



الشركة العمليّة للطاقة (ش.م.ك.م.)  
Action Energy Company (K.S.C.C)

**ACTION ENERGEY COMPANY  
SHAREHOLDERS' POLICY  
ISSUE DATE: OCTOBER 2024**

## Review & Approval

Approval	Date
BOD Approval	10/02/2025

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## Key Definitions

1. **The Company:** refers to Action Energy Company K.S.C.C.
2. **The Authority (CMA):** refers to the Capital Markets Authority in Kuwait.
3. **Board of Directors ('Board'):** refers to the governing council of the Company as required under the Kuwait Companies Law No.1 for 2016, and its Executive Bylaws as maybe amended from time to time.
4. **Board Members ('Directors'):** refers to the natural person, or the representative of the natural person or the legal person elected to be a Board Member. The term covers Chairman, Vice Chairman, Executive Board Members, Non-Executive Board Members, and Independent Board Members of the Company.
5. **Chief Executive Officer ('CEO'):** refers to a person appointed by the Company's Board of Directors from amongst the Members of the Board (except the Board Chairman) or others, who shall be directly under the Board of Directors, who is in charge of managing all executive works relating to the Company's main activities, in accordance with the responsibilities and authorities granted to him.
6. **Executive Management:** refers to the C-suite executive positions directly subordinate/ reporting to the CEO in accordance with the organizational structure adopted by the Company. The Executive Management are appointed by the Board and are responsible for day-to-day business of the entity.
7. **Board of Directors' Secretary ('Board Secretary'):** refers to the person appointed by the Board of Directors from amongst the Company's employees to record, register and note all minutes of meetings, and to perform any other duties assigned to him by the Board in this respect
8. **Shareholders:** refers to an individual or legal entity (such as another corporation, a body politic, a trust or partnership) that is registered by the Company as the legal owner of shares of the share capital of a public or private Company.
9. **Stakeholders:** refers to every person of interest to the Company such as employees, creditors, suppliers, clients, agents, and service providers thereto.
10. **Accumulative Voting:** refers to the voting method that gives each and every Shareholder a voting power relevant to the number of shares he/she owns, where he/she has the right to vote with the same in favor of one candidate or distribute them over the selected candidates, without repetition of such votes. For example, if there are three seats up for election and a voter has three votes, they could cast all three votes for one candidate, or they could split their votes between two or three candidates.

# 1. Introduction

## 1.1. Preface

This policy outlines the rights of the shareholders and responsibilities of the Company to ensure timely access to information about the company (including its financial performance, strategic goals and plans, material development, corporate governance and risk profile) in order to enable Shareholders to exercise their rights in an informed manner, and to allow the shareholders and the investment community to engage actively with the company.

## 1.2. Purpose and Objectives

The purpose and objectives of the Policy are to:

- a) Protect and promote the rights of Shareholders. This includes ensuring that Shareholders have the right to vote on important matters, to receive information about the Company, and to hold the Board accountable.
- b) Promote good corporate governance. The Policy ensures that the Board is accountable to Shareholders and that the Company is managed in their best interests.
- c) Promote transparency and disclosure. The Policy helps ensure that Shareholders have timely access to the information they need to make informed decisions about their investment.
- d) Enhance shareholder value. By protecting and promoting the rights of shareholders and encouraging effective Shareholder participation in General Assembly meetings.

The Policy strives to make the Company more attractive to investors as well as enhance shareholder value.

This policy should be read in line with the following regulations and policies of the Company:

### Regulations:

- a) Capital Markets Authority Law (Law No. 7 of 2010).
- b) CMA Executive Bylaws as maybe amended from time to time.
- c) Law No. 1 of 2016 on the Promulgation of the Companies Law.
- d) Applicable regulations issued by the Kuwait Boursa, Kuwait Clearing Company and the Ministry of Commerce and Industry.

### Company policy

- a) Conflict of Interest Policy.
- b) Stakeholder Rights Policy.
- c) Whistleblower Policy.
- d) Investor Relations.
- e) Code of Conduct.
- f) Other internal policies and procedures, as applicable.

