



**Rules of Authorisation for Businesses  
and Contracts that are Executed for  
the Company's account, in which  
a Board Member has Direct or  
Indirect Interest**

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## ► Introduction

This Guide aims to identify the mechanism of delegating the General Assembly's authorisation powers to the Board of Directors. This Guide also presents rules of authorisation for businesses and contracts that are executed for the Company's account, in which a board member has direct or indirect interest, as stipulated in paragraph (1) of Article (71) of the Companies Law. The Guide also outlines the scope of indirect interest of a Board member in the businesses and contracts that are executed for the company's account.

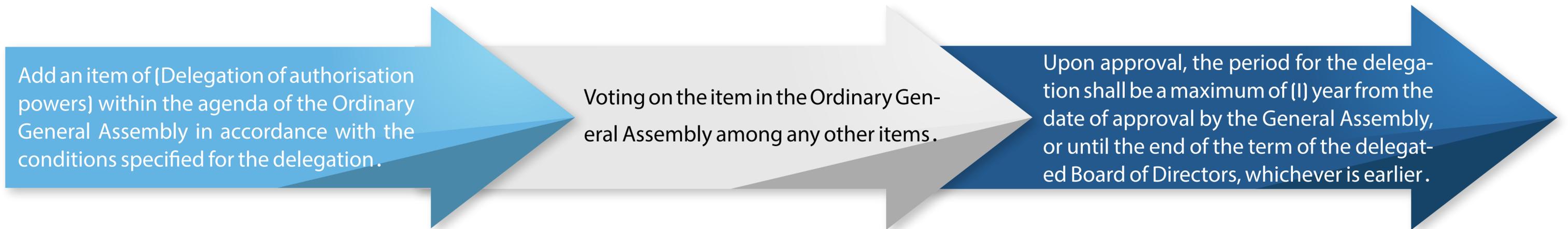
Nothing herein violates the provisions of the Capital Market Law, the Companies Law or their Implementing Regulations or any other relevant regulations. This Guide shall not be considered as a substitute for the provisions of the Capital Market Law, the Companies Law or their Implementing Regulations. In case of any conflict between this Guide and the provisions of the Capital Market Law, the Companies Law or their Implementing Regulations, such provisions shall prevail. Since the Capital Market Authority (the Authority)'s regulations are subject to continuous amendments, reliance shall be always on the regulations published on the Authority's website.

## ► Business and Contracts that do not Require Authorisation

The businesses and contracts that are executed for personal needs shall not be deemed as a direct or indirect interest that require an authorisation from the Ordinary General Assembly, provided that such businesses and contracts are carried out in the same conditions and settings followed by the Company with all contractors and dealers, and that such businesses and contracts must be within the normal course of the Company's activities.

\* For the purpose of executing this framework, relatives mean the definition set forth in the Corporate Governance Regulations

## ► Procedures for Delegating the Authorisation Powers Set Forth in Paragraph (1) of Article (71) of the Companies Law



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Any member of the Board of Directors is prohibited to vote on the items of delegation and the revocation of the delegation in the Ordinary General Assembly.
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The Ordinary General Assembly shall have the right to add additional terms to the terms stated by the Authority, provided that such terms are included in the conflict of interest policy referred to in Article (ΕΨ) of the Corporate Governance Regulations.
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Shareholders may revoke the delegation by adding the item (Revocation) during any Ordinary General Assembly held by the company according to the terms specified in the Corporate Governance Regulations.

## ► Rules of Authorisation

In case the Ordinary General Assembly authorised the Board to grant the authorisation set forth in Article (VI) of the Companies Law.

Business or contract in which the Board member has a direct or indirect interest. \*

The Board member informs the Board of his direct or indirect interest in the business and contracts that are executed for the Company.

Is the total amount of the business or contract or the total of the businesses and contracts during the fiscal year less than (1%) of the company's revenues according to the latest audited financial statements and less than 10 million Saudi Riyals?  
 Does the business or contract fall within the normal course of the Company's activities?  
 Does the business or contract not include preferential terms to the Board members? Is the business or contract in accordance with the same terms and conditions followed by the company with all contractors and dealers?  
 Is the business or contract not a part of the business and consultation contracts, which a Board member carries out by a professional license for the interest of the company?

Yes

Obtaining Board's authorisation is sufficient

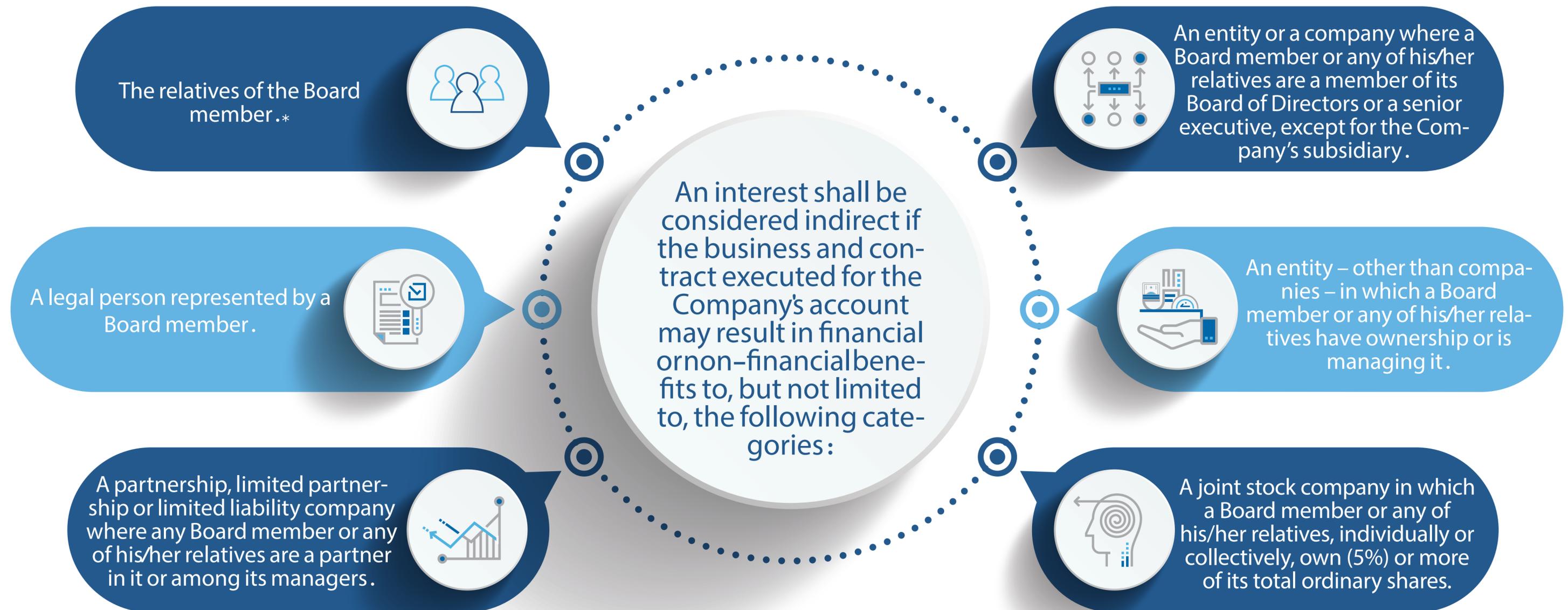
No

The authorisation shall be obtained from the Ordinary General Assembly.

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\* Except for the business or contract that are executed for his/her personal interests, without preferential conditions and within the normal course of the Company's activities.

## ► Indirect Interest



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# Kind Regards