

## **Shareholder General Rights Policy**

### **1- Introduction**

Within the framework of the general governance of SHL Finance Company (the Company), the Company pays great attention to the rights of its shareholders in accordance with the relevant regulations and bylaws, in addition to the rights and duties included in the Company's Bylaws towards shareholders, since the relationship between the Company and its esteemed shareholders is based on transparency and disclosure, which helps shareholders and all stakeholders to understand and tackle their rights, with the Company's commitment to provide all information that enables shareholders to exercise their rights transparently and fairly. Accordingly, the Board of Directors and Executive Management are committed to work to protect shareholders' rights in a manner that ensures justice and equality between them without discrimination between shareholders who own the same class of shares, or to withhold any right from them guaranteed by the relevant laws and regulations.

### **2- Article 1: Rights Associated with Shares**

- Obtain a share of the net profits that the General Assembly decides to distribute in cash from time to time.
- Obtain a share of the Company's assets upon liquidation.
- Attending general or special shareholders' assemblies, participate in their deliberations, and vote on their decisions.
- The shareholder shall dispose of the shares he owns in accordance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations.
- Inquire and request for information that does not harm the interests of the company and does not conflict with the Companies Law, the Capital Market Law and their implementing regulations.
- Monitor the performance of the company and the work of the Board of Directors.
- Question the members of the Board of Directors and file a liability lawsuit against them, and challenge the invalidity of the decisions of the

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general and special shareholders' assemblies in accordance with the conditions and restrictions stipulated in the Companies Law and the Company's bylaws.

- Priority to subscribe to new shares issued in exchange for cash shares, unless the extraordinary general assembly suspends the right of priority - if stipulated in the company's bylaws.
- Request to view a copy of the company's articles of association and bylaws unless the company publishes them on its website.
- Nominate and elect members of the Board of Directors.

### **3- Article 2: The shareholder's obtaining information**

- The Board of Directors is committed to providing complete, clear, correct and non-misleading information to enable the shareholder to exercise his rights to the fullest extent, and this information shall be provided in a timely manner and updated regularly.
- The means of providing information to the shareholder must be clear and detailed, and include a statement of the company's information that the shareholder can obtain, and be provided to all shareholders of the same category.
- The most effective means of communicating with shareholders must be followed and there must be no discrimination between them in providing information.

### **4- Article 3: Communication with Shareholders**

- The Board of Directors shall ensure communication between the company and shareholders based on a common understanding of the company's strategic objectives and interests.
- The Chairman of the Board of Directors and the Executive Management shall work to inform the rest of the members of the Board of Directors on the shareholders' opinions and discuss the same with them.
- No shareholder may interfere in the work of the Board of Directors or the work of the company's executive management unless he is a member of its Board of Directors or its executive management or his interference is through the Ordinary General Assembly and in accordance with its powers or within the limits and conditions permitted by the Board of Directors.

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**5- Article 4: Election of Board of Directors Members**

- Each shareholder shall have the right to nominate himself whenever he meets the conditions for candidacy for membership of the Board of Directors, or to nominate another person or more for membership of the Board of Directors within the limits of his ownership percentage in the capital shares.
- The company shall announce on the Capital Market's website information about the candidates for membership in the Board of Directors when publishing or sending the invitation to hold the General Assembly, provided that this information includes a description of the candidates' experience, qualifications, skills, jobs, and previous and current memberships, and the company shall provide a copy of this information at its head office and website.
- Cumulative voting must be used in electing the Board of Directors, such that the right to vote for a share may not be used more than once.
- Voting in the General Assembly shall be limited to the candidates for membership in the Board of Directors whose details have been announced by the company as per the paragraph above.

**6- Article 5: Receiving profits**

- The company's bylaws shall specify the percentage of net profits to be distributed to shareholders after setting aside the statutory reserve and other reserves.
- The shareholder shall be entitled to his share of the profits in accordance with the General Assembly's decision regarding the distribution of profits to shareholders, or the Board of Directors' decision to distribute interim profits, and the decision shall specify the due date and the date of distribution, provided that the decision shall be implemented in accordance with the provisions stipulated in the controls and regulatory procedures stipulated in the implementing regulations of the Companies Law for listed joint stock companies. For more details, please review [the Company's Dividend Distribution Policy](#).