### 1.3. Scope of Application of Policy

The Policy will apply to all Shareholders of the Company, regardless of the type or class of shares they own.

### 1.4. Policy Custody and Distribution

The contents of the Policy are confidential and for internal use only. The Policy shall be maintained by the Compliance Department. The Policy will be circulated to the Board Members, Executive Management, and Employees of the Company and/or published on the Company intranet for general access, as applicable. Any access to the Policy to interested third parties shall be provided subject to their signing a standard non-disclosure agreement with the Company and the approval of the Compliance Department.

### 1.5. Policy Maintenance

The Policy shall be periodically reviewed (at least once in three years) and more frequently, if deemed necessary. Revision, if any, to the Policy shall be based on one or more or a combination of the following reasons:

- a) Changes in applicable laws, regulations, and internal policies of the Company.
- b) Gaps/ improvement opportunities identified by the Company's Internal Audit (IA) Department.
- c) Any other change which necessitates amendment to this Policy.

All requests for revision to the Policy shall be submitted to Compliance Department and shall follow the steps mentioned below:

- a) In the event of any request for revision to the Policy, the Compliance Department shall review the request and assess if the proposed changes are pertinent and justified considering any of the above-listed parameters.
- b) If the proposed changes are not justifiable, the Compliance Department may reject such a request and notify the requester, accordingly, along with reasons for the rejection.
- c) If requested changes are deemed to be justifiable, the Compliance Department shall escalate the change request to the Audit & Risk Management Committee for review and the Board for approval.

Subject to approval by the Board, the Compliance Department shall amend/ update the Policy. The revised Policy shall be circulated to the Board Members, Executive Management, Department Heads, and the relevant Employees of the Company.

## 1.6. Policy Maintenance Authorities

Authorities	Maintain	Update/ Amend	Review	Endorse	Approve	Publish
Compliance Department	✓	✓	✓			
Risk Management Department			✓			
Human Resources & Admin Department						✓
Board			✓		✓	
IT Department						✓

## 1.7. Precedence of Laws and Regulations

In the event of a conflict between any statement and/or course of action in this document and applicable regulations, the relevant laws and regulations shall always take precedence.

## **2. Shareholders Rights Policy Statements:**

### **2.1 Fair treatment:**

- 2.1.1** The Company shall treat all Shareholders without discrimination and shall not withhold any of the Shareholder rights from any category of Shareholders for any reason or set in place any standards which might lead to discrimination among Shareholders in practicing their rights.
- 2.1.2** The Company's Board shall protect Shareholders' rights and ensure fairness and equality among them.
- 2.1.3** The Company's Board and Executive Management shall not discriminate among Shareholders who own the same class of shares nor prevent them from accessing any of their rights.
- 2.1.4** The Company shall always take necessary actions to guarantee that all Shareholders exercise their rights, whenever required.
- 2.1.5** The Shareholders shall inform the Board of any inappropriate practices in line with whistle blower policy.

### **2.2 General rights:**

- 2.2.1** List the ownership value of their shared investment in the company records.
- 2.2.2** Dispose shares, including registration and transfer of ownership.
- 2.2.3** Receive the decided share in dividends.
- 2.2.4** Receive a share in company assets in case of liquidation.
- 2.2.5** Have access to data and information of the company activity and operational and investment strategy regularly and easily.
- 2.2.6** Participate in meetings of the Shareholders' General Assembly and vote on the resolutions thereof.
- 2.2.7** Elect Members of a Board of Directors.
- 2.2.8** Control performance of the company, in general, and the Board of Directors, in particular.
- 2.2.9** Hold the company's Members of a Board of Directors or the Executive Management accountable and file tort cases if they fail to meet roles entrusted thereto.
- 2.2.10** Approving any sale and purchase transactions or disposal in any way of the Company's assets, if this transaction is 50% or more of the total amount of the company's assets.
- 2.2.11** The Company shall deal with all shareholders owning the same type of shares equally and without any discrimination. The company shall not under any circumstances withhold any rights referred to previously from any group of Shareholders or develop standards that discriminate groups of shareholders, to incorporate such rights, in a manner that does not damage the company interests or comes in contradiction with the Law these Bylaws and any of their issued regulations and regulatory controls.

