

**The file contains the following attachments:**

- 1. Comparison table for (article 3) of the Company's bylaws, relating to  
(the purposes of the Company) before and after Amendment.**
- 2. Comparison table for the Working Regulations of the Nominations and  
Remuneration Committee before and after Amendment.**
- 3. Comparison table for the Board Membership's Policies, Standards,  
Procedures and Controls before and after Amendment.**



# Working Regulations of the Audit Committee

الكابلات السعودية  
Saudi Cable



# 2022



## **Article 1: Preamble**

The Working Regulations of the Audit Committee were prepared under the CMA Corporate Governance Regulation, which requires that the Ordinary General Assembly, on the proposal of the Board of Directors, adopt the Working Regulations of the Committee. These Regulations shall include the controls and procedures for the work and functions of the Committee, the rules for the selection of its members and the duration of their membership and remunerations.

## **Article 2: Policies for the Selections of Members of the Committee and How to Nominate Them and the Duration of Their Membership**

1. The nomination of members shall be on the recommendation of the Nominations and Remuneration Committee.
2. Members of the Committee may be shareholders or others, including at least one independent member and a financial and accounting specialist.
3. The Committee shall not include any executive Board members.
4. The Chairman of the Audit Committee must be an independent member.
5. Anyone who works or has worked for the past two years in the executive or financial management of the Company, or with the Company's auditor, cannot be a member of the Committee.
6. The Committee's membership shall not be less than three and not more than five.
7. The Chairman of the Board of Directors cannot be a member of the Committee.
8. The members of the Committee are selected in a manner that ensures the availability of diverse skills and expertise, taking into account the existence of expertise appropriate to the Company's field of work.
9. Members of the Committee shall be appointed for a period that does not exceed THREE years and may be reappointed in accordance with the Company's bylaws.
10. The Company is committed to notify the Authority of the names of the members of the Committee and their membership qualifications within five working days from the date of their appointment and any changes that occur within five working days from the date of the changes.

11. The Committee appoints a Chairman and a Secretary from among its members or others at its first meeting.

### **Article (3): Avoid Conflicts of Interest**

#### **a) The member of the Audit Committee shall:**

1. Exercise his/her duties faithfully and present the interests of the Company over his personal interests and to not exploit his/her position in order to achieve special interests.
2. Avoid conflicts of interest and inform the General Assembly of conflicts that may affect its consideration of the topics before the Committee. The Committee shall not involve that member in the deliberations and shall not count his/her vote in the voting on these topics at the Committee's meetings and the shareholders' assemblies.
3. Keep Company-related information and activities confidential and to not disclose them to anyone.

#### **b) The member of the Audit Committee is prohibited from:**

1. Voting on the decision of the Committee or the General Assembly in the business and contracts made on behalf of the Company if he/she has a direct or indirect interest in it.
2. Exploit or benefit, directly or indirectly, from any of the Company's assts, information or investment opportunities offered to him/her as a member of the Audit Committee or offered to the Company, including investment opportunities that fall within the activities of the Company or which the Company wishes to benefit from. The prohibition applies to the member of the Committee who resigns to exploit investment opportunities, directly or indirectly, that the Company wishes to take advantage of and in which he learned about during his/her membership of the Committee.

#### **Article (4): The Committee's Functions and Terms of Reference**

The Committee specializes in monitoring the Company's business and verify the integrity of its reports, financial statements and internal control systems. The Committee's functions include:

- **Financial Statements**
  1. Examine the Company's quarterly and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommendation in order to ensure their integrity, fairness and transparency.
  2. Express a technical opinion, at the request of the Board, as to whether the Board's report and the financial statements of the Company are fair, balanced and understood and include information that allows shareholders and investors to assess the financial position, performance, business model and strategy of the Company.
  3. Examine any important or unfamiliar matters contained in the financial statements.
  4. Thoroughly examine any issues raised by the Company's CFO or whoever carries out his/her duties, the Company's CCO or the auditor.
  5. Verify the accounting estimates in material matters contained in the financial statements.
  6. Examine the Company's accounting policies and make an opinion and recommendation to the Board on them.
  7. Audit of financial management reports on budget performance and analysis of deviations between actual expenditure and the approved estimated budget.
  
