

GOVERNANCE

Board of Directors



Mr. Suliman Abdulrahman Al Gwaiz
Chairman, Non-Executive Member

Mr. Al Gwaiz has been the Governor of the General Organization for Social Insurance (GOSI) since 2013. He has previously held various positions at Riyad Bank since 1992, and held the Deputy CEO position from 2002 to 2013. Prior to that, he held various positions at the Saudi American Bank (the current SAMBA Bank) from 1981 to 1992, and was one of the Corporate Banking Group's Division Heads from 1989 to 1992. Mr. Al Gwaiz has specific experience in the areas of banking operations, finance, credit, and general business management.

He holds a Bachelor's degree in Business Administration from the University of Portland, USA. He has also completed the two Citibank advanced programs in Banking Operations Management (1982) and Corporate Finance (1990).

Current Board memberships

Within Saudi Arabia:

- Saudi Industrial Investment Group – Listed Joint Stock Company
- Saudi Arabian Mining Company (Maaden) – Listed Joint Stock Company
- Hassana Investment Company (HIC) – Closed Joint Stock Company – affiliated to the General Organization for Social Insurance
- SMCG – Closed Joint Stock Company – affiliated to the General Organization for Social Insurance
- Mudad – Closed Joint Stock Company – affiliated to the General Organization for Social Insurance
- Future Business Company – Closed Joint Stock Company – affiliated to the General Organization for Social Insurance

Previous Board memberships

Within Saudi Arabia:

- National Company for Glass Industries (ZOUJAJ) – Listed Joint Stock Company
- National Industries Company (NIC) – Listed Joint Stock Company
- Banque Saudi Fransi – Listed Joint Stock Company
- Ajil Financial Services – Closed Joint Stock Company

Outside Saudi Arabia:

- Royal and Sun Alliance Insurance (Middle East) – Closed Joint Stock Company
- MasterCard International (Africa and South Asia) – Limited Liability Company



Eng. Abdullah Mohammed Al Issa
Vice Chairman, Independent Member

Eng. Al Issa is the Chairman of Assila Investments Company. He is also Chairman of Abdullah Mohammed Al Issa Consulting Engineers Company and of Amias Holding Company. He was previously the CEO of Assila Investment Company and President of the Saudi Construction Company. He has extensive experience in engineering and investment. Eng. Al Issa holds a Master's degree in Engineering Management and a Bachelor's degree in Industrial Engineering from Southern Methodist University, USA.

Current Board memberships

Within Saudi Arabia:

- Riyadh Bank – Chairman of Board - Listed Joint Stock Company
- Dur Hospitality – Chairman of Board – Listed Joint Stock Company
- SABIC – Listed Joint Stock Company
- Assila Investment Company – Chairman of Board – Closed Joint Stock Company
- Amias Holding Company – Limited Liability Company

Outside Saudi Arabia:

- Clarinet Company – Listed Joint Stock Company

Previous Board memberships

Within Saudi Arabia:

- Arabian Cement Co. – Listed Joint Stock Company
- Saudi Arabian Mining Company (Maaden) – Listed Joint Stock Company
- National Medical Care Co. (Care) – Listed Joint Stock Company
- Cement Products Company – Limited Liability Company
- Jadwa Investment – Unlisted Joint Stock Company
- National Chemical Carriers Company – Unlisted Joint Stock Company
- National Shipping Company of Saudi Arabia (Bahri) – Listed Joint Stock Company

Outside Saudi Arabia:

- SABIC Capital – Limited Liability Company



Eng. Khalifa Hassan Al Shamsi
Non-Executive Member

Eng. Al Shamsi is the Chief Corporate Strategy and Governance Officer at Etisalat Group. He previously held the position of Chief Digital Services Officer at Etisalat, UAE, before which he was the Chief Marketing Officer and Head of Mobile Networks. Al Shamsi has 27 years of experience in digital transformation, marketing, strategy, engineering and telecommunications. He holds a Bachelor's degree in Electrical Engineering from the University of Kentucky, USA.

Current Board memberships

Outside Saudi Arabia:

- Etisalat Afghanistan – Limited Liability Company
- PTCL – Listed Joint Stock Company
- Ufone – Limited Liability Company
- E-Vision – Limited Liability Company
- Etisalat Technology Services (ETS) – Limited Liability Company
- UAE International Investors Council

GOVERNANCE

Board of Directors (Continued)



Eng. Homood Abdullah Al Tuwajri
Independent Member

Eng. Al Tuwajri joined Mobily's Board of Directors in December 2015. He has 30 years of notable experience in the petrochemicals industry, engineering, strategic management, economy, management and financial services, IT, legal affairs, compliance and governance. Previously, Mr. Al Tuwajri was Saudi Basic Industry Corp.'s (SABIC) Executive Vice President for Strategic Planning, Finance for Petrochemicals Strategic Business Units Coordination, and Supply Chain Management, Corporate Governance and Control.

Eng. Al Tuwajri has previously held Board memberships in manufacturing, utilities, banking and insurance sectors. He is currently a member of the Board of Directors of the Company for Cooperative Insurance (Tawuniya).

He holds a Bachelor's degree in Business and Engineering from the University of Washington in 1980, and a Master's degree in Engineering from Georgia Institute of Technology in 1983.

Current Board memberships

Within Saudi Arabia:

- The Company for Cooperative Insurance (Tawuniya) – Listed Joint Stock Company

Previous Board memberships

Within Saudi Arabia:

- Alinma Bank – Listed Joint Stock Company
- The Company for Cooperative Insurance (Tawuniya) – Listed Joint Stock Company
- Tabuk Cement – Listed Joint Stock Company

Outside Saudi Arabia:

- Aluminum Bahrain (Alba) – Listed Joint Stock Company



Mr. Serkan Sabri Okandan
Non-Executive Member

Mr. Okandan is the CFO of VEON Group headquartered in Amsterdam, the Netherlands, since May 2020. He was Group CFO of Etisalat Group from January 2012 to April 2020 and previously Deputy CEO of Mobily from 2014 to 2015. He also served as CFO of Turkcell Group from 2006 until 2011. Mr. Okandan is a finance executive with international telecom and finance management experience in Eastern Europe, Middle East, Asia and Africa. He holds a Bachelor's degree in Economics and Administration Science from the Bogaziçi University in Istanbul, Turkey.

Current Board memberships

Outside Saudi Arabia:

- Beeline Russia – Limited Liability Company
- Kyivstar Ukraine – Limited Liability Company
- Jazz Pakistan – Listed Joint Stock Company
- Banglalink Bangladesh – Limited Liability Company

Previous Board memberships

Outside Saudi Arabia

- PTCL – Limited Liability Company
- Ufone – Limited Liability Company
- Maroc Telecom – Listed Joint Stock Company
- Etisalat Services Holding – Limited Liability Company
- Etisalat Nigeria – Limited Liability Company



Eng. Saleh Abdullah Al Abdooli
Non-Executive Member

Eng. Al Abdooli is the former CEO of Etisalat Group and previously served as CEO of Etisalat UAE and Etisalat Egypt. Eng. Al Abdooli has experience in engineering, telecommunications and planning. He is a telecom expert, an entrepreneur and a well-seasoned CEO with over 28 years of experience in multiple markets in the MENA region in greenfield and legacy operations. He has a proven record in group and portfolio management, operations management, turnaround and transformation, technology evolution and digitization.

His accomplishments include successfully transforming Etisalat UAE from a traditional telecom company into a digital telecom company, and reshaping the Company's vision, strategy, talent and operating model in order to lead in the digital space.

Eng. Al Abdooli holds a Master's degree in Telecommunications and a Bachelor's degree in Electrical Engineering from the University of Colorado Boulder, USA.

Current Board memberships

Outside Saudi Arabia:

- Etisalat Egypt – Unlisted Joint Stock Company
- Maroc Telecom – Listed Joint Stock Company
- Khalifa University – Government



Eng. Ali Abdulrahman Al Subaihin
Independent Member

Eng. Al Subaihin is a Founding Partner of Chedid Reinsurance Brokerage Ltd and a member of the Business Advisory Council at the College of Business Administration, Al Faisal University. He was previously the CEO at Tawuniya for Cooperative Insurance and General Manager of Finance and Information Services at Saudi Petrochemical Company. Eng. Al Subaihin has experience in insurance, control engineering and IT, financial management, treasury management, marketing and sales.

He holds a Bachelor's degree in Systems Engineering from King Fahd University of Petroleum and Minerals, Saudi Arabia. He completed the Executive Program in Management and Cost Accounting at the University of Houston, USA, as well as a number of courses at Northwestern, Harvard, INSEAD and the International Institute for Management Development (IMD).

Current Board memberships

Within Saudi Arabia:

- Astra Industrial Group – Listed Joint Stock Company
- Middle East Financial Investment Company (MIFC Capital) – Unlisted Joint Stock Company

Previous Board memberships

Within Saudi Arabia

- The Company for Cooperative Insurance (Tawuniya) – Listed Joint Stock Company
- Cooperative Real Estate Investment Company (CREIC) – Government
- WASEEL – Unlisted Joint Stock Company
- Najm for Insurance Services – Unlisted Joint Stock Company
- Council of Cooperative Health Insurance – Government
- Alyusr Leasing and Financing Company – Unlisted Joint Stock Company
- Best Rent A Car Company – Unlisted Joint Stock Company

Outside Saudi Arabia

- United Insurance Company (Bahrain) – Unlisted Joint Stock Company

GOVERNANCE

Board of Directors (Continued)



Mr. Mohammed Hadi Al Hussaini
Independent Member

Mr. Al Hussaini has extensive professional experience in the banking, finance, real estate, telecommunications and investment sectors. He is now an administrative partner at H&H Investment and Development. Previously, he was Chief Executive Officer of Bright Start, and was Managing Director for one of Emirates NBD's branches.

He holds a Bachelor's degree in International Management from Franklin College, Switzerland, and an MBA in International Business from Webster University, Switzerland.

Current Board memberships

Outside Saudi Arabia:

- Emirates Integrated Telecommunications Company – Listed Joint Stock Company
- Emirates NBD – Listed Joint Stock Company
- Emirates Islamic Bank – Listed Joint Stock Company
- Dubai Refreshments – Listed Joint Stock Company
- Emaar Malls – Listed Joint Stock Company
- Investment Corporation of Dubai
- Emirates Investment Authority



Mr. Hussein Ali Al Asmari
Independent Member

Mr. Al Asmari is acting Governor's Assistant for Information Technology at the Public Pension Agency. He previously served as General Manager of Digital Channels, Distribution and Retail Solutions at STC Channels and General Manager of IT Governance and Strategy at Saudi Arabian Mining Company (Maaden). Mr. Al Asmari has over 20 years of experience in IT, sales and governance. He holds a Bachelor's degree in Computer Science from King Abdulaziz University, KSA.



Eng. Mootaz Qusai Al Azzawi Independent Member

Eng. Al Azzawi is the Executive Director of Saudi Industrial Construction and Engineering Projects Company. Eng. Al Azzawi has experience in engineering, telecommunications and strategic planning. He holds a Bachelor's degree in Computer Engineering from King Saud University, KSA.

