

[Translated Version]

Governance Report of Humansoft Holding Company (KSCP)

With the development of governance standards, Humansoft is committed to following and adopting these standards and continuously complying with them through high standards of transparency and integrity, and proper regulation of the relationships between the board of directors and the executive management with stakeholders and compliance with the laws and regulatory guidelines by the Capital Markets Authority. The company's aim is to implement the principles of governance and considers making sound decisions as the foundation for this.

Humansoft has strengthened its governance framework by enhancing management procedures, improving its internal control systems, and embedding the concepts of transparency and administrative responsibility in its operations. At Humansoft, governance is not only about adhering to laws and regulations, but also about building a culture of ethics, integrity and management responsibility. Our governance framework has been designed to ensure full transparency and ethical conduct in all our operations. The principles and rules of sound governance are considered the key to achieving sustainable development within the company. Therefore, Humansoft continues to work on developing its operations in this regard, in line with the regular review of the board of directors' policies and corporate governance

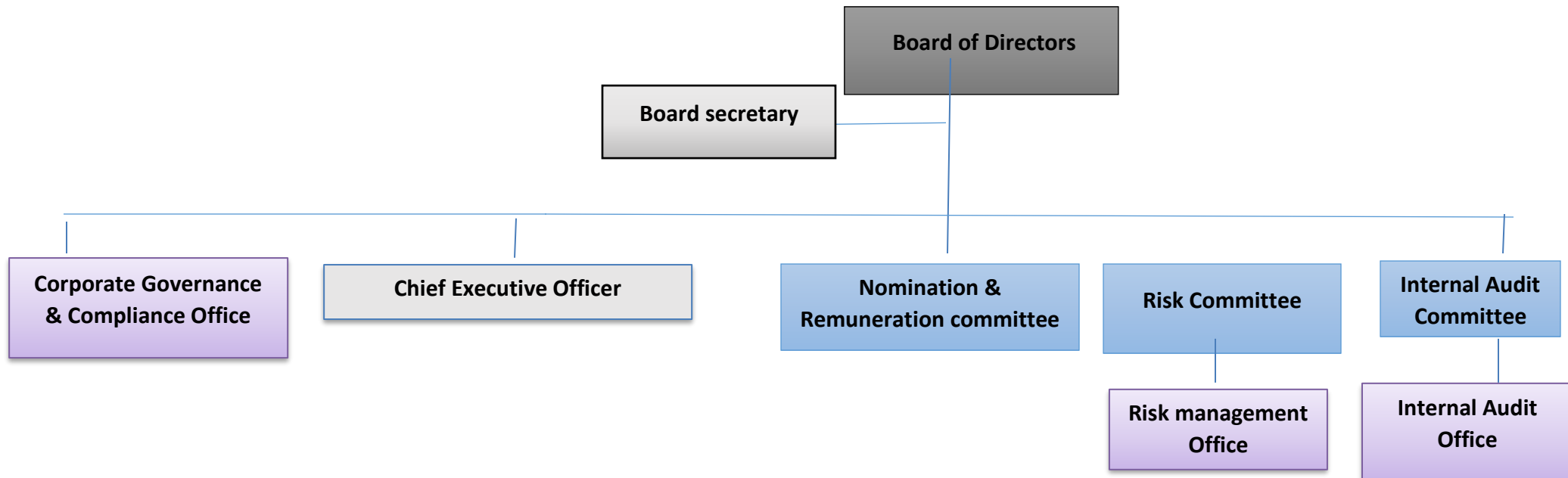
Governance Framework

Construction of a Balanced Board composition

• **Brief on the formation of the Board of Directors:**

Name	Classification	Qualification and Practical Experiences	Date Of Election /Appointment
Mr. Tareq Fahad Al Othman	Non-executive	- University degree - Bachelor in Accounting - More than 18 years of experience	20 March 2022
Ms. Dalal Hasan Al Sabti	Non-executive	- University degree - Bachelor in Management Information System - More than 21 years of experience	20 March 2022
Mr. Mayank Hasmukhlal Baxi	Non-executive	- University degree - Bachelor in Commerce - Chartered Accountant (CA) - More than 29 years of experience	20 March 2022
Mr. Abdulrazzaq Abdullah Mohammad	Independent	- University degree - Master in Law - More than 44 years of experience	20 March 2022
Mr. Hasan Qasem Al Ali	Non-executive	- University degree - Bachelor of Business Commerce - Around 40 years of experience	20 March 2022
Mrs. Nisreen Yasser Rashid	Board's Secretary	- University degree - Bachelor of Science in Computer Science and Mathematics - More than 19 years of experience	28 March 2022

Organizational Structure and Committees



Summary of the Board's meetings as follows, The Board of Directors held 14 meetings during the year of 2024:

Name	Meeting No. (1) Date: 16/01/2024	Meeting No. (2) Date: 29/01/2024	Meeting No. (3) Date: 11/02/2024	Meeting No. (4) Date: 13/02/2024	Meeting No. (5) Date: 25/03/2024	Meeting No. (6) Date: 06/05/2024	Meeting No. (7) Date: 13/05/2024	Meeting No. (8) Date: 30/06/2024	Meeting No. (9) Date: 24/07/2024	Meeting No. (10) Date: 30/09/2024	Meeting No. (11) Date: 21/10/2024	Meeting No. (12) Date: 04/11/2024	Meeting No. (13) Date: 08/12/2024	Meeting No. (14) Date: 17/12/2024	No. of Meetings
Ms. Dalal Hasan Al Sabti (Board member) (Chairperson of Board of Directors until 8 December 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14
Mr. Tareq Fahad AlOthman • (Vice Chairman of Board of Directors until 8 December 2024) • (Chairman of Board of Directors from 8 December 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14
Mr. Mayank Hasmukhlal Baxi (Member) (Vice Chairman of Board of Directors from 8 December 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		13
Mr. Abdulrazzaq Abdullah Mohammad • (Independent member)	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	13
1) Mr. Hasan Qasem Al Ali (Member)	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	13

*The sign (✓) when the board member attends the board's meeting.

