



NOMINATION AND REMUNERATION COMMITTEE CHARTER

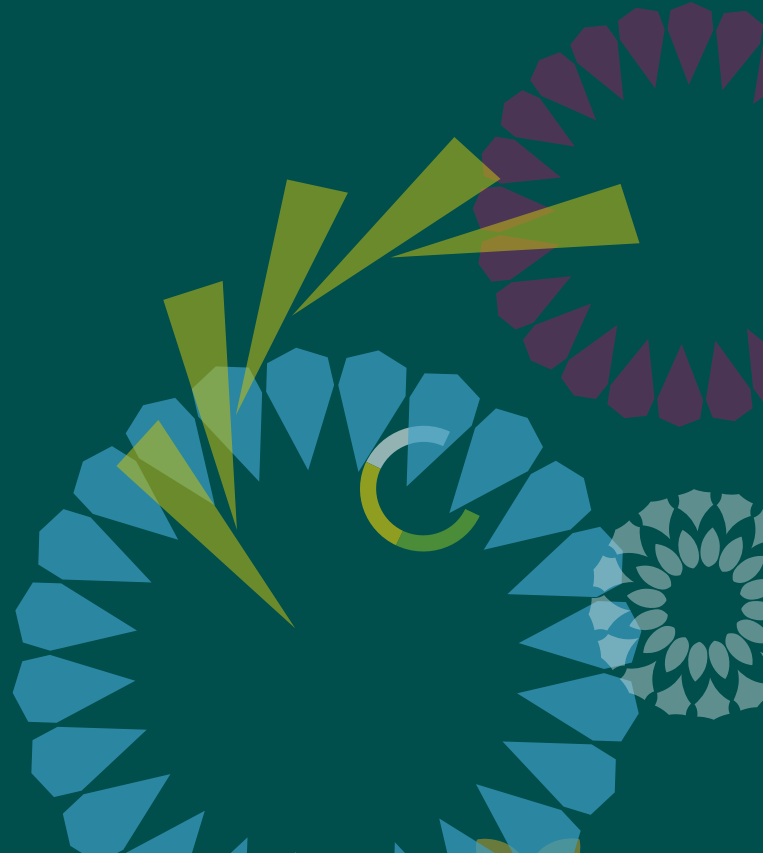
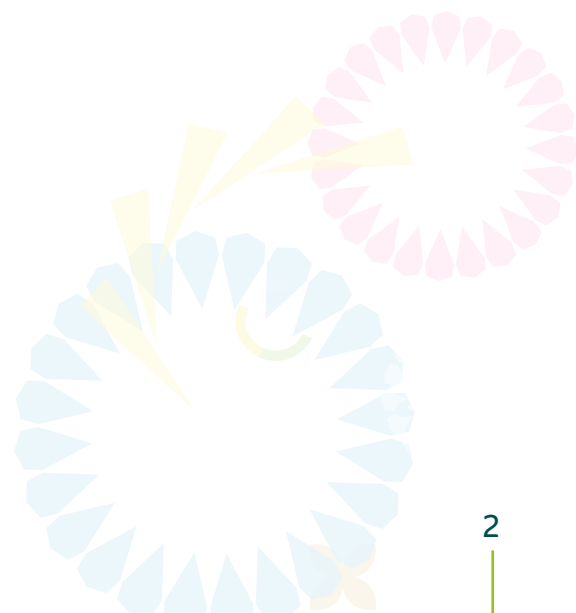


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Purpose

Nomination and Remuneration Committee Charter aims to govern committee work and determine Committee duties, powers, working procedure, and its members' selection, how to nominate them, the duration of their membership and their remuneration, in corresponding to Company's Bylaw, relevant laws, regulations, guidelines or legislation that issued by the Relevant Regulatory Authorities.