Current Board memberships

Within Saudi Arabia:

- Riyadh Bank – Listed Joint Stock Company
- Savola Group – Listed Joint Stock Company
- Arabian Cement Company – Listed Joint Stock Company
- Herfy Food Services – Listed Joint Stock Company
- Savola Foods – Unlisted Joint Stock Company
- United Sugar Company – Unlisted Joint Stock Company
- Saudi Industrial Constructions & Engineering Project Company – Limited Liability Company
- Saudi Technology and Trade Company – Limited Liability Company
- Al Wosata Development Company – Limited Liability Company

Outside Saudi Arabia:

- Afia International Company – Unlisted Joint Stock Company
- United Sugar Company (Egypt) – Unlisted Joint Stock Company
- Alexandria Sugar Company – Unlisted Joint Stock Company
- Queen Foods – Unlisted Joint Stock Company
- El Farasha Food Industries – Unlisted Joint Stock Company
- Qatrana Cement – Unlisted Joint Stock Company
- Ready Mix Concrete and Construction Supplies Company – Listed Joint Stock Company

Previous Board memberships

Within Saudi Arabia

- Merrill Lynch Saudi Arabia – Unlisted Joint Stock Company

GOVERNANCE

Board of Directors (Continued)

Board of Directors' meetings and attendance

The Board of Directors held 6 meetings during 2020, as shown in the table below. The Board dedicated the time required to perform its duties and responsibilities, including preparation for Board meetings and the meetings of the Company's Committees, and ensuring members' attendance at meetings.

It is worth noting that the current Board's session started on 1 December 2018 and will continue for 3 years. The following table illustrates the Board's meetings throughout 2020, as well as the attendance of the Board members:

No.	Name	Position/Membership type	3 February	13 April	29 June	4 October	20 October	17 December
1	Suliman Al Gwaiz	Chairman – Non-Executive Member	Present	Present**	Present**	Present**	Present**	Present**
2	Abdullah Al Issa	Vice Chairman – Independent Member	Present	Present**	Present**	Present**	Present**	Present**
3	Khalifa Al Shamsi	Non-Executive Member	Present	Present**	Present**	Present**	Present**	Present**
4	Mohammed Al Hussaini	Independent Member	Present	Present**	Present**	Present**	Present**	Present**
5	Homood Al Tuwajiri	Independent Member	Present	Present**	Present**	Present**	Present**	Present**
6	Ali Al Subaihin	Independent Member	Present	Present**	Present**	Present**	Present**	Present**
7	Serkan Okandan	Non-Executive Member	Present	Present**	Present**	Present**	Present**	Present**
8	Saleh Al Abdooli	Non-Executive Member	Present	Present**	Present**	Present**	Present**	Present**
9	Hussein Al Asmari	Independent Member	Present	Present**	Present**	Present**	Present**	Present**
10	Moataz Al Azzawi	Independent Member	Present*	Present**	Present**	Present**	Present**	Present**

* Joined via phone call

** Joined via video call

The Company's Committees

In accordance with the Articles of Association of the Company and the Corporate Governance Regulations issued by the CMA, the following Committees are formed:

Audit Committee

The Audit Committee was formed by a resolution of the General Assembly of the Company held on 28 November 2018, for the current session commencing 1 December 2018 and will last until 30 November 2021.

The following are members of the Committee who are not members of the Board of Directors:

Mr. Jameel Abdullah Almulhem

Non-Board Member serving as a member of the Committee (Chairman of the Audit Committee)

Mr. Almulhem previously held several positions at Saudi British Bank before being appointed as COO of Saudi Telecom Company in Saudi Arabia. He then served as Managing Director of Shaker Group. He currently serves as the Managing Director of Takween Group as well as a member of many boards and board committees of joint stock and private companies within and outside Saudi Arabia. Mr. Almulhem has experience in banking, marketing, business, strategic and financial planning, governance and telecommunication; he holds a Bachelor's degree in Marketing from King Fahd University of Petroleum and Minerals (Saudi Arabia). He has completed several training courses at a number of specialized institutes in the USA and Europe.

Dr. Abdulrahman Mohammed Al Barrak

Non-Board Member serving as a member of the Committee (Audit Committee)

Dr. Al Barrak is the President of THARA Consultants. He has extensive experience in financial markets, finance and corporate governance, and internal audit and control systems. Dr. Al Barrak has served as a member and then Vice President of the Capital Market Authority (CMA) Board of Commissioners for nine years. He also chaired the Audit Committee of the Capital Market Authority (CMA), the Saudi Organization for Certified Public Accountants (SOCPA) and a number of Executive Committees and Strategic Committees overseeing projects related to the development of the Saudi financial market. In addition, he has previously served as Head of Finance and Dean of Faculty Affairs at King Faisal University. Currently, Dr. Al Barrak is a board member for a number of joint stock companies and Chairman and member of a number of their committees. He holds a Bachelor's degree in Accounting and a Master's and PhD in Finance.

During 2020, the Audit Committee held 5 meetings. The meetings of the Audit Committee and the attendance of members are shown below:

Name	Position/Membership Type	17 February	20 April	20 July	18 October	10 December
Jameel Almulhem	Chairman of the Committee (non-Board member)	Present	Present**	Present**	Present**	Present**
Mohammed Al Hussaini	Independent Member	Present*	Present**	Present**	Present**	Present**
Serkan Okandan	Non-Executive Member	Present**	Present**	Present**	Present**	Present**
Homood Al Tuwajiri	Independent Member	Present	Present**	Present**	Present**	Present**
Abdulrahman Al Barrak	Non-Board Member	Present	Present**	Present**	Present**	Present**

* Joined via phone call

** Joined via video call

The Audit Committee is responsible for monitoring the Company's business and verifying the integrity of its financial statements and reports and internal control systems. The duties and responsibilities of the Committee include:

1. External Auditor and financial reports

- Reviewing, assessing and verifying the qualifications, performance, objectivity and independence of the External Auditor, including the main Shareholder and other senior members of the independent audit team on an annual basis and obtaining an annual acknowledgment of that independence and verifying the effectiveness of the audit work, considering relevant rules and standards
- Reviewing the External Auditor's audit plan, scope, approach and his work
- Ensuring that the External Auditor does not provide any technical or administrative services that are beyond the scope of the Audit works, while offering the Committee's insights in this regard
- Reviewing the External Auditor's report and comments on the financial statements and monitoring the actions taken in this regard
- Reviewing the interim and annual financial statements before their submission to the Board of Directors and providing feedback and recommendations regarding their fairness, integrity and transparency
- At the request of the Board of Directors, the Committee shall provide its technical opinion on whether or not the Annual Report of the Board of Directors and the financial statements are fairly, consistently and understandably presented and contain appropriate information to enable Shareholders and investors to assess Mobily's financial position, results of operations, performance, business models and strategies
- Reviewing with the External Auditor the extent to which the changes or improvements to financial or accounting practices have been implemented

- Regularly reviewing with the External Auditor any problems or difficulties they face during the audit work, including any restrictions on the External Auditor's scope of work or obtaining the required information and management's response to the same
- Examining the current accounting policies and providing feedback and recommendations to the Board in this regard
- Examining any abnormal or serious matters found in the financial reports or such matters as may be raised by the CFO, any person assuming the CFO's duties, or the Company's Compliance Officer or Auditor
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports
- Responding to the External Auditor's inquiries
- Reviewing and discussing the quarterly and annual press releases

2. Internal Audit

- Examining and reviewing the Company's internal and financial control systems and risk management system
- Reviewing the Internal Audit reports and monitoring the modification and corrections in regard to the Audit observations in these reports
- Monitoring and overseeing the activities and performance of the Company's Internal Auditor and Internal Audit department to ensure the availability of necessary resources and the department's efficiency in carrying out its responsibilities and duties
- Reviewing and submitting written recommendations on such regular internal reports (or their summaries) as may be prepared by Internal Audit, as well as management responses, and monitoring the implementation of the Committee's recommendations and agreed action steps in this regard

GOVERNANCE

Board of Directors (Continued)

3. Ensuring compliance

- Reviewing the results of any reports or examinations made by regulatory bodies and ensuring that the Company has taken the necessary actions in this regard
- Ensuring that the Company has taken appropriate measures to comply with the relevant laws, regulations, policies and procedures
- Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken

4. Ethics and anti-fraud

- The Committee shall make arrangements to enable the Company's employees to provide anonymous reports about their concerns and comments regarding financial and other matters. The Committee shall also ensure the effective implementation of measures through appropriate independent investigations into the size of reported irregularities, errors, infringements, inaccuracies or irregularities and take appropriate follow-up actions
- Ensuring that appropriate measures are taken to respond to any reported allegations or concerns, including obtaining external legal or technical advice where appropriate
- Reviewing and evaluating Mobily's management of the Code of Conduct

5. Reporting to the Board of Directors

- Preparing a report on the opinion and recommendation of the Committee on the adequacy of the internal control systems, the financial controls and risk management

and the extent to which the Committee has discharged its responsibilities. The report shall be printed and made available to Shareholders in the head quarter of the Company by the Board of Directors at least 21 days prior to the General Assembly meeting. The summary of the report shall also be read out at the General Assembly meeting. The report shall also be made available on the Company's and Stock Exchange's websites when the call to convene the General Assembly is published

- Reporting on issues requiring action with the Committee's recommendations on actions to be taken to the Board of Directors, whenever necessary

6. Coordinating with the Board of Directors' Risk Management Committee

- The Committee shall coordinate with the Risk Management Committee to use the risk assessment outputs and risk management evaluations and to take them into consideration in the Internal Audit plan

7. Other responsibilities

- Reviewing its charter periodically, at least annually, and making recommendations to the Board of Directors of any necessary amendments.
- At least three months before the end of the year, the Committee shall develop its annual action plan and schedule for the coming year. This shall include the Committee's regular meetings, meetings with Management, external and Internal Auditors, and such other activities in the light of its duties and responsibilities set out in its charter
- Carrying out any other activities in accordance with its charter, Mobily's Articles of Association, the applicable laws and as may be deemed necessary by the Board

Executive Committee

The Executive Committee was formed by the Board of Directors for the current session, commencing 1 December 2018 and will last until 30 November 2021.

Over the course of 2020, the Committee held 1 meeting. The meeting of the Executive Committee and the attendance of members are shown below:

Name	Position/Membership Type	17 November
Suliman Al Gwaiz	Chairman of the Committee – Non-Executive Member	Present*
Abdullah Al Issa	Independent Member	Present*
Khalifa Al Shamsi	Non-Executive Member	Present*
Saleh Al Abdooli	Non-Executive Member	Present*
Moataz Al Azzawi	Independent Member	Present*

* Joined via video call

The duties and responsibilities of the Committee include:

1. Exercising the powers entrusted by the Board to manage and direct the business of the Company, with the exception of:
 - Amending the Company's Articles of Association
 - Electing or dismissing members of the Board
 - Approving or amending the budget, except in accordance with the Company's delegation of authority
 - Making substantial structural changes, such as changing the Company's capital, mergers and acquisitions, sale of assets, joint ventures or other similar arrangements, liquidating or suspending the Company's business or dissolving the Company.
 - Borrowing any amounts
 - Any powers and responsibilities expressly delegated to other Board Committees
 - Any other matters that cannot be delegated by the Board under the applicable regulations or the Company's Articles of Association
2. Following up on the Company's strategic plans for the long, medium and short-term and revising them from time to time and recommending to the Board of Directors any update or modification when deemed necessary.
3. Acting as a guide for the Company's Management on emerging issues and investment opportunities.
4. Reviewing fundamental legal issues and emerging lawsuits.
5. Approving the appointment of advisory bodies in case the appointment exceeds Management's authority in approving such bodies.
6. Filing reports to the Board of Directors regarding decisions or procedures taken by the Committee or that require the approval of the Board.
7. Such other matter as assigned by the Company's Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed by the Board of Directors, for the current session commencing 1 December 2018 and will last until 30 November 2021.

Over the course of 2020, the Committee held 6 meetings. The meetings of the Nomination and Remuneration Committee and the attendance of members are shown below:

Name	Position/Membership Type	17 February	8 March	5 April	14 May	10 September	26 November
Ali Al Subaihin	Chairman of the Committee - Independent Member	Present	Present	Present*	Present*	Present*	Present*
Moataz Al Azzawi	Independent Member	Present	Present	Present*	Present*	Present*	Present*
Serkan Okandan**	Non-Executive Member	Present*	Present*	Present*	Absent	-	-
Khalifa Al Shamsi**	Non-Executive Member	-	-	-	-	Present*	Present*

*Joined via video call

** Member/ Eng. Khalifa Al Shamsi was appointed to take the place of Member/ Mr. Serkan Okandan as of 29 June 2020

The duties and responsibilities of the Committee include:

1. Giving recommendations to the Board of Directors regarding nominated members in accordance with the approved policies and criteria, ensuring that nominees have not been charged with any crimes against honor and integrity.
2. Recommend to the Board of Directors to nominate and re-nominate members of the Audit Committee.
3. Proposing a new member to the Board after consulting with the Audit Committee to appoint him temporarily as a member when the position of the Audit Committee member becomes vacant.
4. Proposing clear policies and conditions for the membership of the Board of Directors and Executive Management and developing special procedures to deal with situations
5. Annually reviewing the Board's requirements of skill and experience and preparing a description of qualifications and capabilities required in nominees for Board membership and Executive Management.
6. Reviewing the Board of Directors' and Executive Management's structure and giving recommendations on proposed changes.
7. Determining the strengths and weaknesses of the Board of Directors and proposing solutions that align with the Company's best interests.

GOVERNANCE

Board of Directors (Continued)

8. Annually examining and ensuring independence of Independent Board Members and the absence of any conflicts of interest if a Director is at the same time a member of another company's Board of Directors.
9. Developing clear policies outlining the remuneration and rewards of members of the Board and its Committees and Executive Management. These policies should be based on performance-related criteria and shall be disclosed, verified and submitted to the Board for consideration before being adopted by the General Assembly.
10. In selecting nominees for Board membership, the Committee shall consider several factors, including but not limited to:
 - Integrity, honesty and responsibility
 - Proven leadership experience and strong business acumen
 - Future foresight and strategic focus
 - Cooperation
 - Independence and lack of conflicts of interest
 - Ability to devote the time necessary to fulfil the responsibilities of a Board member
11. Ensuring that there is an induction program for new members of the Board of Directors.
12. The Committee shall provide continuous education and training programs and make sure that the Board of Directors is kept informed of the latest developments in the telecom industry.
13. The above paragraph shall be treated in accordance with the Company's approved policy on training programs and business trips.
14. Checking the stability of the Company's job positions and overseeing the Company's preparation of a succession plan, particularly for the Executive Management.
15. When nominating members of the Board of Directors, the Committee shall consider the terms and conditions of the Corporate Governance Regulations and the requirements set by the Capital Market Authority (CMA).
16. The number of nominees for the Board of Directors whose names are proposed to the General Assembly shall exceed the number of available seats in order to enable the General Assembly to choose from among them.
17. Developing job descriptions for Executive, Non- Executive and Independent Members and Senior Executives.
18. Clarifying the relationship between the remuneration awarded and the applicable remuneration policy and indicating any material deviation from this policy.
19. Regularly reviewing the remuneration policy and evaluating its effectiveness in achieving the intended objectives.
20. Recommending the remuneration of the Board of Directors, the Board Committees and Executive Management in accordance with the approved policy.
21. The Committee shall examine the subjects assigned to it or referred to it by the Board of Directors and submit its recommendations to the Board of Directors for decision, or the Committee shall make decisions if authorized by the Board.
22. The Board report submitted to the General Assembly shall indicate the number of Committee meetings and how many times each member was present at those meetings.

Risk Management Committee

The Risk Management Committee was formed by the Board of Directors for the current session, commencing 1 December 2018 and will last until 30 November 2021.

Over the course of 2020, the Committee held 4 meetings. The meetings of the Risk Management Committee and the attendance of members are shown below:

Name	Position/Membership Type	27 January	6 April	15 July	27 October
Homood Al Tuwajri	Chairman of the Committee – Independent Member	Present	Present*	Present*	Present*
Khalifa Al Shamsi	Non-Executive Member	Present	Absent	Present*	Present*
Serkan Okandan	Non-Executive Member	Present	Present*	Present*	Present*
Hussein Al Asmari	Independent Member	Present	Present*	Present*	Absent

*Joined via video call

The duties and responsibilities of the Committee include:

1. Reviewing and evaluating the safety and efficiency of risk management within the Company.
2. Monitoring the implementation of the risk management framework and strategy.
3. Reviewing tolerance levels and risk limits, related reports and the necessary procedures applied, to reduce risks that occur.

The Committee's assignment lasts throughout the term of the Board of Directors and expires at the end of this period. The regulations of the Committee include controls to enable the Board to routinely follow up on its work and to verify actions assigned to it. These include Committee meetings, recommendations and how to notify the Board of Directors of such recommendations.

Interest, contractual securities or rights issue of the Board members and their relatives on shares or debt instruments of the Company or its affiliates

Etihad Etisalat Company (Mobily)

Name	No. of shares at start of 2020	No. of shares at end of 2020	Net change	Percentage change
Suliman Al Gwaiz	14,093	17,093	3,000	21.29%
Abdullah Al Issa	34,600	34,600	-	-
Khalifa Al Shamsi	-	-	-	-
Homood Al Tuwaijri	217,005	217,005	-	-
Ali Al Subaihin	21,600	21,600	-	-
Mohammed Al Hussaini	-	-	-	-
Serkan Okandan	-	-	-	-
Saleh Al Abdooli	-	-	-	-
Hussein Al Asmari	-	-	-	-
Moataz Al Azzawi	500	500	-	-

It is worth noting that there are no interest, contractual securities and rights issue for the Board of Directors' members and their relatives in the shares or debt instruments of affiliates.

Assessment of the Board of Directors' Performance

With a view to the continuity and development of the Board of Directors performance, meeting regulatory requirements and implementing best practices in governance and board

effectiveness, Etihad Etisalat Company (Mobily) engaged Governance Compass Company, a specialized consultant, in April 2020, to assess the effectiveness and performance of the Board. Members of the Board and its committees proved transparent and cooperative as they responded to the requirements of the independent consultant. Final results of the assessment will be presented to the Board of Directors in May 2021.

Executive Management

Senior Executives

Eng. Salman bin Abdulaziz Al Badran

Chief Executive Officer

Eng. Al Badran was appointed as CEO of Kuwait Telecom Company (VIVA) in January 2011 after previously working as the VIVA Chief Technical Officer, where he oversaw the technical and administrative aspects of its GSM network. Before this, he was the General Manager of Al Jawal Network at the Saudi Telecom Company (STC), managing large scale telecommunication projects.

Eng. Al Badran has over 23 years of experience with a proven track record of delivering operational excellence. This includes 18 years of expertise in telecommunications and GSM cellular networks, specifically in infrastructure implementation and operations management. He has a Bachelor's degree in Applied Electrical Engineering, with a specialization in Telecommunications and Power from King Fahad University of Petroleum and Minerals.

Mr. Khalid bin Abdulrahman Abanami

Chief Financial Officer

Mr. Abanami has over 23 years of experience in academic and professional areas, financial and strategic management, accounting, operation management and telecom. He started his career as a Finance Lecturer at the College of Business Administration at King Saud University, then worked in various sectors within Saudi Arabia and the wider Middle East region. He spent 11 years in the telecommunications sector, where he managed the finance, logistics, facility management and contract teams for VIVA, the Kuwait telecom subsidiary of Saudi Telecom Company (STC). He headed the reporting, planning and budgeting activities for STC.

Formerly, he was Financial Controller at the National Water Company where he managed the consolidation, budgeting and planning of all company operations. Recently, he held the positions of Chief Financial Officer and Vice President (VP) of Shared Services at Saudi Railway Company until 2019. He sits on the Boards and Audit Committees of several companies and government entities. He took part as a speaker in a number of leadership and finance conferences and forums.

Mr. Abanami holds a Bachelor's degree in Finance from King Saud University, and an MBA from Sam M. Walton College of Business, University of Arkansas, USA – Fayetteville.

Mr. Ismail bin Saeed Al Ghamdi

Chief Consumer Officer

In addition to his current position, Mr. Al Ghamdi is Board Chairman of the National Company for Business Solutions (NCBS), Etihad Fintech Company, and Sehaty for Information Technology Services. At Mobily, Mr. Al Ghamdi previously served as Chief Business Officer, Chief Corporate Strategy Officer, Chief Customer Care Officer and Chief Wholesales and Carrier services. Additionally, he was the Operations Manager at Cisco Systems and worked as Microsoft's Deputy General Manager. He also served as a Board member of Mobily Ventures and Mobily Infotech, India Private Limited. Mr. Al Ghamdi has experience in telecommunications, information technology, operations management, and strategic management.

Mr. Al Ghamdi holds a Bachelor's degree in Computer Science from King Abdulaziz University, KSA, and has completed the Leadership Development Program at Harvard Business School, USA.

Eng. Majed bin Abdulaziz Al Otaibi

Chief Business and Wholesale Officer

Previously, Eng. Al Otaibi worked as Senior Executive Officer in Sales and Marketing within Mobily, and before that he held the position of General Manager of B2B Marketing at STC and operated in a senior role for the Consumer Marketing team. Eng. Al Otaibi joined Mobily in 2016, bringing more than 20 years of experience in sales, telecommunications and engineering, as well as B2C and B2B marketing. In Mobily, Eng. Al Otaibi led efforts that helped widen the customer base of B2B in public and private sectors.

He holds a Bachelor's degree in Electrical Engineering from King Saud University, and he completed a course in Strategic Executive Marketing from INSEAD. He has also received a qualification in Executive Strategy Pricing from Chicago Booth University and has completed a course in Executive Leadership at Hult Ashridge Business School.

Eng. Alaa Malki
Chief Technology Officer

Prior to joining Mobily, Eng. Malki was team leader at Saudi Telecom Company (STC) and then Network Development Manager at Nokia. Eng. Malki joined the telecommunications sector at the beginning of 2000 and worked at many companies before he joined Mobily in 2005 as Planning and Development Manager. He then progressed through the ranks to become Chief Network Officer in 2015, before being appointed Chief Technology Officer. He has over 21 years of experience in the telecommunications sector. During his 15-year career in the Company, he has gained strategic and operational experience in managing network design projects and has contributed to the commercial success of the Company while operating within challenging regulatory conditions.

Eng. Malki has a Bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals, KSA, and a Master of Business Administration from the University of Leicester, UK. Eng. Malki has also completed a Leadership Development Program at Harvard Business School, USA.

Mr. Majed bin Abdullah Al Shabana
Chief Legal Affairs and Corporate Governance Officer

Prior to joining Mobily, Mr. Al Shabana was the General Manager of Legal Affairs at Saudi Telecoms Company (STC), where he was responsible for overseeing multiple legal practice areas such as litigation, legal advisory, corporate issues, investigation, compliance, digitalization and corporate governance. He has more than 18 years of excellent legal and governance experience in the Information and Telecommunications Technology (ICT) industry.

Mr. Al Shabana has a Bachelor's degree in Islamic Studies from Imam Muhammad bin Saud Islamic University, KSA.

Eng. Mohammed Khalil Al Shammari
Chief Human Resources Officer

Eng. Al Shammari has over 14 years of experience in the HR Management field, including corporate strategy development, performance management, strategic planning, shared services, negotiation and capability building.

Early in his career, Eng. Al Shammari worked at the Saudi Electricity Company then joined Bank Al Bilad as a Senior Manpower Planning Specialist. In 2014, Eng. Al Shammari joined Al Faisaliah Group. Prior to assuming his role in Mobily, he joined SAR (Saudi Arabian Railway) as the Human Resources and Administration Director, where he efficiently managed and completed projects for large, medium, and small-scale industries. Today, Eng. Al Shammari is leading the Mobily HR Transformation Plan.

Eng. Al Shammari holds a Bachelor's degree in Industrial Engineering from King Saud University in Riyadh.

Mr. Omar bin Saud Al Rasheed
Chief Digital and Customer Experience Officer

Mr. Al Rasheed is a technology, media, and telecom (TMT) veteran with a mission of pioneering change and innovation towards attaining Mobily's efficient sustainable growth through his role as Chief Digital and Customer Experience Officer at Mobily.

