



Extraordinary General Assembly Meeting (First Meeting)

Mobile Telecommunication Company Saudi Arabia (Zain KSA)

Location: Riyadh (Via modern technology means)

Day: 24 Dhu'l -Hijjah 1445 H

Corresponding to: June 30, 2024

Time: 19:30 pm



Zain KSA Extraordinary General Assembly Meeting Agenda for the year 2024

- 1 - Review and discuss Board of Directors Report for the fiscal year ended on 31/12/2023.
- 2 - Review and discuss the financial statements for the fiscal year ended 31/12/2023.
- 3 - Voting on External Auditor Report for the fiscal year ended on 31/12/2023 after discussing it
- 4 - Voting on appointment of an External Auditor for the Company from among the candidates nominated based on recommendation of Audit Committee to review and audit financial statements of the second quarter, third quarter and the annual of the fiscal year 2024, in addition to first quarter of 2025, and determining its fees.
- 5 - Voting on the discharge of Board of Directors members for the fiscal year ended on 31/12/2023.
- 6 - Voting on disbursement of (3,300,000) SAR remuneration to the Board members for the fiscal year ended on 31/12/2023.
- 7 - Vote on delegating the Ordinary General Assembly's authorization mentioned in Paragraph (1) from Article (27) of the Companies Law, for a period of one year from the date of approval of the Ordinary General Assembly or until the end of the term of the delegated Board, whichever is earlier, pursuant to the terms mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.
- 8 - Vote on the recommendation of the Board of Directors to distribute cash dividends to the shareholders for the fiscal year ending 31 December 2023 amounting to (449,364,588) SAR at (0.5) SAR per share representing (5%) of the nominal value per share. The eligibility of Cash dividends will be to shareholders who own the company shares by the end of the trading day of the General Assembly of the company and registered in the Company's shareholders record at Securities Depository Center Company (Edaa) at the end of the second trading day following the eligibility date. The distribution date will be announced later.
- 9 - Voting on transferring Statutory Reserve balance amounted (203,099,405) SAR as stated in the financial statements for the year ended on 31/12/2023 to the Retained Earnings account.
- 10 - Voting on amending Article No. (3) of Company's bylaws related to the (Objectives of the Company). (Attached)

- 11 - Voting on the amendment of Article (12) of Company's bylaws related to the (Trading of Shares). (Attached)
- 12 - Voting on the amendment of Article (17) of Company's bylaws related to the (Expiration of the Board of Directors' Membership). (Attached)
- 13 - Voting on the amendment of Article (18) of Company's bylaws related to the (Board Vacancy). (Attached)
- 14 - Voting on amending Article No. (19) of Company's bylaws related to the (Powers of the Board of Directors). (Attached)
- 15 - Voting on amending Article No. (21) of Company's bylaws related to the (Powers of the Chairman, Deputy Chairman, Managing Director and Secretary). (Attached)
- 16 - Voting on the amendment of Article (23) of Company's bylaws related to the (Board of Directors Meetings Quorum). (Attached)
- 17 - Voting on the addition of Article (24) of Company's bylaws related to the (Deliberations of the Board of Directors). (Attached)
- 18 - Voting on the amendment of Article (31) of Company's bylaws related to the (Invitation for Assemblies). (Attached)
- 19 - Voting on amending Article No. (47) of Company's bylaws related to the (Profit Distribution). (Attached)
- 20 - Voting on the amendment of Article (50) of the company's bylaws related to the (Losses of Company). (Attached)
- 21 - Voting on the amendment of Article (52) of the company's bylaws related to the (Termination of the Company). (Attached)
- 22 - Vote on amending the company's bylaws in accordance with the new company law, and rearranging and numbering the bylaws' articles to comply with the proposed amendments.
- 23 - Voting on amendment of Audit Committee Charter. (attached).
- 24 - Voting on amendment of Remuneration and Nomination Committee Charter. (attached).
- 25 - Voting on amendment of Remuneration Policy of Board Members, Committee Members and Senior Executives. (attached).
- 26 - Voting amendment of policy and standard for Board of Directors and Executive Management Membership. (attached).
- 27 - Vote on the competition business policy. (attached).

