



**العثيم**  
**Othaim**

**Competition Business Criteria**

**Abdullah Al-Othaim Markets Company**

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## First: Definitions:

**The Company:** Abdullah Al-Othaim Markets Company, "a Saudi public joint stock company".

**Subsidiary Company:** Any company that has its financial statements consolidated with Abdullah Al-Othaim Markets Company.

**Investee Company:** Any company that the company owns but does not consolidate its financial statements with Abdullah Al-Othaim Markets Company.

**General Assembly:** General Assembly Meeting of Shareholders of Abdullah Al-Othaim Markets Company In accordance with the provisions of the Companies Law and Bylaws of the Company.

**Board of Directors:** The Board of Directors of Abdullah Al-Othaim Markets Company.

**Board member:** Is intended as an executive, non-executive, or independent board member of Abdullah Al-Othaim Markets Company, in accordance with definitions set forth in the related to the company's regulations, and policies.

**Committee Members:** Members of any committee formed by the Board of Directors of Abdullah Al-Othaim Markets Company.

**Senior Executives:** CEO, Deputies and Chief Financial Officer.

**Relatives:** Husband, wife, and minor children.

**Disclosure Policy:** Abdullah Al-Othaim Markets Company's Disclosure Policy.

## Second: Application scope:

Competing business criteria apply to any business that would compete with the company's business for the benefit of the board member or any member of the committees, or senior executives of the company, or any of their relatives.

## Third: Competitive Business Criterions:

Businesses competing with the Company's and its subsidiaries activity in the following cases:

- 1) When establishing a company or institution or direct or indirect owns (%5) or more shares or stakes in another company or institution that carries out the company's usual active, or the business of one of the subsidiaries, the company's share of whose revenues represents (%10) of the company's total revenues, or the business of an investee company whose share of profits represents (%10) of the company's net profits.
- 2) Joining the Board of Directors or a committee or being a senior executive or manager in a company or establishment that carries out the company's usual activity, or the activity of one of the subsidiaries in which the company's share of its revenues is (%10) of the company's total revenues, or the activity of an investee company in which the company's share of its profits is (%10) of the company's net profits.

3) obtains a commercial agency or what is in its judgment, it is apparent or hidden for a company or establishment that carries out the company's usual activity, or the activity of one of the subsidiaries in which the company's share of its revenues is (%10) of the company's total revenues, or the activity of an investee company in which the company's share of its profits is (%10) of the company's net profits.

4) Engaging in the company's activities directly or indirectly in countries (outside the Kingdom of Saudi Arabia) where it carries out its usual business or any of its subsidiaries.

b) None of the following cases shall be considered a competing business:

1) Competition through public auctions or public competitions.

2) Carrying out an activity outside the countries in which the company, its subsidiaries, or its investee companies operates.

#### **Fourth: Competition business controls and procedures:**

1) Inform the Board of Directors upon the occurrence of competing business or upon suspicion of its potential occurrence according to the competition business criteria, including the nature of the competing business, any names concerned with it, its duration, and place of practice and to prove this report in the minutes of the board meeting.

- 2) The Board of Directors shall determine whether the business is competing or non-competing based on the data provided by the informant without participating in the deliberation. The Board may seek the assistance of an expert body to decide on this matter.
- 3) In the event that the Board of Directors decides that the reported business is competing with the company's work, a vote is taken on the competing business to approve or reject it, and the interested member does not participate in voting on the decision issued in this regard, by the Board of Directors and its committees and the General Assembly.
- 4) In the event of competing business that is reported by senior executives in the company, it is referred to the Board of Directors for a decision.
- 5) The Board of Directors shall inform the General Assembly when it convenes of the competition businesses of the Board member, or a member of one of its committees, and these activities shall be verified annually.
- 6) Obtaining a license from the General Assembly or the Board of Directors - as applicable - allows the interested board member to practice competing business, provided that the decision of the General Assembly specifies the competing business that the Board may authorize during the period of delegation.
- 7) If the General Assembly refuses to grant the license to engage in competing business, the interested board member must submit his resignation within a specified period by the General Assembly or no more than (90) days from the date of the General Assembly meeting, otherwise his membership in the Board of Directors will be terminated, unless he decides to refrain from competing with the company before the expiry of the general assembly period.

8) If the Board of Directors refuses to grant a license to engage in competing business, the interested board member submit his resignation within a specified period by the Board of Directors, otherwise his membership in the Board of Directors will be terminated, unless he decides to refrain from competing with the company before the expiry of the specified period.

9) The responsibility of non-informing by the practitioner of any competition business, and in the event of failure to report, he shall be responsible for any damages that the company may face as a result of this act.

10) If a member of the Board of Directors or a member of one of its committees is granted a license to engage in competing business, he must be committed to preserving the interests and secrets of the company and not disclosing or exploiting them for any purposes in the competing business, and he shall bear the responsibility for any violation of this.

### **Fifth: Policy of conflict of interest:**

Compliance with the company's policy of conflict of interest shall be taken into condition in the event of any action - actual or potential - in which there is a conflict of interest.

## Sixth: General Provisions:

- a) The percentages mentioned in these standards shall be calculated based on the company's latest audited financial statements.
- b) The implementation of these criteria is effective upon of the General Assembly approval.
- c) These criteria shall be published after their approval in accordance with the disclosure policy.



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