

# Shareholders' And Stakeholders' Rights Policy

**VIVA**



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## **1. Introduction**

Kuwait Telecom Company "VIVA" (the company) is committed to protect the rights of its shareholders in a way that ensures achieving the interests of shareholders and the company. The policy of protecting shareholders' rights (the policy) aims to ensure the company commitment to respect and protect the shareholders' rights according to related laws, instructions and regulations.

In this context, the Board of Directors is committed to set standards of protecting shareholders' rights and update these standards when necessary to reflect the changes in provisions of law, regulations and instructions issued by related regulators.

## **2. Scope of Application**

The provisions of this policy shall apply to the company, Board of Directors, Executive Management and employees according to the role of each party in protecting the rights of shareholders. All members and employees of the company management shall be notified of the requirements of applying the related policy, regulations and instructions.

In case the regulations of this policy are inconsistent with any requirements, laws or instructions issued by regulators. These requirements/ laws/ instructions are applied to provisions of this policy.

## **3. The Responsibility of Applying Policy**

The Compliance Department takes charge of following up this policy application in coordination with Board secretary on behalf of the company. The content of this policy is confidential and concerned to internal usage of the company only unlike the parts which will be posted on the websites of the company.



#### 4. Definitions

Term	Definition
<b>The Board</b>	Board of Directors
<b>The Authority</b>	Authority of Capital Markets
<b>Policy</b>	Shareholders' and Stakeholders' Rights
<b>Shareholders</b>	It means any other person, company or institution that has at least one of the company's shares and shareholders are owners of company.
<b>Equity method</b>	It is determined by numbers of shares owned by shareholder in the company.
<b>Companies Act</b>	Companies act No. 1 in 2016.

#### 5. General rights of shareholders

- a) The company is committed to ensure practicing shareholders to their rights fairly, not to violate them or their abuse by the management, Board members or main shareholders. The company has to treat all shareholders and owners of the same kind of shares equally without any discrimination. The company shall not withhold any of the referred rights in any case to any category of shareholders or set standards to discriminate between shareholders to get these rights as not to compromise the company interests or contradict with related laws. The company is committed to provide the following rights for shareholders:
1. Obtaining the allocated share of dividends.
  2. Obtaining the share of company assets in case of liquidation.
  3. Obtaining data of the company's activity and its operating and investing strategies regularly and continuously.
  4. Participating in General Assembly Meetings of shareholders, voting its decrees and ensuring that the shareholder gets financial data at least seven days before the general assembly meeting on the ended financial period and also the report of director's board and the auditor's report.

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5. Electing the Board members.
  6. Registering the property value in the company records.
  7. Disposing of stocks in terms of recording, transferring and converting the shares ownership.
  8. Monitoring the company performance in general and board works in particular.
  9. Accountability of the company board members or executive manager and filing a case of responsibility in case of their failure in performing their assigned tasks.
  10. Nominating the membership of the company board.
- b) The company shall disclose to Kuwait Stock Exchange and Capital Markets Authority on the company's capital structure or any arrangements may make changes to the ownership of shareholders to dominant shares in the company.
- c) Shareholders receive information and data prescribed by laws and instructions issued by related regulators periodically and upon request.
- d) The company shall comply with all procedures necessary to disclosure through appropriate methods as per the provisions of laws and instructions issued by related regulators.
- e) The shareholder shall be entitled to access the data received in the disclosure record of the company.
- f) Shareholders shall have the priority to subscribe in case of increasing the company capital. In the subscription process, the shareholders' contribution shall be subject to ownership rate in the current capital within 15 days from the notice date (unless Articles of Association

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includes the waiver of shareholders of their rights in the priority of subscription).

- g) The company shall obtain an updated copy of shareholders register from Kuwait Clearing Company. The record includes minimum names of shareholders, their nationalities, identification cards, their shares number and their contacts.

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## The shareholders rights in General Assembly Meetings

### 5-1 Participating in General Assembly Meetings

- The company encourages all its shareholders to participate in general assembly meetings and all decisions taken by it including choosing the board members.
- The company shall make sure not to apply fees for attending any category of shareholders in general assembly meetings or to grant privilege to any category for other categories of shareholders.
- The company shall call for the ordinary general assembly meeting upon a written justified request by a number of shareholders who have not less than 10% of company capital or at the request of auditor within 15 days from the request date.
- The company shall call for extra-ordinary general assembly meeting at a justified written request by a number of shareholders who have not less than 15% of company capital within 30 days from the request date.
- The company ensures providing the following for the shareholders before the date of General Assembly:
  - An invitation to attend General Assembly to determine the meeting time, place and agenda. The place and time of convening the General Assembly of shareholders shall be announced twice in Kuwaiti local newspapers and on the company website providing the elapse of seven days at lease between the first and second advertisements with publishing the second advertisement seven days at least before the date of holding general assembly.

- Agenda of General Assembly meeting includes at least the following:
  - Reading reports of Corporate Governance and Audit Committee.
  - Board of Directors' report on the company activity, its financial position and its works results.
  - External report of auditors on the results of the company's fiscal year.
  - Discussing the external report of auditor on the results of the company's fiscal year, its approval and adopting the net distributable profit.
  - Dealings with stakeholders
  - Report on the remunerations of Board members and Executive Management.
  - Any violations monitored by the regulatory authority/ authorities and any penalties issued as a result of such violations resulting in applying (financial and non-financial) penalties against the company without prejudice to governed laws and regulatory settings issued by concerned regulatory authority in this regard and discussing the notes of regulatory representative in case of his attendance.
  