During more than 15 years in Mobily, he has been excelling through multiple senior roles with wide exposure, and a solid background in strategy, IT and business. His previous roles include the General Manager for Mobily Infotech India Pvt Ltd and the EGM of Mobily Mega Projects.

Mr. Al Rasheed holds a BSc. in Computer and Information Sciences from King Saud University, KSA, along with a number of distinguished Executive Education programs from Harvard, Massachusetts Institute of Technology (MIT) and London Business School (LBS). He also has a PMP certification from the Project Management Institute.

GOVERNANCE

Executive Management (Continued)

Interest, contractual securities or rights issue of the Senior Executives and their relatives on shares or debt instruments of the Company or its affiliates:

Etihad Etisalat Company (Mobily)

Name	Position	No. of shares at start of 2020	No. of shares at end of 2020	Net change	Percentage change
Eng. Salman Al Badran	Chief Executive Officer	-	-	-	-
Mr. Khalid Abanami	Chief Financial Officer	-	-	-	-
Mr. Ismail Al Ghamdi	Chief Consumer Officer	-	-	-	-
Eng. Alaa Malki	Chief Technology Officer	-	-	-	-
Mr. Majed Al Shabana	Chief Legal Affairs and Corporate Governance Officer	-	-	-	-
Eng. Mohammed Al Shammari	Chief Human Resources Officer	-	-	-	-
Eng. Majed Al Otaibi	Chief Business and Wholesale Officer	-	-	-	-
Mr. Omar Al Rasheed	Chief Digital and Customer Experience Officer	-	-	-	-

It is worth noting that there are no interest, contractual securities and rights issue for the Senior Executives and their relatives in the shares or debt instruments of the affiliates.



GOVERNANCE

Related Party Transactions

During 2020, several related party transactions were conducted by the Company with Emirates Telecommunication Group Company and its subsidiaries, a founding and main

Shareholder in Mobily, and there is an indirect interest for the Board members, namely: Eng. Saleh Al Abdooli, Eng. Khalifa Al Shamsi and Mr. Serkan Okandan.

Party	Relationship
Emirates Telecommunication Group Company PJSC	Major Shareholder (Founding Shareholder)
Emirates Data Clearing House	Associate to Emirates Telecommunication Group Company
Etisalat Misr S.A.E.	Associate - Subsidiary to Emirates Telecommunication Group Company
Etisalat Afghanistan	Associate - Subsidiary to Emirates Telecommunication Group Company
Etisalat Al Maghrib S.A (Maroc Telecom)	Associate - Subsidiary to Emirates Telecommunication Group Company
Pakistan Telecommunication Company Limited	Associate - Subsidiary to Emirates Telecommunication Group Company
Emirates Cable TV and Multimedia LLC	Associate - Subsidiary to Emirates Telecommunication Group Company
Sehati for Information Service Company	Joint venture

Services rendered to related parties comprise of the provision of telecommunication services, interconnection services and roaming services by the Group based on normal commercial terms. Services received from related parties comprise of telecommunication services, interconnection services and roaming services to the Group based on normal commercial terms. Management fees and other management expenses are calculated based on the relevant agreements with Emirates

Telecommunication Corporation. The balances due to and from related parties are unsecured and will be settled in cash.

Following are the details of related party transactions during the financial year ended 31 December 2020:

Major Transactions with Related Parties in 2020 (SAR '000s)

	2020	2019
Interconnection services and roaming services rendered		
Founding Shareholder	40,309	96,344
Associate	3,927	8,526
Interconnection services and roaming services received		
Founding Shareholder	216,298	280,358
Associate	111,318	108,957
Management fees - Founding Shareholder	34,250	112,517
Other management expenses - Founding Shareholder	9,571	5,696
Other telecommunication services – Associate	7,053	6,939
Related Party Balances		
Due from related parties		
Founding Shareholder	85,464	77,676
Associate to founding Shareholder	3,569	4,424
Joint venture	23,166	8,166
	112,199	90,266
Due to related parties		
Founding Shareholder	129,016	233,214
Associate to founding Shareholder	23,820	31,551
	152,836	264,765

Mobily signed a contract for the establishment of a call center for the Public Pension Agency, which is valued at SAR 4,291,596 for a period of one year starting from 11 February 2020, and there is an indirect interest for the Board Chairman Mr. Suliman Al Gwaiz and the Board Member Mr. Hussein Al Asmari. In addition, the Company signed a contract with the Public Pension Agency, comprising several services including: installation of backup connections based on MPLS technology, provision of a backup internet connection, execution of professional works and services, technical support and operation in accordance with SLA agreement, which is valued at SAR 2,770,732 starting from 31 August 2020 (for a period

of 36 months), and there is an indirect interest for the Board Chairman Mr. Suliman Al Gwaiz and the Board member Mr. Hussein Al Asmari.

Moreover, Mobily has amended and renewed the framework agreement, with Saudi Basic Industries Corp. (SABIC) for the provision of telecommunication services, which is valued at SAR 69,400,222 starting from 25 October 2020 until 31 March 2025, and there is an indirect interest for the Board Member Eng. Abdullah Al Issa.

GOVERNANCE

Compensation and Remuneration

Compensation Policy, and Method of Determining Remunerations of Board Members and Senior Management:

General provisions:

1. The purpose of compensation is to encourage the members of the Board of Directors and the Executive Management to make the Company succeed and develop in the long-term.
2. The compensation shall be determined according to the level of the job concerned, the tasks and responsibilities assigned to the worker, his scientific and practical qualifications, the level of performance, and achievements.
3. This policy must be consistent with the nature of the risks surrounding the Company.
4. The Company's internal regulations must comply with this policy.
5. The practices of other companies should be taken into consideration in determining the compensation, avoiding any unjustified increase in remuneration and compensation.
6. This policy aims to attract, maintain and motivate professional competencies without any exaggeration.
7. Consider any new appointments in coordination with the Compensation and Remuneration Committee.
8. Consider the cases of suspension and refund of the remuneration if it was based on inaccurate information provided by the person concerned, in order to prevent the exploitation of employment status to obtain undeserved compensation.
9. This policy allows, in accordance with the regulations, the granting of shares in the Company to the Board of Directors' members and the Executive Management, whether newly issued or purchased shares.
10. This policy aims to enhance the Company's culture of disclosure and transparency, in accordance with the relevant regulations.

Scope of application

This policy shall be applied to the Board of Directors, its Committees and the Executive Management of the Company. It may be used for application in whole or in part to the general Staff of the Company.

Application responsibility

The Compensation and Remuneration Committee, in coordination with the Executive Management of the Company, shall follow up the application of this policy, verify the integrity of the procedures taken, evaluate any deviations that may arise in the application, and submit its requests to the Board of Directors for each matter that requires the guidance of the Board.

Remuneration of the Board of Directors and its Committees

1. The Company's Articles of Association shall provide the manner of remuneration to Directors.
2. Such remuneration may be a certain amount or an attendance allowance for meetings, in-kind benefits or a certain percentage of net profits. Two or more of these remunerations may be combined.
3. If the bonus is approved as a certain percentage of the profits of the Company, it shall not exceed 10% of the net profits after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit to the Shareholders, not less than 5% of the Company's paid-up capital, so that the remuneration is proportionate with the number of meetings attended by the member, and any other estimate is null and void.
4. In all cases, the sum of the remuneration of any Board member shall not exceed the amount of SAR 500,000 annually.
5. The Compensation and Remuneration Committee shall, upon consideration of the proposed remuneration of the Board and its Committees on an annual basis, verify the annual objectives set for the Company, the objectives achieved and the efforts made by the Board and its Committees during the year.
6. Remuneration of the Board of Directors and its Committees may be approved unevenly, whether at the member or committee level, depending on tasks, responsibilities and achievements.
7. If the reward granted to Board members or one of its Committees is based on inaccurate information or erroneous results, whatever the motivation, then the case shall be submitted to the Board for an appropriate decision; the relevant regulations shall be observed in consideration of the rules and preservation of the Company's Shareholder rights.
8. The decision of the Board of Directors in the preceding paragraph shall be either suspension of the payment, in case it is not paid yet, or it shall be partially or wholly refunded according to the circumstances of the case.

Remuneration of Executive Management

1. When approving the remuneration of the Executive Management, the policies adopted by the Company in this regard, as well as the achieved objectives set for it, must be considered.
2. The remuneration of each Executive Management officer may vary depending on the results achieved during the year assessed.
3. The remuneration shall take into consideration companies operating in the telecommunications sector as well as companies operating in the Saudi market.

4. The maximum ceiling of Executive Management bonuses may be reviewed annually, and any proposed amendments shall be raised to the Board of Directors and then to the General Assembly, in accordance with the regulations applicable in this area.
5. This policy must be consistent with the Company's strategy and objectives, and in accordance with its performance and evaluation policy in respect of Executive Management remuneration.
6. If the Executive Management's remuneration was based on inaccurate information or wrong results, whatever the motive was, then the case shall be submitted to the Board of Directors to take appropriate action; the relevant regulations shall be observed in its consideration with the rules and preservation of the Company's Shareholder rights.
7. The decision of the Board of Directors in the preceding paragraph shall result in either suspension of the payment, if it has not yet been paid, or refund it partially or totally, in accordance with the circumstances of the case.

The relationship between remuneration and the applicable remuneration policy:

There is no substantial deviation in the remuneration awarded according to the policy.

The following tables show compensation and remuneration details for Board members, Committee members and 5 Senior Executives who received the highest remuneration from the Company, including the Chief Executive Officer and Chief Financial Officer:

Board of Directors' compensation and remuneration (SAR '000s)

	Fixed remuneration							Variable remuneration								
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending Committees meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a Member	Total	Percentage of profits	Periodic remuneration	Short term incentive plans	Long term incentive plans	Granted shares	Total	End-of-service award	Aggregate amount	Expense allowance
First: Independent Directors																
Abdullah Al Issa	0	21	3	0	0	0	24	0	200	0	0	0	200	0	224	0
Homood Al Tuwajiri	0	21	39	0	0	0	60	0	250	0	0	0	250	0	310	0
Ali Al Subaihin	0	21	27	0	0	0	48	0	250	0	0	0	250	0	298	0
Mohammed Al Hussaini	0	33	24	0	0	0	57	0	250	0	0	0	250	0	307	0
Hussein Al Asmari	0	21	18	0	0	0	39	0	200	0	0	0	200	0	239	0
Moataz Al Azzawi	0	21	30	19.259	0	0	70.259	0	250	0	0	0	250	0	320.259	0
Total	0	138	141	19.259	0	0	298.259	0	1,400	0	0	0	1,400	0	1,698.259	0
Second: Non-Executive Directors																
Suliman Al Gwaiz	0	18	3	0	0	0	21	0	200	0	0	0	200	0	221	0
Serkan Okandan	0	33	57	0	0	0	90	0	300	0	0	0	300	0	390	0
Saleh Al Abdooli	0	24	3	0	0	0	27	0	0	0	0	0	0	0	27	0
Khalifa Al Shamsi	0	33	30	0	0	0	63	0	200	0	0	0	200	0	263	0
Total	0	108	93	0	0	0	201	0	700	0	0	0	700	0	901	0

Board Members Remunerations are recorded on a cash basis, and include payments for the previous year.

The above mentioned amounts reflect cash received in 2020, where annual remunerations are recorded for performance in 2019 and paid in 2020. Eng. Saleh Al Abdooli has waived his annual remuneration for 2019.

