



الشركة العمليّة للطاقة (ش.م.ك.م)
Action Energy Company (K.S.C.C)

Corporate Governance

Introduction to Governance:

Action Energy Company (“the Company”) is committed to implementing best practices in corporate governance, based on its firm belief that sound governance provides a solid foundation for effective management, sustainable performance, and the strengthening of the confidence of shareholders and stakeholders.

The Company commits to applying the corporate governance rules and principles issued by the Capital Markets Authority, in accordance with the provisions of the Executive Regulations of Law No. (7) of 2010 on the Establishment of the Capital Markets Authority and the Regulation of Securities Activity and their amendments, and in line with the requirements of Book Fifteen of the Executive Regulations. This commitment aims to embed a governance culture, enhance transparency, and achieve a fair balance between the interests of the Board of Directors, executive management, shareholders, and all stakeholders.

Following the Company’s listing on the Kuwait Stock Exchange on 17 December 2025, the Board of Directors, in cooperation with executive management, has taken the necessary steps to develop and implement an integrated corporate governance framework. This included preparing and adopting policies, bylaws, and internal systems that regulate the Company’s operations and define the powers, responsibilities, and duties of the Board of Directors, its committees, executive management, and employees. These documents will be reviewed and updated periodically in accordance with the Authority’s requirements and best practices.

During the current financial year (2026), the Company is committed to completing the implementation of all governance rules and standards and complying with the related requirements of the Capital Markets Authority, including preparing and submitting governance reports on time. The relevant committees and the Board will commence their supervisory and oversight duties once the appointment of the independent member by the General Assembly, scheduled to be held on 7 May 2026, is finalised, through periodic monitoring and the reports submitted to them.



Rule One: Construct a Balanced Board Composition

Brief on the composition of the Board of Directors, as follows:

Name	Educational Qualifications and Professional Experience	Member Classification / Role	Date of Election / Appointment
<p>Sheikh Mubarak Abdullah Al Mubarak Al Sabah</p>	<p>Sheikh Mubarak has an impressive track record in business, entrepreneurship, investments, and leadership. He is a prominent figure in the Kuwait business and social sectors. He has been instrumental in spearheading several prominent real estate and hospitality projects, which have all contributed to raising international standards in Kuwait and that of the Middle East. Sheikh Mubarak holds an M.Phil in International Studies from the University of Cambridge (UK) and a BA (Hons.) in Politics with Economics from the University of Buckingham (UK). In addition, he is a graduate of the Royal Military Academy of Sandhurst (UK) and has served in the Kuwaiti Armed Forces as an Armored Officer, as well as the Kuwait National Guard.</p> <p>He is the Vice-Chairman of Action Group Holdings (AGH), and Founder and Chairman of Action Real Estate (K.S.C.C), one of Kuwait's major private real estate companies, with a portfolio of assets across the Middle East, Australia, Europe and UK. Additionally, he is the founding Chairman of Action Hotels Limited, which was listed on the Alternative Investment Market (AIM) stock market in the UK from December 2013 to 2018. He is also the founding Chairman of Action Energy Company.</p> <p>Sheikh Mubarak also served on several boards of leading companies. He served as the founding Chairman of Qurain Petrochemical Industries Company K.S.C. (QPIC) since its inception till 2022, a publicly listed company in Kuwait. Qurain was established by an Amiri Decree in and was listed on the Kuwait Stock Exchange in July 2007 as one of the largest IPOs in the Kuwait market, with over 400,000 shareholders. He represented QPIC, PIC, and Dow Chemicals on the board of Equate Petrochemicals, which was one of the most significant FDI investments in the state.</p> <p>During Sheikh Mubarak's tenure as Chairman of QPIC, Qurain's total assets grew from KD 110 million to KD 785 million, and it acquired significant stakes in SADAFCO (listed on the Saudi Stock Exchange), National Petroleum Services "NAPESCO", Jassim Transport & Stevedoring Company "JTC", and Advanced Technology Company "ATC" (all three are listed on the Kuwait Stock Exchange).</p> <p>Additionally, Sheikh Mubarak served as a board member of EQUATE, Kuwait's first and most significant international joint venture. The company was founded with a clear direction from the government of Kuwait, represented by the Petrochemical Industries Company (PIC), to engage the private sector to participate within the Oil and Gas sectors. Currently, he serves on the board of Valmore Holdings (Previously Egypt Kuwait Holdings), a leading Egyptian industrial and financial company with a diversified portfolio of investments, listed in the Kuwait and Egypt stock markets.</p> <p>In addition, he is the Co Vice Chairman of Blue Five Capital, an alternative investment company with offices in London, Abu Dhabi, Manama, and Beijing.</p> <p>He is conferred in 2017 with the French government's highest civilian distinction "Le Chevalier de la Légion d'Honneur" (Knight of the Legion of Honor) awarded by the France President and French Republic.</p> <p>Honored as 'Businessman of the Year in Kuwait' by The Arabian Business Magazine in 2019.</p> <p>Honored as a Young Global Leader (YGL) in 2009 by the World Economic Forum (WEF) and is member of the Kuwait chapter of Young President Organization (YPO).</p> <p>Member the Kuwait Economic Society, Honorary Chairman of the Kuwait Sea Sports Club, and Member of the International Institute for Strategic Studies.</p> <p>Conferred the joint Fellowship in Pembroke College, University of Cambridge – United Kingdom.</p>	<p>Non-executive</p>	<p>22/09/2025</p>
<p>Rawaf Ibrahim Hamoud Boursali</p>	<p>Eng. Rawaf I. Bourisli is an architect by education, graduated from Oklahoma State University School of Architecture in the United States. He serves as General Manager for Action Real Estate Company, one of the prominent Real Estate companies in Kuwait and the region. He was part of the establishment of Action Hotels Company in 2006. He played a key role in the company's growth and expansion into the hospitality sector, including planning and executing its listing on the AIM market in London in 2014.</p>	<p>Non-executive</p>	<p>22/09/2025</p>



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	<p>With over 20 years of experience across several industries, Mr. Bourisli is key to developing the company's business portfolios and has overseen its day-to-day operations since its inception. He has led several significant developments in the company since 2014.</p> <p>Mr. Bourisli has won several awards, including the Arabian Commercial Property Award for the best retail development in Kuwait, the European 2014 MENA Award for Retail Developer of the Year, the Sponsor, World Mental Health Day 2012, the Iron Design Certificate, Oklahoma State University, etc. He is a member of the Kuwait Society of Engineers. Additionally, Mr. Bourisli serves as an Executive Director of Action Hotels Company and as Chairman of Ebla Computer Consultancy, a pioneer in Information Technology in Kuwait and Qatar.</p>		
Ahmed Mohammed Ahmed Al Ajlan	<p>With over 30 years of experience spanning both the public and private sectors, he is recognised as an expert in strategic leadership and corporate management within listed companies. He began his professional career in the late 1980s at a packaging and plastics manufacturing company, before serving as Head of Training and Development at the Public Authority for Industry (PAI). He subsequently joined Kuwait Lube Oil Company in the early 1990s and later established a solid career in public companies, serving an 11-year tenure with Kuwait Clearing Company.</p> <p>He served on several boards of listed companies in various sectors, including Qurain Holding Company, Qurain Petrochemical Industries Company (QPIC), and Zumorroda Leasing and Finance Company.</p> <p>A Graduate of Kuwait University with a Bachelor of Business Studies, he attended training courses in London and New York sponsored by Goldman Sachs and Merrill Lynch.</p>	Executive	22/09/2025
Talal Mishari Yousef Al Qassar	<p>Talal Al Qassar has almost ten years of experience in investments and consulting. He is currently Vice President in the Principal Investment sector at Gulf Investment Corporation (GIC). Before joining GIC, Talal held various positions at Tri-International Consulting Group and Oliver Wyman in Dubai. He worked on numerous consulting projects involving economic development, infrastructure, and real estate in Saudi Arabia, Kuwait, and the UAE for both private and public-sector clients.</p> <p>Talal holds a Master of Business Administration from London Business School, a Master of Engineering from Lehigh University, and a Bachelor of Science in Industrial Engineering with a Minor in Economics from Pennsylvania State University – University Park.</p>	Non-executive	22/09/2025
Vikas Arora	<p>Mr Vikas Arora is a senior finance professional and entrepreneur with over 25 years of experience across varied businesses and geographies. He has completed his chartered accountancy qualification in India, an Entrepreneurship program at Oxford University, London, and a Corporate Governance program at Wharton Business School, USA. He has worked as Group CFO/head of corporate finance and board advisor for multi-national companies, including Action group of companies, Alshaya group, and his well-diversified experience includes raising investor capital for growth, managing multi-billion\$ capital/debt portfolio, helping businesses achieve successful exits, IPO, corporate and family governance matters, international tax etc., besides being a strategic investor into businesses in India, GCC, US, in varied sectors including tech, health care and real estate.</p>	Non-executive	22/09/2025
Asser Mahmoud	<p>Holds a Bachelor's degree in Accounting, along with multiple professional certifications, including the CISI/KCMA Certificate in Kuwait Capital Markets Authority Rules and Regulations from the Chartered Institute for Securities & Investment; the International Certified Corporate Governance Officer (ICCGO) from the Association of Governance, Risk and Compliance; the Certified Financial Crimes Investigator (CFCI) from the International Association of Financial Crimes Investigators; and both the Governance, Risk and Compliance Auditor (GRCA) and Governance, Risk and Compliance Professional (GRCP) certifications from OCEG. He brings 24 years of experience across diverse fields.</p>	Board Secretary	24/09/2026

Note :

No independent members were appointed during the financial year ended 31 December 2025, due to the Company's recent listing on Boursa Kuwait on 17 December 2025. The Company affirms its full commitment to complying with Capital Markets Authority requirements, and the Board's composition will be completed in accordance with applicable regulatory requirements by appointing independent members at the Ordinary General Assembly scheduled for 7 May 2026.



Brief on the Company's Board of Directors' meetings, through the following statement:

Board of Directors Meetings in 2025

Name of Member	Meeting No.	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	held on	10/02/25	26/03/25	20/05/25	25/06/25	23/06/25	07/08/25	24/09/25	25/09/25	28/09/25	02/10/25	21/10/25	04/11/25	12/11/25	20/11/25	10/12/25
Sheikh Mubarak Abdullah Al Mubarak Al Sabah		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Rawaf Ibrahim Hamoud Boursali		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ahmed Mohammed Ahmed Al Ajlan		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Talal Mishari Yousef Al Qassar		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Vikas Arora		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Asser Mahmoud		√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

1. Meeting No. (1) was cancelled by the Legal Department.

2. Meeting No. (2) was cancelled by the Legal Department.

3. Board of Directors Meeting – 10 February 2025:

Approval was granted for the establishment of the Audit and Risk Committee and the Nomination and Remuneration Committee, along with the adoption of the following policies and procedures:

- Governance policies and procedures
- Human Resources and Administrative Affairs policies and procedures
- Procurement policies and procedures

4. Board of Directors Meeting – 26 March 2025:

Approval of the financial statements for the year ended 31 December 2024.

5. Board of Directors Meeting – 20 May 2025:

Approval of the following:

- Increase of the authorised capital to KWD 100,000,000
- Increase of the issued and paid-up capital to KWD 37,000,000
- Increase in the number of Board members to seven
- Calling for an Extraordinary General Assembly

6. Board of Directors Meeting – 18 June 2025:

Recommendation to distribute bonus shares amounting to KWD 17,500,000.

7. Board of Directors Meeting – 23 June 2025:

Approval of the recommendation to add new activities to the Company.

8. Board of Directors Meeting – 07 August 2025:

- Preliminary approval of the recommendation to list the Company on Bursa Kuwait
- Calling for the Ordinary General Assembly

9. Board of Directors Meeting – 24 September 2025:

Reconstitution of the Board of Directors.



10. Board of Directors Meeting – 25 September 2025:

- Approval of the increase in the Company's share capital.
- Approval of amendments to the following Articles:
- Article 5
- Articles 4–6
- Approval by the Extraordinary General Assembly to amend the rights of preferred shareholders
- Article 22
- Article 29
- Article 44
- Article 56
- Article 76
- Article 77
- Article 78
- Article 79

11. Board of Directors Meeting – 28 September 2025:

Approval of the unaudited interim condensed consolidated statement of financial position as at 30 June 2025.

12. Board of Directors Meeting – 2 October 2025:

Approval for Amalia Energy Company to enter as a partner in Sun Drilling Kuwait Company for oil well drilling.

13. Board of Directors Meeting – 21 October 2025:

Approval of the increase in the Company's share capital through the conversion of preferred shares into ordinary shares.

14. Board of Directors Meeting – 4 November 2025:

Increase in the Company's issued and paid-up share capital.

15. Board of Directors Meeting – 12 November 2025:

Increase in the Company's issued and paid-up share capital to KWD 56,650,000.

16. Board of Directors Meeting – 20 November 2025:

Approval of the increase in the Company's issued and paid-up share capital through a private placement.

17. Board of Directors Meeting – 10 December 2025:

Approval of the financial statements for the third quarter ended 30 September 2025.

Note:

The increase in the number of Board of Directors meetings during the second half of the financial year ended 31 December 2025 is attributable to the completion of listing procedures and requirements.

A summary of how to apply the requirements of registration and coordination, and keep the minutes of meetings of the Board of Directors of the company.

The Company is committed to maintaining a structured register in which the minutes of Board of Directors meetings are recorded sequentially. The minutes capture the date, location, and time of each meeting and provide complete documentation of deliberations, resolutions, voting results, and any reservations, supporting transparency and ease of reference.

The Board Secretary is responsible for coordinating meetings, preparing and circulating agendas and supporting materials in advance, and documenting and finalising the minutes, including arranging for their review and signature by the members in attendance.

All minutes and related records are maintained in a secure and well-organised manner, in both physical and electronic form. Access is made available to Board members as required, enhancing operational efficiency and supporting compliance with applicable governance requirements.

An acknowledgement by the independent member that the controls of independence are available.

No independent members were appointed during the financial year ended 31 December 2025, attributable to the Company's recent listing on Boursa Kuwait on 17 December 2025. The Company affirms its full commitment to complying with Capital Markets Authority requirements, and the Board's composition will be completed in accordance with applicable regulatory requirements by appointing independent members at the Ordinary General Assembly scheduled for 7 May 2026.



Rule II: Establish Appropriate Roles and Responsibilities

Brief on how the company defines the policy of the tasks, responsibilities, and duties of each of the Members of the Board of Directors and executive management members, as well as the powers and authorities delegated to the executive management

The Company adopts an integrated governance framework that clearly defines and allocates roles, responsibilities, duties, and authorities between the Board of Directors and Executive Management. This framework supports operational efficiency and reinforces transparency and accountability, in line with best practice governance principles and applicable laws and regulations.

The Board Charter sets out the Board's key roles and responsibilities, including strategic oversight of the Company's activities, approval of policies and internal regulations, monitoring Executive Management's performance, and ensuring compliance with applicable laws and regulations. In its capacity as the shareholders' representative, the Board of Directors retains the broadest authority to manage the Company's affairs, in accordance with applicable rules and regulations.

In parallel, Executive Management, led by the Chief Executive Officer, is responsible for managing day-to-day operations and implementing the strategies, plans, and policies approved by the Board, within the scope of delegated authority. Executive Management is also committed to providing periodic reports to the Board to enable it to effectively discharge its oversight and supervisory responsibilities.

The Company has also adopted a Delegation of Authority (DOA) framework as a formal governance tool to define the authorities delegated to Executive Management across various administrative levels. The DOA specifies decision-making levels, financial and administrative thresholds, and control and oversight mechanisms, ensuring clear lines of responsibility and accountability, appropriate segregation of duties, and a balanced approach between effective delegation and institutional control.

This governance framework further confirms that the DOA is subject to review, endorsement, and final approval by the Board of Directors, as it constitutes a fundamental governing policy of the Company. The DOA does not become effective or enforceable unless formally approved by the Board, and any subsequent amendments or updates are subject to the same review and approval process.

Finally, the framework affirms that delegation of authority does not limit or diminish the Board of Directors' ultimate authority and responsibility. All delegated authorities, whether to Executive Management or to Board committees, remain subject to the Board's oversight, monitoring, and supervision. The Board retains full responsibility for key decisions and for the overall performance of the Company, in accordance with the provisions of the Board Charter.

Achievements of the Board of Directors during the year.

