



Nomination and Remuneration Committee Charter

Table of Contents

Purpose	3
Article (1) Nomination and Remuneration Committee Formation	3
Article (2) Nomination and Remuneration Committee Competencies:	4
Article (3) Powers of the Nomination and Remuneration Committee	5
Article (4) Powers of the Nomination and Remuneration Committee	6
Article (5) Competencies of the Nomination and Remuneration Committee members	7
Article (6): The Nomination and Remuneration Committee's Membership Termination and its Provisions	9
Article (7): Remuneration of the Committee Members.....	9
Article (8): Discloser	10
Article (9): Review	10
Article (10): Publication and Entry into Force.....	10

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.
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 mechanism 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 may request any information, data, documents, and any required requires from the executive management in order to perform its duties.
3. The committee has the right to review the company's records and documents concerning its jurisdiction and to perform its tasks.
4. 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) Powers of the Nomination and Remuneration Committee

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 inappropriate time.
 - 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.



**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.