- **A summary on Modality of Implementation of the Requirements of Registration, Coordination and Archiving Board Meeting Minutes:**

It is considered one of the company's obligations to be always keen to implement the requirements for saving and coordinating minutes' meetings, as well as keeping these minutes of meeting in a way that enables the members of the Board of Directors to revert back to them. The minutes of meetings are considered official records, and it is the responsibility of the secretary in preserving these records and minutes and any decision related to them. Additionally, it is the responsibility of the secretary to ensure the availability of these records upon request by members of the Board of Directors., therefore:

1. The company maintains a special register of the minutes of Board meetings and Minutes of committee meetings, As well as all reports related to the minutes of meetings.
2. Numbering the minutes of the meetings. A serial number, date, place and time of start and end of the meeting, In a way that allows sufficient time to discuss all clauses of the minutes and the names of members present in the meeting and absent members with excuse or without excuse are documented in the Board minutes.
3. Board Secretary is responsible of sending Invitations to the members of Board of Directors regarding the board meetings no less than three working days and make sure they receive these invitations.
4. Board members present at the meeting sign the minutes of the meeting.
5. Classifying the minutes of board meetings, recording its decisions and storing them in the Company's records, and enabling the Board members to obtain and view them at any time.
6. Adopting a policy that ensures compliance with the requirements of the Authority's regulations in this regard.
7. Maintaining all policies approved by the board of directors.
8. Ensuring the board's commitment to corporate governance.
9. Constantly keeping up with the best practices of sustainability and governance.

The declaration of the independent member that it fulfills the controls of independence:

The independent member declares, through an acknowledgement issued by them, that they have nothing to prevent their independence as specified by the executive regulations of the Capital Markets Authority, as they:

1. Do not hold 5% or more of the company Shares or a representative of them.
2. Are not first degree relatives with any of the Members of the Board of Directors or Executive management members in the company or any other company in its Group or other relevant main parties.
3. Are not a member of the Board of Directors in any other company of the Group.
4. He is not an employee in the company or any company in the Group or for any of the Stakeholders.
5. He is not an employee for corporate entities who own Control shares in the company.

We confirm that in the event of any change affecting the independence of the independent member, he will notify the company in writing without any delay.

(Attached a copy of the declaration).

Rule (II)

Establishment of Appropriate Roles and Responsibilities

- **An overview of how the company determines the policy of duties, responsibilities, and responsibilities of each of the members of the Board of Directors and the executive management, as well as the authorities and powers delegated to the executive management:**

Among the tasks entrusted to the chairman of the board of directors is to chair the board and coordinate with the committees. Among the duties of the board of directors is to regularly attend meetings. Everyone must prioritize the interest of shareholders and stakeholders. The board is committed to carrying out its duties in accordance with the applicable laws, internal regulations, and company policies, in addition to the bylaws that define the principles on which the board's operations, meetings, and membership are based.

The chairman of the board must chair the meetings in a way that ensures hearing all discussions and encourages active participation from members for the benefit of the company and shareholders.

The leadership responsibility of the company rests with the board of Directors in terms of making important and effective decisions that contribute to raising the value of the company in a profitable and steady manner. And permanent monitoring of the company's performance.

The Company's Board of Directors has adopted a policy that clarifies how to define the tasks, responsibilities, duties and powers of both the chairman and members of the board of directors and executive management in accordance with the Company's Articles of Association and the Rules of governance in the fifteenth Module of the Executive bylaws of Law No. 7 of 2010 for establishment of the Capital Markets Authority and their amendments and the Companies Law No. 1 of 2016. The permanent and continuous evaluation of the application of governance processes and standards is considered one of its most important responsibilities.

The Board of Directors, through a written authorization documented in the Minutes of the Board may delegate any of its powers to any member of the Board. The CEO exercises the functions and powers as specified in the policy in pursuance to the Board of Directors authorization.

The Board of Directors has the task of appointing the executive management by selecting competencies and setting performance standards for this department in line with the company's strategy and future goals.

In addition, specialized committees are formed to be appointed by the board of directors and to carry out the tasks assigned to them with a continuous evaluation of the work of these committees and their members by the board.

The company is committed to the principles of governance in order to achieve its strategic goals and preserve the interests of shareholders through the practical experiences of the Board of Directors and the Executive Management.

We present to you the most prominent achievements during this year:

- The Company made a profit of **39,991,361 KD (Thirty-nine Million nine hundred ninety-one thousand three hundred sixty-one Kuwaiti dinars only)**, in the fiscal year 2024.

We also highlight the most important tasks that the Board of Directors carried out during this year for Example but not limited to:

- 1-Approval of the company's annual and quarterly Financial Statements.
- 2-Approval of distributing cash dividends of 350 % of the nominal value of the share (350 fils per share) for the fiscal year ending on 31/12/2023.

- 3- A free bonus shares were distributed at a rate of 5% of the paid-up capital (5 shares for every 100 shares) for the financial year ending on 31/12/2023.
- 4- Approval of the governance report In line with the requirements of the Capital Markets Authority.
- 5- Discussing the Audit committee's recommendation for appointment of the auditors for the fiscal year ending on 31/12/2024.
- 6- Approving the annual report for the remuneration of the members of the Board of Directors and the Executive Management of the company submitted by the Remuneration and Nominations Committee to submit them to the General Assembly.
- 7- Approval of the key performance indicators (KPIs) for evaluating the Board of Directors and each of its committees.
- 8- Approving the Board of Directors' report for the annual general assembly on the company's activities and financial position for the fiscal year ending on December 31, 2023, and following up on the implementation of the approved strategies and plans.
- 9- Approval of the general framework for risk management and the risk register submitted to the Board of Directors by the Risk Management Committee.
- 10-Discussing and approving the risk appetite and studying any potential effects on the company.
- 11-Approval of the emergency plan and business continuity plan submitted to the board of directors by the risk management committee.
- 12- Approval of the estimated budget and the work plan for the year 2024.
- 13- Review and approve the sustainability plan for the year 2024.
- 14- Discussing the company's future strategy.
- 15- Review and discuss Integrated Reports.
- 16- Discussing the progress report of the Risk Management Office submitted to the board of directors by the Risk Management Committee; also, discussing and approving the reports of the Internal Audit Office submitted by the Audit Committee.
- 17- Appointment of a new Internal Audit Manager based on the recommendation of the Audit Committee.
- 18- Review of all company policies.
- 19- The distribution of positions among the members of the Board of Directors and its committees was also revised at the end of this year.

