

البنك  
السعودي  
الفرنسي  
Banque  
Saudi  
Fransi



## | Shareholders Rights Policy

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## Table of Abbreviations

S. No.	Abbreviation	Expansion
1	BoD	Board of Directors
2	BSF or the Bank	Banque Saudi Fransi
3	Policy	Shareholders Rights Policy
4	CGD	Corporate Governance Division
5	CMA	Capital Market Authority
6	MoC	Ministry of Commerce
7	GA	General Assembly
8	EGA	Extraordinary General Assembly
9	OGA	Ordinary General Assembly
10	SAMA	Saudi Central Bank
11	DoA	Delegation of Authority Manual

# 1. Introduction

## 1.1. Document Authorization Control Sheet

<b>Document Type</b>	Policy
<b>Document Title</b>	Shareholders Rights Policy
<b>Version</b>	4.0 (English)
<b>Document Reference</b>	
<b>Date</b>	1 April, 2024
<b>Policy Custodian</b>	Corporate Governance Division "CGD"
<b>Policy Owner</b>	Corporate Governance Division "CGD"

## 1.2. Document Approval Record

Version	Approval Date	Description of Changes
1.0	December 14, 2016	New Policy
2.0	27 March, 2019	Comprehensive review to incorporate all regulatory & legal requirements and meet best practices
3.0	30 November, 2021	General Periodic review.
4.0	1 April, 2024	Based on the new Companies Law and it's implementing regulations.

## 1.3. Review, Update & Maintenance

1.3.1 The authority to amend this Policy rests with the Board of Directors;

1.3.2 Any amendment to this document shall be as per procedure set out in the DoA; and

1.3.3 The minimum frequency for reviewing this Policy is two (2) years. However, the Policy must be reviewed/updated earlier if required. CGD is responsible for ensuring that this document is reviewed & approved as required.

## 2. Purpose of the Policy

The purpose of this Shareholders Rights Policy (“Policy”) is to set out BSF’s key principles and policies in relation to the protection and furtherance of all legitimate rights of BSF’s shareholders prescribed in the applicable laws, rules and regulations.

The above purpose seeks to:

- a) Endorse and promote BSF's commitment to the protection of shareholders rights;
- b) Promote full, fair relationship and equal treatment with all shareholders; and
- c) Promote compliance with applicable laws and regulations.

## 3. Applicability & Statement of Commitment

### 3.1. Applicability

This Policy is applicable to BSF as a corporate entity in relation to its dealings with its shareholders and to those of its Board Members, Board's Committee Members, Executive Management and employees responsible for engaging or communicating with such shareholders.

### 3.2. Statement of Commitment

BSF and its Board are committed to the full protection of all legitimate rights of shareholders through, among other things, compliance with the legal and regulatory requirements of the Kingdom of Saudi Arabia and ensuring fair and equitable treatment of all shareholders, including minorities. Also, BSF is committed to create an environment in which shareholder participation in the affairs of the Bank is encouraged and ensure full and clear disclosure of relevant information to shareholders to properly oversee the business, operations and financial position of the Bank.

## 4. Laws, Regulations, Related Policies & Supporting Procedures

### 4.1. Laws & Regulations

A fundamental aspect of this Policy is ensuring compliance with all applicable laws as well as SAMA and other regulatory requirements. Key laws and regulations include:

Law/Regulation	Authority
Companies Law	MoC
Capital Markets Law	CMA
Corporate Governance Regulations	CMA
Key Principles of Governance in Financial Institutions under the Control and Supervision of the Saudi Central Bank	SAMA
Rules on The Offer of Securities and Continuing Obligations	CMA
Implementing Regulation of the Companies Law for Listed Joint Stock Companies	CMA

## 4.2. Related Policies

There are various other BSF policies that are related to this Policy. This Policy should be read in conjunction with other relevant policies. The key related policies include, but are not limited to:

Policy
Board of Directors Charter
Transparency and Disclosure Policy
Dividend Policy
Board Nomination Membership Assessment and Succession Policy
The Bank By-Laws
Code of Conduct Policy for Board and Board Committees' Members

## 4.3. Supporting Procedures and Requirements

This Policy is not intended as a procedure document. Where this Policy document contains procedural information, it is because it has been deemed that such information is relevant to an understanding of the underlying Policy. As such, knowledge of this Policy is not a substitute for relevant individual having a detailed understanding of the procedures relevant to their role.

