

## Voting Policy Guidelines

### Introduction

We believe that high standards of corporate governance are fundamental to protecting and enhancing the long term value of the companies in which we invest. We regard stewardship as integral to our approach to investment and to delivering returns to our clients.

Exercising our voting rights is a core part of our stewardship activity and broader responsible investment approach.

This document sets out our voting policy guidelines, informing our clients, company boards and other stakeholders how we exercise these voting rights.

### Policy Overview

We believe that high standards of corporate governance help companies to deliver sustainable returns to shareholders.

In our dealings with investee companies, and in our voting, we encourage adherence to best practice standards in corporate governance. Our application of these guidelines reflects different perceptions of best practice in the Saudi equity market.

We recognize that different governance structures have evolved in securities in which we invest. We seek to uphold the principles set out in this document to ensure that these structures can work most effectively to the benefit of the unit holders in the mutual funds.

### Philosophy of Voting Rights Policy

SAB Invest Mutual Funds invest in securities of companies following rigorous research process and analysis including good corporate governance. The selection of securities for a Fund Portfolio is based on decision made by the Investment Committee consisting members from the investment team and chaired by the Chief Investment Officer. The Investment Committee of SAB Invest decides on the voting and the basis for the Investment Committee to decide on voting in AGM is as per the following principles:

- Enhance the value of the companies that the mutual funds are investing
- To support actions for good governance
- Actions that supports long term performances of the companies.
- Companies that supports responsible investing for Environmental Sustainability and Governance.

However, SAB Invest will not exercise voting on the election of a listed company's Board of Directors. In case voting rights have to be executed for the election of a listed company's Board of Directors, then exceptional approval will require to be obtained from SAB Invest Mutual Fund Board.

This voting policy has been approved by the Fund Board of SAB Invest Mutual Funds, on 16/05/2023 covering the below Mutual Funds.

- 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

#### **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. Voting decision to be made by Head of Asset Management/CIO and Head of Equities.
3. Voting will be made through the custodian of the Funds.
4. Each annual general meeting voting decision will be minuted in our records.