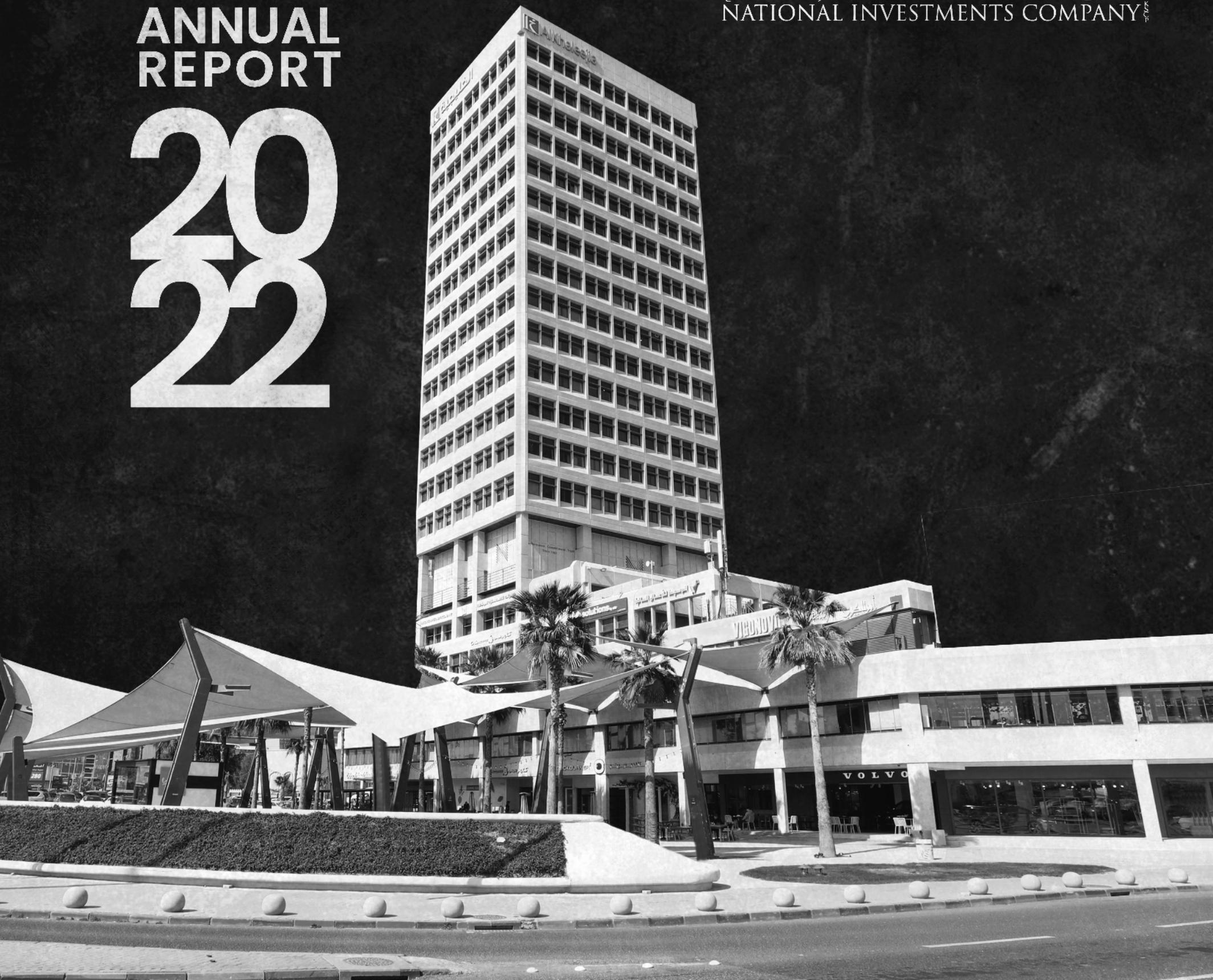
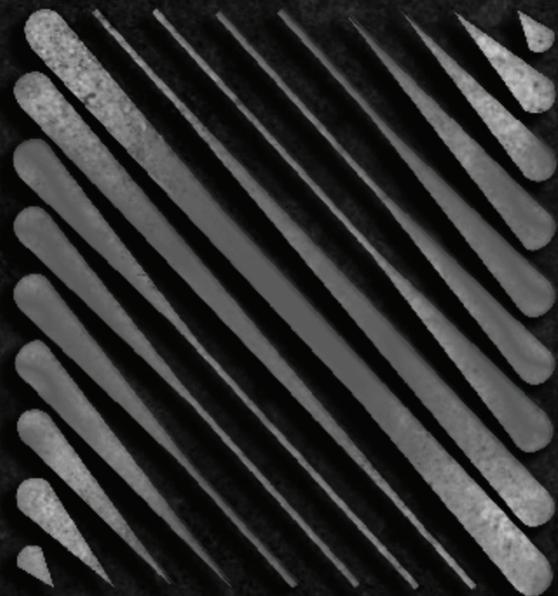


شركة الاستثمار الوطنية
NATIONAL INVESTMENTS COMPANY

ANNUAL
REPORT

20
22





IN THE NAME OF ALLAH, THE MOST GRACIOUS THE MOST MERCIFUL



His Highness Sheikh
Mishal Al-Ahmad Al-Jaber Al-Sabah
Crown Prince of the State of Kuwait



His Highness Sheikh
Nawaf Al-Ahmad Al-Jaber Al-Sabah
Amir of the State of Kuwait

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PERFORMANCE INDICATORS 2022

Net Profit for the Year
KD million

8.7

Management, Incentive,
Brokerage & Advisory
KD million

10.9

Fiduciary Accounts
KD billion

1.1

Total Assets
KD million

270.9

Total Equity
(Attributable to Equity Holders
of Parent Company)
KD million

198.8

Book Value
Per Share Fils

249

BOARD OF DIRECTORS



BADER NASSER AL KHARAFI
CHAIRMAN



KHALED WALEED AL FALAH
VICE CHAIRMAN



ANAS KHALED AL SALEH
BOARD MEMBER



TAIBAH MOHAMMAD AL QATAMI
BOARD MEMBER



FAHAD ABDULRAHMAN AL MUKHAIZIM
BOARD MEMBER AND CEO

EXECUTIVE MANAGEMENT



FAHAD ABDULRAHMAN AL MUKHAIZIM
BOARD MEMBER & CEO



GIRISH NAIR
CHIEF FINANCIAL OFFICER



HAMAD SAUD AL HUMAIDI
EXECUTIVE VICE PRESIDENT
MENA SECURITIES SECTOR



ALMUTHANA M. AL MAKTOUM
EXECUTIVE VICE PRESIDENT
WEALTH MANAGEMENT SECTOR



KHALID OWAIDA
EXECUTIVE VICE PRESIDENT
INFORMATION TECHNOLOGY AND
ONLINE TRADING SECTOR



SHAHNAZ BACHAI
EXECUTIVE VICE PRESIDENT
OPERATIONS AND SETTLEMENTS SECTOR



SAYID M N AL MASHHOOR
SENIOR VICE PRESIDENT
TREASURY AND INTERNATIONAL
SECURITIES SECTOR



EBTEHAJ A. AL ROOMI
SENIOR VICE PRESIDENT
MARKETING AND CORPORATE
COMMUNICATIONS SECTOR



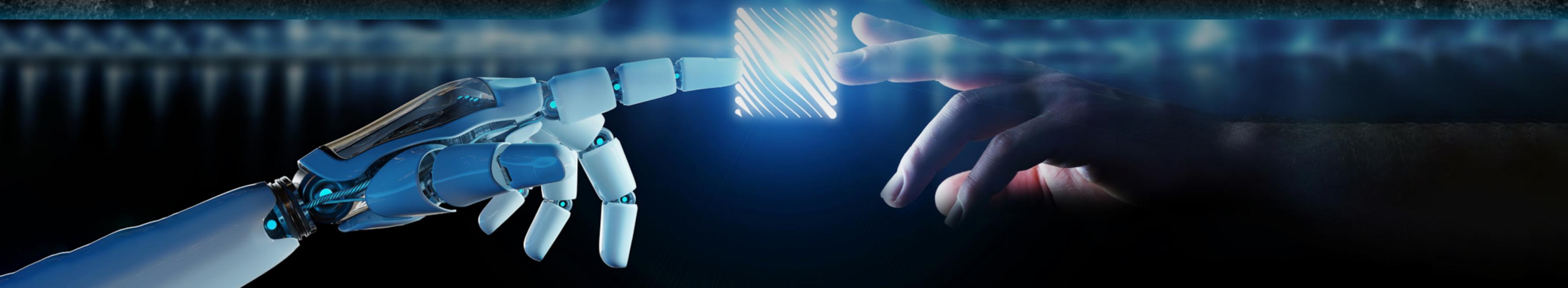
BASHAR KHAN
SENIOR VICE PRESIDENT
INVESTMENT BANKING SECTOR

VISION

To be the leading investment company in Kuwait and the region and the investors' optimal choice.

MISSION

To further our clients and shareholders' future aspirations, while actively fulfilling our Kuwaiti civic duties.



BOARD OF DIRECTOR'S REPORT FOR THE YEAR 2022



DEAR SHAREHOLDERS,

It gives me great pleasure to welcome you on this occasion, noting our strong determination to work hard to further strengthen our position and excel in performance, as a leading investment company.

I am also honored to present our company's Annual Report which includes an account of its most notable achievements, together with the Auditor's Review, Consolidated Balance Sheet and Statement of Income for the fiscal year ended 31st December 2022.

I am pleased as well, on behalf of myself, fellow members and colleagues to acknowledge with great gratitude and deep appreciation the continued support and efforts extended by our distinguished Board of Directors, Executive Management and staff, which led to our successes and achievements; stressing at the same time on exerting more efforts to maintain our progress and accomplish further development in the coming days with the blessings and will of Almighty Allah.

It gives me pleasure to welcome you on this auspicious occasion when we review major economic developments and the company's achievements and performance in 2022, as well as the financial statements for the year ending 31 December 2022.



Our valued shareholders

Global growth sharply slowed in 2022 due to the fiscal and monetary shrinking, China's Covid restrictions and property slump, and the Russia-Ukraine war. The Euro area and the UK are probably facing recession, as surging energy bills hit the actual income. Given the reduced risks of a deep downturn and persistent inflation, the European Central Bank is expected to increase hiking rates as done by several central banks in Central/Eastern Europe and Latin America. While none has achieved a soft landing yet, activity has been resilient and inflation is now coming down in some countries.

Global economic fundamentals still appear weak, and China's reopening has unleashed a massive spike in domestic COVID-19 cases, resulting in heavy pressure on that country's health system.

The European Central Bank plan to raise interest rates "significantly" over future meetings to reduce inflation, which has been far too high. Policy rates will still have to rise significantly to reach sufficiently restrictive levels and ensure a return to the 2% medium-term inflation target.

ECB President Christine Lagarde and some of her colleagues overseeing monetary policy in the single currency area have been pushing back against suggestions that the pace of interest-rate hikes should be slowed after expected hikes.

China's economic growth was sluggish in 2022, and its gross domestic product (GDP) had slumped to 2.7%. The global lender cited pandemic restrictions, property market turmoil and drought as factors that had affected consumption, production and investment. Forecast of a rebound to 4.3% for 2023, while the severity of Covid disruptions and weakening external demand.