- Establishment of the Audit and Risk Committee and the Nomination and Remuneration Committee.
- Approval of the Company's policies and procedures.
- Approval of the audited financial statements for the year ended 31 December 2024.
- Increase of the authorised share capital to KWD 100,000,000.
- Increase of the issued and paid-up share capital to KWD 37,000,000.
- Increase in the number of Board members to seven.
- Distribution of bonus shares amounting to KWD 17,500,000.
- Listing of the Company on Bursa Kuwait.
- Reconstitution of the Board of Directors.
- Amendments to certain provisions of the Articles of Association and the Memorandum of Association to complete listing requirements.
- Approval of the unaudited interim condensed consolidated statement of financial position as at 30 June 2025.
- Entry of Action Energy Company (formerly Amalia Energy Company) as a partner in Sun Drilling Kuwait Company for oil well drilling.
- Increase of share capital through the conversion of preferred shares into ordinary shares.
- Increase of the issued and paid-up share capital to KWD 56,650,000.
- Increase of the issued and paid-up share capital through a private placement.
- Approval of the financial statements for the third quarter ended 30 September 2025.
- Policies and frameworks approved and ratified (financial year ended 31 December 2025):
 - Audit and Risk Committee Charter
 - Nomination and Remuneration Committee Charter
 - Board of Directors Charter
 - Whistleblowing Policy
 - Investor Relations Policy
 - Corporate Governance Manual
 - Code of Conduct Policy
 - Corporate Social Responsibility Policy
 - Disclosure and Transparency Policy
 - Conflict of Interest Policy
 - Shareholders Policy
 - Stakeholders Policy
 - Confidentiality Policy
 - Remuneration Policy
 - Human Resources and Administrative Policies and Procedures
 - Procurement Policies and Procedures



A brief about the application of the formation requirements of independent specialised committees by the Board of Directors.

The Company established the Board committees during the financial year ended 31 December 2025, pursuant to Board Resolution No. (3) dated 10 February 2025, and approved their respective charters, in compliance with the corporate governance requirements issued by the Capital Markets Authority in accordance with the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended, as follows :

Board of Directors Committees:

1. Audit Committee

Key Responsibilities

- : - Reviewing periodic and annual financial statements.
- Monitoring the effectiveness of internal control systems.
- Recommending the appointment of the External Auditor and assessing the External Auditor's independence.
- Overseeing the internal audit function.

Committee Achievements During the Year

- : - Approved the following financial statements:
 - Financial statements for the year ended 31 December 2024.
 - Unaudited interim condensed consolidated statement of financial position as at 30 June 2025.
 - Financial statements for the third quarter ended 30 September 2025.

Date of Formation

- : - 10 February 2025

Committee Members

- : - Eng. Rawaf Ibrahim Boursli – Chairman
- Mr. Talal Mishari Yousef Al-Qassar – Member
- Mr. Vikas Arora Vinod Kumar – Member
- Mr. Avinash Bandal – Member
- Mr. Shadi Azzam – Member

Number of Meetings During the Year

- : - Three (3) meetings

Note:

Three meetings were held during the year as part of the process of approving key financial statements prior to the Company's listing on Boursa Kuwait on 17 December 2025. The Company is currently working to complete all governance procedures and compliance requirements, including finalising the Board structure and appointing independent members during the Annual General Meeting scheduled for 7 May 2026 .

2. Risk Committee

Key Responsibilities

- : - Monitored the effectiveness of the Company's internal control systems and risk management framework.

Committee Achievements During the Year

- : - Approved the following financial statements:
 - Financial statements for the year ended 31 December 2024.
 - Unaudited interim condensed consolidated statement of financial position as at 30 June 2025.
 - Financial statements for the third quarter ended 30 September 2025.

Date of Formation

- : - 10 February 2025

Committee Members

- : - Eng. Rawaf Ibrahim Boursli – Chairman
- Mr. Talal Mishari Yousef Al-Qassar – Member
- Mr. Vikas Arora Vinod Kumar – Member
- Mr. Avinash Bandal – Member
- Mr. Shadi Azzam – Member

Number of Meetings During the Year

- : - Three (3) meetings

Note:

Three meetings were held during the year as part of the process of approving key financial statements, prior to the Company's listing on Boursa Kuwait on 17 December 2025. The Company is currently working to complete all governance procedures and requirements, including finalising the Board structure and appointing independent members at the Ordinary General Assembly scheduled for 7 May 2026.

The Audit Committee and the Risk Committee were established on 10 February 2025, during the financial year ended 31 December 2025, pursuant to Board Resolution No. 3/2025, despite the absence of independent members at that time. This step was taken to implement and embed corporate governance principles within the Company. Following the Company's listing on Boursa Kuwait on 17 December 2025, and in compliance with the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, the Company will complete the governance requirements by appointing two independent members at the Ordinary General Assembly scheduled to be held on 7 May 2026.



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3. Nomination & Remuneration Committee

Key Responsibilities	:	- Establishing nomination policies for Board membership and executive management appointments. - Developing and periodically reviewing the remuneration and incentives policy. - Evaluating the performance of the Board of Directors and executive management. - Reviewing the Company's salary, benefits, and compensation structure.
Committee Achievements During the Year	:	- None.
Date of Formation	:	- 10 February 2025
Committee Members	:	- Sheikh Mubarak Abdullah Al Mubarak Al Sabah – Chairman - Eng. Rawaf Ibrahim Boursli – Member - Mr. Talal Mishari Yousef Al-Qassar – Member
Number of Meetings During the Year	:	- No meetings were held in 2025 prior to the Company's listing on Boursa Kuwait on 17 December 2025. The Company is currently working to complete all governance procedures and requirements and to ensure full compliance with the applicable provisions

Note:

The Nomination and Remuneration Committee was established on 10 February 2025, during the financial year ended 31 December 2025, pursuant to Board Resolution No. 3/2025, despite the absence of independent members at that time. This step was taken to embed and apply corporate governance principles within the Company.

Following the Company's listing on Boursa Kuwait on 17 December 2025, and in line with its commitment to comply with the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended, the Company will complete the governance requirements by appointing two independent members at the Ordinary General Assembly scheduled for 7 May 2026.

