



Corporate Governance Policy

Issue Date: 1 July 2020

Version: 1.0

Table of Contents

1. INTRODUCTION	6
2. PURPOSE	6
3. POLICY SCOPE.....	7
4. DEFINITION OF TERMS	7
5. POLICY STATEMENT	8
6. ARTICLES OF ASSOCIATION	8
7. BOARD OF DIRECTORS	8
8. BOARD STANDING COMMITTEES	9
9. DISCLOSURE & TRANSPARENCY POLICY	9
10. CODE OF CONDUCT AND ETHICS POLICY.....	10
11. CONFLICT OF INTEREST.....	12
12. STAKEHOLDER RELATION POLICY.....	12
13. CONFIDENTIALITY POLICY.....	13
14. WHISTLE BLOWING POLICY.....	13
15. MONITORING AND REVIEW	13
16. REFERENCES	14

Confidentiality Agreement

The information contained in this document is the property of solutions by stc and may not be copied or communicated to a third party or used for any purpose other than that for which it is supplied, without the express written consent of solutions GRC Department.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	3 of 14

Document Information

NAME	Corporate Governance Policy
DESCRIPTION	Establish corporate governance policy statement, and commitments for establishing an effective corporate governance management system across solutions
VERSION	1.0
AUTHOR	Governance, Risk & Compliance (GRC) Department
PUBLISHED DATE	1-Jul-2020

Document Amendment Record

VER	DATE	PREPARED BY	DESCRIPTION OF CHANGE
1.0	19-02-2020	GRC Department	First Version

Document Approval

NAME	EMAIL	TITLE	SIGNATURE
Muataz AlDharrab	maldharrab@stcs.com.sa	GM, CGCS	e-approval (22-Jun-2020)
Omar Alnomany	oalnomany@stcs.com.sa	CEO	e-approval (22-Jun-2020)
Emad A. Alaoudah	ealaoudah@stc.com.sa	Chairman of the Audit Committee	(Review)
Riyadh Muawad	rmuawad@stc.com.sa	Chairman of the Board of Directors	Approval (1-Jul-2020)

Document Distribution List

VER	NAME	DEPARTMENT	PURPOSE
1.0	All Employees & related parties	All	Awareness, Implementation and Compliance

Document Responsibility

RESPONSIBILITIES	DEPARTMENT / ROLE
Approval	solutions Board of Directors
Review By	solutions Audit Committee
Inputs / Review	Executive Management
Management / Ownership	Governance, Risk & Compliance Department

LIST OF MAIN ACRONYMS USED IN THIS DOCUMENT	
GRC	Governance, Risk and Compliance
CEO	Chief Executive Officer
solutions	'solutions by STC'

1. Introduction

‘Solutions by STC’ (hereinafter referred to as “solutions”) believes effective corporate governance and disclosure serve the best long-term interests of companies, shareholders, and other Stakeholders.

In order to secure strong and sustainable corporate governance, it is important that solutions ensures good and healthy business practices, reliable financial reporting and an environment of compliance with applicable laws, regulations, articles of association, contractual obligations, business ethics, policies, and operational standards, leading practices prevailing or any other compliance requirement as applicable to solutions and its subsidiaries is compulsory for all solutions Stakeholders (including the solutions management, staff, subsidiaries, and 3rd party vendors).

2. Purpose

The purpose of this Corporate Governance Policy (the “Policy”) is to define the criteria and guidelines that should govern solutions for implementation of the applicable regulations and the good corporate governance practices and contains the strategy and commitments in this area of solutions.

In this respect, the Policy is based on solutions corporate values (Drive, Devotion & Dynamism) as well as best practices on good governance and requirements adopted, issued by the governmental supervisory.

This Policy aims to present how the company streamlines mechanism and exercises corporate governance based on the basic approach concerning the governance of the company. These Regulations aim at establishing an effective formal framework to govern solutions, and particularly aim at the following:

- 2.1 Achieve transparency, impartiality and equity in transactions and business environment and enhance disclosure therein.
- 2.2 Provide effective and balanced tools to deal with conflicts of interest.
- 2.3 Enhance accountability and control mechanisms for solutions’ employees, without compromising the needed agility required for business.
- 2.4 Establish the general framework for dealing with Stakeholders and protecting their rights.
- 2.5 Raise awareness in respect of the concept of professional conduct and encourage them to adopt and develop its concept.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	6 of 14

3. Policy Scope

This Policy extends to all divisions, sectors, departments, solutions and its subsidiaries, and applies to all solutions’ operations, and all stakeholders. Every Stakeholder is required to play a vital role in managing corporate governance requirements across solutions.