The general performance of Boursa Kuwait

Boursa Kuwait has ended the year 2022 with different levels of performance in its indices; the General Market Index has witnessed a 3.5% increase, with additional 249 points, and the Premier Market Index has seen a 6.2% increase, recording market gains of about 477 points, while the Main Market Index has witnessed a 4.9% decline.

On the other hand, the daily average value of shares traded during the year has increased by 8.3% to KD 60.1 million compared to KD 44.3 million for the year 2021, while the average daily number of shares traded decreased by 33.9%, to 228 million shares.

The year 2022 has witnessed several economic and political issues and matters reflected in the performance of Boursa Kuwait indices. Looking at the performance of the stock exchange during the first quarter of 2022, we find out that it was exceptionally positive, as the General Market Index recorded the highest quarterly gains ever of about 15.7%, and the revenues of the first market index for the same quarter amounted to about 18.6%. These gains were supported by many positive motivators and indicators, as the trading of the period coincided with the Russian military operation in Ukraine, which began in late February, and one of its core consequences at the time was the rise in global oil prices, as Brent Crude oil price has exceeded USD139 US dollars per barrel. In addition to the rewarding distributions approved by the general assemblies of the listed companies for the year 2021, which reinforced the favorable investment and speculative climate alike; also, the performance of the first quarter was a continuation of the quarterly gains for the eighth consecutive quarter and a temporary end to this series.

During the second and third quarters, the performance of Boursa Kuwait was significantly negative, as the three stock market indices suffered from sharp losses due to strident selling pressures that affected most of the shares, mainly the leading stocks, which continued until the end of the third quarter and reflected on the performance of the indices and therefore losing several essential price levels.

The Main Market Index ended the third quarter trading at approximately 7,106 points, a 12.8% decrease compared to the close of the first quarter. In comparison, the Premier Market Index was down by 12.3% at 7,950 points; thus, not only that, most of the gains of the two indices achieved during the first quarter were lost. All the progress achieved by the Main Market during the first quarter, which reached 7.5%, has become negative by 9.3%.

The sharp declines of Boursa Kuwait indices during this period directly reflected many negative factors that coincided with that interval. All the indices recorded their highest historical closes by the end of April 2022 and imposed a correction and profit-taking after numerous gains, which is healthy and acceptable. Yet, the decline of global market indices, the uncertainty experienced during that period,



entering the so-called Bear Market due to increased fears of the repercussions of high inflation rates, and the possibility of the global economy entering stagflation have significantly contributed to deepening and exacerbating the market losses and extended the declines extend to September, and therefore the shrinking most of its capital profits, recorded at the end of last April.

The Dow Jones Index declined sharply at the end of the session on Wednesday, 18/05/2022, recording its most considerable daily loss since 2020 and closing at its lowest level since March 2021. The absence of positive catalysts and the state of caution prevailing at the time resulted in evident reluctance by traders towards leading and operating stocks, despite their decline to shallow levels. This is in addition to the military escalation by the United States of America and China and the rise in political tensions between Russia and the West at the time, creating a negative impact on most regional and global financial markets. In addition to the decline in the price of Brent Crude below the level of USD85, after rising sharply during the first quarter, which constituted a package of negative factors that exacerbated the decline in the three stock market indices.

Despite increased volatility, trading at Boursa Kuwait for the last quarter witnessed a relative improvement after declining for two consecutive quarters. We saw return of selective buying that affected a wide range of leading, medium and small stocks, which reflected positively on the performance of the indices and made them recover from losses that they previously recorded. Boursa Kuwait General Market Index, Premiere and Main Markets in the fourth quarter with gains of 2.6%, 2.1%, and 4.8% respectively. Looking at the most important incentives that contributed to these gains, we find that the dealings of that period coincided with the 2022 National Assembly elections and the formation of the new government, which produced a state of harmony and consensus between the legislative authority and the executive authority, boosting investors' confidence. Both regional and global market indices witnessed a rise at the time, and they contributed significantly to improving the investment mood, not to mention the announcements of quarterly financial statements. All these factors played a role in the positive performance of Boursa Kuwait indices. Another positive factor that contributed to trading during the month of November, in particular, was the semi-annual review of the MSCI Emerging Markets Index which resulted in the inclusion of Ali Alghanim and Sons Automotive Company and Salhiya Real Estate in the MSCI Small Cap Index, and the exit of Al-Imtiaz Investment Company from the same index, and therefore attracting new foreign liquidity that is worth USD23 million to Boursa Kuwait.

The gains witnessed by Boursa Kuwait indices during the first quarter have shrunk significantly, declining significantly during the second and third quarter of trading. On the other hand, the last quarter's gains have relatively reduced the losses of the previous two quarters and contributed to the rise in the indices' gains. Thus, Boursa Kuwait ended its trading for 2022 with a market gain of 3.5% for the general market index, 6.2% for the Premier Market index, and 4.95% losses for the Main Market index.

Monetary Policy of the Central Bank of Kuwait and the monetary policy of the US Federal Reserve

The US Federal Union raised the interest rate seven times throughout the year; the first time was by a quarter of a percentage point, the second time by 40 basis points, then by 75 basis points over four consecutive times, and by 50 basis points during the last meeting, thus the interest rate during the year 2022 was risen by four and a quarter percentage points from 0.25% to 4.50%, the highest rate since early 2008, and these consecutive increases come as part of the US central bank to counter record inflation rates, which peaked in June at 9.1%.

The Central Bank of Kuwait has raised the discount rate seven times during the year 2022 by 0.25 percentage points each time, except for the last time, which was by 0.5 percentage points, thus increasing the discount rate in Kuwaiti banks from 1.50% to 3.50%. These increases come within the framework of the balanced and gradual approach adopted by the Central Bank of its monetary policy aimed at consolidating economic and financial stability for the units of the banking and financial sector, maintaining the competitiveness of the national currency and its attractiveness as a rewarding and reliable container for domestic savings, and enhancing the supportive atmosphere for sustainable economic growth.

Oil prices and the state budget

Brent Crude ended its trading for 2022 with a 10.5% increase -compared to last year- closing at USD85.9. The price of Brent Crude recorded a considerable rise during the first quarter by 78.7% to USD139, as one of the repercussions of the Russian military operation in Ukraine. Still, it declined sharply during



the third quarter by about 22.9%. It is the most extensive quarterly loss since the first quarter of 2020. Perhaps this sharp decline during the third quarter came due to fears of a slowdown in the global economy and the decline in demand for oil on the one hand, in addition to the continued interest rate hikes by international central banks to stop the acceleration of high inflation rates, which contributed to the continuous rise of the US dollar, unlike the rest of the major currencies. Accordingly, the OPEC Plus group decided in its meeting in early October to reduce oil production by two million barrels per day, effective November 2022, but this failed to curb the decline in the price of Brent Crude, which recorded its lowest level during the month of December at USD75.11 per barrel.

By the end of December 2022, the ninth month of the current fiscal year 2022/2023 has ended. According to the Ministry of Finance's data, revenues for the fiscal year 2022/2023 were estimated at KD23.4 billion. Expenses and expenditures were estimated at KD23.5 billion, and the general budget was estimated to record a fiscal deficit of KD123.8 million. The accumulated debt during the previous eight years amounted to about KD38.4 billion, which led to the depletion of all liquidity of the general reserve in the last fiscal year 2021-2022, in addition to the sale of illiquid assets to the Future Generations Reserve Fund and stopping the transfer of 10% of the total revenues to it.

Despite this, all structural gaps in the economy still exist, and 90% of the composition of the state's general budget still depends on oil revenues; hence we renew the call once again on the importance and necessity of moving forward seriously and rapidly towards the process of economic reforms aimed at diversifying sources of income, developing the labor market and attracting more foreign inflows; also, the private sector must be given a more significant role in the process of building the national economy, not to mention the optimal use of the fiscal surpluses that are expected to be achieved during the fiscal year 2022-2023. We will only be able to achieve economic stability and sustainability if concrete measures are taken in terms of financial and economic reforms.

New listings. and withdrawals.

The efforts exerted by the Capital Markets Authority, Bursa Kuwait, and all related parties continue to bear fruits one after another, especially concerning encouraging the listing of family businesses with good financial solvency, as Bursa Kuwait received one new company during the year 2022, compared to three companies during 2021. On June 7th, Ali Alghanim and Sons Automotive Company was listed on the Premier Market companies, and in return, the shares of twelve companies

belonging to different sectors were delisted. Also, the Qurain Petrochemical Industries Company was delisted. The company's legal presence has expired following the completion of its merger with the Projects Holding Company and the suspension of trading on Ahli United Bank - Bahrain shares as of the 18th of August 2022, after the end of the acquisition. It is by the Kuwait Finance House. Thus, the number of listed companies has been reduced to 155, 26 of which are in the Premier Market and 129 in Main Market. Indeed, the listings contributed to increasing the depth and liquidity of the market on the one hand and added to its capital value on the other hand. It also reflects the improvement of the investment environment of the local market, which significantly enhances the possibility of attracting investors, whether local or foreign, as such listings contribute to the expansion of the investor base of these companies, as well as promoting their investments and products.

Dear Shareholders

The MENA Priced Investments is one of the most important sectors that contribute significantly to the company's performance and earnings; this is due to the company's eagerness to achieve exceptional performance, its efforts to maintain its leadership position, the excellence in its performance and its outstanding investment products, via selecting assets with attractive returns.

As for our investment funds, the Wataniya Investment Fund, established in 2001, has achieved 3.05% returns in 2022. Wataniya Fund is one of the most significant leading local funds in the field of investment. It maintained a good ranking among the other significant funds, with assets under management amounting to approximately KD153 million. In the same context, Al-Darij Investment Fund, established in 2003, achieved 0.25% returns, as the fund aims to achieve the highest return possible by investing in selective shares that comply with the Islamic Sharia for listed and unlisted companies in the local market, in addition to expanding investment in other GCC markets.

Zajel Services & Telecommunications Fund aims to achieve the highest possible return by investing mainly in the services and telecommunications sector, following the Islamic Sharia, recorded a decline of 2.86% as this sector faced many challenges after the exceptional year after the Covid-19 pandemic. Mawarid Fund for Industry and Oil Services, which invests in shares of local and Arab companies compliant with Islamic Sharia, closed the year with a decrease of 2.42%, as the industrial sector also faced difficulties due to the high-interest rates and sharp fluctuations in oil prices, which increased the fears of slowing the global economic growth.



There is no doubt that 2022 was a challenging year, and its outcomes were reflected in the performance of local, regional, and global financial markets; the most crucial challenge is the global political tensions and the rise in global inflation prices to historic levels. This is in addition to the contractionary monetary policy pursued by the US Federal Reserve, raising interest rates several times during the year, which was the main reason for escalating fears of an economic slowdown. All of this contributed to guiding our selection of defensive stocks, which helped in facing the rapid global changes this year.

During this year, the Financial Instruments team was able to sign a Market Maker service agreement with eight companies listed on Boursa Kuwait, including companies that are qualified for Premier Market, bringing the number of companies our company playing the market maker role on its behalf 10, which makes our company the second largest investment company in providing market maker service on Boursa Kuwait.

