

*Board Members' Competition Standards for the Company's
business or one of its branches of activity*

Thob Al Aseel Company
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Article 1: Definitions

SL	Words and Phrases	Meanings
1	Corporate Law	Companies Law issued by Royal Decree No. (3/M) dated: 28/01/1437
2	Financial Market System	The Capital Market Law issued by Royal Decree No.: (30/M) dated: 2/6/1424
3	Corporate Governance Regulations	Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8/16/2017) dated: 16/05/1438 corresponding to: 13/2/2017 Based on the Companies Law issued by Royal Decree No.: M/3 dated: 28/01/1437 h, amended by the decision of the Board of the Capital Market Authority No.: 003/57/2019 dated: 15/09/1440 h, corresponding to: 20/05/2019
4	Company	Thob Al Aseel Company
5	Board of Directors	The Company Board of Directors
6	Policy	Competitive criteria for board members
7	Shareholders	Company shareholders
8	General Assembly	An Assembly formed from the company's shareholders in accordance with the provisions of the Companies Law and the Company's Articles of Association.
9	Person	Any natural or legal person recognized by the laws of the possession in this capacity.
10	Stakeholders	Everyone who has an interest in the company, such as employees, creditors, customers, suppliers, and society.
11	Related parties	<ul style="list-style-type: none"> a. Major shareholders in the company. b. Members of the Board of Directors of the company or any of its subsidiaries and their relatives. c. Senior executives of the company or any of its subsidiaries and their relatives. d. Board members and senior executives of major shareholders in the company. e. Establishments other than companies owned by a member of the board of directors or a senior executive or their relatives. f. Companies in which any of the members of the Board of Directors or senior executives or their relatives are a partner. g. Companies in which any of the members of the board of directors or senior executives or their relatives is a member of its board of directors or one of its senior executives.

		<p>h. Joint stock companies in which any of the members of the board of directors or senior executives or their relatives owns (5%) or more, taking into account what is stated in paragraph (d) of this definition.</p> <p>i. Companies in which any of the members of the board of directors or senior executives or their relatives have an influence on its decisions, even by giving advice or guidance</p> <p>j. Any person whose advice and guidance influence the decisions of the company, members of its board of directors and senior executives.</p> <p>k. Holding companies or subsidiaries of the company.</p> <p>Paragraphs (i) and (j) are excluded from this definition of advice and directions that are professionally provided by a person authorized to do so.</p>
12	Affiliate	A person who controls another person, is controlled by that other person, or is jointly controlled by that other person by a third person. In any of the above, control is direct or indirect.
13	Control Share	<p>The ability to influence the actions or decisions of another person, directly or indirectly, individually or collectively with a relative or dependent, through:</p> <p>(a) Owning 30% or more of the voting rights in a company.</p> <p>(b) The right to appoint 30% or more of the members of the administrative body.</p>

Article 2: Preamble

This policy clarifies the criteria and procedures for membership in the Board of Directors, and the terms of this policy are applied in accordance with the articles of association and articles of association of the company and the relevant regulations governing the company's business without prejudice to the provisions of the Companies Law, the Capital Market Law, the Corporate Governance Regulations and the regulatory controls for listed joint stock companies and the list of terms used in the rules Market and other related regulations.

Article 3: Objective of the policy

Setting standards and controls to verify that a member of the board of directors competes with the company's business or its competition in one of the branches of its activity.

Article 4: The definition of competition

It is the legal or factual situation in which a person is in a situation in which the suspicion of his competition with one of the company's activities is confirmed or likely, which may result in obtaining a direct or indirect special benefit or benefit for himself or others, or affecting his independence and ability to perform his job duties and responsibilities Objectivity, integrity and impartiality.

Article 5: Company Competition

A member of the board of directors may not engage 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 claim him before the competent judicial authority for appropriate compensation, unless he obtained a license from the ordinary general assembly allowing him Do so, in accordance with the controls set by the competent authority.