A summary of how to apply the requirements that allow the Members of the Board of Directors to obtain accurate and timely information and data

- The Company provides multiple channels to enable Board members to obtain accurate information in a timely manner, including:
 - Submitting direct requests to the Chief Executive Officer.
 - Assigning the Board Secretary to coordinate with the relevant departments and obtain the required information.
 - Engaging the Internal Audit function through the Audit Committee and requesting the necessary reports from the Compliance function.

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

Brief about the application of the formation requirements of the nominations and remuneration committee.

- Despite the absence of independent members at the time of formation, the Nomination and Remuneration Committee was established in accordance with the requirements set out in Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended.
- The Committee currently comprises three members:
 - Sheikh Mubarak Abdullah Al-Mubarak Al-Sabah – Chairman
 - Eng. Rawaf Ibrahim Boursli – Member
 - Mr. Talal Mishari Yousef Al-Qassar – Member

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

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

First: Scope and Objectives of the Policy

The remuneration policy applies to members of the Board of Directors and Executive Management. It aims to attract and retain talent, align management's interests with those of shareholders over the medium and long term, and ensure compliance with the corporate governance requirements issued by the Capital Markets Authority in Kuwait.

Second: Board of Directors' Remuneration

- The Board's remuneration policy is determined in accordance with the Companies Law and its Executive Regulations, and is set out in the Company's Articles of Association.
- Remuneration of independent members is subject to approval by the General Assembly.



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Remuneration Cap:

- Total Board remuneration shall not exceed 10% of adjusted net profit (after statutory deductions and the distribution of a minimum of 5% of capital to shareholders).
- In the absence of sufficient profits, annual remuneration not exceeding KWD 6,000 per member may be granted.
- The General Assembly may exempt independent members from the remuneration cap.
- Remuneration is paid in cash in accordance with contractual arrangements. Additional compensation may be granted to the Chairman and Vice Chairman in consideration of their additional responsibilities, and special remuneration for exceptional duties is subject to General Assembly approval.
- Basic and additional remuneration are presented annually to the General Assembly for approval.

Third: Executive Management Remuneration

- Fixed Salary** : Determined based on the role and responsibilities, in line with the Company's approved salary scale and grading structure.
- Variable Incentives** : Linked to individual performance based on KPIs and annual evaluations, with the possibility of an increase upon achieving results that enhance competitiveness over the medium and long term.
- Benefits** : Include insurance coverage (death or disability), end-of-service benefits, and retirement entitlements in accordance with applicable labour laws.
- Periodic Review** : Executive compensation is benchmarked every three years against market averages for comparable companies within the sector and region.
- Promotions and Increments** : Granted strictly based on performance, experience, and qualifications, and in alignment with evaluation results and approved salary structure.

Fourth: Governance and Approval Procedures

The Nomination and Remuneration Committee is responsible for verifying the availability of profits and ensuring compliance with regulatory caps prior to recommending remuneration. Its recommendations are submitted to the Board of Directors and subsequently to the General Assembly for approval.

2. Include the two following statements :

Remuneration and benefits of Members of the Board of Directors							
Total number of members	Remuneration and benefits through the parent company			Remuneration and benefits through the subsidiaries			
	Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		
	Health insurance	Annual remuneration	Committees' remuneration	Health insurance	Monthly salaries total of (The year)	Annual remuneration	Committees' remuneration
5	0	0	0	0	0	0	0

■ No remuneration or financial benefits were paid to members of the Board of Directors during the financial year ended 31 December 2025.

Total remuneration and benefits granted to the five senior executives who have received the highest remuneration. This is in addition to the Chief Executive Officer and the financial manager or their deputy.														
Total Executive positions	Remuneration and Benefits through the parent company							Remuneration and Benefits through the subsidiaries						
	Fixed remuneration and benefits, Kuwaiti Dina						Variable remuneration and benefits KD	Fixed remuneration and benefits, Kuwaiti Dina						Variable remuneration and benefits KD
	Monthly salaries total of (The year)	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's Education allowance	Annual remuneration	Monthly salaries total of (The year)	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's education allowance	Annual remuneration
6	39,358	6,006	18,070	30,000	11,880	8,000	40,000	0	0	0	0	0	0	0

■ The details of the remuneration tiers, types, and benefits referenced are illustrative and not exhaustive, and may include, without limitation:

- Monthly salaries (total annual amounts)
- Annual air ticket
- Transportation allowance
- Annual bonus
- Health insurance coverage
- Housing allowance
- Children's education allowance

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

■ The Company also confirms that there are no deviations from the approved remuneration policy.



Rule IV :Safeguard the Integrity of Financial Reporting:

Written undertakings by both the Board of Directors and the Executive Management regarding the soundness and integrity of the prepared financial reports:

The principle of written representations was applied during the financial year ended 31 December 2025 through the following measures:

- A written representation from the Chief Executive Officer and the Head of the Finance Department, addressed to the Board of Directors and the Audit Committee.
- A written representation from the Board of Directors, addressed to the General Assembly.

This was carried out in accordance with the provisions of Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 concerning the establishment of the Capital Markets Authority and the regulation of securities activities, as amended.

A brief about the application of the formation requirements of the audit committee.

The Audit Committee was formed in accordance with the requirements of Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended, and comprised the following members:

- Eng. Rawaf Ibrahim Boursli – Chairman
- Mr. Talal Mishari Yousef Al-Qassar – Member
- Mr. Vikas Arora Vinod Kumar – Member
- Mr. Avinash Bandal – Member
- Mr. Shadi Azzam – Member

This composition remained in place during the financial year ended 31 December 2025, notwithstanding the absence of independent members. Independent members are expected to be appointed by the Ordinary General Assembly scheduled for 7 May 2026, following the Company's listing on Boursa Kuwait on 17 December 2025.