Dear Shareholders

Despite the challenges posed by the global economy and the impact of COVID-19 pandemic, the Investment Banking Sector of NIC achieved exceptional results in 2022. It solidified its position as a premier investment bank in Kuwait and the region. This success can be attributed to NIC's strong market presence, well-established customer trust, and ongoing efforts to drive digital innovation in its investment products and services.

The Financial Advisory Services Department (FASD) continued to grow and excel, delivering successful outcomes for its client. A notable achievement was its role as Global Coordinator, Listing Advisor, Joint Bookrunner, and Subscription Agent in the highly successful IPO and listing of Ali Alghanim Sons Automotive Company. The Ali Alghanim Sons IPO received overwhelming demand, with subscriptions 10.8 times the offered amount and was listed on Boursa Kuwait in record time following the close of the subscription period. Other successful transactions included the rights issue of National Consumer Holding Company and Alrai Media Group Co., the merger of Boubyan Petrochemical Company and Educational Holding Group, and Al-Safat Investment Company and Cap Corp Investment Company. As 2023 begins, FASD is actively engaged in a strong pipeline of projects across different services, including IPO mandates with several family offices and M&A mandates in defensive sectors. Furthermore, the team is confident in its ability to secure additional mandates with its current proposals. To sustain our success, we continue to grow the team by hiring highly qualified and competent

professionals to its ranks who bring a wealth of knowledge and expertise to the organization.

The Alternative Investments Department (AID) has shown remarkable agility and adaptability in the face of a rapidly changing investment environment. Despite the challenges posed by a volatile economic environment, AID has been able to navigate these challenges and continues delivering exceptional results. The department's commitment to staying ahead of market trends and continuously improving its approach has allowed them to remain a leader in their field, delivering high-quality investment products and services.

By using a combination of rigorous research and analysis, as well as a forward-thinking approach to risk management, AID has been able to identify and capitalize on several promising investment opportunities. One of the critical investment made by AID is in Silver Lake's seventh fund, a leading technology-focused private equity firm. Silver Lake has a well-established track record of investing in and growing some of the world's most innovative technology companies. By partnering with Silver Lake, AID has been able to tap into their expertise and insights, allowing us to access a diverse range of investment opportunities in the technology sector. We have also invested in HPS Investment Partners' private credit fund, strengthening our partnership with the firm. HPS is a leading global asset management firm focusing on providing innovative credit solutions to a diverse range of clients. By investing in HPS' private credit fund, we have been able to diversify our portfolio further and access a range of attractive credit opportunities in the private markets.

In line with its investment strategy, AID has also made direct investments in companies leading their respective sectors. One of the investments is in Money Fellows, an Egypt-based fintech company that digitalizes money circles or Rotating Savings and Credit Associations (ROSCAs) that are widely known as "Gameya" in Egypt and other Arab countries. Money Fellows is a fast-growing financial services technology company with good potential for regional expansion and is supported by some highly reputable international venture capital funds.

Furthermore, AID has also made strategic investments in the real estate sector. We have invested in two build-to-suit warehouse facilities in Germany with a total built-up area of 65,471 sqm. These facilities have been pre-leased to Amazon for a 15-year term, with two additional five-year extension options. With a 12 to 15-month investment term and an expected return of 10.5%, these investments



represent a strong opportunity to generate solid returns while participating in the growth of the real estate sector. We have a strong pipeline of similar investment opportunities, which further highlights our ability to identify and capitalize on attractive investment opportunities across a variety of asset classes. These investments are in line with our commitment to finding high-potential investment opportunities and underscore our ability to navigate a rapidly changing economic environment and find attractive opportunities for our clients.

In recognition of its outstanding performance and dedication to the investment banking sector, NIC was honored with the title “Best Investment Banking Company in Kuwait for 2022” by the World Finance Magazine, a prominent publication in the business and finance world. This accolade is a testament to NIC’s exceptional efforts in delivering advisory services to clients throughout the year 2022.

Dear Shareholders

During 2022, the Wealth Management Sector was able to further expand the company’s client base by attracting a new segment of individual investors and entities by offering diversified investment portfolios and funds, which contributed to the increase in assets managed by the company by more than USD100 million. This is despite regional and global economic and geopolitical challenges marred by fears of recession due to the dominance of inflation and high-interest rates to curb the effects of the crisis and the decline in financial markets.

Given the pivotal role played by the Wealth Management Sector in 2022, it was reflected in appointing the National Investments Company as the lead coordinator and subscription manager, the first role of its kind in Kuwait, for the listing of Ali Alghanim & Sons Automotive Company on Bursa Kuwait. NIC’s role included receiving applications from those Interested to subscribe. The IPO was covered by orders worth KD1.08 billion, using an exceptional platform which is the first of its kind in Kuwait, developed in record time and unprecedented in the market.

The Wealth Management Sector has also expanded its Digital Trading Service (NICTRADE)’s client base, allowing clients to trade shares on Bursa Kuwait, the GCC, the US, and other key markets. Despite the short period since the launch of this service, it has received a very positive response and today we have occupied a unique and distinguished position among competitors.

The wealth management sector achieved this within a remarkable period through its professional team, who

contributed to the company’s ability to attract new clients to Invest in portfolios and other diverse investment opportunities amounting approximately to USD 50 million in 2022.

National Investment Company has achieved a growth rate of more than 37% in the number of new client investment portfolios whether individuals, corporates, local or unlock during the year and continued attracting investors in the mutual funds managed by NIC, which provides multiple opportunities for clients to choose between a group of funds that invest in financial markets and various sectors with outstanding performance. The customer relations team has facilitated all procedures for clients to have a unique investment experience dealing with NIC while meeting all regulatory requirements.

Meanwhile, the Wealth Management Sector continues to strive for constant development through its services provided to clients to deliver an exceptional experience that suits all types of investors while ensuring that communication with customer relations officers is facilitated by all available modern means and to ensure customer satisfaction to provide the sector with all its cadres and services available and provide all new and various investment opportunities.

Through ongoing communication and following up with client’s requirements and needs, the Wealth Management Sector has excelled in developing internal procedures related to customer service, including the company’s digital service programs, such as the pocket guide program and other digital programs to simulate continuous technological development.

The Wealth Management Sector also follows up on all developments and legislation issued by the Capital Markets Authority regarding utilizing the latest technology to serve investors better. The team is currently involved with the Department of Information Systems and Electronic Trading to test and develop an advanced electronic platform that allows the client to update data of the ‘Know Your Customer’ form and investment portfolio contracts and to apply for new investment portfolios abiding by the frameworks, laws, and regulations. The team is also studying the development of the current “Client Platform” to make it more comprehensive and effective in serving NIC clients.

Dear Shareholders

The real estate investments sector has witnessed a major improvement in Kuwait and the region when compared to its



performance during the pandemic in 2020 and 2021. The positive performance of the Company's Real Estate Investments Sector, was reflected on the occupancy rates in the company's properties and the properties it is managing, which have reached 100% in some properties.

Furthermore, during 2022, the real estate investment sector restructuring was successfully completed adding number of experts and professionals to the team.

additionally, the Sector's policies and procedures has been developed, and preparation has been made prior to the usage of the new real estate electronic system that represents a revolutionary step related to managing the third parties' property. The new system provides comprehensive database that serves the tenant, the owner and manager of the real estate portfolio, which had a tangible impact in improving the work environment and developing the administrative systems to serve the sector's objectives. The volume of the real estate portfolios was increased through adding some additional managed properties, the increase was accompanied by a 4.5% growth in revenues.

The Sector also continued to follow up on foreign real estate investments, as such investments were redirected in accordance with the latest developments in the real estate market to be Investments with profitable returns or investments that can be exited with attractive returns.

Dear Shareholders

In 2022, NIC has focused on ensuring effective progress of the digital transformation plan by adopting smart solutions that support its innovative financial services, further help clients, and achieve sustainability, and therefore contributes to the regional and local economic growth.

NIC has launched a new IPO digital service to manage subscriptions electronically, in a way that utilizes the latest technologies as this service aims to attract large companies interested in the public offering and capital increase procedures, enabling them to reach a more significant segment of clients who are interested in such offerings easily and effectively. This digital service will help maintaining NIC's position as a leader within the local, regional, and global markets.

Following the successful launch of online trading service (NICTRADE) in 2021, NIC enriched the service with a new

feature of analysts market outlook for USA financial markets, which connects clients to high-quality external providers that are specialized in trading signals and technical analysis such as (Morgan Stanley, Credit Suisse, and Black Rock), this helps investors to obtain a comprehensive overview of the market trends before placing their orders.

NIC has also added the demo account simulator, which allows prospective clients to test drive (NICTRADE) service in a risk-free environment and practice the platform features in a transparent and convenient way prior activating the actual trading Account.

NIC has also introduced a new platform for Real Estate Management which enables the tenants to follow up on their units such as maintenance and e-payments. Simultaneously, it enables investors to monitor their properties and the cash flow in progressive reporting views. This platform has contributed to enhancing the clients' service and helped increase the efficiency of NIC real estate management team.

NIC has also prioritized the upgrade of its information technology infrastructure to follow the highest and latest trends alongside the adoption of cloud computing, as well as maximizing the level of cyber security to ensure preventive system security efficiency and its compatibility with international standards.