- **Internal Audit**
  1. Study and review internal and financial and risk management systems.
  2. Examine internal audit reports and follow up on the implementation of corrective procedures for the observations contained therein.
  3. Oversight and supervision of the performance and activity of the internal auditor and the internal audit department, if any, to verify the availability and effectiveness of the necessary resources in the performance of the business and the tasks entrusted to it. If the Company does not have an internal auditor, the Committee shall make its recommendation to the Board on the need for his/her appointment.
  4. Recommend to the Board of Directors the appointment of the Director of the Internal Audit and determine his/her remuneration and benefits, evaluate his/her performance and recommend his removal to the Board.
  5. Ensure the independence of Internal Audit and enable it to function effectively.
  6. Examine the discretionary budget of the internal audit department and recommend it to the Board of Directors for approval.

- **Auditor**
  1. Recommend to the Board of Directors the nomination, dismissal, fees and evaluation of auditors after verifying their independence and reviewing their scope of work and contractual conditions.
  2. Verify the auditor's independence, objectivity and fairness and the effectiveness of his/her audit work, taking into account relevant rules and standards.
  3. Review the Company's auditor's plan and work and verify that it does not provide technical or administrative work beyond the scope of the audit work and give invisibility thereof.
  4. Answer the Company's auditor's inquiries.
  5. Examine the auditor's report and observations on the financial statements and follow up on the decisions taken thereon.
  6. Discuss and inquire with the auditor in case of need and meet with him/her individually without the presence of the Company's management at least once in the fiscal year.
  
- **Ensure Compliance**
  1. Review the results of the reports of the Regulators and verify the Company's actions regarding them.
  2. Supervise the Company's adherence to the relevant regulations, policies and instructions.
  3. Review the contracts and transactions proposed to be conducted by the Company with the relevant parties and submit its views thereon to the Board of Directors.
  4. Submit such matters as it deems necessary to take action on the Board of Directors and make recommendations on the actions to be taken.
  
- **Risk Management**
  1. Develop a comprehensive risk management strategy and policy commensurate with the nature and size of the Company's activities and verify, review and update their implementation based on the Company's internal and external changes.
  2. Establish and maintain an acceptable level of risk to the Company and verify that the Company does not exceed it.
  3. Verify the viability of the Company's continuation and successfulness of its activities while identifying the risks that threaten to persist over the next 12 months.
  4. Supervise the Company's risk management system and assess the effectiveness of systems and mechanisms for identifying, measuring and monitoring the risks to which the Company may be exposed to in order to identify its shortcomings.
  5. Reassess the Company's risk tolerance and the periodic exposure to them.
  6. Prepare detailed reports on risk exposure and proposed steps to manage these risks and submit them to the Board of Directors.

7. Make recommendations to the Board of Directors on matters related to the Risk Management.
8. Ensure adequate resources and risk management systems.

#### **Article (5): Conflict between the Committee and the Board of Directors**

In the event of a conflict between the recommendations of the Committee and the decisions of the Board of Directors, or if the Board refuses to address the recommendation of the Committee regarding the appointment and removal of the Company's auditor, his/her fees, his/her evaluation of his/her performance, the appointment of the internal auditor or any other matter, the Board's report shall include the recommendation and justification of the Committee and the reasons for its failure to take them.

#### **Article (6): Committee Meetings**

1. The Audit Committee meets periodically at least FOUR meetings during the Company's financial year.
2. The Audit Committee meets periodically with the Company' auditor, internal auditor, the director of Compliance and the director of risk management, if any.
3. The internal auditor and the auditor may request to meet with the Committee whenever the need arises.
4. The validity of the meetings of the Committee requires the attendance of a majority of its members. Its decisions shall be taken by a majority vote of those present and when the votes are equal, the side with which the Chairman voted shall be preferred.
5. The Committee's meetings should be documented and recorded, including discussions and deliberations, its recommendations and the results of the voting should be documented and kept in a special register, the names and observations of members present, if any, and is shall be signed by all members present at the meeting.

