

In the name of Allah the Merciful

Slate

**Controls and criteria for participating in
business competing with the company's business**

Alkhaleej Training and Education Company

(a Saudi joint stock company)

Approved by the decision of the general assembly of shareholders on 15/11/1443 AH corresponding
to 14/06/2022 AD

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Controls and criteria for participating in business competing with the company's business

Preamble

This regulation has been prepared to define the criteria and controls for participating in businesses competing with the company's business, in implementation of the provisions of Article 72 of the Companies Law issued by Royal Decree No. (M/3) dated 01/28/1437 AH corresponding to 10/26/2015 AD, and its amendments and Articles forty-six and forty-seventh. And the forty-eighth of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (6-8-2017) dated 16/05/1438 AH corresponding to 02/13/2017 AD and its amendments.

Tariffs

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

- Company: Al Khaleej Training and Education Company
- Subsidiaries: Each company is wholly owned or controlled by Al Khaleej Training and Education 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 Al Khaleej Training and Education Company or its committees.
- Board of Directors: The Board of Directors of Al Khaleej Training and Education Company.
- General Assembly: The General Assembly of Shareholders of Al Khaleej Training and Education 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 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.

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 Committee to ensure that there is no conflict of interest.

3. The Governance Committee 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 Committee 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 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.

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 Committee 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, 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.

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 Committee 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

•This, and reconcile with God

Model No (1)

Request for a license to participate in a competing business

Request for a license to participate in a work that competes with the activity of the Gulf Training and Education Company
User data
The name:
Membership status <input type="checkbox"/> :Executive Member <input type="checkbox"/> Non-Executive Member <input type="checkbox"/> Independent Member
Competitor business data
Commercial name of the competing entity:
Commercial Registration No:
Nature of Competing Activity:
The value of the authorized capital for the competing business:
Nature of the Competitor Business Relationship: <input type="checkbox"/> Ownership: The percentage of ownership is indicated% <input type="checkbox"/> Board Membership <input type="checkbox"/> Executive position: The title of the position shall be clarified. <input type="checkbox"/> Commercial agency
The start date of the subscription to the competing work// :
Acknowledgment and pledge

I, the undersigned, in my capacity as a member of the Board of Directors of Al Khaleej Training and Education Company, acknowledge and undertake that all the above information is correct .and complete and on my personal responsibility

This is my acknowledgment and commitment.

Date: 00/00/2022 AD

Member name:

Signature :

Model No (2)

The mechanism of annual verification of the participation of the board member(s) in activities that compete with the company's business

This form contains information to update the data of the members of the board of directors and questions to verify the existence or absence of any business or activities that compete with the business of the company or its subsidiaries or in one of the branches of the activity that it engages in, and an acknowledgment and pledge of the validity of this information, and these questions are answered with yes or no and If the answer is yes, the full details are mentioned in the attached form No.(1) .

First: User data			
	Nationality		name
	Date of Birth		ID Number
	current position		residence
	E-mail		Mobile number
	Specialization		Qualification
	Committee membership		Membership status

Second: Questions to answer		
الاجابة	البيان	م
NO <input type="checkbox"/> YES <input type="checkbox"/>	Do you own 5% of the shares of a joint stock company that engages in an activity similar to that of the company or its subsidiaries, or in one of the branches of the activity that it engages in?	1
NO <input type="checkbox"/> YES <input type="checkbox"/>	Do you own a share in the capital of a company or institution that engages in an activity similar to that of the company or its subsidiaries, or in one of the branches of the activity that it engages in?	2
NO <input type="checkbox"/> YES <input type="checkbox"/>	Are you a member of the board of directors of a company or an entity competing with the company, or any of its subsidiaries, or in one of the branches of the activity you are engaged in?	3
NO <input type="checkbox"/> YES <input type="checkbox"/>	Do you hold an executive position in a company or facility that competes with the company or any of its subsidiaries or in one of the branches of the activity you are engaged in?	4
NO <input type="checkbox"/> YES <input type="checkbox"/>	Do you manage a competing sole proprietorship or a competing company for the company's business, whatever its legal form?	5
NO <input type="checkbox"/> YES <input type="checkbox"/>	Have you obtained a commercial agency or the like, whether apparent or hidden, for a company or other facility that competes with the company or any of its subsidiaries or in one of the branches of the activity that it engages in..	6
NO <input type="checkbox"/> YES <input type="checkbox"/>	Have you participated in any other business that would compete with the company or any of its subsidiaries, or compete with it in one of the branches of its activity?	7

Acknowledgment and pledge

I, the undersigned, in my capacity as a member of the Board of Directors of Al Khaleej Training and Education Company, acknowledge and undertake that the statements and answers to all the above questions are correct and complete and on my personal responsibility, and I pledge to disclose to the Board of Directors and the relevant authorities any developments that may occur in what was disclosed above.

This is my acknowledgment and commitment.

Date: 00/00/2022 AD

Member name:

Signature: