



مجموعة فتيحي القابضة  
FITAIHI HOLDING GROUP

Before Amendment	After Amendment
<p data-bbox="177 427 691 461"><b>Part 7: Conflict of Interest Regulation</b></p> <p data-bbox="225 504 643 544"><b>Criteria of Competition</b></p> <p data-bbox="347 645 520 685"><b>Dec. 2017</b></p> <p data-bbox="331 741 536 779"><b>Annex No. (14)</b></p>	<p data-bbox="927 427 1441 461"><b>Part 7: Conflict of Interest Regulation</b></p> <p data-bbox="911 504 1453 591"><b>Regulation of the Criteria and Controls of Competition</b></p> <p data-bbox="1086 645 1275 685"><b>April 2023</b></p> <p data-bbox="1075 725 1279 763"><b>Annex No. (14)</b></p> <p data-bbox="834 831 970 864"><b>Preamble:</b></p> <ol data-bbox="882 875 1533 1944" style="list-style-type: none"><li>1- This Regulation was prepared within the framework of the requirements of the relevant articles of the Corporate Governance Regulations for listed joint-stock companies issued by the CMA and its amendments, as well as the Companies Law issued in 2022 and its amendments, and the requirements of the Governance Regulations. The Board of Directors recommends the General Assembly approve these criteria and publish them on the Company's website while checking the competing works annually.</li><li>2- Members of the Board and Committees, senior executives, and all employees must avoid conflict of interest and competition with the Company as much as possible. They must abide by the applicable laws and regulations and the Company's policies when dealing with cases of conflict of interest and competition.</li><li>3- The Members of the Board and Committees, whether in their capacity or as representatives of others, shall not have any interests that conflict with their duties or the requirements of impartiality and independence or that they or the parties they represent have any interests that conflict with the requirements of impartiality and independence, or maintain the confidentiality of the information they relate to</li></ol>



### I: Competing the Company

If a Member of the Board desires to engage in a business that may compete with the Company or any of its activities, as stipulated in the Companies Law (Art. 72); the following shall be taken into account:

- 1) Notifying the Board of the competing businesses he/she desires to engage in and recording such notification in the minutes of the Board meeting.
- 2) The conflicted member shall abstain from voting on the related decision in the Board meeting and General Assemblies.
- 3) The chairman of the Board informing the Ordinary General Assembly, once convened, of the competing businesses that the member of the Board is engaged in.
- 4) Obtaining an authorization of the Ordinary General Assembly of the Company for the member to engage in the competing business.

### II: Concept of Competing Business

The following shall be deemed a participation in any business that may compete with the Company or any of its activities:

- 1) The Board Members' establishing a Company or a sole proprietorship or the ownership of a controlling percentage of shares or stakes in a Company or any other

by their membership in the Company's Board of Directors.

### I: Criteria of Competing the Company

If the Company's Manager of a Member of the Board/Committee desires to engage in a business that may compete with the Company or any of its activities, as stipulated in the Companies Law; the following shall be taken into account:

- 1) The competition should not be prohibited by laws, regulations, or any legal or regulatory rules, as well as the participation of a member of the Board of Directors in the membership of a Company with a competing activity or activities.
- 2) The competition should not be substantial, negatively affecting the Group's activities, or making it impossible/difficult to manage the process of conflict of interests arising from it.
- 3) Notifying the Board of the competing businesses he/she desires to engage in and recording such notification in the minutes of the Board meeting.
- 4) The conflicted member shall abstain from voting on the related decision in the Board/Committee meetings and General Assemblies.
- 5) The Board shall inform the General Assembly, once convened, of the competing businesses that the Member is engaged in.
- 6) Obtaining an authorization of the Ordinary General Assembly of the Company or from the BOD, pursuant to authorization from the Ordinary General Assembly, a Member is allowed to practice competing businesses.

### II: Concept of Competing Business

The following shall be deemed a participation in any business that may compete with the Company or any of its activities:

- 1) The Board/Committee Members' establishing a Company or a sole proprietorship or the ownership of 5% of the shares or stakes in a Company or any



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<p>entity engages in business activities that are similar to the activities of the Company or its group.</p> <p>2) Accepting membership in the Board of a Company, an entity that competing with the Company or its group, or managing the affairs of a competing sole proprietorship or any competing Company of any form.</p> <p>3) The Board Member's acting as an overt or covert commercial agent for another company or entity competing with the Company or its Group.</p>	<p>other entity engages in business activities that are similar to the activities of the Company or its group.</p> <p>2) Accepting membership in the Board of a Company, an entity that competing with the Company or its group, or managing the affairs of a competing sole proprietorship or any competing Company of any form, <b>except for assuming a membership or management of subsidiaries.</b></p> <p>3) The Board/<b>Committee</b> Member's acting as an overt or covert commercial agent for another company or entity competing with the Company or its Group.</p> <p>4) <b>If a natural person, representing a legal person, accepts the membership of a board of directors, a committee, or an executive position in a competing entity.</b></p> <p>5) <b>If the Board/Committee Member provides technical, administrative, or advisory work to any competing entity.</b></p> <p>6) <b>If the Board/Committee Member uses his knowledge and information to benefit a competing entity.</b></p> <p><b>III: Competition Controls</b></p> <p>1) <b>The Company's Manager, or a Member of the Board//Committee may not participate in any business that would compete with the Company, or compete with the Company in one of the branches of the activity it is engaged in, otherwise the Company may demand appropriate compensation from him/her before the competent judicial authority unless he/she obtains a license from the General Assembly to do so, and in accordance with the controls set by the competent authority.</b></p> <p>2) <b>If the Company's Manager, or a a Member of the Board/Committee wishes to participate in an activity that is considered to be competing with the Company, or with one of the branches of the activities that are practiced, the following must be taken into account:</b></p> <p><b>A- Inform the Board of Directors about the competing businesses he/she wishes to practice, and record this notification in the meeting minutes of the Board of Directors.</b></p>
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- B- The interested Member shall not participate in voting on the decision issued in this regard by the Board of Directors, Committees and shareholders' assemblies.
- C- The Board of Directors shall inform the General Assembly when it convenes about the competing business that the Member of the Board/Committee is engaged in after the Board/Committee verifies that the Member of the Board/Committee is competing with the Company's business or competing with it in one of the branches of the activities that are practiced in accordance with criteria issued by the General Assembly of the Company, proposed by the Board and published on the Company's website, provided that these competing works are verified annually.
- D- Obtain a license from the Ordinary General Assembly of the Company that allows the Member to practice competing businesses.
- E- A Board/Committee Member must exercise his/her duties with honesty and integrity, put the interests of the Company ahead of his/her personal interest, and not use his/her position to achieve his/her personal interests.
- F- The Board/Committee Member shall protect the confidentiality of information related to the Company and its activities and shall not disclose it to anyone.
- G- The Member of the Board/Committee shall be accountable for calculating the transactions in which he/she has a direct or indirect interest during the fiscal year.
- H- The resolution of the General Assembly determines the number of competing businesses and activities that the Board may license during the authorization period.
- I- The period of authorization shall be a maximum of one year from the date of the approval of the General Assembly to delegate its powers contained in paragraphs (1) and (2) of Article (27) of the Companies Law to the Company's Board of Directors or until the end of the term of the authorized Company's Board of Directors, whichever is earlier.



### III: Rejection to Grant/Renew Authorization

If the General Assembly rejects to grant/renew the authorization pursuant to the Companies Law and (Art. 71 and 72), the Corporate Governance Regulations (Art. (46)), and their subsequent mandatory amendments and controls, the member of the Board shall resign within a period specified by the General Assembly; otherwise, his/her membership in the Board shall be deemed terminated, unless he/she decides to withdraw from competing the Company or regularize his/her situation in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the General Assembly.

### IV: Rejection to Grant/Renew Authorization

- 1- If the General Assembly rejects to grant/renew the authorization pursuant to the Companies Law, the Corporate Governance Regulations, and their subsequent mandatory amendments and controls, the Member of the Board/Committee shall resign within a period specified by the General Assembly; otherwise, his/her membership in the Board/Committee shall be deemed terminated, unless he/she decides to withdraw from competing the Company or regularize his/her situation in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the General Assembly.
- 2- If the BOD rejects to grant/renew the authorization pursuant to the Companies Law, the Corporate Governance Regulations, and their subsequent mandatory amendments and controls, the Member of the Board/Committee shall resign within a period specified by the BOD; otherwise, his/her membership in the Board/Committee shall be deemed terminated, unless he/she decides to withdraw from competing the Company or regularize his/her situation in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the BOD.
- 3- The Members of the Board and Committees shall not participate in any business that would compete with the Company or compete with it in one of the branches of the activity, it is engaged in, without obtaining a license from the General Assembly of the Company. This is strictly prohibited for independent members.
- 4- The Members of the Board of Directors and Committees must inform the Board of Directors immediately about all details of their direct or indirect participation in any business that would compete with the Company, or about their competition with the Company directly or



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indirectly in one of the branches of the activity, it is engaged in, in accordance with the provisions of the Companies Law and the Capital Market Law and their executive regulations.

- 5- Whoever wishes to nominate himself for the membership of the Board of Directors shall disclose to the Board and the General Assembly his/her participation in a business that would compete with the Company, or with it in one of the branches of the activity it is engaged in.

**V: Special Provisions**

- 1- This regulation shall be published on the Company's website to enable stakeholders to review its contents.
- 2- The Board of Directors has the power to impose penalties on the violators of these regulations and file cases to claim compensation for damages resulting from non-compliance.
- 3- The geographical boundaries of the Kingdom and the borders of countries for the Company's subsidiaries are the scope of application of these regulations regarding the competing business practiced by a Member of the Board of Directors.
- 4- All that is not provided for in this regulation, the regulations, decisions, and rules issued by the competent authorities shall apply.
- 5- Taking into consideration the Licensing Controls for Business and Contracts Made for the Company's Account in which a Member of the Board of Directors has a Direct or Indirect Interest or Licensing the Practice of Competing Businesses, included in the Executive Regulations of the Companies Law for the Listed Joint-Stock Companies, the Companies Law, and any subsequent mandatory amendment or controls.
- 6- Taking into consideration the amendment of the Corporate Governance Regulations regarding the Rules for Competing the Company or



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	<p>engaging in a competing activity and any subsequent mandatory amendment or controls.</p>
	<p><b>VI: Update &amp; Amendment</b></p> <p>1- These Rules &amp; Regulations, <b>approved by the General Assembly of the shareholders</b>, are automatically and obligatorily amended and updated upon issuance and entry into force of new mandatory amendments and regulations issued by the Capital Market Authority (CMA), the Saudi Exchange Group, The Ministry of Commerce, other relevant regulators, in case of amending the Articles of Association of the Company.</p> <p>2- In the event that the Board of Directors approves an amendment/s to these Rules &amp; Regulations, <b>approved by the General Assembly of the shareholders</b>, based on a request or proposal submitted by one of the Board's Committees or the Executive Management, (other than the mandatory amendments), the proposed amendment/s shall be presented to the Shareholders' Assembly for approval.</p> <p>3- In case of absence or any text contained in these Rules &amp; Regulations violating what is or will be stated in the mandatory laws &amp; regulations or the Company's Articles of Association, the mandatory texts of the rules and regulations will automatically and obligatorily replace the absent or violating texts in these Rules &amp; Regulations.</p>
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