

Conflict of Interest Policy

1) Concept of Conflict of Interest:

- A conflict of interest may arise due to the diversity of activities the company engages in or due to the conflict between the interests of the company or its shareholders and stakeholders or members of the board of directors or the executive management.
- This policy aims to ensure the implementation of appropriate procedures to detect substantial conflicts of interest and to address them effectively, making sure that the board of directors deals with existing, potential, and anticipated conflict of interest cases and that all decisions are made in a way that serves the interests of the company.

2) Parties whose interests' conflict with the interests of the company:

- Potential parties are individuals or entities that may have conflicts of interest with the company due to their job position or degree of relation to members of the board of directors and executive management, or their ownership and job positions in other companies.
- Below are examples of these parties and how their interests may conflict with the company:
 - The company and the members of the board of directors.
 - The company and the executive management.
 - The company and its subsidiaries or affiliated companies.
 - The company and any of the companies in which any of the board members or executive management hold more than 5% of the company's capital.
 - Companies in which any of the board members hold an executive position. o Relatives of board members and executive management up to the second degree.

3) Policies regarding conflicts of interest:

Company obligations:

1. The company is committed to effectively managing and addressing potential conflicts of interest to ensure the actual implementation of operational and administrative processes and to ensure the detection and handling of all conflict-of-interest situations in a timely manner.
2. The company is committed to ensuring that no stakeholders gain any advantage through their dealings in contracts and transactions that fall within the company's ordinary activities.
3. The company establishes a clear mechanism for awarding contracts and transactions of various types, whether through tenders or various purchase orders.
4. This policy applies to the company and its subsidiaries and to the Board of Directors and executive management, in accordance with the rules and standards of professional conduct of the company, in cases where conflicts of interest affect the interests of the company, stakeholders, and related parties.
5. The Compliance and Governance Department is responsible for informing the Board of Directors, executive management, and various departments of the company of any decisions, laws, or instructions regarding conflict-of-interest situations and procedures for addressing them.

Board of Directors Commitments:

1. The Board of Directors is committed to ensuring that the company adheres to the highest standards of professional conduct and appropriate mechanisms to avoid or mitigate conflicts of interest, reviewing potential conflicts of interest to any Board member and determining procedures to address them.

2. Members of the Board of Directors and executive management are responsible for complying with this policy while engaging in transactions or contracts or personal investments either with the company or with others.
3. A Board member is obligated not to be a member of more than five public joint-stock companies located in Kuwait, or to serve as the Chairman of the Board in more than one public joint-stock company located in Kuwait. Violating this condition will result in the invalidation of their membership in the companies exceeding the prescribed number based on the recency of their appointment, along with the resulting consequences, without prejudice to the rights of bona fide third parties. In the case of non-compliance with this condition, the member must return to the company that invalidated their membership any rewards or benefits they may have received.
4. A board member is committed to not exploiting the information that they have received or accessed due to their position for personal gain or in obtaining a benefit for themselves or others, and to not engage in any type of transactions in the shares of the real estate company during their term of membership except after obtaining approval from the Capital Markets Authority, being aware of the rules governing the trading of board members in the company's shares and the method of disclosing it.
5. A board member is committed to not disclosing to shareholders outside of the general assembly meetings or to others any company secrets that they have access to due to their position, otherwise they must be dismissed and held accountable for compensating damages resulting from the violation, as well as not disclosing information and data pertaining to the company except in cases permitted for disclosure or according to legal requirements.
6. A board member is committed not to combine their membership on the board of directors of the real estate company with any competing company in the same field or areas of activity, or to participate in any work that may compete with the company or to engage for their own account or for the account of others in any branch of activity practiced by the company, otherwise the company may demand compensation from them or consider the transactions they conducted for their own account as if they were conducted for the company's account unless this is approved by the ordinary general assembly for all or some of the aforementioned.
7. A board member is required to provide the secretary of the board of directors with an updated copy of their CV immediately upon any amendments.
8. A board member is obliged not to have, nor to allow their spouse or relatives of the second degree, any direct or indirect interest in contracts and transactions concluded with or for the company unless authorized by a license issued by the ordinary general assembly. In this case, they are obliged to disclose their interest to the board of directors and abstain from voting.
9. A board member is committed not to participate in the voting on the general assembly decisions regarding the acquittal of the board members for their management, or those related to any personal benefit for himself, his wife, or his first-degree relatives, or any existing conflict between them and the company.
10. A board member is committed not to using his official influence for personal gain or any personal interests for himself or others.
11. A board member is committed not to participating in discussions, express opinions, or vote on any topics presented to the board that he has a direct or indirect shared interest with the company.
12. A board member is obligated to disclose to the board any shared interests they have with the company, whether directly or indirectly.
13. A board member is obligated to inform the board of any personal interest they have in the business and contracts that are conducted for the company's account, and this notification must be recorded in the minutes of the meeting, and in this case, they may not participate in voting on the decision issued in this regard.
14. The company may not lend to any of its board members or the CEO or their spouses or relatives up to the second degree or their subsidiaries unless there is a mandate from the company's ordinary general assembly, and any action taken in violation of this is not enforceable against the company, without prejudice to the rights of good faith third parties.
15. The board of directors is obligated to verify that none of the potential parties exploit the company's assets and resources or the powers granted to them in transactions to achieve personal interests.

