



Competition Business Standard



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## Competition Business Standard

### Purpose

This policy aims to clarifying the concept of competition and its controls, the mechanism of competing the Company in its activities or in competing with its branches, subsidiaries or owned companies or those within its group, and all members of the Board of Directors or members of the committees emanating from the board are committed to abiding by it without prejudice to the Company's Articles of Association and any relevant regulations and instructions issued by the regulatory authorities.

### Scope of implementation

This policy applies to the following:

- Members of the Board of Directors and its emanated committees.
- A member's relatives who are engaged in competitive activities, including (parents, grandparents, children, siblings, spouses and their respective relatives by blood or marriage.
- The individual establishments or companies owned by a member of the Board of Directors or any committee member, or in which they have ownership or controlling interest, or are considered major shareholders, or own shares collectively with individual or collective relatives, amounting to 5% or more of the total ordinary shares.
- The individual establishments or companies where a member of the Board of Directors or any committee member serves as a member of its Board of Directors or as a member of board committees, manages it, or is considered as one of the senior managers or executives, or any of their relatives.
- The individual establishments or companies where a member of the Board of Directors or any committee member acts as a representative, agent, or proxy on behalf of the Company, or any of their relatives.

### General principles:

1. The member must exert the necessary due diligence and care to abstain from engaging in any competitive activities with the Company's business or potential competition in its activities or in competition with any of its branches without obtaining a permission from the Board of Directors or the General Assembly.

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2. The member must not accept any membership on a Board of Directors or a committee emanating from the Board of Directors, hold any managerial position, or provide consulting or professional services to any Company that competes with the Company in its activities or competes with any of its branches or group.
3. The member is prohibited from exploiting or benefiting, directly or indirectly, from any of the Company's assets, information or investment opportunities offered to them as a member or offered to the Company, including the investment opportunities that fall within the Company's activities or those the Company wishes benefit from. The prohibition extends to the member who resigns in order to exploit the investment opportunity, directly or indirectly, which the Company wishes to benefit from and which came to their knowledge during their membership.

#### Article (1): Competition Business Concept

The engagement concept in any activity that may compete with the Company or its branches or any activity within its group includes the following:

1. The establishment by a member of the Board of Directors of a Company or an individual establishment, or their ownership of a significant percentage of the shares or stakes in another Company or establishment engaged in activities similar to those of the Company or its group, or their participation in any activity that may compete with the Company or any of its branches or group.
2. Accepting the membership of the Board of Directors of a Company or establishment competing with the Company or its group, or taking over the management of a competing individual establishment or Company, whatever their form, except for the Company's subsidiaries.
3. The member obtaining a commercial agency or its equivalent, whether apparent or hidden, for another Company or establishment that competes with the Company or its group.

#### Article (2): Company Competition Controls

Should a member wish to engage in an activity that may compete with the Company or one of its branches, the following must be considered:

1. Informing the Board of Directors of the competitive activities they intend to practice and documenting such notice in the minutes of the Board of Directors' meeting.
2. The interested member shall not engage in the voting on the decision to be issued in this regard in the Board of Directors and its committees or the General Assembly.



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3. The Board of Directors shall inform the ordinary General Assembly, when convened, about the competitive business undertaken by a member of the Board of Directors or a member of its committees, after the Board of Directors verifying whether the member of the Board of Directors or a committee member competes with the Company's business or competes with one of its branches in the activities engaged in according to the criteria of this policy. Such business shall be verified annually unless the Board of Directors has been granted an authorization from the General Assembly to approve the competitive business.
4. Obtaining a license from the Company's ordinary General Assembly or the Board of Directors by the virtue of an authorization from the ordinary General Assembly, permitting the member of the Board of Directors to engage in the competitive business.

### Article (3): Competition Business Standards

The Board of Directors shall consider the criteria below to verify whether the member competes with the Company's business or competes with one of its branches or within its group, as follows:

1. Nature of the business that the member intends to compete with the Company or one of its branches or within its group.
2. The markets that the member intends to target, as well as assessing the expected impact on the Company's volume of sales.
3. Type of the products that the member intends to launch, market and promote.
4. Should the competition take the form of managerial or professional consulting services that the member will provide to the competing companies, understanding the scope of such consultations unless such consultations are inherently licensed professionally and are usually part of the business conducted by the member.
5. Studying the direct or indirect interest of the member from the competitive business to a related party and type of the impact or the conflict that the member may encounter from continuing the work or licensing for the competitive business.

### Article (4): Refusal to grant a competition license.

If the General Assembly or the Board of Directors, by the virtue of an authorization from the General Assembly, refuses to grant a license for competitive business, the member of the Board of Directors must submit his resignation within the deadline set by the General Assembly or the Board of Directors. Otherwise, his membership on the board shall be deemed expired, unless he decides to withdraw from the contract, dealing or the competitive business,



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or to reconcile his situation in accordance with the Companies Law and its Executive Regulations before the deadline specified by the General Assembly or the Board of Directors.

#### **Article (5): Company's right to compensation**

In the event that a member of its Board of Directors or a member of the emanating committee violates this policy or the provisions of the laws and instructions related to the competition business, the Company shall have the right to claim the appropriate compensation before the competent judicial authority.

#### **Article (6): Disclosure**

A member of the Board of Directors or a member of one of the committees emanating from the Board of Directors shall disclose immediately and without delay or concealment any business that is competing with the business and activities of the Company or in one of its branches or any of the companies within its group to the Board of Directors.

#### **Article (7): Review**

The policy is subject to review for the purpose of updating and amending it in accordance with the Company's Articles of Association, laws, regulations, instructions and relevant legislation issued by the competent regulatory authorities, and pursuant to the proposals made by the Company's Board of Directors, provided that they shall be presented to the General Assembly for approval.

#### **Article (8): Effectiveness & Publication**

The policy shall be effective and shall come into force from the date of its approval by the General Assembly, and shall be published on the Company's website to be available for the shareholders and stakeholders for review. All the matters not stipulated in this Regulation are governed by the Company's Articles of Association and relevant laws, regulations, instructions and legislation issued by the competent regulatory authorities.