

Corporate Governance Report continued

Position	Total salary and allowances in 2022	Any other cash or in-kind benefits for 2022	Long-term incentive plan (payable in 2022)	Total bonus paid in 2022 (for 2021)*	Total bonus paid for 2022	Notes
General Counsel	887,768.20	81,183.00	NA	580,549.07	NA	until 31 August 2022
	525,389.84		NA	NA	NA	Appointed to role from 1 September, 2022

* Bonus paid in 2022 related to 2021 performance;
Bonus paid in 2023 related to 2022 performance

External Assurance

(i) The Company's External Auditor

KPMG Lower Gulf Limited (KPMG), of Corniche, Nation Tower 2, 19th Floor, PO Box 7613, Abu Dhabi, UAE, was appointed as Ychsat's external auditor for the fiscal year 2022. KPMG provides audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across all major aspects of business and the economy in the United Arab Emirates. The financial year 2022 was the second year of KPMG's appointment as Ychsat's auditors.

Number of years served as Company's external auditor	Two (FY2021 and FY2022)
Partner name	Avtar Jalif
Number of years served as Company's external audit partner	Two (FY2021 and FY2022)
Total fees for auditing the financial statements of 2022 (including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting) out of which AED 1,459,782 was approved in the last AGM while the remaining amount will be submitted for approval in the upcoming AGM	AED 1,551,595
Fees and costs for 2022 in relation to quarterly reviews and xBRL filings	AED 514,150
Statement of the other services performed by an external auditor other than the Company's auditor in 2022 (if any)	Refer to table below

KPMG has issued an unqualified audit opinion with respect to Ychsat's audited consolidated financial statements for the year 2022. Furthermore, KPMG issued an unqualified opinion regarding its review of each of Ychsat's quarterly and half-year financial statements during 2022.

(ii) Other Services Performed by an External Auditor Other Than the Company's External Auditor in 2022

The fees paid/payable for services by audit firms other than the Company's external auditor in 2022 amounted to AED 1,455,749. These fees were against assurance and advisory services for the Group. The audit firms which delivered these services were:

1. Crowe Peak
2. SNG Grant Thornton
3. NCS and Associates PSC
4. KPMG Auditores Independentes Ltda.
5. Adebayo Adefeegbe & Co
6. PricewaterhouseCoopers
7. Deloitte & Touche ME
8. Ernst & Young
9. Deloitte Limited Liability Partnership

Internal Control and Risk Management

(i) Risk and Controls Systems

The Board of Directors acknowledges its responsibilities for ensuring the effectiveness of Ychsat's internal risk and control system.

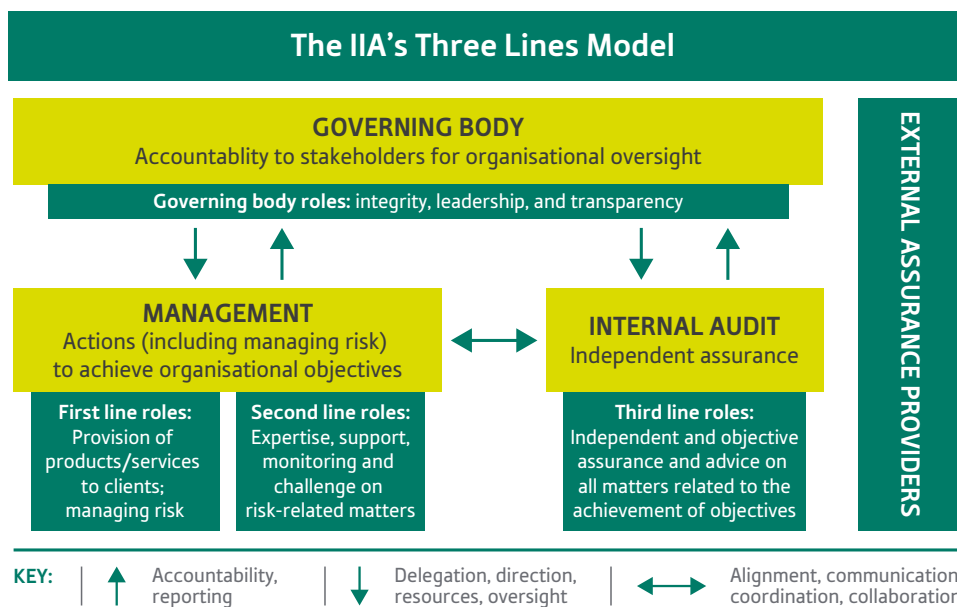
The deployment of effective risk management and internal control is a key success factor towards realising Ychsat's strategic objectives. Therefore, Ychsat has implemented an integrated risk management and internal control approach. The underlying methodology is based on relevant principles set forth by the International Standards Organisation (ISO) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

(ii) Risk and Controls Approach

Ychsat's approach has been developed in accordance with the Three Lines Model of the Institute for Internal Auditors (IIA). It is objective-centric and aims to ensure the effective management of risks that have the potential to obstruct Ychsat from achieving its strategic objectives.

The internal risk and control system is embedded in Ychsat Group in three levels:

- Management's duty to effectively identify, assess and manage the main risks of Ychsat ('first line').
- The risk, internal control, information security, business continuity, health and safety and compliance functions facilitate the business in assessing their risks by the development, communication, training and monitoring of governance, risk and compliance-related policies, processes and frameworks ('second line').
- Ychsat's internal audit function provides independent objective assurance and advice over Ychsat's Risk Management and Internal Control systems ('third line').



(iii) Risk and Controls Organisation

a. Risk Management and Internal Control (Second line)

Yahsat Risk Management and Internal Control (RMIC) is an assurance function designed to create and safeguard value for the Group. As noted above, effective risk management and internal control is a key success factor for realising Yahsat's strategic objectives. The RMIC team endeavours to assist the Group in embedding risk management and internal control into existing/regular business processes, strengthening the first line. This includes integration in critical processes like strategic planning, financial reporting, business planning, budgeting, investment planning (CAPEX), procurement, information security and satellite operations.

For risk management activities, Yahsat has adopted the ISO 31000:2018 principles. For internal control, Yahsat applies the COSO Internal Control – Integrated Framework: 2013 principles. Yahsat's Internal Control over Financial Reporting (ICFR) framework complies with the requirements set forth in the Abu Dhabi Accounting Authority (ADAA) Resolution No. 1 of 2017.

The RMIC function reports administratively to Yahsat's CEO and functionally to the Audit, Risk and Compliance Committee (ARCC).

b. Ethics and Compliance (Second line)

The Yahsat E&C function is primarily responsible for overseeing compliance with the Yahsat Code of Ethics within the organisation, compliance with applicable laws, regulatory requirements, policies and procedures, and adding value and improving Yahsat's operations and activities. It develops and supports all aspects of the Yahsat Group Ethics and Compliance programme and reports to the ARCC on compliance and integrity in the day-to-day business of Yahsat. For further information regarding Yahsat E&C function, its activities and its achievements, please refer to the section entitled "Ethics and Compliance".

c. Internal Audit (Third line)

Yahsat's Internal Audit function is an independent, objective assurance and consulting activity designed to improve and add value to Yahsat's operations and activities. It provides assurance to the ARCC on the 'in control status' of Yahsat and advises management on risk management, compliance and integrity in the day-to-day business. This encompasses operational, financial, IT, compliance audits and enterprise risk management coordination.

The Internal Audit function is governed by adherence to the Institute of Internal Auditors' mandatory guidance, including definition of Internal Audit, Code of Ethics and International Standards for the Professional Practice of Internal Audit (Standards, IPPF). Its activities are conducted in a manner based on a continuous evaluation of perceived business risks and has full and unrestricted access to all activities, documents, records, properties and staff. The Internal Audit Department has issued 8 Internal Audit reports and the Internal Audit plan for 2023 to the ARCC during 2022.

The Internal Audit function reports administratively to Yahsat's CEO and functionally to the ARCC.

(iv) Risk and Controls Framework

The Risk Management and Internal Control (RMIC) framework strives to assist the organisation to integrate risk management and internal control into all its activities and functions. The framework is designed to be a comprehensive set of components that support and sustain risk management and internal control throughout the organisation, including vision, mission, principles, guidelines (and policies), objectives, mandate and commitment, plans, relationships, accountabilities, resources, processes and activities.

Yahsat uses a top down approach for enterprise-wide risk management. A bottom up approach is used for specific business units' risk management. Risk assumptions are routinely revisited to evaluate Yahsat's readiness in treatment of the risks and are updated as necessary.

Yahsat has created an enhanced enterprise-wide top risks catalogue based on the risk assumptions. The top risks are evaluated quarterly with each responsible division head to update the risk trend of each risk and the corresponding risk treatment plans, or to add any new risks. Enterprise-wide top risks are presented to ARCC quarterly.

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In the pursuit of Yahsat's strategic objectives, it is willing to accept measured risks in a responsible way, taking into account our stakeholders' interests. The Yahsat Board annually reviews and sets Yahsat's strategic objectives, while considering opportunities and threats. All major investment decisions (strategic projects, mergers and acquisitions) need Board endorsement or approval. Yahsat has a flexible risk approach to technological innovation. With respect to other risk categories, the approach of the Company towards risks could be qualified as cautious, and as zero tolerance for regulatory and compliance risks.

