

## Voting Policy Guidelines

### Introduction

Alawal Invest manages a group of investment funds for the benefit of the unit holders of these funds. The company has developed this guide to clarify the policies related to voting through the ordinary and extraordinary general assembly of shareholders, as well as voting on any decisions related to the securities in which the funds managed by Alawal Invest invests in. Voting rights are exercised as the fund manager deems fit to achieve the interests of unit holders, taking into account the regulations and legislation of the Capital Market Authority.

### Policies

- 1- Voting rights are exercised according to what the fund manager deems fit to achieve the interests of unit holders. Taking into account relevant factors, including but not limited to: conflict of interest, impact on securities, costs associated with decisions.
- 2- The fund manager shall decide at his discretion whether or not to exercise any voting rights.
- 3- The fund manager shall, at his discretion, abstain from voting when he does not see a substantial interest that may be realized from voting. For example, but not limited to, the fund manager will abstain from voting at his discretion on the decisions related to the following cases:
  - Election of board members
  - Voting on allied and affiliated companies that own a controlling stake in Alawal Invest
  - Appointment of external auditor
  - Dividends distributions
  - Issues related to social responsibility
  - Approve or amend management compensation programs.
  - Decisions related to companies that the fund does not consider a strategic component of the funds, such as companies that the fund aims to invest in in the short term, or those companies that are a non-essential component of the fund
- 4- The fund manager shall, at his discretion, vote when he sees a substantial interest that may be realized from the vote. For example, but not limited to, the fund manager will vote at his discretion on the decisions related to the following cases:
  - Changes in the capital structure
  - Company restructuring and merger and acquisition decisions

- If the fund manager sees the importance of voting on any decision, it is usually abstained in accordance with this policy.
- 5- A complete record shall be kept documenting the exercise of voting rights or abstention from exercising them and the reasons for that.
- 6- Funds managed by Alawal Invest are represented in the general assembly meetings by authorized employees.
- 7- Any conflict of interest that may result from voting shall be evaluated and the fund's board of directors and the compliance officer or committee shall be informed of the conflict, if any.
- 8- The voting rights belong to the fund manager and not to the unit holders. Therefore, none of the unit holders has the right to compel the fund manager to vote in any way.
- 9- Any change or modification to this policy requires the prior approval of the Fund's Board of Directors

This voting policy has been approved by the Fund Board of Alawal Invest Mutual Funds, on 16/12/2022 covering the below Mutual Funds.

**Fund Name**

- 1 Saudi Riyal Money Market Fund
- 2 Al Yusr Saudi Riyal Morabaha Fund
- 3 Al Yusr Morabaha & Sukuk Fund
- 4 Saudi Equity Fund
- 5 Saudi Financial Institutions Equity Fund
- 6 GCC Equity Fund
- 7 Al Yusr Saudi Equity Fund