• **Brief overview of fulfillment of the requirements for the formation of independent Board's committees:**

Internal Audit Committee	Risk Committee	Nomination & Remuneration Committee
Members of the Committee	Members of the Committee	Members of the Committee
-Mr. Tareq Fahad Al Othman Chairman until 8-12-2024 -Mr. Mayank Hasmukhlal Baxi chairman from 8-12-2024 -Mr. Hasan Qasem Al Ali Member -Mr. Abdulrazzaq Abdullah Mohammad Member	-Mr. Abdulrazzaq Abdullah Mohammad-Chairman -Mr. Tareq Fahad Al Othman Member until 8-12-2024 - Mr. Hasan Qasem Al Ali Member from 8-12-2024 -Mr. Mayank Hasmukhlal Baxi Member	-Mr. Tareq Fahad Al Othman Chairman -Ms. Dalal Hasan Al Sabti Member until 8-12-2024 Mr. Mayank Hasmukhlal Baxi Member from 8-12-2024 -Mr. Abdulrazzaq Abdullah Mohammad -Member
Number of meetings-5	Number of meetings-4	Number of meetings-3

1- Name of the Committee: The Internal Audit Committee

The committee consists of three members. The committee held five meetings during the past year. The committee was restructured on December 8, 2024, based on a decision by the Board of Directors, and the committee now consists of the following members:

- Mr. Mayank Hasmukhlal Baxi chairman (from 8-12-2024)
- Mr. Hasan Qasem Al Ali Member
- Mr. Abdulrazzaq Abdullah Mohammad Member (independent)

Name	Meeting No.(1) Date: 11/2/2024	Meeting No.(2) Date: 13/02/2024	Meeting No.(3) Date: 06/05/2024	Meeting No.(4) Date: 24/07/2024	Meeting No.(5) Date: 04/11/2024	No. of Meetings
1 Mr. Tareq Fahad Al Othman Chairman until 8-12-2024	✓	✓	✓	✓	✓	5
2- Mr. Hasan Qasem Al Ali Member	✓	✓		✓	✓	4
3- Mr. Abdulrazzaq Abdullah Mohammad Member / independent	✓	✓	✓		✓	4

Its role is to assist the Board of Directors in carrying out supervisory and control tasks. The company's internal regulations and policies stated the responsibilities and powers of the Audit Committee which include implementing internal control systems, their adequacy, the integrity of accounting reports and internal audit reports,

Its powers include ensuring the performance of the internal audit unit, reviewing the results of the internal audit reports, technical supervision of the internal audit department, reviewing its reports and verifying its effectiveness in carrying out the work and tasks specified by the Board of Directors. It also reviewing the observations of the external auditor on the company's financial statements (if any) and follows up on them, studies the accounting policy adopted, giving its opinion on it, and submits their recommendations to the Board of Directors.

As well preparing reports and providing appropriate recommendations and plans and submit them to the Board of Directors for approval. The committee achievements include for Example but not limited to:

1. The Committee reviewed the quarterly and annual financial statements and expressed its opinion and recommendation before submitting it to the Board of Directors for approval.
2. Meeting with the external auditor and follow up of their work, to ensure the accuracy of the financial statements.
3. Meeting with the Head of the Internal Audit Office and discussing with him the submitted reports.
4. Reviewing and approving the results of the internal audit office's report, in implementation of the approved internal audit work plan, and submit them to the Board of Directors.
5. Recommending to the Board of Directors the reappoint the external auditor.
6. Approving of the internal work plan of the year 2025.
7. Evaluate the internal Audit manager and ensure that his role is performed effectively.
8. Preparing the Audit committee report to be read to the annual general assembly.
9. Reviewing of the Audit Policy.

- **Date of formation of the committee:** 28/3/2022 and its term ends with the end of the term of membership of board of directors, the committee was restructured on December 8, 2024.

2-The Name of the Committee: The Risk Management Committee

The committee consists of three members. The committee held four meetings during the past year. The committee was restructured on December 8, 2024, based on a decision by the Board of Directors, and the committee now consists of the following members:

- | | |
|------------------------------------|-----------------------|
| -Mr. Abdulrazzaq Abdullah Mohammad | Chairman |
| - Mr. Hasan Qasem Al Ali | Member from 8-12-2024 |
| -Mr. Mayank Hasmukhlal Baxi | Member |

Name	Meeting No.(1) Date: 31/3/2024	Meeting No.(2) Date: 10/06/2024	Meeting No.(3) Date: 25/09/2024	Meeting No.(4) Date: 12/12/2024	No. of Meetings
1-Mr. Abdulrazzaq Abdullah Mohammad Chairman	✓	✓	✓	✓	4
2- Mr. Tareq Fahad Al Othman- Member until 8-12-2024	✓	✓	✓		3
3- Mr. Mayank Hasmukhlal Baxi Member	✓	✓	✓	✓	4
Mr. Hasan Qasem Al Ali -Member from 8-12-2024				✓	1

One of its most important tasks is to review the reports issued by the Risk Management Office, as well The responsibilities of this committee include ensuring that the company does not exceed the risk tolerance levels set by the Board of Directors,

It also reviews reports and policies of the Risk Office before getting the approval by the board of directors.

Responsibilities of the Risk Management Committee is to Prepare and review the risk strategies and policy before getting the approval by the board of directors, also Ensure that risk strategies and policy are compatible with the nature and size of the company's activities. As well, ensuring the availability of adequate resources and systems to manage risks and evaluating systems and mechanisms for identifying, measuring and following up on the various types of risks to which the company may be exposed to in order to identify their shortcomings. Helping the board of directors to determine and evaluate the acceptable level of risk in the company and ensuring that the company does not exceed this level of risk after its approval by the board of directors. also Reviewing the Risk profile and make recommendations regarding it before getting the approval by the board of directors.

and of its achievements for Example but not limited to:

1. The Committee approved the progress report of the risk management office and referred it to the company's Board of Directors for discussion and approval.
2. The Committee approved the risk profile of the risk management office Including risk Appetite and referred it to the company's Board of Directors.
3. The Committee approved the risk management office register and referred it to the company's Board of Directors.
4. Approval of the emergency plan and business continuity plan, and submitting them to the Board of Directors.
5. Review of the risk policy.

6. Evaluation of the Head of the Risk Management Office.

Date of formation of the committee: 28/3/2022 and its term ends with the end of the term of membership of board of directors, the committee was restructured on December 8, 2024.

