



Remuneration and Nomination Committee Charter

For Mobile Telecommunications Saudi Company (Zain KSA)

Approved and Issued by the General Assembly Meeting Held on [June 2nd, 2021]



1. Introduction

1.1. Document Authorization Control Sheet

Document Type	Charter
Document Title	Remuneration and Nomination Committee Charter
Version	3 (English)
Document Reference	
Date	June 2nd, 2021
Charter Custodian	Committee Secretary
Charter Owner	Corporate Governance Department

1.2 Document Approval Record

Version	Approval Date	Description of Changes
1.0		
1.1		
1.2		
2.0		

1.3. Review, Update & Maintenance

- 1.3.1 The authority to amend this Charter rests with the General Assembly upon the Board of Directors' recommendation.
- 1.3.2 Any amendment to this Charter shall be as per the procedures set out in the respective DoA.
- 1.3.3 The minimum frequency for reviewing this Charter is two (2) years. However, the Charter must be reviewed and updated earlier if required for the purposes of meeting any new regulatory requirement. CGD is responsible for ensuring that this document is reviewed and approved as may be required from time to time.
- 1.3.4 This Charter shall be a permanent part of the induction program provided by the Company to the Board and Board Committee members upon their appointment. It is the duty of the new members to understand and familiarize themselves therewith.



1.3.5 This Charter was prepared in ___/___/___H corresponding to ___/___/___ AD based on the Corporate Governance Regulations issued by the Board of the Capital Market Authority and the Companies Law,

Article one: Definitions

The following words and expressions have the meanings ascribed next to them, unless the context requires otherwise:

“Charter”: This Remuneration and Nomination Committee Charter.

“Governance Regulations”: The Corporate Governance Regulations issued by the Capital Market Authority or any other regulatory body.

“The company”: Mobile Telecommunications Saudi Company (Zain KSA).

“General Assembly”: An association formed from the Company's shareholders under the provisions of the Companies Law, the Company's Articles of Association, and ByLaws.

“Board of Directors” or “Board”: The Company's Board of Directors.

“Committee”: The Remuneration and Nomination Committee of the Company.

“CGD”: Corporate Governance Department.

“DoA”: Delegation of Authority.

“CMA”: Capital Market Authority

Article two: the objectives of the regulation

The Charter aims to clarify the Committee's work, controls and procedures, its tasks, the rules for selecting its members, their membership period, their remuneration, and their powers in accordance with other relevant bylaw and regulations.



Article Three: Formation of the Nominations and Remuneration Committee and its tasks

1. The nomination mechanism for committee membership

The process for selecting members of the Committee is subject to the controls of nomination, appointment and replacement as stipulated in the Company's articles of association and Bylaws, and the following must be taken into consideration:

1. The Committee is formed by a decision of the company's Board of Directors.
2. The number of members of the Committee shall not be less than three and at most five members, all of whom are not members of the executive Board of Directors, provided that at least one of them is an independent member, and contingent on that the Committee's chairperson is an independent member.
3. It is permissible to seek the assistance of non-executive members or people who are not members of the Board, whether they are shareholders or others.
4. The chairperson of the Board of Directors may be a member of the committee.
5. The members of the committee choose a chairperson from among them, provided that he/ she is an independent member according to the definition of independence as mentioned in the Corporate Governance Regulations issued by the Capital Market Authority and its amendments, and that the chairperson of the Board of Directors is not the chairperson of the committee, in case he/she is a member.
6. The member should not have a direct or indirect interest with the CEO and senior executives, and he/she should not be one of their relatives up to the fourth degree.
7. Each member must have qualifications and educational attainment that is not less than a bachelor's degree and experience of at least 10 years working in the private sector, have experience related to financial or administrative aspects, and have a minimum understanding of the Company's business and activities, and has previously worked as a member in any of the committees emanating from the Board of Directors of the company or any other public joint stock company.
8. The Committee appoints a secretary from among its members or from others.

Duration of committee membership

1. The term of membership of the committee is three (3) years, starting from the date of the Board's term and ending with its end.
2. Reappointment of a member in the Committee for a similar period is acceptable, provided that the whole appointment period shall not exceed nine (9) consecutive years.
3. The membership of the Committee expires when:
 - The term of the Committee's membership comes to an end.

