



SHAREHOLDERS' PROTECTION POLICY

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Version 1.0

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Glossary

Term	Definition
Mushrif or the Company	Mushrif Trading and Contracting Company
AGM	Annual General Assembly Meeting
EGM	Extra-Ordinary General Assembly Meeting
BOD	Board of Directors
CEO	Chief Executive Officer
CMA	Capital Markets Authority
KSE	Kuwait Stock Exchange
the Policy	Shareholders' Protection Policy

1. Introduction

Mushrif Trading and Contracting Company (hereinafter referred to as "Mushrif" or "the Company") is committed to protecting the rights of its shareholders in a way that guarantees the best interest of both shareholders and the Company. As part of the Company's corporate governance framework, the purpose of the Shareholders' Protection Policy (hereinafter the "Policy") is to assure that the rights of shareholders as established by relevant laws and regulations are respected and protected by the Company.

This policy has been prepared in line with the Corporate Governance related regulations issued by the Capital Markets Authority (CMA) and other related regulatory requirements. The policy is considered as part of the Company's Corporate Governance Framework.

1.1. Scope

This Policy document applies to the Company, Board of Directors, executive management and employees as each party has the duty of protecting the rights of shareholders of the Company. It is essential that all Directors, management and employees understand the requirements of this Policy and applicable laws and regulatory requirements carefully and comply with its contents.

Wherever the provisions of this Policy contradict with any newly issued statutory or regulatory requirements, the statutory and regulatory requirements will take precedence over the provisions of this Policy till the policy is properly updated and approved.

1.2. Custodian

The xxx shall have the custody over the master copy of this policy. The contents of this Policy, other than areas to be disclosed on the Company's website, are confidential and are intended for internal use of the Company only.

This Policy document should always be kept in a read-only status and must not be copied or revealed to third parties without the expressly written permission of the Board.

Requests for circulation of soft copies of this Policy are to be made only to designated personnel.

1.3. Responsibility for Implementing the Policy

The Investor Relations' Function shall have the responsibility to monitor the implementation of this policy.

1.4. Policy Revisions

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The Investor Relations' Function is Responsible for reviewing the policy on an annual basis and when needed, taking into account the extent of compliance with laws and regulations issued by CMA and others regulatory authorities, in addition to the need to amend the policy approved by the Board of Directors. The Function will submit its proposals for amendment on the policy to the CEO for review, the Board of Directors shall be the ultimate approving authority of this policy. Once the changes are incorporated in the Policy, the relevant page (or pages) will be updated by the version and the date.

The table below tracks the manual revision and changes made. In the "Page Number" section, links will direct the user to the mentioned page to promptly trace such changes.

Sr.	Version No.	Version Date	Section	Page Number	Approval
1					
2					
3					
4					
5					

Approved by **Board of Directors** on: _____

2. General Shareholders Rights

- It is the responsibility of the Company to ensure that all shareholders are practicing their rights fairly and equally and are protected against any violation to those rights, it is also the responsibility of the Company to ensure that shareholders assets are protected against any misuse that may occur from the Company's Board, Management or relevant stakeholders. The Company shall ensure that the following rights are granted to shareholders:
 - Registration of ownership in shareholders' register maintained with Kuwait Clearing Company.
 - Disposition of ownership either by ownership registration or transfer.
 - Receipt of designated share of dividends (cash and/ or shares).
 - Receipt of designated share of Company's assets in case of liquidation (after fulfilling of Company's debts).
 - Receipt of data and information related to the Company's activities as well as investment and operational strategy on a regular basis.
 - Participation in General Assembly meetings and participate in decisions taken.
 - Participation in the selection of board members during the AGM.
 - Monitoring the performance of the Company as whole and the BOD in particular.
 - Questioning the BOD and Executive Management in case of deficiencies in in undertaking assigned responsibilities.
- The Company shall treat shareholders holding the same type of shares equally without discrimination. The Company shall not ban any of the rights stated above to any shareholder, nor establish standards which aim to discriminate between different shareholders groups to implement these rights, given that this does not harm the Company's interest or conflict with the laws, executive bylaws or any subsequent instructions and regulations issued by related regulatory authorities.
- The Company shall disclose, to KSE and CMA, the Company's capital structure or any arrangements with which might result in changes in certain shareholders holding a controlling stake in the Company.
- Shareholders shall receive periodic and upon request information that is disclosed in accordance with applicable laws and regulations.
- The Company shall make all of the necessary disclosures via the appropriate channels as required by applicable laws and regulations (i.e. disclosures to regulatory authorities, disclosure through the Company's website, etc.).