3- Name of the Committee: The Nomination and Remuneration Committee

The committee consists of three members, and the committee held three meeting during the past year. The committee was restructured on December 8, 2024, based on a decision by the Board of Directors, and the committee now consists of the following members:

-Mr. Tareq Fahad Al Othman	Chairman
Mr. Mayank Hasmukhlal Baxi	Member from 8-12-2024
-Mr. Abdulrazzaq Abdullah Mohammad	Member (independent)

Name	Meeting No.(1) Date: 13/2/2024	Meeting No.(2) 14/5/2024	Meeting No.(3) 28/7/2024	No. of Meetings
1- Mr. Tareq Fahad Al Othman Chairman	✓	✓	✓	3
2- Ms. Dalal Hasan Al Sabti Member until 8-12-2024	✓	✓	✓	3
3- Mr. Abdulrazzaq Abdullah Mohammad Member	✓	✓	✓	3

The responsibilities and tasks of this committee include nomination and re-nomination for the positions of Executive Management and the annual evaluation of their competencies and skills. Its responsibilities also include the annual evaluation of the competence of the members of the board of directors, the performance of each of the committees, and the approval of the annual report on the remuneration granted to members of the board of directors and the executive management.

During the fiscal year, achievements were the following for Example but not limited to:

1. Approving the annual report for the remunerations of members of the Board of Directors and the Executive management of the company.
2. Review the Key performance indicators (KPIs) for evaluating the company's Board of Directors.
3. Ensuring that Members of a Board of Directors independency is valid.

- **Date of formation of the committee:** 28/3/2022 and its term ends with the end of the term of membership of board of directors. the committee was restructured on December 8, 2024.

- **A brief overview modality of fulfillment of implementation of the requirements that allow members of the Board of Directors to have access to information and data accurately and in a timely manner.**

Board Members may ask for any information from the Board's Secretary. The Secretary is committed to providing the information and required documents precisely and in an appropriate time. Board members receive information regularly, such as periodic reports, and it is ensured that the required information is provided to board members well in advance of meetings.

Rule (III)

Recruitment of Highly Qualified Candidates for Members of the Board of Directors and the Executive Management

- **A brief overview of composition of the Nomination and Remuneration Committee:**

The Board of Directors established the Nomination and Remuneration Committee from three members, among whom one is an independent member of the Board of Directors. The committee is chaired by a non-executive member. The Secretary of the Committee register and keeps the minutes of the meetings in addition to carrying out the administrative works of the committee.

As mentioned in the first rule, the five members of the Board of Directors possess the academic qualifications and practical experience in the investment and economic sectors and the required competence in order to achieve the desired goals. The Nominations and Remunerations Committee is responsible for conducting the annual evaluation of these members.

The committee also reviewed the objective performance indicators (KPIs) to evaluate the Board of Directors and each of its committees.

Report on the remunerations to the Members of the Board of Directors, the Executive Management and the managers, provided that it shall include the following information as a minimum:

1 Summary of the company's policy of compensations and incentives, specifically that related to Members of a Board of Directors, the Executive Management and the managers:

With regard to the remuneration of members of the Board of Directors, the Board of Directors, in its meeting held to discuss the annual financial statements, estimates the remuneration amount for each member of the Board, which is calculated based on the profits achieved and in accordance with the regulations of the law and Article 46 of the company's articles of association regarding the upper limit of the remuneration, which is 10% of the remainder of the profits

The Board recommends the amount of the remuneration at its meeting. Then, the recommendation gets submitted to the annual general assembly for approval. As for the remunerations of the executive management and managers, there are no variable remunerations given to the executive management and managers, and if any, this requires the approval of the Board of Directors.

2- Include the following two statements (as Attached)

Safeguard of the Integrity of Financial Reporting

- **A written undertaking of safety, integrity and accuracy of the financial reports.**
(as attached)

- **A Brief Overview of the Implementation of the Requirements of the Formation of the Audit Committee:**

The Board of Directors formed the Audit Committee from three members from among its members. The Committee is chaired by a non-executive member. All members have academic qualifications and practical expertise. The Secretary of the Committee registers and keeps the

minutes of the meetings, and carries out the administrative work of the Committee. The committee meets regularly on a quarterly basis. The committee met five times over the past year. The audit committee makes its recommendations to the Board of Directors.

As explained in the second rule, the responsibilities of the internal audit committee include monitoring the implementation of internal control systems and the integrity of accounting and internal audit reports and making recommendations in order to submit them to the Board of Directors for approval. All these responsibilities come within the framework of ensuring and ensuring the integrity of the quarterly and annual financial reports.

In the event of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors (if any), a statement is included detailing and clarifying the recommendations and the reasons of the decision of the Board of Directors not to abide by them.

There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, including when the Board of Directors refuses to follow the recommendations of the Committee regarding the external auditor and/or internal auditor, the Board of Directors must include in the governance report a statement that clearly details these recommendations and the reasons behind the Board's decision.

- **Emphasizing the Independence and Neutrality of the External Auditor:**

The responsibilities of the company's External Auditor in auditing financial reports and data, and verifying its accuracy are among their most critical responsibilities, and the neutrality of these auditors is considered a fundamental requirement. And they are accredited by the Capital Markets Authority.

An independent external auditor is appointed annually with independence and impartiality from the Board of Directors. The Board of Directors makes sure that the external auditors do not provide any services to the company other than the services required for auditing and reviewing.

Nomination to appoint or reappoint the external auditors is part of the task of the audit committee.

The Audit Committee submits their names to the Board of Directors, which in turn recommends them to the General Assembly for approval. The General Assembly re-appointed Deloitte & Touche as auditors for the company for the fiscal year 2024.

Applying Sound Systems of Risk Management and Internal Audit

- **A brief statement of the implementation of the requirements for the establishment of an independent department / office / unit for risk management:**

A company's Risk Management Office was established on 29/6/2016. The office has a full technical independence according to regulatory requirements and reports directly to the Risk Committee, Based on the organizational structure of the company approved by the Board of Directors.

The company's risk management has complete independence through its subordination to the Risk Committee, in addition to having a full Authority in order to carry out its work without granting it financial powers or powers that conflict with their supervisory role. The risk management department should consist of staff with qualifications and high professional competencies.

Those responsible for managing the risk office has independence through their subordination to the Risk Committee and to the Board of Directors. They must have the necessary authority to carry out their duties to the fullest extent without having financial powers or any powers that lead to a conflict with their supervisory role. Also reviewing the deals and transactions proposed to be carried out by

the company with related parties and submitting appropriate recommendations regarding them to the Board of Directors (if any).

The Risk Management Office prepares the risk profile for the company, including the risk appetite, which explains and identifies the main risks that the company may be exposed to in its operating environment, such as business risks, financial risks and capital risks.

