

Shareholders and Stakeholders Rights Policy

Document Reference: 160330



INITIAL RELEASE CONTROL SHEET

Document Title	Shareholders and Stakeholders Rights Policy
Document Reference	160330
Version	3.0 (English)
Date	September 2021
Document Owner	Legal & Compliance Department
Next Review Date	December 2024

- Document Approval Record

1. This Board of Director Charter is approved by the Board of Directors (BOD) in its meeting No. 05 held on 30/11/2021.
2. Extract of the meeting minutes is available with the Board Secretary.
3. On behalf of the Board, the Board Secretary signature hereby confirms that this document and its information mentioned above is approved by BOD:

BOD Secretary:	Abdo Salamah	30/11/2021
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Document Retention Revision and Disposal

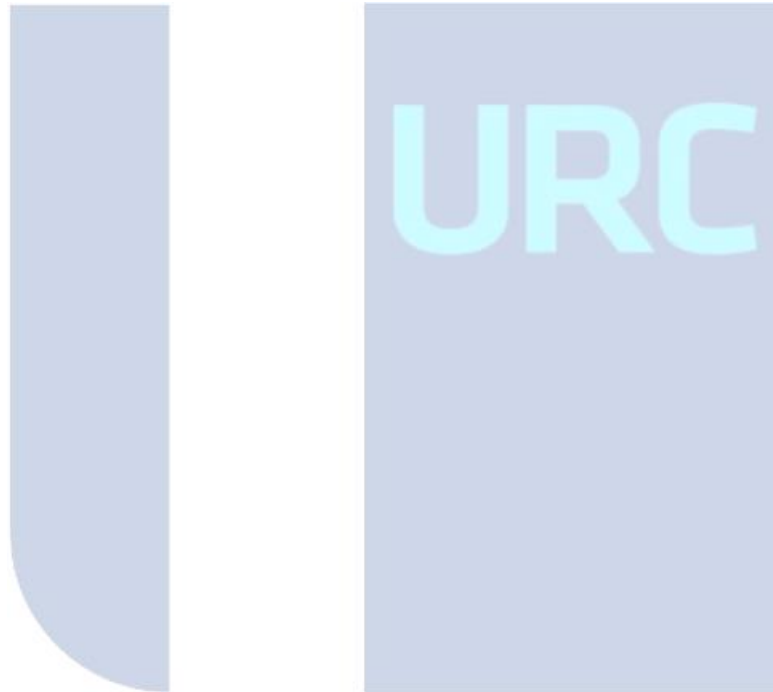
The original copy of the Policy shall be retained by the LCD Head of Function in any secure form. A Release Control Sheet and a Revision Control Sheet shall also be prepared on each occasion of release/ revision.

DOCUMENT HISTORY

Version Number	Effective Date	Revision Description	Approved By	Signature and Date
1	27 June 2016	First Version	BOD	27 June 2016
2	21 April 2021	Second Version	BOD	21 April 2021
3	30 November 2021	Third Version	BOD	30 November 2021

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16030/1. INTRODUCTION

United Real Estate Company is committed to protect the rights of its Shareholders and Stakeholders in a way that ensures achieving their interests and the company. This policy aims to ensure the Company commitment to respect and protect the Shareholders' and Stakeholders' rights according to related laws, instructions, and regulations. In this context, the BOD is committed to set standards of protecting Shareholders' and Stakeholders' rights and update these standards when necessary to reflect the changes in provisions of law, regulations and instructions issued by related regulators.

Respecting and protecting the rights of the Company's Shareholders and Stakeholders shall be practiced in accordance with the related laws and regulations applicable in the State of Kuwait, such as Labor Law, Companies Law and its amendments, CMA's Executive By-laws in addition to the documented agreements between parties and additional undertakings made by the Company towards Stakeholders.

The policy document shall include the Company's acknowledgment of the rights of Shareholders and Stakeholders and encourages cooperation between the Company and its Shareholders and Stakeholders on various aspects. As the contribution of the Shareholders and Stakeholders are a valuable resource in establishing Company competitiveness and in supporting the levels of its profitability.

