



Conflict of Interest Policy

Saudi Networkers Services Company

Approved by	Company Board of Directors
Date of approval	09/06/1446 H (Corresponding to 10/12/2024 G)
Version	1



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Introduction:

In its business, the Company adheres to the professional practices that require it to act with honesty, integrity, credibility and ethical values in all its business and its dealings with shareholders, employees, clients, suppliers, competitors, supervisory authorities, government agencies, the public and the business community, in the manner that allows open and fair competition in accordance with equal competitive conditions.

This Conflict of Interest Policy (the "**Policy**") is concerned with protecting the interests of the Company, through regulating potential Conflict of interest with each of the Board Members and its committees, the executive management, employees, shareholders who own (5%) of the Company's shares or more and other the related parties, including what may be a misuse of the Company's assets and facilities or through its dealings with related persons, in accordance with the controls emanating from the Companies Law, its executive regulations, the Corporate Governance Regulations, the other regulations of the Capital Market Authority, the applicable laws, and the Company's regulations and policies. The Company aims to gain the confidence of its clients in order to prevent, limit or regulate conflict of interests in accordance with the applicable laws. It also works to regulate the use of the Company's resources and assets in order to achieve its mission and objectives and to detect any conflict between personal interests and the Company's interests and managing them effectively.

Article (1): Definitions

The below terms and phrases shall have the meanings indicated to each of them, unless the context requires otherwise, provided that the Corporate Governance Regulations issued by the Capital Market Authority shall be the primary reference for any terms or phrases that are not defined in this policy:

- **The Company:** Saudi Networkers Services
- **Executive Management:** The persons responsible for managing the day-to-day operations of the Company, proposing strategic resolutions and implementing them, such as the Chief Executive Officer, his deputies and the Chief Financial Officer
- **Employee:** The one responsible for carrying out the tasks and responsibilities assigned to him in accordance with the approved organizational structure of the Company, and he shall be committed to implementing the policies and resolutions under the applicable laws, including both males and females.
- **Staff of the Company:** Every person who works for the Company among the Board Members and the standing committees emanating from it, or all its employees, contractors, temporary employees, and suppliers, who act on its behalf or represent it before others.

Article (2): Definition of Conflict of Interest

The case of conflict of interest arises when the shareholder owning (5%) of the Company's shares or more, the Board Member, or its committees, the executive management, or any of the Company's employees has a personal interest or has a relationship in any way with a third party related to dealing with the Company and the shareholder owning (5%) or more of the Company's shares, the Board Member or its committees, the executive management, or the concerned employee of the Company is authorized to take or influence any resolutions in this regard.



Article (3): Criteria for Determining a Conflict of Interest Case:

In accordance with Article (2) above, the existence of a conflict of interest shall be determined based on the assumption that the shareholder owning (5%) or more of the shares of the Company, any Board Member or its committees, the executive management, or any of the rest of the Company's employees must exclusively work at all times for the benefit of the Company without taking into account his personal interest or the interest of any other party, in addition to exerting the expected effort as if the Company was his property. Accordingly, the criteria shall be achieved upon the occurrence of three elements, which are:

- 1- The existence of a deal or transaction to which the Company is a party.
- 2- The existence of a personal interest of the shareholder owning (5%) or more of the shares of the Company, the Board Member or its committees, the executive management, or any of the Company's employees engaged in that deal or transaction, or has a professional, commercial, or personal relationship with a third party related to that deal or transaction.
- 3- Undertaking any tasks related to the aforementioned deal or transaction by the Board Member or its committees, the executive management, or any employee of the Company.

Article (4): Conflict of interest Cases

Conflict of interest arises in companies when the private personal interests of persons interfere in any way with the general interests of the Company. The following are examples of conflict of interest cases or cases that may lead to a conflict of interest:

- 1- When an employee of the Company uses his position in a group, information, or business opportunities that he obtains during his employment with the Company in order to obtain personal benefits or to achieve benefits for a third party.
- 2- When an employee of the Company establishes a Company that engages in an activity similar to the Company's activity.
- 3- When an employee of the Company, such as a Board Member, makes a resolution or enters into a transaction or purchase for the benefit of a Company in which he has an interest.
- 4- When the employee and/or one of his relatives carries out any business for suppliers, subcontractors or competitors.
- 5- When an employee of the Company carries out business or has interests that may make it difficult for him to perform his work in the Company objectively and effectively.
- 6- When an employee of the Company, or a member of his family, receives improper personal benefits because of his position in the Company.
- 7- When an employee of the Company (such as a Board Member) takes a financial consideration for providing advice to another Company that competes with the Company, that is, the nature of its business and activity is similar to one of the activities of the Company.
- 8- Stakeholders shall what may ensure the weighting of the interest of the Company when cases of conflict of interest occur , according to the best available circumstances, take into account and the employees of the Company shall refrain from influencing the resolutions of the Company in any business that creates a potential conflict of interest, including abstaining from voting on any resolution or order that may be subject to a potential conflict of interest, and disclose any conflict of interest arising due to their relationship with the Company in