Article (1) Nomination and Remuneration Committee Formation

Nomination and Remuneration Committee shall be formed by a resolution of the Board of Directors, for a similar period of the Board term. it shall be from the shareholders or not who meets all Nomination and Remuneration Committee membership requirements considering below provisions:

- 1-** Nomination and Remuneration Committee members number shall not be less than three or more than five.
- 2-** Take into consideration while forming the remuneration and nomination committee the members are of Independent Directors and may appoint Non-Executive Directors.
- 3-** The Chairperson of the Nomination and Remuneration Committee shall be an Independent Director.
- 4-** Chairperson of the Board shall not be a Chairperson of the Nomination and Remuneration Committee.
- 5-** In case a seat in the Nomination and Remuneration Committee becomes vacant the Board of Directors has the right to appoint a member who meets all Nomination and Remuneration committee membership requirements and the member newly appointed shall complete the terms of his predecessor.

Article (2) Nomination and Remuneration Committee Competencies

Nomination and Remuneration Committee Competencies on assess the matters that fall within its authority as overseeing Membership Standers, Nomination Procedures, Remuneration Policy, Performance Standers, or any topics that referred to the committee by the Board of Directors, the committee duties include:

A. Remuneration:

- 1- preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy, Without prejudice to the provisions of the company law, and Capital Market Authority law and its Implementing Regulations
- 2- Clarifying the relation between the paid remunerations and the adopted Remunerations Policy for the Board members and its committees and the Executive Management and highlighting any material deviation from that policy.
- 3- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
- 4- Providing recommendations to the Board in respect of the remunerations of its members, the committees members and Senior Executives, in accordance with the approved policy.

B. Nomination:

- 1- Suggesting clear policies and standards for membership of the Board and the Executive Management.
- 2- Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- 3- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- 4- Determining the amount of time that the member shall allocate to the activities of the Board.
- 5- Annually reviewing the skills and expertise required of the membership of the Board members and the Executive Management.
- 6- Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.

- 7- Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another company ¹.
- 8- Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.
- 9- Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant.
- 10-The Board shall develop a mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company ¹.
- 11-Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.

Article (3) Powers of the Nomination and Remuneration Committee

In order to perform its duties, the board of directors delegate the committee with below powers:

- 1- The committee may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the committee meeting; the minutes states the name of the expert and his relation to the Company or its Executive Management.
- 2- The committee has the right to review the company's records and documents concerning its jurisdiction and to perform its tasks.
- 3- The committee has the right to investigate everything that falls within its powers and competencies, as well as the matters entrusted to it by the Board of Directors within the limits of the relevant regulations.

¹ Guideline Article unless the Regulatory Authorities stated otherwise.

Article (4) The Nomination and Remuneration Committee Meetings

Nomination and Remuneration Committee Meetings General Provisions:

The Nomination and Remuneration committee shall convene periodically at least every six months. The Committee may invite whoever it considers to attend its meetings to hear his or her opinion or advice.

Meeting Invitation:

The Committee shall meet at the invitation of its Chairperson or or at the request of more than one member of the Committee. The Secretary of the Committee shall send invitations to the meeting (5) working days in advance at least. The invitation shall be accompanied by the agenda and documents to be discussed, determine the meeting location whether it is at the headquarters or through modern technical and specifying meeting location and date.

Retaining and Documentation:

Prepare minutes of committee meeting after each meeting included committee members recommendation, discussions deliberations, and member's signature on it in addition to a list of attending members and voting results.

Quorum:

Nomination and Remuneration committee meeting attended by the Committee members, and Committee Secretary, and the meeting will be valid only if it is attended by majority of its members. Committee decisions shall be passed by a majority vote of attending members. In case of a tie, the Chairperson of the meeting shall have the casting vote. In case of emergencies or situations beyond the Committee's control and where the Committee cannot be convened, the Committee can take its decisions via circulation.

Article (5): Competencies of the Nomination and Remuneration Committee members

Committee Chairperson:

Committee members chose among them committee Chairperson, where he is managing and presenting the committee, and its committee duties include:

- 1- Managing Committee Meeting and approve its agenda considering the topics that members wish to add. Ensuring that the topics presented to the Committee are accompanied by sufficient documents and information to enable decision-making.
- 2- Manage decisions-making or recommendations process and its voting process and announce the voting results. Submit committee recommendations and work activity to the Board of Directors.
- 3- Represent the committee the Board of Directors or any other required entity and attend General Assembly meeting or whom is delegate on its behalf.