**7- Article 6: Shareholders' rights associated with general assembly meetings:**

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- The Shareholders General Assembly is the highest authority in the company. General Assemblies held in accordance with the regulatory procedures represent all shareholders in exercising their powers related to the company and exercise their role in accordance with the Companies Law, its implementing regulations and the company's bylaws.
- The General Assembly of Shareholders shall be held at least once a year during the six months following the end of the company's fiscal year. This assembly shall be held upon invitation from the Board of Directors in accordance with the company's bylaws.
- The Board of Directors shall direct the invitation to hold the ordinary general assembly within thirty days from the date of the request of the auditor or a number of shareholders whose ownership represents (10%) of the company's shares that have voting rights - and the auditor may call the general assembly if the Board of Directors does not call it during the aforementioned period.
- The date, place and agenda of the general assembly must be announced at least (21) twenty-one days in advance, and the invitation shall be published on the Capital Market's website and the company's website. The company may direct the invitation to hold general assemblies through modern technology means. If the company wishes to amend the assembly's agenda, it must adhere to the publication requirements as stated in this paragraph.
- Shareholders must have the opportunity to actively participate and vote in the assembly's meetings, participate in its deliberations and vote on its decisions. Meetings may be held using modern technology.
- Shareholders must have the opportunity to ask their questions (based on the agenda items) and the board of directors or auditors must answer shareholders' questions to the extent that does not harm the company's interests. If the shareholder finds that the answer to his question is insufficient or unconvincing, he may resort to the general assembly, and its decision in this regard shall be final and binding.
- The board of directors - when preparing the assembly's agenda - must consider the topics that shareholders wish to include. Shareholders who

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own at least (10%) of the company's shares who have voting rights may add one or more topics to the agenda when preparing it.

- The Board of Directors shall allocate each topic on the agenda of the General Assembly within a separate item and shall not combine substantially different topics under one item, nor shall it place the business and contracts in which any member of the Board of Directors has a direct or indirect interest under one item for the purpose of obtaining a vote of shareholders on the item as a whole.
- Shareholders shall be able to obtain information related to the items of the agenda through the company's website and the Capital Market's website – when publishing the invitation to hold the General Assembly – through the company's website and the Capital Market's website – in order to enable them to make an informed decision regarding the items, and the company shall update this information in the event of amending the agenda.
- The company shall publish the minutes of the General Assembly meeting on the company's website to enable shareholders to review them. The company shall also announce to the public and notify the Capital Market Authority – in accordance with the controls determined by the Capital Market Authority – of the results of the General Assembly immediately upon their conclusion.

#### **8- Article 7: Shareholders' Rights Associated with Disclosure:**

- The company is committed to disclosing to shareholders and investors without discrimination, in a clear, correct, non-misleading and timely manner in order to enable shareholders and stakeholders to exercise their rights to the fullest extent.
- The company shall notify the Capital Market Authority and announce to the public without delay any material developments that fall within the normal activity of the company and such knowledge shall not be publicly known and may affect its liabilities, assets or financial position or have a material impact on the company's ability to meet its financial obligations.
- The company must announce its annual and quarterly financial statements immediately after their approval by the Board of Directors
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with the Saudi Central Bank's non-objection, provided that the announcement is within the specified time periods in accordance with the applicable laws and regulations.

For more information, please review the [Company's Policy on Disclosure and Transparency](#).

**9- Article 8: Voting in General Assembly meetings:**

- Voting is a basic and fundamental right of the shareholder, and the company must provide the opportunity to vote to all shareholders who have this right without discrimination, inform them of the rules and information governing its procedures and avoid taking any action that would hinder the use of this right.
- The company shall apply the cumulative voting method when voting to select members of the Board of Directors. This method gives each shareholder voting power according to the number of shares he owns in the company, so that he shall have the right to vote for one candidate or divide it among a number of candidates according to his choice without any duplication of these shares/votes.

**10- Article 9: Concluding Provisions and Enforcement:**

- This Policy is available to all shareholders and stakeholders as it will be published on the company's website.
- The Board of Directors shall review and update the Policy from time to time and makes the amendments it deems necessary in accordance with the requirements of the Companies Law and its implementing regulations and the laws, regulations and decisions of the Saudi Central Bank, the Capital Market Authority and any other regulatory and supervisory bodies, as well as in accordance with best practices in this regard.
- This Policy (first version) has been approved as shown below.

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