- **A Brief Overview on the Implementation of the Requirements of Forming the Risk Management Committee:**

The Board of Directors formed a Risk Management Committee consisting of three Board members. The Committee is chaired by a non-executive (independent) member. All members also possess academic qualifications and practical expertise. The Secretary of the Committee is entrusted with registering and keeping the minutes of the Committee's meetings, and carrying out the administrative works of the Committee. The Committee meets regularly on a quarterly basis. The committee met four times during the year.

One of the main tasks of the committee is to assess the degree and levels of risk tolerance that the company can avoid and all possibilities to reduce potential risks, as mentioned in the second rule.

It performs its role in reviewing the progress reports of the Risk Management Office and ensures compliance with global standards for risk management.

- **Brief Overview of Control and Internal Audit Systems**

The Company maintains a control and internal audit systems that cover all of its activities. Internal control systems aims at maintaining the integrity and accuracy of the company's financial statements and the efficiency of all its operations. It also aims to protect the rights of shareholders and raise the company's status. The principles of internal control are based on the dual control process (Four eyes Principles), through full separation of duties, dual inspection and control, and dual signature. The Company also developed an independent internal audit process as follows:

- The Internal Audit Office reports directly to the Audit Committee.
- The Board of Directors determines the duties and responsibilities of the internal audit; and the Audit Committee is responsible for monitoring the internal audit systems and their adequacy.

One of the company's goals is its keenness to implement internal management systems and ensure the commitment of all authorities directed to protect companies from any risks and to maintain the accuracy and integrity of the financial statements to help protect property rights. Dual control is considered an internal method for implementing control systems. The internal audit office, which is part of the audit committee, is one of the entities responsible for monitoring the internal audit systems and ensuring their effectiveness.

A brief statement of the implementation of the requirements for the establishment of the independent department / office / unit for internal auditing.

The Manager of internal audit office is appointed by the Board of Directors based on the nomination of the Audit Committee. The Internal Audit Office has complete independence and reports directly to the Audit Committee and to the Board of Directors. The manager of the Internal Audit Office is evaluated by the Audit Committee and ensures that his role is performed effectively.

The tasks of the audit office are as follows:

- **Control procedures and supervision of the adequacy and effectiveness of internal control systems and their adequacy to protect the company's assets, the integrity of its**

financial data, and the efficiency of its operations in their administrative, financial, and accounting aspects.

- **Preparing the annual internal audit work plan.**
- **Reasons for failure in implementing internal controls (if any), or weaknesses in their application, or emergency situations that have affected or may affect the company's financial performance, and the actions the company has taken to address the failure in implementing internal controls.**

Promoting Code of Conduct and Ethical Standards

- **A Brief Overview of the code of conduct including standards and determinants of code of conduct and ethical standards:**

The role of the Board of Directors is to set the standards and principles that help establish the company's ethical concepts and values. The Board of Directors has approved and adopted a code of conduct and its implementation for the Company. The code of conduct emphasizes a culture of professional and ethical behavior that enhances investor confidence in the company's financial integrity and safety. Commitment to this charter is the responsibility of every individual and employee of the company. The Charter includes the commitment of all employees of the Company to the laws and internal policies of the code of conduct, as well as commitment to the principles of honesty and integrity and not to exploit their positions for personal gains. Maintaining confidentiality and maintaining information. The code of conduct stresses that necessity of following the standards and requirements for professional conduct and ethical standards, in accordance with the Capital Market Authority's executive bylaws. It also deals with the Conflicts of interests, prohibiting bribery, and regulating the relationship of employees with each other on the one hand and between them and the company's clients on the other hand. The Charter also regulates reporting on violations of laws, policies and regulations of the company and the investigation process. This is in order to avoid violations that the company may be exposed to.

- **Summary of Policies and Mechanisms for Reducing Conflict of Interest Cases:**

A member of the Board of Directors is obligated to report to the Company's Board of Directors any personal interest he may have in any activity or contract of the company, provided the reporting is registered in the minutes of the meeting and that member has no right to discuss and vote in the matters in which has any personal interest. The Chairman of the Board of Directors must declare at the General Assembly meeting any conflict of interests of any member of the Board who has a personal interest in the activities and contracts of the company. This declaration must be accompanied by a special report from the auditor. The Board deals with these cases in an appropriate manner in line with regulatory requirements. The Conflict of Interest policy also prohibits the employees of the Company from working for a client or competitor of the company during their employment.

Timely and High Quality Disclosure and Transparency

- **A brief overview of the implementation of accurate and transparent presentation and disclosure mechanisms that define aspects, areas and characteristics of disclosure:**

The Company's Board of Directors has approved and adopted a disclosure and transparency policy, according to which the Company is committed to accurate and transparent disclosure in accordance with the mechanisms set out in the executive bylaws of the Capital Markets Authority Law No. 7 of 2010 in Module 15 "Corporate Governance", Chapter 8 and Module 10 "Transparency and Disclosure". Disclosure aspects include material information, a list in the names of insiders, beneficiaries, remunerations for members of the Board of Directors, and any other disclosures required by the executive bylaws, Other disclosures required by the executive

regulations include quarterly and annual financial statements, any material information, any changes in the list of insiders, and the board of directors and executive management. As well as the reports that the company is required to disclose, such as the sustainability report. It includes information about its key practices and operations related to sustainability and corporate social responsibility, ensuring that this approach keeps stakeholders informed about the company's efforts to operate in a responsible and sustainable manner and its progress in achieving sustainability goals.

The Corporate Governance Office is responsible for supervising the disclosure process in order to ensure that the company adheres to the instructions and laws, and it is considered the authority responsible for communicating with the Capital Markets Authority or any regulatory authority, He must abide by the disclosure dates within the regulatory deadlines.

- **A brief overview on the Implementation of the Requirements of Maintaining Record of Disclosures by the Board of Directors, Executive Management and the managers :**

The existence of a disclosure register for the company ensures transparency and credibility.

The Company maintains a special record for the disclosures made by members of the Board of Directors and executive management. The record is made available to all shareholders of the company. The Company updates the contents of this records periodically.

These disclosures can also be viewed through the Board of Directors' Disclosures Register on the company's website.

- **A brief statement on the implementation of the requirements for forming Investor Relations Unit:**

The Company regulates the Investors' Relations by making available and providing the necessary data and information to investors in a timely and accurate manner, through the recognized disclosure methods, including the company's website for receiving inquiries.

