



GAS

جاس العربية للخدمات
GAS ARABIAN SERVICES

CONFLICT OF INTEREST POLICY

COI 0.0 – 2020

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1) Introduction

The Board of GAS Arabian Services hereinafter referred to as "GAS" or "the Company" has developed this policy to manage the actual or potential conflict of interest cases that may affect the performance of the members of the Board or the Executive Management when dealing with the Company to maintain Stakeholder's trust and protect their rights.

This policy is based on the requirements stipulated in the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA), Companies Law and other relevant laws and regulations of Kingdom of Saudi Arabia.

2) Purpose

The purpose of this policy is to establish effective policies and procedures that shall regulate and prevent the conflicts of interest for Shareholders, the Board, Committees, Executive Management, Employees, Auditors, Consultants, and other relevant Stakeholders' (collectively referred to as "Concerned Individuals") transactions, contracts and arrangement made by their relatives.

3) General overview

Conflicts of interest occur in organizations where an individual has a private interest that will affect directly or indirectly the overall interests of the Company.

GAS acknowledges that its "Concerned Individuals" have their own particular interests and have the right to participate in several activities provided that the activities do not lead to a situation that will conflict with the overall interests of the Company.

The following are the examples that may occur or can be determined as a conflict of interests:

- When any of the "Concerned Individuals" establish a Company that offers a products or services same as offered by GAS.
- When any of the "Concerned Individuals" take actions or have interests that can affect the effectiveness of his/ her work and loyalty to the Company.
- When any of the "Concerned Individuals" make use of his/her position, information, or business opportunities obtained during work for his/her benefit or for the benefit of the third parties.
- When any of the "Concerned Individuals" or his/ her relatives (*refer paragraph 5 below for individuals included as relatives*), receives personal gains because of his/ her position.
- When any of the "Concerned Individuals" or his/her relatives execute any type of work for suppliers, contractors, and competitors.
- When any of the "Concerned Individuals" makes a purchasing or business choice to help improved a business that he/ she owned or has invested in.
- When any of the "Concerned Individuals" accepts fees for giving consultations to another company that is in direct competition with GAS due to the same nature of business.

4) Policy application

This policy applies to the following stakeholders:

- All Shareholders;
- Members of the Board and other Board's Committees;
- Executive Management and Employees;
- External auditors and Company's legal advisors; and
- Other stakeholders as appropriate.



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5) Cases of conflict of interest

For the purpose of conflict of interest and in conformity with Article 1 of CGR, "Relatives" include:

- Fathers, mothers, grandfathers, and grandmothers (and their ancestors);
- Children and grandchildren and their descendants;
- Siblings, maternal and paternal half-siblings; and
- Husbands and wives.

The stakeholders mentioned in the aforementioned paragraph 4, shall refrain from dealing with the Company in any action that might lead to a possible conflict of interest, except in accordance with the rules included in this policy, the regulations and laws in force in the Kingdom of Saudi Arabia. Specifically, this policy prescribes the following rules:

a. Conflict of Interest Associated with All Shareholders

- All transactions and contracts undergone with All Shareholders and their relatives of the Company's shares shall abide by the same conditions applied to dealing with third parties.
- All transactions and contracts undergone with All Shareholders and their relatives of the Company's shares shall be disclosed as per regulations.
- GAS Shareholders with any conflicting interests must carry out their duties and responsibilities to the best interest of the company. "Concerned Individuals" must also refrain from influencing the company's decisions in all what might cause a conflict of interest, including refraining from voting on any decision or anything subject to a possible conflict of interest. They must also report any conflict of interest arising from their relations with GAS, in compliance with the disclosure methods defined in this policy and other applicable laws and regulations in force in the Kingdom of Saudi Arabia.

b. Conflict of Interest Associated with Third Parties

Conflict of Interests will arise with GAS and to any third-party product and services providers whose commercial interest maybe different. Where in the information acquired during business engagement could lead to commercial advantage for GAS or the Third-Party. To mitigate the conflicts of interest to occur, service level agreement or due diligence should be initiated to define the level of products and services expected and to contains appropriate provisions in respect to confidentiality and conflicts of interest.

c. Conflict of Interest Associated with the Members of the Board and other Board's Committees

A Board member shall not, without a prior authorization of the General Assembly (GA) in accordance with CGR issued by the CMA, Companies Law, and other relevant laws and regulations have any interest (whether direct or indirect) in the Company's activities and contracts.