Article 6: Competitive business

Competing businesses are businesses that have the same nature as the company's business and practice a similar activity, and any current or potential board member must disclose any activity he practices similar to the company's activity, and these activities include the following:

1. Wholesale and retail trade in textiles and fabrics of all kinds (worn)
2. Wholesale of women's fabrics and wholesale of men's fabrics.
3. Wholesale of sewing supplies.
4. Wholesale men's clothing.
5. Wholesale of women's clothing.
6. Wholesale of children's clothing.
7. Retail sale of men's fabrics.
8. Online sale of all company activities and products mentioned in clauses (1) to (7).

Article 7: Competitive business concept

The concept of participating in any business that would compete or compete with the company in one of the branches of its activity include the following:

1. Establishing a member of the board of directors for a company or a sole proprietorship, or owning an influential percentage of shares or stakes in a company or other facility, that engages in an activity similar to that of the company or its group.
2. Accepting membership in the board of directors of a company or an entity competing with the company or its group, or assuming the management of a competing individual institution or a competing company of whatever form, with the exception of the company's affiliates.
3. The member obtaining an authorization for a trademark or the like, whether apparent or hidden, for a company or other facility competing with the company or its group.

Article 8: Procedures for a board member's disclosure of his desire to participate in a competing business

Taking into account what is stated in Article 72 of the Companies Law and Article 46 of the Corporate Governance Regulations, if a member of the Board of Directors wishes to participate in a business that would compete with the company, or compete with it in one of the branches of its activity, the following must be observed:

1. Informing the Board of Directors of the competing business he wishes to practice, and prove this notification in the Board of Directors meeting minutes.
2. The non-participation of the stakeholder member in voting on the resolution issued in this regard by the Board of Directors and the General Assembly.
3. The Chairman of the Board of Directors and the Ordinary General Assembly, when it convenes, shall be informed of the competing business practiced by the member of the Board, after the Board of Directors has verified that the Board member is competing with the company's business or its competition in one of the branches of the activity that it engages in in accordance with these standards, provided that such business is verified on an annual basis.

4. Obtaining a license from the company's ordinary general assembly that allows the member to practice competing business.
5. If the General Assembly refuses to renew the licenses granted under Article 72 of the Companies Law and Article forty-six of the Corporate Governance Regulations, the member of the Board of Directors must submit his resignation within a period specified by the General Assembly, otherwise his membership in the Council shall be considered expired, unless he decides to abandon the company's competition or conciliate Its status is in accordance with the Companies Law and its implementing regulations before the expiry of the deadline set by the General Assembly.

Article 9: The candidate for membership in the Board of Directors disclosed cases of conflict of interest

Whoever wishes to nominate himself for membership in the Board of Directors shall disclose to the Board and the General Assembly his participation in a work that would compete with the company, or compete with it in one of the branches of the activity that he is engaged in.

Article 10: Responsibility for implementing the policy

1. The Board of Directors supervises the implementation of these standards and controls.
2. The Board of Directors has the power to impose penalties on violators of these standards and controls and to file criminal and civil lawsuits to claim compensation for damages that may result from the non-compliance of all relevant parties with them.

Article 11: Accreditation and implementation

1. This policy shall operate as of the date of its adoption by the General Assembly - based on the proposal of the Board of Directors, and it shall be communicated to the concerned parties. The Board reviews this policy according to the need, and it is not amended except by the positions of the General Assembly.
2. This policy is published on the company's website in order to enable the relevant parties to view this policy, and any other means of publication that the Board of Directors deems appropriate.

Article 12: Annexes

A competition standards declaration form is attached to this policy

Competition Criteria Declaration Form

Pledge And Acknowledgment

I, _____, in my capacity _____, acknowledge and undertake that I have read and understood the Company's competition standards, and accordingly I agree, abide by and acknowledge the following:
Not to obtain any personal gains or profits directly or indirectly, benefiting from my position as a member of the board of directors, not to use any information about the company, its assets or resources for my personal purposes or to exploit it for my own benefit, and not to participate in a business that would compete with the company in one of the branches of activity practiced except in accordance with the regulations, laws and procedures that govern it.

Name:

Title:

Signature:

Date: