

Shareholders Guide

1. Introduction:

Bank Albilad's corporate governance framework emphasizes the protection of shareholders' rights that are guaranteed to them by laws and regulations, and encourages positive cooperation between the Bank and shareholders in order to create a successful and viable financial entity. The trust relationship between the Bank and its shareholders is based on the bases and principles of transparency, credibility, justice and equality, despite the restrictions imposed on the Bank due to the competitive environment in which it operates. Transparency is an important element in enhancing the effectiveness of the Bank as it allows the Board of Directors to act with the required speed when required. This guide aims to help shareholders understand their rights guaranteed to them by the applicable laws and regulations, as well as confirming the Bank's commitment to its role in providing all information that enables shareholders to exercise their rights transparently.

2. Shareholders' Equity

2-1 General Shareholders Equity:

2-1-1 The Bank must ensure that all shareholders are treated equally in relation to all rights attached to those shares.

2-1-2 The Board of Directors is committed to protecting the rights of shareholders in a manner that guarantees justice and equality among them.

2-1-3 The Bank's Board of Directors and its executive management are obligated not to discriminate between shareholders of the same class of share and not to withhold any right from them.

2-1-4 The Bank's Articles of Association, regulations and internal policies clarify the necessary controls and procedures to ensure that all shareholders exercise their rights, including:

2-1-4-1 Obtaining a share of the profits to be distributed in cash or by issuing shares.

2-1-4-2 Obtaining a share of the Bank's assets upon liquidation.

2-1-4-3 Attending the General Assemblies of shareholders, participating in their deliberations and voting on their resolutions.

2-1-4-4 Disposing of the shares in their possession in accordance with the provisions of the Law.

2-1-4-5 Monitoring the performance of the Bank in general and the work of the Board of Directors in particular.

2-1-4-6 Questioning the members of the Board of Directors and filing a liability claim against them, and appealing the invalidity of the resolutions of the General Assemblies in accordance with the conditions and restrictions contained in the Law and the Bank's Articles of Association.

2-1-4-7 Inquiring and requesting information in a manner that does not harm the interests of the Bank and does not conflict with the rules, regulations and

regulating controls, especially the financial market law and their implementing regulations.

2-1-4-8 The priority of subscribing to the new shares issued by the bank in exchange for cash shares, unless the Articles of Association stipulate otherwise.

2-1-4-9 Requesting to view a copy of the Memorandum of Association and Articles of Association of the Bank unless the Bank publishes them on its website.

2-1-4-10 The Bank may not release any shareholder from the obligation to pay the remainder of the value of his shares, and there is no set-off between this obligation and the rights of the shareholder with the Bank.

Bearing in mind that subscribing to or purchasing the Bank's shares includes the shareholder's approval or the subscriber's approval of the Bank's Articles of Association, and that the shareholder will abide by the resolutions of the shareholders' assemblies, whether taken in his presence or absence, and whether he voted with or against them.

2-2 The nomination for membership of the Board of Directors:

2-2-1 Each shareholder has the right to nominate himself whenever he meets the conditions for nomination for membership in the Board of Directors, or to nominate one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital shares.

2-2-2 Each shareholder in the General Assembly of the Bank has the right to inquire about the qualifications, experiences and capabilities of the members of the Board of Directors, and to discuss the size of the rewards and financial incentives received by the members of the Board of Directors and senior executives.

2-2-3 Each shareholder has the right to submit any inquiry to the Board regarding any unprofessional practices and to obtain a statement thereon.

2-3 Communication with shareholders:

2-3-1 The Board of Directors shall affirm its permanent commitment to provide adequate, accurate and updated information to enable the shareholder to exercise his rights to the fullest. This information shall be provided in a timely manner through several communication channels, the most important of which are: publishing on the Bank's website and the Bank's profile on the Saudi Stock Exchange (Tadawul) website or through direct communication with the investor relations in the General Secretariat of the Bank. Through these channels, information can be obtained through several sources, for example: quarterly and annual results reports, annual reports, shareholder bulletins and general assembly meetings. Shareholders can also verify their eligibility to nominate and elect board members and inquire about their qualifications, experiences and ability to perform their work, discuss the size of the remunerations and financial incentives received by members of the Board of Directors and senior executive members, in addition to their right to submit any inquiry to the Board regarding any unprofessional practices and obtain a report on the same, as well

as discussing other topics on the agenda of the General Assembly of the Bank, directing inquiries to the members of the Board and the external auditor, and obtaining a statement about them.