28- Voting on the business and contracts between the company and Zain group company in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Operational contract, noting that the transactions amounted to (5,817) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

29- Voting on the business and contracts between the company and Zain group company in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Branding Fee, noting that the transactions amounted to (170,000) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

30. Voting on the business and contracts between the company and Subsidiaries of Zain group. in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vicechairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Telecom Services (interconnect/roaming). The of transactions provided amounted to (5,113) thousand SAR for the fiscal year 2023, And The of transactions received amounted to (58,204) thousand SAR for the fiscal year 2023. and other telecommunications services rendered of (723) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

31- Voting on the business and contracts between the company and Al Marai company and to the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer. which is Telecom Services rendered, noting that the transactions amounted to (37,907) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

32 - Voting on the business and contracts between the company and Yamama Cement company and to the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer. which is Telecom Services rendered, noting that the transactions amounted to (7,418) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).



First Item

Review and discuss Board of Directors Report
for the fiscal year ended on 31/12/2023.

The Board of Directors' report

Ended December 31, 2023

for the fiscal year ending on 31 December 2023.
Please follow the below link:

The Board of Directors' report for the fiscal year ending on 31 December 2023.





Second Item

Review and discuss the financial statements for the fiscal year ended 31/12/2023.

The financial statements

Ended December 31, 2023

for the fiscal year ending on 31 December 2023.
Please follow the below link:

The financial statements of the fiscal year ending on 31 December 2023





Third Item

Voting on External Auditor Report for the fiscal year ended on 31/12/2023 after discussing it.



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mobile Telecommunications Company Saudi Arabia (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group's revenue consists primarily of subscription fees for telecommunication, data packages and use of the network totaling SR 9,883 million for the year ended 31 December 2023.</p> <p>We considered this a key audit matter as the application of accounting standard for revenue recognition in the telecommunication sector includes number of key judgments and estimates.</p> <p>Additionally, there are inherent risks about the accuracy of revenues recorded due to the complexity associated with the network environment, dependency on IT applications, large volumes of data, changes caused by price updates and promotional offers affecting the various products and services offered, as well as the materiality of the amounts involved.</p> <p><i>Refer to note 4 for the accounting policy related to revenue recognition and note 27 for the related disclosures.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Involved our IT specialists to test the design, implementation and operating effectiveness of system of internal controls related to revenue recognition. • Assessed the Group's revenue recognition policies, for compliance with IFRS as endorsed by SOCPA. • Inspected a sample of revenue reconciliations prepared by management between the primary billing system and the general ledger. • Tested, on sample basis, the accuracy of customer invoice generation and tested a sample of the credits and discounts applied to customers invoices. • Performed analytical procedures by comparing expectations of revenues with actual results and analysed variances. • Assessed the adequacy of the relevant disclosures in the consolidated financial statement.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of property and equipment and intangible assets	
<p>As at 31 December 2023, the Group's consolidated financial position included property and equipment amounting to SR 4,736 million and intangible assets amounting to SR 14,245 million.</p> <p>At each reporting date, the Group's management assesses whether there is any indication that property and equipment and intangible assets may be impaired.</p> <p>This involves significant judgments in respect of factors such as technological changes, challenging economic conditions, changing regulatory environment and restrictions, operating or capital costs and other economic assumptions used by the Group.</p> <p>We considered this as a key audit matter as it involves management's assumptions and estimates as well as the materiality of the amounts involved.</p> <p><i>Refer to note 4 and note 5 for the accounting and critical judgements and policies related to valuation of property and equipment and intangible assets.</i></p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Assessed the Group's impairment policies for property and equipment and intangible assets, for compliance with IFRS as endorsed with SOCPA. • Assessed the appropriateness of management's determination of CGUs, based on the requirements of International Accounting Standard ("IAS") 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia. • Evaluated management's procedures in identifying impairment indicators in respect of the related CGUs. • Evaluated the reasonableness of management's assumptions and estimates in determining the recoverable amount of the Group's CGUs, including those relating to forecasts. • Involved our internal experts to validate the mathematical accuracy and the assumptions used by management in the impairment models. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Capitalization of property and equipment	
<p>The Group has a material capital expenditure plan and therefore incurs significant annual expenditure in relation to the development and maintenance of both infrastructure assets and assets in relation to network and related equipment.</p> <p>Costs related to upgrading or enhancing networks are treated as capital expenditures while expenses spent to maintain the network's operating capacity are recognized as expenses in the same year in which they are incurred. Accordingly, the assessment and timing of whether assets meet the capitalization criteria set out in IAS 16 Property, Plant and Equipment requires judgement.</p> <p>We consider this as key audit matter since it involves management's assumptions as well as materiality of the amounts involved.</p> <p><i>Refer to note 4 for the accounting policy related to property and equipment and note 13 and 15 for the related disclosures.</i></p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of key controls in place over the capitalization of property and equipment. • Assessed the Group's capitalization policy, for compliance with IFRS as endorsed by SOCPA. • Tested, on sample basis, costs capitalized are in accordance with the approved budgeted for capital expenditure for the year and the related supporting documents. • Tested, on sample basis, capitalization of expenditure in compliance with the Group's capitalization policy. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for sale of towers</p> <p>As described in note 1.3 of the consolidated financial statements, the Group sold its towers infrastructure comprising 8,069 towers (the "towers") pursuant to a signed Asset Purchase Agreement ("APA"). In the current year, the Financial Completion Conditions under the APA were met and the Group derecognized the towers from its books with a total gain on sale amounting to SR 1,015 million. Furthermore, the Group leased passive infrastructure from the buyer under another agreement (the "lease agreement").</p> <p>We considered this a key audit matter as the amount of the sale is material and involved significant judgements in assessing transfer of control which include ability to direct the use of and obtain benefits from the tower infrastructure. The sale also included a put option held by the customer which involves judgements in determining the repurchase price to be less than or equal to the expected market value of the towers. Additionally, the lease arrangement contain complexities requiring judgements over identification of lease, the applicable lease term and requirements relating to sale and leaseback under IFRS 16.</p> <p><i>Refer to note 4 for the accounting policy and significant judgments related to transfer of control and note 12 for related disclosures.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Assessed the Group's policies with respect to transfer of control and leases, for compliance with IFRS as endorsed by SOCPA. • Evaluated management's assessment of the timing at which risks and rewards are transferred, and gain is recognized by identifying performance obligations and verifying recognition triggers. • Evaluated reasonableness of management's judgements in estimating variable consideration by assessing the likelihood and magnitude of revenue reversal. • Tested, on a sample basis, key attributes of the transaction which included net book values of assets, leaseback portion and accuracy of the gain. • Evaluated terms and conditions of the lease agreement to assess management's procedures over lease identification, applicable lease term and fair valuation of assets. • Assessed adequacy of relevant disclosures included in the consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (A Saudi Joint Stock Company) (continued)

Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. The management is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit, in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)



Riyadh: 29 Sha'ban 1445 H
(10 March 2024)



fourth Item

Voting on appointment of an External Auditor for the Company from among the candidates nominated based on recommendation of Audit Committee to review and audit financial statements of the second quarter, third quarter and the annual of the fiscal year 2024, in addition to first quarter of 2025, and determining its fees.



Fifth Item

Voting on the discharge of Board of Directors members
for the fiscal year ended on 31/12/2023.



Sixth Item

Voting on disbursement of (3,300,000) SAR remuneration to the Board members for the fiscal year ended on 31/12/2023.



Seventh Item

Vote on delegating the Ordinary General Assembly's authorization mentioned in Paragraph (1) from Article (27) of the Companies Law, for a period of one year from the date of approval of the Ordinary General Assembly or until the end of the term of the delegated Board, whichever is earlier, pursuant to the terms mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.



Eighth Item

Vote on the recommendation of the Board of Directors to distribute cash dividends to the shareholders for the fiscal year ending 31 December 2023 amounting to (449,364,588) SAR at (0.5) SAR per share representing (5%) of the nominal value per share. The eligibility of Cash dividends will be to shareholders who own the company shares by the end of the trading day of the General Assembly of the company and registered in the Company's shareholders record at Securities Depository Center Company (Edaa) at the end of the second trading day following the eligibility date. The distribution date will be announced later.

Statement of Board of Directors' recommendation to distribute cash dividends to the company's shareholders for the fiscal year 2023

Mobile Telecommunication Company Saudi Arabia "ZAIN KSA" announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year 2023

Element List	Explanation
Date of the board's decision	Mobile Telecommunication Company Saudi Arabia "ZAIN KSA" announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year 2023
The Total amount distributed	449.365 million SAR
Number of Shares Eligible for Dividends	898.729 million shares
Dividend per share	SAR 0.5
Percentage of Dividend to the (%) Share Par Value	5 %
Eligibility date	The eligibility of Cash dividends will be to Shareholders who own the company shares on the Eligibility date and are enrolled in the Company's register at Securities Depository Center Company (Edaa) by the end of the second trading day of the day of the General Assembly of the company, which will be announced later.
Distribution Date	Distribution date will be announced later after the approval of the General Assembly.
Additional Information	The company urges our respected shareholders to update their banking information to ensure the deposit of the cash dividends directly into their accounts. In addition, we would like to draw the attention of the non-resident foreign investors that the cash dividend distribution which is transferred by the resident financial broker is subject to a withholding tax of 5% according to the provisions of Article (68) of the Income Tax Law and Article (63) of the Implementing Regulations.



Ninth Item

Voting on transferring Statutory Reserve balance amounted (203,099,405) SAR as stated in the financial statements for the year ended on 31/12/2023 to the Retained Earnings account.

Tenth Item

Voting on amending Article No. (3) of Company's bylaws related to the (Objectives of the Company (. (Attached)

Eleventh Item

Voting on the amendment of Article (12) of Company's bylaws related to the (Trading of Shares). (Attached)

Twelfth Item

Voting on the amendment of Article (17) of Company's bylaws related to the (Expiration of the Board of Directors' Membership). (Attached)

Thirteenth Item

Voting on the amendment of Article (18) of Company's bylaws related to the (Board Vacancy). (Attached)

Fourteenth Item

Voting on amending Article No. (19) of Company's bylaws related to the (Powers of the Board of Directors). (Attached)

Fifteenth Item

Voting on amending Article No. (21) of Company's bylaws related to the (Powers of the Chairman, Deputy Chairman Managing Director and Secretary). (Attached)

Sixteenth Item

Voting on the amendment of Article (23) of Company's bylaws related to the (Board of Directors Meetings Quorum). (Attached)

Seventeenth Item

Voting on the addition of Article (24) of Company's bylaws related of the (Deliberations of the Board of Directors). (Attached)

Eighteen Item

Voting on the amendment of Article (31) of Company's bylaws related to the (Invitation for Assemblies). (Attached)

Nineteenth Item

Voting on amending Article No. (47) of Company's bylaws related to the (Profit Distribution). (Attached)

Twenty Item

Voting on the amendment of Article (50) of the company's bylaws related to the (Losses of Company). (Attached)

Twenty-one Item

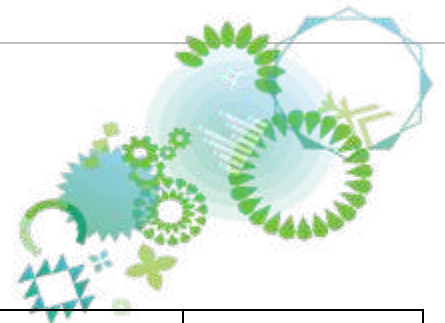
Voting on the amendment of Article (52) of the company's bylaws related to the (Termination of the Company). (Attached)

Twenty-second Item

Vote on amending the company's bylaws in accordance with the new Companies Law, and rearranging and numbering the bylaws' articles to comply with the proposed amendments.



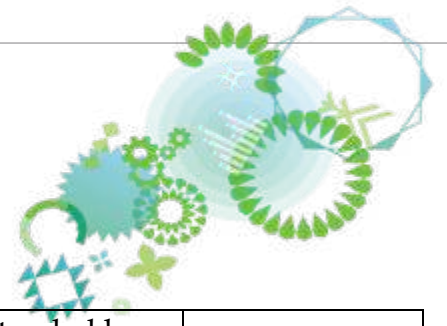
<u>Articles</u>	<u>Company bylaws before</u>	<u>Company bylaws after</u>	<u>Change</u>
<p><u>Article (1): Incorporation of Company</u></p>	<p>Mobile Telecommunication Company Saudi Arabia is incorporated in accordance with these Articles, Companies Law and Capital Market Law as a listed joint-stock company among the holders of shares whose provisions are set out herein.</p>	<p>Mobile Telecommunication Company Saudi Arabia is incorporated in accordance with Council of Ministers Resolution No. 176 issued on 25/05/1428 AH corresponding to 11/06/2007 AD, in accordance with the provisions of the Companies Law issued by Royal Decree No. (D/132) dated 01/12/1443 AH, and its implementing regulations issued by the resolution of His Excellency the Minister of Commerce No. (284) dated 23/06/1444 AH, these Company bylaws are amended according to the following:</p>	<p>Amendment or reorganization</p>
<p><u>Article (3): Objects of Company</u></p>	<p>The objects of the Company shall be as follows: 1. Provide all mobile telecommunications services in the Kingdom after obtaining all necessary licenses from the Communications, Space and Technology Commission (CST), and the Company may, if it wishes to provide other telecommunications services, apply to CST for obtaining the necessary licenses. 2. Build, own, maintain, operate, manage, and develop communications and</p>	<p>The objects of the Company shall be as follows: 1. Provide all mobile telecommunications services in the Kingdom after obtaining all necessary licenses from the Communications, Space and Technology Commission (CST), and the Company may, if it wishes to provide other telecommunications services, apply to CST for obtaining the necessary licenses. 2. Build, own, maintain, operate, manage, and develop communications and</p>	<p>Amendment Addition</p>