accordance with the means and methods of disclosure specified under this policy and the relevant laws in the Kingdom of Saudi Arabia.

- 9- Mediating for the employment of relatives and friends in any group or its subsidiaries or recommending them. In the event that a relative applies for a job, the employees of the Company shall not mediate for him and leave the matter proceed in accordance with the procedures and policies determined by the Company without any direct or indirect influence or interference.
- 10- The stakeholders referred to in the above paragraph shall refrain from dealing with the Company and/ or any of its subsidiaries (which falls within its group) in any business that could lead to a potential conflict of interest except in accordance with the rules included under this policy and the regulations and laws in force in the Kingdom of Saudi Arabia.

Article (5): Conflict of Interest Associated with Major Shareholders

- 1- All transactions and contracts with major shareholders and their relatives directly or indirectly owning (5%) or more of the Company's shares or own a controlling interest in any of its subsidiaries (which fall within its group) are subject to the same conditions as transactions with third parties.
- 2- All transactions with major shareholders and their relatives directly or indirectly owning (5%) or more of the Company's shares or own a controlling interest in any of its subsidiaries (which fall within its group) shall be disclosed in accordance with the regulations and laws.

Article (6): Conflict of Interest Associated with the Board of Directors

- 1- A Board Member of the Company may not, without a permit from the General Assembly in accordance with the controls set by the competent authority, have any (direct or indirect) interest in the business and contracts carried out for the benefit of the Company, unless upon a permit from the Ordinary General Assembly of the Company in accordance with the controls set by the Company in accordance with the relevant laws.
- 2- A Board Member shall inform the Board of Directors of his personal interest in the business and contracts carried out for the benefit of the Company. Such information shall be recorded in the minutes of the meeting and the interested member may not participate in voting on the resolution issued in this regard, whether in the Board of Directors or its committees or the Shareholders Assemblies.
- 3- The Board of Directors shall inform the Ordinary General Assembly when it convenes of the business and contracts in which a Board Member or a member of any of the committees has a direct or indirect interest, provided that this information shall be accompanied by a special report from the external auditor of the Company.
- 4- The liability for damages resulting from the acts and contracts referred to above shall be borne by the interested member of the act or contract, as well as by the Board Members, if such acts or contracts are made in violation of the provisions of that paragraph or if they prove to be unfair, or involve a conflict of interest and cause damage to the shareholders.
- 5- It is not permitted for a Board Member, without a permit from the General Assembly in accordance with the controls set by the competent authority, to participate in any business that

would compete with the Company, or to trade in one of the branches of the activity it carries out.

- 6- The Ordinary General Assembly has the right to delegate the permission authority mentioned in paragraph (1) of Article (27) of the Companies Law to the Board of Directors of the Company, provided that the delegation shall be in accordance with the following conditions:
 - A. The total amount of the business, contract or the total business and contracts during the fiscal year shall be less than (1%) of the Company's revenues according to the latest audited financial statements, provided that it shall be less than SAR (10) ten million. A director of the Board of Directors shall be responsible for accounting for transactions in which he has a direct or indirect interest during a single fiscal year.
 - B. The business or contract falls within the Company's usual activity.
 - C. The business or contract shall not include preferential conditions for the Board Member and shall be in the same status and conditions followed by the Company with all dealers and contractors.
 - D. The business or contract shall not be among the advisory business and contracts carried out by the Board Member under a professional license for the benefit of the Company.
- 7- If the Board of Directors rejects, under Article (27) of the Companies Law and Article (44) of the Corporate Governance Regulations issued by the Capital Market Authority and under the authorization granted to it by the General Assembly, to grant the permit of the contract or business to the member, that member shall submit his resignation within a period specified by the Board of Directors, otherwise his membership in the Board of Directors shall be considered expired, unless he decides to withdraw the contract or deal or amend its status in accordance with the Companies Law and its executive regulations before the expiry of the period specified by the Board of Directors.
- 8- It is prohibited for any of the Board Members to vote on the articles of delegation and revocation of delegation at the General Assembly of the Company.
- 9- The General Assembly of the Company has the right to add any of the conditions contained under this policy to the above conditions.
- 10- The Board of Directors shall take the requirements of independence and conflict of interest cases into account in accordance with the regulations issued by the Capital Market Authority, when appointing financial and legal advisors and auditors.
- 11- The interest shall be deemed indirect if the business and contracts carried out for the benefit of the Company can bring financial or non-financial benefits that include, for example, but not limited to the following categories:
 - A. The relatives of the Board Member (relatives mean parents, and the ancestors, children, and the descendants, husband, wife and siblings).
 - B. The joint liability, limited partnership or limited liability Company in which a Board Member or any of his relatives are partner or one of its directors.
 - C. The joint stock Company or the simplified joint stock Company in which a Board Member or any of his relatives, separately or collectively, own 5% or more of its total ordinary shares.
 - D. The establishment - other than companies - owned or managed by a Board Member or any of his relatives.