16030/2. INSTRUCTIONS

2.1. APPLICABILITY

This **Shareholder and Stakeholder Rights Policy** applies to all Stakeholders (*as defined below*) of the Company, In the event of conflict between this policy and the Laws of Kuwait, the law shall have precedence over the policy.

Heads of Functions and Employees are responsible for reading, understanding, and complying with the provisions of this policy as and where applicable and as defined within the scope of each P&P.

2.2. INITIAL APPROVAL

The **Shareholder and Stakeholder Rights Policy** shall be reviewed and recommended by the LCD Head of Function, URC GCEO and approved by the Board of Directors (BOD).

The approved Initial Release Control Sheet shall be retained by the LCD Head of Function along with the approved original **Shareholder and Stakeholder Rights Policy**.

2.3. SHAREHOLDER AND STAKEHOLDER RIGHTS POLICY DISTRIBUTION

The **Shareholder and Stakeholder Rights Policy** shall be made accessible to all Shareholders and Stakeholders and shall be published on the company website.

The LCD Head of Function shall keep duly request to update the website of any changes or amendments in the **Shareholder and Stakeholder Rights Policy**, as and when they take place.

2.4. SHAREHOLDER AND STAKEHOLDER RIGHTS POLICY MAINTENANCE & REVIEW FREQUENCY

This P&P shall be reviewed and updated periodically. The review shall include due consideration of the following:

- Requests for updating the **Shareholder and Stakeholder Rights Policy** received from eligible Company's personnel.
- Recommendations of the IAD based on audit observations.
- Recommendations of the RMD based on Risk assessment.
- Recommendations for Corporate governance and compliance based on regulatory requirements.
- Changes in the internal and external operating environment requiring changes to realign **Shareholder and Stakeholder Rights Policy** in accordance with the changed context.

16030/3. ROLES & RESPONSIBILITIES

3.1. THE COMPANY'S RESPONSIBILITIES TOWARDS STAKEHOLDERS

3.1.1. Acknowledgment and Protection of Stakeholders and Shareholders Rights.

- Develop protective rules and policies governing their rights.
- Develop a mechanism for settlement of their complaints or disputes, which may arise between the Company and Stakeholders.
- Ensure that the information provided to Stakeholders are clear and free of errors.
- Provide Stakeholders with all the relevant information, in a timely and regular manner.
- Deal with Stakeholders without any discrimination or preferential conditions.
- Determine the course of action to deal with any party that breaches its obligations, and to deal with the eligibility, necessity, and payment of compensation.
- Compensate Stakeholders upon identifying a breach over their rights, as set forth by the laws issued in this regard. The breach shall be evidenced, and the mean of compensation shall be relevant to the subject breach.
- Determine parameters to verify that dealing with BOD Members and Stakeholders is conducted in accordance with the same conditions, in a fair manner, and without any discrimination of preferential conditions.
- Ensure that the agreements between Stakeholders and the Company include and indicate the abovementioned procedures in detail.
- Promote the Company's efforts in establishing and maintaining good rapports with the clients and suppliers and other classes of Stakeholders.
- Maintain an outmost state of confidentiality of the related information.

3.1.2. Avoid Conflict of Interest Cases Between the Stakeholders.

- No stakeholder shall be granted any special privilege compared to other Stakeholders during dealings, agreements, and/or transactions.
- The Company shall develop policies and procedures for tendering, bid submission and awarding dealings, agreements, and/or transactions. Such mechanism shall be made accessible to the Stakeholders.
- The Company shall develop policies and procedures that harness an optimum benefit from contributions of Stakeholders this includes:
 - Granting access to Stakeholders for information and data related to the activities thereof, in a timely and regular manner.
 - Facilitate for Stakeholders to report to the BOD any unfair practices committed by the Company against them and provide proper protection for the whistle-blowers.

3.2. THE COMPANY'S RESPONSIBILITIES TOWARDS SHAREHOLDERS

3.2.1. The Company understands that the goals of the Shareholders are mainly to:

- Raise value of investments and contributions.
- Achieve good returns of such investments.
- Verify that the current management of the company endeavors to maximize competitiveness and achieve high rates of growth.

