



United Electronics Company

Competition Standards Regulations

United Electronics Company (eXtra)
Saudi Listed Company



United Electronics Company

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Purpose

The **Competition Controls and Standards Regulations** have been developed in line with the relevant laws, regulations, and applicable requirements, which provide for the issuance of standards governing competing businesses by the Company's General Assembly, based on the recommendation of the Board of Directors.

These Regulations aim to clarify the concept of competing with the Company, the mechanisms governing such competition, the meaning of competing businesses, and the process through which the Board of Directors verifies whether a Board member is competing with the Company's business or with any branch of the activities conducted by the Company.

Definitions

The terms and expressions used in these Regulations shall have the meanings assigned to them under the Corporate Governance Regulations issued by the Capital Market Authority, the Companies Law, and its Implementing Regulations.

Meaning of Competing Businesses

Participation in any business that competes with the Company, or competition with the Company in any branch of the activities it conducts, includes the following:

- A Board member establishing a company or sole proprietorship, or owning a controlling interest in another company or entity that carries out activities similar to those of the Company or its group.
- Accepting membership on the board of directors of a company or entity that competes with the Company or its group, or assuming the management of a competing sole proprietorship or competing company, regardless of its legal form, excluding the Company's affiliates.
- Obtaining a commercial agency, or any arrangement of a similar nature, whether disclosed or concealed, for another company or entity that competes with the Company or its group.

Company Objectives

The Company's objectives shall be as set out in Article Three of the Company's Bylaws. The Company shall conduct its activities in accordance with the applicable laws and regulations, and after obtaining any required licenses from the competent authorities, where applicable.



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Authorization by the Company's Board of Directors (Pursuant to Delegation by the General Assembly)

The Ordinary General Assembly may delegate to the Company's Board of Directors the authority to authorize competing businesses, provided that the General Assembly's resolution specifies the competing businesses and activities that the Board may authorize during the delegation period.

The delegation period shall not exceed one year from the date on which the Ordinary General Assembly approves the delegation of its authority to the Company's Board of Directors, or until the end of the term of the delegated Board of Directors, whichever occurs earlier.

No Board member may vote on the agenda items relating to the delegation or the cancellation of such delegation at the Ordinary General Assembly.

A Board member may not vote on any resolution of the General Assembly or the delegated Board of Directors relating to businesses or contracts carried out for the Company, where the Board member has a direct or indirect interest therein, or relating to the participation of a Board member in any business that may compete with the Company or in any branch of the activities conducted by the Company.

The Ordinary General Assembly may add further conditions to those set out in this paragraph, provided that such conditions are incorporated into the Competition Controls and Standards Policy.

Competing with the Company

- Board members are required to fully and promptly notify the Board of Directors of any direct or indirect participation in any business that may compete with the Company, or of any direct or indirect competition with the Company in any branch of the activities it conducts, in accordance with the provisions of the Companies Law, the Capital Market Law, and their Implementing Regulations.
- A Board member may not participate in any business that may compete with the Company, or compete with the Company in any branch of the activities it conducts. Otherwise, the Company may claim appropriate compensation from the Board member before the competent judicial authority, unless the Board member has obtained authorization from the Ordinary General Assembly, or from the Board of Directors where such authority has been delegated to it by the General Assembly, permitting the Board member to do so.



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- If a Board member or a member of any Board committee wishes to participate in any business that competes with the Company, or compete with the Company in any branch of the activities it conducts, the following must be observed:
 - The Board of Directors must be notified of the competing businesses that the member wishes to undertake, and such notification must be recorded in the minutes of the Board meeting.
 - The interested member may not participate in voting on any resolution relating to this matter at the Board of Directors, its committees, or shareholders' assemblies.
 - The Board of Directors shall notify the Ordinary General Assembly, when convened, of the competing businesses that the Board member or the member of any of its committees wishes to undertake. This shall be done after the Board has verified that such member is competing with the Company's business or with any branch of the activities it conducts, in accordance with these controls and standards, provided that such businesses are reviewed annually.
 - Authorization must be obtained from the Company's Ordinary General Assembly, or from the Board of Directors pursuant to a delegation by the Ordinary General Assembly, permitting the Board member to engage in the competing business.
- Any person wishing to nominate themselves for membership on the Board of Directors must disclose to the Board of Directors and the General Assembly any participation in a business that may compete with the Company, or any competition with the Company in any branch of the activities it conducts.

Refusal to Grant Authorization

Where the General Assembly has delegated the authority to grant authorization to the Board of Directors: if the Board refuses to grant such authorization, the Board member must submit their resignation within the period specified by the Board. Otherwise, their membership on the Board shall be deemed terminated, unless they decide to withdraw from the competing business or rectify their position in accordance with the Companies Law and its Implementing Regulations before the expiry of the period specified by the Board.

Where the General Assembly has not delegated the authority to grant authorization to the Board of Directors, or where the delegation conditions are not satisfied: if the General Assembly refuses to grant authorization to a Board member to participate in any business that may compete with the Company, or to compete with the Company in any branch of the activities it conducts, in



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accordance with the relevant provisions of the Law and the Corporate Governance Regulations, the Board member must submit their resignation within the period specified by the General Assembly. Otherwise, their membership on the Board shall be deemed terminated, unless they decide to withdraw from the competing business or rectify their position in accordance with the Companies Law and its Implementing Regulations before the expiry of the period specified by the General Assembly

Final Provisions

These Controls shall come into force and be binding on the Company as of the date of their approval by the General Assembly of Shareholders.

The contents of these Controls shall be reviewed periodically, as needed. Any proposed amendments shall be submitted to the Board of Directors for its recommendation to the General Assembly for approval, in order to ensure continued alignment with the relevant laws, regulations, and applicable rules.