	<p>information technology networks and their facilities on commercial bases in the Kingdom, and possess the necessary licenses and equipment.</p> <p>3. Import, export and market all kinds of mobile phones and other devices and goods, as well as entering the related tenders and supplying them.</p> <p>4. Invest in the commercial and investment projects related to various telecommunications services as the Company deems appropriate to develop its business in accordance with the applicable laws and regulations in the Kingdom.</p> <p>5. Possess, manage, sell, rent, and dispose of any movable and immovable property, benefits and intangible rights related to the Company's business, which leads to the development and promotion of its business in accordance with the applicable laws and regulations in the Kingdom.</p> <p>The Company shall undertake its activities in accordance with the applicable laws after obtaining the necessary</p>	<p>information technology networks and their facilities on commercial bases in the Kingdom, and possess the necessary licenses and equipment.</p> <p>3. Import, export and market all kinds of mobile phones and other devices and goods, as well as entering the related tenders and supplying them.</p> <p>4. Invest in the commercial and investment projects related to various telecommunications services as the Company deems appropriate to develop its business in accordance with the applicable laws and regulations in the Kingdom.</p> <p>5. Possess, manage, sell, rent, and dispose of any movable and immovable property, benefits and intangible rights related to the Company's business, which leads to the development and promotion of its business in accordance with the applicable laws and regulations in the Kingdom.</p> <p>6. Information and communication.</p> <p>7. Wholesale and retail trade and repair of motor vehicles and motorcycles.</p>	
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	licenses from the relevant authorities if any.	<p>8. Professional, scientific and technical activities.</p> <p>9. Real estate activities.</p> <p>10. Construction.</p> <p>11. Financial and insurance activities.</p> <p>12. Provide financial and administrative support and other services to subsidiaries</p> <p>The Company shall undertake its activities in accordance with the applicable laws after obtaining the necessary licenses from the relevant authorities if any.</p>	
<u>Article (5): Head Office of Company</u>	The company's head office shall be located in the city of Riyadh in the Kingdom of Saudi Arabia, and the Board of Directors may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia. The company's head office may not be relocated to another city except by a resolution of the extraordinary general assembly and based on the proposal of the Board of Directors and the approval of the competent official authorities.	The company's head office shall be located in the city of Riyadh in the Kingdom of Saudi Arabia, and it may establish branches inside or outside the Kingdom by a resolution of the Board of Directors.	Deletion Addition
<u>Article (6): Duration of the Company:</u>	The Company's duration shall be ninety-nine (99) years, starting from the date of the resolution of the Minister of Commerce and Investment declaring its incorporation, and	The Company's duration shall be ninety-nine (99) years starting from the date of the resolution of the Minister of Commerce and Investment declaring its incorporation, and	Amendment Addition



	it may always be extended by resolution of the Extraordinary General Assembly at least one year prior to its expiration.	it may always be extended by resolution of the Extraordinary General Assembly at least one year prior to its expiration.	
<u>Article (7): Share Capital and Shares</u>	The share capital of the Company is eight billion, nine hundred and eighty-seven million, two hundred and ninety-one thousand, seven hundred and fifty Riyals (SAR 8,987,291,750.000), divided into eight hundred and ninety-eight million, seven hundred and twenty-nine thousand, one hundred and seventy-five (898,729,175) cash common shares of equal value, the nominal value of each is ten Riyals (SAR 10).	The share capital of the Company is eight billion, nine hundred and eighty-seven million, two hundred and ninety-one thousand, seven hundred and fifty Riyals (SAR 8,987,291,750.000), divided into eight hundred and ninety-eight million, seven hundred and twenty-nine thousand, one hundred and seventy-five (898,729,175) cash common shares of equal value, the nominal value of each is ten Riyals (SAR 10), all of the same are fully paid ordinary shares.	Addition
<u>Article (8): Subscription to Shares:</u>	The Shareholders subscribed to eight hundred and ninety-eight million, seven hundred and twenty-nine thousand, one hundred and seventy-five (898,729,175) shares, the value of each is ten Riyals (SAR 10), with a total value of eight billion, nine hundred and eighty-seven million, two hundred and ninety-one thousand, seven hundred and fifty Riyals (SAR 8,987,291,750.000).	The founders subscribed to the entire issued capital shares of eight hundred and ninety-eight million seven hundred and twenty-nine thousand one hundred and seventy-five (898,729,175) fully paid shares.	Amendment or reorganization



