

# Ordinary General Assembly Meeting

(First Meeting)

Via modern technology means.

25 April 2024 at 8:30 PM

# General Assembly Meeting Agenda

Ordinary General Assembly Meeting  
(First Meeting) 25 April 2024 at 8:30 PM

# Agenda Items

| # | Item  |
|---|---|
| 1 | View and discuss the Board of Directors report for the fiscal year ending on 31-12-2023. <a href="#">(attached)</a>   |
| 2 | View and discuss the financial statements for the fiscal year ending on 31-12-2023.   |
| 3 | Voting on stc's auditor report after discussing it for the fiscal year ending on 31-12-2023.  |
| 4 | Voting on the Board of Directors recommendation for the special one-time dividends distributions for the year 2023, of SAR (1) per share which represents 10% of the share's par value with a total amount of SAR 4,984.50 million, the eligibility of special dividends will be for the shareholders at the close of trading on the day of Company's general assembly and as per the registered shareholders in Company's shareholders registry in the Depository Center at the end of the 2nd trading day following the day of Company's general assembly, thus the total dividends distributed and proposed to be distributed for the year 2023 is SAR (2.60) per share which represents 26% of the share's par value, the distribution date will be announced later. <a href="#">(attached)</a> |
| 5 | Voting on business and contracts between Telecommunications Towers Company (Tawal), a stc subsidiary, and Saudi National Bank. In which Mr. Yazeed A. ALHumied has an indirect interest being a Vice Chairman of Saudi Telecom Company and Saudi National Bank Boards of Directors. The disclosed indirect interest is regarding the Sharia-compliant loan, amounted to USD 1.02 Billion (USD 0.3 Billion out of the total loan amount is a bridge loan), provided by Saudi National Bank to Tawal. Furthermore, the Public Investment Fund is considered a major shareholder in both Saudi Telecom Company and Saudi National Bank. The contract is part of the ordinary businesses that have offered no preferential advantages. <a href="#">(attached)</a>                                       |
| 6 | Voting on business and contracts between Saudi Telecom Company and Saudi National Bank. In which Mr. Yazeed A. ALHumied has an indirect interest being a Vice Chairman of Saudi Telecom Company and Saudi National Bank Boards of Directors. The disclosed indirect interest is regarding the Sharia-compliant loan, amounted to SAR 350 million provided by Saudi National Bank to Saudi Telecom Company. Furthermore, the Public Investment Fund is considered a major shareholder in both Saudi Telecom Company and Saudi National Bank. The contract is part of the ordinary businesses that have offered no preferential advantages. <a href="#">(attached)</a>  |
| 7 | Voting on business and contracts between Telecommunications Towers Company (Tawal), a stc subsidiary, and Saudi National Bank. In which Mr. Yazeed A. ALHumied has an indirect interest being a Vice Chairman of Saudi Telecom Company and Saudi National Bank Boards of Directors. The disclosed indirect interest is regarding Murabaha financing, amounted to SAR 2 Billion. Furthermore, the Public Investment Fund is considered a major shareholder in both Saudi Telecom Company and Saudi National Bank. The contract is part of the ordinary businesses that have offered no preferential advantages. <a href="#">(attached)</a>   |
| 8 | Voting on authorizing the Board of Directors with the General Assembly authority with the rights mentioned in paragraph (1) of Article (27) of the Companies Law for one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.   |
| 9 | Voting on paying SAR (6,612,500) as remunerations for the members of Board of Directors for the fiscal year ending on 31-12-2023.   |

# Items Attachments

# Attachment of the item No. 1

Audit committee report

تقرير لجنة المراجعة إلى الجمعية العامة ٢٠٢٣م

**The Audit Committee Report to the General  
Assembly for the Financial Year 2023**



It is the Board's responsibility to ensure the implementation of appropriate control systems to measure and manage risks. Such responsibilities are carried out by setting a general framework to be vigilant of the risks that the company may face, creating an environment of Risk Management culture on the company level to be shared with the stakeholders and related parties, and performing reviews of the effectiveness of the company's Internal Control system and procedures on an annual basis.

The Audit Committee (AC) is responsible for monitoring the company's activities and verifying the integrity of the reports, financial reports, and Internal Control Systems as stated in the "AC Charter" approved by The General Assembly and as per the requirements of the "Companies Law" issued by the Ministry of Commerce, and the "Corporate Governance Regulations" issued by the Capital Market Authority.