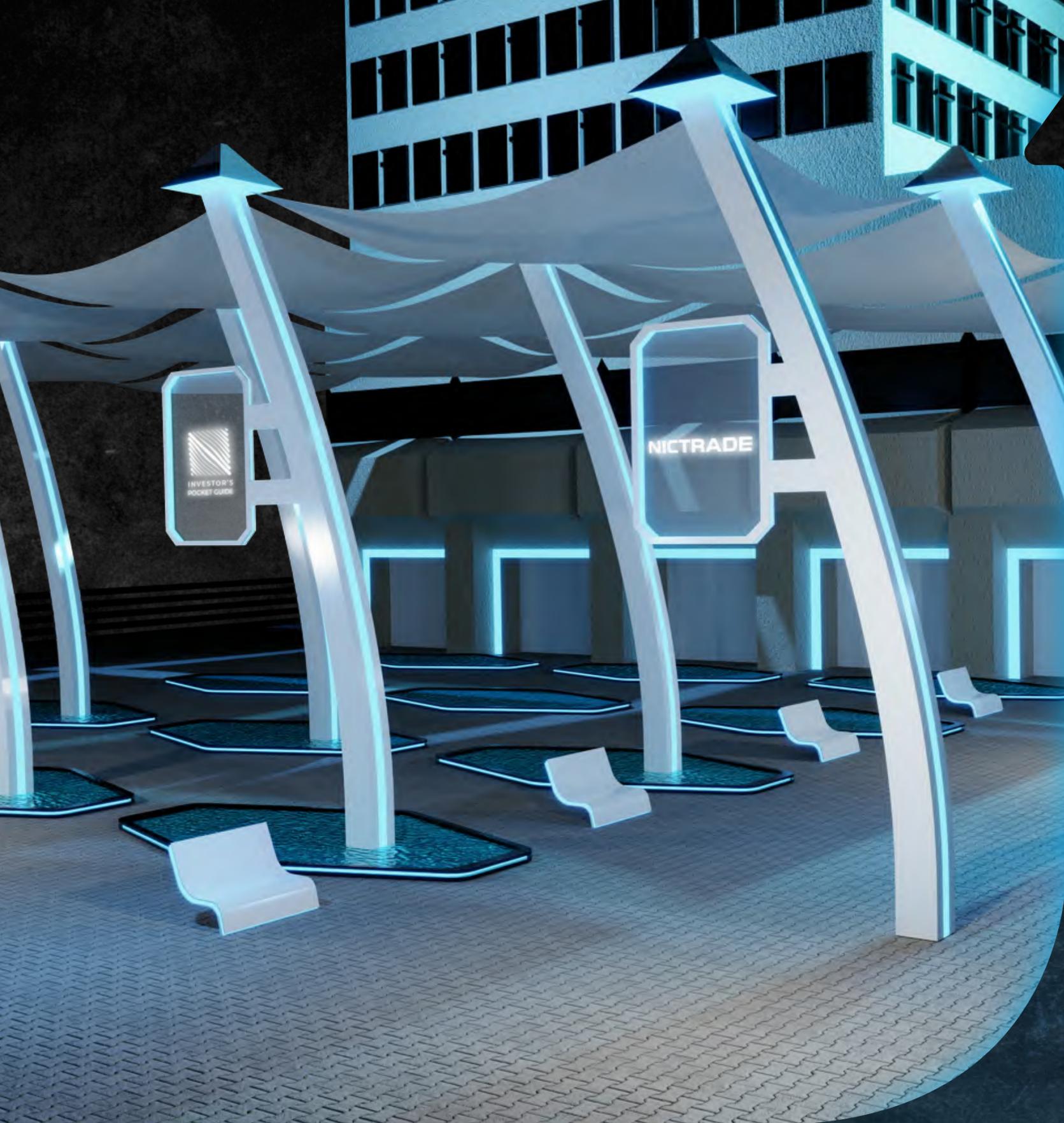
Dear Shareholders

During 2022, our Human Resources team has made significant Strides in supporting the company's shift towards digitalization through the implementation of a new Human Resources Management System (HRMS). This new approach will substantially enhance the employees experience by simplifying the HR processes and granting them the ability to take charge of their own learning and development journeys.

We are confident that such initiatives will further strengthen our commitment to enhancing job satisfaction and engagement among our staff.

Additionally, we have provided our staff with ample training options to ensure that they have the necessary tools to reach their full potential and are prepared for any future career progression opportunities.

Through reinforcing our partnerships with several vendors, we have managed to offer our employees with a wide variety of



E-Learning content as well as increase the in person training opportunities, on both local and international levels.

Through such investments, we continue to advance our Kuwaitization efforts as well as provide our young, highly talented Kuwaiti employees with the knowledge, skills, and experiences needed to excel in their roles and stand out in their careers.

Dear Shareholders

In line with NIC's vision to be a leading investment company in Kuwait and the region, the company sheds light on the importance of corporate social responsibility, reflected in its annual program. To translate this, NIC has positively participated in regular community activities that enhance the link between the private sector and Kuwaiti society.

Whether at the level of social media or through its effective contributions in various frameworks, The National Investments Company has provided several sponsorships to support educational and academic initiatives locally. An example is the silver sponsorship of the Finance Club at the Department of Finance and Financial Institutions at the College of Administrative Sciences - Kuwait University.

In 2022, NIC won several internationally recognized awards, including The Most Innovative Real Estate Development Company in Kuwait by International Finance, the Wataniya Fund Award for Best Investment Product, and the Excellence in Enterprise Risk Management Award from Global Banking & Finance, finally, the Best Investment Banking Company Award from the World Finance platform.

Dear Shareholders

Based on the services, products and activities carried out by the company and the risk factors which the company may be exposed to on both internal and external levels, National Investments Company has been adopting processes and procedures that go with the internationally recognized practices, applied by leading financial institutions, to manage these risks effectively and efficiently. This is also an essential requirement of corporate governance and prudent management of the company's and its customers' assets.

In 2022, the negative effect of the pandemic slowly but indeed subsided, and a comprehensive review of the risk management framework was carried out through the Risk Appetite Review to align with the company's strategies and the surrounding conditions and variables. Accordingly, a comprehensive study of all risks for all sectors and departments of the company was carried out, analyzing and evaluating those risks and working on developing action plans to ensure that these risks do not affect the company's performance and do not form a threat to its assets and the assets of its customers and employees.

In recognition of following the highest standards of safety and risk management to achieve sustainable growth, National Investments Company (NIC) has received the Excellence in Enterprise Risk Management (ERM) Award in Kuwait 2022 by the world-renowned Global Finance, which recognizes the best achievements and practices in the field of risk and crisis management, based on the quality of its standards and the efficiency of its applications.

Following the previous approach, plans have been made to continue developing ERM systems in the coming year to increase their efficiency and ensure that supervision and internal control standards are maintained and that both the Board and Executive Management are provided with risk management periodical reports, mainly to tackle the principal risks possibly facing the company such as market risks, operational risks, and liquidity risks. The Company's core policies and procedures will continue to be updated to enhance its risk management function by following best practices and ensuring compliance with its regulatory policies.

Regulatory Compliance

Regulatory compliance is a multidimensional practice that encompasses different scopes. At NIC, the Compliance Department not only focuses on compliance with rules and regulations but also seeks to adhere to the latest and best practices and promote the highest standards of credibility, transparency, and integrity.

The primary compliance tools include an automated compliance system, the customer relationship management (CRM) system with generated emergency alerts, the regulatory compliance checklist, periodic reports, the controlled



authority matrix, training, correspondence, and bulletins for NIC employees always to be aware of the latest regulations, instructions of the Capital Markets Authority and other regulatory authorities, and to learn about compliance best practices.

During 2022, the Compliance Department developed and updated a set of policies and procedures and reviewed controls to ensure that all sectors of the company comply with the instructions issued by the relevant regulatory authorities to reduce exposure to non-compliance risks and protect the company, by adopting a risk-based approach to take immediate corrective actions as the situation requires. The company follows the principle of establishing a culture of commitment in all its sectors and departments to reflect this in the commitment of all employees, compliance with all operations and activities of the company in line with the instructions issued by the regulatory authorities, compliance with the internal policies and regulations applied within the company, as well as adherence to the highest level of work ethics and behavior.

Internal Audit

Internal audits are part of NIC's culture of commitment and work by regulatory and legislative frameworks, as the Internal Audit Department seeks to promote sound practices and ensure that the company's sectors do not surpass any requirements set by legislators and regulatory bodies in the State of Kuwait, in addition to any conditions related to corporate governance standards.

The role played by Internal Audit is an essential element in supervising the development of internal procedures in accordance with internal controls and regulatory requirements. Its primary role is to support the company with all its divisions, implement and develop compliance procedures at all levels, ensure that all work is conducted correctly and in line with laws and instructions, and report to the Audit Committee of the Board of Directors.

Audits of all company departments were completed in 2022, and the necessary reports were submitted to the Audit Committee.

Anti-Money Laundering and Counter-Terrorist Financing

NIC attaches great importance to AML/CFT issues to protect the company from suspicious transactions, attempts to launder money, or terrorist financing crimes. The Company implements an integrated program to combat money laundering and terrorist financing, which includes policies and procedures that regulate and define the mechanisms that must be adhered to by all employees of the Company. The company has also invested in developing administrative and automated systems to combat money laundering and terrorist financing to monitor suspicious transactions automatically. In addition, all current and potential clients of the company are screened and verified to ensure that they are not included in the local and international lists of prohibited names.

In compliance with the laws and instructions governing combating money laundering and terrorist financing, training courses are organized annually for members of the Board of Directors, senior management, and concerned employees to learn about the latest developments in money laundering and terrorist financing cases and ways to combat them.

The AML team relies on a methodology to classify clients based on risk according to various criteria such as nature of the activity, nationality, place of residence, sources of income, etc. To ensure the effectiveness of the governance of AML/CFT operations, reports are prepared and submitted to the Board of Directors periodically to inform members of the extent of compliance with AML/CFT instructions.

DEAR SHAREHOLDERS

Observing NIC's 2022 financial results, the company has reported a profit of KD 8.7 million and achieved an increase in the comprehensive income and reserves by KD 9.4 million, reflecting positively on shareholders' equity with a rise of KD 18.1 million.

Another testimony of the company's strong financial position and the cash surplus despite the market volatility and investment opportunities, the Board of Directors proposed distributing a cash dividend of 28 fils per share.

The total shareholders' equity of the parent company amounted to KD 198.8 million after distributing a cash dividend to shareholders of 45 fils and a value of approximately KD 35.9 million for the year 2021. Total revenue reached KD 19.9 million, while expenses and provisions amounted to KD 10.4 million.

Based on the above, the Board of Directors has recommended distributing cash dividends to shareholders representing a 28% of the paid-up share capital for the financial year ended 31 December 2022.

NIC's Nomination and Remuneration Committee evaluated the Board of Directors and the Executive Management team according to key performance indicators KPIs to ensure fairness and identify deficiencies; therefore, the committee recommended allocating an amount of KD105.000 (one hundred and five thousand Kuwaiti Dinars) to the Board of Directors.

These recommendations are subject to the approval of the General Assembly.

On behalf of NIC's Board Members, I would like to take this opportunity to extend our sincere gratitude to the Executive Management and all the employees for their constant efforts, commitment, and enthusiasm, which enabled NIC to achieve outstanding results and maintain its position as a leading investment company in Kuwait.

Last but not least, on behalf of members of the Board of Directors and all employees of the Board of Directors, I would like to express our great appreciation to His Highness the Amir, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah and His Highness the Crown Prince, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah. And a big thank you to the Kuwaiti government for their continuous support to local entities. I would also like to thank the Capital Markets Authority, Boursa Kuwait, Central Bank of Kuwait, and the Ministry of Commerce and Industry employees for their tremendous efforts to achieve the targeted development.

We are praying for blessings, safety, and prosperity for our beloved Kuwait.

Bader Nasser Al Kharafi
Chairman

Summary of the Corporate Governance Report 2022

Introduction

The present report has been prepared in accordance with Clause (9) of Article (3-7), of Rule II of Module Fifteen “Corporate Governance” of the Executive Bylaws of Law No. 7 of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities, as amended, for the purpose of reading it to the shareholders of National Investment Company during the Company’s ordinary general assembly for the fiscal year ended December 31, 2022, which includes actions taken by the Company to implement and comply with corporate governance rules.

