

Standards and controls for a member's competition for the bank group's business or his
competition in one of the branches of the activity it practices

Based on what is stated in the updated Corporate Governance Regulations and in line with the Companies Law and its Executive Regulations, and the main principles of corporate governance in banks operating in the Kingdom of Saudi Arabia, the first update March 2014 G issued by the Central Bank of Saudi Arabia, and other relevant laws, regulations and circulars and in accordance with best practices, the following are **standards and controls of the member's competition for the business of the bank group or his competition in one of the branches of the activity in which the group is engaged:**

- 1- The competition should not be prohibited by law or regulation or any legal or regulatory rule that is binding, such as the participation of a member of the Bank's Board of Directors in the membership of another bank's board in violation of the Banking Control Law, and the main principles of corporate governance in banks operating in the Kingdom of Saudi Arabia, first update March 2014G, issued by the Central Bank of Saudi Arabia, and the like;
- 2- The competition shall not be substantial, negatively affecting the Bank Group, or it is impossible / difficult to manage the process of conflict of interest arising from it.
- 3- Any other standards or controls that the Board of Directors deems to be added in a manner that achieves the interest of the Bank, its investors and stakeholders,

and does not conflict with the statutory rules, or the regulatory rules and instructions issued by the supervisory and regulatory authorities.

- 4- Taking into account the above, if a member desires to participate in the work that would compete with the Bank, or competing it in a branch of activity in which the bank is engaged, the following shall be taken into consideration:
- a- To inform the Board of Directors fully and immediately of his direct or indirect participation in any business that would compete with the Bank, or of his direct or indirect competition in one of the branches of activity practiced by the Bank, in accordance with the provisions of the Companies Law and the Capital Market Law, provided that such notification is recorded in the Board meeting minutes.
 - b- Not to participate in voting on any resolution / recommendation issued regarding his direct or indirect participation in any business that would compete with the Bank, in the Board of Directors and the shareholders' assemblies.
 - c- The Chairman of the Board of Directors shall inform the Ordinary General Assembly, when it is convened, of the competing business practiced by the member of the Board, after the Board of Directors has verified that the member is competing with the business of the Bank

group or his competition in one of the branches of the activity he is engaged in in accordance with these standards, provided that such business is verified on an annual basis.

d- Obtaining a license from the bank's ordinary general assembly that allows a board member to practice competing businesses.

5) Provisions and implications of refusing to grant a license to a competing business to a member of the Board of Directors:

As a result of the general assembly's refusal of the license granted to allow competing businesses; the member may take one of the following options:

- a- Rescinding from the competing business or reconciling its status in accordance with the Companies Law and its implementing regulations before the expiry of the period specified by the General Assembly.
- b- The member shall submit his resignation within a period determined by the General Assembly, otherwise, at the end of this period, his membership shall be considered terminated.

6- In the event that a board member competes with or trades in one of the Bank's activities – without a license from the Ordinary General Assembly, the Bank has the right to demand the appropriate compensation before the judicial authorities.