According to the results of the risk-based internal audit activities and risk assessments of the internal control systems, the committee's discussion of the periodic audit reports during its meetings with the executive management and the internal audit, and an independent report from an external consultant on the adequacy of the internal control systems for the fiscal year 2023, which concluded that the internal control systems associated with the critical business processes in the company are effective in monitoring and reducing the risks associated, and the results of its oversight and periodic discussions with the external auditor of the company's accounts and their unqualified opinion on the company's consolidated financial statements for the fiscal year 2023.

تتضمن مسؤوليات مجلس الإدارة التأكد من تطبيق أنظمة رقابية مناسبة لقياس وإدارة المخاطر؛ وذلك بوضع إطار عام لإدراك المخاطر التي قد تواجه الشركة وإنشاء بيئة واعية لأهمية إدارة المخاطر على مستوى الشركة، وطرحها بشفافية مع أصحاب المصالح والأطراف ذات الصلة بالشركة، إضافة إلى المراجعة السنوية لفاعلية إجراءات الرقابة الداخلية في الشركة.

وتختص لجنة المراجعة بمراقبة أعمال الشركة والتحقق من سلامة ونزاهة التقارير والقوائم المالية وأنظمة الرقابة الداخلية فيها كما هو وارد في لائحة عمل لجنة المراجعة المعتمدة من الجمعية العامة للشركة، وذلك تطبيقاً لما نص عليه "نظام الشركات" الصادر من وزارة التجارة ولمتطلبات "لائحة حوكمة الشركات" الصادرة عن هيئة السوق المالية.

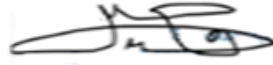
بناء على نتائج أعمال المراجعة الداخلية المبني على تقييم المخاطر الجوهرية لأنظمة الرقابة الداخلية ومناقشتها لتقارير المراجعة الدورية خلال اجتماعاتها مع منسوبي الإدارة التنفيذية والمراجعة الداخلية والتقرير المستقل الصادر من المستشار الخارجي عن مدى كفاية أنظمة الرقابة الداخلية في الشركة للعام المالي ٢٠٢٣م، والذي أشار إلى كفاءة أنظمة الرقابة الجوهرية المرتبطة بأعمال الشركة في رصد والتقليل من المخاطر المرتبطة بأعمالها الجوهرية والحساسة، ونتائج إشرافها ونقاشاتها الدورية مع المراجع الخارجي لحسابات الشركة ورأيه غير المتحفظ حيال القوائم المالية الموحدة للشركة للعام المالي ٢٠٢٣م.

Nothing came to the attention of the Audit Committee (AC) regarding any significant deficiencies in the internal control system; keep noting that regardless of any internal control system's effectiveness, it cannot provide absolute assurances, but it does provide reasonable assurances about the integrity and effectiveness of the internal control systems.

لم يتبين للجنة المراجعة وجود خلل جوهري في نظام الرقابة الداخلية، علماً بأن أي نظام رقابة داخلية، مهما كانت فاعليته، لا يمكن أن يقدم تأكيدات مطلقة، ولكنه يقدم تأكيدات معقولة عن مدى سلامة وفعالية نظام الرقابة الداخلية.

رئيس لجنة المراجعة

**Chairman of the Audit Committee**



وليد بن إبراهيم شكري

**Walid I. Shukri**



# Attachment of the item No. 4

The Board of Directors recommendation for the special one-time dividends distributions for the year 2023



## قرار رقم (٢٤٠٢٨٦٦) Resolution No.

In accordance with the authorities vested in the Board of Directors and reference to the Audit Committee Recommendation No. (2402763) dated (18/2/2024), (attached), which resolved to recommend to the Board of Directors to approve the stc 2023 annual consolidated financial statements before being submitted to the General Assembly for review and discussion, and reference to the Dividends Policy approved by the Extraordinary General Assembly held on 30/8/2022;

The Board of Directors reviewed the stc 2023 annual consolidated financial statements and the attached presentation regarding the proposed additional dividends. After deliberation and based on the Audit Committee Recommendation and the approved Dividends Policy, the Board of Directors resolved to:

**First:** Approve stc annual Consolidated financial statements for the fiscal year 2023 and submit the statements to the General Assembly for review and discussion.

**Second:** Approve stc External Auditor Report for the fiscal year ending on 31/12/2023 and submit the report to the General Assembly for discussion and making a decision in its regard.

إن مجلس إدارة شركة stc (الشركة) بما له من صلاحيات، وإشارة إلى توصية لجنة المراجعة رقم (٢٤٠٢٧٦٣)، بتاريخ ١٤٤٥/٨/٨ هـ (الموافق ٢٠٢٤/٢/١٨ م) (مرفقة)، التي قررت رفع توصية لمجلس الإدارة للموافقة على القوائم المالية السنوية الموحدة للعام المالي ٢٠٢٣ م، تمهيداً لرفعها للجمعية العامة للاطلاع والمناقشة. وإشارة إلى سياسة توزيع الأرباح المعتمدة في اجتماع الجمعية العامة غير العادية المنعقدة بتاريخ ١٤٤٤/٢/٣ هـ (الموافق ٢٠٢٢/٨/٣٠ م).

فقد استعرض المجلس القوائم المالية السنوية الموحدة للعام المالي ٢٠٢٣ م والعرض المرفق بشأن التوزيعات الإضافية المقترحة. وبعد التداول والمناقشة، وبناءً على توصية لجنة المراجعة المشار إليها أعلاه، وسياسة توزيع الأرباح، قرر المجلس ما يلي:

**أولاً:** الموافقة على اعتماد القوائم المالية السنوية الموحدة للعام المالي ٢٠٢٣ م، والرفع للجمعية العامة للاطلاع والمناقشة.

**ثانياً:** الموافقة على تقرير مراجع الحسابات للسنة المالية المنتهية في ٣١/١٢/٢٠٢٣ م، والرفع للجمعية العامة للمناقشة والاعتماد.



**Third:** Recommend to pay a special cash dividend of SAR (1) per share for the year 2023 to stc shareholders, and submit it to the General Assembly at its next meeting for voting.

**ثالثاً:** التوصية بتوزيع (١) ريال لكل سهم أرباحاً نقدية إضافية لمساهمي الشركة عن عام ٢٠٢٣م، والرفع إلى الجمعية العامة القادمة للتصويت عليها.

| Board Members                             | Signature | التوقيع | اتضاء المجلس  |
|---|-----------|---------|---|
| H.R.H. Prince<br>Mohammed K. A. Al-Faisal |           |         | صاحب السمو الملكي الأمير /<br>محمد بن خالد العبدالله الفيصل |
| H.E. Dr. Khaled H. Biyari                 |           |         | معالي الدكتور/ خالد بن حسين بياري                           |
| H.E. Mr. Mohammed T. AlNahhas             |           |         | معالي الأستاذ/ محمد بن طلال النحاس                          |
| Mr. Yazeed A. AL-Humied                   |           |         | الأستاذ/ يزيد بن عبدالرحمن الحميد                           |
| Ms. Rania M. Nashar                       |           |         | الأستاذة/ رانيا بنت محمود نشار                              |
| Mr. Arndt F. Rautenberg                   |           |         | الأستاذ/ أرنست راوتينبيرق                                   |
| Mr. Sanjay Kapoor                         |           |         | الأستاذ/ سانجاي كـابـور                                     |
| Ms. Sarah J. AL-Suhaimi                   |           |         | الأستاذة/ سارة بنت جهـاز السـحيمـي                          |
| Mr. Jameel Al-Molhem                      |           |         | الأستاذ/ جميل بن عبدالله الملحم                             |
| Mr. Walid I. Shukri                       |           |         | الأستاذ/ وليد بن إبراهيم شكري                               |
| Mr. Ahmed M. AlOmran                      |           |         | الأستاذ/ أحمد بن محمد العمران                               |



