

## SICO Capital Proxy Voting Policy

### 1.0 Introduction and overview

- 1.1 The policies and procedures set out in this document are intended to provide guidance for SICO Capital (SC) (acting as fund manager) on the process of taking action on various corporate actions of underlying securities owned by the Fund managed by SC
- 1.2 This policy will be reviewed on an ongoing basis by the Compliance Officer of SC on an annual basis and changes recommended if needed. Each mutual fund managed by SC that has as part of its investment objective to invest in listed shares in the Kingdom or outside must approve its own Corporate Action Policy and ensure compliance.
- 1.3 Nothing stated in this policy is intended to breach or override any regulation on this subject, promulgated by the Capital Market Authority implementing regulations which will supersede and override this policy if in conflict.

### 2.0 Definitions and explanation of terms

- 2.1 “**CMA**” means the Capital Markets Authority of Saudi Arabia.
- 2.2 “**Conflicts of Interests**” means a situation when an individual or company has multiple (conflicting) interests, one of which could *possibly* corrupt the motivation for an act in the other. E.g. an employee has the choice to trade for his personal account to make use of an opportunity that’s arisen and at the same time must take decisions to trade for his clients for whom he owes a fiduciary duty.
- 2.3 “**Compliance Officer**” (or “**CO**”) means the employee at SC who is responsible for the Compliance function.
- 2.4 “**Securities**” means the following financial instruments:
  - Equity securities.
  - Debt instruments, including debentures, debenture stock, loan stock, Sukuks, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness, whether issued by government or public or private entities.
  - Certificates (e.g. GDRs or ADRs) representing securities which confer property rights in or over equity, debt, government and/or public securities, warrants or other instruments.

- 2.5 “**Corporate Action**” means an event initiated by a public company listed in Saudi Tadawul or outside of the Kingdom in a duly regulated trading region, that affects the shares issued by the company

### **3.0 Corporate Actions covered**

This policy covers activities related to Corporate Actions of listed companies and the methodology and process of voting or acting on the same by the Fund which holds the underlying shares of that listed company. This policy covers only any corporate actions which need active participation by the Fund. For the purpose of this policy, the Corporate Actions are defined per the below. This list is not exhaustive and may be added or amended as and when new instruments or corporate actions are created.

- Changes to board of listed companies
- Bonus shares announcements
- Stock splits
- Merger, acquisition, divestment or other corporate restructuring activity contemplated by the Board of the listed company
- Rights issues
- Any other corporate matter of the listed company that requires an action such a voting by the holder of the listed company shares (i.e. the Fund)

### **4.0 Internal activities and process of voting.**

- 4.1 SC shall choose to act or not to act at its own discretion in connection with the corporate action under consideration. All actions to participate or not participate shall be done in the best interests of the Fund unitholders as decided by SC.
- 4.2 The Fund Manager of the Fund in Asset Management department is responsible for administering the approved policy. He monitors corporate actions and makes voting decisions in consultation with the Compliance Officer, and ensures that the decisions are implemented in a timely manner. He might nominates any representative for exercising the voting rights. Head of Asset Management authorizes the nominated representative or nominates another as appropriate.
- 4.3 The fund manager will record all voting's as per the standards proxy voting register