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Regulations for the policy and standards of membership in the Board of Directors Taqadum Company for Communications and Information Technology

Accreditation information		
the date	Regulations for the policy and standards of membership in the Board of Directors Taqadum Company for Communications and Information Technology	the address
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Definitions:

For the purpose of applying the provisions of these regulations, the words and phrases mentioned below shall have the meanings indicated opposite each of them unless the context of the text requires otherwise

Systems: All laws, regulations, instructions, and decisions in force in the Kingdom of Saudi Arabia issued under them.

Basic system: Basic system Taqadum Company for Communications and Information Technology.

Company: Taqadum Company for Communications and Information Technology.

Commission: Financial Market Authority.

Corporate governance: Rules for leading and directing the company include mechanisms for regulating the various relationships between the Board of Directors, the executive management shareholders, and stakeholders by establishing special rules and procedures to facilitate the decision-making process and give it a transparent and credible character for the purpose of protecting the rights of shareholders and stakeholders and achieving justice, competitiveness, and transparency in the market and business environment

Cumulative vote: A voting method for selecting board members that gives shareholder voting power by the number of shares he or she owns; So he has the right to vote for one candidate or divide it among the candidates he chooses without repeating these votes

Council: Board of Directors of Taqadum Communications and Information Technology Company

Council Member: Member of the Board of Directors of Taqadum Telecommunications and Technology Company appointed by a decision of the General Assembly

President: Chairman of the Board of Directors of Taqadum Communications and Information Technology Company, who The Board of Directors appoints him from among its members.

CEO: CEO of Taqadum Communications and Information Technology Company

Secretary: Secretary of the Board of Directors of Taqadum Telecommunications and Information Technology Company, appointed by a decision of the Board Directors.

Committees: Any of the committees emanating from the Board of Directors of Taqadum Communications and Information Technology Company

Professional conduct and work ethics policy: professional conduct and business ethic policy that applies to members of the Board of Directors of Taqadum Communications and Information Technology Company

Conflict of interest: Any actual or potential conflict, direct or indirect, between the interests of the company and any personal, commercial or other interest of any member of the Board which may affect their impartiality when voting on the Board's decisions and their actions related to the Company .

Relative relations: Husband or wife, parents, And the children, And brothers full , sisters half-siblings . And their children ,

:Article One: Introduction

The list of policies, standards and procedures for membership in the Board of Directors is considered the company's intended reference for nomination procedures for membership in the Board of Directors. The general framework of the list is summarized in the following main points

١. General policies and controls for membership in the Council
٢. Mechanism for implementing the policy and selecting members
٣. The extent of competence required to obtain membership in the Board of Directors
٤. Mechanism for publishing and approving the policy

:Article Two: Scope of application of the policy

This policy applies to members of the company's board of directors and to all those wishing to run for membership in the company's board of directors



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:Article Three: Policy and standards for membership in the company's Board of Directors

The Board of Directors is composed in accordance with what is stipulated in the company's bylaws, and they are required to be natural persons. The member of the Board of Directors is required to be professionally qualified and possess the necessary experience, knowledge, skill, and independence to enable him to carry out his duties efficiently and competently, provided that the Ordinary General Assembly takes into account when Electing members of the Board of Directors, recommendations of the company's Remuneration and Nominations Committee, if any, and the availability of the personal and professional capabilities necessary to perform their duties effectively, taking into account that the member possesses, in particular, the following

- ١- The candidate for membership in the Board of Directors must not have been previously convicted of a crime against honor or trust, and must not be insolvent, bankrupt, or otherwise unfit for membership in the Board in accordance with any law or instructions in force in the Kingdom
- ٢- The member of the Board of Directors shall not hold membership in more than five joint stock companies listed on the financial market at the same time
- ٣- The member of the Board of Directors must represent all shareholders and be committed to what achieves the interest of the company in general and not what achieves the interests of the group that he represents or that voted to appoint him to the Board of Directors
- ٤- The majority of the board members must be non-executives
- ٥- The number of independent members of the Council shall not be less than one-third of the Council members or two members, whichever is more
- ٦- The independent member must enjoy complete independence in his position and decisions, and none of the symptoms of independence stipulated in Article (١٩) of the Corporate Governance Regulations issued by the Capital Market Authority apply to him
- ٧- The ability to lead by possessing leadership skills that qualify him to grant powers that lead to stimulating performance, applying best practices in the field of effective management, adherence to value and professional ethics, and the ability to communicate effectively, think, and strategic planning