1. Rule I: Construct a Balanced Board Composition and Overview on the Composition of the Board

1.1 Overview on the Composition of the Board

- In accordance with the Company’s Articles of Association, which was amended by the Extraordinary General Assembly held on 12 May 2022, the Company is governed by a Board of Directors composed of six members elected and selected in accordance with the provisions of the Capital Markets Authority (CMA) Law and Companies Law and after obtaining CMA’s approval on applications. The membership term of the Board of Directors is three years renewable, and in case it was not possible to elect a new Board of Directors on time, the existing Board shall continue in force to run the Company’s business until the reasons are gone and a new Board is elected. The members of the Board of Directors are holders of educational qualifications at the highest levels and enjoy diverse professional experiences in several fields.
- A new Board of Directors was elected by the ordinary general assembly, held on 11 September 2022, for a period of three years. The changes occurred on the Board of Directors during 2022 are set out below:

1.1.1 Board of Directors Composition from 1 January 2022 to 10 September 2022

Sr.	Name	Classification of Member	Educational Qualification and Practical Experience	Date of Election/ Appointment of Board Secretary
1	Mr. Hamad Ahmad Hamad Al Ameer Chairman (Representative of Al-Bawaba Al-Watania General Trading and Cont. Co.)	Non-executive director	- Bachelor’s degree in accounting from Kuwait University. - He has held several prominent positions in major investment companies since 1984 to date, as well as current board membership in several local and Arab institutions, and former membership in financial, real estate and telecommunications institutions.	18/05/2021
2	Mr. Muhannad Mohammad Abdulmohsin Al Kharafi Vice Chairman	Non-executive director	- Bachelor’s degree in commerce, economics and political science from Kuwait University. - He held several prominent positions in major local institutions and has board membership in financial and real estate companies. He previously chaired the Board of Directors of one of the major telecommunications companies.	18/05/2021
3	Mr. Hossam Fawzi Al Kharafi (Representative of Bab Al Kheir Projects Management Company)	Non-executive director	- Bachelor of Civil Engineering, Faculty of Engineering and Petroleum, University of Kuwait. - He currently holds supervisory and prominent positions with prestigious companies engaged in real estate and financial activities.	18/05/2021

4	Mr. Mohammed Nizar Ahmed Al Nisf	Independent Member	<ul style="list-style-type: none"> - Bachelor's degree in business administration and political science from Kuwait University. - He is currently a leader in a leading Kuwaiti company operating in the field of information communications, and is a board member in financial and holding companies. 	18/05/2021
5	Mr. Khalid Waleed Khalid Al-Falah	Non-executive director	<ul style="list-style-type: none"> - Bachelor of Science, Business Administration major, University of Southern California, United States of America. - He is currently a leader in a leading multi- activity business and financial company and has held several positions in foreign banks and local investment companies. He is member of the Board of Directors of several companies, including Financial, Investment and Holding companies. 	18/05/2021
6	Mr. Ahmad Jassim Mohamed Al- Kharafi (Representative of International Infrastructure Holding Company)	Non-executive director	<ul style="list-style-type: none"> - Bachelor's degree in accounting from American University of Kuwait. - He is currently a leader in a public trading and contracting company, and has held several positions in local institutions and banks. 	18/05/2021
7	Mr. Fahad Abdulrahman Al Mukhaizim	Board Secretary	<ul style="list-style-type: none"> - Bachelor of Finance - specialized in finance and banks from Kuwait University, and Master of Business Administration from Cleveland University, Ohio. - Enjoys more than 26 years of experience in working in the investment sector, holding several supervisory and leadership positions in prestigious local and Arab financial institutions. 	18/05/2021

1.1.2 Board of Directors Composition from 11 September 2022 to 31 December 2022

Sr.	Name	Classification of Member	Educational Qualification and Practical Experience	Date of Election/ Appointment of Board Secretary
1	Mr. Bader Nasser Al Kharafi Chairman	Non-executive director	<ul style="list-style-type: none"> - Bachelor of Science in Mechanical Engineering from Kuwait University and Master of Business Administration from London Business School. - Enjoys over 24 years' experience in finance and banking, and currently occupies supervisory and leadership positions with reputable companies operating in various sectors including industrial and banking, investment and business sectors, telecommunications, mechanical engineering, and non-profit enterprises. 	11/09/2022
2	Mr. Khalid Waleed Khalid Al-Falah Vice Chairman	Non-executive director	<ul style="list-style-type: none"> - Bachelor of Science, Business Administration major, University of Southern California, United States of America. - He is currently a leader in a leading multi- activity business and financial company and has held several positions in foreign banks and local investment companies. He is member of the Board of Directors of several companies, including Financial, Investment and Holding companies. 	11/09/2022

3	Mr. Anas Khaled Al Saleh (Representative of SAK Real Estate Company)	Non-executive director	- Bachelor of Business Administration, major in Finance from the University of Portland, USA, and honorary doctorate from the same university. - Enjoys more than 25 years of experience in finance and banking, he is currently Chairman of SAK Holding. He also served as former Deputy Prime Minister and previously held ministerial positions, in addition to serving as a member and chairperson of the boards of directors of prestigious companies operating in the financial and real estate sector.	11/09/2022
4	Ms. Taibah Mohammad Al Qatami	Independent Member	- Bachelor's degree and master's degree in accounting from George Washington University. - Enjoys more than 14 years of experience in finance and banking. She is currently the CEO of Retail 965 General Trading Company and a board member of a food sector company.	11/09/2022
5	*Mr. Thamer Menahi Al Osaimi	Independent Member	- Holder of General secondary certificate, enjoys over 15 years of experience in real estate investment, corporate finance and investment operations, and he is currently Chairman of a holding company in the real estate investment sector.	11/09/2022
6	Mr. Fahad Abdulrahman Al Mukhaizim (Representative of Al-Bawaba Al-Watania General Trading and Cont. Co.)	Executive director	Bachelor of Finance - major in finance and banks from Kuwait University, and Master of Business Administration from Cleveland University, Ohio.	11/09/2022
7	Mr. Fahad Abdulrahman Al Mukhaizim	Board Secretary	Enjoys more than 26 years of experience working in the investment sector, holding several supervisory and leadership positions in prestigious local and Arab financial institutions.	11/09/2022

* Mr. Thamer Menahi Al-Osaimi has resigned from the Board of Directors on December 04, 2022.

1.2 Overview on the Company's Board of Directors Meetings during the Year 2022:

The Board of Directors has held nine meetings during 2022 as indicated in the following statement:

Sr.	Name	Meeting No. 1/2022 held on 20/01/2022	Meeting No. 2/2022 held on 30/03/2022	Meeting No. 3/2022 held on 31/03/2022	Meeting No. 4/2022 held on 28/04/2022	Meeting No. 5/2022 held on 11/05/2022	Meeting No. 6/2022 held on 03/08/2022	Meeting No. 7/2022 held on 18/09/2022	Meeting No. 8/2022 held on 10/11/2022	Meeting No. 9/2022 held on 04/12/2022	Number of Meetings
1	Mr. Hamad Ahmad Hamad Al Ameer	✓	✓	✓	✓	✓	✓	Not Applicable			6
2	Mr. Mohammad Mohammad Abdulmohsin Al Kharafi	✓	✓	✓	✓	✓	✓	Not Applicable			6
3	Mr. Hossam Fawzi Al Kharafi	✓	✓	✓	x	x	x	Not Applicable			3
4	Mr. Mohammed Nizar Ahmed Al Nisf	✓	✓	✓	✓	✓	x	Not Applicable			5
5	Mr. Ahmed Jassim Mohamed Al- Kharafi	✓	✓	✓	✓	✓	x	Not Applicable			5
6	Mr. Khalid Waleed Khalid Al-Falah	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
7	Mr. Bader Nasser Al Kharafi	Not Applicable						✓	✓	✓	3
8	Mr. Anas Khaled Al Saleh	Not Applicable						✓	✓	✓	3
9	Ms. Taibah Mohammad Al Qatami	Not Applicable						✓	✓	✓	3
10	Mr. Thamer Menahi Al Osaim	Not Applicable						✓	x	x	1
11	Mr. Fahad Abdulrahman Al Mukhaizim	Not Applicable						✓	✓	✓	3

1.3 Summary of the Mechanism on Applying the Requirements of Registration, Coordination and Keeping Minutes of the Company's Board Meetings:

- The Board Secretary is responsible for assisting the Chairman of the Board of Directors in all matters related to the Board, including coordinating, organizing and attending at meetings of the Board of Directors, as well as preparing the files to the members of the Board of Directors with all the details on the Board of Directors' agenda and ensure that they are sent in advance before the meeting of the Board of Directors in accordance with the requirements of the regulatory authorities, after coordination with the Members on the date and time of the Board meeting, so that the proposed date and time are appropriate for all Board members.
- The Secretary of the Board also carries out the duties of recording matters considered and decisions taken in the minutes of the Board's meeting and taking into account any reservations or views expressed by members during the meeting. The minutes of meetings and resolutions shall be signed by all members of the Board of Directors and the Secretary. All documents pertaining to Board records are kept in a locked cabinet under the supervision of the Board Secretary so that they can be easily consulted; The Secretary shall also record all records of the Board's meetings with a special record of consecutive figures for the year in which the meeting is held, indicating the venue, date, start and end time of the meeting.

1.4 The Independent Member's Declarations on the Availability of Independence Criterion:

- The necessary acknowledgments were obtained from the independent members, which show that the independent member has the independence controls

2. Rule II: Establish Appropriate Roles and Responsibilities

2.1 Overview on How the Company Defines the Policy for the Tasks, Responsibilities and Duties of both Board Members and the Executive Management, as well as the Powers and Authorities Delegated to the Executive Management

- A policy has been prepared to determine the tasks, responsibilities and financial and administrative power in a detailed and accurate manner and has been approved by the Board of Directors and applies to all sectors and departments of the Company, as well as the authorized signatures of the signatories on behalf of the Company in accordance with their respective positions.
- These responsibilities and powers are reviewed annually at a minimum to make any changes in accordance with business requirements.
- In terms of executive management, there is an adopted job description for the Executive Management members, and the Company's organizational structure reflects the specification of authorities and functions as well as application of (Segregation of Duties) principles.
- There is a job description for the members of the Board of Directors to determine their respective roles starting from the Chairman/Independent Board Member/Non-Executive Board Member.

2.2 The Most important Achievements of the Board of Directors in 2022 are the following:

- Recommend to the extraordinary General Assembly to amend certain terms of the Memorandum and Articles of Association.
- Adoption of the Audit Committee's recommendation to reappoint the External Auditor in preparation for reporting the recommendation to the General Assembly for approval.
- Adopting and certifying the Company's financial statements during the required periodic periods and recommend the distribution of annual dividends to shareholders.
- Formation of a new Board of Directors.
- Follow-up on the works of the Board's committees and endorsing their recommendations.
- Revision of the periodic reports on budget comparison with actual results.
- Adoption of the annual plan for 2022.
- Revision of the Independent Auditor's report on the assessment of compliance with regulatory determinants and legislative requirements to combat money-laundering and the financing of terrorism for the fiscal year ended December 31, 2021.
- Revision of the periodic reports on cases brought by and against the Company before the courts.
- Revision of the internal control systems audit report for the fiscal year ended December 31, 2021.

- Approve semi-annual risk management reports before submitting them to CMA.
- Revision of the Internal Audit Unit's performance report for the years 2019-2020-2021.
- Approval of the Audit Committee's recommendation to appoint an Internal Audit Officer.
- Provision of the induction program to new board members.
- Approval of the annual report on combating money laundering and the financing of terrorism for the fiscal year ended 31/12/2021.
- Approval of the Audit Committee's annual report for the year 2021.
- Approve the Internal Control Report (ICR) for the year 2021.
- Approve the bi-annual risk report on combating money-laundering and terrorist financing.
- Approve updating risk management policies and procedures.
- Approve updating the Policies and Procedures to Combat Money Laundering and the Financing of Terrorism manual.

2.3 Overview on the Application of the Requirements of the Composition of the Board of Directors of Specialized Independent Committees

- In order to increase the effectiveness of Board oversight of the Company's various activities and manage the risks to which it is exposed in an independent and professional manner, the Board of Directors has established its own committees with specific responsibilities and powers to act on behalf of the Board. Each Board Committee has a detailed and specific role, duties and powers as approved by the Board of Directors and stipulated in the charter of the Board's Committees as approved by the Board.