#### **Article (7): Committee Terms of Reference**

In order to perform its tasks, the Committee shall:

1. Have the access to the Company's records and documents.
2. Request any explanation or statement from members of the Board of Directors or Executive Management.
3. Request the Board of Directors to convene the General Assembly of the Company if its work is hindered or the Company compensates for serious damage or losses.

#### **Article (8): Committee Reports**

1. The Committee's report shall include details of its performance of its terms of reference and functions under the Corporate Regulations and Its Implementations, including its recommendations and its opinion on the adequacy of the Company's internal and financial control and risk management systems.
2. The Board of Directors shall place sufficient copies of the report of the Committee at the Company's Main Office and shall be posted on the Company's website and the Market's website when the invitation to the General Assembly is published to enable shareholders to obtain a copy of the report. The summary of the report shall be read during the General Assembly.
3. The Committee shall hire experts and specialists from inside or outside the Company within its powers, and make sure that it will be included in the minutes of the Committee's meeting with the name of the expert and his/her relationship with the Company or Executive Management.
4. The Chairman of the Committee or his/her representative shall be present at the General Assembly to answer the shareholders' queries.

#### **Article (9): Termination of the Committee's Membership**

1. The membership of the Committee shall expire at the expiration of its term or at the expiry of the member's term in accordance with the Company's bylaws. However, the Ordinary General Assembly may at all times remove all or some of the members of the Committee without prejudice to the right to compensation if the removal occurs on an acceptable reason and a member of the Committee can resign from the Committee's membership.
2. The General Assembly, on the recommendation of the Board, may terminate the membership of members who were absent from attending THREE consecutive meetings without legitimate excuse.
3. If a position in the Audit Committee is vacant, the Committee may appoint a provisional member with competence and experience in the vacant position. The appointment shall be submitted to the OGA at its first meeting and the new member shall complete the term of his/her predecessor, as stipulated in the Company's bylaws.

#### **Article (10): Remuneration of Committee Members**

Remuneration and attendance allowance shall be determined for the members and Secretary of the Committee on the recommendation of the Remuneration and Nominations Committee to the Board of Directors.



**Article (11): Final Provisions (Publishing and Editing)**

1. These Regulations shall be effective immediately from the date of approval by the OGA.
2. The content of these Regulations shall be reviewed as needed on the recommendation of the Board of Directors, and these amendments shall be submitted to the OGA for adoption at the earliest meeting.

# Social Responsibility Policy

الكابلات السعودية  
Saudi Cable



# 2022



### **Article (1): Preamble**

Saudi Cable Company is keen to perform its social responsibilities properly. Therefore, Saudi Cable Company seeks to establish strong and lasting relationships with the communities in which it operates and is keen to ensure that its leading social responsibility programs have tangible and positive economic and social benefits.

### **Article (2): Priority Focus Areas**

Our efforts in the field of social responsibility focus on key areas, coordinated with the Company's ambitions and resources, as well as with global issues and societal needs, which includes:

- Education in Science and Technology
- Health
- Environmental Protection
- Water and Sustainable Agriculture

### **Article (3): Fundamental Principles**

The message of Social Responsibility in SCC is based on the Company's commitment to its promises towards the society in which it works and serves, supported by several basic principles including:

- Commitment to developing long-term and mutually beneficial partnerships with our communities.
- Taking into account and respecting the different cultures, values, customs and choices of our communities.
- Provide Social Responsibility programs that add economic and social gains to both SCC and society.
- Implement Social Responsibility programs with a methodology that promotes sustainability and prevents dependence on others.
- Monitor and measure as much as possible the outcomes of Social Responsibility programs and monitor areas that need to be developed in order to achieve continuous improvements.
- Share information about our performance and activity that has a significant impact on our communities.

### **Article (4): Final Provisions (Publication and Modification)**

- The implementation of this policy is the responsibility of all employees of the Company and its subsidiaries in different regions, as well as contractors working in different sectors of the Company.
- These Policy shall apply from the date of their adoption by the Ordinary General Assembly.
- The content of this policy shall be reviewed as needed on the recommendation of the Board of Directors, and the amendments shall be submitted to the Ordinary General Assembly for adoption at the earliest meeting.

