Articles of Association of Telecommunications Infrastructure Company (TIC)

Chapter 1: Generalities and Definitions

**Article 1**: Telecommunications Infrastructure Company hereinafter called "Company" in this Articles of Association detached from Telecommunications Company of Iran and transferred to the Ministry of Information and Communications Technologies and its Articles of Association is amended herein.

**Article 2**: Infrastructure communications network is defined as a set of distant and international telecommunications infrastructure network systems such as microwave network centers, intra-provincial fiber optic main network, and terrestrial telecommunications satellite stations associated to infrastructure, intra-provincial and international switching centers (circuit and packet) which supply transfer capacities, route distant and international traffic, support any and manage all types of traffic, video and data needed by the country (operators, public and non-public applicants, private individuals and legal entities) within interprovincial limits.

**Article 3: The Object of the Company**

1- Steering, management and organizing in the field of creating, developing, supplying, supervising, and maintenance and commissioning of country infrastructure communications network, which are done by using new communicative technologies in line with the policies of ICT ministry and in the framework of the Comprehensive Plan and approved programs.

2- To make arrangements and take necessary actions to ensure the provision of distant and international infrastructure communications of the country in the frame of the policies set forth by the ICT ministry and by observing the principles of non-discrimination.

3- Leading and steering in the field of creation, development, implementation and optimization of networks owned by other authorized bodies in order to keep the sustainability of the mother communicative network and provision of secure communications.

**Note 1**: To create similar parallel networks by public and non-public bodies as well as private individuals and legal entities subject to obtaining a license from the Ministry of ICT (Communications Regulatory Authority)
Note 2: In the case of violence from the content of note 1, the disciplinary authorities and officials are committed to prevent the erection, development and maintenance of activities, subject to violence and the aforementioned ministry can sue a claim against the offenders through legal authorities.

Article 4: Headquarter of the Company is located in Tehran and the Company can establish organizational units in other regions to do its legal tasks.

Article 5: The Company has an independent legal entity and is run as a private joint stock. In addition, the Company has financial, administrative and recruitment independence; on the basis of which, the by-laws prepared thereof and approved by the competent authorities are effective.

Article 6: The term of the Company is unlimited.

Article 7: The capital of the Company is Rls. 2,109,515,063,262 which is divided into 21,095,150 shares of each Rls. 100,000, and Rls. 63,262 registered half-shares, and the total one hundred percent of the shares belong to the government.

Note: All installations, tools, equipment, human resources and movable and immovable properties of infrastructure communications would transfer from Telecommunications Company of Iran and its subsidiaries to the Company, and State Organization for Registration of Deeds and Properties will amend the ownership deeds of the transferred lands and properties in the relevant books to the name of the Company upon its application.

Chapter 2: Tasks and Functions of the Company

Article 8: The subject-matter and tasks of the Company include:

1- To prepare and compile comprehensive plans in the field of infrastructure communicative networks on the basis of requirements, needs, standards and rules to be presented to the Ministry of ICT for approval.

2- To market, establish, develop, optimize, execute, maintain and implement as well as to supervise and manage the infrastructure communicative network of the country.

3- To supply all infrastructure communicative need of the authorized applicants whether public, private or cooperative rendering information and communications technologies services in accordance to national and international standards.
4- To study, prepare and approve instructions, rules, and criteria and to apply technical and specialized standards needed in the field of establishment, development, maintenance, and implementation of the communications infrastructure networks of the country.

**Note:** To maintain the sustainability of infrastructure communications network, all authorized holders of parallel networks are committed to conclude connection contract with the Company.

5- To cooperate with international operators in the field of exchanging international communications and transit traffic.

6- To study and draw necessary proposals in the field of approaches, policies, and long-term and short-term plans and to submit them in accordance to the framework defined by the ICT ministry.

7- To study, define and offer tariff rates of the Company to relevant authorities.

8- To study, compile and take necessary measures to develop technology, transfer knowledge, support educational and research activities in the specialized fields concerning the tasks of the Company.

9- To member in national, international and regional specialized bodies, and to take part in the concerned conferences in order to acquire and exchange communication infrastructural specialized information.

10- To manage, plan and implement relevant specialized training in order to develop human resources.

11- To prepare routing and on-time plans and to manage the nationwide infrastructure network.