- The Board of Directors has the following committees, which support the Board's functions and responsibilities:

1- Nomination and Remuneration Committee	
Date of Formation	The Nominations and Remuneration Committee was established by virtue of the Board of Directors Decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021, and was reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022.
Membership Term	The term of membership shall be the same as that of the Board of Directors and shall not exceed three years renewable.
Duties of the Committee	<ul style="list-style-type: none"> - Recommend acceptance and renomination of the members of the Board of Directors and Executive Management. - Develop job descriptions for executive members, non-executive members and independent members. - Ensure that the independence of an independent board member is not excluded. - Managing the process of evaluating the performance of the Board of Directors and the performance of each of its members, and the Board's committees. - Prepare the remuneration report granted to board members, executive management and managers. - Establish a clear policy of remuneration for board members and executive management, with an annual review of the required skill requirements for board membership, as well as attracting applications from those wishing to fill executive positions as needed, examining and reviewing those requests, and determining the different tranches of bonuses to be awarded to employees, such as fixed bonus segment, performance-related bonus segment, equity tranche and end-of-service bonus segment.
Achievements of the Committee	<ul style="list-style-type: none"> - Examine the performance appraisal forms of both the Board of Directors and its committees, as well as the performance appraisal forms of the Chairman and members of the Board for 2021. - Evaluate executive members' performance for 2021. -Preparation of the governance report for the fiscal year ended 31 December 2021. - Recommend acceptance and re-nomination of the members of the Board of Directors for its new session (2022-2024))
Members of the Committee	<p>- The period from 01 Jan 2022 to 10 Sep 2022</p> <ol style="list-style-type: none"> 1. Mr. Khalid Waleed Khalid Al-Falah, Chairman of the Committee 2. Mr. Hamad Ahmed Hamad Al-Ameeri - Committee Member 3. Mr. Mohamed Nizar Ahmad Al-Nisf - Independent Member <p>- The period from 11 September 2022 to 31 December 2022</p> <ol style="list-style-type: none"> 1. Mr. Bader Nasser Al Kharafi 2. Mr. Anas Khaled Al Saleh 3. Ms. Taibah Mohammad Al-Qatami
Number of Meetings during the Year	The Committee held two meetings during the year 2022.

2- Audit Committee	
Date of Formation	The Audit Committee was established by virtue of the Board of Directors' decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021, and was reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022.
Membership Term	The term of membership is the same as that of the Board of Directors, and for a period not exceeding three years renewable
Duties of the Committee	<ul style="list-style-type: none"> - Review the periodic financial statements prior to their presentation to the Board of Directors, and express an opinion and recommendation thereon to the Board, with a view to ensuring the fairness and transparency of the financial reports. - Recommend to the Board of Directors the appointment, reappointment or change of external auditors and specifying their fees. When recommending the appointment, ensure their independence and review their letters of appointment. - Follow up on the work of the external auditors and ensure that they do not provide services to the Company other than those required by the audit profession. - Examine the observations of the external auditors on the Company's financial statements and follow up on the actions taken thereon. - Examine the adopted accounting policies and express an opinion and recommendation to the Board of Directors thereon. - Assess the adequacy of internal control systems applied within the Company and prepare a report containing the Committee's opinion and recommendations in this regard. - Technical supervision on the Internal Audit Department of the Company in order to verify its effectiveness in the execution of the works and tasks assigned to it by the Board of Directors . - Recommend the appointment, transfer, dismissal, performance evaluation of the Internal Audit Manager and evaluating the performance of the Internal Audit Department. - Review and approve the audit plans proposed by the Internal Auditor and make observations thereon. - Review the results of internal audit reports, and ensure that the necessary corrective action has been taken on the observations contained in the reports. - Review the results of the Regulatory Bodies' reports and ensure that the necessary actions have been taken. -Ensure the Company's compliance with the relevant laws, policies, regulations and instructions.

Achievements of the Committee	<ul style="list-style-type: none"> - Discussing and reviewing the consolidated financial statements and the report of the Independent Auditor for the financial year ended December 31, 2021. - Discussing and reviewing each of the consolidated interim financial statements for the three-month period ended March 31, 2022, the consolidated interim financial statements for the six-month period ended June 30, 2022, and discussing and reviewing the consolidated interim financial statements for the nine-month period ended September 30, 2022. - Discussing and approving the Audit Committee's report for the financial year ended December 31, 2021. - Reviewing results of the regulatory authorities' reports and ensure that the necessary actions have been taken. - Recommending the reappointment of the External Auditor for auditing and examining the Company's accounts for the financial year ended December 31, 2022. - Discussing internal audit reports. - Discussing the internal audit performance evaluation report (QAR) for the years 2019 -2020 -2021. - Discussing the Internal Control Systems Audit Report (ICR) for the fiscal year ended December 31, 2021. - Nominating the appointment of the Internal Audit Officer. - Approving the appointment of consulting office to support the internal audit activities. - Approving the internal audit plan.
Members of the Committee	<ul style="list-style-type: none"> - The period from 01 Jan 2022 to 10 Sep 2022 <ol style="list-style-type: none"> 1. Mr. Muhannad Mohamed Abdelmohsen Al-Kharafi, Chairman of the Committee 2. Mr. Mohammed Nizar Ahmed Al-Nisf - Independent Member 3. Mr. Khalid Waleed Khalid Al-Falah, Member of the Committee - The period from 11 September 2022 to 31 December 2022 <ol style="list-style-type: none"> 1. Mr. Khalid Waleed Khalid Al-Falah, Chairman of the Committee 2. Ms. Taibah Mohammad Al-Qatami - Independent Member 3. * Mr. Thamer Menahi Al Osaim - Independent Member <p>* Mr. Thamer Menahi Al Osaim has resigned from the Board of Directors on December 04, 2022.</p>
Number of Meetings during the Year	- The Committee held (7) meetings during the year 2022.

3- Risk Management Committee	
Date of Formation	The Risk Management Committee was formed by virtue of the Board of Directors' Decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021. It was also reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022. It was restructured again on December 04, 2022 due to the resignation of one of its members.
Membership Term	The membership term shall be the same as that of the Board of Directors and shall not exceed three years.
Duties of the Committee	<ul style="list-style-type: none"> - Review the Company's risk management policies and procedures. - Review risk tendency. - Assess the systems and mechanisms for identifying, measuring and monitoring the different types of risks to which the Company may be exposed in order to identify its shortcomings. - Review the organizational structure of Risk Management Department and make recommendations on it prior to its adoption by the Board of Directors. - Ensure that the staff of the Risk Management Department are independent of the activities that result in the Company's exposure to risk. - Ensure that the staff of the Risk Management Department have a full understanding of the risks surrounding the Company, and work to increase workers' awareness and knowledge of the culture of risk. - Prepare periodic reports on the nature of the risks to which the Company is exposed and submit these reports to the company's Board of Directors. - Review issues raised by the Audit Committee that are related and may affect the management of risks in the Company.
Achievements of the Committee	<ul style="list-style-type: none"> - Review and discuss periodic risk management reports (quarterly and bi-annually). - Approve the update of the Risk Appetite Policy for 2022. - Review the Company's sectors risk report. - Review the bi-annual risk report on Money Laundering and Terrorist Financing for the year 2022. - Review and update the Risk Management Policy and Procedures Manual.

Members of the Committee	<p>-The period from 01 Jan 2022 to 10 Sep 2022</p> <ol style="list-style-type: none"> 1. Mr. Mohamed Nizar Ahmed Al-Nisf - independent member - Chairman of the Committee 2. Mr. Khalid Waleed Khalid Al-Falah, Member of the Committee 3. Mr. Ahmed Jassim Mohamed Al Kharafi - Committee Member <p>-The period from 11 September 2022 to 31 December 2022</p> <ol style="list-style-type: none"> 1. Ms. Taibah Mohammad Al-Qatami - Independent Member- Chairman of the Committee 2. Mr. Khalid Waleed Khalid Al-Falah- Member of the Committee 3. * Mr. Thamer Menahi Al Osaim - Independent Member 4. Mr. Fahad Abdulrahman Al Mukhaizim- Member of the Committee <p>* Mr. Thamer Menahi Al Osaim has resigned from the Board of Directors on December 04, 2022.</p>
Number of Meetings during the Year	The Committee held (4) meetings during the year 2022

4- Investment Committee	
Date of Formation	The Investment Committee was formed by virtue of the Board of Directors' decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021, and was restructured on 18 September 2022, following the election of a new Board of Directors on 11 September 2022.
Membership Term	The membership term is the same as that of the Board of Directors, and for a period not exceeding three years renewable
Duties of the Committee	<ul style="list-style-type: none"> - Review and study the investment opportunities presented to the Company and follow up the implementation of the annual investment plan of the Company and its conformity with the policies and strategies approved by the Board of Directors. - Approval of investment in various projects in accordance with the financial authorities approved by the Board of Directors.
Achievements of the Committee	- Opportunities in the real estate sector were reviewed and recommendations raised by the relevant sector were approved.
Members of the Committee	<ol style="list-style-type: none"> 1. Mr. Bader Nasser Al-Kharafi- Chairman of the Committee 2. Mr. Khalid Waleed Khalid Al-Falah- Member of the Committee 3. Mr. Anas Khaled Al-Saleh - Member of the Committee
Number of Meetings during the Year	The Committee held one meeting during the year 2022

2.4 Summary of how the requirements that allow board members to obtain accurate and timely information and data are applied.

- The agenda of the meetings of the Board of Directors shall be prepared well in advance. All information and reports required shall be processed according to the agenda as all reports and documents shall be reviewed by the head of the competent sector and, then the final review by the Chief Executive Officer to ensure accuracy and adequacy of the information supported by documents if necessary.
- Reports shall be sent to the members of the Board of Directors and its committees in advance of the meeting, with a view to giving them sufficient time to study, comment and give recommendations.
- If a member of the Board of Directors requests any information or reports during the meeting, the Secretary of the Board shall record this in the minutes of the meeting and ensure that the required information is provided to the members.

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

3.1. Summary on the application of the requirements of the composition of the Nominations and Remuneration Committee:

- The Nominations and Remuneration Committee operates in accordance with the charter of the Committee approved by the members of the Board of Directors, which is designed to comply with the requirements of Chapter IV of Book XV (Governance Rules) of the Executive Bylaws of Law No. (7) of 2010 on the Establishment of the Capital Markets Authority and Regulation of Securities Activity as amended as the Committee is composed of three members, chaired by a member of the Board of Directors and includes an independent member. The Committee meets periodically at least once a year, as well as when needed. The Committee Secretary records its minutes of meetings, numbering them and keeping them in serial.
- The role of the Nominations and Remuneration Committee includes assisting the Board of Directors of the Company in fulfilling its oversight responsibilities relating to the effectiveness, soundness and compliance of the Company's nomination policies, procedures and remuneration. The Committee also recommends accepting the nomination and re-nomination of the Board members and senior management, and ensuring that the general nomination and remuneration policy is commensurate with the Company's strategic objectives. It also ensures that the independent member's independence is not excluded.
- Members of the Board of Directors, Executive Management and Directors have the competence, expertise and scientific level required to perform their duties. The members of the Board of Directors have the diversity of experiences between economic experiences and expertise in the investment, financial, information technology and real estate sectors, which adds effectiveness and diversity to the Board's work.
- The CEO of the Company has extensive experience for over 26 years in investment and asset management domains, as well as holding several memberships on the boards of prestigious investment, real estate and other companies. Furthermore, he is a holder of a bachelor's degree in accounting from Kuwait University and a Master of Business Administration from Cleveland-Ohio University.
- The Nominations and Remuneration Committee was established by virtue of the Board of Directors Decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021, and was reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022, and the term of the committee is 3 years, renewable.
- The information requested is set out in rule II of the present report, which contains all information on the Committee's tasks and achievements as well as the composition and meetings of the Committee during 2022.

