



Ooredoo Kuwait

**EXTERNAL AUDITORS' APPOINTMENT &
ROTATION
POLICY**

Policy reference number			
Last Approval Date		Next Revision Date	
Owner	Audit and Risk Management Committee	Final Approval	Board of Director

DOCUMENT CONTROL SHEET

Creation Date: 25 March 2024	Document Owner: Audit and Risk Management Committee (ARC)
Department: Audit and Risk Management Committee (ARC)	Current Version Number: 1.0

Review Record				
Date	Version	Reviewed by	Title	Signature

Distribution		
Version	Name	Location

Approvals		
Name	Designation	Signature



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1. Policy

This policy governs the appointment and rotation of the External Auditors. This Policy is to be read in conjunction with the Audit and Risk Management Committee Charter ("ARC") and OK Decision Rights.

2. Audit Partner/Firm Rotation

The External Auditor/firm rotation and re-appointment process shall be as per the applicable laws. In compliance with Article (1-15), Module Twelve "Listing Rules" of Law No. 7 of 2010 on the Establishment of the Capital Markets Authority ("CMA Law"), The Company shall:

- i. Appoint an Auditor from the auditors registered within the Authority for one financial year, renewable annually for not more than four consecutive years, unless it is in the liquidation phase, provided that such Auditor is not a manager, an official, an employee or a partner in the Listed Company.
- ii. The same Auditor may be reappointed after the lapse of at least two consecutive years.
- iii. The Listed Company shall notify the Capital Markets Authority within a period of no more than seven Business Days from the date of appointment, replacement, or resignation of the Auditor.
- iv. The provisions of this article is applicable without prejudice to the rules set by the Central Bank of Kuwait in this regard for Units Subject to the Supervision of the Central Bank.

3. Independence Requirements

The External Auditor shall be prohibited from engaging in non-audit services that could potentially create a conflict of interest and compromise their independence.

To establish independence, the External Auditor must refrain from maintaining any financial, employment, or business relationship with Ooredoo Kuwait, whether direct or indirect, which encompasses the following scenarios:

- Giving rise to a conflict of interest.
- Placing the External Auditor in a position to audit their own work.
- Resulting in the External Auditor assuming the role of an employee of agent of Ooredoo Kuwait.
- Subjecting Ooredoo Kuwait to an Advocacy threat.

4. Criteria for Selecting Auditors

We align with mandates from the Board and strictly follow the criterial below:

Legal Guidelines

- a) Be a natural person.
- b) The auditor must be registered in the auditors' register of CMA.
- c) The auditor must be registered in the auditors' register of Ministry of Commerce and Industry ("MOCI") has been practicing for at least 5 years from the date of registration and must be licensed from MOCI.
- d) The number of employees with the auditor / audit teams shall not be less than five full-time employees.
- e) Hold a bachelor's degree in accounting from Kuwait University, or an equivalent university or higher institute considered by the Minister of Education. The auditor must also be a member of an association of accountants for which a decision by the Minister of Commerce & Industry has been issued.
- f) Fulfill all the requirements of Article 3-4 of Module 5, Chapter 3 of Bylaws of CMA Law.
- g) The Auditor so appointed will undertake to comply with bylaws of CMA Law.

5. Recommendatory Guidelines

- a) The auditing firms, which audit Ooredoo Kuwait, should be one of the top international firms having qualified Partners and employees experienced in auditing Ooredoo Kuwait's accounts. Employees in charge of auditing Ooredoo Kuwait's accounts must have professional certificates such as CPA, CA, ACCA or equivalent.
- b) The auditor, signing partner, should be a Kuwaiti national with a full civil capacity, and not less than 25 years old.
- c) The auditor should be a reputable person, and not sentenced to a felony, or a crime that violates honor and honesty, or is sentenced to disciplinary action of violation of profession's honor, unless he has been rehabilitated, or if three years have elapsed since the date of his final conviction of the disciplinary offense.

6. COMPENSATION

The compensation of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the Audit & Risk Committee, as such ensuring for the auditor's independence, subject to the approval of the General Assembly.

7. DUTIES

- 7.1 An External Auditor who is independent and qualified, shall undertake an annual independent audit and quarterly reviews. The purpose of the said audit and review are to provide a reasonable assurance to the Board and Shareholders that the financial statements are prepared in accordance with related Laws and Regulations, international financial reporting standards and accurately represent the financial position and performance of the Company in all material respects.
- 7.2 The Company's External Auditor must attend the Company's Annual General Assembly where he/she shall deliver his/her annual report and answer any queries in this respect.
- 7.3 The External Auditor is accountable to the Shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit.

7.4 The external auditor is responsible for performing the tasks relating to the following:

- Audit the company's accounts according to approved auditing rules, professional requirements, and its scientific and technical basics.
- Inspect the balance sheet and profit and loss account, changes in equity, cash flow and notes of the company.
- Inspect the financial and administrative regulations of the company, its internal financial control regulations and make sure they are suitable for the good progress of the company's business and protecting its funds.
- Verify the company's assets and its ownership of them, as well as verifying the legality of the company's liabilities and their soundness.
- Review the resolutions passed by the board of directors and instructions issued by the company.
- Inspect appropriateness and effectiveness of internal control systems implemented in the company.
- The company's compliance to develop all types of internal policies and procedures, and the appropriateness of them with the company status, as well as its compliance with their implementation.
- The company's compliance with the implementation of the best international standards in auditing and the preparation of financial reports, as well as its compliance with international audit and accounting standards (IFRS) and their requirements.
- The company's cooperation with the external auditor in providing access to the necessary Information to complete its duties.

7.5 The external auditors, as part of their audit process, shall report to the shareholders any significant concern(s) that come to its attention, particularly with respect to:

- Adequacy and efficacy of the internal control systems in place.
- Whether the business is a going concern. (The auditors shall express their reservations, if any, about directors' assumption of going concern)
- The adequacy of the systems set up by the company regarding establishing their legal requirements applicable to the company's area of operations and the compliance with its Articles of Associations and its compliance with the provisions of the law and the Authority's relevant legislations.

7.6 Frauds detected or suspected by the external auditors shall be reported to the Board of Directors. If the fraud is material, however, the auditors shall report the fraud to the appropriate regulators.

8. Approval & Amendments

This policy, and any subsequent amendments in the same, shall be reviewed on a regular basis by the Audit & Risk Committee, or at least every 3 years and submit for final approval of the Board of Directors.