### **2.3 Shareholders Rights relating to General Assembly:**

The Company shall have a mechanism that facilitates the participation of all Shareholders and voting in the General Assembly Meetings in accordance with the following guidelines:

- 2.3.1** The Company shall convene a General Assembly once a year as per applicable laws and regulations.
- 2.3.2** The Company shall send an invitation or notice to the Shareholders to attend the General Assembly giving details of the meeting agenda and the place, date, and the time of the meeting as per bylaws of the Companies Law, and the Company's Articles of Association.
- 2.3.3** In preparing the agenda for the General Assembly Meeting, the Board shall consider the matters Shareholders require to be listed on that agenda. The Company shall include one or more items in the agenda proposed by Shareholders holding not less than 5% of the Company's equity shares.
- 2.3.4** The Company shall give a written notification, affirming the right of any Shareholder to authorize another person to attend the General Assembly in accordance with a special proxy or an authorization prepared/ provided by the Company for this purpose.
- 2.3.5** The Company shall allow Shareholders, prior to holding the General Assembly with sufficient time, to have access to all information and data related to the agenda, and particularly the reports of the Board, the External Auditor and the Company's financial statements.
- 2.3.6** The Company shall include in the agenda items a briefing to Shareholders on the following topics:  
The items of the shareholders' agenda shall include the following items as minimum:
- a) Reading the governance report and the Audit & Risk Committee report.
  - b) Discussion of the Board report of the Company activity, financial position, and outcomes of works thereof.
  - c) Discussion of 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.
  - d) Presenting the deals with the Related Parties.
  - e) Presenting any breaches monitored by the Regulatory Body/ Bodies 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/ Bodies in this regard and discussing remarks of the representative of such Regulatory Body if such representative attends.
  - f) Providing a request for the Shareholders for the approval for the purchase and sale transactions or disposal in any way of the company's assets if the transactions or actions are 50% or more of the total amount of the company's assets.
- 2.3.7** The Company shall allow Shareholders to participate effectively in the meeting, discuss issues listed in the agenda and make inquiries related to it concerning various aspects of activities, ask questions concerning such issues to the Board members and the External Auditor.
- 2.3.8** The Company shall ensure that issues presented to the General Assembly are supported with sufficient information allowing Shareholders to take sound decisions.
- 2.3.9** The Board shall separate each of the matters listed in the agenda of the General Assembly Meeting as an independent item, and not combine significantly different matters under one item, and not combine the businesses and contracts in which Board members have a direct or indirect interest under one item, for the purpose of obtaining the Shareholders' vote for the item.
- 2.3.10** The Extraordinary General Meeting shall meet at the invitation of the Board, or upon a reasoned request of shareholders representing fifteen per cent of the Company's issued capital or a request of the Ministry of Commerce & Industry (MOCI). The Board of Directors must call for the Extraordinary General Meeting to meet within thirty days from the date of submission of the request. If the Board does not call the Extraordinary General

Meeting during the period specified in the preceding paragraph, the Ministry shall call the meeting within a period of fifteen days from the expiration of the date of the period referred to in the preceding paragraph.

**2.3.11** The Extraordinary General Meeting shall not be valid unless attended by Shareholders representing three-quarters of the Company's issued capital. If this quorum is not ascertained; an invitation to a second meeting shall be extended and the second meeting shall be valid if attended by Shareholders representing more than half of the issued capital. Resolutions shall be passed by a majority for more than half of the total shares of the Company's issued capital.

#### **2.4 Voting in the General Assembly meetings:**

The Company shall facilitate all Shareholders to exercise their voting right without imposing any obstacles that might prevent them doing so. The Company shall ensure that all the Shareholders exercise their rights through the following:

**2.4.1** Shareholders shall be entitled to the voting rights provided to them and shall all receive the same treatment from the Company.

**2.4.2** Shareholders shall be able to vote personally or by power of attorney while maintaining the same rights and responsibilities in both cases.

**2.4.3** Shareholders shall follow all rules governing the voting procedures as set by the Law or the agreed procedures based on best practice.