3.2.2. A conflict between the goals of both the Shareholders and the Company's management may negatively affect the Shareholders' rights. Accordingly, the application of governance rules will ensure consistency between the goals of both the Shareholders and the Company's management and promote efficiency of the system that protects the rights thereof.

3.2.3. The responsibilities of managing the Company's activities are undertaken by the Company's BOD and the Company's management. Accordingly, the rights of Shareholders shall include a set of basic issues and tasks, such as:

- Elect the Members of the BOD.
- Amend the Company's articles of association.
- Approve unusual transactions.
- Receiving a share in Company assets in case of liquidation
- Other basic tasks as specified by Companies Laws, the CMA and its Executive Bylaws, and by the articles of association of the Company.

3.2.4. Acknowledgment and Protection of Shareholders Rights.

- Identify and protect the General Rights of Shareholders, to ensure fairness and equality amongst all Shareholders.
- Equitable and fair Deal with all Shareholders owning the same type of shares.
- Refrain from withholding any rights of any group of Shareholders.
- Refrain from developing policies and procedures that discriminate between groups of Shareholders.
- Abide by the applicable Laws of the State of Kuwait in this regard.

- Maintain accuracy and on-going monitoring of Shareholders' data.
- Create and keep special record at the Clearing Agency, in which names, nationality, domicile and number of shares owned by each holder shall be recorded. *(Such record of Shareholders shall record any changes to the registered data according to the data received by such Company or the Clearing Agency. Any party with a relevant interest may request such Company or the Clearing Agency to provide them with data from the register.)*
- Create and keep a special register at the Clearing Agency, in which names, nationality, domicile of Bond and number, value and type of Bonds owned by each Bond holder shall be recorded. *(Such register shall track any changes to the registered data according to the data received by such company or the Clearing Agency. Any party with a relevant interest may request such company or the Clearing Agency to be provided with data from such record.)*
- Facilitate for the Shareholders at the Company to review shareholders register and verify data are maintained according to the highest degrees of protection and confidentiality, without contradicting the Law, Bylaws and the regulations and regulatory controls issued by the relevant regulatory bodies.
- Encourage Shareholders to participate and vote in the AGA. *(The right of participation by Shareholders in the AGA's and voting on resolutions shall be an inherent right for all Shareholders regardless the different levels as follows):*
- The Shareholders' AGA shall be held upon the invitation of the BOD within the set dates in the time and place set out at the Company's Article of Association or the BOD's invitation for the AGA.
- The BOD may call the AGA to meet upon need.
- The BOD may call the AGA to meet based on a reasoned request by Shareholders owning not less than 10% of the Company capital or a request by the External Auditor within 21 days as of the date of such request.
- The BOD shall call for Shareholders to attend the AGA and provide the Shareholders with the agenda, time, and place of holding such meeting through announcement according to the mechanism as specified in the Companies Law.
- Assert that any Shareholder shall be entitled to authorize another person to attend to the AGA in accordance with a special proxy or an authorization prepared by the Company for this purpose.
- The Members of the BOD may not participate in voting on AGA resolutions concerning limitation of the responsibility to management regarding a private interest for their own, their spouses, or first-degree relatives; or a conflict between them and the Company.
- Facilitate for Shareholders, prior to holding the AGA with sufficient time, to have access to all information and data related to the agenda and in particular the reports of the BOD and the External Auditor and financial statements.

