

**anb capital**  
**Shariah Funds**  
**Resolution on Voting Guidelines**

**June 2023**

### **Objective**

Investment Fund Regulations (IFR) stipulate that mutual funds managers should have a voting policy after consultation with the Compliance Officer. The anb capital Shariah Mutual Fund Board (the Board) would like to facilitate the workings of its fund managers while maintaining a proper level of supervision and reporting.

To that end, the Board is providing the guidelines listed below for the fund managers to follow and report on.

### **I- General Guidelines**

1. In accordance with Article 60 (a) of the IFR, the fund manager shall exercise or not exercise any rights associated with any assets of any public fund a fund manager shall act in accordance with the best interests of the unitholders of the relevant public fund.
2. The fund manager should select and authorize one of its staff members to represent funds in General Assemblies (GA). Asset Management Division (AMD) may select different staff members for different GAs.
3. The selected member must have the required level of understanding of the company, the discussion points at the GA and the fund which he is representing.
4. Prior to the GA, AMD must decide on the voting for items on the agenda of the GA and decide whether to attend the meeting or not. If yes, the designated staff should vote accordingly.
5. Funds will abstain from voting when it comes to selecting board members.
6. In case of voting regarding an M&A transaction, AMD should ensure that the transaction was done in favor of shareholders and vote accordingly. For example, AMD should assess the fairness of any valuation presented as part of the transaction.
7. When voting on a merger and acquisition deal, the asset management must verify that the deal has been concluded in the interest of the shareholders, and vote accordingly. For example, the asset management should evaluate any valuation provided in connection with the deal.
8. In accordance with Article 60 (b) of the IFR, the fund manager should maintain a register of meetings attended and maintain full records documenting the exercise of voting rights (including the reasons for exercising or not exercising voting rights in a particular way).
9. In accordance with Article 60 (c) of the IFR, the fund manager must disclose on its website and on the exchange's website or any other website available to the public according to the controls set out by the Authority (where applicable) its policies

regarding voting rights in the GA of listed companies, in relation to each fund the fund manager manages.

10. When it comes to voting, AMD should ensure that there is no conflict of interest between the concerned fund and any of the following:
  - a. The fund manager
  - b. The selected staff member (who will attend the GA)
  - c. Any party related to the fund manager (such as anb or other companies)

In case of potential conflict(s) of interest, the AMD should consult the Compliance Officer.

## II- Exceptions

The designated staff member should abstain from voting in the following conditions:

1. If an issue is raised while not being part of the GA agenda
2. If the designated staff believes that no sufficient information/data has been presented to make a decision on the agenda item

The designated staff should document any instances of point 2 above.

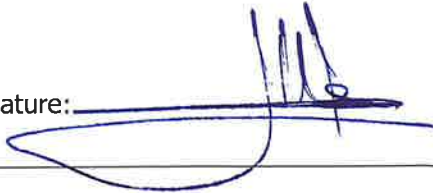




## III- Reporting

Two weeks after the end of each quarter, AMD should present a list of attended GAs along with the votes made to the Compliance Officer. The Compliance Officer may ask for further supporting documents or analysis.

## IV- Approval

These guidelines constitute an approval from the Fund Board to AMD to vote under the above guidelines for shariah funds

**Shariah Fund Board Members:**

Mr. Khaled Alrashed (Chairman)	Signature: 
Dr. Zeyad Abanmay (Non-Independent member)	Signature: 
Mr. Waleed Almoajil (Non-Independent member)	Signature: 
Mr. Khalid Altaieb (Non-Independent member)	Signature: 
Mr. Mofareh Alshehri (Independent member)	Signature: 
Mr. Fahad Almoharib (Independent member)	Signature: 

**Compliance representative:**

Ms. Randah Ibrahim Aljarboua

Signature: 