



بسم الله الرحمن الرحيم

Shareholders' Rights Regulation and the General Assembly of Shareholders

AL khaleej Training and Education Company

(Saudi Joint Stock Company)

Approved by the resolution issued by the Board of Directors on 02/12/1444 AH corresponding to
20/06/2023 AD

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Shareholders' Rights Regulations and the General Assembly of Shareholders

Introduction:

The shareholders are the real owners of the company, and therefore enjoy the rights and advantages stipulated in the Companies Law, and the most important of these rights are the right to fair treatment without discrimination, and to obtain information in a transparent manner that enables them to exercise their statutory rights to the fullest, the right to attend or vote on general assemblies, the right to discuss the performance of the executive management and the right to vote on all important topics on the agenda of the general assembly, such as approving the increase or decrease of the company's capital through the extraordinary general assembly, As well as the right to vote in the selection of members of the company's boards of directors, as well as the right to vote on the distribution of the company's profits and amount, and other rights and benefits that we will explain later, as the general assemblies of shareholders are concerned with all matters related to the company, and the general assembly held in accordance with the statutory procedures represents all shareholders in exercising their powers related to the company, It performs its role in accordance with the provisions of the Companies Law, its implementing regulations and the Company's Articles of Association. Based on the foregoing and after perusal of the Companies Law and its amendments, and the Capital Market Law and its Regulations. After reviewing the Corporate Governance Regulations issued on 25/06/1444H corresponding to 18/01/2023G and the Company's Articles of Association, the Company's Board of Directors decided to draw up this Bylaw.

Article One: Objectives of the Regulation

This regulation aims at the following:

1. Activating the role of shareholders in the company and facilitating the exercise of their rights.
2. Achieving transparency, integrity, and justice in the financial market

For the purpose of applying the provisions of these Regulations, the following words and expressions shall have the meanings assigned to each of them, unless the context otherwise requires:

Bylaws: Shareholders' Rights Regulations and the General Assembly of Shareholders

Company: Gulf Training and Education Company (Saudi Joint Stock Company).

Board: Board of Directors of Alkhaleej Training and Education Company

CMA: Saudi Capital Market Authority

Tadawul: Saudi Stock Exchange Company.

Shareholders' Assembly: An assembly formed by the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.

Major Shareholders: Any person who owns (5%) or more of the company's shares or voting rights therein.

Chairman: Chairman of the Board of Directors of Alkhaleej Training and Education Company

Chief Executive Officer (Managing Director): Member of the Board of Directors entrusted by the Board to follow up the affairs of the executive management and supervise its work.

Members: Executive, non-executive, independent, and committee members.

Executive Member: A member of the Board of Directors who is full-time in the executive management of the Company and participates in the day-to-day business of the Company.

Non-Executive Member: A member of the Board of Directors who is not full-time to manage the Company and does not participate in the day-to-day business of the Company.

Independent Member: A non-executive member of the Board of Directors who enjoys full independence in his position and decisions, and does not apply to any of the symptoms of independence.

Stakeholders: Every person who has an interest in the company such as shareholders, employees, creditors, customers, suppliers, and the community.

Part One: General Rights of Shareholders

Article Two: Fair Treatment of Shareholders

1. The Board of Directors is committed to working to protect the rights of shareholders in a manner that ensures justice and equality among them.
2. The Board of Directors and the Executive Management of the Company shall not discriminate between the shareholders who own the same class of shares, and not withhold any right from them.
3. The Company shall specify in its internal policy the necessary procedures to ensure that all shareholders exercise their rights.

Article Three: Rights Associated with Shares

All rights associated with the share shall be established to the shareholder, in particular, the following:

1. Obtaining his share of the net profits that are decided to be distributed in cash or by issuing shares.
2. Obtaining his share of the company's assets upon liquidation.
3. Attend the general or private shareholders' assemblies, participate in their deliberations, and vote on their resolutions.
4. Dispose of its shares in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
5. Inquiring and requesting access to the company's books and documents, including data and information related to the company's activity and its operational and investment strategy in a manner that does not harm the interests of the company and does not conflict with the Companies Law, the Capital Market Law and their implementing regulations.
6. Monitor the performance of the company and the work of the Board of Directors.
7. Holding the members of the Board of Directors accountable and filing a liability lawsuit against them, and challenging the invalidity of the resolutions of the general and special shareholders' assemblies in accordance with the conditions and restrictions contained in the Articles of Association and the Company's Articles of Association.
8. Priority of subscription for new shares issued against cash shares, unless the extraordinary general assembly suspends the right of priority – if stipulated in the company's articles of association – in accordance with Article Twenty-nine after one hundred of the Companies Law.
9. Registration of its shares in accordance with the provisions of the Capital Market Law.
10. Request to view a copy of the company's Memorandum and Articles of Association unless the company publishes them on its website.
11. Nomination and election of members of the Board of Directors.