A Board member shall notify the Board about any personal interest he/she may have in the activities, transactions, and contracts that go through Company's accounts. This notification shall be included in the minutes of meeting. Any Board member who has an interest shall not be entitled to vote on the resolution to be implemented in this regard.



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- III. The Chairman shall notify the GA, when assembled, about the activities and contracts in which a Board member may have a personal interest, after the Board evaluates the Board member's competition with the Company's business or if he/she is in competition with one of the branch activities that it conducts in accordance with the procedures approved by the Board, provided that such businesses are evaluated on annual basis, and shall attach to this notification a special report from GAS external auditor.
- IV. A Board member shall not, without an authorization of the GA in accordance with CGR issued by the CMA, Companies Law, and other relevant laws and regulations, participate in any activity which may likely to compete with GAS activities, or trade in any branch of the activities carried out by GAS.
- V. If the GA refuses to grant the authorization under Articles 71 and 72 of the Companies Law and Article 46 of the CGR issued by the CMA, the Board member shall submit his resignation within a time limit determined by the GA, otherwise, its membership in the Board shall be considered terminated, unless he/she decides to renounce the contract, deal or compete or adjust its conditions according to the Companies Law and its implementing regulations before the expiration of the time limit prescribed by the GA.
- VI. The Board shall consider the requirement of independency and the cases of the conflict of interest, according to the regulations issued by the CMA, when appointing financial and legal advisor and auditors.
- VII. The following shall be considered as participating to any business that may compete with activities of GAS:
 - A Board member establishing a company or his/her ownership includes a controlling percentage of shares or stakes in a company which engages in business activities that are similar to GAS;
 - Accepting membership in the Board of a company that competes with GAS; and
 - The Board member acts either in an obvious or cautious manner towards any commercial agents for the benefit of another company that competes with GAS.

d. Conflicts of Interest Associated with Executive Management and Employees

- I. The Board shall be notified of any external activities performed by an Executive Management Team; the Board shall approve such activities and the disclosure shall be made as per regulations. Any Executive Management member/ employees who wishes to do so, shall present the matter to the Chief Executive Officer (CEO) to review and evaluate the matter and provide recommendation to be submitted to the Board for a decision.

Intervene for the employment of relatives and friends or take any part in recruitment, promotion, and recommending them at GAS. (If a relative or friend applies for a job, the concerned individual shall not intervene, and act in accordance with the procedures and policies determined by the Company without any direct or indirect impact or interference).

e. Conflicts of Interest Associated with Independent Auditor, Consultant and Legal Advisor

- I. The independence of the Auditor, Consultant and Legal Advisor is crucial to the business process and help builds the trust of shareholders, regulators and other



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stakeholders in all financial information and business dealings undertaken by the board.

- II. The Independent Auditor, Consultant and Legal Advisor are required to act with integrity and exercise objectiveness and should not be satisfied on less than persuasive evidence (Professional skepticism).
- III. The Independent Auditor, Consultant and Legal Advisor are obliged to be straightforward, honest in professional and business relationship and not to allow their judgement to be compromised by bias, conflict, or undue influence of others.
- IV. GAS has the authority to remove Independent Auditor, Consultant and Legal advisor upon the recommendation of the board. On the cases of conflict of interest, administration sanctions can be filed without prejudice to applicable laws and regulations.

f. Conflicts of Interest Associated with other Stakeholders

All Company's transactions and contracts undergone with suppliers and the other clients of the Company or its affiliates shall be subject to the same conditions applied to third parties (refer paragraph 5b above) in terms of evaluation, equitable execution, disclosure and required reporting.