The Policy of Nominating Members of the Board of Directors and Members of its Committees' and Their Remunerations and the Executive

2022

الكابلات السعودية  
Saudi Cable



## **Preface**

The Remuneration policy of the Board of Directors, its committees and the Executive Management of the Saudi Cable Group (the Company) has been prepared in order to comply with Article (61) Paragraph (1) in the Corporate Governance Regulations which stipulates that the Remuneration and Nomination Committee shall prepare a clear policy for the remuneration of members of the Board, its committees and the executive management, and shall submit it to the Board to review in preparation for adoption by the General Assembly.

## **Objective**

The objective of this policy is to regulate emoluments in order to attract members of board of directors or committees with scientific, technical, administrative aptitude and appropriate expertise, to encourage them to perform their tasks and duties professionally and efficiently, taking into account the sector in which the company operates and the skills necessary to manage them.

The Company also aims to create an attractive environment in which it can attract human resources with the required skills and expertise to sustain its growth and achieve its vision through the regulatory framework for the remunerations of the Company's Senior Executives so as to comply with the relevant regulations, legislation and applications.

## **Article (1): General Criteria for Remunerations**

The Remuneration and Nomination Committee specialize in recommending the remunerations of the Board, the members of the committees and the Senior Executives, in accordance with the criteria adopted, as follows:

1. The remunerations should be commensurate with the Company's activity and the skills necessary to manage them.
2. Consider linking the changing part of the remunerations to long-term performance.
3. The Company takes into account the compatibility of the remunerations with the Company's strategy and objectives and with the nature, degree and extent of the risks.
4. The Company takes into account the practices of the other companies and what prevails in the labor market in determining remunerations, while avoiding the resulting unjustified rise in remuneration and compensation.
5. It is prepared in coordination with the Remuneration and Nomination Committee for new appointments.
6. Remunerations are determined based on the level of the post, the functions and responsibilities entrusted to it, the scientific qualifications, the practical expertise, the skills and the level of performance.
7. The remunerations shall be fair and proportionate to the member's level of post, business and responsibilities undertaken and borne by members of the Board or the committees, in addition to the objectives set by the Board to be achieved during the financial year.
8. Taking into consideration the sector in which the Company operates, its size and the experience of the members of the Board of Directors.
9. The remunerations shall be reasonably sufficient to attract, motivate and retain members of the Board with appropriate competence and experience.



10. Board members' remunerations may be of varying amounts to reflect the member's experience, competence, functions and independence, the number of meetings he/she attends and other considerations.
11. The Company is entitled to claim compensation for reputational damage and recover any remunerations, compensation and other costs incurred by the Company, in case of:
  - A member commits an act of dishonor, deception, forgery or violation of laws and regulations in Saudi Arabia or any other country.
  - When the member breaches his/her responsibilities, tasks and duties that may cause harm to the Company's interest.
  - Termination of Membership, by decision of the General Assembly, due to the absence of three consecutive meetings within one year without excuse.
12. The remuneration shall be discontinued or recovered if it is found to have been determined on the basis of inaccurate information provided by a member of the Board or Executive Management; to prevent employment status exploitation for undeserved remunerations.
13. In the event of developing a program to grant shares in the Company to members of the Board, the Executive Management, and employees, whether it is a new issues or shares purchased by the Company, it is done under the supervision of the Remuneration and Nomination Committee and in accordance with the Company's bylaws and the relevant CMA laws and regulations.
14. Not to cause any conflict of interest that would negatively affect the Company's interest and ability to achieve its objectives.

