



Competing Business Standards Policy

Leejam Sports Company

Public Joint-Stock Company

Caution:

- This document is electronically monitored, and only matching hard copies in version number are authoritative compared to what is published in the Policies and Procedures E-library.
- This document shall be updated within a timeframe not exceeding thirty-six (36) months from the effective date.

Approvals

Prepared By			
Name	BU	Date	Signature
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The policy has been reviewed by the Nomination & Remuneration Committee pursuant to the Minutes of the Committee Meeting held on 18 February 2024.			
Authentication			
Name	BU	Date:	Signature
Pursuant to the Minutes of the Board Meeting held on 13 March 2024.			
Approval			
Name	BU	Date:	Signature
Pursuant to the Minutes of the General Assembly Meeting held on 06 June 2024.			

Versions

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Article (1): Purpose of the Policy:

This Policy aims to identify businesses and activities that compete with the Company or its subsidiaries in their operations or activities. These standards and controls also aim to clarify the procedures to be followed if a Board member or a member of one of its committees or a Board membership nominee engages in competing businesses in accordance with the controls stipulated in the Implementing Regulations of the Companies Law related to Listed Joint Stock Companies and the Corporate Governance Regulations, which contributes to enhancing transparency in all the Company's transactions and avoiding conflicts of interest.

Article (2): Scope of Application of Competing Business Standards

These Competing Business Standards apply to members of the Company's Board of Directors and shall not affect Board members' other duties under relevant provisions in the Company's other policies, such as the Conflicts of Interest Policy. The obligations set out in these standards apply in addition to the duties set out in those policies and must be complied with at all times.

Article (3): Concept of the Competing Businesses

Engagement in any business that competes with the Company or competes with it in any of its activities shall include:

- 3.1 A Board member establishing a company or sole proprietorship, or owning an influential percentage of shares or stakes in another company or entity that engages in an activity similar to the Company's activities or those of its group.
- 3.2 Accepting board membership of a company or entity competing with the Company or its group or managing a competing sole proprietorship or company in any form, other than the Company's subsidiaries.
- 3.3 A Board member obtaining a commercial agency or its equivalent, overt or covert, for a company or other entity competing with the Company or its group.

Article (4) Controls on Competing with the Company

- 4.1 A Board member may not participate in any business that competes with the Company or any of its activities. A Board member may not be a board member of a company competing with the Company or any of its activities unless authorized by the Ordinary General Assembly.
- 4.2 The above duty is a personal responsibility for each Board member, and Board members have pledged to continuously disclose to the Board any change in their positions.
- 4.3 When a Board member wishes to engage in work that may compete with the Company's business or any of its activities, the following must be considered:
 - 4.3.1 Informing the Board of the competing work they wish to engage in and documenting this notification in the Board meeting minutes.
 - 4.3.2 The conflicted member not voting on the relevant decision or participating in the decision-making at the Board meeting and shareholders' meetings.
 - 4.3.3 The Chairman informing the Ordinary General Assembly when convened of the competing work engaged in by the Board member, after the Board has verified that the Board member is competing with the Company's business or activities in any of its fields of activity in accordance with criteria issued by the Company's General Assembly based on a Board proposal and published on the Company's website, provided that these works are verified annually.
 - 4.3.4 Obtaining a license from the Company's Ordinary General Assembly or from the Board of Directors by delegation from the Ordinary General Assembly allowing the member to engage in competing works.
- 4.4 When evaluating a Board member's competition with the Company's business, the Board must take into account the following:
 - 4.4.1 The geographical extent of the work competing with the Company's business.
 - 4.4.2 Whether engaging in competing work would prevent the Board member from caring for the Company's interests.
 - 4.4.3 Whether the activities to be practiced by the Board member are likely to materially affect their role as a Board member of the Company.
- 4.5 Deliberations and decisions regarding the Board member's competing work must be recorded in the Board meeting minutes.
- 4.6 If the Board of Directors decides that a breach of this policy has occurred, the violators shall be liable before the competent judicial authorities to pay appropriate compensation for all damages or losses incurred by the Company

in that regard, unless authorization has been obtained from the Ordinary General Assembly in that respect.