In the event of any conflict between the audit committee's recommendations and the Board of Directors' resolutions, a statement shall be included in detailing and clarifying the recommendations and the reason(s) for the Board of Directors' non-compliance therewith.

There were no instances of conflict between the Audit Committee's recommendations and the decisions of the Board of Directors during the financial year 2025.

Verification of the independence and neutrality of the external Auditor.

The Company confirms the independence and objectivity of the External Auditor.

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

A brief statement on the application of the formation requirements of a department/ an office/ an independent unit of risk management.

- **Independent Risk Management function:** The Company engaged an external service provider to perform the responsibilities of an independent Risk Management function, in accordance with the requirements of Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended.
- **Establishment of the Risk Committee:** During the financial year ended 31 December 2025, the Company established a Risk Committee pursuant to Board Resolution No. (3/2025) dated 10 February 2025. The Committee was formed in compliance with the provisions of Book Fifteen of the aforementioned Executive Bylaws as part of the Company's implementation of corporate governance principles, notwithstanding the absence of independent members at that time. Independent members are expected to be appointed by the Ordinary General Assembly, scheduled for 7 May 2026.

A brief about the application of the formation requirements of the risk management committee:.

First: Composition and Structure

- The Committee shall consist of at least three members, one of whom must be independent.
- The Chairman of the Committee must be a non-executive member, and the Chairman of the Board may not be a member of the Committee.
- In the absence of the Committee Chairman, an acting Chairman shall be selected from among the non-executive members.
- A Committee Secretary shall be appointed based on the nomination of its members .

Second: Competence and Experience

- All members are required to have sufficient knowledge of the Company's business sector.
- At least one member must possess practical experience or a qualification in accounting or financial matters, with the option to seek external expertise, subject to Board approval.

Third: Independence and Governance

- The independent member must meet the independence criteria, including not holding significant shareholdings in the Company and having no family or employment relationships with Executive Management or affiliated entities.
- The Committee's charter and rules of operation, including the mechanism for member selection and the duration of membership, shall be approved by the Board of Directors .



Summary clarifying the control and internal audit systems.

Internal Control and Oversight Systems

- The Company engaged Grant Thornton to perform the internal audit function.
- The Company engaged Protiviti to undertake the risk management function.
- The Company engaged BDO to prepare the Internal Control Review (ICR) report. Accordingly, Protiviti is responsible for risk management, Grant Thornton performs internal audit activities, and BDO is responsible for preparing the report on the effectiveness of internal control systems (ICR), thereby supporting the independence and efficiency of the overall control framework.
- The Compliance function operates as an internal department, carrying out its responsibilities in accordance with the systems and regulations set out in Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and the regulation of securities activities, as amended

A brief statement on the application of the formation requirements of the internal audit department/office/ unit:.

Grant Thornton performs the internal audit function through an independent Internal Audit Department with full technical independence. It operates under the supervision of the Audit Committee and ultimately reports to the Board of Directors, in accordance with the Executive Bylaws on corporate governance. The roles and responsibilities of the internal audit function are defined by the Board, ensuring enhanced internal control effectiveness and supporting the integrity and reliability of financial reporting.

Rule VI : Promote Code of Conduct and Ethical Standards

First : A summary of the business charter, including standards and determinants of the code of conduct and ethical standards.

The Company's Code of Conduct is founded on an integrated institutional framework designed to embed the highest standards of professional behavior and ethical values. It serves as a mandatory reference for members of the Board of Directors, Executive Management, and all employees. The Code is based on core principles including integrity, transparency, mutual respect, and compliance with applicable laws and regulations, fostering a work environment grounded in trust and professional accountability.

The Code also sets out clear guidelines for professional conduct, including maintaining objectivity and independence in decision-making, safeguarding the confidentiality of information, and avoiding practices that could harm the Company's reputation or its stakeholders' interests. It promotes a strong culture of compliance and the prevention of fraud, corruption, and insider information misuse. In addition, the Code underscores every individual's responsibility to support a safe, fair, and non-discriminatory work environment, thereby enhancing the sustainability of institutional performance and preserving the Company's standing in the market.

Second : Summary of the policies and mechanisms for reducing conflicts of interest.

The Company adopts a stringent control framework to mitigate conflicts of interest, grounded in the principles of disclosure, transparency, and proactive oversight. Conflicts of interest are defined as any situation in which personal interests intersect with professional duties in a manner that may compromise neutrality and objectivity in decision-making.

Within this framework, the Company is committed to implementing a set of policies and mechanisms, most notably:

1. Requiring members of the Board of Directors, Executive Management, and employees to disclose, in advance, any direct or indirect interest that may constitute a conflict with the Company's interests.
2. Prohibiting the misuse of position or Company resources for personal gain or for the benefit of related parties.
3. Subjecting all related-party transactions to review and approval in accordance with approved governance frameworks, ensuring they are conducted on an arm's-length basis.
4. Implementing internal control procedures that ensure segregation of duties and reinforce independent decision-making.
5. Referring potential cases to the relevant internal functions (such as the Compliance Department) to take appropriate corrective action.

This framework underscores that managing conflicts of interest is not a procedural formality, but a fundamental pillar for safeguarding the integrity of operations and strengthening the confidence of investors and stakeholders, in alignment with best governance practices and applicable regulatory requirements.



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

Summary of the application of mechanisms for presentation and accurate and transparent disclosure that define aspects, areas and characteristics of disclosure.

The Company adopts an integrated disclosure framework based on the principles of accuracy, transparency, and timeliness, ensuring that information is made available to all stakeholders in a fair and timely manner. These mechanisms include a clear definition of the disclosure scope, which covers financial performance, ownership structure, governance practices, material risks, and any information that may significantly impact investors' decisions.

