

Al-Watani Saudi Equity Fund

An open-ended investment Fund

Al-Watani Saudi Equity Fund Description of Proxy Voting Policies, Guidelines, and Procedures

Al-Watani Saudi Equity Fund ("Fund")'s Board has authorized the Fund Manager ("Al Watani Wealth Management Company"), to exercise all voting rights with respect to portfolio securities of the Fund. The Fund's Board also has approved the Voting Policies, Guidelines, and Procedures. The following is a description of those policies.

General Policy

Al Watani Wealth Management Company has always believed that proxy voting rights are valuable portfolio assets and an important part of its investment process, and it will exercise its voting responsibilities solely when its believe necessary for the best interests of the Fund's unitholders.

Al Watani Wealth Management Company, from time to time, will be active in voting proxies on behalf of the unitholders in the belief that the proxy voting process is a significant means of addressing crucial corporate governance issues and encouraging corporate actions it believes that it will enhance unitholders value.

In determining how to vote on any proposal, Al Watani Wealth Management Company will consider the proposal's expected impact on unitholders value and will not consider any benefit to Al Watani Wealth Management Company or its employees.

Al Watani Wealth Management Company consider the reputation, experience and competence of the Fund when Al Watani Wealth Management Company evaluate the merits of investing in a particular company, and it invests in companies in which Al Watani Wealth Management Company believe Fund's goals and unitholders' goals are aligned. Therefore, on most issues, Al Watani Wealth Management Company will cast it votes in accordance with the recommendations of Al Watani Wealth Management Company's management.

Proxy Voting Guidelines

Al Watani Wealth Management Company has established a number of proxy voting guidelines on various issues of concern to the Fund and the unitholders. Al Watani Wealth Management Company will normally vote proxies in accordance with these guidelines unless we determine that it is in the best economic interests of the Fund and fund's unitholders to vote contrary to the guidelines. Al Watani Wealth Management Company voting guidelines generally address the following:

- With respect to a public company's board of directors, the Fund Manager believes there should be a majority of independent directors and that audit, compensation and

nominating committees should consist solely of independent directors, and we will normally vote in favor of proposals that insure such independence.

- With respect to auditors, the Fund Manager believes that the relationship between a public company and its auditors should be limited primarily to the audit engagement, and the Fund Manager will normally vote in favor of proposals to prohibit or limit fees paid to auditors for any services other than auditing and closely-related activities that do not raise any appearance of impaired independence. Additionally the Fund Manager will normally vote for periodic change of External Auditors.
- With respect to equity based compensation plans, the Fund Manager believes that appropriately designed plans approved by a public company's shareholders can be an effective way to align the interests of long-term shareholders and the interests of management, employees and directors. However, the Fund Manager will normally vote against plans that substantially dilute Fund ownership interest in the company or provide participants with excessive awards. The Fund Manager will also normally vote in favor of proposals to require the expensing of options.
- With respect to shareholder rights, the Fund Manager believes that all shareholders of a public company should have an equal voice and that barriers that limit the ability of shareholders to effect corporate change and to realize the full value of their investment are not desirable. Therefore, the Fund Manager will normally vote against proposals for supermajority voting rights, against the adoption of poison pill plans, and against proposals for different classes of stock with different voting rights.
- With respect to "social responsibility" issues, the Fund Manager believes that matters related to a public company's day-to-day business operations are primarily the responsibility of management. The Fund Manager is focused on maximizing long-term shareholder value and will normally vote against shareholder proposals requesting that a company disclose or change certain business practices unless the Fund Manager believes the proposal would have a substantial positive economic impact on the company or if clearly best practices are not adopted by the company.
- With respect to common stock authorization, the Fund Manager votes on a case-by-case basis, proposals to increase the number of shares of common stock authorized for issue.
- With respect to stock distributions (splits and dividends), the Fund Manager generally votes for management proposals to increase common share authorization for a stock split, provided that the split does not result in an increase of authorized but unissued shares of more than 100% after giving effect to the shares needed for the split.
- With respect to blank check preferred authorization and in case of absent special circumstances (e.g., actions taken in the context of a hostile takeover attempt) indicating an abusive purpose, the Fund Manager generally votes against proposals that would authorize the creation of new classes of preferred stock with unspecified voting, conversion, dividend and distribution, and other rights, stock unless the voting,

conversion, dividend and distribution, and other rights are specified and the voting rights are limited to one vote per share.

- With respect to adjustment of par value of common stock, the Fund Manager generally votes for management proposals to reduce the par value of common stock.
- With respect to preemptive rights, the Fund Manager reviews on a case-by-case basis, proposals to create or abolish preemptive rights. In evaluating proposals on preemptive rights, we look at the size of a public company and the characteristics of its shareholder base. We generally oppose preemptive rights for publicly-held companies with a broad stockholder base.
- With respect to debt restructurings, the Fund Manager reviews on a case-by-case basis, proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan. The Fund Manager considers the following issues:
 - **Dilution** -- How much will ownership interest of existing shareholders be reduced, and how extreme will dilution to any future earnings be?
 - **Change in Control** -- Will the transaction result in a change in control of the company?
 - **Bankruptcy** -- Is the threat of bankruptcy, which would result in severe losses in shareholder value, the main factor driving the debt restructuring?

Generally, the Fund Manager approves proposals that facilitate debt restructurings unless there are clear signs of self-dealing or other abuses.

- With respect to share repurchase programs, the Fund Manager generally votes for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.
- With respect to mergers and acquisitions, votes on mergers and acquisitions are considered by the Fund Manager on a case-by-case basis, taking into account at least the following:
 - anticipated financial and operating benefits;
 - offer price (cost vs. premium);
 - prospects of the combined companies;
 - how the deal was negotiated; and
 - changes in corporate governance and their impact on shareholder rights.
- With respect to corporate restructuring, votes on corporate restructuring proposals, including minority squeeze outs, leveraged buyouts, spin-offs, liquidations, and asset sales are considered by the Fund Manager on a case-by-case basis.

- With respect to spin-offs, the Fund Manager votes on spin-offs are considered by the Fund Manager on a case-by-case basis depending on the tax and regulatory advantages, planned use of sale proceeds, market focus, and managerial incentives.
- With respect to asset sales votes on asset sales are made by the Fund Manager on a case-by-case basis after considering the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.
- With respect votes on liquidations, these are made by the Fund Manager on a case-by-case basis after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

Conflicts of Interest

Al Watani Wealth Management Company in consultation with its compliance department will monitor and resolve any potential conflicts of interest with respect to proxy voting. A conflict of interest may arise, for example, when an issuer who is soliciting proxy votes also has a client relationship with Al Watani Wealth Management Company or when a client of Al Watani Wealth Management Company is involved in a proxy contest (such as a corporate director), or when one of Al Watani Wealth Management Company’s employees has a personal interest in a proxy matter.

When a conflict of interest arises, in order to ensure that proxies are voted solely in the best interests of the Fund and its unitholders, the Fund Manager will vote in accordance with its written guidelines. If the Fund Manager believes that voting in accordance with the guidelines or the recommendation of the proxy voting service would not be in the collective best interests of the Fund and its unitholders, the Fund Board will determine how rights should be voted.

Revision History

Revision No.	Revised Page(s)	Date	Revision Description
1		August 09, 2021	Initial Fund’s Voting Policy
Approved by the Fund’s Board of Directors during its meeting:			
Dated		Resolution No.	
August 10, 2021		F1/21/08	