16. The chairman of the board informs the general assembly when it convenes about the business and contracts in which one of the board members has a personal interest, and a special report from the auditor is attached to this notification.

Executive Management and Employees' Commitments:

1. Not engaging in any activities that may lead to a conflict between the company's interests and their personal interests.
2. Disclosing to the Chairman of the Board and the Compliance and Governance Officer and Risk Management any significant or influential share in any company supplying equipment or services to the company, either for themselves, their spouses, or their first or second-degree relatives, so that the relevant committee and the Board of Directors can take the necessary actions. They also commit to adhering to the policies regarding transactions with related parties and conflicts of interest as well as the instructions of regulatory authorities in this regard.
3. There should be no direct or indirect interest that conflicts with the company's interest in contracts and transactions concluded with the company or on its behalf, either for themselves, their spouses, or their first or second-degree relatives.
4. In the case of appointing, promoting, or rewarding any employees, full neutrality must be considered if there is a connection or relationship between the decision-maker and the employee, under the supervision and monitoring of a neutral party or by the specialized committee in accordance with the policies adopted by the Board of Directors. The company defines the term "close personal relationships" as including first and second-degree relatives and any other relationships that may affect the employee's ability to make neutral decisions while performing tasks assigned to them in the company.
5. He is informed that the "Al-Tijaria's" policy prohibits employees from accepting paid or unpaid positions with any other company, as employment contracts with the company document this prohibition and violating it may expose the violating employee to strict disciplinary actions, including termination of service. Additionally, obtaining approval from government or relevant authorities is required before employing part-time employees.

4) Procedures for Conflict of Interest:

Firstly: The Board of Directors:

1. A board member must disclose to the company all their interests and relationships that may affect their ability to perform the tasks assigned to them upon their appointment to the company, and sign a declaration and commitment of conflict of interest, updating it whenever there is any change.
2. If a board member has a personal interest in any of the transactions and contracts being conducted for the company's account, they must inform the board of directors and fill out the relevant form, and this notification must be recorded in the meeting minutes.
3. The board of directors will review potential interest cases related to any of its members and determine the procedures for addressing them, and the interested members may not participate in voting on the decision made in this regard.
4. The compliance and governance department will keep copies of the conflict-of-interest declarations signed by board members, as well as the disclosures made by the board member regarding any cases of conflict of interest or contracts in which they have an interest and maintain a record of these and update it periodically.

Secondly: Executive Management:

- 1) An executive management member must disclose to the company all of his interests and relationships that may affect his ability to perform the assigned tasks when appointed to the company by signing a declaration and commitment to conflict of interest and updating it whenever there are changes.

- 2) The Compliance and Governance Department shall keep copies of the signed conflict of interest declarations from the executive management and company employees and maintain a record of them, updating the record periodically.
- 3) An executive management member must notify the Secretary of the Board immediately if he has a personal interest in the transactions and contracts being carried out on behalf of the company, so that it can be presented to the Board of Directors for necessary action.
- 4) The Secretary shall coordinate with the Compliance and Governance Department regarding any disclosures made by the executive management concerning conflict of interest cases.

Third: The General Assembly:

1. The Chairman of the Board must inform the General Assembly upon its convening about the activities and contracts in which any Board member has a personal interest, and a special report from the auditor must accompany this notification.
2. A Board member must obtain an annual license from the company's General Assembly for any activity that could compete with the company or for engaging in any branch of activity that the company is engaged in as stipulated in the Articles of Association and the company's bylaws, or in the case of having a direct or indirect interest in the transactions or contracts carried out on behalf of the company, except for transactions conducted in a public competitive manner if the Board member is the best offeror (according to the internal work system of the company and the implementation of the internal policy regarding the guidelines of the Central Tenders Committee).

5) Disclosure of Conflicts of Interest and Addressing Them:

The company implements the following procedures to discover and address conflicts of interest:

1. Implement effective procedures to control the flow of information to limit the damage that shareholders or stakeholders may face in the event of any conflicts of interest.
2. Apply appropriate control systems to identify and monitor the participation of board members in the boards of directors and executive management in multiple companies, as well as the external interests of the members.
3. Ensure timely disclosure of shared interests with the company without delay.
4. Clearly and transparently disclose to shareholders or stakeholders, allowing them the opportunity to make decisions based on knowledge of the available information.
5. Ensure obtaining prior approval from the general assembly in cases specified by law.
6. Establish a mechanism for employees to report their suspicions about any improper practices while providing suitable arrangements for conducting an independent and fair investigation, ensuring the protection of the whistleblower.
7. Establish appropriate mechanisms to facilitate stakeholders outside the company to report any improper practices to the board of directors.

6) Investigating Cases of Conflicts of Interest:

1. The Board of Directors shall discuss any potential instances of conflicts of interest that have not been disclosed either by a member of the Board of Directors or by the executive management, and the Board member concerned shall be absent from the meeting during which those specific cases are discussed.
2. In case of doubts or questions regarding any potential transaction related to a conflict of interest, the Board Secretary must present the transaction to the Board of Directors for review and approval before entering the questionable relationship or transaction.
3. The Board of Directors may, in some cases, form a committee from among its members or assign the Audit and Risk Committee or others to investigate undisclosed conflicts of interest and submit a report on them to the Board of Directors.