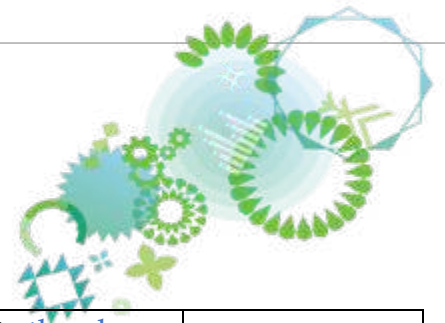
<p><u>Article (12): Trading of Shares</u></p>	<p>All the Company's shares are tradable in accordance with the provisions of the Capital Market Law and the rules, regulations and instructions issued by the CMA. As an exception, the cash shares to which the founders subscribed may not be traded prior to publishing the financial statements for two full fiscal years, each of which is not less than twelve months from the date of the Company's incorporation or obtaining the approval of the CMA. These provisions shall apply to what the founders subscribe to if the share capital is increased prior to the end of the lock-in period. Nevertheless, shares may be transferred during the lock-in period in accordance with the provisions of the sale of shares from one founder to another or from one founder, in case he/she dies, to his/ her heirs or in the event of execution on the funds of the insolvent/ bankrupt founder, provided that other founders shall have preemptive rights to own such shares.</p>	<p>All the Company's shares are tradable in accordance with the provisions of the Capital Market Law and its implementing Regulations.</p>	<p>Amendment or reorganization Deletion Addition</p>
<p><u>Article (13): Increase of Share Capital:</u></p>	<p>1. The extraordinary general assembly may decide to increase the company's capital, provided that the</p>	<p>1. The extraordinary general assembly may decide to increase the company's capital, provided that the</p>	<p>Amendment or reorganization Addition</p>



