control audit (Four Eyes Principles), which are:

1. Sound identification of authorities and responsibilities.
2. Clear separation of roles to eliminate conflict of interest.
3. Inspection and dual audit.
4. Dual signature.
5. An approved authority matrix and segregation of duties.
6. Implementing policies and procedures to be followed while doing business.
7. Advanced IT systems for approval process and separation of duties.
8. Advanced IT systems for protection (next generation firewalls, network intrusion detection systems, Unified Threat Management (UTM) Appliances, 2FA for remote access, AI based Antivirus)

The company has appointed in 2023 an independent Auditor Mazars , to evaluate and review the internal audit systems in place for the year 2022 and prepare a report in this regard (Internal Control Report) to be presented to the Capital Markets Authority. The report was concluded with minor observations, and the Board has delegated the responsible departments to take actions accordingly.

Internal Audit Department

Agility's Internal Audit Department enjoys full technical independency by reporting directly to the Internal Audit Committee. The department should ensure that all policies and procedures are followed properly within all departments and the current systems are capable to evaluate the efficiency of the company's daily operations and its ability to encounter the unforeseen market changes. The department prepares periodic reports on all the work done including their recommendations to be presented to the internal audit committee.

Rule VI

Promote Code of Conduct and Ethical Standards

The company, represented by the Board of Directors, the Executive Management and its employees, believes that the professional and ethical standards are of the most important aspect in the company's success. Upon this belief, the company complies with the approved code of conduct in this regards. The policy touches upon important aspects, such as the relationship with trading partners, the integrity of financial data, as well as the safety of information and the environment. The Board of Directors, Executive Management, and employees are required to follow these policies in all of their job functions and duties.

Summary of the policies and mechanisms to reduce the conflicts of interest:

The Conflict of Interest policy is an integral part of the Company's compliance to the principles of integrity and fairness in dealing with stakeholders and sets out the disclosure mechanisms and procedures for dealing with conflicts of interest. The policy verifies that all the decisions taken by the Board of Directors are in the best interest of the company and that the Board is appropriately dealing with expected and potential conflict of interest. The policy also articulates the roles of the Board of Directors, Executive Management, the internal audit department, and the company's general assembly in the case of a conflict of interest.

Rule VII

Ensure Timely and High-Quality Disclosures and Transparency

Summary of applying disclosure and presentation mechanisms that are accurate and transparent:

Disclosures are meant to outline material information (financial and non-financial) that concern investors and stakeholders. Disclosures are released regularly (specific financial periods) or immediately when a significant event happens to ensure that all related parties receive the news and no party is able to exploit the information.

The company is committed to a work environment that is transparent and in accordance with the best Corporate Governance practices and in compliance with the requirements of regulatory authorities. The company has approved a detailed policy related to disclosures and transparency that outlines material information that requires disclosures. This policy is reviewed regularly to reflect any amendments issued by the regulators. Detailed disclosures are considered essential for evaluating company's performance and contribute to the understanding of the structures, activities, and processes applied by the company in regards to ethical standards.

The disclosure policy outlines all kinds of disclosures related to the company and gives general guidance to the disclosure department in carrying out its duties effectively and efficiently.

Brief on the application of the disclosures record and its requirements:

The company has created a record of disclosures for the members of Board of Directors and Executive Management, which is updated on a regular basis and can be accessed by any shareholder without any fee or charge.

A brief summary on the requirements to form the investor relations department:

The company has an [Investor Relations department](#) that is responsible for providing all the necessary data, information, and reports that are relevant for its investors. The department is appropriately independent, being able to provide whatever information or data when requested. All company's disclosures are available on the website with the department's contact information if required.

Brief on the development of a basic structure of IT systems that are required for the disclosure process

The company has developed an advanced IT system that is used for its financial and nonfinancial activities. The company's finance, human resource, and legal departments have a unique IT system to carry their work plus a software that was created by the IT department to identify and segregate duties. In addition to a shareholders' application that can save and track all shareholders activities and information.