# 5. Policy Details

## 5.1. Principles

The Board of Directors shall ensure the establishment of an open and transparent communication channel with BSF shareholders for the timely exchange of information, reporting and structured access to information, in order to:

- Maintain an ongoing mutual communication between the Shareholders and BSF;
- Enable BSF and the Shareholders to obtain required information formally and securely, from the right channels in a timely manner;
- Allow active engagement between the Shareholders and BSF; and
- Ensure Shareholders full rights are obtained.



## 5.2. Policy Details

The following sets out, in more detail, policy requirements covering BSF's Policy Principles outlined above.

### 5.2.1 Fair Treatment of Shareholders

- a) The Board is obliged to seek shareholders' rights protection to ensure fairness and equality among them;
- b) The Board and the Executive Management of BSF is obliged not to discriminate among shareholders who own the same type or class of shares nor prevent them from accessing any of their rights;
- c) Shareholders have the right to raise complaints on BSF and BSF is committed to facilitating the method by which shareholders can communicate with BSF by having a dedicated Shareholders Relations Officer to receive and address complaints or reports sent by shareholders through a dedicated telephone number & email address with a timeframe of thirty (30) days;
- d) The Board should ensure maintaining the confidentiality of reporting procedures through facilitating direct contact with an independent member of the Audit Committee or other specialised committees when reporting non-compliant practices.

### 5.2.2 BSF By-Laws

BSF has set out in its By-Laws the detailed procedures necessary for shareholders' to exercise their lawful rights. The Bylaws, are the fundamental basis for the protection of BSF's shareholders' rights. As such, in the event of any inconsistency between the Bylaws and this Policy or any other policy relating to or affecting shareholder rights, the Bylaws shall prevail.

### 5.2.3 Rights Related to Shares

The shares result in equal rights and obligations. The shareholder shall have all rights pertaining to the share, in particular getting a certain share of the profit, or a priority in the recovery of what has been paid off from the capital upon liquidation, electing Board members, the right to attend shareholders assembly meetings, partaking in their deliberations, voting on their decisions, the right to dispose of the shares, request access to Bank's records and documents without prejudice to the confidentiality of information, monitor the work of the Board of Directors, file a liability claim against the board members and appeal to the invalidity of the shareholders assembly decision, provided that it complies to the terms and conditions mentioned in the relevant regulations or the Bank Bylaws.

All rights related to shares shall be guaranteed to the shareholder, and particularly the following:

- a) To obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares;
- b) To obtain his/her share of BSF's assets upon liquidation;
- c) To attend the General or Special Shareholders Assemblies, review the agenda and its related documents, take part in their deliberations and vote in person or electronically on their decisions, and listen to and follow presentation relating to the bank's performance and present their opinions and discuss them during the meeting in which BSF shall take into consideration;

- d) To dispose of his/her shares in accordance with the provisions of the Companies Law, The Capital Market Law and their implementing regulations;
- e) To enquire and request viewing the books and documents of BSF, including the data and information related to the activities of BSF and its operational and investment strategy without prejudice to the interests of BSF or breach of the Companies Law and the Capital Market Law and their implementing regulations;
- f) To monitor the performance of BSF and the activities of the Board in accordance with the provisions of the laws and regulations;
- g) To hold Board members accountable, to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the Bylaws of BSF;
- h) Preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Bank's Bylaws or when the Extraordinary General Assembly suspends the preemptive rights are per Article (129) of the Companies Law;
- i) To record his/her name in BSF's shareholders register;
- j) To request to view a copy of BSF's Bylaws unless BSF publishes them on its website;
- k) To nominate and elect the Board members; and
- l) In cases the Bank has shares of different types or classes, it may convert one type or class of shares into another type or class of shares in accordance with the following:
  - The Bank's Bylaws must provide and permit it;
  - Obtain the Extraordinary General Assembly's approval, unless the decision issuing those shares stipulates that they are automatically converted into another type or class upon satisfying certain conditions or upon the lapse of a specified period. Obtain the approval of shareholders who are prejudiced by such conversion convened in a Special Assembly in accordance with Article (110) of the Companies Law.
  - The Bank's share capital must be fully paid.
  - Compliance with relevant laws and regulations.
  - The Board shall submit to the General Assembly a statement about the conversion of shares, containing the mechanism for calculating the conversion ratio, the impact of the conversion on shareholders who hold the same class to which the conversion will be made, and the impact of the conversion on other shareholders.
- m) A shareholder, or more, representing at least five percent (5%) of the Bank's capital may petition the competent judicial authority to order the inspection of the Bank if the conduct of the BoD members or the auditor in relation to Bank's affairs raises suspicion in accordance with the Companies law and relevant rules and regulations.

