

**Approved**

**By Board of Directors**

Meeting No. : 6/2016

Date : 29/06/2016

Wafra International Inv. Co.

**WAFRA**

Wafra International Investment Co.

**PROTECTION OF SHAREHOLDERS  
AND STAKEHOLDERS POLICY**



## PROTECTION OF SHAREHOLDERS AND STAKEHOLDERS POLICY

ISSUE DATE : JUNE 2014

VERSION: Final V1

APPROVED BY:

### 1. Introduction

The purpose of this document is to outline the controls and basis for protecting shareholders' and stakeholders' rights. This aims at safeguarding Wafra International Investment Company ("Wafra's" or the "Company") financial position, and triggering their roles in serving community and economic development process. The Company's final success is the outcome of the joint efforts of many parties including customers, regulators, staff, investors and other parties having business relationships with the Company.

The Board of Directors is committed to the highest ethical standards, as the Company desires its shareholders and stakeholders to have strong faith and commitment towards it.

This Policy should be read in line with the Code of Conduct of Ethics, Conflict of Interest, Whistle-blower Policy, Investor Relations and Related Party Transactions Policy.

### 2. Definitions

- 2.1. **Shareholders:** The owner of one or more shares of stock in the Company, commonly also called a "stockholder". A shareholder should have his / her name registered with the Company, and may hold a stock certificate, which has been signed over to him/her.
- 2.2. **Stakeholders:** Every person / entity of interest with the Company or has a relation with the Company. Stakeholders of the Company include the Company's shareholders, creditors, customers, suppliers, employees, the society and the environment, and other related parties.
- 2.3. **"Internal Stakeholders":** Stakeholder groups inside the business – e.g. Owners & Employees.
- 2.4. **"External Stakeholders"** Stakeholders groups outside the business – e.g. Suppliers and Customers.

### 3. Shareholders

#### 3.1. Basic Rights of Shareholders

Wafra shall not under any circumstances withhold any of the rights mentioned below, from any group of shareholders or develop standards to that may discriminate groups of shareholders:

1. The right of registering, moving, transferring or disposing of the ownership of shares.
2. The right to receive the share determined in the dividends.
3. The right to obtain a share in the Company's assets in case of liquidation.
4. The right to have accurate, comprehensive, detailed, sufficient, and timely essential information including operational and investment strategies of the Company in order to evaluate the financial statements and performance of the Company.
5. The right to participate in the meetings of the General Assembly, comment, give recommendations and vote on the matters discussed during the meeting.
6. The right to question the Board of Directors as well as the external auditor on the items listed on the agenda of the General Assembly Meetings.
7. The right to participate in the decisions related to amending the Company's Article and Memorandum of Association, as well as the decisions related to non-ordinary transactions which might affect the Company's future or activity, like mergers, sale of a substantial portion of its assets, or winding up of subsidiaries.
8. The right of contributing in the decision-making of any significant changes being made in the



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9. The right to express their opinion on the appointment of members of the Board of Directors and to elect them.
10. The right to control and monitor the performance of the Company, in general, and the Board of directors, in particular.
11. The right to hold the members of the Board or senior management responsible and to claim their responsibility in case of their failure to fulfil the duties assigned to them.
12. The right for shareholders owning the same type of shares to treat equal treatment without any discrimination.
13. The right to view the register of the disclosures of the members of the Board and Executive Management at no cost.
14. The right to have the shareholders information updated in the Shareholders' Register which shall include: property of shares and include shareholders names, their nationalities, IDs, number of shares they own, and their contact information and home country. This shareholders register will also be maintained at a Clearing Agency.
15. The right to call for a General Meeting provided this meeting has been requested by shareholders owning at least 10% of the Company's capital and upon request, the meeting will be arranged within 15 days as of the date of such request.
16. The right to give a written proxy to another shareholder – other than Board members and company's staff – to attend the general assembly meeting.
17. The right to have an explanatory memo detailing the reason in case of a modification to the agenda of the General Assembly.
18. The right to have a detailed statement of Shareholders' Equity as an attachment to the agenda of the ordinary and extra ordinary General assembly Meetings.
19. The right to receive an agenda for the General assembly Meetings which should include the following as a minimum:
  - 19.1. Reading the governance report and the Audit Committee report.
  - 19.2. The Board report of the company activity, financial position, and outcomes of works thereof.
  - 19.3. Discussion of the report of the external Auditor about the results of the company financial data, approving the same, and the approval of the dividable net profit.
  - 19.4. Dealing with Parties of Relevance.
  - 19.5. Any breaches monitored by the regulatory body(s) and any penalties issued due to such breaches and led to (financial / non-financial) penalties against the company, in a manner not contradicting with the applicable Laws and control conditions issued by the concerned regulatory body(s) in this regard, and discussing notes of the representative of such controlling authority if such representative attends.
20. The right to have access to all information and data related to the agenda of the General Assembly, and in particular, the reports of the Board of directors and the Auditor and financial statements.
21. The right of shareholders holding 5% and above of the capital of the Company to add items to the agenda of the General Assembly Meeting.
22. The right to review all data set out in the disclosure record of the Board Member and Executive Management members.
23. The right to vote during General Assembly Meetings ensuring the following:



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- 23.1. All categories of the shareholders enjoy the voting rights and receive the same dealing by the company.
- 23.2. The shareholders can vote either personally or by proxy. The same rights shall be granted to the shareholders whether on behalf of their selves or by proxy.
- 23.3. To inform the shareholders of all rules that govern the voting measures.
- 23.4. To provide all information about the voting rights of the current shareholders and potential investors. Such information shall be provided on continuous basis and to all categories of the shareholders.
- 23.5. To provide all categories of the shareholders with the right of voting over any changes related to the shareholders' equity, through calling for the meeting of the general assembly of the shareholders.
- 23.6. The voting for selecting the members of the board in the general assembly meetings shall be made through mechanisms stipulated for in the memorandum and articles of association, and within the framework of the stipulations of the companies law and its executive by-laws .
- 23.7. All categories of the shareholders shall have the opportunity to hold the board of directors accountable for the duties assigned to them.
- 23.8. Not to impose any fees against any category of the shareholders for attending the general assembly meetings, or grant any preferential advantage to any category compared to other categories of the shareholders.

#### 4. Stakeholders

##### 4.1. Basic Rights of Stakeholders

1. The right to be treated on a just and equitable basis.
2. The right to be compensated in the case of any violations of their rights.
3. The right to open and clear disclosures of the relevant information.
4. The right to enjoy the same rights and privileges in dealings with the Company as enjoyed by the Board of Directors and related parties. This also includes the Company's adherence to the Procurement Policy amongst other policies and practices.
5. The right to have the following included in each contract between the stakeholders and the Company:
  - 5.1. Measures and mechanisms to be followed in case of any party violating its obligations
  - 5.2. Measures for paying compensation in case of violations
6. The Company and all its employees are required to maintain confidentiality of information and an agreement shall be entered between the parties in this regard.
7. The right of access to relevant Company information which would be essential to the stakeholders. The level of access will be limited to the arrangement between the Company and the stakeholder on a case by case basis and this shall be documented in the contract between the Company and the stakeholder.
8. Stakeholders should be informed about the Whistle Blowing Program of the Company and should be offered adequate protection as entailed in the Whistle Blowing Policy.
9. Stakeholders should be provided with an appropriate mechanism (through the Whistle Blowing Program) in case they would like to inform the Board of Directors of any practices that are



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10. Stakeholders shall be given an opportunity to provide feedback on the business decisions and on their experiences with the Company.
11. The Company commits to promote contracts and deals of various types, through bids or various purchase orders and to disclose it fully.
12. The Company will not give any privilege for any deals or contracts to one stakeholder group that are a part of normal activity of the Company.
13. The Company shall attract, develop and retain competent people by providing fair working environment and involving them in prominent decision making process.
14. The Company shall maintain and promote fair dealing with its stakeholders and contracts or projects shall be entered only after obtaining competitive quotes from various parties. The policies with respect to entering into contracts shall be followed by the Company in all the cases.

### **4.2. Policies towards Stakeholder Groups**

#### **4.2.1. Shareholders**

The Company is committed to creating sustainable shareholders value and aims to provide prolific financial returns and act in the best interests of its shareholders.

#### **4.2.2. Suppliers & Service Providers**

The Company is committed to deal with suppliers in a straightforward and honest manner. QPIC seeks to build and maintain good relations with suppliers & Service Providers and shall ensure the confidentiality of information related to them is protected.

#### **4.2.3. Employees**

The Company is committed to treating people with dignity and providing equal employment opportunities for all employees in its employment practices, including recruiting, compensation, professional development and promotion. The Board of Directors believes in, providing safe and healthy working conditions, respecting human rights and respecting employees' rights.

#### **4.2.4. Community**

The Company is committed to contributing to the overall quality of life wherever it operates and to use resources responsibly to preserve the environment. The Board of Directors wants communities to count on the company's help in civic, charitable and other community activities by fulfilling its social responsibilities.

### **5. Policy Review**

The Board of Directors shall review its policy on Protection of Shareholders and Stakeholders periodically and shall make amendments, it determines, necessary.