2-3-2 The Bank shall ensure that its website includes an investor relations icon to publish all publishable information related to the shareholders, including notification of the dates of the General Assembly meetings, the minutes of the ordinary and extraordinary general meetings, and developments in the Bank's capital, in addition to an explanation of the profits that have been paid.

2-3-3 The Board of Directors shall ensure the achievement of effective communication between the Bank and the shareholders based on a common understanding of the Bank's objectives, strategy and interests.

2-3-4 The Chairman and Chief Executive Officer shall inform the rest of the Board of Directors of the views of the shareholders and discuss the same with them.

2-3-5 The Board of Directors shall include in its annual report the procedures it has taken to inform its members, especially its non-executive and independent

members, of the shareholders' proposals and comments regarding the Bank's performance.

2-3-6 It is not permissible for any of the shareholders to interfere in the work of the Board of Directors and the work of the executive management of the Bank unless he is a member of the Board of Directors or its executive management, or his intervention was through the Ordinary or Extraordinary General Assembly in accordance with its terms of reference or within the limits and conditions permitted by the Board of Directors and in accordance with the Law.

2-3-7 The Bank must disclose all other information affecting the price of the security on the website of the Saudi Stock Exchange (Tadawul) in a timely manner, along with its publication later on the Bank's website.

8-3-2 The Investor Relations, which is administratively affiliated with the General Secretariat of the Bank, is responsible for communicating with shareholders, by all available means.

2-4 Shareholders' rights related to General Assemblies:

The General Assembly of shareholders is the supreme authority of the Bank concerned, by law, with all its affairs. The General Assembly held in accordance with the statutory procedures represents all shareholders and exercises their competencies related to the Bank, and exercises its role in accordance with the provisions of Law, the corporate governance regulations and regulations, the Bank's Articles of Association, and the specific functions of the General Assembly, whether it is an ordinary or extraordinary general assembly. The shareholders' General Assembly shall be held at least once a year during the six months following the end of the Bank's financial year. This assembly shall be convened at the invitation of the Board of Directors, in accordance with the conditions stipulated in the Companies Law and its executive regulations, the corporate governance regulation and the Bank's Articles of Association.

The General Assembly shall be chaired by the Chairman of the Board of Directors or his deputy in his absence, or by whom the Board of Directors

delegates from among its members in the event of the absence of the Chairman and his deputy, and a minutes of the meeting of the assembly shall be issued, containing the number of shareholders present or represented and the number of shares they hold in person or by proxy or remote voting (electronic voting), the number of votes assigned to the General Assembly, the decisions taken, the number of votes the General Assembly approved or disagreed with, and a complete summary of the discussions that took place at the meeting. Minutes shall be recorded on a regular basis after each meeting in a special register signed by the Chairman of the General Assembly, secretary and vote collector. The following are the shareholders' rights associated with general assemblies.

1-4-2 Rights related to the call for the General Assembly:

The Board of Directors shall call for a General Assembly if requested by a number of shareholders whose ownership represents at least (5%) of the Bank's capital.

2-4-1 A number of shareholders representing at least (2% of the capital) may submit a request to the competent authority to invite the Ordinary General Assembly to convene, if any of the following cases are available:

2-4-1-1 If the number of members of the Board of Directors is less than the minimum for the validity of its convening, taking into account what is stated in the regulating rules related to Article (17) paragraphs (b) and (c) of the Articles of Association.

2-4-1-2 If it is found that there are violations of the provisions of the law or the bank's Articles of Association, or a defect in the company's management.

2-4-1-3 If the Board does not invite the General Assembly to convene within fifteen days from the date of the request of the auditor, the audit committee, or a number of shareholders representing (5%) of the capital at least.

