

Agenda # 16

The Competition Controls and Standards Policy

Saudi Real Estate Company (AL AKARIA)

Definitions

Subject to the definitions set forth in the Companies Law, the Capital Market Law, and their respective regulations, the following words and expressions shall have the meanings assigned to them below, unless the context otherwise requires.

Term	Definition
Company	Saudi Real Estate Company (AL AKARIA)
General Assembly	The Ordinary and Extraordinary General Assembly of the Company convened in the presence of the Company's shareholders pursuant to the provisions of the Companies Law, its Implementing Regulations, and the Company's Articles of Association.
Board of Directors / Board	The Board of Directors of the Saudi Real Estate Company.
Member	A member of the Board of Directors or any of the committees emanating therefrom.
Articles of Association	The Articles of Association of the Saudi Real Estate Company.
Policy	The Competition Controls and Standards Policy.
Companies Law	The Saudi Companies Law, including the applicable regulations and decisions issued thereunder.
Authority	The Capital Market Authority.
Capital Market Law	The Saudi Capital Market Law, including the applicable regulations and decisions issued thereunder.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the Capital Market Authority.
Executive Management	Persons responsible for managing the Company's day-to-day operations, proposing and implementing strategic decisions, such as the Chief Executive Officer (CEO), his deputies, and the Chief Financial Officer (CFO).
Chief Executive Officer (CEO)	The individual appointed by the Company's Board of Directors to implement Board resolutions, manage the Company's daily operations, and head the employees under the supervision and oversight of the Board.
Subsidiaries	Any company wholly owned by the Saudi Real Estate Company, or in which it holds a controlling interest.
Company's Activity	The objectives of the Company or its Subsidiaries as stipulated in the Company's Articles of Association.
Controlling Interest	The ability to influence the acts or decisions of another person, directly or indirectly, individually or collectively, through: - Ownership of 30% or more of the voting rights in the company; - The right to appoint 30% or more of the members of the

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	administrative body.
Employee	An individual who carries out the tasks and responsibilities assigned to them according to the Company's approved organizational structure, committed to implementing the policies and decisions within the applicable regulations; this includes both male and female employees.
Suppliers, Vendors, and Contractors	Any natural or legal person who contracts directly with the Company to supply services, products, perform tasks, or benefit from sites or assets owned by the Company.
External Parties	Parties that are not part of the Company but interact with it in various ways.

1. Introduction

1.1. Preamble

The Saudi Real Estate Company recognizes the importance of the active role played by the Board of Directors and its sub-committees, as well as the necessity of the continuous development of their performance in a manner that benefits the Company and contributes to the achievement of its vision and strategic objectives. Accordingly, the Company is committed to establish the necessary mechanisms for the periodic evaluation of the performance of the Board, its members, and its committees, in order to identify strengths, weaknesses, and various development opportunities aimed at enhancing the effectiveness of their performance.

1.2. Purpose of the Policy

1.2.1. This Policy aims to establish the necessary controls and standards for regulating and governing the participation of any member of the Board of Directors or any member of the Board's sub-committees in any activity that competes with the Company's business or any branch thereof, in accordance with the requirements of the Corporate Governance Regulations.

1.2.2. The principles set out in this Policy apply to the members of the Board of Directors and its sub-committees.

1.2.3. This Policy has been developed in compliance with the Company's Articles of Association, the regulatory requirements of the Corporate Governance Regulations issued by the Capital Market Authority, the Companies Law, and all other relevant regulatory requirements and laws in the Kingdom. This Policy forms an integral part of the Company's overall corporate governance framework. In the event of any future conflict between the provisions of this Policy and applicable regulatory requirements, the regulatory requirements shall prevail until the Policy is duly amended.

1.3. Responsibility for Maintaining the Policy

1.3.1. The Governance Department shall be responsible for maintaining the approved versions of this Policy. The Policy may be shared, disclosed, or published electronically in accordance with the appropriate publication mechanism.

1.3.2. This Policy shall be retained in two formats: one editable and the other non-editable, provided that the Policy shall only be shared in its non-editable format.

1.4. Review and Update of the Policy

The Policy shall be reviewed by the Nomination and Remuneration Committee every three years or whenever necessary, prior to being submitted to the Board of Directors for recommendation and to the General Assembly for approval. The review process aims to ensure the following:

1.4.1. That the Policy adequately covers the key controls and standards relating to competition.

1.4.2. That the Policy remains aligned with relevant governance practices.

1.4.3. That compliance with applicable laws and regulatory requirements is maintained.

1.4.4. That the Policy remains consistent with the provisions of the Company's Articles of Association.

1.4.5. That any other necessary amendments are incorporated.

2. Policy Statement

2.1. Concept of Competitive Business

2.1.1. A member may not engage in any activity that competes with the Company, nor may they compete with the Company in any of its business activities. Otherwise, the Company shall have the right to seek appropriate compensation before the competent judicial authority, unless the member has obtained prior authorization from the General Assembly permitting such activity, in accordance with the controls established by the Capital Market Authority.

2.1.2. The concept of engaging in any activity that competes with the Company or competing with it in any of its business activities includes, but is not limited to, the following:

2.1.2.1. The member establishing a company or a sole proprietorship or owning a controlling interest in another company or entity engaged in an activity similar to that of the Company.

2.1.2.2. Accepting membership on the board of directors or any committee of a company or entity competing with the Company, or managing a competing sole proprietorship or company, regardless of its legal form, except for subsidiaries of the Company.

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2.1.2.3. The member obtaining a commercial agency or any similar arrangement, whether apparent or concealed, for a company or entity competing with the Company.

2.2. Controls on Competitive Business

2.2.1. The member shall immediately notify the Board of Directors prior to engaging in any activity that may compete with the Company or with any of its business activities. Such notification must be recorded in the minutes of the Board meeting.

2.2.2. The Compliance Department shall be tasked with assessing each notification and case individually and preparing a report to the Nomination and Remuneration Committee to raise a recommendation to the Board of Directors.

2.2.3. The Chairman of the Board shall inform the General Assembly, at its next meeting, of any Competitive Business the member intends to engage in, after the Board verifies that the member's activities fall within the scope of competition with the Company or any of its business activities in accordance with this Policy.

2.2.4. The interested member must refrain from attending or participating in the deliberations or voting on any resolution of the Board of Directors or the General Assembly relating to their participation in any competitive activity.

2.2.5. In the event that the General Assembly grants authorization for the member to engage in Competitive Business, the Company must verify and evaluate the impact of such activities annually and obtain a renewed authorization from the General Assembly based on the verification results.

2.2.6. A member who has obtained authorization shall remain fully responsible for notifying the Board of Directors of any circumstances or factors that may affect their competitive status, prompting an immediate re-evaluation of the impact by the Board and the Nomination and Remuneration Committee.

2.2.7. If the General Assembly refuses to grant authorization for a member to engage in a competitive activity pursuant to the relevant provisions of the Companies Law and the Corporate Governance Regulations, the member must submit their resignation within a period determined by the General Assembly. Otherwise, their membership on the Board shall be deemed terminated, unless the member ceases the competitive activity or rectifies their status in accordance with the Companies Law, its Implementing Regulations, and the Corporate Governance Regulations before the expiry of the period specified by the General Assembly.

2.3. Review and Analysis of Competitive Cases

Each case shall be assessed individually, taking into account the following factors, including but not limited to:

2.3.1. The objectives of the other company and the nature of its business, services, and projects.

2.3.2. The geographic overlap between the business activities of the other company and the markets served by the Company.

2.3.3. The targeted customer segments.

2.3.4. The capital amount and project portfolio of the other company.



Thank you