

# **Shareholders**

The company deals with all shareholders owning the same type of Shares equally and without any discrimination & company shall not under any circumstances withhold any rights from shareholder's rights, the following are General rights of shareholders:

1. List the ownership value of their shared investment in the company records.
2. Dispose Shares, including registration and transfer of ownership.
3. Receive the decided share in dividends.
4. Receive a share in company assets in case of liquidation.
5. Have access to data and information of the company activity and operational and investment strategy regularly and easily.
6. Participate in meetings of the shareholders' general assembly and vote on the resolutions thereof.
7. Elect Members of a Board of Directors.
8. Control performance of the company, in general, and the Board of Directors, in particular.
9. Hold the company's Members of a Board of Directors or the executive management accountable and file tort cases if they fail to meet roles entrusted thereto.

## **Mechanism of Participation in Shareholders' General Assembly**

- The shareholders' general assembly shall be held upon the call of the Board of Directors within three months following the end of the financial year in the time and place set out at the Company Contract or the call for the general assembly.
- The Board of Directors shall call for such general assembly to meet when necessary. In addition, the Board of Directors shall call the general assembly to meet based on a reasoned request by shareholders owning not less than 10% of the company capital or a request by the Auditor within 15 days as of the date of such request.

## **When a company organizes shareholder's general assembly, it follows:**

1. Extend call for shareholders to attend the general assembly, including the agenda, time and place of holding such meeting through announcement according to the mechanism as specified in the Executive Bylaws of the Companies Law.
2. Assert that any shareholder shall be entitled to authorize another Person to attend to the general assembly in accordance with a special proxy or an authorization prepared by the company for this purpose. The Members of a Board of Directors may not participate in voting on the general

assembly resolutions concerning limitation of the responsibility thereof, to management regarding a private interest for their own selves, their spouses, or first degree relatives; or a conflict between them and the company.

3. Allow shareholders, prior to holding the general assembly with sufficient time, to have access to all information and data related to the agenda, and in particular the reports of the board of directors and the Auditor and financial statements.

4. The agenda items shall include informing shareholders with the following issues as minimum:

a. Reading the governance report and the audit committee report.

b. The Board report of the company activity, financial position, and outcomes of works thereof.

c. Discussion of the report of the external Auditor on the results of the company financial statements, approving the same, and the approval of the dividable net profit.

d. Dealing with Related Parties.

e. Any breaches monitored by the regulatory body(s) and any penalties issued due to such breaches and led to (financial/non-financial) penalties against the company, in a manner not contradicting with the applicable laws and rules issued by the concerned regulatory body(s) in this regard, and discussing remarks of the representative of such Regulatory Body if such representative attends.

5. Allow shareholders to participate effectively in the general assembly, discuss issues listed in the agenda and the inquiries related thereto concerning various activity aspects, ask questions concerning such issues to be answered by the Members of a Board of Directors and the external Auditor, provided that the board of directors and the external Auditor shall answer such inquiries in a manner that does not harm the interests of such company.

6. Allow shareholders owning 5% of the company capital to add items to the agenda of general assembly.

7. Allow shareholders to review all data set out in the disclosure record of the Members of a Board of Directors and executive management members.

8. Issues presented to the general assembly shall be associated with sufficient information allowing shareholders to take decisions thereof properly.

### **Mechanism of Voting in Shareholders' General Assembly**

- The company shall allow all shareholders to exercise the right of voting without placing any obstacles preventing such voting, as voting shall be an important right for shareholders and it shall not be cancelled under any circumstances.
- The company shall ensure that all shareholders exercise such rights through the following:

1. Shareholders shall exercise the right of voting granted thereto with equal treatment by the company.
2. Shareholders shall vote as principal or by proxy, with providing shareholders with the same rights and duties, whether as principal or by proxy.
3. Shareholder shall be informed with all the standards that govern the voting process.
4. Provide all information related to voting rights for current shareholders and potential investors and ensure availability of information for all shareholders.
5. All shareholders owning the same type of Shares shall be entitled to vote on any changes related to the rights of shareholders through a call for holding the shareholders' general assembly.
6. Vote to elect Members of a Board of Directors in the general assembly through mechanisms set forth by the company memorandum of association and articles of association and in context of those set forth in the Companies Law and its Executive Bylaws, with taking into consideration the permission included in the Companies Law to adopt the Accumulative Voting system in this regard, considering this one of the governance best practice. In addition, it is necessary to develop a mechanism providing a brief introduction of candidates for the Members of a Board of Directors before voting. This will give shareholders a clear concept of the professional and technical skills of candidates and other experience and qualifications thereof.
7. All categories of shareholders shall have an opportunity to hold the Board of Directors accountable for the roles entrusted thereto.
8. No fees shall be charged for attendance by any category of shareholders to the general assembly and no preferential advantage shall be exclusively granted to any category of shareholders