The scope of this Policy shall include, but not be limited to the following:

- 3.1 Solutions Corporate Governance Manual
- 3.2 solutions Corporate Governance Policies as described and/or included in the Corporate Governance Manual such as:
 - 3.2.1 Disclosure & Transparency Policy
 - 3.2.2 Code of Conduct & Ethics Policy
 - 3.2.3 Conflict of Interest Policy
 - 3.2.4 Stakeholder Relations Policy
 - 3.2.5 Confidentiality Policy
 - 3.2.6 Whistle Blowing Policy
- 3.3 solutions Board and Board Standing Committees’ Charters

Note 1:

In case of conflict between this policy and local laws & regulations, or if there are questions regarding the interpretation of applicable laws or sections of this policy, the local laws & regulations shall prevail.

Note 2:

This policy briefly describes the Corporate Governance Policies of solutions, details of these policies as referred in section 3.2 can be found in the Corporate Governance Manual or standalone policies as applicable.

4. Definition of Terms

- 4.1 **Board:** solutions’ Board of Directors.
- 4.2 **Corporate Governance:** In context of this Policy, rules to lead and guide the company that includes mechanisms to regulate the various relationships between the Executive Management and employees, by establishing rules and procedures to facilitate the

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	7 of 14

decision making process and add transparency and credibility to it with the objective of protecting the rights of all relevant Stakeholders and achieving fairness, competitiveness and transparency in the business environment.

- 4.3 **Stakeholders:** a person, or organization that can affect, or be affected by, or perceive themselves to be affected by a decision or activity.

5. Policy Statement

Solutions’ corporate governance system rests upon the application of the highest ethical standards and upon compliance with the good governance practices generally recognized in national and international markets, adjusted to the needs and the business reality, which crystallizes in a systematic regulatory system made up of the adopted by-laws, the business objectives and values of solutions and the Code of Conduct, the Corporate Governance Policies, the governance rules of the internal functions and committees, as well as those of compliance.

6. Articles of Association

- 6.1 Solutions Articles of Association (“AoA”) shall specify the regulations for solutions’ operations and define the business objectives.

7. Board of Directors

- 7.1 The Board is responsible for the vision, strategy, oversight on solutions and ensuring the long-term success and sustainability of solutions

- 7.2 The Board derives its’ roles and responsibilities from the powers and authorities set in the Articles of Association (AoA). The AoA gives the Board fullest possible powers in the management of the solution’s business and operations for the benefit of the shareholders in accordance with the laws of Kingdom of Saudi Arabia.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	8 of 14

7.3 Board Charter also establishes the composition, decision-making processes, roles & responsibilities, and authority of the solutions’ Board.

8. Board Standing Committees

8.1 Board of Directors have formed standing committees i.e. the Board Executive Committee and Audit Committee, the composition, powers, and operation of which are governed by their respective charters, which are approved by the Board of Directors.

8.2 Board Executive Committee supports the Board of Directors in supervising the implementation of the strategy defined thereby, ensuring the continuous implementation thereof throughout the year. The Committee shall be governed by the solutions Board Executive Committee (BEC) Charter.

8.3 The Audit Committee assists the Board of Directors in providing oversight on governance, risk management, the internal control environment and ensuring the fairness and integrity of solutions’ financial statements. The audit committee shall be governed by the Audit Committee Charter.

8.4 Board can form other standing committees according to the need and to exercise Board Supervisory responsibilities, effectively.

8.5 Other than the Board standing committees, there can be one or more management committees established at executive management level or below to address business and governance requirements to facilitate executive management in decision making, all such committees shall have documented charters.

9. Disclosure & Transparency Policy

9.1 The Disclosure and Transparency Policy shall ensure that the Board of Directors guarantee that timely and accurate disclosure is made on all material matters regarding solutions, including the financial situation, performance, governance, reporting of rules pertaining to

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	9 of 14

disclosure of information, methods of classification of information, and the frequency of disclosure, taking into consideration the following:

- 9.1.1 Such policy shall include proper disclosure methods that enable the shareholders and other Stakeholders to access the financial and non-financial information pertaining to solutions’ performance.
- 9.1.2 Disclosure to shareholders and investors shall be made without discrimination in a clear, correct, and non-misleading fashion, and in a timely, regular and accurate manner in order to enable shareholders and other stakeholders to exercise their rights to the fullest extent.
- 9.1.3 Reporting rules shall be established and shall describe the information required to be disclosed and the method of its classification in terms of its nature, and the frequency of its disclosure.
- 9.1.4 The disclosure policies shall be reviewed periodically and their compliance with the best practices and its implementing shall be verified.