- E. The establishment or Company in which a member or any of his relatives is a member of its Board of Directors or one of its senior executives, with the exception of the Company's affiliates.
- 12- The concept of participation in any business that would compete with the Company or compete with it in one of the branches of the activity it carries out includes the following:
 - أ. Establishment of a Company by a Board Member or owning an influential percentage of shares or stocks in another Company or establishment, which carries out a similar type of to the activity of the Company or any of its group.
 - ب. Accepting the membership of the Board of Directors of a competing Company or its group or assuming the management of a competing sole proprietorship or a competing Company in any form except for the Company's affiliates.
 - ج. Obtaining a commercial agency or the like by the member, whether apparent or hidden, for a Company or other establishment competing with the Company or its group.
 - د. The Board of Directors shall take the requirements of independence and Conflict of interest cases into account in accordance with the regulations issued by the Capital Market Authority, when appointing financial and legal advisors and auditors.

Article (7): Conflict of Interest Associated with the Executive Management and the Employees of the Company

- 1- Any external business activities carried out by any executive officer of the management shall be reported to the Board of Directors, approved by the Board of Directors, and disclosed in accordance with the regulations and laws applicable in this regard.
- 2- In the event that the executive officer or employee wishes to do so, he shall present the matter to the CEO of the Company in order to investigate, evaluate and recommend the matter to the Board of Directors of the Company in preparation for the issuance of the appropriate resolution thereon.
- 3- The Company employee shall notify the line manager whenever he knows that a relative of him works under his supervision, or is subject to his instructions, and the employee shall not solely make the resolution that would appoint, evaluate the performance, or promote that relative.
- 4- Disclosure of the conflict of interest, or in the event that an interest arises for him in the business and contracts carried out for the benefit of the Company, and reporting his knowledge of any incident that involves an interest for those working for the Company that has not been disclosed, and whenever the employee knows that his relative works under his supervision or subject to his instructions, or that one of his family members or relatives works for the Company or has an interest in the business or contracts concluded for the Company, or that he is a client or supplier of the Company.
- 5- The senior executives and all employees of the Company shall refrain from the following:
 - A. Participation in the business of competing companies, whether directly or through any individual related to them.



- B. Taking part in any transactions with the Company without the approval of the Board of Directors or the General Assembly of Shareholders for the senior executives, which requires the approval of the General Assembly.

Article (8): Conflict of interest Associated with the External and Internal Auditor and Advisors

- 1- The Company's external auditors shall be independent.
- 2- The independence of the internal auditor should be maintained and sufficient support shall be provided for him in order to carry out the internal audit work, provided that the internal auditor shall be functionally subordinate the audit committee and administratively to the CEO.
- 3- The Board of Directors shall take the requirements of independence and conflict of interest into account in accordance with the laws, regulations and instructions issued by the regulatory authorities when appointing financial and legal advisors and auditors.

Article (9): Conflict of Interest Associated with Other Stakeholders

All transactions and contracts with suppliers and other clients of the Company or any of its subsidiaries (which fall within its group) shall be subject to the same conditions as transactions with third parties in terms of evaluation, fairness of implementation, disclosure or reporting.

