



## Voting Policy Guidelines Public Funds Managed by NCB Capital

### NCB Capital Asset Management

This document sets out NCB Capital's policy with respect to voting securities held by funds. It does not address voting securities held in a clients' name in an account over which NCB Capital holds investment discretion (DPM's).

In developing this policy, NCB Capital has considered local market practices, the potential for conflicts of interests to arise or be perceived to arise as well as international market practice.

### Policy Overview

NCB Capital believes active voting is an important tool in ensuring strong governance of listed companies. However, it also recognizes that as a multi-service financial institution it may be exposed to actual, potential or perceived conflicts of interest.

In order to ensure independence and that all votes are cast with the best interests of fund unitholders in mind, NCB Capital has established a Voting Committee which will make all voting decisions in relation to voting securities held by funds managed by NCB Capital.

### Philosophy of Voting Rights Policy

The Funds managed by NCB Capital invest in securities and instruments of companies that have sound management, follow good corporate governance norms and have potential to add value to client investments over the long term.

The Voting Committee shall exercise the voting rights based on the following key guiding principles:

1. Will support any action / policy that enhances value of Fund unitholder's investments.
2. Will support any action / policy that enhances and protects the Fund's unitholders
3. Will support any action / policy that improves company's governance and financial structure.
4. Will support any action / policy that ties management compensation and reward to long term performance of the company and its securities.
5. Will support any action / policy that enhances and promotes Corporate Social Responsibility (CSR).
6. Will support any action / policy that increases or gives more power to the independent directors on the Board of the company.
7. On any other issues not identified above, the governing principle in voting will be protecting Fund unitholders rights and privileges and enhancing long term value of Fund unitholders investment.



## Voting Committee Guidelines Membership

The Voting Committee is made up of the following:

1. Head of Asset Management, Chairman
  2. Compliance Officer, Member
  3. Head of Product Development, Member
  4. Head of Regional Mutual Funds, Member
- Any corporate actions that require voting will be brought to the notice of the Voting Committee, by the relevant fund manager where this will be discussed and a voting decision taken under the guidance of the committee Chairman.
  - All relevant records, supporting documents and minutes of the meetings will be kept for audit purposes.
  - On the directions of the committee Chairman, participants from other departments may be requested to attend the Voting Committee meetings as and when needed.
  - Once a decision has been taken the same will be referred to NCBC Legal to do the necessary formalities and provide necessary documentation so as to exercise the desired voting.
  - The Compliance Officer shall not hold a vote in the Voting Committee. The role of the Compliance Representative is limited to the following:
    1. To ensure that all Voting Committee's decisions are in compliance with the Capital Market law and it's implementing regulations.
    2. To ensure that all Voting Committee's decisions are in compliance with this Voting Policy.
    3. To ensure that all Voting Committee's decisions are in compliance with the fund's Terms and Conditions.
    4. To ensure that all attending members of the Voting Committee have no conflict of interest in their votes.

## Reporting

Decisions taken by the Voting Committee are reported to and reviewed by the Fund Board at each quarterly meeting.

## Quorum & Voting

Decisions of the Voting Committee shall be valid if a quorum of 2 members is achieved given that the Compliance Officer is attending and the decision is made with mutual consent.

## Conflicts

A primary purpose of the Voting Committee is to ensure that any decision to vote is taken only in the interests of unitholders without having regard to other interests NCB Capital or individuals may have. As such, any member of the Voting Committee that has a conflicting interest in respect of a particular issuer or vote is required to declare the fact and excuse themselves from participating. In such cases the Chairman of the Voting Committee may nominate a temporary replacement member.



## Voting Process

The following describes the standard internal process that is to be followed with respect to carrying out Investment Manager's voting policy:

1. A listed company on the Saudi Stock exchange (Tadawul) announces a general assembly or extraordinary general assembly meeting. The time and the venue should be specified in the announcement.
2. The fund manager will bring the announcement to the Voting Committee.
3. The Voting Committee will discuss & finalize its decision on the voting.
4. Voting committee will inform Legal if they are to participate in the meeting providing details of the shares held in aggregate and the proposed attendee(s).
5. Legal will ask fund administration for the number of shares and the funds to be represented.
6. Fund administration will provide number of shares and the names of the funds to be represented.
7. Legal will issue a letter authorizing the fund manager(s) to attend the meeting representing the fund with the respective number of shares.
8. Voting committee will receive the legal letter.
9. The relevant representative will attend the meeting and exercise the vote.