The company has also developed a frequently updated website that efficiently displays all appropriate data, information, and disclosures of its activities that help shareholders and investors exercise their rights and evaluate the company's performance.

Rule VIII

Respect the Rights of Shareholders

Summary on applying the requirements of identifying and protecting the general rights of shareholders to ensure the fairness and equality:

A sound governance system ensures that all shareholders are treated with fairness. The company strives to treat all shareholders equally and discloses all information necessary according to the regulations set by of the Capital Markets Authority. The company seeks to achieve the highest level of transparency, accountability, and effective management through the application of efficient strategies, objectives, and policies meant to comply with the regulatory and ethical responsibilities.

The company's articles of association and regulations clearly states all the rights of the shareholders, in a manner that achieves fairness and equality without contradiction with the applicable laws, regulations, resolutions and instructions issued in this regard.

Moreover, the company strives to strengthen its communication with its investors and financial analysts. The Investor Relations Department is the point of contact between the company and its shareholders or potential investors.

Summary on creating and retaining a special record from the Clearing Agency to include the requirements of monitoring shareholder data:

For purposes of ongoing monitoring of all matters related to shareholders' data, the company created and maintains a special record at the Kuwait Clearing Company (KCC), containing all the necessary information related to shareholders. The KCC updates this record on a regular basis. The data is maintained with the highest degree of confidentiality. For the shareholders on Dubai Financial market, DFM registrar maintains a registry of the shareholders and their activity.

Brief on how to encourage the shareholders to participate and vote in the company's general assembly meetings:

The articles of association include all shareholder rights with regard to the general meetings and attendance of those meetings. The articles also include the agenda, voting rights, and voting

mechanism as well as effective participation in the discussions. The company has developed a policy for the protection of shareholders' rights that is available for all shareholders to view.

Rule IX

Recognize the Roles of Stakeholders

Brief on the conditions and policies that ensure the protection of the rights of stakeholders:

The company respects and protects the rights of stakeholders in all its dealings, whether internally or externally. The company believes that the contributions of stakeholders are important in establishing company's competitiveness and in supporting the levels of its profitability. In order to prevent conflicts of interest between dealings with stakeholders, whether they are agreements or transactions with the company, and the interest of shareholders, the following is considered:

- No stakeholders shall be given any advantages or preference in any transactions that are part of the company's activities.
- The company implements and follows clear policies and procedures including a clear mechanism of awarding agreements and transactions of various types.

Brief on how to encourage Stakeholders to keep track of the company' various activities:

The company has developed a policy to ensure the acknowledgement and protection of the rights of stakeholders through various rules and measures. The policy is available for stakeholders in order to help them understand their rights and obligations. The policy also sheds some light on how to provide stakeholders access to all necessary information and data related to their activities.

The company also maintains a section on its website and a hotline to report any complaints.

Rule X: Encourage and Enhance Performance

Summary on the development of mechanisms that allow the Board members and Executive Management to attend training programs and courses regularly:

Continuous training of the Board members and Executive Management is a cornerstone of good governance rules and enhances the company's performance.

The company has a clear policy that allows Board Members and Executive Management access to training programs, internally and externally, on a regular basis. As for the Board members, they are also encouraged to regularly attend events and conferences to help them be up to date with the company's business and standing. In addition, the board members are kept updated by the Executive Management with all new regulations and their impact on the company's business.

Brief on the mechanism of evaluating the performance of the Board of Directors as a whole as well as the performance of each Board member and Executive Management:

As per the Board of Directors' charter, an annual self-assessment exercise has to be done by Board and committee members to evaluate the performance of the Board and the committees during the year. The evaluation is based on certain financial and non-financial set of key performance indicators tied to the achievement of strategic goals of the company.

As for the Executive Management members, their performance is evaluated on a regular basis through set of KPI's that are consistent with the company's goals.

Brief on the Board of Directors' effort to assert the importance of corporate value creation with the employees at the company through continuous endeavor to achieve the company strategic goals, and key performance indicators:

The Board of Directors work continuously to assert and encourage corporate value creation in the short, medium, and long term through developing processes and procedures to achieve company's strategic objectives and improve levels of employees' performance and stimulating them to work continually to contribute to Company's performance.