Article (10): Additional Provisions

In addition to the above-mentioned, the following conflict of interest cases of the Board Members, the committees of the Company and the employees of the Company shall be taken into account and dealt with in accordance with the following:

- 1- It is prohibited for the Board Members, the committees, and employees to exploit or benefit from any of the Company's assets, information, or investment opportunities offered to him, or offered to the Company to achieve any personal interests for them, including investment opportunities that fall within the activities of the Company, or that the Company wishes to benefit from. This prohibition shall apply to the member of the Bboard of Directors who resigns in order to exploit the investment opportunities - whether directly or indirectly - that the Company wishes to benefit from and that he got aware of during his membership in the Board of Directors.
- 2- The Board Member shall be prohibited from voting on the resolution of the Board of Directors or the General Assembly on business and contracts carried out for the benefit of the Company if he has a direct or indirect interest therein.
- 3- None of the Board Members or the senior executives may accept gifts from any person who has dealings with the Company, if such gifts would result in a conflict of interest. However, token gifts may be accepted.
- 4- Where the Board Member notifies the Board of Directors about a potential conflict of interest, that member shall adhere to the following:



- A. Not to participate in discussions or listen to the discussions of the Board of Directors or the committee on the subject in which he has an interest, except for answering questions or disclose material facts.
- B. Refrain from voting on resolutions after notifying the Board of Directors. In all cases, when the Board of Directors vote on the matter in which the Board Member has an interest, the voting process shall be conducted in a confidential manner.

Article (11): Confidentiality

- 1- Maintain the confidentiality of information related to the Company and its activities and not disclose it to any person or third parties.
- 2- It is not permissible for the Board Members to disclose what they have agreed upon of the Company's secrets at meetings other than the General Assembly. Moreover, they may not exploit what they know by virtue of their membership in order to achieve an interest for themselves, for one of their relatives, or for others, otherwise, they shall be dismissed and required to provide compensation.

Article (12): Disclosure of Conflicts of Interest

All Board Members and employees of the Company shall immediately disclose and report the following personal interests:

- 1- The Company shall disclose when contracting or dealing with a related party, provided that this disclosure shall include informing the Authority and the public without any delay of such contracting or dealing, if such contracting or dealing is equal to or more than (1%) of the Company's total revenues in accordance with the latest annual audited financial statements, except in cases where the Board Member has an interest where the approval of the Board of Directors or the approval of the General Assembly, as the case may be, is required.
- 2- Any interest in an investment or ownership in a business activity or establishment that has a benefit or provides any services to any of the Company's subsidiaries, or obtains any benefit from the Company and its subsidiaries or receives any services from them.
- 3- A business or establishment that performs a particular service or seeks to perform a service with any of the Company's subsidiaries, such as banks, media, or others.
- 4- Any interest with a customer, client or any other establishment that receives a service or any benefit from the Company or its subsidiaries that fall within its group.
- 5- A business, client or other establishment in a position to benefit from any acts taken by the Board Member or the employee.
- 6- Direct and indirect interests of the Board Member, the senior executives, the secretary of the Board of Directors and any of their relatives with the Company and/or its subsidiaries or making a declaration to the contrary.
- 7- A summary of the current or proposed employment contracts of the Board Members, the CEO and the senior executives with the Company and/or its subsidiaries.



- 8- The full details of any contract or arrangement in which the CEO, the CFO, a Board Member or any relative of such persons has a material interest and which is important to the business of the Company or the making a declaration to the contrary.

Whoever wishes to nominate himself for membership of the Board of Directors shall disclose any cases of conflict of interest to the Board of Directors and the General Assembly - in accordance with the procedures prescribed by the Authority - including the following: The existence of a direct or indirect interest in the business and contracts carried out for the benefit of the Company that wishes to be nominated to its Board of Directors. Participation in any business that would compete with the Company, or compete with it in one of the branches of the activity it carries out.

Article (13): Supervising the Implementation of the Policy and Cases of Violation

The Audit Committee shall supervise the implementation of this policy through reviewing cases, transactions and contracts concluded with the stakeholders or likely to involve a conflict of interest case and present any recommendations it deems appropriate to the Board of Directors. In addition, any violation of this policy shall be reported in accordance with the procedures specified in the other relevant Company policies.

Article (14): Revision and Amendment of this Policy

This policy shall be effective as of the date of its approval, and the Board of Directors of the Company shall review this policy from time to time as necessary. This policy may not be amended except upon the approval of the Board of Directors of the Company.

Article (15): Publication

This policy shall be published on the Company's website or through any other means of publication that the Board of Directors deems appropriate in order to enable the related parties to view this policy.