Article Four: Shareholder Access to Information

1. The Board of Directors is committed to providing adequate and accurate information to enable the shareholder to exercise his rights to the fullest, and this information is provided in a timely manner and is regularly updated.
2. The means of providing information to the shareholder must be clear and detailed, and include a statement of the company information that the shareholder can obtain.
3. The most effective means of communication with shareholders must be followed and not discriminated against in providing information.

Article Five: Communication with Shareholders

1. The Board of Directors shall ensure communication between the Company and shareholders based on a common understanding of the Company's strategic objectives and interests.
2. The Chairman and CEO shall inform the rest of the members of the Board of Directors of the opinions of the shareholders and discuss them with them.
3. No shareholder may interfere in the work of the Board of Directors or the work of the executive management of the Company unless he is a member of its Board of Directors or works in its executive management or his intervention is through the General Assembly and in accordance with its terms of reference.
4. The company appoints a responsible person concerned with the tasks related to investor relations in the company in order to achieve effective and fair communication between the company and the shareholders.

Article Six: Election of the members of the Board of Directors

1. The company shall announce on the market's website information about candidates for membership of the Board of Directors when publishing or calling for the General Assembly, provided that such information includes a description of the candidates' experiences, qualifications, skills, jobs, and previous and current memberships, and the company must provide a copy of this information at its head office and website.
2. Cumulative voting must be used in the election of the Board of Directors, so that the right to vote per share may not be used more than once.
3. Voting in the General Assembly shall be limited to candidates for membership of the Board of Directors whose information has been announced by the Company in accordance with paragraph (1) of this Article.

Article Seven: Obtaining Profits

1. The company's articles of association shall indicate the net profits distributed to shareholders after setting aside the statutory reserve and other reserves.
2. The Board of Directors shall establish a clear policy regarding the distribution of dividends in order to achieve the interests of the shareholders and the Company in accordance with the Company's Articles of Association.
3. The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued regarding the distribution of dividends to shareholders, or the resolution of the Board of Directors to distribute interim dividends, and the resolution shall indicate the maturity date and the date of distribution, provided that the resolution shall be implemented in accordance with what is stipulated in the Executive Bylaws of the Companies Law for Listed Joint Stock Companies.

Part Two: Rights Associated with the Meeting of the General Assembly

The Extraordinary General Assembly shall have the following competencies:

1. Amendment of the Company's Articles of Association with the exception of amendments deemed null and void under the provisions of the Companies Law.
2. Increase the company's capital in accordance with the conditions prescribed in the Companies Law and its implementing regulations.
3. Reducing the company's capital in the event that it exceeds the company's need or if it suffers financial losses, in accordance with the conditions prescribed in the Companies Law and its implementing regulations.
4. Report on the formation of an agreement reserve for the company stipulated in its articles of association and allocated for a specific purpose, and its disposal.
5. Report on the continuation or dissolution of the company before the period specified in its articles of association.

6. Approving the purchase of the company's shares.
7. Issue preferred shares, approve their purchase, convert ordinary shares into preferred shares, or convert preferred shares to ordinary shares, based on a provision in the company's articles of association and in accordance with the regulatory rules and procedures issued in the implementation of the Companies Law for listed joint stock companies.
8. Issuing debt instruments or financing instruments convertible into shares, and indicating the maximum number of shares that may be issued against such instruments or sukuk.
9. Allocating the issued shares upon capital increase or part thereof to the employees of the company and the subsidiaries or some of them, or of them.
10. Suspend the right of priority to shareholders in subscribing to a capital increase in exchange for cash shares or give priority to non-shareholders in cases it deems appropriate for the interest of the company if stipulated in the company's articles of association.

The Extraordinary General Assembly may issue resolutions within the competence of the Ordinary General Assembly, provided that such resolutions shall be issued in accordance with the conditions for issuing the resolutions of the Ordinary General Assembly specified by the absolute majority of the shares represented at the meeting.

Article IX: Competences of the Ordinary General Assembly

Except for the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall have jurisdiction over all the affairs of the Company, in particular the following:

1. Election and removal of members of the Board of Directors.
2. Licensing that a member of the Board of Directors has a direct or indirect interest in the business and contracts concluded for the company's account, in accordance with the provisions of the Companies Law and its implementing regulations.
3. Licensing the participation of a member of the Board of Directors in any business that would compete with the company, or compete with the company in one of the branches of the activity it carries out, in accordance with the provisions of the Companies Law and its implementing regulations.
4. Monitor the compliance of the members of the Board of Directors with the provisions of the Companies Law, its implementing regulations and other relevant regulations, and the Company's Articles of Association, examine any damage arising from their violation of these provisions or mismanage the company's affairs, determine the responsibility resulting therefrom, and take what it deems appropriate in this regard in accordance with the Companies Law and its implementing regulations.
5. View and discuss the company's financial statements.
6. Review and discuss the Board of Directors' report.
7. Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.
8. Appointing one or more auditors for the Company, determining his fees, reappointing him, dismissing him, discussing his report, and taking a decision thereon.
9. Consider the irregularities and errors committed by the Company's auditors in the performance of their duties, and any difficulties – notified by the Company's auditors – related to the Board of Directors or the Company's management enabling them to access the books, records and other documents, data and explanations necessary for the performance of their duties, and take what it deems appropriate in this regard.
10. Deciding the use of the company's reserves in the event that they are not allocated for a specific purpose in the company's articles of association, provided that the use of these reserves is based on a proposal from the board of directors and in aspects that benefit the company or shareholders.
11. Configure the company's reserves and determine their uses.
12. Deduction of amounts from the net profits of the company to achieve social purposes for the company's employees, in accordance with Article Twenty-Three after one hundred of the Companies Law.
13. Approve the sale of more than (50%) of the company's assets, whether in one transaction or several transactions within twelve months from the date of the first sale transaction, and in the event that the sale of such assets includes what falls within the competence of the extraordinary general assembly, the approval of the extraordinary general assembly must be obtained for this.

