



# MEMBERSHIP OF THE BOARD

## RIYADH CABLES GROUP

APPROVED BY THE GENERAL ASSEMBLY ON 01/11/1443 H CORRESPONDING TO 31/05/2022 G



## CONDITIONS FOR THE MEMBERSHIP OF THE BOARD

### Introduction

“Policies, standards and procedures for membership in the Board of Directors of Riyadh Cables Group Company” have been prepared in order to comply with Paragraph (d) of Article (35) of the Corporate Governance Regulations, which stipulates that the Board of Directors (the Board) should “set clear and specific policies, standards and procedures for membership in the Board of Directors and putting it into effect after its approval by the company’s General Assembly.

### Article No. (1): Definitions

The words and expressions mentioned in these Regulations shall have the meanings assigned to them in the Corporate Governance Regulations of Riyadh Cable Group Company and the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority.

### Article No. (2): Policies and criteria for membership in the company's Board of Directors

It is required that the member of the Board of Directors be of professional competence who possess the necessary experience, knowledge, skill and independence, in order to enable him to exercise his duties efficiently and competently, provided that the General Assembly, when electing members of the Board of Directors, takes into account the recommendations of the Remuneration and Nomination Committee of the company and the availability of the necessary personal and professional ingredients to perform their duties properly. Effective, and the member must, in particular, have the following:

1. The candidate for membership of the Council shall not have been previously convicted of a crime affecting honor and trust and shall not be insolvent or bankrupt or become unfit for membership of the Council in accordance with any system or instructions in force in the Kingdom.
2. The Member of the Board shall not be a member of more than five joint-stock companies listed in the financial market at the same time.
3. That the member of the Board of Directors represents all shareholders, and that he is committed to what achieves the interest of the company in general and not what achieves the interests of the group he represents or that voted to appoint him to the Board of Directors.
4. The number of independent members of the Board of Directors shall not be less than two or one-third of the members of the Board, whichever is greater
5. An independent member must enjoy complete independence in his position and decisions, and none of the symptoms of independence stipulated in Article (18) of the Corporate Governance Regulations shall not apply to him.
6. **Effective Leadership Ability:** That is, by having leadership skills that qualify him to grant powers that lead to stimulating performance, applying best practices in the field of effective management, adhering to professional values and ethics, and the ability to communicate effectively, think and plan strategically.
7. **Qualifications, Skills, and Experience:** Must have appropriate academic qualifications, professional and personal skills, level of training, practical experience relevant to the company's current and future activities, knowledge of management, economics, accounting, law or governance, as well as a desire to learn and train.
8. **Ability to Mentor:** That is by having technical, leadership, and administrative capabilities, speed in decision-making, understanding technical requirements related to

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workflow, and being able to strategically direct, long-term planning, and a clear future vision.

9. **Financial Knowledge:** This is by being able to read and understand financial data and reports.
10. **Healthy Fitness:** This is so that he does not have a health impediment that prevents him from exercising his duties and specializations.
11. That the candidate for membership of the Board be committed to the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the company and shareholders and prioritizing them over his personal interest.
12. The candidate must be a natural person at least twenty-five (25) years old, whether applying in his personal capacity or representing a legal person.
13. Diversity in academic qualifications and practical experience should be considered, and priority in nomination should be given to the required needs of those with suitable skills for membership of the Board of Directors.
14. A member of the Board of Directors must resign before the end of his term in the Board of Directors in the event that he loses his eligibility to work as a member of the Board of Directors, or is unable to carry out his work, or is unable to allocate the necessary time or effort to perform his duties in the Board, but in the event of a conflict of interests, the member has the option to obtain a license from the General Assembly, which is renewed every year, or to submit his resignation.