6) Other miscellaneous provisions

In addition to the above, GAS shall consider and deal with the following cases of conflicts of interest for the members of the Board, Committees and Employees as per the following:

- a. Basic Members of the Board and the Committees including Executive Management and Employees are not allowed to misuse the Company's assets, resources, information or investment opportunities presented to the Company or to them for any personal interest, financial gain, or other purposes that do not fall within the activities of the Company. This includes investment opportunities which are within the activities of the Company, which the Company wishes to use of such prohibition shall extend to Board members who resign and wishes to use investment opportunities, directly or indirectly, that the Company wishes to use, which may have come to their knowledge during their membership in the Board.
- b. Members of the Board are prohibited from voting on any decision taken by the Board or the GA with respect to transactions and contracts that are executed for the Company's account, if he/she has a direct or indirect whether financial or non-financial interest therewith.
- c. No member of the Board or Executive Management or Employees may accept gifts from any person who has entered into commercial transactions with the Company if such acceptance of gifts may lead to conflicts of interest except gifts having nominal value not exceeding SAR 400 and a refusal to accept it would be disrespectful or otherwise harmful.
- d. Once a member has notified the Board of a potential conflict of interest, the interested Board member shall:
 - I. Not be allowed to participate in discussion or be allowed to hear the Board's or Committee's discussions in which they are relevant stakeholder, except to disclose material facts and to respond to questions.
 - II. Refrain from voting on decisions after notifying the Board. In all cases, when the Board is voting on an issue in which a Board member has a potential conflict of interest, all voting must be done anonymously.



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7) Confidentiality

- Protect the confidentiality of the information related to the Company and its activities, and disclosure of any such information to any person are prohibited.
- Other than the meetings of the Ordinary General Assembly, the members of the Board of directors may not disclose the Company's confidential information that may have become known to them, nor may they use any information known to them by reason of their position as members with a view about achieving any advantage for themselves or for their relatives or third parties. Otherwise, they shall be terminated, and compensation must be claimed from them.

8) Disclosure of conflict of interest

All Board members, Executive Management and Employees shall be committed to immediately disclose and notify about the following personal interests to the Company that may lead to conflict of interest:

- Interests regarding investment or ownership in a commercial activity or a facility having interest or providing services to any of its subsidiaries benefiting from the Company or receiving any services from them.
- A commercial activity or any facility providing or requesting to provide a particular service with any of its subsidiaries, such as banks, media and etc.
- Any interest with a customer, client or any other facility which receives a service or benefits from the Company.
- A commercial activity, client or any other facility which is in a position to benefit from any procedures performed by a Board member.
- Direct or indirect interests to any member of the Board, Executive Management, relatives, or submitting a denying proof for establishing facts.
- Summary of current and proposed contracts to members of the Board, the CEO, and Executive Management.
- Full details of any contract or arrangement in which the CEO, the CFO, Board members or any relative has significant interest and important for the Company's activities or submitting a denying proof for establishing the facts.

A person who desires to nominate himself/herself for the membership of the Board shall disclose to the Board or the GA any cases of conflict of interest, including having a direct or indirect interest in the contract and businesses entered into for the benefit of the Company in which he/she desires to be nominated to the Board; and engaging in a business that may compete with the company or any of its activities.

9) Monitoring the implementation and violations of the policy

The Audit Committee shall supervise the implementation of this policy, through a review of cases, transactions and contracts that are made with stakeholders or that are likely to result in conflicts of interest and shall submit the recommendations it deems necessary to the Board. Moreover, any violations regarding this policy may be reported using the procedures outlined in the whistle blowing policy of GAS Code of Conduct, Business Ethics Policy and Compliance Guidelines.

10) Review and amendments of this policy

This policy shall be effective upon approval of the Board. The Board shall review and update this policy from time to time (as required), any amendments shall only be made upon approval of the Board.



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11) Publication (information access)

This Conflict-of-Interest Policy shall be made available to all shareholders and stakeholders on demand or by publishing it on GAS website or on any other publication as deemed necessary with approval of the Board.

This Policy is approved by the Board of Directors during the 3rd Board Meeting held on April 8, 2021.



Abdulrahman K. Al Dabal
Chairman of the Board



Khalid Jamal K. Al Dabal
Board Secretary



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