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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 some members of the Company's board of directors have a direct or indirect personal interest in them dated 13 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 13 June 2022.
- Declarations submitted by some of the Company's board of directors' members regarding the transactions and contracts in which some members of the Company's board of directors have a direct or indirect personal interest in them dated 13 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" "Revised")* 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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**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 some of the board of directors' members directly or indirectly with the Company.
- Obtained the declarations from some of the Company's board of directors' members for the transactions and contracts done with the Company in which some members of the Company's board of directors have a direct or indirect personal interest in them dated 13 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 some members of the Company's board of directors have 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 Dhul Hijjah 1443H  
(26 July 2022G)

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1443/11/14 2022/06/13

المصدر المعلم  
 الأمانة العامة لمجلس الإدارة



## To the shareholders of stc company

### Notification of business and contracts in which members of the Board of Directors have a direct or indirect interest with Saudi Telecom Company (stc) (the "Company")

With reference to the requirements of item 71 of the Company's law, which states, "a member of the Board of Directors cannot have any direct or indirect interest in the business and contracts that are made for the company unless a license from the Ordinary General Assembly was provided to the member. Therefore, any member of the Board of Directors is obliged to inform that Board of his direct or indirect interest in the business and contracts that are made for the company".

Accordingly, we would like to inform you of the following transaction and contract in which members of the Board of Directors have an indirect interest on, which the company is seeking a license from the General Assembly, which is summarized as follows:

Approve the Company's entry and execution of the Joint Venture Agreement (the agreement) with eWTPA, Ali Cloud (Singapore), SCAI, and SITE, in which the following members has an indirect interest as a representative of the PIF: His Excellency Dr. Khaled H. Biyari, Mr. Yazeed A. AlHumied, Ms. Rania M. Nashar, Mr. Arndt F. Rautenberg, and Mr. Sanjay Kapoor. The agreement is to establish a limited liability company ("the New Company") in the

## السادة مساهمي شركة الاتصالات السعودية الكرام

### تبلغ عن الأعمال والعقود التي لأعضاء مجلس الإدارة مصلحة مباشرة أو غير مباشرة فيها مع شركة الاتصالات السعودية (الشركة)

إشارة إلى متطلبات المادة (VI) 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 بالتعامل والعقد التالي والذي سيكون لبعض أعضاء مجلس الإدارة مصلحة غير مباشرة فيه، التي تسعى الشركة للحصول على ترخيص من الجمعية العامة عليه على النحو التالي:

الموافقة على دخول وإبرام الشركة لاتفاقية شراكة مع شركة eWTPA للابتكار التقني المحدودة وشركة علي بابا كلاود (سنغافورة) الخاصة المحدودة والشركة السعودية للكفاء الاصطناعي "سكاي" والشركة السعودية لتقنية المعلومات "سايت"، والتي لأعضاء مجلس الإدارة التالية أسماؤهم مصلحة غير مباشرة فيها كونهم ممثلين عن الصندوق والذي يملك شركتي سكاي وسايت بالكامل وهم: معالي الدكتور خالد بن حسين البياري، والأستاذ/ يزيد بن عبدالرحمن الحميد، والأستاذة/ رانيا بنت محمود

field of Cloud Computing. The New Company's business is in line with the expected growth and increasing demand for Internet of Things services and products, it aligns with stc's growth strategy, and Saudi Arabia's Vision 2030 for a "connected nation". The New Company will be headquartered in the Kingdom of Saudi Arabia.

The New Company's capital will amount to SAR 849 million upon establishment; the shares are distributed as follows: ("STC" 55%, "eWTPA" 27%, "Ali Cloud" 10%, "SCAI" 4%, "SITE" 4%).

However, the Public Investment Fund owns all the shares of "SCAI" and "SITE", and the fund is considered a related party, as the fund is one of the major shareholders of "STC".

نشار، والأستاذ/ أردنت راوتينبيرق، والأستاذ/ سانجاي كابور، وهي اتفاقية سيتم ابرامها لغرض إنشاء شركة ذات مسؤولية محدودة متخصصة في مجال الحوسبة السحابية في المملكة العربية السعودية "الشركة الجديدة"، وهو ما يتماشى مع النمو المتوقع والطلب المتزايد على خدمات ومنتجات إنترنت الأشياء، ويتوافق كذلك مع استراتيجية النمو للشركة، ومع رؤية المملكة العربية السعودية ٢٠٣٠ "لوطن متصل"، وسيكون مقرها الرئيسي في المملكة العربية السعودية.

وببلغ رأس مال الشركة الجديدة ٨٩٤ مليون ريال سعودي عند التأسيس. وتتوزع الحصص فيها كالآتي: ("اس تي سي" ٥٥٪، "eWTPA" ٢٧٪، "علي كلاود" ١٠٪، "سكاي" ٤٪، "ساي ت" ٤٪).

وعليه فإن صندوق الاستثمارات العامة يملك كامل اسهم شركتي "سكاي" و "ساي ت" ويعتبر الصندوق طرفاً ذو علاقة حيث ان الصندوق من كبار مساهمي "اس تي سي".

وتقبلوا وافر التحية والتقدير

### رئيس مجلس الإدارة

  
محمد بن خالد العبدالله الفيصل  
Chairman, Board of Directors  
Mohammed Khaled AlAbdullah AlFaisal