| stc Dividend Policy   | سياسة توزيع الارباح  |
|---|--|
| <p>The dividends policy is based on committing a minimum dividend in amount of SAR 0.40 per share per quarter, effective from Q4-2021 for 3 years. stc will consider paying additional dividends, subject to stc's Board of Directors' recommendation to the General Assembly, and after evaluating stc financial position, future expectation and capital requirement. Additional dividends may vary from quarter to quarter based on the company's performance. The dividends policy will remain subject to change based on the following:</p> <ul style="list-style-type: none"> <li>▪ Any material changes in the strategy and business of the company (including the business environment it operates in);</li> <li>▪ Laws and regulations that are applicable on the Company; and</li> <li>▪ Any banking, other funding or credit rating covenants that the company may be bound to follow from time to time</li> </ul> | <p>تقوم سياسة توزيع الأرباح على أساس الالتزام بحد أدنى من التوزيعات، وذلك بتوزيع أربعين هللة (٤٠ هللة) سعودي للسهم الواحد عن كل ربع سنة، ولمدة ثلاث سنوات بدءاً من الربع الرابع من عام ٢٠٢١م، وسوف تنظر الشركة في دفع توزيعات إضافية، التي ستخضع لتوصية مجلس الإدارة للجمعية العامة، بعد تقييم الوضع المالي والتوقعات المستقبلية والمتطلبات الرأسمالية للشركة، وقد تتفاوت التوزيعات الإضافية من ربع سنة إلى آخر بناءً على أداء الشركة. كما أن سياسة توزيعات الأرباح ستظل قابلة للتغيير بناءً على ما يلي:</p> <ul style="list-style-type: none"> <li>▪ أي تغييرات جوهرية في استراتيجية وأعمال الشركة (بما في ذلك البيئة التجارية التي تعمل بها الشركة).</li> <li>▪ القوانين، الأنظمة، التشريعات والضوابط المنظمة للقطاع والتي تخضع لها الشركة.</li> <li>▪ أي التزامات أو تعهدات لجهات مصرفية أو تمويلية أو مقابلة متطلبات وكالات التصنيف الائتماني والتي قد تكون ملزمة للشركة من وقت لآخر.</li> </ul> |

# Attachments of the items No. 5 ,6, and 7

External Auditor report for the business and contracts with the Saudi National Bank



**Dear Saudi Telecom Company (stc) Shareholders,**

With reference to the requirements of article 27, item 1 of the Company's law, which states, "a company's manager or board member may not have any direct or indirect interest in the transactions conducted and contracts concluded for the company's account without the authorization of the partners, general assembly, or shareholders or their designees". And item 71 of the Company's law, which states, "a member of the Board of Directors cannot have any direct or indirect interest in the business and contracts that are made for the company unless a license from the Ordinary General Assembly was provided to the member. Therefore, any member of the Board of Directors is obliged to inform that Board of his direct or indirect interest in the business and contracts that are made for the company". we list below the transactions and contracts where the Board Members will have indirect interest, and stc is seeking to obtain the General Assembly authorization which are listed as follows:

- 1) Voting on transactions and contracts between Telecommunications Towers Company (Tawal), a stc Subsidiary, and the Saudi National Bank (SNB). The transactions and contracts have an indirect interest for Mr. Yazeed A. AL-Humied, a Vice Chairman of stc & SNB Boards of Directors, as per the disclosure

**السادة مساهمي شركة الاتصالات السعودية،،،،،الكرام**

إشارة إلى متطلبات الفقرة (١) من المادة (٢٧) من نظام الشركات، والتي نصت على أنه: " لا يجوز لمدير الشركة، ولا لعضو مجلس إدارتها، أن تكون له أي مصلحة مباشرة أو غير مباشرة في الأعمال والعقود التي تتم لحساب الشركة، إلا بترخيص من الشركاء أو الجمعية العامة أو المساهمين أو من يفوضونه." ووفقا لمتطلبات الفقرة (١) من المادة (٧١) من نظام الشركات، والتي نصت على أنه: " يجب على عضو مجلس الإدارة فور علمه بأي مصلحة له سواء مباشرة أو غير مباشرة في الأعمال والعقود التي تكون لحساب الشركة، أن يبلغ المجلس بذلك، ويثبت هذا الإبلاغ في محضر اجتماع المجلس عند اجتماعه. ولا يجوز لهذا العضو الاشتراك في التصويت على القرار الذي يصدر في هذا الشأن في المجلس والجمعيات العامة.". ندرج لكم ادناه الاعمال والعقود التي لعضو مجلس الإدارة الأستاذ/ يزيد بن عبدالرحمن الحميد مصلحة غير مباشرة فيها، والتي تسعى الشركة للحصول على ترخيص من الجمعية العامة عليها وهي على النحو التالي:

١. التصويت على الأعمال والعقود التي تمت بين شركة أبراج الاتصالات (شركة توال)، إحدى الشركات التابعة لشركة الاتصالات السعودية (الشركة)، والبنك الأهلي السعودي (البنك)، والتي لعضو مجلس الإدارة الأستاذ/ يزيد بن عبدالرحمن الحميد، مصلحة غير مباشرة فيها، باعتباره نائب رئيس مجلس إدارة الشركة

letter No. (2311946) dated 19/9/2023. The disclosed indirect interest is regarding the Sharia-compliant loan, amounted to USD 1.02 Billion (USD 0.3 Billion out of the total loan amount is a bridge loan), provided by SNB to Tawal. Furthermore, the Public Investment Fund is considered a major shareholder in both stc and SNB. The transaction is part of the ordinary businesses that have offered no preferential advantages.