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- Shareholders shall have access to view information included in the Disclosure Register for the Company, the BOD and Executive Management.
- Shareholders shall have priority to subscribe in the Company's initial public offerings in cases of capital increase. Shareholders participation in these offering will be subject to the percentage of ownership in the Company's current capital and within 15 days of the date of notice (unless the Company's Article of Association/ Memorandum of Incorporation includes a waiver of shareholders right in having the priority to subscribe during initial public offerings).
- Shareholders have the right to access the shareholders' register. In addition, shareholders who claim the right in shares that contradicts the shareholders register may apply to the judge of urgent matters to issue an order to prevent shares subject to dispute from being part of the voting process for a period determined by the judge or until a decision is taken in regards to the dispute from concerned court.

3. Shareholders Rights in General Assembly Meetings

3.1. Participation in General Assembly meetings

- Shareholders should be encouraged to attend the General Assembly meetings, participate in the discussions of topics included in the meeting agenda and address any inquiries to the BOD and the External Auditor whom shall answer such inquiries to the extent that does not put the Company's interest in jeopardy.
- Shareholders have the right to attend the General Assembly meetings without being subject to any fees for their attendance.
- The Board shall call for the AGM during the first 3 months following to the end of the financial year at the place and time where specified with the Company or the assembly's invite.
- The BOD is also to call for an AGM based on the request of shareholders holding at least 10% of the Company's capital or the External Auditor within 15 days from the date of the request.
- An EGM meeting may be held based on a the request of shareholders holding at least 15% of the Company's capital within 30 days from the date of the request.
- The Company should arrange for the following when a General Assembly Meeting for shareholders is held:
 - Send out an invitation to attend the General Assembly along with the meeting agenda, time and place. The invitation shall also be advertised twice in local Kuwaiti newspapers and the Company's website given that a time gap of at least seven days is given between the first and second advertisement and that the second advertisement is published at least seven days prior to the date of the General Assembly.
 - The AGM meeting agenda shall include the following at minimal:

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- Presentation of the governance report and Audit Committee Report.
- BOD's report stipulating the Company's activities, results and financial position for the financial year.
- Discussion and validation of External Auditor's report and approval of distributable net income.
- The Company's Financial Statements.
- The BOD's recommendations regarding dividends distribution.
- Appointment, election of the Company's BOD or the dissolution or restraint of their authority unless stated in the Company's Articles of Association.
- Appointment of external auditors for the upcoming financial year and determination of their fees.
- Transactions with related parties.
- Any violations noted by regulatory authorities and any penalties (financial and non-financial) that resulted from such violations, provided that such does not conflict with applied laws and regulations issued by concerned regulatory authorities in this regard, as well as discussion of regulator's representative notes in the event of his/ her attendance.
- Any other topic that any party, which has the right to call for a General Assembly Meeting, may request to add to the meeting's agenda.
 - o Inform the shareholders that they have the right to delegate others to attend the General Assembly Meetings through a special power of attorney or an authorization template prepared by the Company for this purpose.
 - o Allow the shareholders to have enough time prior to the General Assembly Meeting to obtain all information and data related to items on the agenda, and in particular the Board of Directors and external auditors reports and the Company's financial statements.
- Shareholders holding 5% or more of the Company's capital shall be able to add items to the agenda of the General Assembly meeting.
- Shareholders shall be provided with sufficient information in relation to all topics included in the meeting agenda in order to assist them in taking their decision in the best manner.
- The General Assembly should not discuss any matter that was not included in the meeting agenda except for urgent matters that occurred after the preparation of the agenda or during the meeting or based on the request of a regulatory authority, the external auditor, or shareholders holding 5% or more of the Company's capital. In such case if during the

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discussion, shareholders find that information related to the matter being discussed is not sufficient to take the decision, the meeting shall be postponed for a period not exceeding 10 working days in case the same has been requested by shareholders holding at least 25% of the Company's capital. The postponed meeting in that case shall be held without the need to initiate a new invitation process.