12- To prepare facilities and grounds needed for applying the policies set forth for supervision of infrastructure network by concerned authorities.

13- To render services needed by customers by taking into account commercial concerns and customer-orientation.

14- To take measure to maintain the security of the network and protect the rights of the customers.

15- To enter into any sort of activities in line with the object of the Company.

**Note:** The Company is authorized to establish companies and/or invest in other companies.
Article 9: The organs of the Company includes:

1- General assembly,
2- Board of directors and managing director,
3- Inspector (auditor)

Article 10: The general assembly of the Company consists of the following members:

1- The minister of ICT (chair of the general assembly)
2- Minister of Finance and Economic Affairs
3- The Strategic Planning and Supervision Deputy of the President

Article 11: General assemblies consist of:

A) Ordinary General Assembly,
B) Extraordinary General Assembly.

Article 12: The ordinary general assembly is held at least twice a year; once for hearing and investigating the reports of the board of directors and inspector (auditor) and taking decisions on the financial statements as well as other issues included in the agenda of the ordinary general assembly by observing rules and regulations; and second for investigate and take decision in regard to the next year budget, plans, and policies of the Company and other issues contained in the agenda of general assembly.

Article 13: The ordinary general assembly officially convenes by the presence of the majority and the extraordinary general assembly officially convenes by the presence of all members; and the decisions of ordinary general assembly are approved by the majority of votes and the decision of the extraordinary general assembly by unanimity. Invitation to general assembly whether ordinary or extraordinary shall be send at least ten days earlier by stating the time and venue. The records of the discussion topics shall be sent to the members of the general assembly along with the letter.

Article 14: Tasks and duties of ordinary general assembly are as below:

1- To take decisions about the overall future policies and operational programs of the Company.

2- To investigate and provide viewpoints and make decisions about the annual performance report, financial statements and budget of the Company.
3- To take decisions in regard to reserves and distribution of net profit by observing the rules and regulations of the Company.

4- To appoint or dismiss the members of the board of directors and inspector (auditor) of the Company.

5- To set the salary and allowances of the members of the board of directors while observing the approvals of Wage and Salary Council and to set the bonus of the said members by observing the relevant rules and regulations.

6- To set the reimbursement of the inspector (auditor).

7- To take decisions on financial, transactional, recruitment and welfare by-laws of the Company by observing the related rules and regulations and to submit them to the concerned officials for final approval.

*Note: Existing financial, transactional, recruitment and welfare by-laws are authorized to be used only for one year from the date of notifying the Articles of Association in accordance to rules and regulations.*

8- To take decisions in regard to the tariffs of the services of the Company in the framework of relevant rules and regulations and to submit them to concerned authorities for final approval.

9- To take decisions in regard to the overall structure of the Company, job descriptions, and to set a ceiling for necessary positions and plans for attracting human resources by observing concerned rules and regulations after confirmation by relevant authorities.

10- To take decisions about the proposals of members of the board of directors in regard to compromising in lawsuits and to refer the case to arbitration; and to appoint arbitrator and to waive the lawsuits by observing relevant rules and regulations.

*Note: where the lawsuit compromise, reference of the case to arbitration, appointing arbitrator and waiving the lawsuit all are associated to public properties, Article 139 of the Constitution of I.R. Iran shall be mandatorily observed.*

11- To select a widely circulated newspaper for publishing the notices of the Company.
12- To take decisions about other issues for which it is necessary to have the approval of the ordinary general assembly of the Company in accordance to the content of this Articles of Association, and are included in the agenda of the general assembly thereof.

*Note:* The annual performance report of the board of directors and financial statements of the Company and the report of the inspector (auditor) shall be submitted to all members of the general assembly at least two weeks before the meeting.

13- To take decisions on obtaining loans or national or international credits by observing relevant rules and regulations.

**Article 15:** The tasks of the extraordinary general assembly are as below:

1- To take decisions on the increase or decrease of Company capital and to propose it to the competent authorities for approval.
2- To study and take decisions about amending or changing the articles of associations within the framework of regulations and to propose it to competent authorities for approval.
3- To study and take decisions in regard to dissolution of Company within the framework of the regulations and to propose the same to competent authorities for approval.

**Article 16:** The board of directors consists of five main members who are appointed among highly educated people with managerial experience and connoisseur in the fields related to the activities of the Company upon a proposal by the minister of ICT and approval of ordinary general assembly for two years by giving a priority to the employees of the Company. They stay in office after the term if reappointment is not yet taken place, and their reappointment for next courses is possible.