- The AGA agenda items shall include informing the Shareholders with the following items as minimum:
 - Read the governance report and the BAC Report.
 - Discuss the BOD report of the Company activity, financial position, and outcomes of works thereof.
 - Discuss the report of the External Auditor on the results of the Company's financial statements, approving the same, and the approval of the dividable net profit.
 - Present any violations captured 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 rules issued by the concerned regulatory body(s) in this regard and discussing Corrective Action of this regard.
 - Provide to the Shareholders for approval the Company's transaction related to its assets that equal to or exceeds 50% of the Company's total assets **for the AGA to approve.**
 - Report of the related party transactions **for the AGA to approve.**
 - Present the independent expert or the asset evaluator's report related to the related parties' transactions that equal to or exceeds 10% of the Company's total assets.
 - Approve the appointment of the External Auditor
- Facilitate for Shareholders owning 25% of the company capital to request to replace the appointed External Auditor during the financial year
- Facilitate for Shareholders to participate effectively in the AGA, discuss issues listed in the agenda and the inquiries concerning various activity aspects, ask questions related to such issues to be answered by the Members of the BOD and the External Auditor, provided that the BOD and the External Auditor shall answer such inquiries in a manner that does not harm the interests of the Company.
- Facilitate for Shareholders owning 5% or more of the Company capital to add items to the agenda of the AGA.
- Facilitate for Shareholders to review all data set out in the following registers:
 - Members Disclosures Register: includes the disclosures of Members of the BOD, Company's executive management and managers.
 - Remuneration Register: includes the details of the remunerations, compensations, salaries, incentives, and any other financial benefits that have been paid to the BOD, Company's executive management and managers through URC or/and its subsidiaries.
- Issues presented to the AGA shall be associated with sufficient information allowing Shareholders to take decisions thereof properly.

- Facilitate for all Shareholders to exercise the right of voting without placing any obstacles preventing such voting, and it shall not be cancelled under any circumstances. The Company shall ensure that all Shareholders exercise such rights through the following:
 - Shareholders shall exercise the right of voting granted to them with equal treatment by the Company.
 - Shareholders shall vote as principal or by proxy, with providing Shareholders with the same rights and duties, whether as principal or by proxy.
 - Shareholder shall be informed with all the standards that govern the voting process.
 - Provide all information related to voting rights for current Shareholders and potential investors and ensure availability of information for all Shareholders.
 - All Shareholders owning the same type of shares shall be entitled to vote on any changes related to the rights of Shareholders through a call for holding the Shareholders' AGA.
 - Vote to elect Members of the BOD in the AGA through Policies and Procedures set forth by the Company's memorandum of association and articles of association and in context of those set forth in the Companies Law. Taking into consideration the permission included in the Companies Law to adopt the Accumulative Voting System in this regard, considering this one of the governance best practices. In addition, it is necessary to develop a mechanism providing a brief introduction of candidates for the Members of the BOD and the capacity on which he/ she wishes to nominate himself / herself as executive, non-executive or independent member before voting. This will give Shareholders a clear concept of the professional and technical skills of the candidates and other experience and qualifications.
 - If it is not possible to obtain the required minimum number of independent Members in the BOD through the elections of the Members of the BOD at the meeting of the general assembly. The required number shall be met by replacing the non-independent Members who obtained the fewest votes with independent members through a separate election process among the non-winning candidates of this category, provided that the replacement process takes place at the same meeting.
 - If the Members of the BOD were appointed in accordance with the provisions of Article (188) of Law No. 1 of 2016 on the Promulgation of the Companies Law, the Shareholders who have representatives in the BOD may participate with other Shareholders in electing the remaining independent members within the limits what exceeds the percentage used in appointing his representatives to the BOD.
- All categories of Shareholders shall have an opportunity to hold the BOD accountable for the roles entrusted thereto.
- No fees shall be charged for attendance by any category of Shareholders to the AGA and no preferential advantage shall be exclusively granted to any category of Shareholders.
- The BOD may call the EGA to meet based on a reasoned request by Shareholders owning not less than 15% of the Company capital within 30 days as of the date of such request.

3.3. THE BOARD OF DIRECTORS' RESPONSIBILITIES TOWARDS SHAREHOLDERS

- Adapt a sound governance system which enables the Shareholders to:
 - Perform their basic rights and ensure equal dealing with all Shareholder types.
 - Provide protection against breach of the rights thereof.
 - Protect the capitals of Shareholders against misuse by the Company's management.
 - Maintain transparency by complying with the requirements of material information disclosure rules.
 - Refrain from participating in voting on AGA resolutions concerning limitation of the responsibility to management regarding a private interest for their own, their spouses, or first-degree relatives; or a conflict between them and the Company.
 - Monitor the Company's performance, in general, and the BOD, in particular.
 - Hold the Company's BOD members or the Company's management accountable and filing tort cases if they fail to meet roles entrusted thereto.
 - Approve related parties' transactions.
 - Approve any transaction (purchase, sell) related to the Company's assets that are equal to or exceeds 50% of the Company's total assets.