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Compensation and Remuneration (Continued)

Committees Members' compensation and remuneration (SAR '000s)

	Fixed remuneration (except attendance allowance)	Attendance of meetings allowance	Total
Audit Committee			
Jameel Al Mulhem	120	21.154	141.154
Homood Al Tuwajjri	0	18	18
Serkan Okandan	0	18	18
Abdulrahman Al Barrak	120	18	138
Mohammed Al Hussaini	0	24	24
Total	240	99.154	339.154
Executive Committee			
Suliman Al Gwaiz	0	3	3
Abdullah Al Issa	0	3	3
Khalifa Al Shamsi	0	3	3
Moataz Al Azzawi	0	3	3
Saleh Al Abdooli	0	3	3
Total	0	15	15
Nomination and Remuneration Committee			
Khalifa Al Shamsi*	0	9	9
Ali Al Subaihin	0	27	27
Moataz Al Azzawi	0	27	27
Serkan Okandan*	0	18	18
Total	0	81	81
Risk Management Committee			
Homood Al Tuwajjri	0	21	21
Khalifa Al Shamsi	0	18	18
Serkan Okandan	0	21	21
Hussein Al Asmari	0	18	18
Total	0	78	78

Committees Members Remunerations are recorded on a cash basis, and include payments for the previous year.

* Member/ Eng. Khalifa Al Shamsi was appointed to take the place of Member/ Mr. Serkan Okandan as of 29 June 2020

Senior Executives compensation and remuneration (SAR '000s)

Senior Executives' compensation and remuneration details		5 Senior Executives receiving the highest remuneration from the Company (including CEO and CFO)
Fixed Remuneration	Salaries	7,765
	Allowances	6,109
	In-kind benefits	30
	Total	13,904
Variable Remuneration	Periodic bonuses	7,125
	Earnings	-
	Short-term incentive plans	-
	Long-term incentive plans	-
	Shares awarded (value is entered)	-
	Total	7,125
End-of-Service benefits		-
Total Executives' compensation and remuneration for the Board, if any		-
Total		21,029

Senior Executives Remunerations are recorded on a cash basis and includes payments for the previous year.

GOVERNANCE

About Mobily

Organization and Activity

EtiHAD Etisalat Company ("Mobily" or the "Company"), a Saudi Joint Stock Company, is registered in the Kingdom of Saudi Arabia under commercial registration number 1010203896 issued in Riyadh on 14 December 2004 (corresponding to Dhul Qa'adah 2, 1425H). The main address for the Company is P.O. Box 23088, Riyadh 11321, Kingdom of Saudi Arabia.

The Company was incorporated pursuant to the Royal decree number M/40 dated 18 August 2004 (corresponding to Rajab I 2, 1425H) approving the Council of Ministers resolution number 189 dated 10 August 2004 (corresponding to Jumada II 23, 1425H) to approve the award of the license to incorporate a Saudi Joint Stock Company under the name of "EtiHAD Etisalat Company".

Pursuant to the Council of Ministers resolution number 190 dated 10 August 2004 (corresponding to Jumada II 23, 1425H), the Company obtained the licenses to install and operate 2G and 3G mobile telephone networks including all related elements and the provision of all related services locally and internationally through its own network.

Pursuant to the Communication and Information Technology Commission (CITC) resolution number 5125 dated 21 February 2017 (corresponding to Jumada I 24, 1438H), the Company obtained a Unified License to provide all licensed telecommunication services including fixed line voice services and fixed internet.

The authorized, issued and paid-up share capital of the Company is SAR 7,700 million divided into 770 million shares of SAR 10 each.

The Company's main activity is to establish and operate mobile wireless telecommunication networks, fiber optics networks and any extension thereof, manage, install and operate telephone networks, terminals and communication unit systems, in addition to sell and maintain mobile phones and communication unit systems in the Kingdom of Saudi Arabia. The Group commenced its commercial operations on 25 May 2005 (corresponding to Rabi II 17, 1426H).

Details of the breakdown of 2020 results contributions (SAR '000,000s) are as follows:

	Consumer	Business	Wholesale	Outsourcing	Total
Usage	7,940	651	1,073	-	9,664
Activation and subscription fees	1,914	482	-	-	2,396
Others	747	889	147	203	1,986
Total	10,601	2,022	1,220	203	14,046

The main activities of the subsidiaries are as follows:

- IT services, applications, billing and testing support, product marketing, process management, support services and call center services.
- Contractual establishment and maintenance of wired telecommunication networks and related works and the installation and maintenance of computer systems, marketing and importing services for third parties.
- Installation and maintenance of wire and wireless telecommunication networks; import, export, sale, and distribution of equipment, machinery, telecommunication systems and smart building systems; in addition to marketing and distributing of telecommunication services and managing the centers related to those services; providing computer services and related programs and equipment and providing consultation services in the telecommunication, computer, software, and media production domains.
- Wholesale and retail trade of computers and electronic equipment, maintenance and operation of such equipment, and provision of related services.
- Establish and own companies specializing in commercial activities.
- Manage its affiliated companies or to participate in the management of other companies in which it owns shares, and to provide the necessary support for such companies.
- Invest funds in shares, bonds and other securities.
- Own real estate and other assets necessary for undertaking its activities within the limits pertained by law.
- Own or to lease intellectual property rights such as patents and trademarks, concessions and other intangible rights to exploit and lease or sub-lease them to its affiliates or to others.
- Have interest or participate in any manner in institutions which carry on similar activities or which may assist the Company in realizing its own objectives in the Kingdom of Bahrain or abroad. The Company may acquire such entities or merge therewith.
- Perform all acts and services relating to the realization of the foregoing objects.
- Retail via the Internet.
- Technology in financial services.

Subsidiary Companies

Below is the summary of the Company's subsidiaries and ownership percentage as of 31 December 2020 and 31 December 2019:

Name	Country of incorporation	Country of operation	Capital	Ownership percentage				Initial investment (SAR '000s)
				31 December 2020		31 December 2019		
				Direct	Indirect	Direct	Indirect	
Mobily Infotech India Private Limited	India	India/ Saudi Arabia	INR 20 million	99.99%	0.01%	99.99%	0.01%	1,836
Bayanat Al Oula for Network Services Company (Single Person Company)	Saudi Arabia	Saudi Arabia	SAR 150 million	100.00%	-	100.00%	-	1,500,000
Zajil International Network for Telecommunication Company	Saudi Arabia	Saudi Arabia	SAR 10 million	96.00%	4.00%	96.00%	4.00%	80,000
National Company for Business Solutions	Saudi Arabia	Saudi Arabia	SAR 10 million	95.00%	5.00%	95.00%	5.00%	9,500
National Company for Business Solutions FZE	United Arab of Emirates	United Arab of Emirates	AED 180,000	-	100.00%	-	100.00%	184
Mobily Ventures Holding W.L.L.*	Bahrain	Bahrain/ GCC/ MENA	BD 250,000	100.00%	-	100.00%	-	2,510
Ethad Fintech Company (Single Person Company)	Saudi Arabia	Saudi Arabia	SAR 50,000	100.00%	-	-	-	50

* The legal name of Mobily Ventures Holding has been officially changed from Single Person Company (S.P.C.) to a With Limited Liability Company ("W.L.L.") according to the Bahrain Commercial Companies Law No. 21 of 2001.

Mobily Infotech India Private Limited - LLC

The main activities of the Company include providing IT services, applications, billing, support testing, product marketing, management process, support services and call centers for its group companies.

telecommunications services and management of centers that provide such services, in addition to providing consulting services in the field of telecommunications, computer, software and technical production. The contribution of this Company to Mobily's revenues amounted to SAR 203 million.

Bayanat Al Oula for Network Services Company (Single Person Company)

The main activities of the Company include construction and maintenance of telecommunications networks and related services, installation and maintenance of computers, and import and marketing services, as well as data services. The contribution of the Company to Mobily's revenues amounted to SAR 2,818 billion.

National Company for Business Solutions owns participation in Ecommerce Taxi Middle East (Luxembourg): 10% (2019: 10%)

National Company for Business Solutions FZE-LLC

The main activity of the Company is the trade, import and export of computer systems.

During the year 2019, the Company acquired the remaining 1% owned by National Company for Business Solutions.

Mobily Ventures Holding LLC

It acts as a holding company for the Commercial and Industrial Services Group.

Zajil International Network for Telecommunication Company - LLC

The main activities of the Company include a broad range of wholesale and retail services including computers and electronic devices, maintenance, operation and provision of related services.

Mobily Ventures Holding has an investment in the following companies:

Anghami LLC (Cayman Islands): 7.97% (2019: 7.94%)
 MENA 360 DWC LLC* (United Arab Emirates): 0% (2019: 2.33%)
 DokkanAfkar.com (British Virgin Islands): 3.28% (2019: 3.28%)

*During the year 2020, Mobily Ventures Holding W.L.L. shareholding in MENA 360 DWC LLC has been redeemed.

National Company for Business Solutions LLC

The main activities of the Company include installation and maintenance of wire and wireless telecommunications networks, import and export, sale and distribution of telecommunications hardware, software and systems, intelligent building systems, marketing and distribution of

Ethad Fintech Company (Single Person Company)

The main activity of the Company is online retail and financial services technology.

Important Events

Structural changes in Executive Management

Mobily's Executive Management saw a number of key changes during 2020, aimed at improving operational efficiency and optimizing its organizational structure:

- The appointment of Mr. Mohammed Khalil Al Shammari as Mobily's Chief Human Resources Officer, as of 5 January 2020

MoU signed with Zain KSA

Etihaad Etisalat Company (Mobily) announced it signed a Memorandum of Understanding on 2 July 2020 with Mobile Telecommunication Company Saudi Arabia (ZAIN KSA) to form a joint committee, from both companies, to prepare and offer a request for proposal (RFP) with the option of purchasing the telecommunications towers owned by the two companies, merging them into one company with other investors or operating them on their behalf, provided that the offer of RFP must be prepared within 30 days from the date of signing this MoU.

The collaboration aims to increase the participation in the telecom towers, with the objective of achieving maximum efficiency and upgrading the communications and information technology system, with the support and supervision of the Communications and Information Technology Commission (CITC). The MoU does not include any parties related to Etihaad Etisalat Co. (Mobily).

The signed MoU with Mobile Telecommunication Company Saudi Arabia (ZAIN KSA) is not obligatory, and any agreement will be subject to the regulatory approvals and conditions, as well as internal approvals of both companies.

In a follow-up announcement, Mobily announced the latest news regarding this MoU, stating that the formed joint committee has completed preparing and circulating the request for proposal (RFP) with the option of purchasing the telecommunications towers owned by the two companies, merging them into one company with other investors or operating them on their behalf. The RFP responses will be received and assessed in the coming period.

GOVERNANCE

Forward-Looking Statements

Thanks to the Government's progress in realizing its Vision 2030, which acts as a roadmap and outlines an ambitious path towards a new, growing sustainable economy, as well as its continued support for the development of the ICT infrastructure, the sector will find exceptional opportunities to invest in innovation and digital infrastructure, ensuring it can meet the growing national needs, face emerging challenges and seize opportunities. Under the direction of its Board of Directors, Mobily has updated its strategy in line with the objectives of the ICT sector's Vision 2030, to help empower all aspects of the national economy, which will provide the Company with more prospects for growth in 2021, as we accelerate efforts to consolidate our position as an innovative leader in the enterprise and ICT market.

Mobily will continue its strategic focus according to the GAIN strategy, which aims to Grow core revenues; accelerate digital revenue streams; implement and optimize efficient delivery of services; and nurture a positive experience for all. This also involved executing Mobily's cost-optimization program while continuing to pursue the digital transformation and automation of our services.

In 2021, our focus will include increasing data speed and improving network performance, increasing the deployment of 5G through the Kingdom, exploring the limitless potential of IoT, and applying more robotics and AI to further automate Mobily's operations. With the arrival of 5G, which represented the most profound change in the digital landscape of Saudi Arabia, 2021 will provide Mobily with the opportunity to competitively leverage this new platform for the Kingdom's evolving needs.