Article (5): Board of Directors' License Based on Delegation from the General Assembly

- 5.1 The Ordinary General Assembly has the right to delegate licensing authority for competing works to the Company's Board of Directors, provided that the General Assembly resolution specifies the competing businesses and activities for which the Board may license during the delegation period.
- 5.2 The delegation period shall be a maximum of one year from the date the Ordinary General Assembly approves delegating its authority to the Company's Board of Directors or until the end of the term of the delegated Board of Directors, whichever is sooner.
- 5.3 Board members are prohibited from voting on the delegation and revocation of delegation items at the Ordinary General Assembly.
- 5.4 Board members are prohibited from voting on the General Assembly or delegated Board of Directors resolution regarding a Board member's engagement in any work that competes with the Company or competes with it in any of its activities.

Article (6) License from the General Assembly

If the Ordinary General Assembly does not delegate licensing authority to the Board of Directors, or if the licensing grant conditions stipulated in paragraph (1) of Article Five of this Policy do not apply, the license must be obtained from the Ordinary General Assembly.

6.1 Disclosure by the Nominee of Competing Businesses

Anyone wishing to nominate themselves for Board membership must disclose to the Board and the General Assembly any conflicts of interest, including:

- 6.1.1 Any direct or indirect interest in the contracts and business of the Company for which they wish to be nominated to its Board of Directors.
- 6.1.2 Their engagement in any work that competes with the Company or competes with it in any of the activities it conducts.

Article (7) Duties of Board Members Engaging in Competing Businesses

- 7.1 A Board member must carry out their duties honestly and with integrity, prioritize the Company's interests over their personal interests, and not exploit their position to achieve private gains.
- 7.2 Maintain the confidentiality of information relevant to the Company, its activities and not disclose it to any person.
- 7.3 Avoid situations of conflicts of interest and notify the Board of situations of conflict which may affect his/her neutrality when looking into matters presented before the Board. The Board shall not allow such member to be involved in deliberations and shall not count his/her vote when voting on such matters in the Board and the Shareholders Assemblies meetings; and
- 7.4 A Board member is prohibited from:
 - 7.4.1 Voting on a Board or General Assembly resolution regarding contracts and business carried out for the Company's account if they have a direct or indirect interest therein.
 - 7.4.2 Exploiting or benefiting, directly or indirectly, from any of the Company's assets, information, or investment opportunities presented to them in their capacity as a Board member, or opportunities presented to the Company, including investment opportunities that fall within the Company's activities or that the Company wishes to take advantage of. The prohibition also applies to a Board member who resigns in order to exploit investment opportunities, directly or indirectly, that the Company wishes to take advantage of and that they became aware of during their membership on the Board of Directors.

Article (8) Refusal to Grant License

- 8.1 If the Board of Directors authorized to grant the license refuses to license the member to compete with the Company, the Board member must submit their resignation within a period specified by the Board of Directors, otherwise their Board membership shall be deemed terminated, unless they decide to refrain from the competing contract, transaction or business, or reconcile their status in accordance with the Companies Law and its Implementing Regulations before the deadline specified by the Board of Directors expires.
- 8.2 If the Ordinary General Assembly has the authority to grant the license and it refuses to license the member, the Board member must submit their

resignation within a period specified by the General Assembly, otherwise their Board membership shall be deemed terminated, unless they decide to refrain from the competing contract, transaction or business, or reconcile their status in accordance with the Companies Law and its Implementing Regulations before the deadline specified by the General Assembly expires.

Article (9) Publication and Amendment

This Policy shall be implemented and complied with by the Company, effective from the date of their adoption by the Ordinary General Assembly of Shareholders. They shall also be published on the Company's website to enable shareholders, stakeholders and the general public to view them.

This Policy shall be reviewed as needed based on a Board recommendation and amendments shall be approved by the Ordinary General Assembly of Shareholders.