

# Eighth Rule

## Observing Shareholders' Rights

### • Protection of the general rights of shareholders to ensure justice and equality among all shareholders.

The implementation of the governance rules achieves balance between the Company's objectives and the objectives of its shareholders, protects the rights of shareholders and establishes justice and equality among them. The Company treats all shareholders equally without any discrimination. Under no condition the Company conceals any information or any of the shareholders' rights. In this respect, the Company complies with all the provisions of the law and executive regulation, as well as the instructions and regulatory conditions. Further, the Company's articles of association and the corporate governance framework approved by the board of directors, its internal regulations, procedures and controls required to ensure that all the shareholders exercise their rights to achieve justice and equality, in a manner which does not contradict with the applicable laws and regulations, decrees and instructions issued in this respect. Among the general rights of shareholders guaranteed by the Company are the following:

- Register the value of the shareholders' equity in the Company's records.
- The shareholders' right to transact with the shares including the registration of ownership, its transfer and/or assignment.
- The right of shareholders to obtain the determined share in the profits distributions.
- The right of shareholders to obtain a share of the Company assets in the event of liquidation.
- The right of shareholders to obtain the data and information concerned with the Company activity, operational and investment strategy in a regular and convenient manner.
- The right of shareholders to access the shareholders' register.
- The right of shareholders to participate in the meetings of the general assembly of shareholders and voting on its decrees.
- The right of shareholders to elect members of the board of directors.
- The right of shareholders to control the Company's performance generally and the board of directors' operations in particular.
- The right of shareholders to hold the members of the Company board of directors or executive management accountable, in the event they fail to perform the tasks entrusted to them.

### • Taking into consideration precision and continuous follow up of the shareholders' data

- For the purpose of continuous follow up of all matters related to the shareholders' details, the Company keeps a register kept with the clearing agency, in which the names of shareholders, their nationalities, domicile and the number of shares owned by each one of them are recorded. The shareholders' register is marked with any changes on the details recorded therein according to the details received by the Company or clearing agency. Every concerned party may request the Company or clearing agency to furnish it with details from this register.
- The details set forth in the Company shareholders' register are dealt with the maximum degrees of protection and confidentiality, in a manner which does not contradict with the law and executive regulation and the instructions and regulatory controls issued by the Authority.

### • Encourage shareholders to participate and vote in the Company general assembly meetings.

The Company regulates a mechanism of participation in the shareholders general assembly meetings, whereby it takes the following into consideration upon organizing the general meetings of shareholders:

- Address the invitation to shareholders to attend the general assembly meeting, comprising the agenda, time, and venue of organizing the meeting, through announcement according to the mechanism outlined in the executive regulation of the Companies Law.
- The Company illustrates and indicates to shareholders that the shareholder is entitled to authorize another person to attend the general assembly meeting according to a particular power of attorney or authorization prepared by the clearing agency for this purpose.
- The Company permits shareholders before convening the general assembly meeting by a sufficient time to obtain all



the information and details relevant to the agenda items to enable shareholders to take their decisions properly.

- The Company permits the shareholders to effectively participate in the general assembly meetings and discuss the topics listed on the agenda with the associated inquiries related to the aspects of the various activities and address questions in connection with them to members of the board of directors and external auditor. The board of directors or external auditor shall answer the questions by the extent which does not expose the Company interests to damage.

- To enable shareholders holding five percent of the Company capital to add items on the agenda of the general assembly meetings.

- The Company provides the opportunity to all shareholders to exercise the right of voting without placing any hurdles leading to the prohibition of voting, as voting is a genuine right of the shareholder and may not be canceled by any means. The Company guarantees the exercise by all shareholders of this right through the following:

- Shareholders enjoy the rights of voting granted to them, and with the same treatment by the Company.
  
- The shareholders are able to vote personally or by proxy and giving the same rights and duties to shareholders whether personally or by proxy.
- Inform the shareholders of all the rules controlling the voting procedures.
- Provide all the information concerned with voting rights to each of the current shareholders and potential investors.
- All shareholders are permitted the right of voting on any changes relevant to the shareholders' rights by initiation to the meeting of the general assembly of shareholders.
- Voting to select members of the board of directors takes place in the general assembly through the mechanisms stipulated by the Company memorandum and articles of association under the framework stipulated under the Companies Law and its executive regulation, in addition to the Company 's provision of a profile on the candidates to members of the board of directors and the capacity on which he/ she wishes to nominate himself/ herself (executive / non-executive / independent) before voting, which provides to shareholders a clear idea on the professional and technical skills of the candidates, their experiences and other qualifications.
- All categories of shareholders are provided with the opportunity to call into account the board of directors for the tasks entrusted to them.
- Not impose any fees for the attendance of any category of shareholders of the general assembly meeting or offer any preferential advantage to any category over the other categories of shareholders.
- The candidate, as an independent member, must submit a declaration to the Ministry of Commerce and Industry acknowledging that he meets the criteria for independence.
- If it is not possible to meet the minimum required number of independent members of the board of directors through the board of directors members elections at the general assembly meeting, the required number shall be met by replacing the non-independent members of the board of directors who obtained the least votes with independent members who have lost in the election process and this should be completed through a separate election process and the replacement should take place during the same meeting. In case that the members of the Board of Directors were appointed in accordance with the Article 188 of Law No. 1 for the year 2016 of Companies Law, the shareholders who have representatives on the Board of Directors may participate with other shareholders in electing the remaining independent members of the Board of Directors only within the limits of what exceeded the percentage used in appointing their representatives to the board of directors.