



شركة الإلكترونيات المتقدمة
Advanced Electronics Company

Conflict of Interest

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SECTION 1. AEC'S POLICY ON CONFLICT OF INTEREST

1.1 Introduction

It is one of AEC's principles that nobody, whether an individual, a commercial entity, or a company with a relationship to an AEC employee may improperly benefit from AEC through his or her relationship with the employee or as a result of the employee's position in AEC.

In support of the above principle,

Directives to avoid Conflict of Interest:

1. An AEC employee shall not conduct outside business or other activities which have business dealings or compete with AEC for which they receive remuneration;
2. All AEC employees shall not hold any second employment status with any other company on which they receive any form of remuneration;
3. All AEC employees shall not hold any substantial financial interest in any firm that does business or competes with AEC;
4. All employees and his immediate family shall not accept gifts (except of nominal value as mentioned in CG-CG-02: Ethical Conduct Handbook), services, special discounts, or loans from any person or company doing business with AEC that may influence the behavior of the employee that conflicts with the interest of AEC.

SECTION 2. APPROACH TO MANAGE RISK OF CONFLICT OF INTEREST

AEC undertakes a 3-phase approach to manage the risks associated with conflict of interest, they are:

- a. Disclose - All AEC's employees are obligated to avoid and disclose any form of potential or actual conflict of interest situations and to remove themselves from a position of decision making authority with respect to any conflict situation. If they believe that they are in such a position, they are to disclose the situation;
- b. Review - Management review of all conflict of interest situation and risks;
- c. Act – Management will undertake appropriate action for each case on conflict of interest reported.

2.1 Disclose

Chief Executive Officer , Executive Vice Presidents, Senior Vice Presidents , Vice Presidents are required to submit a conflict of Interest Disclosure form on annually basis.

The following employees are required to submit a Conflict of Interest Disclosure Form every 2 years to the Corporate Governance Department:

1. All employees who are registered as approved signature authority;
2. All employees who are in constant contact with any of AEC suppliers and customers;
3. Any employees who finds themselves in a potential or actual Conflict of Interest.

Disclosures shall be made through an automated system available in the internal AEC portal.

2.2 Review

Upon receipt of the disclosure, the Director, CG&IA will coordinate a review on the details reported in the disclosure forms with relevant parties both internal and external.

The Director, CG&IA will report to the President & CEO on recommended actions for each conflict of interest reported.

2.3 Act

The President & CEO of AEC will then review, the conflict of interest situation reported, and in coordination with relevant Executive Management member will decide to act by any one of the followings:

1. Acknowledge and consent – AEC acknowledge the report, and considers the reported incident as a non-conflict of interest and does not pose risk to AEC;
2. Acknowledge and monitor – AEC acknowledge the conflict of interest situation and will monitor to ensure that affected employees and or 3rd party do not misuse or take advantage of the situation;
3. Advice to rectify – A formal memorandum will be issued by the Directors, CG&IA to affected employee to rectify the situation or relationship to reduce or eliminate the risk of the conflict of interest situation within the next reporting period;
4. Assert to rectify – A formal memorandum will be issued by the Director, CG&IA to the affected employee and also 3rd party to immediately rectify the situation in totally eliminating the conflict of interest risk;
5. Immediate management action – An action to be taken by AEC to manage or eliminate the conflict of interest risks. An example of this would be a transfer of an employee from one department to another to avoid conflict of interest situation. Another example would be to terminate the contract with any supplier where the risk on conflict of interest exists.

SECTION 3. CONFIDENTIALITY OF INFORMATION PROVIDED

All information provided in the enforcement of the management of conflict of interest shall be treated with utmost care to protect its confidentiality.

SECTION 4. CONSEQUENCES OF INFRINGEMENT OF POLICY

Failure to disclose conflict of interest or potential conflict of interest will result in disciplinary action being taken against an employee, up to and including termination of employment.

Other infringement of the requirements as mentioned in this procedure will be treated as a disciplinary matter per AEC internal Human Resource's policies.



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