**2.4.4** Information related to voting rights shall be made available to all the existing Shareholders and potential investors while ensuring that such information remains available to all Shareholders categories.

**2.4.5** All Shareholders categories holding the same type of shares shall be allowed to vote on any changes in their Shareholders' rights done through a General Assembly of Shareholders meeting.

**2.4.6** The voting process for election of Board members shall be carried out as per the mechanisms defined in Company's Articles of Association and within the requirements mentioned in the Companies Law including the provision for accumulative voting in the Companies Law in this regard.

**2.4.7** No fees shall be imposed on any category of Shareholders for attending the General Assembly and none of Shareholders shall be provided with any distinguished or privileged benefits.

**2.4.8** The Shareholders shall have the right to participate in discussions and vote in the following proceedings of the General Assembly:

- a) The agenda of the General Assembly, including the adding items to the agenda, (by Shareholders holding not less than 5% of the Company's shares).
- b) Passing of resolutions by a simple majority of the votes cast at the General Assembly, unless a "Qualified Majority" and/or a quorum is stipulated by law or in the Company's Articles of Association.
- c) The right to call a General Assembly by Shareholders (individually or jointly) owning at least 10% of the Company's capital.
- d) The annual report and disclosures of the Company.
- e) The adoption of financial statements of the Company.
- f) Voting on approval of share and option schemes, as applicable.
- g) Voting on adoption of the remuneration for the Company's Board.
- h) Voting on proposal to amend the Company's Articles of Association.
- i) Voting on appointment of External Auditor of the Company.
- j) Voting on approval of major transactions of the Company.

- k) Approval of Related Parties Transactions of the Company.
- l) Voting on Shareholders' proposals.

## **2.5 Shareholders Complaints and Information Requests Management**

The Company shall establish mechanisms for recording, managing, and resolving Shareholder grievances and provide other information requested by the Shareholders. The Board shall keep itself abreast of Shareholder grievances and shall approve related disclosures to concerned regulatory authorities, as appropriate. The Executive Management shall keep itself abreast of Shareholder grievances and ensure that such grievances are resolved on a timely basis, as appropriate.

## **2.6 Shareholder Communications**

**2.6.1** While preserving full compliance with applicable laws and regulations, The Company may use any of the following methods, as appropriate for its Shareholder communication activities:

- a) Releases to Bursa in accordance with relevant disclosures obligations.
- b) News releases.
- c) Investor presentations.
- d) Company's website.
- e) Company's annual, interim reports, and announcement of results.

The Company shall make timely announcements and accurate disclosures in respect of its activities.

## **2.7 Responsibility of the Company**

The Company shall disclose the rights of the shareholders on its website.

**2.7.1** The Investors' Affairs Unit shall be established to create effective communication between the company and its shareholders. This unit is devoted to handling inquiries from shareholders as well as others who might be interested in a company's stock or financial stability.

**2.7.2** The Company communicates to the Shareholders and updates them on the activities of the Company through its annual and quarterly reports, news releases, and presentations on the strategy, financial and business performance in the Company website.

**2.7.3** The Company shall strive to provide accurate, complete, transparent and clear information to its shareholders in a timely manner. Material information will be effectively and timely disseminated to all the shareholders.

**2.7.4** The Company maintains a corporate website <http://www.XXXX.com>. The Company's business developments and operations, financial reports, announcements, press releases, corporate governance practices and other information are posted on its website. Both current information and archives of previously released information including presentation slides and announcements can be found under "Investors" section of the corporate website.

**2.7.5** The company's Articles of Association and regulations shall include procedures and conditions necessary to ensure having access by all shareholders to the rights, thereof, in a manner that achieve fairness and equality without contradiction with the applicable laws, regulations, resolutions and instructions issued in this regard.

