



# Competition Standards and Rules Policy

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## Approval(s)

Version	Date	Approval
1.0	14/04/2022	Endorsed by the Board of Directors on 14/04/2022 (13/9/1443H)
1.0	-	-

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## 1. Purpose

The company's competition standards and rules have been prepared to clarify the company's competition, the concept of competition and the mechanism for the board of directors to verify if the member is competing the company in one of the company's activities, in compliance with the requirements of paragraph (3) of Article (46) of the Corporate Governance Regulations.

## 2. Scope

This policy applies to members of the Board of Directors and the members of its Standing Committees.

## 3. Policy Administrator

The administrator of this Policy shall be solutions' General Assembly.

## 4. Definitions

The definitions and terms used in this policy shall have the following meanings, unless the context specifically indicates otherwise. The Corporate Governance Regulations shall be the main reference for any term that is not defined herein:

- 4.1 **Company:** means the Arabian Internet & Communication Company (solutions by stc) (Joint Stock Company).
- 4.2 **Executive Management or Senior Executives:** means the individuals responsible for managing the daily operations of the Company, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates.
- 4.3 **Employees:** individuals who execute assigned tasks and responsibilities in accordance with the organizational structure approved by the Company; and complies with relevant policies and decisions as per applicable regulations.
- 4.4 **Suppliers, Vendors, Contractors and Subcontractors** means any natural or legal person who enters into contract directly with the Company to provide for its needs from services or products or to perform tasks or utilize sites or assets owned by the Company.

## 5. References

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All related approved regulations and regulations in the Kingdom and the Company shall be applied, including but not limited to:

- 5.1 Companies Law issued by royal decree No. (M/3) dated 28/01/1437H.
- 5.2 Corporate Governance Regulations issued pursuant to the Capital Market Authority's Board's decision No. (8-16-2017) dated 16/05/1438H, amended on 15/09/1440H.
- 5.3 Regulatory Rules and Procedures Issued in implementation to the Companies Law relating to the Listed Joint Stock Companies issued pursuant to the Capital Market Authority's Board's decision No. (8-16-2017) dated 16/05/1438H, amended on 15/09/1440H.
- 5.4 Labor Law issued by royal decree No. (M/51) dated 23/08/1426H, amended by Royal Decree No. (M/134) dated 27/11/1440H.
- 5.5 The Company's Corporate Governance Manual, approved by the Board of Directors on 24/1/2021.
- 5.6 The Board of Directors and its Standing Committees Charters.
- 5.7 Nomination and Remuneration Policy of members of the Company's Board of Directors and its standing Committees, and the Executive Committee approved on 26/1/2021.
- 5.8 The Company's anti-fraud and corruption policy.
- 5.9 The Company's Code of Conduct Policy approved on 24/1/2021.

## 6. Policy Statement

### 6.1 Company Competition:

A member of the board of directors may not participate in any business that competes with the company, or compete in one of the company' activities. Otherwise, the company may claim the appropriate compensation, unless he obtained an approval from the general assembly allowing him to do so. In accordance with the regulations set by the Capital Market Authority

### 6.2 If a member of the Board desires to engage in a business that may compete with the Company or any of its activities, 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.

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- 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 shall inform the Ordinary General Assembly, once convened, about competing businesses that the member of the Board is engaged in, after the board assessing the competition in accordance with the applicable regulations provided that such businesses shall be assessed on annual basis.
- 4) Obtaining an authorization from the Ordinary General Assembly for the member to engage in the competing business.

### **6.3 Company Purposes:**

The purpose of the company is as stipulated in Article (3) of the company's articles of association. The company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the needed authorities, if any.

### **6.4 Concept of the Competing Businesses:**

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 owning a controlling percentage of shares from a Company or any other entity that are engaged in similar activities to the Company or its group.
- 2) Accepting membership in the Board of a company or an entity that competing with the Company or its group, except the company's affiliates.
- 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.

### **6.5 Rejection to Grant Authorization:**

If the General Assembly rejects granting the authorization pursuant to Article(72) of the Companies Law and Article (46) of these Regulations, 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

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in accordance with the Companies Law and its Implementing Regulations prior to the end of the period set by the General Assembly.

## **7. Review and Amend the Policy**

The Nominations and Remunerations Committee reviews these standards and rules periodically or whenever the needed, in order to ensure their compliance with the relevant regulations, as well as assess their effectiveness in achieving its objectives.

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