

Alujain Corporation

A Saudi Joint Stock Company



شركة اللجائن
شركة مساهمة سعودية

Competition Rules and Standards for Alujain Corporation



First: Purpose:

This regulation aims to define the concept of competitive activities and their controls, and to establish the principles and rules that govern competitive activities for members of the Board of Directors, members of the company's committees, and senior executives, in a manner that ensures the protection of the company's and shareholders' interests without violating the company's Articles of Association or any relevant regulations.

Second: Scope of Application:

This regulation applies to members of the Board of Directors, members of the company's committees, and senior executives of Alujain Company.

“Senior executives refer to the Chief Executive Officer and their deputies, and the Board of Directors has the right to add any other persons it deems appropriate”.

Third: Concept of Competitive Activities:

Competitive activities include participating in any business that may compete with the company or its affiliates in any of the business lines the company operates. This includes:

- 1) A Board member establishing a company or sole proprietorship, or owning a significant percentage of shares or stakes in another company or establishment engaged in a similar activity as the company or its group. A “significant percentage” is defined as ownership of 5% or more of the capital of the competing company, whether directly, indirectly, or jointly with related parties.
- 2) Accepting membership on the Board of Directors of a company or establishment that competes with the company or its group, or managing a competing sole proprietorship or company of any form, except for the company's subsidiaries.
- 3) Obtaining a commercial agency or an equivalent, whether apparent or hidden, for another company or establishment competing with the company or its group.

Fourth: Competition Controls for the Company's Activities:

With due regard to Article 27 of the Companies Law and the relevant provisions of the Corporate Governance Regulations, if a Board member or a member of a company committee wishes to participate in a business that may compete with the company, or its affiliates in any of the business lines it operates, the following must be observed:

- 1) Inform the Board of Directors of the competitive activity they intend to engage in, and ensure this notification is recorded in the minutes of the Board meeting.
- 2) The interested member must not participate in voting on any decision related to this matter by the Board, the company's committees, or the shareholders' assemblies.
- 3) The Chairman of the Board must inform the Ordinary General Assembly of the competitive activities undertaken by a Board member or committee member during its meeting, after the Board verifies that the member is indeed engaging in activities competing with the company or its affiliates in any of its business lines, in accordance with the standards set out in this regulation. The Board must review these activities annually.



- 4) Obtain a license from the company's Ordinary General Assembly or from the Board of Directors pursuant to a delegation from the Ordinary General Assembly, allowing the Board member or committee member to engage in competitive activities. The granted license for engaging in competitive activities shall be for a fixed term (one fiscal year, renewable) and shall include only the activities explicitly specified in the resolution of the General Assembly.

Fifth: Refusal to Grant a License for Competitive Activities

If the General Assembly or the Board, pursuant to a delegation from the Ordinary General Assembly, refuses to grant a license to a Board member to participate in an activity that may compete with the company or any of its subsidiaries, the Board member must submit their resignation within a period specified by the General Assembly or the Board (if the Board is delegated by the General Assembly). Otherwise, the Board membership shall be considered terminated, unless the member decides to cancel the contract, transaction, or competitive activities, or to rectify their situation in accordance with the Companies Law and its implementing regulations before the expiry of the specified period. In the event that a Board member's membership ends under the provisions of this article, the Board of Directors shall immediately notify the Capital Market Authority in accordance with the relevant regulations.

Sixth: The Company's Right to Compensation

If a member participates in any activity that competes with the company or its affiliates in any business line, the company has the right to claim appropriate compensation before the competent judicial authority, unless the member has obtained a license from the Ordinary General Assembly or from the Board pursuant to a delegation from the Ordinary General Assembly permitting such participation, and in accordance with the relevant regulations.

Seventh: Final Provisions

- 1) This regulation was prepared based on paragraph 3 of Article 44 of the Corporate Governance Regulations issued by the Capital Market Authority, as part of the overall corporate governance framework.
- 2) The Competition Rules and Standards shall be effective from the date of approval by the General Assembly, and no article may be amended without the approval of the Ordinary General Assembly.
- 3) Any matter not explicitly addressed in this regulation shall be subject to the relevant laws and regulations issued by the competent authorities.
- 4) This regulation shall be reviewed periodically as needed, and any proposed amendments shall be submitted to the Board of Directors, which shall study and review the proposals and recommend them to the General Assembly of shareholders for approval.
- 5) This regulation shall be reviewed at least every three (3) years, or whenever significant regulatory changes occur, by the Nomination and Remuneration Committee, which shall submit its recommendations to the Board of Directors for presentation to the General Assembly for approval.