3.2 Remuneration and Incentive Report for Board Members, Executive Management and Directors

3.2.1 Summary of the Company's remuneration and incentives policy:

- The performance of the Board of Directors, committees and members of the Board of Directors and Executive Management is evaluated annually through the Nominations and Remuneration Committee. Questionnaire forms are prepared for each individual member to evaluate his/her performance and the areas that need training and strengthening to improve performance and participation, as well as to assess the Board's achievements overall during the year, to review the minutes of meetings, attendance percentages, quorum, recommendations, etc.
- As for the Executive Management, each executive management member, including the CEO, has measurable performance measures according to his/her annual performance in relation to his/her annual functions, responsibilities and achievements compared to the Company's strategy and objectives.
- The Company follows a remuneration policy approved by the Nominations and Remuneration Committee for the Executive Management, Directors and all employees of the Company. The remuneration policies include a balance between both fixed and variable remuneration to allow for the review of variable remuneration according to the financial and administrative performance achieved by all employees.

3.2.2 Fixed Remunerations:

- Taking into account the level of responsibilities and career of the employee within the Company when determining the fixed remunerations payable to the employee, a wage standard is established for each job, reflecting its value to the Company, as well as that the wage standard applied within the Company is determined by the analysis of parity and equity within the Company and in the labor market.
- All fixed remunerations are reviewed on an annual basis to re-evaluate the total remunerations awarded to the employee and compare them with the labor market and individual performance of the employee.
- Fixed remunerations including salaries, allowances and benefits is determined in the Company's grading system approved by the Company's Board of Directors and stipulated in the employees' contractual agreements.

3.2.3 Variable remunerations:

- Annual variable remunerations are linked to achieving pre-defined goals and prudent risk management.
- Variable remunerations are a type of compensation designed to motivate and reward high performers within the overall risk framework of the Company. Variable remunerations are allocated to individuals depending on the individual performance of the employee and the performance of the sector/department concerned.

• Remunerations and benefits for board members

Remunerations and Benefits for Board Members							
Total Number of Members	Remunerations and Benefits through the Parent Company			Remunerations and Benefits through Affiliates			
	Fixed Remunerations and Benefits (Kuwaiti Dinar)	Variable Remunerations and Benefits (Kuwaiti Dinar)		Fixed Remunerations and Benefits (Kuwaiti Dinar)		Variable Remunerations and Benefits	
	Health Insurance	Annual Remuneration	Committees Reward	Health Insurance	Monthly salaries (gross during the year)	Annual Remuneration	Committees Reward
5	-	105,000	-	2,043	245,615	10,000	-

Remunerations and benefits awarded to five top executives who received the highest rewards, added to them the CEO and the CFO their representatives if they were not included

Remunerations and Benefits Awarded to Five top Executives who Received the Highest Remunerations, in addition to the CEO and CFO		
	Remunerations and benefits through the parent company	Remunerations and benefits through affiliates
Total Number of Executive Positions	5	
Monthly Salaries (Gross (during the year)	591,654	
Health insurance	12,433	
Annual Airway Tickets	28,114	
Housing allowance	-	
Transportation allowance	-	
Children's Education Allowance	-	
Variable Remunerations and Benefits (Kuwaiti Dinar)		
Annual Remuneration	143,031	

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

- Not Applicable

4. Rule IV: Safeguard the Integrity of Financial Reporting

4.1 Written Undertakings by both the Board of Directors and Executive Management on the Soundness and Integrity of the Prepared Financial Reports.

- It is within the responsibilities of the Board of Directors mentioned in the approved Regulation of the Board to approve annual estimated budgets and adopt interim and annual financial statements. The annual report submitted by the Board of Directors also includes a written undertaking on the soundness and integrity of the financial reports prepared.
- The Executive Management, represented by the Chief Executive Officer and the Chief Financial Officer, undertakes to the Board of Directors of the Company in writing that the Company's financial reports have been presented properly and fairly. All financial aspects of the Company's operating statements and results have been reviewed and prepared in accordance with the approved international accounting standards.
- The External Auditor of the Company is the Office of Ernst and Young (E&Y) Al-Aiban, Al Osaimi and Partners is among the major global accounting offices because of its independence and impartiality in the preparation of the Company's financial reports and statements.

4.2 Overview on the Application of the Requirements of the Composition of the Audit Committee

- In order to establish a culture of compliance within the Company by ensuring the integrity and soundness of the financial reports of the Company, as well as ensuring the adequacy and effectiveness of the internal control systems applied in the Company, the Board of Directors has formed the Audit Committee and adopted its charter.
- The Audit Committee was established by virtue of the Board of Directors' decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021, and was reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022, and the term of the committee is 3 years, renewable.
- The information requested is set out in rule II of the present report, which contains all information on the Committee's tasks and achievements as well as the composition and meetings of the Committee during the year 2022.

4.3 Cases of Conflict between the Recommendations of the Audit Committee and the Decisions of the Board of Directors, and a Statement Detailing and Clarifying the Recommendations and the Reason or Reasons for the Board of Directors' Decision not to Comply with them.

- No conflicts were recorded during the discussions, decisions or recommendations made by members of the Audit Committee to members of the Company's Board of Directors during the year 2022.

4.4 Emphasis on the Independence and Impartiality of the External Auditor

- One of the most important responsibilities of the Audit Committee is to ensure the independence and impartiality of the External Auditor from the Company and its Board of Directors. This is stated in the provisions of the Company's Audit Committee Charter as approved by the members of the Board of Directors.
- The Audit Committee shall submit its recommendations to the Board of Directors on the appointment, reappointment, replacement or dismissal of external auditors and determining their fees.

- The Audit Committee shall ensure the independence and integrity of the external auditors of the Company and its Board of Directors before recommending its appointment to the Board of Directors and review the contract and terms of the appointment Agreement.
- The operations of the external auditors are followed up and verify that they do not provide any other services to the Company except those required by the audit profession.
- External auditors report directly to the Committee.
- If the external auditor resigns, the Committee shall investigate the issues leading to the resignation and consider whether any action is required.
- The Audit Committee reviews the annual scope and work plan of the audit for the external auditors.
- The External Auditor shall be permitted to attend meetings of the General Assembly and to read the report prepared for shareholders, indicating any obstacles or interventions encountered by the Board of Directors in the course of its work. The External Auditor must also inform the CMA of details of any irregularities or significant obstacles and related details.
- The Committee shall follow the adoption and/or dismissal of the main audit findings.
- The Committee establishes a policy for the rotation of external audit partners and a time frame for the resubmission of external audit.

5. Rule V: Apply Sound Systems of Risk Management and Internal Audit

5.1. Brief Statement on the Application of the Requirements for the Formation of an Independent Risk Management Department

- The Company is keen to comply with risk management systems and has taken several steps to ensure the effectiveness and independence of the Risk Management Department work as follows:
- The Company has an independent Risk Management Department consisting of qualified employees with experience in this field and registered in accordance with the efficiency and integrity rules issued by CMA.
- Risk Management follows the Risk Management Committee of the Board of Directors directly into the Company's organizational structure to ensure its independence. It reports directly to both the Risk Management Committee and the Board of Directors without interference from the Executive Management to ensure transparency and independence.
- The organizational structure of the Department clearly reflects the various functions and the separation of tasks and responsibilities, as well as the independence of the Department from the Executive Management of the Company.

5.2 Overview on the Application of the Requirements for the Formation of the Risk Management Committee

- In order to develop and activate the Board of Directors' effective supervision of all transactions and procedures in the Company, the Board of Directors has formed the Risk Management Committee and adopted its Charter. The Committee assumes the functions of all special aspects of risk management.
- The Risk Management Committee was established by virtue of the Board of Directors' Decision issued on 18/05/2021, following the election of a new Board of Directors on 18 May 2021. It was also reconstituted on 18 September 2022, following the election of a new Board of Directors on 11 September 2022. It was restructured again on 04 December, 2022 due to the resignation of one of its members.
- The information requested is set out in rule 2 of the present report, which contains all information on the Committee's tasks and achievements as well as the composition and meetings.

5.3 Internal Control Systems

5.3.1 Role of the Board of Directors

- The Board of Directors of the National Investment Company is committed to ensuring periodically the effectiveness and adequacy of the Company's internal control systems, which include but are not limited to the following:
 - Ensure the integrity of the financial and accounting systems, including those related to financial reporting.
 - Ensure that appropriate control systems are in place to measure and manage risks by identifying the scope of risks that the Company may face and creating an environment that is familiar with a company-wide risk reduction culture, and transparently rolling them out with stakeholders and related parties.
 - Internal control systems are audited annually by an independent audit office in accordance with the requirements of CMA.

5.3.2 Actions Taken to Ensure Adequacy of the Internal Control Systems

5.3.2.1 Proper Specification of Tasks and Responsibilities

- Update the organizational structure and approving it by the Board of Directors.
- Prepare a job description for all employees of the Company.
- The Company has a matrix of responsibilities and powers (Authority Matrix) to determine the level of different authorities, segregation of tasks and determination of the financial authorities granted to both the Board of Directors and Executive Management and the Committees of the Board of Directors and various operational sectors, as well as to identify the Company's approved signatures with third parties as well as the principle of dual control by defining (Maker and Checker) for all day-to-day operations and application of the (Four Eyes Principle). The authorities and financial authorities matrix are periodically updated to determine the level of financial and administrative authorities granted to the Board of Directors, its committees, the Executive Management and Middle Management.

5.3.2.2 Complete Segregation of Duties and Non-conflict of Interest

- Prepare a framework for corporate governance, approved by the Board of Directors, which includes procedures to be followed to avoid all improper practices that may lead to conflicts of interest and expose the Company to any financial or regulatory problems.

A special policy has been developed to reduce any conflicts of interest that may arise through dealing with stakeholders.

5.3.2.3 Double Inspection and Control

- Updating all policies and procedures for each sector of the Company to comply with the executive bylaws of the Authority; as the full segregation of the activities of the Company is taken into account to ensure non-leakage of information by the application of the Chinese Wall.

- The National Investment Company has a set of procedures to ensure the dual signature policy on all transactions of the Company as follows:

- The authority matrix approved by the Board of Directors.
- Signatures booklet for Company's signatories.