The Company is also committed to disclosing material information promptly as it becomes available, in accordance with regulatory requirements, thereby ensuring market fairness and preventing the improper use of insider information. Official disclosure channels include the Capital Markets Authority, Boursa Kuwait, and the Company's website. The Company further ensures that all disclosures are clear, not misleading, and provide sufficient information to enable users to accurately assess financial and operational impacts.

A brief about the application of the requirements of the Board of Directors disclosure, executive management disclosures, and the managers' disclosures.

The Company is committed to preparing and maintaining a comprehensive register of disclosures by members of the Board of Directors and Executive Management. This register includes all information related to their interests and relevant transactions, as well as any subsequent changes thereto. It is updated regularly to ensure accuracy and currency, and is made available for shareholders' review during official working hours without restriction.

The register also contains detailed information on insider transactions, disclosures of interests and ownership percentages, and data on remuneration and financial benefits. This enhances transparency and mitigates the risks of conflicts of interest or the misuse of insider information.

A brief statement on the application of the formation requirements of a unit of investors affairs.

The Company is committed to activating an institutional framework for Investor Relations to organize communication with shareholders and potential investors in an efficient and professional manner. This function serves as a strategic interface between the Company and the capital markets by ensuring the timely provision of accurate information, responding to investor inquiries, and strengthening confidence and transparency in all interactions.

The Investor Relations function also supports compliance with disclosure requirements and coordinates the dissemination of information through approved channels, ensuring consistency in corporate messaging and the integrity of information circulated in the market, in line with best governance practices.

Brief on how to develop the infrastructure for the information technology on which it shall significantly rely on in the disclosure processes

The Company increasingly relies on an advanced information technology infrastructure to enhance the efficiency and accuracy of its disclosure processes. Integrated electronic systems are used to prepare, review, and approve disclosures, ensuring seamless coordination among relevant functions, including Compliance, Legal, and Finance.

The Company also provides digital platforms for disseminating information, including its website, which enables the archiving of disclosures for extended periods and ensures easy access for investors and stakeholders. This technological framework accelerates the disclosure process, reduces the risk of human error, and supports full compliance with regulatory requirements, while maintaining the confidentiality of information until its official release.

Rule VIII: Respect the Rights of Shareholders

First : A summary of the application of the requirements for the identification and protection of the general rights of shareholders, in order to ensure fairness and equality amongst all shareholders

The Company is committed to implementing an integrated governance framework that safeguards shareholders' general rights on the basis of fairness and equality, without discrimination among shareholders of the same class. This includes enabling shareholders to exercise their fundamental rights, including voting, timely access to material information, participation in strategic decision-making, and holding the Board of Directors and Executive Management accountable.

The Company also ensures regular and transparent disclosure to enable shareholders to make informed decisions, while guaranteeing equal treatment and ensuring that no statutory rights are withheld from any category of shareholders. This approach strengthens trust and reinforces the principles of sound corporate governance.



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Second : A summary of the creation of a special record at the Clearing Agency as part of the requirements for ongoing monitoring of shareholders' data.

The Company is committed to establishing and maintaining a dedicated shareholder register with the Kuwait Clearing Company that contains accurate, up-to-date shareholder information, including names, nationalities, places of residence, and the number of shares held by each shareholder. The register is updated on an ongoing basis to reflect any changes in ownership data.

The purpose of the register is to enable the Company to continuously monitor its ownership structure, ensure the accuracy of shareholder data, and provide an official reference when required. Access to the information is made available to relevant parties in accordance with applicable legal requirements and controls, while maintaining the highest standards of confidentiality and data protection.

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

The Company adopts effective mechanisms to enhance shareholder participation in General Assembly meetings and to ensure the exercise of voting rights without impediment. Invitations to meetings are issued well in advance and include the agenda and full details. Shareholders are also provided with prior access to all relevant documents and reports.

The Company enables shareholders to attend in person or by proxy, ensuring their right to discuss, raise questions, and vote on agenda items, including the election of Board members and the approval of key decisions. In addition, the Company uses multiple communication channels, including electronic platforms, to facilitate participation and encourages minority shareholders to actively engage and contribute to decision-making, thereby reinforcing transparency and institutional accountability.

Rule IX: Recognise the Roles of Stakeholders

First : A brief about conditions and policies that ensure the protection and recognition of the rights of stakeholders.

The Company adopts an integrated institutional framework to protect and recognise stakeholders' rights, in line with applicable laws and regulations and leading governance practices. This framework is underpinned by policies and procedures designed to ensure stakeholders are treated fairly, transparently, and without discrimination. It also clearly defines the rights and obligations of all parties in contractual arrangements, including mechanisms for dispute resolution and compensation for violations of rights.

In addition, the Company is committed to safeguarding the confidentiality of information, respecting privacy, and promoting integrity and ethical conduct in all dealings. The Company also ensures compliance with regulatory requirements, provides a fair and safe working environment, and respects human rights. These policies include clear mechanisms for receiving and efficiently addressing complaints, ensuring justice and fairness for all parties, and strengthening mutual trust and the sustainability of institutional relationships.

Second : Brief on how to encourage stakeholders to keep track of the company's various activities.

The Company adopts a proactive approach to engaging stakeholders in monitoring its activities, recognising that their participation is a fundamental driver of improved institutional performance and sustainable value creation. To this end, the Company provides multiple effective communication channels that enable stakeholders to access relevant information in a timely manner, including periodic reports, the Company's website, and direct communication channels.

The Company also encourages stakeholders to submit feedback and proposals through clear mechanisms, such as complaint-handling systems and whistleblowing programs, while ensuring full protection for whistleblowers. In addition, it seeks to involve stakeholders in discussions about its activities, enabling them to express their views and thereby reinforcing transparency and fostering a participatory environment built on trust and accountability.