**2.7.6** The Company supports the use of electronic and other means of communicating with shareholders and investors including:

- a) Mail (Corporate Addressed)
- b) Email
- c) Telephone

- d) Facsimile
- e) Corporate Website
- f) Shareholders Meetings
- g) Webcasts
- h) Press Conferences
- i) Investor and analyst meetings

- 2.7.7** Webcasts of the Company's half-year results and results briefings to the investment community are available under "Investors" section of the corporate website.
- 2.7.8** The Company's annual general meeting and other general meetings are the principal communication channels with its shareholders and for shareholders' participation.
- 2.7.9** The Company encourages shareholders to attend the annual general meeting and other general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The Company will send to its shareholders or publish on its corporate website all notices of general meetings and accompanying explanatory material. At the meetings, shareholders can make statements, ask questions and exercise their influence by voting on the issues on the agenda.
- 2.7.10** The Chairman, Board members and external auditors shall attend the annual general meetings.
- 2.7.11** The company shall not impose any fees on any group of shareholders for attending the General Assembly meetings or grant preferential features to any group compared to other groups of shareholders.

## **2.8 Maintenance of Shareholder Related Information**

For continuous monitoring over all the matters related to Shareholders' information, the Company shall ensure the following:

- 2.8.1** Create and keep a special record at the Clearing Agency, in which names, nationality, domicile and number of shares owned by each holder shall be recorded. Such a register of Shareholders shall record any changes to the registered data according to the data received by the Company or the Clearing Agency. Any party with a relevant interest may request the Company or the Clearing Agency to provide them with data from the register.
- 2.8.2** Create and keep a special register at the Clearing Agency, in which names, nationality, domicile of Bond or Sukuk and number, value and type of Bonds or Sukuk owned by each Bond or Sukuk holder shall be recorded. Such record shall update any changes to the registered data according to the data received by the Company or the Clearing Agency. Any party with a relevant interest may request the Company or the Clearing Agency to be provided with data from such a record.
- 2.8.3** Allow the shareholders at the Company to review Shareholders' register and verify that data are maintained according to the highest degrees of protection and confidentiality, without contradiction with the Law, CMA Executive Bylaws and the regulations and regulatory controls issued by the Authority.

## **2.9 Mechanism of participation in shareholder's General Assembly**

- 2.9.1** The shareholders' General assembly shall be held at the invitation of the Board of Directors within the set dates in the time and place set out in the Company Contract or the invitation for the General Assembly. In addition, the Board of Directors may call the General Assembly to meet based on a reasoned request by shareholders owning not less than 10% of the company capital or a request by the Auditor within 15 days as of the date of such request.

When a company organizes shareholder's General Assembly, it shall:

- a) Extend call for shareholders to attend the General Assembly, including the agenda, time and place of holding such meeting through announcement according to the mechanism as specified in the Executive Bylaws of the Companies Law.
- b) Assert that any shareholder shall be entitled to authorize another Person to attend to the General Assembly in accordance with a special proxy or an authorization prepared by the company for this purpose. The Members of a Board of Directors may not participate in voting on the general assembly resolutions concerning limitation of the responsibility thereof, to Management regarding a private interest for their own selves, their spouses, or first-degree relatives; or a conflict between them and the company.
- c) Allow shareholders, prior to holding the general assembly with sufficient time, to have access to all information and data related to the agenda, and in particular the reports of the Board of Directors and the Auditor and financial statements.

**2.9.2** Allow shareholders to participate effectively in the General Assembly, discuss issues listed in the agenda and the inquiries related thereto concerning various activity aspects, ask questions concerning such issues to be answered by the Members of a Board of Directors and the External Auditor provided that the Board of Directors and the External Auditor shall answer such inquiries in a manner that does not harm the interests of such company.

**2.9.3** Allow shareholders owning 5% of the company capital to add items to the agenda of the General Assembly.

**2.9.4** Allow shareholders to review all data set out in the disclosure record of the Members of a Board of Directors and Executive Management members.

**2.9.5** Issues presented to the General Assembly shall be associated with sufficient information allowing shareholders to take decisions thereof properly.

## **2.10 Specific Provisions**

**2.10.1** The Company shall enable Shareholders to be briefed on the minutes of the General Assembly Meeting.

**2.10.2** The Company shall take available procedures to encourage minority Shareholders and non-institutional Shareholders to fulfil their roles as Shareholders of the Company.

**2.10.3** Shareholders shall be granted the opportunity to communicate their opinions and concerns to the Company's Board and Executive Management on a regular basis.