Working on the (FTTH Open Access) initiative will be a major objective during 2021, enabling Mobily to sell FTTH service using other operators' infrastructure. Bundling FTTH with other telecom products (i.e. GSM, handsets, Smart Home, Content) will also be a focus area to provide a better portfolio to families at home. We will continue to lead the way to even more personalized service, digitizing and simplifying products, services and touchpoints to deliver increasingly quicker and more integrated technological experiences for consumers.

Mobily will continue to invest across a wide range of areas to apply the latest technologies to deliver continuous improvement across its business and drive positive change in what it can offer to its customers.

The telecommunications sector is governed by public regulation, and future projections may be affected depending on regulatory decisions taken by the relevant authorities.

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Social Responsibility Activities

In light of the challenging environment and difficult times arising from the COVID-19 pandemic, Mobily maximized its efforts geared towards proactive and effective community support. In cooperation with the Saudi Ministry of Health, Mobily launched multiple COVID-19 awareness campaigns – both internally for its employees and across the Kingdom. By utilizing the full extent and reach of the Company’s social media presence, Mobily ensured these important campaigns reached the most people possible across the country.

This allowed Mobily to circulate consumer support, advice, safety instructions and other messages and information to address all sections of society – from the victims of the virus and their families through to the front-line heroes working to stem the spread of the virus and treat the sick.

Since the outbreak of the pandemic, Mobily has redoubled its efforts to support a range of national educational initiatives, such as the Saudi Human Resources Development Fund’s (HRDF) Tamheer on-the-job training initiative and the College Cooperative Programs and Internships, helping to provide Saudi graduates, from local and international universities, with the expertise and skills to contribute meaningfully to the labor market.

Throughout 2020, Mobily maintained its social impact partnership with the Ministry of Housing’s Jood Eskan platform, which aims to involve the broader Saudi community in Kingdom-wide efforts to provide housing support to those in need.

Mobily also launched a partnership with the Ministry of Human Resources and Social Development (MHRSD) to design customized initiatives that contribute to society by utilizing Mobily’s telecoms network, and together with the Ministry of Municipal and Rural Affairs (MOMRA) explored how to encourage physical activities in government-owned parks by promoting a broad range of sports.



GOVERNANCE

Shareholders

General Assembly of Shareholders

During 2020, the Ordinary General Assembly of Shareholders met on 13 April. Following a CMA circular which stipulates that listed companies should conduct their general assemblies through modern technology, and suspend the presence until further notice, to ensure the safety of traders in the financial market, and to support the efforts and precautionary measures

to prevent the spread of the COVID-19 virus, and in continuation of the continuous efforts made by all government agencies in the Kingdom of Saudi Arabia to take the necessary preventive measures to prevent its spread. Therefore, the General Assembly of Shareholders met via modern technologies using the Tadawulaty system. The Board of Directors' attendance was as follows:

No.	Name	Position	13 April
1	Suliman Al Gwaiz	Chairman	Present
2	Abdullah Al Issa	Vice Chairman	Present
3	Khalifa Al Shamsi	Member	Present
4	Hussein Al Asmari	Member	Present
5	Mohammed Al Hussaini	Member	Present
6	Moataz Al Azzawi	Member	Present
7	Homood Al Tuwaijri	Member	Present
8	Ali Al Subaihin	Member	Present
9	Serkan Okandan	Member	Absent
10	Saleh Al Abdooli	Member	Present

During the Ordinary General Assembly meeting on 13 April, the Shareholders voted to approve all items on the agenda. Below are the agenda items:

- Approval on the Company financial statements for the fiscal year ending 31 December 2019.
- Approval on the auditor report for the fiscal year ending 31 December 2019.
- Approval on the Board of Directors report for the fiscal year ending 31 December 2019.
- Approval on releasing the members of the Board of Directors from their liabilities for the fiscal year ending 31 December 2019.
- Approval on appointing of KPMG Al Fozan and Partners to review and audit the Company annual and quarterly financial statements from the third quarter of the fiscal year of 2020 till the end of the first quarter of the fiscal year of 2021 and determine their fees.
- Approval on the businesses and contracts made with Emirates Telecommunications Group Company (a main shareholder in Mobily), noting that the businesses and contracts that were made between the Company and Emirates Telecommunications Group Company during 2019 with respect to interconnection and roaming services rendered of (104,870) thousand SAR, interconnection and roaming services received of (389,315) thousand SAR, managements fees of (112,517) thousand SAR, other administrative expenses of (5,696) thousand SAR, and other telecommunications services of (6,939) thousand SAR, and obtain the approval for the next year without preferential conditions, due to an indirect interest for the Board members, namely:
 - Eng. Khalifa Al Shamsi
 - Eng. Saleh Al Abdooli
 - Mr. Serkan Okandan
- Approval on the business and contracts made with a group of Saudi banks during 2019, which is a signing of SAR 7.6 billion refinancing Murabaha facility agreement for 7 years with a group of Saudi banks, which includes Riyadh Bank (Agent), due to an indirect interest for the Board Members, namely:
 - Eng. Abdullah Al-Issa who chairs Riyadh Bank Board.
 - Eng. Moataz Al Azzawi who is a board member of Riyadh Bank
- Approval on rules and standards of competing with the company
- Approval on delegating the ordinary general assembly its authorization powers stipulated in paragraph (1) of Article 71 of the Companies Law to the company's Board of Directors, for a maximum of one year from the date of approval by the general assembly to delegate its powers, or until the end of the session of the delegated board of directors, whichever is earlier, in accordance with the conditions contained in the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

Shareholders' Proposals

Mobily's Investor Relations department maintains regular communication with the Company's Shareholders through various communication channels. If any proposals are received from Shareholders, they will be reviewed and reported in full to the Board of Directors. Shareholders are also given the opportunity to submit proposals and inquiries directly to members of the Board of Directors during the General Assembly meetings, and sufficient time is dedicated to answering these questions.

Following the announcement of Mobily's interim and annual financial results, the Company's Investor Relations Department conducts an earnings conference call with financial analysts and representatives of investment agencies, to discuss financial results. During the call, the Management discussed the Company results and performance during the period in question and addressed the queries of the attendees.

Requests for the Shareholders' register

During 2020, the Company requested the Shareholders register 4 times from the Securities Depository Center (Edaa). The dates and reasons for such requests are listed below:

No. of requests	Request date	Reason
1	2 January	For the Company's internal reporting purposes
1	12 April	For the Company's internal reporting purposes
1	13 April	For the Company's internal reporting purposes
1	2 December	For the Company's internal reporting purposes

Dividend Policy

First: dividend entitlement

1. Shareholders are entitled to receive their share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to Shareholders or the Board resolution on distributing interim dividends. The resolution shall specify the record date and the distribution date, where registered Shareholders are entitled to receive the dividends by the end of the eligibility date, provided that the resolution shall be executed as per the Regulatory Rules and Procedures issued pursuant to the Companies Law related to Listed Joint Stock Companies.
2. If the statutory reserve exceeded 30% of paid-up capital, the General Assembly may decide to distribute the surplus to the Shareholders, during such years when the Company does not achieve enough net profit to distribute the dividends assigned to them in its Articles of Association.

Second: distribution of dividends

The Board of Directors shall recommend the announcement and payment of any dividends, before such dividends are approved by the General Assembly of Shareholders. Such a recommendation is linked to a number of factors, including the amount of current and projected profits, as well as cash flows, market data and economic factors, in addition to statutory considerations (such as limitations as set out in the Company's Articles of Association, the Companies Law and Corporate Governance Regulations). The Company's net profits are distributed as follows:

1. 10% of the net profit is to be set aside to form a statutory reserve. The Ordinary General Assembly can discontinue the deduction for the statutory reserve when such reserve reaches 30% of the Company's paid-up capital.
2. The Ordinary General Assembly may, upon the recommendation of the Board of Directors, set aside 5% from the net profit to form a provisional reserve to be allocated for certain purpose or purposes.
3. The Ordinary General Assembly shall have the right to decide on forming other reserves to the extent that it serves the best interests of the Company or to ensure the distribution of fixed dividends, as much as possible, to the Shareholders.
4. A dividend representing a minimum of 5% of the Company's paid-up capital will be distributed from the residuum to the Shareholders.

Third: timing of payment of dividends

The Board must implement the General Assembly resolution with respect to dividend distribution to the Registered Shareholders within 15 working days from the date they become entitled to such dividends as determined in such resolution, or the Board's resolution for the distribution of interim dividends.

Fourth: interim dividend distribution

- The Company may, if so provided and permitted in its by-laws, distribute interim dividends to its Shareholders on a biannual or quarterly basis after fulfilling the following requirements:
 1. The issuance of a resolution by the General Assembly, renewed annually, authorizing the Board to distribute interim dividends.
 2. The Company shall enjoy regular positive profitability.
 3. The Company shall enjoy good liquidity and is able to reasonably foresee the scale of its profits.
 4. The Company shall have distributable profits– according to the latest audited annual financial statements – sufficient to cover the proposed dividend distribution, after deducting the amounts distributed and capitalized, of the profits after the date of these financial statements.
- The Board must include in its annual report, submitted to the General Assembly of the Company, the portion of dividends distributed to Shareholders during different periods of the financial years in addition to the portion of dividends proposed for distribution at the end of the financial year, and the aggregate dividend amounts
- Dividend distributions must be recorded to the cumulative retained earnings account of preceding years, or the contractual reserves, or both. The Company must take a sequential and consistent approach in determining the manner and percentage of dividend distributions in light of the Company's capabilities and available liquidity. The Board must disclose and announce the portion of regular interim dividends approved for distribution to the Shareholders on the specified dates.
- The Company must, upon resolving to distribute interim dividends, disclose and announce such resolution immediately, and provide the Authority with a copy thereof immediately

For the year 2020, the Board of Directors recommended, on 17 December 2020, to distribute cash dividends to Shareholders for the fiscal year 2020. The total proposed amount of dividend distribution is SAR 385 million, at SAR 0.5 per share. The percentage of dividend to the share par value is 5%. The eligibility of cash dividends will be for Shareholders who own company shares on the eligibility date and enrolled in the Company's register at Securities Depository Center Company (Edaa) by the end of the second trading day of the day of the General Assembly of the Company, which will be announced later. Distribution date will be announced later after the approval of the General Assembly.

GOVERNANCE

Risks

An effective and proactive approach to Enterprise Risk Management and Resiliency was vital during 2020 as the KSA and the globe dealt with the outbreak of COVID-19 among a vast array of other challenges, such as, ever-changing macroeconomic conditions, uncertainties in geopolitical environments, cybersecurity threats, and advancements in technologies. Mobily has a dedicated Enterprise Risk Management and Resiliency (ERM&R) Department supporting the organization in identifying potential emerging risks and their mitigations in accordance with international standards (ISO 31000), and in compliance with Capital Market Authority (CMA) regulations. In addition, the department is responsible for ensuring resiliency plans are in place in case of adverse events materialized. Furthermore, the team is responsible for regularly updating and communicating to the Board and Executive Risk Management Committees the status of the risk management actions and Business Continuity capabilities and readiness in addition to any interventions and/or corrective measures as needed.

Following are some of the key risks that were dealt with during 2020:

1. COVID-19 Pandemic:

The COVID-19 outbreak had implications on the telecom sector in 2020 as it caused operational disruption and potential adverse financial impacts. Mobily addressed these challenges and threats to business through activating/implementing a crisis management committee, with daily and weekly management review meetings.

2. Enterprise Digital and IT Transformation

Adoption of digital technologies by consumers and businesses have been accelerated during 2020. While this is generating new opportunities, it also exposes Mobily to new risks represented in the potential of inability to meet the increased demands. Management addressed this challenge by accelerating its digital and IT transformation initiatives under GAIN strategy.

3. Regulatory Decisions:

Regulatory decisions pose specific risks to the Company as it operates in a heavily regulated environment. Mobily responded effectively to the regulatory actions and decisions during the course of the year. The Company strived to ensure it complies and conforms to the regulatory requirements through enabling effective governance and compliance controls at all times.