2) Voting on transactions and contracts between Saudi Telecom Company (stc) and the Saudi National Bank (SNB). The transactions and contracts have an indirect interest for Mr. Yazeed A. AL-Humied, a Vice Chairman of stc & SNB Boards of Directors, as per the disclosure letter No. (2311947) dated 19/9/2023. The disclosed indirect interest is regarding the Sharia-compliant loan, amounted to SAR 350 million provided by SNB to stc. Furthermore, the Public Investment Fund is considered a major shareholder in both stc and SNB. The transaction is part of the ordinary businesses that have offered no preferential advantages.

3) Voting on transactions and contracts between Telecommunications Towers Company (Tawal), a stc Subsidiary, and the Saudi National Bank (SNB). The transactions and contracts have an indirect interest for Mr. Yazeed A. AL-Humied, a Vice Chairman of stc & SNB Boards of Directors, as per the disclosure letter No. (2400116) dated 2/1/2024. The disclosed indirect interest is

ونائب رئيس مجلس إدارة البنك، بناءً على خطابه رقم (٢٣١١٩٤٦) وتاريخ ١٤٤٥/٣/٤ هـ (الموافق ٢٠٢٣/٩/١٩ م)، وهي عبارة عن تمويل متوافق مع الشريعة الإسلامية مقدم من البنك إلى شركة توال بمبلغ ١.٠٢ مليار دولار أمريكي (منها ٠.٣ مليار دولار أمريكي كقرض تجسيري)، كما يُعد صندوق الاستثمارات العامة من كبار المساهمين في كل من الشركة والبنك، وذلك ضمن سياق الأعمال الاعتيادية ولم تمنح أي مزايا تفضيلية.

٢. التصويت على الأعمال والعقود التي تمت بين شركة الاتصالات السعودية (الشركة) والبنك الأهلي السعودي (البنك)، والتي لنائب رئيس مجلس الإدارة الأستاذ/ يزيد بن عبد الرحمن الحميد، مصلحة غير مباشرة فيها، باعتباره نائب رئيس مجلس إدارة الشركة ونائب رئيس مجلس إدارة البنك، بناءً على خطابه رقم (٢٣١١٩٤٧) وتاريخ ١٤٤٥/٣/٤ هـ (الموافق ٢٠٢٣/٩/١٩ م)، وهي عبارة عن تمويل متوافق مع الشريعة الإسلامية مقدم من البنك إلى الشركة بمبلغ ٣٥٠ مليون ريال سعودي، كما يُعد صندوق الاستثمارات العامة من كبار المساهمين في كل من الشركة والبنك، وذلك ضمن سياق الأعمال الاعتيادية ولم تمنح أي مزايا تفضيلية.

٣. التصويت على الأعمال والعقود التي تمت بين شركة أبراج الاتصالات (شركة توال)، إحدى الشركات التابعة لشركة الاتصالات السعودية (الشركة)، والبنك الأهلي السعودي (البنك)، والتي لنائب رئيس مجلس الإدارة الأستاذ/ يزيد بن عبد الرحمن الحميد، مصلحة غير مباشرة فيها، باعتباره نائب رئيس مجلس إدارة الشركة

regarding the Murabaha financing, for an amount of 2 Billion Saudi Riyals. The PIF is also considered a major shareholder in both stc and SNB. The transaction is part of the ordinary businesses that have offered no preferential advantages. The transaction is part of the ordinary businesses that have offered no preferential advantages.

ونائب رئيس مجلس إدارة البنك، بناءً على خطابه رقم (٢٤٠٠١١٦) وتاريخ ٢٠/٦/١٤٤٥ هـ (الموافق ٢/١/٢٠٢٤ م)، وهي عبارة عن تمويل مرابحة بقيمة (٢) مليار ريال سعودي، كما يُعد صندوق الاستثمارات العامة من كبار المساهمين في كل من الشركة، والبنك، ذلك ضمن سياق الأعمال الاعتيادية ولم تمنح أي مزايا تفضيلية.

Sincerely.