- If the member is absent from attending successive meetings without an excuse accepted by the Committee's chairperson, even if the Committee's chairperson must be at the headquarters of the administration.
- A member of the Committee resigns from the Committee's membership, provided that the member has the right to resign from the committee membership.
- If the position of one of the Committee's members becomes vacant, the Board of Directors shall appoint a member of the vacant position, and the replacement member shall complete the term of his/hers predecessor, and the Company's Board of Directors must inform the Capital Market Authority of this change five (5) days from the date of the appointment.
- The Company's Board of Directors notifies the Capital Market Authority of the names of the members of the Committee and their membership characteristics within five (5) working days from the date of their appointment, and any changes that occurs to the Committee shall be also notified to CMA within five (5) working days from the date of the changes.

4. The duties of a Committee's member are as follows:

- Follows the rules of integrity, honesty and ethics in their role at the Committee.
- Notify the Committee's chairperson of any symptoms he/she knows that prevent him/her from properly carrying out his/her duties or prevent him/her from attending committee meetings.
- Efficient attendance to the Committee's meetings.



Article Four: The Committee's Functions and competences

1. Competences related to remuneration:

1. Preparing a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in this policy the following standards related to performance, disclosing them, following up their application and verifying their implementation.
2. Clarify the relationship between the bonuses granted and the applicable remuneration policy, and indicate any material deviation from this policy.
3. Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving its objectives.
4. Recommending to the Board of Directors the remuneration of the members of the Board of Directors, the committees emanating from it, and the heads of sectors of the company, in accordance with the approved policy.

2. Competences related to nominations:

1. To propose clear policies and standards for membership in the Board of Directors and executive management.
2. Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and criteria, taking into account not to nominate any person who has the symptoms of candidacy.
3. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and for filling executive management positions in the company.
4. Determine the time that the member should allocate to the work of the Board of Directors (provided that it is not less than two meetings).
5. Annual review of the necessary skills or experience requirements for the board membership and executive management positions.
6. Reviewing the structure of the Board of Directors, subordinate committees and executive management, and submitting recommendations regarding the changes that can be made.
7. Checking on an annual basis the independence of independent members, and verifying that there is no conflict of interest if the member is a member of the Board of Directors of another company.
8. Establish job descriptions for executive members, non-executive members, independent members and senior executives.
9. Establishing special procedures in case there is a vacant position within the membership of the Board of Directors or senior executives.



10. Determine the strengths and weaknesses of the board of directors, and propose solutions to address them in line with the company's interest.
11. Recommending to the Board of Directors to nominate the CEO and heads of sectors in the company.
12. Recommending to the Board of Directors to dismiss and accept the resignation of the heads of sectors in the company.
13. Recommending to the Board of Directors to provide adequate training and support to the CEO.

Article Five: Authorities of the Committee

1. The Committee undertakes the study of issues pertaining to it or referred to it by the Board of Directors, and submits its recommendations to the Board to decide them, or it takes decisions if the Board delegates to it to do so, provided that what is stipulated in Paragraph (b) of Article (12) is taken into account of the Corporate Governance Regulations, which states that “the company’s Board of Directors has responsibility for its business even if it delegates to committees, entities or individuals to exercise some of its powers. In all cases, the Board of Directors may not issue a general or unlimited term mandate.”
2. The Committee may seek the assistance of experts and specialists from within or outside the company within the limits of its powers, provided that this is included in the minutes of the Committee’s meeting, noting the name of the expert and their relationship to the company or executive management.
3. The Committee has the right to review the Company’s records and documents in relation to its competence and to perform its duties.
4. The Committee has the right to inquire about everything that falls under its powers and competencies, as well as matters entrusted to it by the Board of Directors, within the limits of the relevant regulations.

Article Six: Committee Meetings

1. The Committee meets periodically, provided that it is not less than four (4) meetings annually (at least every three months), and it also meets whenever the need arises.
2. No member of the Board of Directors or the executive management except for the secretary of the committee and the members of the committee are entitled to attend its meetings unless the committee requests to hear an opinion or obtain advice.
3. For a committee meeting to be valid, the attendance of its members' majority required, and its decisions are issued by the majority of the votes of those present. When votes are equal, the side that the meeting chair voted with shall prevail.