16030/4. DEFINITIONS

No.	Definition	
1.	Accumulative Voting System	Means a type of voting system that helps strengthen the ability of minority shareholders to elect a director. This method allows shareholders to cast all or part of their votes for a single nominee for the board of directors when the company has multiple openings on its board.
2.	Annual General Assembly (“AGA”)	Means a meeting of the general membership of the organization conducted in accordance with the stipulations of the Kuwait CMA Circular No. (12) of 2017 on General Assemblies of Listed Companies.
3.	BAC	Means the Board Audit Committee.
4.	BAC Report	Means an annual report prepared by the Board Audit committee demonstrates the Committee’s opinion and recommendation regarding the efficiency of internal control system in URC
5.	BOD	Means the Board of Directors.
6.	BOD Secretary	Means the Secretary to the Board of Directors.
7.	Bonds	A financial instrument that represents an indebtedness due from the Issuer to a Bondholder, pursuant to which a Bondholder receives periodic distributions during the Bond’s Term or one payment or more of the redemption or both which when matured leads to the expiry of the Bond.
8.	Clearing Agency	Means an organization associated with an exchange to handle the confirmation, settlement, and delivery of transactions. Clearing Agency fulfill the main obligation of ensuring transactions are made in a prompt and efficient manner and has record of all the shareholders data and information.
9.	CMA	Means Capital Market Authority
10.	CMA Laws and Executive Bylaws	Means the Capital Market Authority’s Laws and Executive Bylaws
11.	Companies Law	Means the laws, rules and procedures which governing all kind of companies that are established in the State of Kuwait.
12.	Company	Means United Real Estate Company K.S.C.P is also referred to as an organization.
13.	Corrective Action	Means actions aiming to eliminate the cause(s) of nonconformity and to prevent recurrence (Source: ISO 22300:2018).
14.	Custodian	Means the department/employee / corporate Party, primarily responsible for the safekeeping and optimal operation of an asset or its components.
15.	Delegation of Authority (DOA)	Means the authority formally delegated from the Board defining the limits of authority designated to specified positions or committees within URC.
16.	Department	Means the specialized functional area within URC responsible for different divisions and activities.
17.	Employees	Means all employees of the respective departments within URC.
18.	External Auditor	Means a licensed audit partner appointed by the Company to review and issue the Company’s interim and annual financial statements.
19.	EGA	Extraordinary General Assembly

20.	Finance and Accounting Department (FAD)	Means the department at URC's Head office in Kuwait, responsible for financial control and is part of URC's Shared Service Center.
21.	Head of Function	Means the direct report(s) to the GCEO as per the approved organizational structure.
22.	HRD	Means the Human Resources Department.
23.	IAD	Means the Internal Audit Department.
24.	LCD	Means the Legal and Compliance Department
25.	LCD Head of Function	Means the Legal and Compliance Departments Head of Function
26.	Members Disclosures Register	A register that includes the disclosures of Members of the BOD, Company's executive management and managers and the custodian of this register is LCD.
27.	P&P	Means the Policies and Procedures of this Shareholders and Stakeholders Rights Policy.
28.	Remuneration Register	A register includes the details of the remunerations, compensations, salaries, incentives, and any other financial benefits that have been paid to the BOD, Company's executive management and managers through URC or/and its subsidiaries and the custodian of this register is the HRD and FAD.
29.	RMD	Means the Risk Management Department.
30.	Shareholder and Stakeholder Rights Policy	Means this policy protecting the rights and interest of the Shareholder's and Stakeholder's of the Company, and its procedures governing the transactions with related parties.
31.	Shareholder(s)	Means any individuals or organizations owns at least one share of a company's stock, which is known as equity. Because shareholders are essentially owners in a company, they reap the benefits of a business' success.
32.	Stakeholder(s)	Means any individuals or organizations possessing an interest in the entity- company, such interest includes employees, shareholders, debtors, suppliers, clients, agents, and service providers, and regulatory authorities.
33.	URC	Means United Real Estate Company K.S.C. P
34.	URC GCEO	Means URC's Chief Executive Officer and the highest executive positions as per the organizational structure.