Also, these data and information are available to shareholders through the annual report, quarterly analysts' conference call, periodic reports, and others.

The analyst conference call is considered one of the important conferences in which shareholders are contacted directly, receiving all their inquiries and questions and answering them.

Also, one of the objectives of the Investor Relations Management Office who have competence and experience is to communicate with shareholders and investors on a permanent and continuous basis, with the aim of improving the company's position in the local and international market and attracting the largest number of investors and shareholders.

The company is also always keen to deal with all shareholders with honesty and equality and not to favor any personal interests at the expense of other interests.

- **A brief overview developing information technology infrastructure, and relying heavily on it for disclosures:**

The company adopts the use of information technology for communication with shareholders, investors and stakeholders. A page dedicated to corporate governance has been created on the website of the Company, through which all recent information and data that may assist shareholders, current and potential investors to exercise their rights and evaluate the company's performance. It also includes all the disclosures and results of the periodic financial reports, and the company's information is updated on the Bursa Kuwait website.

The Governance Department also communicates with the Capital Markets Authority through e-mail and the Authority's website.

Respect of the Rights of Shareholders

- **A summary of the implementation of the requirements for defining and protecting the general rights of shareholders, in order to ensure justice and equality among all shareholders:**

The company is keen to protect the rights of its shareholders and constantly communicate with them. To communicate with shareholders, investors and stakeholders, the company adopts all communication channels, so that all up-to-date information and data are presented that help shareholders, current and potential investors to exercise their rights. Shareholders also have the right to participate in the company's general assembly, vote on its decisions, elect board members, and monitor the company's performance in general and the work of the board of directors in particular.

The Company follows its policy of "the General Assembly Guide and the Rights of Shareholders in the Company", which was approved by the company's Board of Directors in pursuance to Module 15, Chapter 9 ("Respecting the Rights of Shareholders"). The Company's policy guarantees in its activities to all shareholders, protection of their rights and equality and protecting their investments.

All shareholders have equal rights to obtain their share of the dividends, attend the general assembly meetings of the Company and vote on its decisions, discuss financial statements, run for membership in the Board of Directors, elect members of the board of directors, monitor the company's performance and the work of the Board of Directors and questioning them if they neglect to carry out their tasks or exceed the powers entrusted to them.

The company holds an analysts' conference call on a quarterly basis, in which it discusses the financial results with shareholders and answers their inquiries.

The disclosure register, through which the shareholders can view all developments in the company, is a means through which they obtain all information.

- **A summary of establishing a special register to be kept with the clearing agency, as part of the requirements for continuous monitoring of shareholders' data:**

The Company has a special register for its shareholders with the Kuwait Clearing Company. The Company is notified on a daily basis on trades during the day, the names of the shareholders, their numbers and the percentage of ownership of each of them through daily trading reports.

This Shareholders register is updated on a daily basis, and coordination is made with the Kuwait Clearing Company in order to prepare all shareholders' invitations for the general assembly.

- **A brief overview of encouraging shareholders to participate and vote in the assembly meetings of the company:**

The good financial performance of the company encourages the shareholders to attend the assembly meetings. Also, opening discussion and answering questions of the shareholders and enriching the discussions for the topics of the agenda encourages the shareholders represented in the meeting to participate in the discussion and enrich the meeting and to cast their vote on the decisions of the general assemblies of the Company.

The company also sends an invitation to all shareholders to attend the General Assembly through a disclosure (Through attendance and voting through via electronic system or direct attendance) that can be viewed on the company's page on the stock exchange, with prior determination of the agenda, its items, and the place and time of the meeting so that the shareholders can attend the meeting and discuss all items with the members of the Board of Directors and vote on them. The invitation is also published on the Kuwaiti daily newspapers and the company's website.

Recognizing the Role of Stakeholders

- **An overview of the systems and policies that ensure protection and recognition of the rights of stakeholder:**

The Company recognizes stakeholders in conformity with the definition of the CMA Executive Bylaws which includes all persons who have an interest with the company, including employees, clients, suppliers, creditors, etc.

Stakeholders are every person who has an interest in the company, such as employees, creditors, customers, suppliers, and service providers to the company. And in general, every person who has any relationship with the company or is concerned with its operations.

In its dealings with stakeholders, the company is keen to recognize all their legal and contractual rights, and to commit to fulfilling those rights to them in full and on their due dates, and to give the benefit to shareholders. The company also works to provide the best working conditions for its employees, and build a relationship of trust and respect, in addition to building fruitful relationships with all suppliers, contractors and customers at the basis of integrity, ethical behavior and mutual trust. The company also deals with external parties on the principle of justice and integrity, and protects their interests and ensures that they are given all their rights, and that no obligations are violated with them, along with preserving the interests and rights of the company. The company is also always keen to adhere to the instructions of all regulatory authorities such as, the Capital Markets Authority and other relevant regulatory authorities. Moreover, provide any documents, records and data if requested by representatives of these regulatory authorities, while applying the principle of transparency.

Any significant event that can occur, must be taken into consideration by the Board of Directors, the Executive Management and the affiliated committees so as not to affect the interests of shareholders

- **A brief overview on how to encourage stakeholders to participate in following up the company's various activities:**

The Company strives to provide better working conditions for its employees, build a relationship of trust and respect between the employee and the company, and involve them in decision-making matters related to improving their work and discusses their suggestions. The company's policies also obligated the employees to report any of the violations, and sets out a mechanism for reporting and protecting the reporter who reported in good faith but his report was found not to be correct.

The company adopts a policy of reporting violations and a policy for complaints in order to guarantee the rights of stakeholders and increase their trust in the company.

The Company also strives to build constructive relationships with clients and suppliers based on mutual trust and respect and commitment to its contractual obligations as good faith requires. The Company welcomes any complaint submitted by any of the stakeholders and will study it carefully and respond to it accordingly.

Encouragement and Enhancement of Performance

- **Summary of the implementation of the requirements for setting mechanisms enabling the members of the Board of Directors and the Executive Management to obtain continuous programs and training courses:**

The company has an approved policy from Board for training of the members of the Board of Directors and Executive Management. This policy regulates the introduction of induction programs for new members and training courses for the members of the Board of Directors and the Executive Management through attending training programs, workshops and conferences related to their training needs.

- **Summary of evaluating the performance of the Board of Directors as a whole, and the performance of each member of the Board of Directors and Executive Management:**

According to the policy adopted by the company, the evaluation is based on the Key Performance Indicators (KPIs) connected with extent of achieving the strategic goals of the company, the quality of risk management and the sufficiency of the internal control systems and that in accordance with the approved procedures, standards and models for the evaluation of the Board of Directors, each of the members of the Board, the Board Committees and Executive Management of the Company.

