

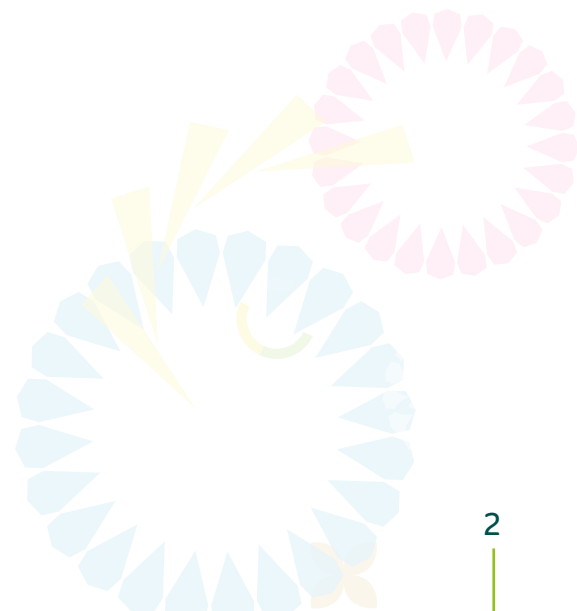


STANDARD POLICY FOR BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT MEMBERSHIP



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Purpose

This Policy as procedural rules defining the general and special standers for the Selection and Appointment of the Board of Directors Nominee members in accordance with the Company's Bylaw, relevant laws, regulations, guidelines, or legislation that issued by the Relevant Regulatory Authorities.

Article (1) General Provision

Competencies and powers of Board of Directors:

- 1-** Review the recommendation that been received from Nomination and Remuneration Committee regarding the Policy and Standard for Board of Directors and the Executive Management Membership in preparation for approval by the General Assembly.
- 2-** Study the recommendations that been received from Nomination and Remuneration Committee regarding nomination or re-nomination member of the board in accordance with this Policy.

Competencies and Powers of Nomination and Remuneration Committee:

- 1-** Nomination and Remuneration Committee suggest clear policies and standards for Board of Directors and Executive Management Membership.
- 2-** Nomination and Remuneration Committee implement clear policies and standards for Board of Directors and Executive Management Membership.
- 3-** Nomination and Remuneration Committee update and develop clear policies and standards for Board of Directors and Executive Management Membership.
- 4-** Nomination and Remuneration Committee Recommend 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 dishonesty crime.

Article (2) Board of Directors Formation

The Company managed by Board of Directors that been elected the General Assembly for duration that shall not exceed four years, and they may be re-elected, unless otherwise provided for in the Company's Bylaws. Taking on consideration the below standers in Board of Directors Formation:

- 1- Board of Directors shall be consistent with the nature and volume of the Company's activities.
- 2- Board of Directors consist of (9) members.
- 3- Board of Directors majority shall be non-executive, and the number of Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater.

Article (3) Board of Directors and Executive Management General Standers Formation

Nomination and Remuneration Committee prepare a description of the capabilities and qualifications required for Board of Directors and Executive Management membership and shall annually review the required skills and expertise. By way of example to choose a suitable nominee we should consider the below points:

- 1- Ability to lead: Shall have leadership skills which enable to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values.
- 2- Competency: Shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.
- 3- Ability to guide: Shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. shall also be able to provide strategic guidance and long-term planning and have a clear future vision.

- 4- Financial knowledge: shall have the ability to read and understand financial statements and reports.
- 5- Physical fitness: shall not suffer from any health issue that may hinder the member from performing duties and responsibilities. The General Assembly shall take into account, when electing members to the Board, the recommendations of the nomination and Remuneration committee and the availability of the personal and professional capabilities required to perform their duties effectively pursuant to this Article.
- 6- Shall be from the shareholder or nominated by a shareholder ¹, to the Board of Directors and to be of a natural character in accordance with provisions of the Law Company and its implementing regulations.
- 7- Shall not have any membership with any other competes Company ².
- 8- Shall not convicted any crime involving moral turpitude or dishonesty.
- 9- Shall not be a member of board of directors for more than five listed joint stock companies at the same time.

Article (4) Nomination Procedure

First: Announcement of opening the nomination

In ample time prior of term ending, or members resignation the Company shall publish the nomination announcement on the websites of the Company and the Saudi Stock Exchange (Tadawul) and through any other medium specified by the Capital Market Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.

¹ Only on Board of Directors Membership.

² Only on Board of Directors Membership.

Second: Board of Directors nomination Procedure:

The Nomination and Remuneration Committee shall make a list of the nominees who responded to the announcement and selects the most suitable among the nominees based the following procedures:

- 1- The Nomination and Remuneration Committee shall select the suitable nominees by reviewing their personal profile based on the standards that been mentioned in the policy, and Capital Market Authority Corporate Governance Regulation, and its terms, Conditions, and Requirements.
- 2- The Nomination and Remuneration Committee- if required- interview the list of nominees, who are considered to be most qualified for election.
- 3- The Nomination and Remuneration Committee shall recommend a list of nominees to the Board of Directors.
- 4- The Board of Directors shall review and discuss the nominated nominees by the Nomination and Remuneration Committee in preparation for approval by the General Assembly.
- 5- The number of nominees to the Board whose names are presented to the General Assembly shall be more than the number of available seats to give a chance to the General Assembly to select the Board members among those nominees³.

Third: Documents and Forms:

The nominees shall submit below documents to the Nomination and Remuneration Committee within the duration of the announcements which are as below:

- 1- Fill Form (3) of the Capital Market Authority and send it to the company address that been mentioned in its announcement in Saudi Stock Exchange (Tadawul) or Company's website.
- 2- Submit a statement of membership of previous boards and committees in listed, non-listed or any other company whatever its legal form.
- 3- Submit a letter to the company including its Resume, Qualifications, and Experience, in accordance to the relevant forms and regulation requirements and If nominees by a shareholder this must be mentioned in the statements must be mentioned it the letter.
- 4- Signed Acknowledgement of reading Conflict of Interest policy and Code of Conduct.
- 5- Submit any required documents that related to nomination request, or to the information that been submitted to the company.

