

**CONFIDENTIAL**  
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# Voting Policies & Procedures

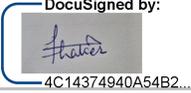
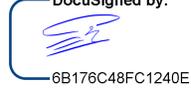
Version 5.0

**KAMCO**  
INVEST

## VOTING POLICIES & PROCEDURES

### Revision History

Version	Date	Summary of Changes
1.0-4.0	Various	Refer to previous versions
5.0	6 <sup>th</sup> June 2024	Periodic Review- No changes are required

Role	Name	Title	Date	Signature
<b>Preparer</b>	Husain Thaker	SVP, Asset Management, Kamco Invest Saudi	24-06-2024	 4C14374940A54B2...
<b>Reviewer</b>	Sara Bahgat	Assistant Manager, Risk Management, Kamco Invest Kuwait	23-06-2024	 D614361AFB8F423...
<b>Reviewer</b>	Ketan Kapoor	Head, Corporate Governance, Kamco Invest Kuwait	24-06-2024	 283DDD7ED8B2476...
<b>Approver</b>	Mohamed Al Faris	Chief Executive Officer, Kamco Invest Saudi	24-06-2024	 6B176C48FC1240E...

Approving Body	Meeting/Resolution No.	Meeting Date	Status
<b>Board of Directors of Funds</b>	By Circulation	08-10-2024	Approved

## VOTING POLICIES & PROCEDURES

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### 1. Introduction

Kamco Investment Company (**We or Investment Manager**) is an asset manager authorized to perform asset management services in the Kingdom of Saudi Arabia by the Capital Market Authority (**CMA**). As an Investment Manager we have fiduciary responsibility to act in the best interest of the unit-holders of our Funds. This responsibility includes the exercising of voting rights attached to the securities of the companies in which our Funds invest (**Investee Companies**) at the general assembly meetings for these Investee Companies. The Company has the responsibility to vote in the best interest of the unit-holders of our funds. In reference to the CMA Article 60 of the Investment Funds Regulations (**IFR**), we have framed our general voting policy and procedures for exercising these voting rights.

### 2. Investment Manager's Voting Policies and Principles

#### 2.1 Weight Given to Management Recommendations

One of the primary factors the Investment Manager considers when determining the desirability of investing in a particular company is the quality and depth of that company's management. It is expected that this management follows corporate governance norms and have sound fundamentals. Accordingly, as the decision to invest is generally an endorsement of the sound management practices of the Investee Companies, the Investment Manager may generally vote with the management of companies on routine matters. However, when the Investment Manager believes that the interest of the shareholders of the Investee Companies will be prejudiced by management proposals, then the Investment Manager will vote against such proposal.

The Investment Manager shall review all voting proposals routine as well as non-routine items but shall ensure that non-routine items such as change in the state of incorporation, merger and other corporate restructuring, change in capital structure, appointment and removal of directors are identified and voted in the manner designed to maximize the value for unit-holders. For such matters, the Investment Manager may decide to abstain from voting if it has insufficient information or there are conflicts of interest or the Investment Manager does not have a clear stance on the proposal.

Although, the Investment Manager will generally vote in accordance with the voting policy, but in certain situation the Investment Manager may act differently if the relevant facts and circumstances so warrant. Accordingly, the Investment Manager may deviate from the

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Voting Policy guidelines when it determines that the deviation from the policy is necessary to protect the interest of unit-holders in our funds.

### **2.2 Managing Conflicts of Interest**

Conflicts of interest can arise in situations where:

- i. The Investee Company is a client of the Investment Manager or its affiliates.
- ii. The Investee Company is a seller whose products or services are important to the business of the Investment Manager and/or its affiliates;
- iii. The Investee Company is an entity participating in the distribution of investment products advised or administered by the Investment Manager and/or its affiliates

The Investment Manager will make its best efforts to avoid such conflicts and ensure that if any conflicts interest arises they will be resolved in the best interest of the unit-holders in our funds. However, in situations where a material conflict of interest is identified between the Investment Manager or one of its affiliates and an issuer, the Company will abstain from voting.

### **3. General Proxy Voting Guidelines**

Corporate governance issues are diverse and continuously evolving. Accordingly, it is difficult to develop an exhaustive list of such issues, the following guidelines/policies reflect the Investment Manager believes to be good corporate governance measures and the stance it may generally take with respect to the below matters.

#### **3.1 Corporate Governance Matters**

The Investment Manager generally supports resolutions like change in state of incorporation, merger and other corporate restructuring if they are in the interest of unit-holders in the fund. The Investment Manager will analyze various economic and strategic factors in making the final decision on a merger, acquisition or any other corporate proposal. However, the Investment Manager will vote against resolutions which are against the interest of the unit-holders.

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### **3.2 Ratification of External Auditors**

The Investment Manager will also consider, on a case-by-case basis, proposals to rotate External Auditors, and will vote against the ratification of auditors when there is clear and compelling evidence of accounting irregularities or negligence attributable to the auditors or if rotation of auditors is required by regulation.

### **3.3 Changes to Capital Structure**

The Investment Manager realizes that a company's financing decisions have a significant impact on its shareholders, particularly when they involve the issuance of additional common shares or the assumption of additional debt. However, the Investment Manager will generally support changes in capitalization where a reasonable basis for change is demonstrated. The Investment manager will review on a case by case basis, proposals by companies to increase authorized shares and the purpose of the increase. However, changes resulting in excessive dilution of existing shareholders value will not be supported.

### **3.4 Anti-Takeover Mechanisms and Related Issues**

The Investment Manager generally opposes anti-takeover measures since they tend to reduce shareholder rights. However, the Investment Manager will conduct an independent review of each anti-takeover proposal. On any such occasion, Investment Manager may vote with management when sufficient analysis has concluded that the proposal is not onerous and would not harm unit-holders interests as stockholders.

### **3.5 Proposals Pertaining to Management Compensation**

The Investment manager will support remuneration proposals that are tied to achieving long-term performance and enhancing shareholder value, but do not encourage material and excessive risk taking.

### **3.6 Election of Board Members**

The election of the Board of Directors, including independent board members is key to good corporate governance. Directors are expected to be competent individuals and they should be accountable and responsive to shareholders. Investment Manager supports an independent board of directors, and prefers that key committees such as audit, nomination and remuneration committees include independent directors. The Investment Manager will

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consider withholding votes from directors who have attended less than 75% of meetings without a valid reason.

### **3.7 Social and Corporate Responsibility**

As a fiduciary, the Investment Manager is primarily concerned about the financial interests of its unit-holders. Investment Manager will generally give management discretion with regard to social, environmental and ethical issues although Investment Manager may vote in favor of those issues that are believed to have significant economic benefits or implications.

### **3.8 Compliance Officer/Compliance Committee**

The Fund Board shall consult with the Compliance Officer and/or Compliance Committee and approve overall policies regarding voting rights attributed to an investment fund because of securities included in its portfolio of assets.

Any voting rights attributed to an investment fund because of securities included in its portfolio of assets shall be exercised or not exercised by the fund manager after consultation with the compliance officer and/or the compliance committee and in accordance with the overall policies referred to in (a) above.

### **3.9 Record Keeping & Disclosure**

The Fund Manager shall maintain complete and accurate records documenting their exercise of voting rights (including the justification for exercising or not exercising their voting rights in a particular way).

Additionally, this Policy must be disclosed on the website of Kamco Invest Saudi as well as the Tadawul exchange.