



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 - Five million five hundred thousand Saudi Riyal)
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**Limited assurance report to the shareholders of
Saudi Telecom Company
(A Saudi Joint Stock Company)**

Scope:

We have been engaged by Saudi Telecom Company ("the Company") to perform a "limited assurance engagement" as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as ("the engagement"), to report on the Company's compliance with the requirements of Article (71) of the Companies' Law (the "Subject Matter") contained in the Company's attached notification (Appendix A) which is presented by the Company's Board of Directors Chairman to the Ordinary General Assembly on the transactions and contracts in which a member of the Company's board of directors has a direct or indirect personal interest in them dated 21 June 2022.

Criteria Applied by the Company:

In preparing the Subject Matter, the Company applied the below criteria (the "Criteria"). Such Criteria was specifically designed to comply with the requirements of Article (71) of the Companies' Law. As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies' Law issued by the Ministry of Commerce as amended (1439H - 2018).
- Notification presented by the Company's Board of Directors Chairman to the Ordinary General Assembly (Appendix A) dated 21 June 2022.
- Declarations submitted by one of the Company's board of directors' members regarding the transactions and contracts in which the member of the Company's board of directors has a direct or indirect personal interest in them dated 21 June 2022.

Company's Responsibilities:

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

Our Responsibilities:

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

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000")* endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 30 June 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



**Limited assurance report to the shareholders of
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(A Saudi Joint Stock Company) - continued**

Our Responsibilities (continued):

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

Our Independence and Quality Control:

We have maintained our independence and confirm that we have met the requirements of the professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Control 1, "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed:

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

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

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

Our procedures included:

- Obtained the notification presented by the Company's Board of Directors Chairman to the Ordinary General Assembly (Appendix A) regarding transactions and contracts entered between a member of the board of directors' directly or indirectly with the Company.
- Obtained the declarations from one of the Company's board of directors' members for the transactions and contracts done with the Company in which the member of the Company's board of directors has a direct or indirect personal interest in them dated 21 June 2022.
- Obtained Board of Directors minutes of meetings that indicates some members notification to the Board of Directors of transactions and contracts done with the Company in which a member of the Company's board of directors has a direct or indirect personal interest in them.

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

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Other Matters:

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

Conclusion:

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

Ernst & Young
Professional Services

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



Riyadh: 27 Dhu Al-Hijjah 1443H
(26 July 2022G)

**Dear stc Shareholders,
Notification of the businesses and
contracts in which the Members of
the Board of Directors have a direct
or indirect interest with the company**

In reference to Article 71 of the Companies Law issued by the Ministry of Commerce, which stipulated that "Any Member of the Board of Directors should not have any direct or indirect interest in the transactions and contracts that are carried out for the account of the company, except with authorization from the Ordinary General Assembly, according to the regulations enacted by the competent authorities, and should notify the Board of Directors on any direct or indirect interest in the transactions and contracts that are carried out for the account of the company."

Therefore, we would like to inform stc Shareholders on the transactions and contracts where stc Board Member(s) will have a direct or indirect interest, and stc is seeking to obtain the General Assembly authorization on:

Voting on transactions and contracts between stc and Wala'a Cooperative Insurance Co. (Wala'a). The transactions and contracts have an indirect interest for Mr. Jameel A. Al-Mulhem, a Member of the Boards of Directors of stc and Wala'a. The disclosed indirect interest is regarding the agreement with Wala'a, which includes signing contracts to provide stc with insurance coverages for three years starting 3/6/2022 for an amount of S.R. 36.76 million per annum and as part of the ordinary businesses that have offered no preferential advantages.

Yours faithfully.

رئيس مجلس الإدارة

Chairman, Board of Directors

محمد بن خالد العبدالله الفيصل

Mohammed K. A. AlFaisal

**السادة مساهمي شركة الاتصالات السعودية،،،،،الكرام
تبليغ عن الأعمال والعقود التي لأعضاء مجلس الإدارة
مصلحة مباشرة أو غير مباشرة فيها مع شركة
الاتصالات السعودية (الشركة).**

إشارة إلى متطلبات المادة (٧١) من نظام الشركات، التي تنص على "لا يجوز أن يكون لعضو مجلس الإدارة أي مصلحة مباشرة أو غير مباشرة في الأعمال والعقود التي تتم لحساب الشركة إلا بترخيص من الجمعية العامة العادية، ووفقاً للضوابط التي تضعها الجهة المختصة، وعلى عضو مجلس الإدارة أن يبلغ المجلس بما له من مصلحة مباشرة أو غير مباشرة في الأعمال والعقود التي تتم لحساب الشركة".

عليه نود إبلاغكم بالتعاملات والعقود التي ستكون لأعضاء مجلس الإدارة مصلحة مباشرة أو غير مباشرة فيها، التي تسعى الشركة للحصول على ترخيص من الجمعية العامة عليها وهي على النحو التالي:

التصويت على الأعمال والعقود التي تمت بين الشركة وشركة ولاء للتأمين التعاوني، التي لعضو مجلس الإدارة الأستاذ/ جميل بن عبدالله الملحم، مصلحة غير مباشرة فيها، باعتباره عضو في مجلس إدارة الشركة وعضو في مجلس إدارة شركة ولاء للتأمين التعاوني، وهي عبارة عن اتفاقية توقيع عقود لتقديم تغطيات تأمينية لمدة ثلاث سنوات ميلادية اعتباراً من تاريخ ٣ يونيو ٢٠٢٢ ذلك ضمن سياق الأعمال الاعتيادية ولم تمنح أي مزايا تفضيلية، بمبلغ ٣٦.٧٦ مليون ريال سعودي في السنة.

وتقبلوا وافر التحية والتقدير.