Article Ten: Shareholders' Assembly

1. The Ordinary General Assembly of Shareholders shall be convened in accordance with the conditions and circumstances stipulated in the Companies Law, its Implementing Regulations, and the Company's Articles of Association.
2. The Annual Ordinary General Meeting shall be held at least once during the six months following the end of the Company's financial year.
3. The general and special assemblies of shareholders shall be convened at the invitation of the Board of Directors, in accordance with the conditions stipulated in the Companies Law, its Implementing Regulations, and the Company's Articles of Association. The Board of Directors shall convene the Ordinary General Assembly within thirty days from the date of the request of the auditor, the audit committee, or a number of shareholders whose ownership represents (10%) of the shares of the company that have at least voting rights. The auditor may convene the ordinary general assembly if the board of directors does not convene it within thirty days from the date of the auditor's request.
4. Subject to the provisions of the Companies Law and its Implementing Regulations, the date, place, and agenda of the General Assembly shall be announced at least twenty-one days in advance, and the invitation shall be published on the Market's website and the Company's website. In addition, the company may convene general and special assemblies of its shareholders by means of modern technology.
5. The Company may amend the agenda of the General Assembly during the period between the publication of the announcement referred to in paragraph (4) of this Article and the date of the General Assembly, provided that the Company announces this in accordance with the conditions prescribed in paragraph (4) of this Article.
6. Shareholders must have the opportunity to actively participate and vote in the meetings of the General Assembly. Meetings of the general assemblies of shareholders may be held, the shareholders may participate in their deliberations and vote on their decisions by means of modern technology, in accordance with the executive regulations of the Companies Law for listed joint stock companies.
7. The Board of Directors shall facilitate the participation of the largest number of shareholders in the General Assembly meeting, including the selection of the appropriate place and time.
8. The company shall verify that the data of the shareholders wishing to attend at the company's head office are registered before the time specified for the convening of the assembly unless the company's articles of association provide another means.

Article XI: Agenda of the General Assembly

1. When preparing the agenda of the General Assembly, the Board of Directors shall take into account the topics that the shareholders wish to include. Shareholders who own at least 10% of the company's voting rights may add one or more topics to the agenda of the general assembly when it is prepared.
2. The Board of Directors shall single out each of the topics on the agenda of the General Assembly in a separate item, not to combine the substantially different topics under one item, and not to place the business and contracts in which any of the members of the Board has a direct or indirect interest within one item for the purpose of obtaining the vote of shareholders on the item as a whole.
3. Upon publication of the invitation to the General Assembly, shareholders shall have access to information related to the agenda items of the General Assembly, in particular the report of the Board of Directors, the auditor, the financial statements, and the report of the Audit Committee, to enable them to make an informed decision thereon. The Company shall update such information in the event of amending the agenda of the General Assembly.
4. The Commission may add whatever topics it deems appropriate to the agenda of the General Assembly.

Article Twelve: Management of the Shareholders' Assembly

1. The meetings of the general assemblies of shareholders shall be chaired by the chairman of the board of directors or his deputy in his absence or whoever is delegated by the board of directors from among its members in the absence of the chairman and his deputy, and in the event that this is not possible, the general assembly shall be chaired by the shareholders from the members of the board or others by voting.
2. The Chairman of the Shareholders' Assembly is committed to providing shareholders with the opportunity to actively participate and vote in the meetings of the General Assembly and to avoid putting in place any procedure that hinders the attendance of the assemblies or the use of the right to vote. They should be informed of the rules governing the work of such meetings and the voting procedures.
3. Shareholders have the right to discuss the topics on the agenda of the General Assembly and to address questions thereon to the members of the Board of Directors and the auditor. These questions must be answered to the extent that the interest of the company is not prejudiced.
4. Shareholders shall be able to view the minutes of the General Assembly meeting, and the company shall provide the Authority with a copy thereof within ten days from the date of the meeting.
5. The company shall announce to the public and notify the Authority and the Market – in accordance with the controls determined by the Authority – of the results of the General Assembly immediately upon its completion.

Article Thirteen: Final Provisions

1. No amendment, addition, or cancellation of the terms of these regulations shall be made except through the Board of Directors.
 2. These Regulations shall enter into force as of the date of their approval by the Board of Directors.
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