*Note 1:* The members of the board of directors shall work in the Company on full time basis and it is forbidden for them to accept any full time or part time job outside the Company; nevertheless they can work in functions solely in the essence of teaching subject to avoiding any disruption in the activities of the Company and confirmation by the chair of general assembly. Each member of the board of directors would lead a certain part of the tasks of the Company as defined by the board of directors.

*Note 2:* The members of the board of directors would elect someone among themselves to chair the board of directors and one as vice-chairman of the board, who will be appointed by an order signed by the Minister of ICT. In addition to that chairman of the board of directors would be in the capacity of deputy ICT minister.
**Article 17:** In the case of death, insolvency, resignation or dismissal of any members of the board of directors, the successor would be appointed for the remaining period in accordance to Art. 16 of the Articles of Association.

**Article 18:** The meetings of the board of directors officially convene by the presence of majority of members of the board and the decisions would be made at least with three votes for the issue.

**Article 19:** The meetings of the board of directors would be convened in the premise of the Company anytime by the invitation of the chairman of the board and at least once per month regularly, and the agenda of the meeting shall be sent to the members one week before the meeting by chairman of the board. In the emergency cases, the above-said formalities are not to be observed by the board members.

*Note: The running of the meeting of the board of directors is the duty of the chairman of the board of directors, and the vice-chairman of the board of directors in his absence.*

**Article 20:** The board of directors shall have a book in which the minutes of the board of directors would be inserted and signed along with the views of the members. A copy of the approvals of the board of directors would be sent to the ICT ministry within five days.

**Article 21:** The board of directors has full powers to execute any type of activity and transaction associated to the functions of the Company that are not within the competency of the general assembly by observing rules and regulations. The board of directors particularly has the following tasks and authorities:

1- To propose macro-policies and plans of the Company to the general assembly,
2- To confirm the operational plan of the Company to be presented to general assembly for approval,
3- To study and confirm the annual budget, annual performance report and financial statements of the Company and to present them to the general assembly,

*Note: The board of directors is responsible to set at most one percent of the annual budget to ICT ministry for development, research and education, international relations and aids for promoting productivity, to increase specialty and capability in the line with realizing the objectives of the ICT ministry.*

4- To confirm the financial, transactional and recruitment by-laws and presenting them to the general assembly for making decisions by observing rules and regulations.
5- To approve rules in regard to exchanging scientific, technical, industrial and commercial information in regard to fields concerned with the functions of the Company by observing rules and regulations and provisions of the Articles of Associations.

6- To study and approve obtaining loans and credits upon proposal of managing director and within the approvals of general assembly by observing rules and regulations.

7- To make necessary measures for internal auditing the operations, transactions and all functions of the Company.

8- To study and propose any amendment or change to the Articles of Association to general assembly in order to make decisions by observing relevant rules and regulations.

9- To study and propose the overall structure of the Company and a ceiling for organizational positions as well as recruitment and redundancy of human resources to the general assembly.

10- To approve the detailed organization of the Company within the framework of the overall organization of the Company and to announce it to the general assembly by observing concerned rules and regulations and by confirmation of Planning and Strategic Supervision Deputy of the President.

11- To study and provide proposals to the general assembly by observing rules and regulations in regard to compromising in the lawsuits, referring a case to arbitration, appointing arbitrator(s) and waiving a suit.

12- To appoint the managing director, determine salary and allowances and dismiss him.

13- To review and approve internal instructions for running the Company,

14- To identify bad credits and to review and give proposals about non-liquidated credits in order to make decisions in the general assembly,

15- To set international rates between Company and other companies upon approval of the board of directors within the framework of relevant rules and regulations.

16- To set and publish periodical reports about the security and sustainability of the country infrastructure network.

**Note: the board of directors can vest part of its authorities to the managing director at its own responsibility.**

**Article 22:** Managing directorship is the highest executive position of the Company and is elected by the members of the board of directors amongst the members of the board or outside for two years, and appointed by an order of the ICT minister. The managing director cannot act as the chairman of the board of directors at the same time unless approved by three-fourth of the votes of general assembly.
**Article 23:** Managing director represents the Company within the limit of authorities entrusted to him/her by the board of directors and is the signatory of the Company.