³ Guideline Article unless the Regulatory Authorities stated otherwise.

Fourth: Executive Management Nomination Procedure:

- 1- Nomination and Remuneration Committee shall evaluate the Executive Management nominees and submit it to the Board of Directors.
- 2- Board of Directors shall review Nomination and Remuneration Committee evaluation results and make the decision to choose among the nominees to fill the position.
- 3- Board of Directors shall appoint the Chief Executive Officer of the Company and oversees its work.

Article (5) Board of Directors election and appointment Procedure:

Cumulative voting shall be used in electing the Board, in which it is not allowed to use the voting right of a single share more than once. voting in the General Assembly shall be confined to the Board nominees whose information has been announced.

Article (6) End of a Board of Directors Membership, And Vacancies

First: End of a Board of Directors Membership, resigns and terminate:

- 1- The board of directors shall call the ordinary general assembly to convene in ample time prior to the expiration of the board's term to elect a board of directors for a new term. If the election cannot be held and the term of the current board expires, its members shall continue to carry out their duties until a board of directors is elected for a new term, provided that they do not continue to carry out their duties beyond the (90) Days of the term end.
- 2- If the chairman and members of the board of directors resign, they shall call for an ordinary general assembly meeting to elect a new board. The resignation shall not take effect until a new board is elected, provided that the resigning board does not continue to carry out its duties beyond (120) days of the resignation.
- 3- The Board of Directors have the right to resign by submitting a written statement to the chairman of the Board; where If the chairman of the board resigned shall inform other members and board of sercites and the resignation it may be effective from the reporting date.
- 4- The General Assembly may also, upon a recommendation of the Board, terminate the membership of the Board member who did not attend three consecutive or five non-consecutive Board meetings during its membership without a legitimate excuse accepted by the Board.

5- Upon receiving a request from one or more shareholders representing (1/10) of the Company's voting shares for removal of some or all Board members and the Board shall include, in the invitation to convene the Ordinary General Assembly, the name of the shareholder who submitted the request and the justifications of such request. The concerned Board member shall have the right to make a statement regarding the request in the relevant Ordinary General Assembly meeting.

Second: For vacancy:

In case of vacancies, the board of directors shall convince on the below:

- 1- If the minimum number of members required for the validity of board meetings as stipulated in this Law or the company's bylaw is not affected by such vacancy, the board may appoint a qualified person with relevant expertise to provisionally fill the vacancy. The appointed member shall complete the term of his predecessor and such appointment shall be reported to the Commercial Register, and to the Capital Market Authority. The Board of Directors may keep the seat vacant until the end of the term or invite the General Assembly to appoint a member to the vacant seat.
- 2- If the number of board members falls below the minimum number required in the Company Law or the Company bylaw the remaining members shall call for an ordinary general assembly meeting within 60 days to elect the required number of members.
- 3- In case If the board of directors is not elected for a new term or if the required number of board members is not satisfied, in accordance with (1), and (2) of First: End of a Board of Directors Membership, resigns and terminate of this article, any person with interest may petition the competent judicial authority to appoint qualified persons with expertise, in any number it deems appropriate, to supervise the management of the company and call on the general assembly to convene within 90 days to elect a new board of directors or appoint board members to satisfy the required number, as the case may be, or may petition the competent judicial authority to dissolve the company.

Article (7): Notice

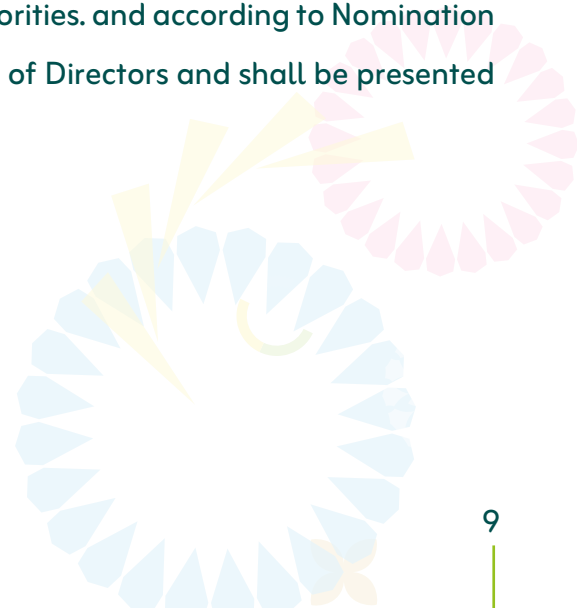
- 1- The Company shall provide the Capital Market Authority immediately when the membership end
Upon the end of the membership of a Board member by any way of ends.
- 2- The Company shall provide the Capital Market Authority with the names of the members and the types of their memberships in such Board's committees 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.
- 3- The Company shall provide Ministry of Commerce within (15) of the members appointment.
- 4- The Company shall publish announcement on the websites of Saudi Stock Exchange (Tadawul) upon the appointment or resignation of Board of Directors Member, or Audit Committee members, or Chief of Executive Officer.

Article (8): Discloser

Nominee 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 Executives Management.

Article (9): Review

Standard Policy for Board of Directors and the Executive Management Membership 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 Nomination and Remuneration Committee recommendation to Company Board of Directors and shall be presented to the General Assembly for approval.



Article (10): Publication and Entry into Force

Standard Policy for Board of Directors and the Executive Management Membership 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.