وتقبلوا وافر التحية والتقدير.

| Board Members                             | Signature   | التوقيع | أعضاء المجلس   |
|---|---|---------|--|
| H.R.H. Prince<br>Mohammed K. A. Al-Faisal |                                  |         | صاحب السمو الملكي الأمير/<br>محمد بن خالد العبدالله الفيصل |
| H.E. Dr. Khaled H. Biyari                 |                                  |         | معالي الدكتور/ خالد بن حسين بياري                          |
| H.E. Mr. Mohammed T. AlNahas              |                                  |         | معالي الأستاذ/ محمد بن طلال النحاس                         |
| Mr. Yazeed A. AL-Humied                   | يمتنع عن المشاركة والتصويت لوجود تعارض مصالح<br>Abstains from the discussion and vote due to a conflict of interest |         | الأستاذ/ يزيد بن عبدالرحمن الحميد                          |
| Ms. Rania M. Nashar                       |                                  |         | الأستاذة/ رانيا بنت محمود نشار                             |
| Mr. Arndt F. Rautenberg                   |                                  |         | الأستاذ/ أرندت راوتينبيرق                                  |
| Mr. Sanjay Kapoor                         |                                  |         | الأستاذ/ سانجاي كابور                                      |
| Ms. Sarah J. AL-Suhaimi                   |                                  |         | الأستاذة/ سارة بنت جماز السحيمي                            |
| Mr. Jameel Al-Molhem                      |                                  |         | الأستاذ/ جميل بن عبدالله الملحم                            |
| Mr. Waleed I. Shukri                      |                                  |         | الأستاذ/ وليد بن إبراهيم شكري                              |
| Mr. Ahmed M. AlOmran                      |                                  |         | الأستاذ/ أحمد بن محمد العمران                              |





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## **LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF SAUDI TELECOM COMPANY (A SAUDI JOINT STOCK COMPANY)**

### **Scope**

We have been engaged by Saudi Telecom Company (the “Company”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as the engagement, to report on the Company’s compliance with the requirements of Article (71) of the Companies’ Law (the “Subject Matter”) contained in the Company’s attached notification (Appendix A) which is presented by the Company’s Board of Directors to the Ordinary General Assembly on the transactions and contracts in which a member of the Company’s Board of Directors have a direct or indirect personal interest in them dated 15 March 2024.

### **Criteria Applied by the Company**

In preparing the Subject Matter the Company applied the below criteria (the “Criteria”). Such Criteria were specifically designed for the notification presented by the Company’s Board of Directors to the Ordinary General Assembly (Appendix A). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies’ Law issued by the Ministry of Commerce (“MC”) (1443H -2022).
- Notification presented by the Company’s Board of Directors to the Ordinary General Assembly (Appendix A) dated 15 March 2024.
- Declarations submitted by one of the Company’s Board of Directors’ members regarding the transactions and contracts in which a member of the Company’s Board of Directors has a direct or indirect personal interest in them.
- Meeting minutes of the Board of Directors meeting which include disclosures by one of the Company’s Board of Directors’ members regarding transactions and contracts in which a member of the Company’s Board of Directors has a direct or indirect personal interest in them.

### **Company’s Responsibilities**

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### **Our Responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



## **LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF SAUDI TELECOM COMPANY (A SAUDI JOINT STOCK COMPANY) (continued)**

### **Our Responsibilities (continued)**

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000”) that is endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 7 March 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### **Our Independence and Quality Management**

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, that is endorsed in the Kingdom of Saudi Arabia, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Description of Procedures Performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject matter and related information and applying analytical and other appropriate procedures.

**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF  
SAUDI TELECOM COMPANY  
(A SAUDI JOINT STOCK COMPANY) (continued)**

**Description of Procedures Performed (continued)**

Our procedures included:

- Obtained the notification presented the by the Company's Board of Directors to the Ordinary General Assembly (Appendix A) regarding the transactions and contracts entered between one of the Board of Directors' members directly or indirectly with the Company dated 15 March 2024.
- Obtained the declarations from one of the Company's Board of Directors' members for the transactions and contracts done with the Company's in which the member of the Company's Board of Directors has a direct or indirect personal interest in them.
- Obtained Board of Directors minutes of meetings that indicates the member's notification to the Board of Directors of transactions and contracts done with the Company in which the member of the Company's Board of Directors has a direct or indirect personal interest in them.
- Discussing with the management the contracts and transactions between the Board of Directors' members either directly or indirectly with the Company.

We also performed such other procedures as we considered necessary in the circumstances.

**Other Matter**

The attached notification (Appendix A) is stamped by us for identification purposes only.

**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter, in order for it to be in accordance with the Criteria applied by the Company referred to above.

for Ernst & Young  
Professional Services

Saad M. Al-Khathlan  
Certified Public Accountant  
License No. (509)



Riyadh: 10 Ramadan1445H  
(20 March 2024)