The following tasks and responsibilities can be vested to the managing director:

1- To execute the approvals and decisions of board of directors and general assembly,
2- To prepare, draw and propose policies, operational plans and annual budget of the Company to the board of directors,
3- To prepare financial statements of the Company and present them to the board of directors,
4- To set executive methodologies within rules and to notify them to the concerned departments,
5- To prepare financial, transactional and recruitment by-laws, and to propose them to the board of directors,
6- To prepare the detailed organization of the Company and to propose it to the board of directors within the approvals of the general assembly,
7- To supervise the good performance of Company by-laws and to take actions for smooth running the Company within rules and regulations,
8- To appoint, dismiss and promote the personnel of the Company, to set salary, wages, bonus, promotions and punishments on the basis of concerned rules and regulations,

*Note: The managing director can entrust parts of his/her responsibilities and authorities to any personnel of the Company.*

**Article 24:** The managing director is the legal representative of the Company in all administrative and judicial bodies and has right to substitution in defending the Company and pursuing and suing claims whether criminal or civil. Managing director can enter into compromise in lawsuits or refer the case to arbitration, and appoint arbitrator and withdraw the case in accordance to the content of Para 10, Article 14.

**Article 25:** All cheques, documents, financial papers, contracts and binding papers shall be signed by the managing director or his/her representative and one of the members of the board of directors. The official correspondences would be signed either by the managing director or his/her representative. All cheques would bear the signature of the accountability or his/her authorized representative in addition to the above named.

**Article 26:** The Company would have inspector (auditor), who will be elected for one year by observing relevant rules and regulations and would continue to perform
his/her tasks by the election of the new inspector. The main tasks and duties of the inspector (auditor) are as follows:

1- To compare the operation of the Company with the Articles of Association, private by-laws and approved budget.
2- To audit the financial statements of the Company in accordance to auditing standards and to report the results to the general assembly and board of directors.
3- To propose useful ideas to the board of directors.
4- Other tasks not foreseen in the concerned rules and regulations.

**Note 1:** The activities of the inspector shall not impede the smooth running of the Company operations.

Note 2: In the case the principal inspector is elected by virtue of Benefiting From the Professional and Specialized Services of Competent Accountants in the Capacity of Official Accountant approved in 1993, the ordinary general assembly can elect the alternative inspector on the basis of the same rules and regulations so that if the principal inspector and auditor is not able to do his/her tasks, the former can do the tasks by discretion of general assembly.

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**Chapter 4: Financial Affairs**

**Article 27:** The fiscal year of the Company starts from 23 May and ends on 22 May of the next year.

**Article 28:** The financial statements of the Company shall be prepared by observing accounting standards and submitted to the auditor (inspector) in the due course.

**Article 29:** The Company shall reserve ten percent of its special profit to legal reserve fund in order to increase its financial capability since the said reserve reached to the registered capital of the Company.

**Article 30:** The Company is obligated to consider twenty percent of the special profit as contingency reserve; as soon as the contingency reserves reaches to one tenth of the capital, the general assembly can decide on the continuation of the process.

**Article 31:** The Company is authorized to open current accounts in foreign currencies in one of the governmental banks and deposit all currency incomes generating from currency accounts dissolutions to this account.
Article 32: The approval of the financial statements of the Company by the general assembly signifies the account settlement of the board of directors in the same course.

Chapter 5: Other Regulations

Article 33: The board of directors, managing director and employees of the Company are committed to keep all secrets and information capitals of the Company; and in the case of any violence, would be charged in accordance to punishments contained in the relevant rules and regulations.

Article 34: The Company is authorized to benefit from the services of nationals of countries that are in good relations with the Islamic Republic of Iran for a defined period and upon the consent of the ICT minister, and to take actions to train their successors.

Article 35: The Company can use roads and public path within the frame of rules and regulations in order to establish infrastructure network and route fiber optics; and if it leads to possession or loss to another party, shall buy or possess the subject for a fair price in accordance to rules.

Article 36: The Company is obliged to announce the height and sight of its radio waves to the municipalities after confirmation by the Ministry of ICT, and approval of the board of ministers; and the municipalities shall issue construction licenses by observing the height and sight of radio waves.

This Articles of Association is confirmed by the Council of Guardians by virtue of letter no. 87/30/29/217 on 19.09.2008.