## **Article (2): Board of Directors' Remunerations**

1. The remuneration of the members of the Board in the Saudi Cable Company shall consist of a certain amount, attendance allowance for attending meetings, expenses allowance, in-kind benefits or a percentage of the profits, and two or more of these benefits may be combined provided they do not exceed what is stipulated in the Companies' Laws and its regulations in accordance with the schedule included in this policy and any amendments to this table later on, and they are approved in accordance with the system.
2. This remuneration may be of varying amount in the light of the policy issued by the Remuneration and Nomination Committee and approved by the Assembly. the annual report of the Board of Directors must include a comprehensive statement of what has the Board members received during the financial year in terms of remunerations, expenses allowances and other benefits. It should also include a statement of what the members of the Board have obtained as workers, administrators, technical or administrative counterparts or consultants, if any, and include an indication of the number of meetings each member has attended.
3. If the remuneration of the members of the Board is a percentage of the profits, the provisions of the Companies Law, Article (76) Paragraph (2), and what is stated in the Company's bylaws.
4. The total amount of remuneration and financial and in-kind benefits received by a single Board member shall not exceed SAR 500,000 per year.
5. Taking into account that the remuneration of Independent Board members shall not be a proportion of the profits earned by the Company or be based directly or indirectly on the profitability of the Company.



6. The Board of Directors shall determine the special remuneration received by the Chairman, Managing Director, and Secretary.

### **Article (3): Committee Members Remunerations**

1. The Board of Directors determines and approves the membership remunerations of its committees, with the exception of the Audit Committee, attendance allowances and other entitlements based on the recommendation of the Remuneration and Nomination Committee.
2. The remuneration for membership of the Board's committees consists of allowances for attending meetings as set out in this Policy in accordance with the schedule included therein.
3. The Audit Committee membership remuneration shall be approved by the General Assembly of Shareholders on the recommendation of the Board in accordance with the regulations.
4. When constituting the membership of the committees of the Board, account shall be taken of the number of committees that the Board may hold, so that the total amount of the member's remuneration for membership in the Board and the committees does not exceed the threshold stipulated in the Companies Laws.

### **Article (4): Executive Management Remuneration**

The Remuneration and Nomination Committee shall review and approve the salary scale for all employees and senior executive and the incentive program and plans on an ongoing basis upon the recommendation of the Executive Management. The Executive Management remuneration shall include the following:

- Base salary (paid at the end of each Georgian month on a monthly basis).
- Allowances including both accommodation and transportation allowances.
- Medical insurance benefits for him/her and his/her family.
- Life insurance policy for work injuries, partial and total disability, and death during work.
- Annual bonus associated with performance indicators according to the annual evaluation conducted in this regard.
- Short-term incentive plans associated with extraordinary performance, and long-term incentive plans such as stock option programs, when found.
- Other benefits include, but are not limited to, annual leave and end-of-service bonus according to the work system and human resources policy approved by the Company.
- Plans and programs for Senior Executives rewards are approved by the Remuneration and Nomination Committee.
- The CEO shall implement the remuneration policy for employees and Senior Executives in the light of the plans and programs approved by the Committee.

### **Article (5): Remuneration Additional Identifiers and Exchange Methods**

1. Members of the Board may not vote on the item of remuneration of members of the Board at the Shareholders' General Assembly meeting.



2. The Company shall disclose the remuneration of members of the Board, Committees, and Senior Executives in the Annual Board of Directors Report in accordance with the regulations and guidelines issued under the Companies Law, the CMA provisions, and their implementing regulations.
3. The procedures for the disbursement of remunerations for members of the Board and Committees shall be prepared by the Secretary of the Board, provided that the disbursement order is approved by the Chief Executive Officer “CEO”.
4. Allowances for attending Board and Committees meetings may be paid in instalments by the end of each quarter of the year.

**Article (6): Details of Board and Committees Members’ Allowances**

**1) Board Members**

Attendance allowance per meeting	SAR 6,000
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**2) Committees Members**

Attendance allowance per meeting	SAR 3,000
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**Article (7): Final Provisions (Review, Amendments and Dissemination of the Policy)**

The Company shall operate and abide by this Policy as of the date of its approval by the Shareholders’ General Assembly. This Policy shall be posted on the Company’s website to enable Shareholders, the public, and the Stakeholders to access it, and it shall be reviewed periodically and when needed by the Remuneration and Nomination Committee. Any proposed amendments shall be submitted by the Committee to the Board who shall examine and review the proposed amendments and recommend them to the Shareholders’ General Assembly for adoption.