In this case, the competent authority must send an invitation to the meeting within thirty days from the date of submitting the shareholders' request, provided that the invitation shall include a schedule of the Assembly's work and the items required to be approved by the shareholders.

2-4-2 The right to information, discussion and vote:

2-4-2-1 The invitation to convene the General Assembly must be published on the Bank's website and the website of the Saudi Stock Exchange (Tadawul), after obtaining the approval of the Capital Market Authority. The date and place of the General Assembly and its agenda must be announced at least twenty-one days before the date. The invitation shall also be published in a daily newspaper distributed in the area where the Bank's head office is located. A copy of the invitation and the agenda shall be sent to the Saudi Central Bank, the Ministry of Commerce and Investment and the Capital Market Authority during the period specified for publication, and modern technology means can be used to contact the shareholders.

2-4-2-2 The Board of Directors shall work to facilitate the participation of the largest number of shareholders in the meeting of the General Assembly, including choosing the appropriate place and time for the meeting of the General Assembly and announcing at the specified time the meeting schedule, location and timing. At the meeting of the General Assembly, a list shall be issued with the names of the shareholders present and represented, indicating the number of shares in their possession in person or by proxy, and the number of votes allocated to them. Each stakeholder shall have the right to see this list.

2-4-2-3 Shareholders must be provided with sufficient information before the date set for their meeting to enable them to make their decision. This information shall include the date, location and agenda of the General Assembly, in addition to complete and timely information regarding the topics to be discussed during the General Assembly meeting (agenda annexes). The shareholders, through the website of the Bank and the website of the Saudi

Stock Exchange (Tadawul) - when publishing the invitation to convene the General Assembly - must have access to information related to the items on the agenda of the General Assembly, especially the report of the Board of Directors, the auditor, the financial statements and the report of the audit committee of the General Assembly; This is to enable them to make an informed decision. The Bank shall update this information in case the agenda of the General Assembly is amended.

2-4-2-4 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, and the shareholder may participate in their deliberations and vote on their decisions by means of modern technology. In all cases, automatic voting must be provided for shareholders, all in accordance with the regulatory controls and procedures issued in implementation of the Companies Law of listed joint stock companies.

2-4-2-5 Shareholders must be given the opportunity to direct their questions (based on the agenda) to the Board of Directors and include topics on the agenda of the General Assemblies, within reasonable limits. Each shareholder has the right to discuss the topics listed on the agenda of the Assembly and to direct questions about them to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the shareholders' questions to the extent that does not jeopardize the interest of the Bank. If the shareholder finds that the answer to his question is not convincing, he may appeal to the Assembly whose decision in this regard shall be effective and final.

2-4-2-6 The heads of the committees or their representatives from among their members must attend the General Assemblies to answer the shareholders' questions.

2-4-2-7 Each shareholder has the right to attend the General Assembly; a shareholder may delegate another person -other than the members of the

Board of Directors, the Bank's employees, or those charged with permanently carrying out technical or administrative work affiliated with the shareholder - to attend the General Assembly on his behalf.

2-4-2-8 When preparing the agenda for the General Assembly meeting, the Board shall take into consideration the topics that shareholders desire to include. Shareholders who own at least (5%) of the Bank's shares may add one or more topics to the agenda of the General Assembly when preparing it, provided that each of the topics listed on the agenda of the General Assembly is singled out in a separate item, and that fundamentally different topics are not combined under one item, and not to put business and contracts in which the members of the Board have direct or indirect interest within one item, and to get a shareholder vote on each item separately.

2-4-2-9 The competent authorities, such as the Capital Market Authority and the Central Bank of Saudi Arabia, may add whatever topics they see fit to the agenda of the General Assembly.

2-4-2-10 The bank may amend the agenda of the General Assembly during the period between the publication of the aforementioned announcement and the date of the meeting of the General Assembly, provided that the company announces this in accordance with the conditions prescribed for this in the aforementioned corporate governance regulation.

2-4-2-11 The chairman of the shareholders' assembly is obligated to provide the shareholders the opportunity to actively participate and vote in the meetings of the General Assembly, and they must be informed of the rules governing the work of such meetings and the voting procedures.