- Shareholders shall have access to the minutes of the Company's General Assembly meetings through the Company's Investor Relations Unit.
- The following will not be imposed by the General Assembly:
 - Increase of shareholders financial burden or increase in shares value.
 - Reduce the percentage of dividends percentage stipulated in the Company's Articles of Association.
 - Impose new conditions other than those stated in the Company's Memorandum of Incorporation and Articles of Association related to shareholders right in attending and voting in General Assembly meetings.
- The EGM is concerned with the following:
 - Amending the Company's Articles of Association and Memorandum of Incorporation.
 - The sale of any project initiated by the Company, or had disposition over it in any other way.
 - Dissolution of the Company, merger, division or transformation.
 - Increase or decrease of the Company's capital.
- Shareholders may file a claim on the invalidity of any of the decisions taken by Board of Directors or the General Assembly in case such decision is violating the law or the Company's Article of Association or is meant to harm the interest of the Company, and claim for compensation when appropriate.
- Decisions taken by the General Assembly which prejudice the rights of minority can be challenged before the court by shareholders holding at least 15% of the Company's capital (collectively), given that shareholders have not agreed to the decision taken.

3.2. Voting Rights

- The Company continuously should encourage shareholders to participate Shareholders in the voting process and the process of selecting board members. The Company must provide the opportunity to all shareholders to exercise their right to vote without creating any obstacles which may ban their right to vote thus voting is the shareholders inherent right and cannot be eliminated in anyway, it is the Company's responsibility to ensure this right is exercised by all shareholders.

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- Board members shall not participate in the voting of resolutions related to clearing them from their responsibility for the management of the Company or those related to their own benefit or the benefit of their spouses or first degree relatives or a dispute between them and the Company.
- Shareholders shall have the right to appoint board members in accordance to their percentage of ownership in the Company. Board members appointed by shareholders shall not be part of candidates to be elected during the AGM. Furthermore, shareholders with appointed board members shall not participate in the election of other board members, except for shares not used in the appointment of members. Shareholders may ally together to appoint one or more board members in accordance to their collective ownership in the Company. In such case, shareholders shall be responsible for the performance of their appointed board member towards the Company, debtors and other shareholders.
- Shareholders or their delegates shall not be part of the voting process in case the decision to be made is related to topics where the shareholders have an interest in or in cases where a conflict between the shareholder and the Company arises.
- The Company shall ensure that the following procedures are implemented in regards to the voting mechanism during General Assembly meetings:
 - Shareholders are granted an equal opportunity to vote and that all shareholders are treated equally without discrimination.
 - Shareholders can vote in person or by delegation and that both shareholders and their delegates have the same rights and obligations.
 - All shareholders have sufficient information regarding rules that regulate the voting process.
 - All information related to voting rights is continuously available to current shareholders and potential investors.
 - All shareholders holding the same type of shares are given voting rights in regards to changes in their rights by requesting a General Assembly meeting.
 - Voting for the selection of board members is governed by rules stipulated in the Company's Articles of Association in line with the Companies Law, its Executive Bylaw and any other related laws and regulations, taking into account the contents of the Companies Law of authorizing the use of cumulative voting system in this regard.
 - Provides a brief introduction about the candidates for BOD elections prior to commencing the voting process to give shareholders a clear idea about the candidates' professional and technical skills, expertise and other qualifications.
- Based on a recommendation from at least 25% of the Company's capital, the AGM may change the Chairman of the Board or a member or

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more of the board or dissolve the entire board and re-elect a new Board of Directors.

4. Protection of Shareholders Data

- The Company shall maintain a shareholders register at Kuwait Clearing Company which includes shareholders related information stated below at a minimum:
 - Name
 - Nationality
 - Residence
 - Number of shares owned
- Shareholders Register shall be continuously updated in accordance to information received by the Company or the Clearing Company, concerned persons may request any information included in the register from the Company or the Clearing Company.
- Shareholders are allowed access to the Company's shareholders register given that the Company will make every effort to maintain the confidentiality of information included in the register.
- The Company shall maintain a record of shareholders given access to view the disclosure register, shareholders register and any other information disclosed in according to applicable laws and regulations. The record shall include the type of information disclosed, shareholder's information and signature at minimal.