#### 5.2.4 Right of Access to Information

The Board shall provide shareholders with comprehensive information, which could assist them in identifying the future trends and strategic plans of the bank. Also, shareholders shall have the right to obtain all related information which enables shareholders to exercise their rights in the best manner on a regular basis and without delay, without prejudice to the interests of BSF.

The information necessary to be provided are as follows:

1. The Board shall make available to the shareholder complete, clear, accurate and non-misleading information to enable him/her to properly exercise his/her rights. Such information shall be provided at the proper times and shall be updated regularly;
2. The method used to provide information to the shareholders shall be clear and detailed and shall include a list of the Bank's information that the shareholders may obtain. This information shall be made available to all shareholders of the same type or class; and
3. The Bank shall use the most effective methods in communicating with shareholders and shall not discriminate among shareholders in respect of providing information.

For more information about shareholders' rights to receive information, BSF's **Transparency and Disclosure Policy** should be read in conjunction with this Policy.

#### 5.2.5 Communicating with Shareholders

- a) The Board shall ensure communication between BSF and the shareholders based on the common understanding of the strategic objectives and interests of BSF.
- b) The Chairman of the Board and the Chief Executive Officer shall inform the remaining Board members of the opinions of the shareholders and discuss these opinions with them.

No shareholder may intervene in the operations of the Board or the work of the Executive Management of BSF unless he/she is a member of its Board or its management team; or unless his/her intervention is through the General Assembly according to its powers.

#### 5.2.6 Right to Electing the Board Members

- a) Shareholders have the right to nominate him/her self or one or more from shareholders or others and elect Board members and to enquire about their qualifications, experience and ability to perform their jobs. They also, have the right to discuss the amount of remunerations and financial incentives received by Board members and senior executives as well as their right to communicate their enquiries about any unprofessional practices to the Board and obtain a statement thereon;
- b) Upon calling for the GA, the Bank shall announce on TADAWUL's website information about the nominees for the membership of the Board, which shall include the nominees' experience, qualifications, skills and their previous and current jobs and memberships. The Bank shall make a copy of the mentioned information available in the Bank's Head Office and its website;
- c) Cumulative voting shall be used in electing the Board, in which it is not allowed to use the voting right of a

single share more than once;

- d) Elect new Board in the event that the chairman and members of the Board resign;
- e) Voting in the GA shall be confined to the Board nominees whose information has been announced;
- f) The General Assembly may, upon the recommendation of the Board, terminate the membership of the members who fail to attend three (3) consecutive meetings or five (5) non- consecutive meetings of the Board without a legitimate excuse accepted by the Board; and
- g) The Ordinary General Assembly may remove some or all Board members, even if the BSF Bylaws provide otherwise, in accordance with rules set out by the regulatory authorities. In such case, the General Assembly shall elect a new Board or a replacement for the removed member, as the case may be, in accordance with the provisions of the Companies Law and its implementing regulations.

The detailed procedures for the appointment and removal of Directors are as set out in BSF's **Board Membership, Nomination, Assessment and Succession Policy**.

### **5.2.7 Rights to Distribution of Dividends**

- a) Shareholders rights to dividends and other distributions are set out in BSF's Bylaws and further set out in BSF's Dividend Policy;
- b) The General Assembly shall determine the percentage of the net profits to be distributed to the shareholders after setting aside the statutory reserve or other reserves- if any formed out of profits or out of cumulative retained earnings account of preceding years or both;
- c) The Board shall establish a clear policy for the distribution of dividends to achieve the interests of the shareholders and BSF as per the bylaw; and
- d) The shareholder is entitled to receive his/her share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to shareholders or the Board resolution on distributing interim dividends. The resolution shall specify the record date and the distribution date provided that the resolution shall be executed as per the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

### **5.2.8 The General Assembly Meetings**

- a) The GA shall convene in accordance with the conditions and circumstances stipulated in Companies Law, its implementing regulations and as set forth in BSF's Bylaws, at least once per year within the six (6) months following the end of the financial year;
- b) The Board shall invite the Ordinary General Assembly to convene upon the request of the external auditor, the Audit Committee or a number of shareholders holding shares equal to at least (10%) of BSF's shares. The external auditor may invite the assembly to convene if the Board does not invite the assembly within thirty (30) days from the date of the external auditor's request;
- c) The Ordinary General Assembly shall convene Upon receiving a request from one or more shareholders representing (10%) of the Bank's voting shares for removal of some or all Board members in accordance with Article (90) of the Companies Law. The Board shall include in the invitation the name of the shareholder who submitted the request and the justifications of such request. Accordingly, the concerned Board member