In the event that the General Assembly approves a resolution that a large number of shareholders voted against - at the discretion of the Board of Directors -, the Board, when announcing the results of the Assembly, must

indicate the actions it will take to find out the reasons for voting against the resolution.

2-4-2-12 Shareholders shall have the right to obtain information relating to the Bank through the audited financial statements and the report of the Board of Directors and the auditor's report, which can be obtained through the website of the Bank or the website of the Saudi Stock Exchange (Tadawul).

2-5 Quorum and General Assembly of Shareholders

2-5-1 Quorum of the Ordinary Assemblies:

2-5-1-1 The meeting of the Ordinary General Assembly shall be valid if attended by shareholders representing at least one quarter of the company's capital.

2-5-1-2 If this quorum is not available at the first meeting, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an

announcement that this meeting can be held, and the second meeting shall be considered valid regardless of the number of shares represented therein.

2-5-2 Quorum of the Extraordinary Assemblies:

2-5-2-1 The extraordinary General Assembly meeting shall be valid if attended by shareholders representing at least half of the company's capital. This invitation shall be announced in the manner stipulated in Article (29) of the Bank's Articles of Association.

2-5-2-2 If this quorum is not available in the first meeting, the second meeting shall be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes announcing the possibility of holding this meeting, and the second meeting shall be considered valid if attended by a number of shareholders representing at least (1/4) a quarter of the capital.

2-5-2-3 If the necessary quorum is not present in the second meeting, an invitation shall be submitted for a third meeting to be held in the same conditions -

stipulated in Article (29) of the Articles of Association, and the third meeting shall be valid regardless of the number of shares represented therein, after the approval of the competent authorities.

2-5-2-4 A shareholder who is unable to attend in person has the right to delegate another person to vote on his behalf, provided he is not a member of the Board of Directors, employees of the Bank or advisors of the shareholder. The agent shall be treated in the same manner as the principal when discussing and voting.

2-5-2-5 Shareholders are allowed to vote in person, by proxy, or through remote voting (electronic voting), and the same weight shall be given to votes, whether they are in person, by proxy or through remote voting.

2-5-2-6 The resolutions of the Ordinary General Assembly of the shareholders shall be issued by a majority of the shares represented in the meeting. As for the resolutions of the Extraordinary General Assembly of the shareholders, they are issued by a majority of two-thirds (2/3) of the shares represented in the

meeting, unless the resolution is related to an increase or decrease in the capital or a prolongation of the Bank's term or its dissolution before the term specified in its Articles of Association, or its merger with another bank, the resolution shall not be valid unless it is issued by a three-fourths (3/4) majority of the shares represented in the meeting and the prior approval of the supervisory authorities.

2-6 Methods of voting in the meetings of the shareholders' assemblies:

2-6-1 Voting is a fundamental right of the shareholder; the Bank shall provide the opportunity to vote for all shareholders without discrimination and shall inform them of all the rules governing its procedures with information related to the right to vote regularly, and shall refrain from placing any procedure that would impede the use of this right, including imposing a financial compensation for attending assemblies or voting on their resolution.

2-6-2 Shareholders have the right to actively participate and vote in the shareholders' General Assemblies meetings, and they must be informed of the laws/regulations and rules governing the meetings and voting procedures.

2-6-3 The Bank shall apply the cumulative voting method when selecting the members of the Board of Directors in the General Assembly; this method gives each shareholder a voting power according to the number of shares he owns, so that he has the right to vote for one candidate or divide them among the candidates he chooses without any repetition of these votes; this method increases the chances of minority shareholders being represented on the Board of Directors by means of the cumulative votes for one candidate.

2-7 Results of the General Assembly:

2-7-1 Minutes of the Assembly meeting shall be drawn up containing the number of shareholders present or represented, including remote voting (electronic voting), the number of shares they hold in person or by proxy, the number of approved votes taken, the number of votes the Assembly approved or

disagreed with, and a complete summary of the discussions that took place at the meeting. Minutes shall be recorded on a regular basis after each meeting in a special register signed by the association's president, secretary and vote collector.