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- ٨- Efficiency, by having the appropriate academic qualifications, professional and personal skills, the level of training, practical experiences related to the company's current and future activities .knowledge of management, economics, accounting, law, or the desire to learn and train
- ٩- The ability to direct, by having the technical, leadership and administrative capabilities, speed in decision-making, strategic direction and long-term planning, understanding the technical requirements related to the workflow, and being able to have a clear future vision
- ١٠- Financial knowledge by being able to read and understand financial statements and reports
- ١١- Health fitness means that he does not have any health obstacle that prevents him from exercising his duties and specializations
- ١٢- The candidate for Board membership must adhere to the principles of honesty, trustworthiness loyalty, care, and concern for the interests of the company and shareholders, prioritizing them over personal interests, with the following details
 - a) Honesty means that the board member's relationship with the company is an honest, professional relationship and that he discloses to the company any influential information before executing any deal or contract with the company or one of its subsidiaries
 - b) While loyalty is achieved by avoiding transactions that involve a conflict of interest, while ensuring the fairness of the dealings and taking into account the provisions regarding conflicts of interest contained in the governance regulations
 - c) Or care and attention, which is the performance of the duties and responsibilities stipulated in the Companies Law, the Financial Market Law, the Company's Articles of Association, and other relevant regulations
- ١٣- Diversity in academic qualifications and practical experience should be taken into account, and priority should be given in nomination to the needs required of those with the appropriate skills for membership in the Board of Directors
- ١٤- A member of the Board of Directors must resign before the end of his term on the Board of Directors in the event that he loses his eligibility to work as a member of the Board of Directors, is unable to perform his work, or is unable to allocate the time or effort necessary to perform his duties on the

Board. However, in the event of a conflict of interest, the member has the option to obtain License .from the General Assembly, renewed every year or resigning

- ١٥- Any requirements approved by the legislative authorities in the Kingdom with jurisdiction must be applied

:Article Four: Procedures for nomination for membership in the Board of Directors

- ١- The announcement of the opening of nominations for membership in the Board of Directors will be published on the website of the company or the financial market (Tadawul), as the case may be, and in any other means determined by the Authority or the company, as the case may be, in order to invite persons wishing to nominate for membership in the Board of Directors, provided that the nomination door remains open for at least one month. From the date of the announcement, voting in the General Assembly .is limited to the candidates for Board of Directors membership announced by the company
- ٢- The shareholder submits the nomination application within the announced nomination period, which is not less than ٣٠ days from the date of the announcement on the company's website or the Tadawul - website, as the case may be. The Nominations and Remuneration Committee or the Board of Directors . as the case may be - may extend the period for submitting the nomination application
- ٣- Anyone who wishes to nominate himself for membership in the company's Board of Directors must declare his desire to be nominated in accordance with a notification submitted to the company's management in accordance with the period and dates stipulated in accordance with this policy and the ,rules and regulations in force. This notification must include an introduction in Arabic in terms of his CV qualifications and experience for non-Saudis. Candidates for board membership and any other relevant .documents required by the company to meet regulatory requirements
- ٤- The candidate for Council membership must disclose to the Council and the General Assembly any cases :of conflict of interest, which include
 - a) The presence of a direct or indirect interest in the business and contracts carried out on behalf of the .company for which he wishes to run for the board of directors