- shall have the right to make a statement regarding the request in the relevant OGA meeting;
- d) BSF shall ensure recording the details of the shareholders who desire to attend the general assembly at BSF Head Office prior to the specified time for convening the assembly, unless the BSF Bylaw state other means;
  - e) The Board shall work on facilitating the participation of the largest number of shareholders in the meetings of the GA, including choosing the appropriate place and time for such meeting;
  - f) Shareholders shall be granted the opportunity to effectively participate, discuss and vote in the General Assembly meetings, raise queries to the Board members, Chairman of the Board committees, external auditors, and get their feedback thereon. The Board members, Chairman of Board committees, or the external auditor shall answer the questions raised by shareholders to the extent that does not jeopardise the Bank's interest;
  - g) The meetings of the General Assemblies of shareholders may be convened and shareholders may participate in their deliberations and vote on their resolutions using methods of contemporary technologies pursuant to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.
  - h) The Ordinary General Assembly (OGA) shall only be validly held if attended by shareholders representing, at least one (1) quarter of the Bank's shares that has voting rights, unless BSF Bylaws require a higher percentage provided it does not exceed half of the voting shares;
  - i) In case this quorum is not reached at the first meeting of the OGA, a second meeting shall be convened within the thirty (30) days following the previous meeting. However, the second meeting may be held one (1) hour after the expiry of the period set forth for the first meeting, provided that the convocation to the first meeting shall include the announcement of the possibility of holding this meeting. In all events, the second meeting shall be valid regardless of the number of voting shares represented therein;
  - j) Shareholders will be provided with sufficient information, within a sufficient time regarding the date, location and agenda of the GA meeting. In this regard, shareholders will be provided with a minimum of twenty-one (21) days prior notice of the GA. Notice will be provided by such means as BSF sees fit (including using modern technology means), and at a minimum will include publication on the website of the Saudi Stock Exchange (TADAWUL), BSF's website. A copy of meeting invitation along with its agenda shall be provided to MoC as well as CMA upon announcement;
  - k) EGA shall be deemed valid only if attended by shareholders who represent at least half ( $\frac{1}{2}$ ) of the Bank's voting shares, unless the Bank's bylaw stipulates a higher percentage, provided that such percentage does not exceed two thirds ( $\frac{2}{3}$ ) of the voting shares;
  - l) If the quorum required for an EGA is not reached, an invite shall be made for a second meeting to be held and may be convened within one hour following the previous meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid if attended by shareholders who represent at least a quarter of the Bank's voting shares;
  - m) If the quorum required for the second meeting is not reached, an invite shall be made for a third meeting to be held and deemed valid regardless of the number of voting shares represented therein;
  - n) When preparing the GA's agenda, the Board shall take into consideration the matters that the shareholders wish to add; shareholders holding no less than (10%) of the Bank's shares that have voting rights are entitled to add one (1) or more items to the agenda upon its preparation;
  - o) The Board shall separate each of the matters listed in the agenda of the GA 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 as a whole;

- p) Matters presented to the GA shall be accompanied by sufficient information to enable shareholders to make decisions;
- q) The Shareholders' GA meetings shall be chaired by the Chairman, his Deputy (if the Chairman is absent) or whom is delegated by the Board of Directors of its members (when the Chairman and his Deputy are absent) and if not possible, the General Assembly shall be chaired by whom the shareholders delegates from the board members or others by voting;
- r) The Chairman of the GA meeting shall avoid setting up any procedure that would obstruct the attendance of the assemblies or the use of the right to vote. In addition, shareholders must be informed of the rules governing the work of those meetings and voting procedures;
- s) Shareholders shall be enabled to peruse the minutes of the GA. In this regard, BSF shall announce to the public and inform CMA and Tadawul of the results of the GA meeting immediately following its conclusion. BSF shall provide the Capital Market Authority (CMA) with a copy of those minutes within ten (10) days of the convening date of the GA. Also, BSF will provide SAMA with a copy of the minutes of the GA meeting within fifteen (15) days of the date of the meeting;
- t) Minutes shall be kept for every General Assembly meeting, showing the numbers of shareholders attending, whether in person or by proxy, the number of shares held by each attendee, whether personally or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of consenting and dissenting votes, and a comprehensive summary of the discussions conducted at the meeting. Following every meeting, the minutes shall be regularly recorded in a special register, which shall be signed by the general assembly Chairman, the Secretary, and the teller of the meeting;
- u) Without prejudice to the rights of any bona fide third parties, any shareholder may petition the competent judicial authority to invalidate a decision issued by the general assembly in violation of the provisions of the Companies Law or the Bank's bylaw provided that the shareholder shall object to said decision during the meeting or in the event that the shareholder did not attend the meeting for a valid reason. A lawsuit filed for invalidation shall not be heard after the lapse of 90 days from the date the decision is issued. The plaintiff must be a shareholder in the Bank upon filing the lawsuit and throughout its proceedings;
- v) The Bank shall enable the shareholders through the Bank's website and Tadawul's website, when the invitation for the convention of the General Assembly is published, to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the financial statements and the audit committee's report in order to enable them to make an informed decision in this regard. BSF shall update this information in case the General Assembly's agenda was amended; and
- w) BSF may amend the agenda of the General Assembly within a period between publishing the announcement and the date of convening the General Assembly meeting, provided that BSF shall announce the changes in accordance with the conditions set forth in the applicable regulations.



### 5.2.9 Voting Rights

- a) Voting rights are a fundamental right of BSF shareholders;
- b) The voting rights attributable to the shares of BSF are set out in its Bylaws. It is BSF's policy to provide all possible assistance appropriate to facilitate shareholders exercise of such rights;
- c) Cumulative voting shall be used in electing the Board, in which it is not allowed to use the voting right of a single share more than once;
- d) If a resolution adopted by the general assembly entails the amendment of the rights of a certain class of shareholders, such resolution shall not be valid unless it is approved by those entitled to vote from among the shareholders of that class, at a special meeting of such shareholders convened in accordance with the rules prescribed for Extraordinary General Assembly;
- e) Shareholders may grant a proxy to a third party (other than a Board member of BSF) to attend and vote at such GA in accordance with the proxy form attached to the meeting notice issued by the Bank;
- f) A shareholder (who is a natural person) must not grant a proxy to a third party in any of the following cases:
  - To attend BSF's General Assembly or Special Assembly meeting on his/her behalf using modern means of technology.
  - To attend the BSF's General Assembly or Special Assembly meeting on his/her behalf if the shareholder intends to personally attend the meeting at the same time through modern means of technology.
- g) Decisions of the Ordinary General Assembly shall be taken by majority of the voting rights shares represented in the meeting, unless a higher percentage is provided for in BSF Bylaws;
- h) Decisions of an extraordinary general assembly meeting shall be taken by the vote of two-thirds of the voting shares represented therein. Additionally, decisions relating to the increase or decrease of capital, extension of the Bank's term, dissolution of the Bank prior to the expiry of the term specified in its bylaw, merger of the Bank with another company, or division of the Bank into two banks or more shall be deemed valid only if made by the vote of three-quarters of the voting shares represented in the meeting; and
- i) Voting on the decisions should be conducted through modern technology means, according to the rules set by the Companies Law.

### 5.2.10 Rights on Preemptive Rights

- a) The Extraordinary GA shall have the right, if so stipulated in BSF Bylaws, to suspend the preemptive rights of shareholders to subscribe in the capital increase against cash contributions or grant such rights to non-shareholders in the cases it deems beneficial to the Bank.
- b) The shareholder shall have the right to sell or assign the preemptive rights with or without financial consideration.
- c) The new shares shall be distributed to the holders of the preemptive rights requesting subscription in proportion to the preemptive rights they have against the total preemptive rights resulting from capital increase, provided that the number of newly issued shares they receive does not exceed the number of the requested new shares taking into consideration the type and class of their shares. The remaining new

shares shall be distributed to the holders of preemptive rights who request more than their share in proportion to the preemptive rights they have against the total preemptive rights resulting from capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they request. Any remaining shares shall be offered to other than the holders of preemptive rights unless otherwise decided by the Extraordinary General Assembly or prescribed in the Capital Market law.