The Company continuously strives to enhance its engagement mechanisms through two-way communication programs and periodic reviews of their effectiveness, ensuring the highest levels of constructive interaction and meaningful stakeholder contribution in support of the Company's journey and strategic direction.



Rule X: Encourage and Enhance Performance

While the Company has begun implementing all governance requirements, it reaffirms its commitment to strengthening institutional performance through structured mechanisms for continuous training and the periodic evaluation of the performance of the Board of Directors and Executive Management, in addition to policies aimed at creating sustainable value for employees and stakeholders. The following is a summary of the adopted policies and mechanisms.

First : A summary of the application of the requirements for the development of mechanisms that allow Members of the Board of Directors and Executive Management to attend the training programs and courses regularly.

- **Training Framework** : The Company adopts an institutional framework to support the professional development of both Board members and Executive Management. This framework is underpinned by a Board-approved training policy that defines the objectives, budget, and governing standards.
- **Annual Training Plan** : An annual training plan is developed based on a Training Needs Analysis (TNA), taking into account business requirements and regulatory and legislative developments, particularly those related to the Capital Markets Authority.
- **Program Focus Areas** : corporate governance, risk management, compliance, financial reporting, digital transformation, sustainability, and leadership and executive skills
- **Implementation and Documentation Mechanisms** : Mandatory and elective training hours are defined. Internal and external workshops are organised in collaboration with approved training providers. All participation and certifications are documented in an electronic system to track attendance and assess impact.
- **Measuring Training Effectiveness** : Post-training evaluation surveys are conducted, alongside periodic performance follow-ups, to assess the extent to which training enhances decision-making efficiency and improves performance indicators.

Second : Brief on how to evaluate the performance of the Board as a whole, and the performance of each Member of the Board of Directors and the Executive Management.

- Approved Evaluation Policy** : The Company applies a performance evaluation policy developed by the Nomination and Remuneration Committee and submitted to the Board of Directors for approval.
- Board of Directors Evaluation (Collective)** : The Board is evaluated annually to assess its strategic oversight, decision-making quality, adherence to governance principles, and the effectiveness of follow-up and reporting. The evaluation is supported by structured questionnaires, a review of meeting minutes, and Board performance indicators.
- Individual Board Member Evaluation** : Each Board member undergoes an annual assessment based on attendance, the quality and effectiveness of participation, contributions to Board committees, commitment to continuous training, and the management of conflicts of interest. Where necessary, the assessment is supplemented by peer reviews and/or independent external evaluations.
- Executive Management Evaluation** : Executive Management is evaluated quarterly and annually against defined operational and strategic objectives (KPIs and SMART criteria), effectiveness in risk management, and the quality and timeliness of financial and operational reporting. A 360-degree evaluation is applied for senior leadership roles.
- Evaluation Outputs** : Evaluation reports highlight strengths and areas for improvement and set out individual and collective development and training plans. Outcomes are linked to remuneration policies and succession planning.

Third : An overview of the Board of Directors' efforts in asserting the importance of corporate value creation with the employees at the company through achieving the company's strategic goals and improving key performance indicators.

- Clear Strategic Direction** : The Board adopts a strategic vision and institutional values that link financial and operational performance to value creation for the community, employees, and stakeholders.
- Linking Performance to Remuneration** : Performance and remuneration policies are aligned with strategic objectives and with both individual and collective performance indicators, reinforcing motivation and a sense of ownership among employees.
- Empowering Work Environment** : The Company supports initiatives focused on process improvement, innovation, and development training, while facilitating communication channels between management and employees to foster a culture of accountability and transparency.
- Measuring Value Creation Impact** : Key indicators include employee satisfaction, talent retention rates, employee productivity, and achievement of strategic objectives. Improvements in these indicators are linked to Board strategies and development programs.

During 2026, the Company began implementing Key Performance Indicators (KPIs) to measure the impact of training and performance evaluation, including:

- Training program attendance rates
- Participant satisfaction levels
- Improvement in reporting quality and decision-making effectiveness



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Rule XI: Focus on the Importance of Corporate Social Responsibility

A summary of the development of a policy to ensure a balance between the company's goals and society's goals.

The Company adopts an integrated Corporate Social Responsibility (CSR) policy to achieve a balanced alignment between its commercial objectives and societal goals, grounded in the firm belief that institutional success is measured not solely by financial returns but also by the positive impact the Company has on the environment and the community. This policy is built on embedding sustainability and social responsibility principles within the business model, ensuring economic growth while minimising environmental impact and enhancing social value.

Through this policy, the Company seeks to build trust with stakeholders, reinforce its commitment to ethical practices, and support initiatives that contribute to social and economic development. These efforts are aligned with the Company's overall strategy and long-term objectives, thereby creating shared and sustainable value.

Brief about the programs and mechanisms helping to highlight the company's efforts exerted in the field of social work.

The Company adopts a structured set of programs and mechanisms to clearly and effectively demonstrate its Corporate Social Responsibility (CSR) efforts. All CSR activities are centrally coordinated and managed by the Human Resources and Administrative Affairs function, in close collaboration with the Compliance function, to ensure alignment with the Company's overall strategic direction.

These mechanisms include developing awareness programs and community initiatives to promote social values and improve the quality of life, as well as establishing performance indicators that link the Company's results to its CSR achievements. The Company also prepares periodic reports and annual disclosures outlining its initiatives and accomplishments, thereby enhancing transparency and accountability.

Furthermore, the Company leverages multiple communication channels, including annual reports, press releases, events, and seminars, to highlight its CSR achievements. It also implements interactive programs with the local community to strengthen partnerships and support sustainable development, and conducts periodic evaluations to measure impact and ensure the intended objectives are achieved.