4. Advance and persisting Cyber Threats:

Cyber-Attacks on infrastructure continue to be on the top risk profile of multiple organizations across the globe as it does not only disrupt operations and services but can lead to reputational damage and financial losses. In this regard, the Company had strengthened its capacity to deal with such threats by continually upgrading its Network and IT infrastructure according to worldwide best practices.

During the year, various initiatives were undertaken by Management such as, updating policies and procedures and risk appetite frameworks. In addition, Management has improved its business continuity and disaster recovery plans and strengthened its approach in identifying new and emerging risks, in order to manage any potential risk that may materialize in the future.

The Group also has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management is carried out by the Senior Management under policies approved by the Board of Directors. Senior Management identifies, evaluates and hedges, when appropriate, financial risks in close cooperation with the Group's operating units.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from cash and cash equivalents, accounts receivable, due from related parties, other financial assets and derivative financial instruments.

The carrying amount of financial assets represents the maximum credit exposure.

Cash and cash equivalents and other financial assets

Cash and cash equivalents and other financial assets are held with counterparties with sound credit ratings. The Group regularly updates its cash flow and, where appropriate, places any excess cash on short-term investments with reputable financial institutions.

GOVERNANCE

Risks (Continued)

Accounts receivable

The Group has established a credit policy under which credit assessment is being made to check the credit worthiness of major customers prior to signing the contracts/accepting their purchase orders.

The receivables are shown net of allowance for impairment loss on accounts receivable. The Group applies the simplified approach to calculate impairment loss on accounts receivable and this always recognizes lifetime ECL on such exposures. ECL on these financial assets are estimated using a flow rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic

conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Credit and Collection Operations provide inputs on the aging of financial assets on a periodic basis.

The Group has 2 major customers representing 28% of total accounts receivable as at 31 December 2020 (31 December 2019: 19%). The rest of the balances do not have significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The age analysis of net accounts receivable is as follows (SAR '000,000s):

	31 December 2020	31 December 2019
Current	786	670
Within two months	600	465
From two months to three months	167	121
More than three months	2,342	1,778
	3,895	3,034

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Management closely and continuously monitors the liquidity risk by performing regular reviews of available funds, present and future commitments, operating and capital expenditure. Moreover, the Group monitors the actual cash flows and seeks to match the maturity dates of its financial assets and its financial liabilities.

The Group seeks continuously to comply with its legal obligations, including any relating to its financing agreements.

The following represents the maturities of financial liabilities at the reporting date based on undiscounted contractual cash flows (SAR '000,000s):

	Less than one year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
At 31 December 2020					
Loans and notes payable	1,669	6,997	4,476	13,142	11,484
Lease liabilities	898	1,492	534	2,924	2,605
Accounts payable	4,669	-	-	4,669	4,669
Due to related parties	153	-	-	153	153
Other financial liabilities	-	155	154	309	250
Derivatives financial instruments	79	-	-	79	79
	7,468	8,644	5,164	21,276	19,240
At 31 December 2019					
Loans and notes payable	1,371	7,246	6,158	14,775	12,385
Lease liabilities	770	1,537	564	2,871	2,509
Accounts payable	5,093	-	-	5,093	5,093
Due to related parties	265	-	-	265	265
Other financial liabilities	-	155	192	347	275
Derivatives financial instruments	56	-	-	56	56
	7,555	8,938	6,914	23,407	20,583

MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates, profit rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. The Saudi Riyal is pegged to the US Dollar.

The Management closely and continuously monitors the exchange rate fluctuations. Based on its experience and market feedback, the Management does not believe it is necessary to hedge the effect of foreign exchange risks as most of the transactions of foreign currency risk are relatively limited in the medium-term.

Profit rates risk

Profit rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Group's exposure to market risk for changes in profit rates relates primarily to the Group's borrowings which were acquired to finance working capital requirements and capital expenditure. These borrowings are re-priced on a periodic basis and expose the Group to profit rate risk. The Group's practice is to manage its financing cost through optimizing available cash and minimizing borrowings.

The Group seeks to ensure that in the medium-term a significant portion of its borrowings is at a fixed rate. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using profit rate swaps as hedges of the variability in cash flows attributable to movements in profit rates.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference profit rates, tenors, re-pricing dates, maturities and the notional amounts.

GOVERNANCE

Statement of Compliance

These consolidated financial statements comprise the financial information of the Company and its subsidiaries (together referred to as the "Group").

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all periods presented.

These consolidated financial statements have been approved for issuance by the Board of Directors on 20 February 2021 (corresponding to 8 Rajab 1442H).

GOVERNANCE

Summary of Assets, Liabilities and Business Results

The following tables summarize the Consolidated Balance Sheet, Consolidated Operating Income and Consolidated Statement of Income as at 31 December 2020, 2019, 2018, 2017 and 2016:

Summary of consolidated balance sheet (SAR '000,000s)

	2020	2019	2018	2017	2016
Current assets	6,483	6,512	7,101	7,494	6,886
Non-current assets	31,933	32,704	31,461	32,993	34,385
Total assets	38,416	39,216	38,562	40,487	41,271
Current liabilities	10,993	11,367	11,554	11,936	17,893
Non-current liabilities	12,978	14,098	13,139	14,297	8,422
Total liabilities	23,971	25,465	24,693	26,233	26,315
Shareholders' equity	14,445	13,751	13,869	14,254	14,956
Total liabilities and equity	38,416	39,216	38,562	40,487	41,271

As at 31 December 2020, total assets amounted to SAR 38,416 million, while total liabilities amounted to SAR 23,971 million and Shareholders' equity amounted to SAR 14,445 million.

Property and equipment represented the majority of assets, amounting to a net book value of SAR 21,321 million, while the majority of liabilities consisted of loans and notes payable

totalling SAR 11,484 million. These have been used towards general purposes, including capital expenses, upgrades and improvements to the Company's infrastructure, in addition to working capital requirements. Employees' end-of-service provisions amounted to SAR 485 million at 31 December 2020.

Summary of consolidated operating income (SAR '000,000s)

	2020	2019	2018	2017	2016
Usage	9,664	9,347	8,225	8,457	9,875
Activation and subscription fees	2,396	2,308	2,419	2,115	1,868
Other	1,986	1,795	1,221	779	826
Total revenues	14,046	13,450	11,865	11,351	12,569

GOVERNANCE

Summary of Assets, Liabilities and Business Results (Continued)

Summary of consolidated statement of income (SAR '000,000s)

	2020	2019	2018	2017	2016	Value change 19/20	Percentage change 19/20
Revenue	14,046	13,450	11,865	11,351	12,569	596	4.43%
Cost of sales	(5,894)	(5,650)	(5,283)	(4,821)	(5,144)	(244)	4.32%
Gross profit	8,152	7,800	6,582	6,530	7,425	352	4.51%
Selling and marketing expenses	(1,391)	(1,277)	(1,286)	(1,234)	(1,270)	(114)	8.93%
General and administrative expenses	(1,407)	(1,509)	(747)	(1,450)	(2,138)	102	(6.76%)
Depreciation and amortization	(3,970)	(3,917)	(3,809)	(3,626)	(3,782)	(53)	1.35%
Profit / (Loss) from operations	1,366	967	603	19	287	399	41.26%
Finance expenses	(561)	(929)	(799)	(678)	(566)	368	(39.61%)
Finance income	21	45	35	12	23	(24)	(53.33%)
Zakat	(43)	(49)	38	(61)	43	6	(12.24%)
Net Profit / (Loss)	783	31	(123)	(709)	(214)	752	2,425.81%

- Net profits for 2020 totaled SAR 783 million, compared to a net profit of SAR 31 million in 2019. This improvement is mainly due to the growth of revenues, the Company's efficiency in managing its operations and the decline of financial charges.
- Gross profit in 2020 totaled SAR 8,152 million, compared to SAR 7,800 million in 2019, with the increase of 4.51% resulting mainly from the improvement of revenues.
- Revenues for 2020 were SAR 14,046 million, compared to SAR 13,450 million in 2019, amounting to an increase of 4.43%. This was mainly due to the growth of data revenues, the growth of the Business Unit and wholesale revenues, in addition to the growth and improvement of the subscribers' base.
- The earnings before interest, tax, depreciation and amortization (EBITDA) margin amounted to 38.1% in 2020, compared to 36.8% in 2019.
- Operational profit (EBIT) in 2020 was SAR 1,366 million, compared to SAR 967 million in 2019, reflecting an increase of 41.3%. This was mainly due to the improvement in earnings before interest, tax, depreciation and amortization (EBITDA), through the growth of revenues and the Company's efficiency in managing its operations.

GOVERNANCE

Loans

Loans and notes payable (SAR '000,000s)

	2020	2019
Long-term loans	11,483	12,385
Less: current portion	(1,349)	(1,157)
Non-current	10,134	11,228

a) Maturity profile of loans and notes payable:

	2020	2019
Less than one year	1,349	1,157
From one to five years	5,894	5,330
More than five years	4,240	5,898

GOVERNANCE

Loans (Continued)

b. Details of loans and notes payable as at 31 December 2020 are as follows. It should be noted that the amounts that have been paid during 2020 amount to SAR 1,242 million.

Lender	Borrowing Company	Loan nature	Borrowing purpose	Issue date	Currency	Principal amount
Local banks Syndicated	Mobily	Long-term refinancing facility agreement Sharia' compliant	Replace the 2017 Syndicate financing	Q4, 2019	Saudi Riyals	SAR 7,619 million
Export Credit Agency of Finland (Finnvera)	Mobily	Long-term financing agreement Sharia' compliant	Acquiring network equipment from Nokia to upgrade and enhance the infrastructure capabilities, introduce new technologies, and strengthen the Company's competitiveness in the business segment	Q3, 2013, Q1, 2014 and Q4, 2018	US Dollars	USD 720 million (SAR 2,700 million)
Export Credit Agency of Sweden (EKN)	Mobily	Long-term financing agreement Sharia' compliant	Acquiring network equipment from Ericsson to upgrade and enhance the infrastructure capabilities, introduce new technologies, and strengthen the Company's competitiveness in the business segment	Q3, 2013, Q1, 2014 and Q4, 2018	US Dollars	USD 652 million (SAR 2,444 million)
Saudi Investment Bank	Mobily	Long-term financing agreement Sharia' compliant	Financing the Company's working capital requirements	Q4, 2013	Saudi Riyals	SAR 1,500 million
Export Development of Canada (EDC)	Mobily	Long-term financing agreement Sharia' compliant	Acquiring telecommunication devices and equipment from Alcatel-Lucent	Q2, 2014	US Dollars	USD 122 million (SAR 458 million)
Alinma Bank	Mobily	Long-term financing agreement Sharia' compliant	Replace the December 2016 financing with Bank Alinma and for the general corporate purposes including capital expenditure	Q4, 2019	Saudi Riyals	SAR 3,000 million
Total						

Utilized amount	Profit rate	Payment terms	Period	Current portion	Non-Current portion	Total (remaining due amount)	Other terms	Paid-up Amount
SAR 7,619 million	SIBOR plus profit margin	Semi-annual repayments	7 years	SAR 371 million	SAR 7,002 million	SAR 7,373 million	Repayment period of 7 years	SAR 190 million
USD 720 million (SAR 2,700 million)	Fixed rate per annum	Semi-annual repayments	10 years	SAR 339 million	SAR 905 million	SAR 1,244 million	Utilization period of 1.5 years, repayment period of 8.5 years	SAR 360 million
USD 629 million (SAR 2,358 million)	Fixed rate per annum	Semi-annual repayments	10 years	SAR 279 million	SAR 805 million	SAR 1,084 million	Utilization period of 1.5 years, repayment period of 8.5 years	SAR 298 million
SAR 1,500 million	SIBOR plus profit margin	Semi-annual repayments	7.5 years	SAR 319 million	-	SAR 319 million	Utilization period of 6 months, repayment period of 7 years	SAR 350 million
USD 101 million (SAR 377 million)	Fixed rate per annum	Semi-annual repayments	10.5 years	SAR 41 million	SAR 124 million	SAR 165 million	Utilization period of 2 years, repayment period of 8.5 years	SAR 44 million
SAR 1,300 million	SIBOR plus profit margin	Semi-annual repayments	10 years	-	SAR 1,298 million	SAR 1,298 million	Payable over a period of 10 years with 3 years grace period	-
				SAR 1,349 million	SAR 10,134 million	SAR 11,483 Million		SAR 1,242 million

GOVERNANCE

Statutory Payments

Paid and due statutory payments (SAR '000,000s):

Item	Payable to	2020		Short description and reason
		Paid	Due for the end of the fiscal year, not paid	
Zakat	General Authority of Zakat and Tax	45	74	In accordance with the relevant laws and regulations
Tax	General Authority of Zakat and Tax	1,004	153	In accordance with the relevant laws and regulations
GOSI fees	General Organization for Social Insurance	127	11	In accordance with the relevant laws and regulations
Visa and Passport costs	Ministry of Interiors	2	-	In accordance with the relevant laws and regulations
Labor Office fees	Ministry of Labor	13	-	In accordance with the relevant laws and regulations

Zakat provision

The Group is subject to zakat according to the regulations of the General Authority of Zakat and Tax (GAZT) in the Kingdom of Saudi Arabia. The Group files its zakat returns on a consolidated basis, starting from the financial year ended 31 December 2009 and thereafter, where it includes the Company and its subsidiaries, due to the fact that the Group is one economic entity wholly owned and managed by the Company.

