



SAUDI LISTED JOINT STOCK COMPANY —

Controls and Criteria for Participating in Business Competing with the Company's Business

Approved in The General Assembly Meeting (Extraordinary) on May 2, 2023 AD with a percentage of 99.48%.

Introduction

Based on the provisions of Article (46, 47 and 48) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8 - 5 - 2023 AD) dated 25/06/1444 AH corresponding to 18/01/2023 AD, based on the system Companies issued by Royal Decree No. (M / 3) dated 01/12/1443 AH, a list of controls and criteria for participation in businesses competing with the company's business has been prepared in accordance with the requirements of corporate governance and the company's articles of association.

Tariffs

The following terms have the meanings shown next to each of them:

- Company: Retal Urban Development Company
- Subsidiaries: Each company is wholly owned or controlled by Retal Urban Development Company.
- Company activity: the objectives of the company or its subsidiaries stipulated in the articles of association of these companies or their articles of incorporation.

Controlling share: the ability to influence the actions or decisions of another person, directly or indirectly, individually or jointly with an affiliate, through.

- (a) owning 30% or more of the voting rights in the company,
- (b) appointing 30% or more Most of the members of the administrative apparatus.

- Member(s): A member of the Board of Directors of Retal Urban Development Company or its committees.
- Board of Directors: The Board of Directors of Retal Urban Development Company.
- General Assembly: The General Assembly of Shareholders of Retal Urban Development Company.

Competing work: The concept of participating in any work that would compete with the company or its competitors in one of the branches of the activity that the company is engaged in include the following:

1. Establishing a company or a sole proprietorship or owning a significant percentage of the shares of a joint stock company, or owning a share in the capital of a company or other facility that engages in an activity similar to that of the company or any of its subsidiaries.
2. Accepting membership in the board of directors of a competing individual company or establishment of the company or any of its subsidiaries, or assuming the management of a competing sole proprietorship or competing company of whatever form, with the exception of the company's affiliates.
3. Obtaining a commercial agency or the like, whether apparent or hidden, for a company or other entity competing with the company or any of its subsidiaries.

Article 1: The objective or purpose of the regulation

This regulation aims to set the necessary controls and standards to control and regulate the participation of any of the members of the board of directors or members of the committees emanating from the board in a work that competes with the company's activities or in one of the branches of the activity that it engages in, and these controls and standards have been formulated in line with the decision of the Board of the Capital Market Authority amending the Corporate Governance Regulations on May 20, 2019 AD, which includes the issuance of controls for competition activities issued by the company's general assembly - based on the proposal of the Board of Directors - in order to clarify the company's competition and its mechanism and the concept of competition work, and the mechanism of the Board of Directors verifying that a member/ members of the Board compete for the company's business or competition in one of the branches The activity he carries out, in compliance with the requirements of Paragraph (3) of Article (46) of the Corporate Governance Regulations.

Article Two: Scope of Application of the Regulations

This regulation applies to the competing business in which any of the members of the Board of Directors or the committees emanating from the Board participates.

Article Three: Controls of the Company's Competing Business

1-The member(s) of the Board of Directors shall inform the Board of Directors immediately prior to his participation in any business or business that would compete with the company, or its competition in one of the branches of the activity that it engages in, in accordance with the provisions of the Companies Law and the Capital Market Law and their implementing regulations.

2-A member of the Board of Directors or a member of a 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 that he is engaged in; Otherwise, the company may demand the appropriate compensation from him before the competent judicial authority, unless he obtained a license from the general assembly of shareholders or from the Board of Directors under the authorization of the General Assembly allowing him to do so, and in accordance with the regulations set by the general assembly.

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

4. Obtaining a license from the general assembly of a company or from the board of directors under an authorization from the general assembly that allows a board member to engage in competing business.

Article Four: Competitive Business Procedures for the Company

If a member of the board of directors wishes to participate in a business that would compete with the company, or with it in one of the branches of its activity, he must observe the following:

1 The member(s) shall disclose to the company's board of directors about the competing work that he wishes to practice or participate in, through the disclosure form prepared for that (Attachment No. 1) and record this notification in the minutes of the board meeting.

2 The member sends the disclosure form to the Governance Management to ensure that there is no conflict of interest.

3 The Governance Management examines the application and issues a decision or recommendation to the Board of Directors in this regard.

4 In the event of a recommendation from the Governance Management that there is nothing to prevent the member from participating in the competing work, the application shall be presented

The Board of Directors, and in the event that the Board approves the member's participation in the competing work/works, the Board's recommendation shall be presented to the Ordinary General Assembly of Shareholders **or from the Board of Directors under the authorization of the General Assembly** for approval and authorization in its first meeting.

5 The Chairman of the Board of Directors informs the Ordinary General Assembly of shareholders, when it is held, of the competing business that the member/members of the Board wish to practice, after the Board of Directors has verified that the member/members are competing with the company's business or its competition in one of the branches of activity that it is engaged in in accordance with the provisions of these Regulations.

6 The stakeholder member(s) may not participate in voting on the resolution issued in this regard by the board of directors or the general assembly of shareholders.

7 A member/members are not allowed to engage in competing business unless after obtaining a license to do so from the company's ordinary general assembly or from the Board of Directors under the authorization of

the General Assembly.

8 The Board of Directors annually verifies the competing business practiced by the member(s) according to the following procedures:

- The Corporate Governance Department shall, before the end of each year, provide the Secretary of the Board of Directors with a disclosure form for business and competing activities prepared for this (Attachment No. 2) to be sent to the members of the Board of Directors.
- Members fill out the form and return it to the council secretary within five (5) working days from the date of receipt.
- The Secretary of the Board of Directors collects the forms / declarations and sends them to the Governance Department for review and necessary action.
- The Governance Department makes a report regarding what is stated in the disclosure form that includes the terms of the competing activity in which the member(s) participate (if any). and submits its report to the Governance and Social Responsibility Management to submit its recommendation to the Board of Directors.
- The Board of Directors reviews the forms and the report of the Governance Department regarding competing businesses, if any, and the Board takes the procedures stipulated in these regulations in the event that the member(s) is involved in a business competing with the company's business.

Article Five: Refusal to Grant a License

If the general assembly refuses to grant a license to a member of the board of directors to participate in a business that would compete with the company or to compete with the company in one of the branches of the activity that he is engaged in according to the relevant articles in the system and the corporate governance regulations, the board member must submit his resignation within a period determined by the general assembly **or from the Board of Directors under the authorization of the General Assembly**, otherwise his membership will be reinstated. The Board is terminated, unless it decides to abandon the company's competition or reconcile its conditions in accordance with the Companies Law and its implementing regulations before the expiry of the period set by the general assembly of shareholders **or from the Board of Directors under the authorization of the General Assembly**.

Article Six: General Provisions

- 1 These regulations are published on the company's website after being approved by the company's board of directors and the general assembly of shareholders.
- 2 The Corporate Governance Management reviews these controls and standards periodically or whenever the need arises, in order to ensure their compliance with the relevant rules and regulations, as well as assess their effectiveness in achieving its objectives.
- 3 The Board of Directors shall be responsible for taking the necessary measures to verify compliance with these regulations and to take all necessary measures to preserve the company's rights to compensation for any damages resulting from its violation.
- 4 Everything that is not mentioned in a special provision in this regulation, in respect of which the Relevant laws and regulations shall be applied.
- 5 These Bylaws are amended whenever there is a need for a proposal by the Board of Directors in accordance with the recommendation of the Nomination and Remuneration Committee