5.4 Brief Statement on the Application of the Requirements for the Formation of an Independent Internal Audit Unit

- In compliance with Article (6-7) of Rule V contained in Book XV of the Executive Bylaw of Law No. (7) Of the year 2010, the organizational structure of the Company approved by the Board of Directors includes an Internal Audit Department that enjoys full technical independence through its subordination to the Audit Committee. The Internal Audit Officer is appointed by the Board of Directors directly on the recommendation of the Audit Committee, and following the approval of CMA. The Audit Committee also conducts technical and technical supervision and evaluation of internal audit performance in the Company.
- The Internal Audit Department shall have the right to obtain any information and to communicate with any employee within the Company, as well as all authorities that enable it to perform the tasks entrusted to it and as required. The Company shall document the functions, authorities and responsibilities of the Audit Department within the charter of the Audit Department as approved by the Board.
- The Internal Audit Department exercises its functions and prepares its full reports. It also has the right to discuss its reports with the audited departments/units and reports to the Audit Committee.
- In 2022, the National Investment Company has appointed an external office (KPMG) to evaluate and inspect the Company's internal operating systems independently as well as identify and analyze the risks of potential operations in the Company in accordance with the professional rules and standards of internal auditing. The Internal Audit Officer coordinates and monitors the above-mentioned external entity; Follow-up on reports sent to all sectors of the Company and determine their compliance with the recommendations of the Internal Audit Office with regard to internal audit work.

6. Rule VI: Promote Code of Conduct and Ethical Standards

6.1 Charter

- The Company has a charter to work in accordance with the rules of professional conduct and ethical values, called the "Employee Manual", to which everyone is bound and which includes many instructions in accordance with the established standards.

6.2 Professional Code of Conduct

- The Company has a complete governance manual that includes the basic rules of professional conduct such as the spirit of law, policies and internal procedures of the Company and work for the interest of shareholders, the Company and all stakeholders as well as the public.

6.3 Reduce Conflict of Interest Cases

- The internal control systems applied within the Company follow up on any cases that represent a conflict of interest, as the Company has prepared a special policy for cases of conflict of interest and how to reduce them.
- The Company has also adopted a special policy to prevent the leakage of information between the Company's licensed activities or so-called "Chinese Wall».

7. Rule VII: Ensure Timely and High Quality Disclosure and Transparency

7.1 Summary On Application of Presentation, Accurate Disclosure and Transparency Mechanisms that Identify Aspects, Areas and Characteristics of Disclosure

- The Company applies several disclosure mechanisms and is keen to observe the disclosure and transparency rules stipulated in the Executive Bylaws of CMA. Adopted mechanisms can be summarized as the following:
 - The existence of policies and procedures manual on all required disclosures to the regulatory authorities. The Company periodically updates it whenever needed to fit all applicable procedures.
 - The existence of an electronic system for calculating property ratios and changes that require disclosure.
 - Presenting all disclosures relating to any of the Company's material information on the Company's official website in Arabic and English in order to ensure transparency for shareholders and investors.

7.2 Overview on the Application of the Requirements of the Register of Disclosures of Board Members, Executive Management and Directors.

- The Company has a special record that includes all disclosures of board members, executive management and directors, as well as all statements relating to remunerations, salaries, incentives and other financial benefits that have been given directly or indirectly by the Company or subsidiaries. All shareholders are entitled to access this record during the Company's normal working hours without any charge.
- To disclose annually to Boursa Kuwait the shareholders of the Company who own 5% or more of the Company's capital.

7.3 Investors Affairs Unit:

- The Investors Affairs Unit consists of several members representing the relevant departments. Its role can be explained as follows:
 - The Investors Affairs Unit enjoys proper independence through its direct dependence on the Chairman of the Company and in such a way as to allow it to provide data, information and reports in a timely and accurate manner, through recognized disclosure means, including the Company's website.
 - The Investors Affairs Unit makes available and provides data, information and reports for potential investors, as well as provision of a clear vision to encourage them to evaluate the Company properly and accurately.
 - One of the responsibilities of the Investors Affairs Unit is to oversee the issuance of the annual report, publications and materials published on the Internet.

7.4 Information Technology:

- National Investments Company recognizes the importance of continuous communication with its shareholders, potential shareholders and stakeholders. Accordingly, a dedicated investor affairs section has been set up on the Company's website to present all matters related to corporate governance, disclosures, and all updated information and data that assist the shareholders, current and potential investors to practice their rights and evaluate the Company's performance.
- The Company has an automated system for portfolio management activities of all kinds, as well as investment funds and customer service. The automated system referred to are relied upon in respect of disclosures contained in Book X "Disclosure and Transparency" of the Executive Bylaws of CMA.

8. Rule VIII: Respect the Rights of Shareholders

8.1 Overview on the Application of the Requirements for Determining and Protecting the General Rights of Shareholders, in order to ensure Fairness and Equality among all Shareholders.

- The Company respects the rights of its shareholders and strives to achieve justice, equality and respect for the rights of the minority, including but not limited to the following:
 - Shareholders' rights are defined in accordance with the rules of CMA by the governance charter approved by the Board of Directors and published on the Company's official website and applied across the Company and its board members and employees.

8.2 A summary of the Establishment of a Special Record Maintained by the Clearing Agency, within the Requirements of Continuous Follow-up of Shareholders' Data.

- The Company has signed a contract with Kuwait Clearing Company in 2006 for the purpose of preserving shareholders' private data. An appendix to the agreement was signed during 2019. Kuwait Clearing Company, for example, but not limited to, provides the following services:
 - Update the data with the Shareholders Register for all trading deals occurring in Boursa Kuwait.
 - Undertake property transfer procedures.
 - Distribution of the balance of the shares to the heirs in accordance with the Determination of Heirs Statement of and the Islamic Inheritance System.
 - Recoding mortgages, write off mortgages and carrying out the seizure.
 - Prepare invitations to general assemblies prior to their convening, and issue special proxy to shareholders to attend the General Assembly.
- The Company is also kept updated with shareholders' record by receiving periodic reports from Kuwait Clearing Company.

8.3 Overview on How to Encourage Shareholders to Participate and Vote in the Company's General Meetings

- The Company is keen to disclose on Bursa Kuwait's website and through its official website any material disclosures of interest to shareholders. The Company also publishes the date of the general meetings and the agenda in two local newspapers as well as the Company's website and Bursa Kuwait's website to encourage shareholders to attend and vote.

9. Rule IX: Recognize the Roles of Stakeholders

9.1 Overview of Mechanisms and Policies that Ensure Protection and Recognition of Stakeholders' Rights

- The Company's Corporate Governance Charter, approved by the Board of Directors, promotes and guarantees stakeholders' rights for the purpose of establishing the following principles:
 - Equal rights of stakeholders according to their relationship with the Company.
 - Establish clear procedures clarifying rights and obligations in the event of a party's failure to fulfill its duties.
 - Establish a legal mechanism to compensate stakeholders in the event of a breach or violation of their rights.
 - Develop a mechanism to build a strong relationship between the Company and various suppliers, customers and other stakeholders and maintain confidentiality and respect for contracts concluded.
 - Develop complaints and irregularities monitoring mechanism. There is also a whistle blowing policy published on the Company's official website to allow all stakeholders to report suspected irregularities.
 - To ensure transparency and credibility in the disclosure and publication of all material information of interest to shareholders and stakeholders through various means of publication.

9.2 Overview on How to Encourage Stakeholders to Participate in the Follow-up of the Company's various Activities

- Encouraging stakeholders to participate in the follow-up of the various activities of the Company through the Company's website, which continuously displays all the activities of the Company, the events and material information, as well as through continuous communication with clients through the Customer Relations Department and the Investors Affairs Unit.

10. Rule X: Encourage and Enhance Performance

10.1 The Company's Executed Mechanisms for Training and Development for both Board Members and Executive Management

- As a result of the Company's keenness to keep members of the Board of Directors and Executive Management up to date with the various fields related to the Company's activity, the Company held in 2022 specialized courses on combating money laundering and financing terrorism for members of the Board and Executive Management.
- The Company gives the Executive Management the opportunity to participate in seminars and training courses through training institutes specializing in conducting seminars in multiple areas according to the responsibilities of the Executive Management.

10.2 Overview on how to Evaluate the Performance of the Board as a whole and the Committees, and the Performance of each Board Member and the Executive Management:

- The performance of the Board of Directors, committees and each of the Board members and Executive Management is evaluated annually through the Nominations and Remuneration Committee. Questionnaire forms are prepared for each individual member to evaluate his/her performance and the areas that need training and strengthening to improve performance and participation. In addition, the Board's achievements are assessed in an overall manner during the year along with reviewing the minutes of the meeting, attendance ratios, quorum, recommendations etc. As for the Executive Management, each Executive Management member, including the CEO, has measurable performance measures according to his/her annual performance in relation to his/her annual tasks, responsibilities and achievements as compared to the Company's strategy and objectives.

10.3 Overview on the Corporate Values (Value Creation) of the Company's Employees:

- National Investments Company pays great attention to the creation of corporate values for its employees, because it is confident that the promotion of a culture of corporate values is the driving force of the Company and its employees that expresses its entity and distinction.
- The success of the National Investments Company in achieving its strategic objectives and enhancing the confidence of its investors is one of the pillars of the creation of corporate values through its constant commitment to the laws and instructions on corporate governance.
- The National Investments Company recognizes the core values of creating corporate values among its employees. The Company periodically conducts polls to measure the satisfaction of its employees and the Company's commitment to its strategic plan.
- The National Investments Company follows an approved remuneration methodology and appreciation for its employees through periodic employee evaluations and the adoption of KPIs in the evaluation process.
- The National Investments Company has a training plan to enhance and improve the performance rates of its employees.
- The employees abide by the Company's rules of professional conduct, which are part of the corporate governance framework applicable to the Company.

11. Rule XI: Focus on the Importance of Corporate Social Responsibility

11.1 Develop a Policy that Ensures Balance between both the Company's Objectives and those of the Community

- Social responsibility is a continuous social activity to understand the needs of the community while interacting with community events. The policies and procedures manual for the marketing and corporate communication sector includes a full section on social responsibility and how it is applied.

11.2 Programs and Mechanisms used that Help to Highlight the Company's Social Work Efforts:

- The National Investments Company includes the Corporate Social Responsibility Policy (CSR) as a self-regulated mechanism, which monitors and ensures its effective compliance with the spirit of law and ethical, national or international standards. The Company also seeks to identify a range of activities geared towards promoting certain social benefits that are in the interest of the nation and citizen.

- The Company aims to increase long-term profits and shareholder confidence through positive public relations and high ethical standards to reduce commercial and legal risks by taking responsibility for corporate actions.
- Corporate social responsibility strategies encourage a positive impact on Kuwaiti society. Particular emphasis is placed on supporting and sponsoring events geared towards enabling Kuwaiti youth to make informed career choices and encouraging young people's national creativity.
- On-the-job training programs are high on the list of priorities. Such training is the first building block of a rewarding career.
- The National Investments Company also seeks to be an active societal player in other areas such as collaborating with organizations with good social issues, and identifying the most valuable projects that can be engaged where they are most influential on society.
- As part of National Investments Company tireless efforts to maintain its leading position among private sector companies in the humanitarian sphere and consolidate its social responsibility as one of the largest investment companies in Kuwait, and as part of the Company's support for the educational and academic career in Kuwait, National Investments Company has provided silver sponsorship to the Finance Club in the Finance and Financial Facilities Department of the Faculty of Administrative Sciences of Kuwait University to develop the Company's services and programs by establishing successful partnerships with various government and private sectors and social work institutions in Kuwait.
- The implementation of plans and programs is also highlighted through several mechanisms (the Company's official website - social media platforms).



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