10. Code of Conduct and Ethics Policy

- 10.1 The Code of Conduct & Ethics policy shall maintain a culture that fosters honesty and encourages open and honest communications and transparency consistent with solutions corporate values.
- 10.2 The purpose of Code of Conduct and Ethics policy is to ensure that solutions maintain the highest standards of professional and ethical conduct in all of its internal and external activities.
- 10.3 The Executive Management shall establish a set of written, disclosed policy for professional conduct and ethical values at solutions that applies to all solutions management, staff, subsidiaries, and third-party vendors.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	10 of 14

- 10.4 Ensure that each member of the Executive Management and employees perform his/her duties with loyalty and care, and undertake the measures that protects solutions’ interests and contribute to its development, at all times, prioritise the solutions’ interests over his/her own interests.
- 10.5 Executive Management and employees shall represent all shareholders of the Company and take all actions to achieve the best interests of solutions and its shareholders, while protecting the rights of the other Stakeholders.
- 10.6 Establish among the senior executives the principle of compliance with all applicable relevant laws, regulations, and contractual obligations.
- 10.7 Prevent the executive management from abusing their positions with the aim of achieving benefits for himself/herself or a third party.
- 10.8 Establish accurate, well-formed, and clear rules regulating the authority to access the solutions’ internal information and timing to access it, in a way that prevents the executive management and others from making personal use or disclosing the same to any person, except within the prescribed limits.
- 10.9 Solutions will ensure the policy reaches all the intended recipients and expect that the Executive Management and employees will meet or exceed these standards and adopt similarly appropriate additional policies to best protect solutions’ interests.
- 10.10 Solutions will be committed to conduct business in an ethical way and in compliance with applicable laws and regulations framed in the solutions’ Code of Conduct.
- 10.11 As a part of solutions’ commitment, solutions will have established Code of Conduct dealing with some specific provisions with matters such as conflicts of interest, or a separate policy can also be established in this regard.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	11 of 14

10.12 Code of Conduct will also include general matters, such as compliance with laws, honesty, and fair dealing.

10.13 Solutions will strive to operate in an ethical and legal way in all of its activities and set expectations that the employees comply as well.

10.14 The Code of Conduct must contain a set of suggested procedures that the employees can use to raise issues that they believe may violate solutions' Code of Ethics.

10.15 These procedures should be equally available for any employee to report any instances where he or she believes that any of the directors, committees or employees are falling down on their commitments.

11. Conflict of Interest

11.1 A Conflict of interest policy shall set rules and regulations to effectively and efficiently treat cases of conflict of interests and to enact the required mechanisms to disclose such cases to whom this Policy applies to when dealing with solutions or with other stakeholders, in addition to treating cases of conflict of interests when dealing with suppliers and contractors (Owners, Executive Managers) that may affect decision making, which will protect the rights and interests of solutions and also sustain a clean work environment that achieves the highest rates of transparency and integrity.

12. Stakeholder Relation Policy

12.1 Stakeholder Relation Policy shall govern and provide guidelines for issues related to Stakeholders' relations within solutions.

12.2 The Board of Directors shall be committed to the highest ethical standards while maintaining trust and strong commitment which are key for solutions in order to build a healthy relationship with its stakeholders.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	12 of 14

13. Confidentiality Policy

- 13.1 Confidentiality Policy shall ensure that the Board members, Committee members, Executive Management and employees (together, the "Concerned Persons") are aware of solutions' commitment to high standards in the treatment of all confidential information.
- 13.2 This policy is also intended to help concerned persons, appropriately manage confidentiality, while in use to fulfil the objectives of solutions, in accordance with legal requirements and accountability standards.

14. Whistle Blowing Policy

- 14.1 Solutions is committed to the highest standards of transparency, integrity and accountability. The Whistle Blowing Policy is to set the standards a 'whistle blower' must follow to report suspected fraudulent instances or violations to solutions Code of Conduct, Laws & Regulations, and company's policies.
- 14.2 The policy outlines the responsibilities with regard to receiving, investigating and reporting outcomes of the investigation, while providing adequate protection to the whistle blower and ensuring due confidentiality.

15. Monitoring and Review

- 15.1 The approved corporate governance policy shall continue to stay effective until replaced by a revised policy, guidelines or any other relevant document or is suspended by the Board.
- 15.2 The Policy shall be reviewed on periodic basis (at least once a year) or whenever there is any need to change, as assessed by GRC Department of solutions to ensure its ongoing relevance and viability.

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	13 of 14

15.3 Any amendments to the Policy shall be recommended to, and updated by GRC Department only, and will be subjected to the approval & endorsement process up to the Executive Management and Board Standing Committees / Board as defined in strategic authority matrix.

16. References

- 16.1 Solutions Articles of Association
- 16.2 Solutions Corporate Governance Manual
- 16.3 Corporate Governance Regulations by Capital Market Authority, KSA
- 16.4 Solutions Board of Directors (BoD) Charter
- 16.5 Solutions Board Executive Committee (BEC) Charter
- 16.6 Solutions Audit Committee (AC) Charter
- 16.7 Delegation of Authority Matrix
- 16.8 Disclosure & Transparency Policy
- 16.9 Code of Conduct & Ethics Policy
- 16.10 Conflict of Interest Policy
- 16.11 Stakeholder Relations Policy
- 16.12 Confidentiality Policy
- 16.13 Whistle Blowing Policy

Doc. Code:	PL.01.01	Dated:	22-06-2020	Version:	1.0
Classification:	Public		Solutions © 2020	Page:	14 of 14