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- b) His participation in work that would compete with the company or compete with it in one of the branches of activity it practices
- ٥- Applicants for council membership must fill out the form or forms specified by the company or the financial market, as the case may be, which can be obtained through the website of the company or the .authority, as the case may be
- ٦- A candidate who has previously served as a member of the board of directors of a joint-stock company .must attach a statement and date of the number of boards of directors of the companies in which he served
- ٧- A candidate who previously served as a member of the Board of Directors must attach with the notification of candidacy a statement from the company's management about the last session in which he served as a :member of the Board, including the following information
- a) .The number of council meetings that took place during each year of the session
- b) The number of meetings attended by Asala and the percentage of attendance for the total number of .meetings
- c) The permanent committees in which the member participated, the number of meetings held by each of those committees each year of the session, the number of meetings he attended, and the percentage .of his attendance to the total number of meetings
- ٨- ,Membership status must be clarified upon nomination, i.e. whether the member is an executive member .a non-executive member, or an independent member
- ٩- The nature of membership must be clarified, i.e. whether the member is running in his personal capacity .or if he is a representative of a legal entity
- ١٠- The Remuneration and Nominations Committee, if any, coordinates with the executive management to finalize the regulatory requirements and provide the competent regulatory authorities with all required .documents
- ١١- Voting on the selection of members of the Board of Directors is done through the cumulative voting .method
- ١٢- Voting in the General Assembly is limited to those who nominated themselves in accordance with the .aforementioned policies, standards and procedures



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Article Five: Mechanism for selecting the Chairman of the Board of Directors, Vice Chairman, Managing Director, and CEO

The company's shareholders shall elect the members of the Board of Directors at the General Assembly meeting of shareholders in accordance with the system and standards mentioned in this policy. Then the Board shall meet to choose a Chairman and a Vice-Chairman from among its members. A managing director may be appointed and a CEO may be appointed. It is not permissible to combine the position of Chairman of the Board of Directors. And any executive position of the company, and the Board has the right to remove them from their positions and re-select them at any time

Article Six: Expiration or termination of membership in the Board of Directors

- ١- :The membership of a member of the Board of Directors shall end in the following cases
 - a) . The expiration of the specified term for his membership in the Council and its non-renewal
 - b) The membership expires in accordance with any system or instructions in force in the Kingdom of Saudi Arabia.
 - c) .Death, "God forbid," or resignation
 - d) .If the association decides to exempt the member from membership for any reason
 - e) .In the event of an illness, the member will be unable to work
 - f) In the event that it is proven that he committed something that violates honor or honesty , or thathe violated his responsibilities in a way that harms the company's interes.
- ٢- The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any member who fails to attend (٣) three consecutive meetings or (٥) Five separate meetings during his .term as a member of the Board without a legitimate excuse accepted by the Board of Directors
- ٣- ,The Ordinary General Assembly may, at any time, dismiss all or some of the members of the Board of Directors even if the company's bylaws stipulate otherwise, without prejudice to the right of the dismissed member towards the company to demand compensation if the dismissal occurred for an unacceptable reason or at an

inappropriate time. A member of the Board of Directors may resign on condition. This must be at an appropriate time, otherwise he will be liable to the company for any damages resulting from his retirement

Article Seven : Expiration of the term of the Board of Directors, retirement of its members, or vacancy in membership