The Group has filed its zakat returns with GAZT for the years through 2019 and settled its zakat thereon. During the year ended 31 December 2016, the Group submitted adjusted zakat returns for the years 2013 and 2014, as a result of restatement of the consolidated financial statements for the said years.

The Group has finalized its zakat status for the years up to 2008. The Group has received zakat and withholding tax assessments for the years 2009, 2010, 2011 and 2014 to 2018 that showed additional zakat and withholding tax liabilities of SAR 160 million and SAR 159 million respectively, which have been appealed against by the Group at the Preliminary and Higher Appeal Committees. Recently, the Higher Appeal Committee has issued certain rulings in favor of the Company related to zakat and withholding tax disputes. Management believes that it has sufficient grounds to contest the matters included in the assessments and the eventual outcome of the appeal process will not result in any significant liability.

Zakat Provision (SAR '000,000s)

	31 December 2020
Balance at the beginning of the year	76
Charge during the year	43
Payments during the year	(45)
Balance at the end of the year	74

GOVERNANCE

Lawsuits and Penalties

The CITC's Violation Committee has issued several penalty resolutions against the Company during 2020, which the Company has opposed to in accordance with the Telecom Status and its implementing regulations. The reasons for issuing these resolutions vary between the manner followed in issuing prepaid SIM Cards and providing promotions that have not been approved by CITC, or other reasons.

The Company aims to avoid recurrence of such penalties through the following procedures:

1. Constantly organizing workshops targeting Mobily employees, especially PoS and Customer Service employees
2. Complying with CITC's resolutions related to customer complaints
3. Raising awareness about new regulations, especially with regards to the establishment of telecom cards, as well as meeting the regulatory terms of the service
4. Complying with tariff services' laws and controls

The Company also focuses on allocating the necessary HR resources and policies to address violations within the legal period in compliance with CITC's terms, conditions and regulations.

There are 188 lawsuits filed by some of the Shareholders against the Company before the Committee for the Resolutions of Security Disputes and still being adjudicated by the said Committee. As of 31 December 2020, the Company has received 159 final favorable verdicts, whereas 11 cases have been dismissed, 4 cases are suspended, 2 cases are abandoned and 12 cases remain ongoing.



GOVERNANCE

Annual Review of the Effectiveness of Internal Control Procedures

The formulation of the Audit Committee (Referred to below the "Committee") in Mobily, took into consideration the requirements of corporate governance in terms of its composition and direct association with the Board of Directors (Referred to below "BoD") of the company. The Committee main contribution was on reviewing the financial statements and accounting policies and the supervision of the work of internal audit, external auditors and compliance. The Committee held five meetings during the year 2020.

The Committee's main contribution during the year 2020:

The Committee during the year 2020 carried out various activities within its scope of responsibilities; of which the main activities are the following:

- Review and approve internal audit plan for the year 2020, and ensured that sufficient resources are provided to internal audit in a manner that maintain its effectiveness. The Committee also reviewed and approved the Chief Audit Executive performance & objectives for the years 2020.
- Oversee the internal audit department and follow up on the execution of its plan, including overseeing two important projects; one for internal control framework implementation over financial reporting and another for deployment of continuous auditing.
- Review and discuss internal audit reports issued during the year 2020 and the progress made in the implementation of internal audit recommendations by respective departments.
- Supervise the work of external auditors and meet them periodically.
- Review annual financial statements as at 31/12/2020, and approve quarterly financials and submit its recommendations to the BoD.
- Review of the "management letter" on internal controls issued by the external auditors and the implementation of its recommendations.
- Review bids received for external audit services and recommend the appointment of external auditors for the fiscal years 2021 and 2022, from Q2 2021 thru Q1 2023.
- Reviewing a set of new policies and updates on other existing ones, and recommended presentation to and approval by the Board.
- Follow up on different activities and projects geared to strengthen internal controls system of the company and business continuity, including following up on the project for updating fixed assets, project for disaster recovery data center, and leveraging technology in various aspects of the company's processes.
- Review management proposals regarding doubtful debts provisions and providing pertinent recommendation to the Board of Directors for approval.

- Review reports from company's management on legal and regulatory compliance requirements and follow up on the implementation of pertinent recommendations.
- Review the necessary arrangements for enabling employees a mechanism to communicate their concerns in a confidential manner.
- Inform Board of Directors periodically, thru minutes of its meetings, and reporting at board meetings on the Committee's activities.

Internal Control System:

The internal control system is designed to give reasonable assurance on the achievement of the organization's established goals; effectively and efficiently. It includes, but not limited to issuing reliable financial reports, adequate compliance with laws, regulations and policies, as well as proper management of business risks to minimize their impacts on the achievement of company's goals. Internal control system, as well, plays an important role in preventing fraud and protecting company's resources. The management of the company is responsible for implementing a comprehensive and effective internal control system relative to the risks the company might be exposed to; with reasonable cost and benefit to give acceptable level of assurances to avoid material errors and related losses.

- The Committee reviews the reports that are provided periodically by internal and external auditors and by different departments having internal control roles within the company. The outcomes of annual reviews over internal control system of the company showed reasonable improvements over the year, and under Committee's supervision, the company will continue its periodic assessment and reviews of the system of internal control to ensure the achievement of the set objectives of internal control system to improve the efficiency and effectiveness of the operations and compliance with all applicable laws and relevant regulations.

GOVERNANCE

Corporate Governance Compliance

Following the review of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Company has adopted the rules and standards pursuant to these Regulations. To illustrate the Company's compliance with the Regulations, the Company applies all provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the provisions below:

Article/ Paragraph No.	Text of Article/Paragraph
Article 32 – Paragraph B	The Board shall convene no less than four meetings per year, and no less than one meeting every three months.
Article 41 – Paragraph D	The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees meetings and dedicating adequate time thereof.
Article 50 – Paragraph 6	Without prejudice to Article (101) of the Companies Law and Article (54) of these Regulations, the Board shall form specialized committees as follows: 6) the Company shall provide the Authority with the names of the members and the types of their memberships in such Board's committees within five (5) days of their appointment, and shall notify the Authority of any changes thereto within five (5) days of the date of such changes.
Article 54 – Paragraph b	The Chairman of the Audit Committee shall be an Independent Director.
Article 85 – Paragraph 3	The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following: 3) Establishing social organizations for the benefit of the Company's employees
Article 87	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.
Article 90 – Paragraph 8	
Article 93 – Paragraph a-4-b	Disclosure of the remuneration of five Senior Executives in details pursuant to the schedule appended to the Corporate Governance Regulations.
Article 93 – Paragraph B	
Article 90 – Paragraph 19	The Board's report shall include the Board's operations during the last fiscal year and all factors that affect the Company's businesses, such report shall include the following: 19) Geographical analysis of the Company's and its affiliates' revenues.
Article 95	If the Board forms a Corporate Governance Committee, it shall assign to it the competencies stipulated in Article (94) of these Regulations. Such Committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.

Reasons for non-application

This is a guiding paragraph.

The Board of Directors convened 6 meetings in 2020, but the interval between all the meetings was not 3 months. This has not affected the Board's performance

This is a guiding article.

The Board of Directors did not establish individual assessment indicators for this year.

Mobily notifies CMA in case of any changes in Board memberships, the type of membership or committees. But the Authority was not notified of the change in one of the Remunerations and Nominations Committee members within 5 days of the change due to an "unintentional" technical error, where the email was not delivered to the concerned team of notifying the authority of the change due to work-from-home arrangements during the pandemic.

It is a guiding paragraph.

The Chairman of the Audit Committee is a Non-Director who is completely independent.

It is a guiding article.

The Company establishes other programs for developing and encouraging the participation and performance of the Company's employees.

It is a guiding article.

The Company continuously participates in various social activities that aim to achieve sustainability and achieve set objectives, while improving the community's social and economic conditions at the same time

The company has disclosed the components of the senior executives' remuneration collectively in accordance with the statutory requirements contained in subparagraph (b) of Paragraph (4) of Article (93) of the Corporate Governance Regulations. However, to protect the interests of the company, its shareholders and its employees, and to avoid any damage that may result due to the disclosure in detail according to the titles and the position, the details were not presented as mentioned in Appendix (1) of the Senior Executives of the Corporate Governance Regulations.

Given the nature of the telecoms sector, a geographic analysis of the Company's total revenues is not available. The reason is that subscriber-generated revenue is not linked to a certain location or area.

Mobily InfoTech India Private Limited (India) is a cost center, with an activity of IT software development and provision of IT technical support services. National Company for Business Solutions FZE, headquartered in UAE, is a cost center that is wholly owned by the subsidiary

This is a guiding article.

The Board of Directors ensures compliance with the Company's governance rules, as well as reviewing and updating these rules, and improving the Company's Code of Conduct, and other policies and internal procedures. Board members are constantly informed about the latest developments in the area of governance.

GOVERNANCE

Corporate Governance Compliance (Continued)

It should be noted that:

- There is no conflict between the recommendations of the Audit Committee and the Board resolutions as to appointing or dismissing the Company's External Auditor or determining its remuneration, assessing its performance or appointing the Internal Auditor
- According to Article 67 of RULES ON THE OFFER OF SECURITIES AND CONTINUING OBLIGATIONS, the Company has not been informed of any interest in voting right shares owned by any person (other than Board members and Senior Executives and their relatives)
- No convertible debt instruments, contractual securities, pre-emptive right or similar rights were issued or granted by the Company during the fiscal year
- No conversion or subscription rights under any convertible debt instruments, contractual based securities, warrants or similar rights were issued or granted by the Company
- There was no redemption, purchase or cancellation by the Company of any redeemable debt instruments
- No Shareholder of the Company has waived any rights to dividends
- No investments or reserves were made or set up for the benefit of the employees of the Company
- The Auditor's Report does not contain any reservation about the Annual Financial Statements
- The Board of Directors did not recommend replacing the External Auditor before the end of its term
- There are no treasury shares retained by the Company
- There is no inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants

GOVERNANCE

Declarations of the Board of Directors

The Board of Directors declares the following:

- Proper books of account have been maintained
- The system of internal control is sound in design and has been effectively implemented
- There are no significant doubts concerning the Company's ability to continue its activity

Board of Directors
Etihad Etisalat Co. (Mobily)
March 2021