One of the most important Annual tasks of the nominations and remunerations committee is to review the key performance indicators (KPIs) to evaluate the Board of Directors of the company.

- **A brief overview of the efforts of the Board of Directors to create corporate values (Value Creation) for employees in the Company, through achieving strategic goals and improving performance rates:**

The Board of Directors strives to create the corporate values of the Company through serious and continuous work to achieve the strategic goals of the Company and improve performance and full compliance with the applicable laws and regulations and in particular the Governance Rules. The Company's culture contributes greatly to improving the work environment and the performance of its employees, as the company's culture strives to qualifying employees and increasing their knowledge and creating optimal working environment. It also encourages teamwork and cooperation among employees and appreciate initiatives and creative work. The company also strives to enhance the employees' feeling of belonging to the Company.

Focus on the Importance of Social Responsibility

- **A summary of developing a policy that ensures achieving a balance between the company's goals and society's goals:**

The Board of Directors approved the company's social responsibility policy, which ensures achieving a balance between both the company's goals and society's goals, through its subsidiaries American university And American college of the Middle East working to spread awareness and participate in social and cultural events.

- **An overview of the programs and mechanisms used that help highlight the company's efforts in the field of social work:**

HumanSoft Sustainability Report was released in August 2024, highlighting our five pillars as follows: Sustainability and Environment, Sports, Health and Wellness, Diversity, Inclusion and Innovation, Supporting and Developing Faculty and Staff, and Creating a Generation Ready to Work and Be Productive. HumanSoft, through its subsidiaries, has organized many initiatives, activities and programs related to these pillars, including the following:

Sustainability and Environment

- AUM is one of HumanSoft's largest subsidiaries. It is also a member of the United Nations Initiative "Principles for Responsible Management Education (PRME)", affiliated with the United Nations Global Compact.
- In 2024, AUM University maintained its first position in Kuwait and achieved advanced rankings globally and regionally in prestigious global and university rankings. According to the QS World University Rankings for the 2025 edition, AUM ranked first in Kuwait for the fourth consecutive year, advancing to the 611-620 range globally, while it ranked 401-500 in THE World University Rankings for the 2025 edition. AUM also maintained its first position in Kuwait in the QS Arab University Rankings for the 2025 edition, ranking 23rd. Additionally, AUM retained the first position in Kuwait for the fourth consecutive year in the 2024 THE Arab University Rankings.

- In the 2024 UI GreenMetric World University Ranking, AUM maintained its first position in Kuwait and retained its fourth position in the Gulf region for the second consecutive year.

- In the 2024 THE Impact Rankings for Sustainable Development, AUM maintained its first position in Kuwait and was listed among the top ten universities in the Arab world .

Health and Wellness

- Awareness activities about breast cancer, diabetes and the mental health.
- AUM students participated in various sports competitions with the aim of creating a healthy environment due to the positive effects it has on both their sports and academic performance.

Diversity, Inclusion and Innovation.

- Students participated in international competitions and achieved outstanding results.
- Launching/organizing various events and activities related to culture, diversity and innovation.

Supporting and Developing Faculty and Staff

- A positive and transparent work environment that promotes academic excellence, career advancement and professional development, in addition to gender equality.
- AUM and ACM have many collaborations with local and global health institutions to ensure the health and well-being of their community. Various activities and events are also organized for employees and faculty members.

Creating a Generation Ready to Work and Be Productive

- Establishing and equipping many systems, virtual centers and studios; in addition to providing various electronic services to enrich the education process and support students' needs.
- Organizing the tenth career fair, offering approximately 1,500 job opportunities; in addition to the career day activities that took place on campus.
- The American University of the Middle East (AUM) participated as a Platinum sponsor in the Nexus Technology Event, as part of its commitment to developing the educational process and keeping up with modern technology.
- AUM organized an awareness seminar in collaboration with the Capital Markets Authority at its campus to raise awareness about the work, vision, mission, and objectives of the Capital Markets Authority.
- The American University of the Middle East hosted the "Leaders of Tomorrow" program, organized by the Gulf Petrochemicals and Chemicals Association (GPCA), for the first time in Kuwait at its cultural center, with experts from various industries and petrochemicals sectors in the Gulf region.
- AUM organized the Kuwait Robotex competition in collaboration with the Global Robotex competition, the first edition of the prestigious global robotics competition.



Date: 13 March 2025

Undertaking of the Chief Executive Officer

To : Board of Directors

Subject: Undertaking

I the undersigned, holding the position of the Chief Executive Officer in your esteemed company, hereby confirm the safety, integrity and accuracy of the financial statements, and that the financial statements of the company (for the year ended 31 December 2024) are displayed properly and fairly, and that they display all the financial aspects of the company's data and operating results, and that they are prepared according to the International Financial Reporting standards.

Sincerely,

Dr. Georges El Yahchouchi

سجل تجاري رقم: 71382 رأس المال (د.ك.): 13,476,607.200 رأس المال المدفوع (د.ك.): 13,476,607.200
تليفون: 22322588 (965) - فاكس: 22322587 (965) - ص.ب: 305 الصفاة 15454 الكويت

www.human-soft.com

Date: 13 March 2025

Undertaking of the Chief Financial Officer

To: Board of Directors

Subject: Undertaking

I the undersigned, holding the position of the Chief Financial Officer in your esteemed company, hereby confirm the safety, integrity and accuracy of the financial statements, and that the financial statements of the company (for the year ended 31 December 2024) are displayed properly and fairly, and that they display all the financial aspects of the company's data and operating results, and that they are prepared according to the International Financial Reporting standards.

Sincerely,

Anup Dhand

Acknowledgment and undertaking of the independent member

I, Abdul Razzaq Abdullah Muhammad, as an independent member of Humansoft Holding. I declare I have nothing to prevent my independence as specified by the executive regulations of the Capital Markets Authority:

1. I Do not hold 5% or more of the company Shares, neither does or a representative of mine.
2. I am not a first-degree relatives to any of the Members of the Board of Directors or Executive management members in the company or any other company in its Group or other relevant main parties.
3. I am not a member of the Board of Directors in any other company of the Group.
4. I am not an employee in the company or any company in the Group or for any of the Stakeholders.
5. I am not an employee for corporate entities that own Control shares in the company.