١. The Board of Directors must, before the end of its term, convene the Ordinary General Assembly to elect a Board of Directors for a new term. If the election is not possible and the term of the current Board term has expired, its members will continue to perform their duties until a Board of Directors is elected for a new term provided that the term of the Board members' term does not exceed Its term has ended (ninety) days from the date of its expiry, and the Board of Directors must take the necessary measures to elect a Board of Directors to replace it before the expiry of the continuation period specified in this paragraph
٢. If the Chairman and members of the Board of Directors retire, they must convene the Ordinary General Assembly to convene to elect a new Board of Directors. The retirement shall not take effect until the election of the new Board, provided that the duration of the retiring Board shall not exceed a period of (one hundred and twenty) days from the date of retirement
٣. A member of the Board of Directors may retire from membership of the Board pursuant to a written notification addressed to the Chairman of the Board. If the Chairman of the Board retires, the notification must be directed to the remaining members of the Board and the Secretary of the Board. Retirement shall be effective - in both cases - from the date specified in the notification.
٤. If the position of a member of the Board of Directors becomes vacant and this vacancy does not result in a violation of the conditions necessary for the validity of the Council's meeting due to a decrease in the number of its members below the minimum permitted by law, the Council may appoint a temporary member in the vacant position, provided that he is one of those who possess experience and competence and according to what the Council deems appropriate. Without resorting to using the ranking mechanism to obtain votes in the assembly that elected the Council, the Commercial Registry must be informed of this, as should the Authority if the company is listed on the financial market, within (١٥) fifteen days from the date of appointment, and this



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appointment must be presented to the Ordinary General Assembly in Its first meeting, and the new member completes the term of his predecessor

- ٤- If the necessary conditions are not met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the Companies Law, the remaining members must invite the .Ordinary General Assembly to convene within (٦٠) days to elect the necessary number of members
- ٥- In the event that a Board of Directors is not elected for a new session or the necessary number of Board of Directors members is not completed, any interested party may request the competent judicial authority to appoint, from among those with experience and expertise and in the number it deems appropriate, someone to supervise the management of the company and to call the General Assembly to convene within (٩٠) Ninety days to elect a new board of directors or complete the necessary number of board members, as the case may .be, or to request the dissolution of the company

:Article Eight: Symptoms of independence

- ١- ,The independent member of the Board of Directors must be able to exercise his duties, express his opinions and vote on decisions objectively and impartially, in a way that helps the Board of Directors to make sound .decisions that contribute to achieving the company's interests
- ٢- The Board of Directors must conduct an annual evaluation of the extent to which the member's independence has been achieved and ensure that there are no relationships or circumstances that affect or .could affect him
- ٣- It is inconsistent with the independence required for an independent board member, including, but not :limited to, the following
 - a) He must own five percent or more of the company's shares or the shares of another company from its group, or be related to the person who owns this percentage.
 - b) To be a representative of a legal person who owns five percent or more of the company's shares or the .shares of another company from its group
 - c) must be related to any of the members of the Board of Directors in the company or in another .company in its group
 - d) .must be related to any of the senior executives in the company or in another company in its group



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- e) He must be a member of the Board of Directors of another company from the company group for which he is nominated for membership of the Board of Directors
 - f) That works or was He has worked as an employee during the past two years with the company or any party dealing with it, or another company from its group such as auditors and major suppliers, or he has owned controlling shares in any of those parties during the past two years
 - g) .To have a direct or indirect interest in the business and contracts carried out on behalf of the company
 - h) To receive sums of money from the company in addition to the remuneration for membership in the Board of Directors or any of its committees in excess of (٢٠٠,٠٠٠) two hundred thousand riyals or of his remuneration in the previous year that he received in exchange for membership in the (١٠٠٪) .Board of Directors or any of its committees, whichever is less
 - i) To participate in a business that would compete with the company, or to trade in one of the branches of activity practiced by the company
 - j) must have spent more than nine consecutive or separate years as a member of the company's Board of Directors
- ٤- Works and contracts that are carried out to meet personal needs are not considered an interest that negates the independence of a member of the Board of Directors, which must obtain a license from the Ordinary General Assembly, if these works and contracts are carried out under the same terms and conditions that the company follows with all contractors and dealers and are within the company's usual activity

: Article Nine: Final provisions (review and amendment of this policy)

The provisions of this policy shall be implemented and adhered to by the relevant parties as of the date of its approval by the General Assembly of Shareholders. This policy shall be reviewed periodically when needed by the Remuneration and Nominations Committee, if any, or the Board of Directors - as the case may be - and any proposed amendments will be presented . By the committee or the board of directors, which recommends it to the general assembly of shareholders for approval