

Corporate Governance Report



We believe that good corporate citizenship starts with strong values, and that you can only expect high standards of conduct from others if you are willing and able to demonstrate them yourself.

Musabbeh Al Kaabi
Chairman

Introduction

At Yahsat, corporate governance is at the heart of everything we do. From our inception as a Mubadala-owned company in 2007 and throughout our journey to becoming a listed company in 2021, the importance of operating with integrity and a strong set of core values has been instilled into the way in which we work.

Our approach to corporate governance has always been to go beyond mere compliance with laws and regulations, focussing on the spirit of the laws and regulations to ensure that we are not just ticking boxes, but that we are critically analysing how we do things to ensure that we consistently achieve the highest standards of conduct.

We believe that good corporate citizenship starts with strong values, and that you can only expect high standards of conduct from others if you are willing and able to demonstrate them yourself. As a listed company and a leading global satellite operator, we strive to lead by example, demonstrating strong corporate governance and recognising its importance to our shareholders, customers, employees and the communities we serve.

Our team has worked over many years to establish a robust framework of values and governance. Our corporate values define how we conduct our business – with integrity and zero tolerance for fraud, bribery, and corruption.

What's Changed in 2021

2021 has been one of the most transformative years in Yahsat's short, but momentous, history. On 14 July 2021, Yahsat was admitted to listing on ADX. In preparation for the listing, we undertook a full review of the Group's IPO readiness, which included an assessment of the Group's governance policies and practices in the context of a listed company environment, to ensure alignment with local and international standards and regulations, as well as to create the necessary degree of independence and separation from our sole shareholder.

Whilst the Group had an extremely strong corporate governance backbone, and very well-developed and comprehensive policies, practices and procedures, all of which had been developed according to Mubadala's strict standards of governance excellence, they were in many cases suited to a private company environment with a sole shareholder. A full review of these policies, practices and procedures was undertaken to ensure that they would operate according to the norms expected of a listed company and to achieve the required degree of separation.

In addition to those policies that were already in place, a gap analysis was performed to identify policies that are exclusive to publicly traded companies and were therefore not already present in Yahsat's governance portfolio as a private company. For example, to name a few, policies relating to securities trading, transparency and disclosure, inside information and investor relations all needed to be scoped and developed.

When reviewing and amending, or creating, these policies, the overriding principle of super-equivalence was applied. Consistent with our general approach to corporate governance, we did not just create policies that merely comply with the letter of the law or regulations. We created policies that not only meet the prescribed standards but go beyond, looking to international best practice and the levels of conduct, responsibility and accountability that we believe lie at the heart of good corporate citizenship.

But the story, of course, does not end there. Policies and practices are only as good as the conviction and actions that support them to ensure their proper and full application in practice. Tone at the top is a critical factor in any effective governance environment, so it was essential that, when reviewing the composition of the Board of Directors, we identified individuals who could continue the impeccable legacy of the previous members of the Board of Directors and maintain the expectations and standards set over many years by Mubadala, as Ychsat's shareholder.

Corporate Governance Overview

The Company's Board of Directors is committed to standards of corporate governance that are in line with both local capital markets regulations and international best practice. This has led to the creation of Ychsat's Corporate Governance Framework, which plays a key role in shaping Ychsat's culture, business practices and regulatory compliance.

The Corporate Governance Framework:

- is aligned with applicable regulatory guidelines and also reflects Ychsat's strategic objectives;
- accords with the corporate governance requirements applicable to joint stock companies listed on the ADX as set out in the UAE Securities and Commodities Authority (SCA) Board Resolution No. (3/R.M) of 2020 concerning adopting the Corporate Governance Guide for Public Joint-Stock Companies (the SCA Corporate Governance Guide);
- is designed to provide oversight of the effective implementation of laws, regulations, policies and procedures applicable to Ychsat and to assist Ychsat's management in ensuring that the range of risks facing Ychsat are properly managed and mitigated within an effective internal control framework;
- is centred around a strong and unerring commitment to its Code of Ethics.

Key Constitutional and Governance Documentation

The principal documents that frame Ychsat's corporate governance environment are:

- Ychsat's Articles of Association
- Board of Directors Charter
- Audit, Risk and Compliance Committee Charter
- Nomination and Remuneration Committee Charter
- Delegation of Authority document
- Corporate Policies

Delegation of Authority

The Company's Delegation of Authority document (DOA) was endorsed by Ychsat's Board of Directors and adopted by Ychsat's sole shareholder, immediately prior to listing of Ychsat's shares. It specifies the distribution of authority among the shareholders, the Board of Directors and management for a variety of types of decision, in a manner that aligns with the corporate governance principles and norms applicable to listed companies. The requirements of the DOA apply to Ychsat and all controlled subsidiaries of Ychsat, except where such entity has its own delegation of authority document (for example, equity partnerships that have a specifically tailored and approved delegation of authority pursuant to a shareholders' agreement).

The DOA allocates the authority to approve commitments and investments among members of the Group's management and the Board of Directors, according to incremental financial thresholds. The financial thresholds were determined according to a data-based quantification of the Group's operational requirements. The DOA lays down a requirement to conduct a competitive tender