2-7-2 Shareholders can view the minutes of the General Assembly meeting by visiting the Bank's website, and they must be able to view it upon their request at the Bank's general administration headquarters. The Central Bank of Saudi Arabia, the Ministry of Commerce and Investment and the Capital Market Authority must also be provided with a copy of the minutes of the meeting within ten days from the date of its convening.

2-7-3 The Stock Exchange (Tadawul) must be informed of the results of the General Assembly meeting immediately after its conclusion.

3. Shareholder's equity related to the stock:

3-1 Shareholders' Equity in Profits:

3-1-1 The dividends to be distributed on the shares shall be proposed at the Board of Directors meeting after completing the financial statements for the relevant financial period (either the end of the interim period or the end of the Bank's financial year). Dividends can be distributed in one payment or in two or more payments, and annual, semi-annual or quarterly dividends can also be proposed.

3-1-2 The shareholder shall be entitled to his share of the profits in accordance with the resolution of the General Assembly issued regarding the distribution of profits to shareholders, or the resolution of the Board of Directors to distribute interim profits. The resolution shall indicate the due date and distribution date, provided that the resolution shall be implemented in accordance with what is stipulated in the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.

(According to Article (9) of the updated Corporate Governance Regulations).

3-1-3 Taking into account what is mentioned in paragraph (3-1-8), the company may distribute interim dividends to shareholders on a semi-annual or quarterly basis, in accordance with the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies. The profits to be distributed to shareholders shall be paid to them in the place and time decided by the Board of Directors in accordance with the instructions of the regulatory authorities.

3-1-4 The Board of Directors must implement the resolution of the General Assembly regarding the distribution of profits to registered shareholders within 15 days from the due date of these profits specified in the resolution of the General Assembly or in the resolution of the Board of Directors to distribute interim dividends.

3-1-5 Bonus shares (free shares) shall be issued after approval by the Extraordinary General Assembly based on the recommendations of the Board of Directors.

3-1-6 The Board of Directors shall set a clear policy regarding the distribution of dividends in a way that achieves the interests of the shareholders and the Bank. Shareholders must review this policy at the General Assembly meeting, and refer to it in the annual report.

3-1-7 The annual net profit of the Bank shall be distributed after deducting indirect expenses, other costs, provisions set aside for doubtful debts, investment losses, and potential expenses ,which the Board of Directors considers necessary in accordance with the Banking Control Law and the instructions of the Central Bank of Saudi Arabia, as follows:

3-1-7-1 Calculating the amount of zakat due from the Bank's shareholders, paying it by the Bank on behalf of the shareholders and deducting it from any subsequent cash distributions.

3-1-7-2 Setting aside an amount of 25% according to the Banking Control Law of the net profits as a statutory reserve until this reserve reaches at least the same value of capital paid to the Bank.

3-1-7- A minimum of 5% of the Bank's paid-up capital shall be distributed to shareholders based on the proposal of the Board of Directors and the approval of the General Assembly. In the event that the remaining percentage of the profits allocated to shareholders is insufficient and does not reach a minimum of 5% of the Bank's paid-up capital, the shareholders have no right to ask the Bank to pay this percentage to them in the current year or the coming years, and the General Assembly does not have the right to decide the distribution of a percentage of net profits at a rate higher than the percentage proposed by the Board of Directors.

3-1-7-4 After deducting the foregoing, the remaining amount shall be used based on what is proposed by the Board of Directors and approved by the General Assembly.

3-1-7-5 The shareholder shall be entitled to his share of the profits in accordance with the resolution of the General Assembly issued regarding the distribution of profits to shareholders. The resolution shall indicate the due date and the

date of distribution. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The competent authority shall determine the maximum period during which the Board of Directors must implement the resolution of the Ordinary General Assembly in this regard.

3-2 Transfer of share ownership:

Shareholders can transfer the ownership of their shares to other shareholders, and they have the right to transfer the ownership of part or all of the shares in their possession, provided that they comply with the Saudi laws and regulations applicable in this regard.

