

# Business Competition Controls and Standards

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# BOARD AFFAIRS

## **First: Introduction:**

In compliance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 AH and its Implementing Regulations, and in accordance with Article (27) of the Companies' Law and Articles (44) and (45) of the Corporate Governance Regulations issued by the Capital Market Authority ("CMA") pursuant to Resolution No. (8-5-2023) dated 06/25/1444 AH corresponding to 01/18/2023 AD, a list of "Controls and Standards of the Company's Business Competition" ("Standards") was prepared for Board and Committee members, and the Chief Executive Officer ("CEO").

These Standards were issued pursuant to a proposal by the Board of Directors on 12/10/1445 AH corresponding to 21/04/2024, and approval by the General Assembly on 15/11/1445 AH corresponding to 23/05/2024.

## **Second: Concept of Business Competition:**

The concept of participating in any work that would compete with the company or compete with it in one of the Sectors and activities that it practices as follows:

1. A member of the Board of Directors establishes a company or individual institution or owns a significant percentage of shares or stakes in a joint-stock company or other establishment, that carries out an activity similar to that of the company or its group.
2. Accepting membership in the board of directors of a company or a business entity competing with the company, or its group, or assuming the management of a competing individual enterprise or competing company, whatever its form.
3. The member obtains a commercial agency or the like, whether apparent or hidden, for a company or other business entity competing with the company or its group.

## **Third: Criteria for Business Competition:**

Any business competing with the following Company activities and purposes stipulated in the Company Bylaws:

1. Manage Company subsidiaries or participate in the management of other companies where it provides support services.
2. Own and establish industrial projects, real estate, and construct buildings and warehouses required for its purposes.
3. Provide information technology services to the company and others.
4. Provide training services to the company and others.
5. Provide loans, guarantees and financing to its subsidiaries.
6. Own intellectual property rights such as patents, trademarks, franchise, and other rights, utilizing them, and leasing them to its subsidiaries or others.
7. The Company conducts its activities in accordance with applicable and prevailing laws after securing required licenses and/or permits from the competent authorities. The Company may exercise other activities provided it does not conflict with the pertinent laws and regulations.

## **Fourth: Business Competition Controls and Procedures:**

It is not permissible for the Company Chief Executive Officer (or any other title), nor a Board or Committees members, to participate in any competing activities, unless licensed and authorized by the General Assembly or shareholders.

If a member intends to engage in competing activities, the following must be considered:

1. Notify the Board of the competing activities the member plans to engage in and record this notice in the minutes of the meeting.
2. Concerned member is forbidden from voting on the decision issued in this regard by the Board, during its meeting or committees' or shareholders' assemblies.
3. The Chairman shall notify the Ordinary General Assembly of the competing activities undertaken by a Board or Committee member.
4. Obtain a permit from the Ordinary General Assembly or the Board, via delegation issued by the Ordinary General Assembly, allowing the member to engage in a competing activity, provided that this permit is annually renewed.

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### **Fifth: Disclosure of Business Competition:**

All nominees for Board membership must disclose to the Board and General Assembly any participation in competing activities.

### **Sixth: Refusal to Grant a Permit:**

If the General Assembly refuses to grant a permit to a Board or Committees' member to participate in competing activities the Company carries out in accordance with its Bylaws and the Corporate Governance Regulations, then the Board member must resign within a period specified by the General Assembly. Membership in the Board will be revoked, unless the member decides to cease or reconcile competing activities, in accordance with the Companies Law and its implementing regulations, before the expiration of the deadline specified by the General Assembly.

### **Seventh: Review:**

The Nomination and Remuneration Committee shall review these Standards in accordance with the Companies Law and the Corporate Governance Regulations issued by CMA.

### **Eighth: Final Provisions:**

1. The Standards shall be effective, and their provisions shall be adhered to upon their adoption by the General Assembly.
2. The Standards shall be published on the company's website.
3. The Standards shall be amended, as and when required, upon a proposal by the Board under a resolution issued by the General Assembly.
4. Internal Audit and Governance & Compliance functions shall monitor the extent of compliance with these conditions. In the event of violation, a report shall be prepared and submitted to the Board, including the corrective actions recommendations.

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## BOARD AFFAIRS

### Acknowledgement and Declaration Board and Committee Members, CEO, and Senior Executives for the Fiscal Year \_\_\_\_

In accordance with the guidelines stipulated in, Chapter Three (Board of Directors) of Part One of the “Companies’ Law”; and Chapter Six (Conflicts of Interest) of Part Three of the “Corporate Governance Regulations”; and the Company’s “Controls and Standards of the Company’s Business Competition” charter, I acknowledge and declare the following:

|  |                              |                             |
|--|------------------------------|-----------------------------|
| Do you have any competing business with the company, or in one of its sector activities? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If the answer above is “Yes”, please fill out the following information:                 |                              |                             |
| Competition Start Date:  |                              |                             |
| Name of Competing Activity:  |                              |                             |
| Name of the Competing Company:   |                              |                             |
| Ownership Percentage of Capital:   |                              |                             |
| Type and Nature of Competition:  |                              |                             |
| Are you a Board Member?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you an Executive?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Other:   |                              |                             |

*\*This includes all subsidiaries, affiliates, and managed companies*

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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