The Board has delegated certain authority to management, (predominantly pursuant to its Delegation of Authority document (DOA, see commentary on Delegation of Authority in the Section entitled "Corporate Governance Overview")), after performing a data-based quantification of the operational requirements. Commitments, investments and other strategic decisions beyond the applicable delegated limits in the DOA are presented to Yahsat Board of Directors for their review and approval.

In line with ADAA Resolution No. 1 of 2017, the Group has implemented an Internal Control over Financial Reporting (ICOFR) framework. ICOFR is monitored and reviewed at the second level (the RMIC function) and third level (Internal Audit function) internally throughout the year, and reviewed by Yahsat's external auditors for independent assurance twice a year. An efficient ICOFR framework provides reasonable assurance over financial reporting to all stakeholders. The ICOFR updates are reported to the ARCC as a standing agenda item in the ARCC's scheduled quarterly meetings.

(v) Risk and Controls Enhancements

Yahsat continuously strives to strengthen and enhance its risk management, internal control and compliance practices. In 2022, the following activities were performed and enhancements made:

- Regular, periodic reporting to the ARCC on main uncertainties/threat with regards to strategic priorities was introduced
- Effectiveness of the ICOFR framework was tested
- Several risk assessments were performed to support management decision-making
- Compliance with the SCA Corporate Governance Guide was assessed and relevant corporate policies were updated or drafted and implemented (as appropriate)
- Yahsat Fraud Risk Management framework (including the corresponding fraud risk management policy) was formalised
- Yahsat Risk Appetite Statement and Risk Dashboard were developed
- Created Yahsat Policy Framework to ensure streamlined policies
- Training and awareness of Yahsat Group employees on several risk and compliance topics, including but not limited to fraud, information security, Code of Ethics, trading Yahsat shares and disclosure requirements
- Continuous and ongoing monitoring of the external compliance requirements was conducted and non-compliances were proactively highlighted through various compliance activities
- Yahsat's own Code of Ethics was introduced
- Company-wide Compliance trainings were conducted to build upon the Group's 'ethics and compliance oriented' culture

These enhancements allow focused management, discussion and oversight of each business unit's risk and provide real-time partnership and support to our first line.

(vi) Violations

During 2022, Yahsat has not been subject to any material fines or penalties imposed by any government instrumentality, statutory authority or regulator. Additionally, no significant issues were identified with respect to non-compliance with rules or regulations compliance and internal controls.

Heads of Risk and Controls Departments

The expertise and experience of each of the risk and control heads is set out below:

Roy Knaven – Executive Vice President Internal Audit and Risk Management

Mr. Knaven, who was appointed by the Board in June 2017, heads both the Internal Audit and the Risk Management and Internal Control functions. He has over 22 years of professional experience in the fields of internal audit, technology audit, risk management, internal control, process improvement and investigations in the telecommunication and technology industry, including Royal KPN, VEON and Wolters Kluwer. He began his career as an IT auditor, working at one of the 'Big 4' accountancy firms, EY Netherlands. He holds a master's degree in Information and Technology from the University of Tilburg in the Netherlands and an executive master's degree in IT Auditing from the Tilburg Institute for Advances Studies in the Netherlands. He is a Certified Management Accountant (IMA), Certified Internal Auditor (IIA), Certified Information Systems Auditor (ISACA) and chartered Dutch IT Auditor (NOREA). As a head of Internal Audit, he is responsible for the completion of the annual internal audit plan to provide assurance on the 'in control' situation of Yahsat. His Risk Management and Internal Control responsibilities include the ongoing implementation and enhancement of Yahsat's RMIC Framework.

Clint de Barros – Compliance Officer

The Ethics and Compliance function is headed by Clint de Barros, who acts as the Group's Compliance Officer and is also the Board Secretary of Yahsat. In addition to organically establishing and heading the standalone Ethics and Compliance function for the Yahsat Group in July 2021 to ensure Yahsat has a robust compliance programme in place as a publicly listed company, Clint has led the Yahsat Ethics and Compliance function under the auspices of the Mubadala Ethics and Compliance Office since 2018, as the primary compliance resource for the Yahsat Group. In addition to primarily supporting Export Compliance initiatives since 2009, Clint has also been responsible for overhauling the Yahsat Export Control and Sanctions Compliance programme. Since joining Yahsat in 2008, Clint's primary responsibilities included providing principal legal support in corporate governance, major procurements, joint ventures, capacity leases, UAE AF projects, and a range of ad hoc day-to-day operational requirements. Following his LLB (Hons) from Goa University, India, in 2003, he previously worked at Etisalat/E-marine as Contracts Manager-legal, and in private practice in Mumbai and New Delhi, India.