### Article No. (3): Eligibility and procedures for candidacy for membership of the Board of Directors

1. Each shareholder has the right to nominate himself or one or more other persons for membership of the Board of Directors, within the limits of his ownership percentage in the capital.
2. The Remuneration and Nominations Committee coordinates with the executive management of the company to announce the opening of the nomination for membership of the Board of Directors of the company well before the end of the Board term, in order to invite persons wishing to run for membership of the Board of Directors, provided that the door for candidacy remains open for a period of at least one month from the date of the announcement or any other period. Another period of time required by the relevant laws and regulations.
3. The candidacy announcement shall be published on the website of the financial market (Tadawul), as well as on the company's website, and in any other means specified by the Authority, in order to invite persons wishing to run for membership of the Board of Directors, provided that the nomination door remains open for at least one month from the date of the announcement.
4. The Remuneration and Nomination Committee submits its recommendations to the Board of Directors regarding candidacy for membership of the Board in accordance with the criteria set out in this policy.
5. Those who wish to nominate themselves for membership of the Board of Directors of the company must disclose their desire to run by a notification submitted to the company's management in accordance with the period and dates stipulated in accordance with this policy and the applicable rules and regulations, and this notification must include an introduction to the candidate in Arabic in terms of his CV, qualifications, and practical experience, in addition to providing the company with all supporting documents such as (national identity card, family card, passport for non-Saudis nominated for membership of the Board and any other relevant documents required by it). company to meet regulatory requirements).

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6. A candidate for Board membership must disclose to the Board and the General Assembly any cases of conflict of interest that include:
  - a) The existence of a direct or indirect interest in the business and contracts that are concluded for the account of the company whose Board of Directors he wishes to run for.
  - b) His participation in a business that would compete with the company, or compete with it in one of the branches of the activity it is engaged in.
7. Applicants for membership of the Board must fill out the form or forms specified by the Capital Market Authority, which can be obtained through the Authority's website.
8. A candidate who has previously held membership in the board of directors of a joint-stock company must attach a statement of the number and dates of the boards of directors of the companies in which he assumed membership.
9. A candidate who has previously held membership in the company's board of directors must attach to the nomination notification a statement from the company's management on the last term in which he was 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 the member, and the percentage of his attendance to all meetings.
  - c) The permanent committees in which the member participated, the number of meetings held by each of those committees during each year of the session, the number of meetings he attended, and the percentage of his attendance to the total number of meetings.
10. The status of membership must be clarified upon nomination, i.e., whether the member is an executive member, a non-executive member, or an independent member.
11. The nature of membership must be clarified, i.e., whether the member is a candidate in his personal capacity or is a representative of a legal person.
12. The Remuneration and Nomination Committee coordinates with the executive management to finalize the statutory requirements and provide the relevant statutory authorities with all required documents.
13. The members of the Board of Directors are elected through the cumulative voting method.
14. Voting in the General Assembly is limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures.

### **Article No. (4): Mechanism for selecting the Chairman and Vice-Chairman:**

The company's shareholders elect the members of the Board of Directors at the General Assembly meeting of shareholders according to the system and criteria included in this policy, then the Board chooses a Chairman and Vice-Chairman from among its non-executive members, and the Board has the right to remove them from their positions or re-select them at any time.

### **Article No. (5): Termination of the membership of the Council member and the vacancy of one of the positions**

1. The membership of the Council ends with the end of its term, which is three years from the date of its election by the General Assembly.
2. Membership of the Board member ends in accordance with any system or instructions in force in the Kingdom, or due to death or resignation, or if he is convicted of a crime that violates honor and trust. Nevertheless, the Ordinary General Assembly may at any

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time dismiss all or some of the Board members, without prejudice to the right of the dismissed member against the company to claim With compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time, and the board member may resign, provided that it is at an appropriate time, otherwise he shall be liable to the company for the damages resulting from the retirement.

3. The General Assembly may, upon a recommendation from the Board, terminate the membership of any member who has been absent from attending three consecutive meetings of the Board without a legitimate excuse.
4. If the position of one of the members of the Board of Directors becomes vacant, the Board may appoint - temporarily - a member in the vacant position according to the order in obtaining votes, provided that he is among those who have experience and sufficiency, and the Ministry must be notified of this, as well as the Authority if the company is listed in the financial market Within five working days from the date of appointment, and to present the appointment to the Ordinary General Assembly at its first meeting, and the new member completes the term of his predecessor. But if the necessary conditions for the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the company's governance regulations or in the company's bylaws, the rest of the members must invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members, unless the company's bylaws stipulate basis otherwise.

### **Article No. (6): Final Provisions (Publication, Enforcement and Amendment):**

The provisions of this policy shall be implemented and shall be adhered to by the company as of the date of its approval by the General Assembly of shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it. The contents of this policy shall be amended - as needed - based on a recommendation from the Board of Directors, provided that any proposed amendment thereto shall be presented to the General Assembly of Shareholders at its nearest meeting for approval.