Rule XI: Focus on the Importance of Corporate Social Responsibility

Summary on the application of a policy intended to accomplish a balance between the company's business goals and corporate social responsibility goals:

At Agility, we take our responsibility and continued commitment to act with integrity and give back, seriously. It's the right thing to do, and it's good for our business. A culture of acting responsibly benefits the communities where we work, contributes toward a cleaner planet, adds to the sense of pride and collective spirit among our employees, and it strengthens our relationships with customers and shareholders. Guided by our Code of Business Ethics & Conduct, we responsibly manage Environment, Social and Governance issues as demanded and required by our customers, communities, employees and shareholders.

Brief on the programs and mechanisms that help to highlight company efforts in the field of social work:

Social responsibility and environmental sustainability are things we take seriously, at every level of our company, and they are part of our engagement strategy with our customers, employees, suppliers and communities. We have a number of mechanisms and programs we use to manage these issues including Board Committee engagement on identified material issues, as well as a comprehensive approach to program management that includes periodic, timely and transparent external reporting. For more details, please see the company's publicly available [sustainability report](#) published on the company's website and in the company's annual report.

Independent Member Declaration

قرار عضو مجلس الإدارة المستقل

أقر أنا الموقع إنداء / سلطان أور سلطان العيسى بصفتي عضو مجلس إدارة في شركة أجيليتي المخازن العمومية ش.م.م.ج بعهدي شروط الاستقلالية المذكورة أدناه والمتضمن عليها تفصيلاً في الكتاب الخامس عشر (موجبة الشركات) من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 وتعديلاتهما، كما أقر أيضاً بأنه في حالة فقدان أي شرط من شروط الاستقلالية يبقى سأقوم بإخطار كلاً من لجنة الترشحات والمكافآت وكذلك مجلس إدارة الشركة بهذا الشأن.

شروط الاستقلالية:

- 1- أني لا أملك 5% أو أكثر من أسهم الشركة كما أنني لا أملك أي من المساهمين الذين يملكون 5% أو أكثر من أسهم الشركة.
- 2- أن ليس لي أي صلة قرابة من الدرجة الأولى مع أي من أعضاء مجلس الإدارة أو الإدارة التنفيذية بالشركة أو في أي من مجموعتها أو الأطراف الرئيسية ذات العلاقة مع الشركة.
- 3- أني لست عضواً في مجلس إدارة أي شركة من المجموعة الخاصة بالشركة.
- 4- أني لست موظفاً بالشركة أو بأي شركة من مجموعتها أو لدى أي من أصحاب المصالح.
- 5- أني لست موظفاً لدى الأشخاص الاعتباريين الذين يملكون حصصاً سيطرة في الشركة.
- 6- أن ليست لي مصلحة أو علاقة مع الشركة قد تؤثر على استقلاليتي وأقر باقي على علم بالمهام والمسؤوليات الخاصة بعضو مجلس الإدارة المستقل.

التوقيع



قرار عضو مجلس الإدارة المستقل

أقر أنا الموقع إنداء / سلطان أور سلطان العيسى بصفتي عضو مجلس إدارة في شركة أجيليتي المخازن العمومية ش.م.م.ج بعهدي شروط الاستقلالية المذكورة أدناه والمتضمن عليها تفصيلاً في الكتاب الخامس عشر (موجبة الشركات) من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 وتعديلاتهما، كما أقر أيضاً بأنه في حالة فقدان أي شرط من شروط الاستقلالية يبقى سأقوم بإخطار كلاً من لجنة الترشحات والمكافآت وكذلك مجلس إدارة الشركة بهذا الشأن.

شروط الاستقلالية:

- 1- أني لا أملك 5% أو أكثر من أسهم الشركة كما أنني لا أملك أي من المساهمين الذين يملكون 5% أو أكثر من أسهم الشركة.
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التوقيع