4. Shareholders' rights related to disclosure:

4-1 Disclosure to shareholders and other investors must be done without discrimination, in a clear, correct and not misleading way, and in a timely, regular and accurate manner, in order to enable shareholders and other investors and stakeholders to exercise their rights to the fullest.

4-2 The Bank must inform the Capital Market Authority and the public without delay of any fundamental developments that fall within the framework of its activities and whose knowledge is not available to the general public and may affect its assets and liabilities, its financial position, the general course of its business or its subsidiaries, and may reasonably lead to a change in the price of the security or significantly affect the Bank's ability to meet its obligations related to debt instruments.

3-4 The Bank shall disclose its annual financial statements and its preliminary financial statements for the first, second and third quarters of its fiscal year to the Authority and the public immediately upon approval of them and before they are published to shareholders or third parties. For the purposes of this item, the approval of the financial statements shall be as follows:

4-3-1 With regard to the interim financial statements, they shall be approved after being approved by the Board of Directors and signed by an authorized member of the Board of Directors, the CEO and the Chief Financial Officer.

4-3-2 With regard to the annual financial statements, they shall be approved in accordance with the provisions of the Companies Law (2b).

3-3-4 The Bank shall disclose through the electronic systems designated for this purpose in the the Saudi Stock Exchange its initial and annual financial statements.

4-4 The Bank shall prepare and examine its preliminary financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), and disclose them to the public within a period not exceeding 30 days from the end of the financial period covered by those statements.

4-5 The Bank shall prepare and review its annual financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Certified Public Accountants, and disclose them to the public within a period not exceeding three months from the end of the annual financial period covered by those statements. The Bank shall disclose these financial statements within a

period of not less than 21 calendar days before the date of the Bank's annual general assembly.

4-6 The Bank shall ensure that the auditor who reviews the financial statements and any of its partners comply with the rules and regulations of the Saudi Organization for Certified Public Accountants with regard to the ownership of any shares or securities of the Bank or any of its affiliates, in order to ensure the independence of the auditor and any partner or employee in his office.

5. Shareholder rights associated with filing a liability claim:

5-1 Every shareholder has the right to file a liability lawsuit for the company against the members of the Board of Directors if the mistake made by them causes a special damage to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists. The shareholder shall inform the company of his intention to file a lawsuit, while limiting his right to claim compensation for the special damage he sustained.

5-2 The company may be charged the expenses incurred by the shareholder to file a lawsuit against the company, whatever its outcome, under the following conditions:

5-2-1 If he files the case in good faith;

5-2-2 If he submitted to the company the reason for which he instituted the lawsuit and did not receive a response within thirty days;

5-2-3 If it is in the interest of the company to file this lawsuit based on the provision of Article 79) of the Law;

5-2-4 That the lawsuit be based on a valid basis.

6. Auditors:

6-1 The bank shall have two auditors selected from among the auditors licensed to work in the Kingdom of Saudi Arabia. The auditors shall be appointed and their fees shall be approved by the General Assembly of Shareholders on an annual

basis, and it may reappoint them in accordance with the controls and provisions set by the relevant laws, regulations and instructions.

6-2 The auditors shall have the right to access the Bank's records and other documents at any time, and they may also request to obtain the data and clarifications they deem necessary, and they may verify the assets and liabilities of the Bank, and the auditors shall submit a report to the annual general assembly containing the status of the Bank to enable them obtaining the lists and clarifications they request, and any breaches or violations that they discover during the financial year, in accordance with the Bank's Articles of Association, in addition to their opinion regarding matching the Bank accounts, and any other reports that fall within its duties in accordance with the regulating regulations and instructions.

7. Guide development and modification:

7-1 This guide falls under the Bank's corporate governance framework approved by the Board of Directors and is available to all shareholders and can be accessed through the Bank's website.

7-2 The Board shall review this guide periodically and make the amendments it deems necessary, and it shall be at the disposal of the Board in accordance with the requirements of the Companies Law, its regulations and regulatory controls, and the laws, regulations and decisions of the Central Bank of Saudi Arabia, the Capital Market Authority and any other regulatory authorities and in line with best practices in this regard.