I also confirm that in the event of any change affecting my independence, I will notify the company in writing without any delay.

Abdulrazzaq Abdullah Mohammad

2. Include the two following statements:

In pursuance to the resolution of the annual general assembly, held on March 24 2024, the approved remuneration of the members of the board of directors for the fiscal year 2023, were distributed in the amount of K.D 50,000 for each member of the Board and with the total amount of K.D 250,000.

Remunerations and benefits of Members of Board of Directors							
Total number of members	Remunerations and benefits through the parent company			Remunerations and benefits through the subsidiaries			
	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	Annual remuneration	Committees' remuneration	Health insurance	Monthly salaries total of the (year)	Annual remuneration	Committees' remuneration
5		250,000					

* Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

Total remunerations and benefits granted to five senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included *														
Total executive positions	Remunerations and Benefits through the parent company							Remunerations and Benefits through the subsidiaries						
	Fixed remuneration and benefits (Kuwaiti Dinar)						Variable remuneration and benefits (Kuwaiti Dinar)	Fixed remuneration and benefits (Kuwaiti Dinar)						Variable remuneration and benefits (Kuwaiti Dinar)
	Monthly salaries total of the (year)	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's education allowance	Annual remuneration	Monthly salaries total of the (year)	Health insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Annual remuneration
5	256,702	2,008	11,545	16,200	5,148	8,370	Nil	81,308	518	8,000	Nil	Nil	Nil	Nil

* Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

3. Any substantial deviations from remuneration policy approved by Board of Directors.

Nil



**[Translated Version]
Report of the Audit Committee
For**

The fiscal year ended 31/12/ 2024

Greetings,

During the previous fiscal year, the Audit Committee was keen to perform the tasks assigned to it and the powers entrusted to it by the company's board of directors. Its responsibilities included reviewing the quarterly and annual financial statements, evaluating the internal control systems and their efficiency, recommending the appointment of the company's external auditors, and holding periodic meetings within the framework of compliance with the laws of governance.

The Audit Committee held 5 meetings during the year 2024, The committee was reformed at the end of 2024, and the committee consists currently of the below three members:

1- Mr. Mayank Hasmukhlal Baxi	Chairman of the committee
2- Mr. Hasan Qasem Al Ali	Member
3- Mr. Abdulrazzaq Abdullah Mohammad	Member / independent

The committee summarizes its report during the year 2024 as follows:

1- Key achievements and tasks of the committee

- A new name has been nominated for the position of manager of the Internal Audit Office
- The committee reviews the quarterly and annual financial statements and sets out recommendations before submitting it to the board of directors for approval.
- Meeting with the external auditor and following up their work to ensure the integrity of the financial statements.
- Meeting with the internal audit office, following up on their work, and reviewing all submitted reports and their validity.
- Recommending to the Board of Directors the appointment of external auditor.
- Reviewing the Internal Control Report issued by the independent audit office.
- Approving the internal audit work plan for the year 2025.
- Reviewing and approving the reports submitted by the internal audit office as per the approved internal audit work plan.
- Evaluating of the Internal Audit Manager.
- Reviewing the audit policy.
- Discussing the disciplinary decision issued by the Capital Markets Authority.

2-Review of the Internal Control Systems in the Company.

During the fiscal year 2024, an internal audit was conducted in all departments of Humansoft Holding Company, according to the internal audit plan, with the aim of reviewing and evaluating the Company's internal control systems, and proposing the necessary amendments if necessary.

سجل تجاري رقم: 71382 رأس المال (د.ك.): 13,476,607.200 رأس المال المدفوع (د.ك.): 13,476,607.200
تليفون: 22322588 (965) - فاكس: 22322587 (965) - ص.ب: 305 الصفاة 15454 الكويت

www.human-soft.com

NR

The outcomes of the audit showed that all the Company's operations were carried out in accordance with the approved procedure, and that the Company's management adopted all the necessary control procedures. All documents of the Company are kept in the Company's main office and the management of the Company is fully prepared to identify, evaluate and manage the Company's business and financial risks (if any) effectively and in accordance with best practices.

The Audit Committee seeks to perform its oversight role on the validity of the annual and quarterly financial statements before submitting them to the Board of Directors, supervising the Internal Audit Office, and assessing the manager of the Internal Audit Office, ensuring that his role is effectively performed, additionally, the committee ensures the accuracy and integrity of accounting and financial reports.

Also within its oversight responsibilities is the verification of the internal audit unit's performance, review of internal audit report findings, technical supervision of internal audit management, examination of its reports, and confirmation of its efficacy in executing tasks and duties outlined by the Board of Directors.

The committee also held periodic meetings with the internal auditor, during which it discussed the reports and all observations(if any) issued by the internal audit office and made sure that the Company's internal control systems of the various departments are proper and that the control tools are appropriate to achieve effective internal control. The committee also discussed and approved the proposed audit plan for auditing work within the company.

3-Review of the Consolidated Financial Statements of the Company

The committee reviewed the quarterly and annual financial statements for the fiscal year 2024 before presenting them to the Board of Directors, providing its opinion and recommendations accordingly. Additionally, it held a meeting with the external auditor.

The role of the Audit Committee is reflected in its review of the external auditor's observations on the company's financial statements (if any), as well as in expressing its opinion on these matters.

The committee also met with the Internal Audit Office, discussed the submitted reports, and remained committed throughout 2024 to its supervisory role in ensuring the integrity of financial data. The reports confirmed the accuracy and soundness of the company's financial statements and their compliance with accounting principles.

The decrease in profit during the financial year ended on 31 December 2024, compared with the same period in the previous year, is mainly due to higher expenses in the year 2024.



4-Review the Reports of the External Auditors and the Internal Audit Office

The external auditors' reports on the consolidated financial statements for the year 2024 and the reports of the Internal Audit Office were reviewed. These reports showed the integrity of the financial statements and the consolidated financials of Humansoft Holding Company, and that they were prepared in conformity with International Financial Reporting Standards (IFRS).

The Committee reviewed the **Internal Control Report** of the independent auditing office, and found, according to the report, that all departments of Humansoft Holding are committed to internal control systems and the applicable laws and regulations.

The committee also ensures that the auditors are officially registered in the records of the Capital Markets Authority and that they meet all accounting requirements, as well as ensuring their independence and integrity and that they do not provide any other services that conflict with the audit work.

Mayank Hasmukhlal Baxi
Chairman of the Audit Committee

NR

h