- Shareholders who have about 5% of the company capital are allowed to add items to schedule of general assembly. An explanatory brief is set including details of each item of general assemble meetings' schedule which is modified with reasons of modifying schedule. The brief shall be posted on websites of company when inviting to meeting. Taking into account to note that this brief is available on company website through advertising in newspapers to hold meeting.
  
- The company shall encourage shareholders for effective sharing in general assembly meetings, discuss the subjects included in the

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schedule and its related inquiries regarding the various activities and ask its regarding questions to board members and external auditor. The board or external auditor shall answer questions in the extent that it does not expose the interests of the company for damage.

- General Assembly may not discuss subjects not included in the schedule unless they were urgent matters occurred after setting schedules or revealed during meeting or it is required by any of regulators, auditor or a number of shareholders owning 5% of the company capital. If it is shown within the discussion the insufficient information related to some shown matters, the meeting shall be delayed for not more than 10 working days if it is required by shareholders who represent quarter of capital shares, and then delayed meeting is held without the need to new procedures for invitation.
- Shareholder is entitled to grant an approx. too write to another shareholder not of board members or company employees to attend the general assembly meeting.
- Providing all data related to schedule items and reports of board and auditor and financial data in particular to shareholders adequately prior to general assembly.
- Allow shareholders to recital all data included in record concerned to disclosures of board directors and executive management members.
- The shareholders are entitled to access the minutes of company's general assembly meetings.
- General Assembly may not:

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- Increase the financial burdens of shareholder or increase the nominal value of shares.
  - Reduce percentage of net profits to be distributed for shareholders and determined in the company contract.
  - Apply new conditions except conditions mentioned in the memorandum association and statute related to shareholder eligibility in attending general assembly and voting herein.
- Shareholders may object to usual and unusual decrees of general assembly by any of the following methods:
- Filing a case to nullify any decree issued by board of directors or general assembly (either usual or unusual) contrary to law, memorandum association or statute or when it intends to damage interests and call for compensation when required.
  - Appeal before courts to usual or unusual decrees of general assembly by shareholders owning 15% of the capital at least in case these decrees are prejudice to minority rights providing that their approval are not proved in minute of general assembly meeting.

### **5-2 Extraordinary General Assembly meetings:**

Convening extra-ordinary general assembly is not duly unless attended by shareholders whom hold three quarters of company capital. Unless this share is not provided, they were invited to a second meeting to be duly by inviting a number of shareholders representing more than half of capital. It issued majority decrees more than half of total shares of company capital.

Extraordinary General Assembly is concerned with the following matters:

- 1- Amending the contract of company.
- 2- Dissolution and liquidation of the company



- 3- Integrating, transferring or splitting the company
- 4- Increasing or reducing the capital of company.

### 5-3 Voting rights:

The company encourages all its shareholders to vote all decrees taken by general assembly including to choose board members.

- Each shareholder either natural or legal persons appoint his representative in the company board by the rate of his shares. He may waive the number of board members chosen by this way from total elected board members. Shareholders who have board representatives may not share with other shareholders in electing the rest of board members but in the limits of the increased rate used in appointing his board representatives. A set of shareholders may ally to appoint a representative or more in board by their property rate. The representatives of elected members have rights ND duties. The shareholder is responsible for his representatives' works towards the company, creditors and shareholders.
- The company shall ensure taking the following procedures with regard to voting mechanism in general assemblies of company:
  - All categories of shareholders have the same voting rights in the same treatment by the company.
  - Shareholders are able to vote in personal capacity or on behalf with the same rights and duties of shareholders either for on behalf of
  - Noting shareholders all regulations that govern the voting procedures during general assembly.
  - Providing all data of voting for current shareholders and prospecting investors securing the supply of data continuously and permanently for all categories of shareholders.
  - Providing the right of voting to all shareholders' categories on any changes related to shareholders' rights by inviting to general assembly meeting.

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- Voting to select the board members in general assembly is done by mechanisms stipulated in Association memorandum and its statute and in the framework of statute and executive regulation.
  - A chance for board accountability about all his assigned tasks are provided for all shareholders
  - Not imposing any fees for attending any of shareholders' categories to general assembly meeting or giving priority to any category of shareholders.
  - Develop suitable mechanism for providing enough data for shareholders about the technical and professional skills of board candidates besides their experience and qualifications before starting the process of selection.
- Shareholders or their delegates should not be a voting party in which their interests or in cases in which conflict between the shareholder and the company occurs.
  - A number of shareholders owning not less than quarter of company's capital is entitled to ask for dismissing the board chairman, member or more than board members or dissolution company's board and elect new Board in a decree issued by usual general assembly of company.

## 6. Protecting shareholders' data

- The company retains an updated copy of shareholders' record in to Kuwait Stock Change. This record includes any changes to its registered data according to the data of company, agency. Any concerned party can ask the company or agency to provide him with this record's data.
- The company is keen to ensure all data retained within shareholders' record are confidential data and couldn't be accessed only by delegated employees. The company allows its shareholders the possibility to recital shareholders' record.
- Shareholders are allowed to get data and documents of the company without prejudice to laws and instructions issued by related regulators (including the minimum data that the company should disclose pursuant to laws and instructions issued by regulators).
- Shareholders who claimed their rights of shares contrary to the proved in register if company shareholders may submit to judge ad hoc for issuing a petition to deprive the disputed shares from voting for a period determined by judge ad hoc till deciding in it by the competent court according to procedures stipulated in commercial and civil code of procedure.

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