## 6. Competencies of the General Assembly

### 6.1. Ordinary General Assembly

The Ordinary GA shall have competencies in all affairs of the Bank, and particularly the following:

- a) Appointing and dismissing Board members;
- b) Permitting a Board member to have direct or indirect interest in the business and contracts that are executed for the Bank's account, in compliance with the provisions of the Companies Law and Its Implementing Regulations;
- c) Permitting a Board member to take part in any activities that may lead to competition with the Bank, or competition in any of its activities, in compliance with the provisions of the Companies Law and its Implementing Regulations;
- d) Delegate the authorisation powers stipulated in paragraph (1) of Article (27) of the Companies Law to the Bank's Board, provided that the delegation is in accordance with the relevant rules and regulations;
- e) Delegate the authorization powers stipulated in paragraph (2) of Article (27) of the Companies Law to the Bank's Board, provided that the GA specifies the competing businesses and activities that delegated Board may authorize during the delegation period;
- f) Monitoring the compliance of the Board members with the provisions of the Companies Law and Its Implementing Regulations and other relevant laws and BSF Bylaws; inspecting any damage that may occur as a result of their violation of such provisions or mismanagement of the affairs of the Bank; determine the liability resulting therefrom and undertaking the procedures it deems proper in this regard pursuant to the Companies Law and Its Implementing Regulations;
- g) Forming the Audit Committee;
- h) Review and discuss the Bank's financial statement;
- i) Review and discuss the Board report;
- j) Deciding on the proposals of the Board with respect to the method of distributing the net profits;
- k) Appointing the external auditors of the Bank, specifying their fees, term of office, and scope of work. In addition, reappointing them, dismissing them, discussing their reports and making a decision thereon;
- l) Looking into the violations and errors committed by the external auditors of the Bank when performing their duties and any difficulties, reported by the Bank's external auditors, regarding their empowerment by the



Bank's Board or Management to review the books, records and other documents, statements and clarifications required to perform their duties, and respond to that as it deems appropriate in this regard;

- m) Decide on the usage of the Bank's reserves, if such has not been set aside for a specific purpose in the Bank's Bylaw, provided that using such reserves shall be based on a proposal submitted by the Board and used in ways that benefit the Bank or the shareholders;
- n) Forming the Bank's reserves and determining their uses;
- o) Setting aside amounts from the Bank's net profits to achieve social purposes for the benefit of the Bank's employees in accordance with Article (123) of the Companies Law; and
- p) Approving the sale of more than (50%) of the assets of the Bank, whether in one (1) or several transactions within a period of twelve (12) months from the date of the first selling transaction. In case selling these assets includes what falls within the powers of the Extraordinary GA, the approval of the said Assembly is required.

## 6.2. Extraordinary General Assembly

The Extraordinary GA shall have the following Competencies:

- a) Amending the BSF Bylaws, except for amendments which are deemed null and void pursuant to the provisions of the Companies Law;
- b) Increasing the Bank's share capital in accordance with the situations provided by the Companies Law and its Implementing Regulations;
- c) Decreasing the Bank's share capital if it exceeds the Bank's needs or in the event the Bank incurs financial losses, in accordance with the situations provided by the Companies Law and Its Implementing Regulations;
- d) Deciding the use of the reserve allocated for specific purposes in the BSF Bylaws;
- e) Resolving to maintain or liquidate the Bank before the end of the term specified in its Bylaws;
- f) Approving the Bank's shares buy-back considering that the extraordinary general assembly may at any time issue a resolution to change the purposes of the Shares buy-backs;
- g) Issuing preferred shares or redeemable shares or approving their buying, or converting a type or class of BSF shares into another type or class of shares as per BSF Bylaws and the implementing regulation of the Companies Law related to Listed Joint Stock Companies;
- h) Issuing debt instruments or financing deeds convertible into shares, and stating the maximum number of shares that may be issued against these instruments or deeds;
- i) Allocate Shares that are issued upon the capital increase or part of them for the employees of the Bank, and its affiliates or some of them, or any of them;
- j) Authorize the Board to determine the terms of the Employee's Share Plan including the allocation price for each Share offered to employees if offered for consideration; and
- k) Suspending pre-emptive rights of shareholders in subscribing for the capital increase in exchange for cash or giving priority to non-shareholders in cases as deemed in the interest of the Bank if so is provided for in the BSF Bylaws.

The Extraordinary GA may issue resolutions that fall within the powers of the Ordinary GA, provided that such resolutions are issued in accordance with the issuance requirements of Ordinary GA resolutions, which require that the majority of voting rights to be represented at the meeting.