4. The committee's meetings must be documented and minutes prepared that include the discussions and deliberations that took place, the committee's recommendations and the results of the vote must be documented, kept in a special and organized record, the names of the members present and the reservations made, if any, and these minutes signed by all the members present.
5. The invitation to attend committee meetings shall be sent by the committee's chairperson or the secretary - in case he/she was authorized to do so by the committee's chairperson - well in advance of the meeting date. Committee members must be provided with the meeting agenda and the necessary documents at least five (5) days before the date of the meeting.
6. In the event that a member of the committee cannot attend in person for reasons of travel or for any other emergency reason, the member may participate in the meeting through modern means of communication - whether visible or audible - and in all cases this must be documented in the minutes of the meeting, signed by all members together or separately.
7. A member may delegate another member of the committee on their behalf according to a written authorization sent to the chairperson and secretary of the committee. It is not permissible for the present member to act on behalf of more than one member to attend the same meeting.
8. The committee submits a summary annual report to the Board of Directors, its reports and recommendations are also submitted to the board by scrolling whenever the need arises.

Article Seven: Nomination procedures for membership of the Board of Directors

1. When nominating members of the Board of Directors, the committee must observe the terms and conditions stated in the Corporate Governance Regulations, and the requirements decided by the Capital Market Authority.
2. The number of candidates for the Board of Directors whose names are presented to the General Assembly must exceed the number of seats available so that the General Assembly has the opportunity to choose from among the candidates.

Article Eight: Publication of the announcement of nomination for membership of the Board of Directors

The Company must publish the candidacy announcement on the Company's website and the market website (Tadawul) and in any other means determined by the Capital Market Authority, in order to invite individuals wishing to run for membership in the Board of Directors, provided that the nomination window remains available for a period of at least one (1) month from the date of the announcement.



Article Nine: The shareholder's right to be nominated for membership in the Board of Directors

The provisions of these regulations shall not prejudice the right of any shareholder of the Company to nominate themselves or someone else for membership in the Board of Directors in accordance with the provisions of the Companies Law and its implementing regulations.

Article Ten: The terms of reference of the committee's chairperson and the secretary

1. The terms of reference of the committee chair:

1. The chairperson of the Committee chairs its meetings and calls for them.
2. Set the meeting agenda after coordination with the rest of the members. He/She also adds any item whenever one of the members so requests.
3. Attending the shareholders' general assembly meeting and representing the committee before the Board of Directors.
4. Follow up on the committee's decisions and recommendations and ensure their implementation.

. Terms of reference of the secretary:

1. The Committee's secretary documents the Committee's discussions and recommendations in minutes, saves them in a special register. The secretary sends the minutes to the committee's chairperson and members within ten (10) working days from the date of the meeting.
2. Coordination with all members regarding meeting dates, and ensuring that they are provided with all necessary documents for discussion according to the items listed on the agenda.
3. Safekeeping all documents.

Article Eleven: Remuneration of Committee Members

1. The remuneration of the members of the Committee shall be based on the policy approved by the Board of Directors and according to the decision of the general assembly of the Company, provided that it does not exceed an amount of (SAR 50,000) in the fiscal year.
2. The remuneration of the members of the Committee shall be a lump sum amount so that the amount that the committee member receives - if he/she is a member of the Board of Directors - does not exceed the higher limits permitted under the Companies Law.
3. The Company is obligated to cover all transportation, housing and any other expenses to enable the member to attend meetings and participate in the Committee's activities related to its duties.



4. The remuneration, allowances or benefits that the Committee members received shall be disclosed in the annual report of the Board of Directors.
5. Remuneration and allowances shall be paid after the approval of the annual consolidated audited financial statements and after the approval of the Company's general assembly.

Article Twelve: General Terms

1. This Charter shall be enforced, and its provisions shall be complied with as soon as it is approved by the Company's general assembly.
2. The Charter shall be published on the Company's website.
3. This Charter shall be amended when the need arises according to a proposal from the Board of Directors, according to which a decision is issued by the general assembly of the Company.