Committee Member:

Nomination and Remuneration Committee members duties include:

- 1- Participating affectively on the Committee meetings by studying information related to the matters looked into by the committee agenda before expressing an opinion.
- 2- Allocating sufficient time to fulfill its role within the committee and inform the committee Chairperson in case of absence.
- 3- Raise its knowledge, and awareness about any related topics of company activities and work.
- 4- Complying with the principles of truthfulness, honesty, loyalty, and any matter it may affect the committee in general or particular about and add priorities company interests over its personal interests.

Committee Secretary:

The Committee shall appoint a secretary, among its members or others, who will assistance and advice to the Nomination and Remuneration Committee members in the committee' matters and competencies if required and its duties shall include the below;



Prior the Meeting:

Send an invitation to the committee members after obtaining Chairperson approval, which must include the below:

- 1- Meeting agenda after incorporating with the committee Chairperson and members.
- 2- Send meeting required documents to all committee members and related parties.

During the Meeting:

Committee Secretary shall draft and save Minutes of Meetings which must be include Discussions and deliberations carried during Committee meeting, in addition to its recommendations, decisions, and implementing entity, documenting all committee recommendations and voting results on the Committee Agenda, Committee member reservations on any of the decisions and recommendations.

After the Meeting:

- 1- Preparing the Minutes of Meeting within (5) working days of the meeting and send the copy of the Minutes to the Nomination and Remuneration members for review and provide any comments within(5) working days.
- 2- Retaining committee documents in a special and organized register and ensure all minutes shall be signed by all attending members.
- 3- According to the Audit Committee members recommendations and guidelines, prepare the minutes of the committee meeting and submit it to them for signature.

Article (6): The Nomination and Remuneration Committee's Membership Termination and its Provisions

Nomination and Remuneration Committee's Membership end according to the following cases:

- 1- End of Board's term
- 2- Resignation, a member of the Committee has the right to resign from the Committee's membership on the right time.

3- Isolation, a board of Directors have the right to isolate a member of the committee according to the one of the following cases;

- Breaching its responsibilities to the extent that results in damage to the company interest.
- The absence from two consecutive meetings within one year without legitimate excuse.

Other reasons as may determine by the Board of Directors without prejudice to the right of the dismissed member to claim compensation if the dismissal occurs for unacceptable reason or at an -Involving moral turpitude or dishonesty.

4- Death

5- In case of mental illness, total or partial disability, or any disease affecting his decision-making or urbanization ability.

Article (7): Remuneration of the Committee Members

Member of the Committee shall be entitled to an Annual Remuneration and Reimbursement of expenses in accordance with the Remunerations Policy for the Board members and its committee and the Executive Management.

Article (8): Discloser

Members of the committee required to disclose all personal interests (including shares' ownership in the Company) and their nature or engaging in business that may compete with the Company or any of its activities or having direct or indirect interest in the contracts and businesses entered into for the benefit of the Company or any personal relation with the Board of Directors and the Chief Officers. Company shall provide the Capital Market Authority with the names of the members and the types of their memberships within five (5) days of their appointment, and shall notify the Authority of any changes thereto within five (5) days of the date of such changes.

Article (9): Review

Nomination and Remuneration Committee Charter is subject to regular review for enhancement and amendment aligned with Company's Bylaw, relevant laws, regulations, guidelines, or legislation that issued by the Relevant Regulatory Authorities. and according to Company Board of Directors recommendation and shall be presented to the General Assembly for approval.

Article (10): Publication and Entry into Force

Nomination and Remuneration Committee Charter shall be affective as per General Assembly Resolution approval and shall publish on the Zain KSA official website in order to be reviewed by the Shareholders, and Stakeholders. Whatever is not explicitly stated in this document should follow the Company's Bylaw, relevant laws, regulations, guidelines, or legislation that issued by the Relevant Regulatory Authorities.