	<p>capital has been paid in full. It is not required that the capital has been paid in full if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for their conversion into shares has not yet expired.</p> <p>2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon increasing the capital, or part of them, to the employees of the company and its subsidiaries, or some of them, or any of that. Shareholders may not exercise their priority right when the company issues shares allocated to employees.</p> <p>3. The shareholder who owns the share at the time of issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares and they shall be notified of their priority by publishing in a</p>	<p>capital has been paid in full. It is not required that the capital has been paid in full if the unpaid portion of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for their conversion into shares has not yet expired.</p> <p>2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon increasing the capital, or part of them, to the employees of the company and its subsidiaries, or some of them, or any of that. Shareholders may not exercise their priority right when the company issues shares allocated to employees.</p> <p>3. In all cases, the nominal value of the increase shares shall be equal to the nominal value of the original shares of the same type or class.</p> <p>4. The shareholder who owns the share at the time of issuance of the extraordinary general assembly's resolution</p>	
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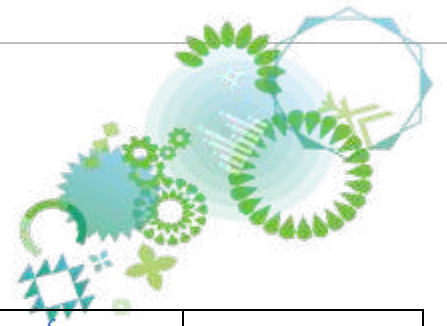
	<p>daily newspaper or by informing them by registered mail of the resolution to increase the capital, the terms and conditions of the subscription, its duration, and its commencement and end dates.</p> <p>4. The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe for a capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems appropriate for the interest of the company.</p> <p>5. The shareholder shall have the right to sell or waive the preemptive right during the period from the time of issuance of the General Assembly resolution approving the capital increase until the last day of subscription for the new shares associated with these rights, in accordance with the controls established by the competent authority.</p> <p>6. Subject to the provisions of Para. (4) above, the new shares shall be distributed to the holders of preemptive rights who</p>	<p>approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares. He shall be informed of his priority - if any - by a registered letter to his address listed in the shareholder register, or through modern technological means, and by the decision to increase the capital, subscription terms, duration, and commencement and end dates, taking into account the type and class of shares he owns.</p> <p>5. The Extraordinary General Assembly has the right to suspend the priority right of shareholders to subscribe for a capital increase in exchange for cash shares, or to give priority to non-shareholders in cases it deems to be in the interest of the company.</p> <p>6. The shareholder may sell or waive the priority right for a financial compensation or without compensation as specified in regulations.</p> <p>7. The new shares shall be distributed to priority rights holders who requested to subscribe in proportion to</p>	
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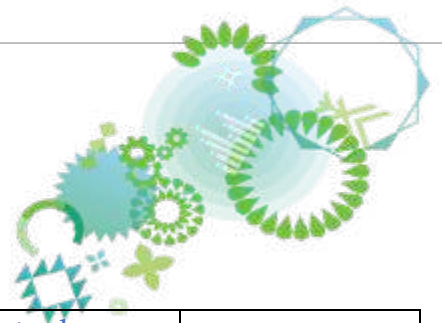
	<p>applied for subscription in pro-rata to the total preemptive rights resulting from the share capital increase, provided that the number of shares distributed to each one of them shall not exceed the number of new shares for which they have applied. The remaining new shares shall be distributed to the holders of preemptive rights who have applied for more than their proportional entitlement, in pro-rata to their preemptive rights which they own out of the total preemptive rights resulting from the share capital increase, provided that the number of shares distributed to them shall not exceed the number of new shares they have applied for. Any remaining new shares shall be offered to third parties unless otherwise decided by the Extraordinary General Assembly or provided in the Capital Market Law.</p>	<p>the priority rights they have out of the total of these rights resulting from the capital increase, provided that what they obtain shall not exceed what they requested of the new shares and taking into account the type and class of share they own, and the remainder of the new shares shall be distributed to the holders of priority rights who requested more than their share in proportion to the preemptive rights they have own out of the total of these rights resulting from the capital increase, provided that what they obtain shall not exceed the number of new shares they have applied for. Any remaining new shares shall be offered to third parties unless otherwise decided by the Extraordinary General Assembly or provided in the Capital Market Law.</p>	
<p><u>Article (14): Decrease of Share Capital:</u></p>	<p>By resolution of the Extraordinary General Assembly, the company's</p>	<p>1. The extraordinary general assembly may decide to decrease the capital if it</p>	<p>Amendment or reorganization</p>



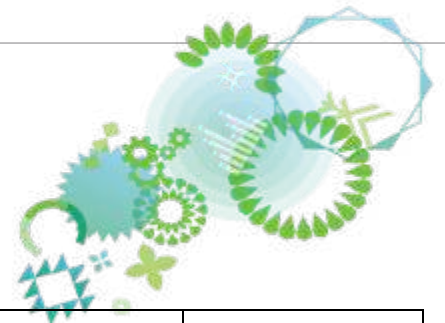
	<p>capital may be decrease if it exceeds its need or if the company suffers losses. In the latter case solely, the capital may be decreased to below the limit stipulated in Article Fifty-Four of the Companies Law. The resolution shall not be issued except after reading the auditor's report on the reasons necessitating the same, the obligations of the company, and the effect of decreasing these obligations, taking into account the requirement of the Companies Law. The resolution shall specify the method of decreased, within sixty (60) days from the date of publication of the decrease decision in a daily newspaper distributed in the city in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company shall pay him his debt if it is current, or provide sufficient guarantee to fulfill the same if it is deferred.</p>	<p>exceeds the company's needs or if the company suffers losses. In the latter case solely, the capital may be decreased to less than what is stipulated in Article (Fifty-Nine) of the Companies Law. The decrease resolution shall not be issued except after reciting a statement in the General Assembly prepared by the Board of Directors about the reasons necessitating the decrease, the obligations of company, and the effect of the decrease on fulfilling the same, provided that a report from the company's auditor is attached to this statement.</p> <p>2. If the capital decrease is a result of it exceeding the company's needs, the creditors shall be invited to express their objections - if any - to the decrease at least (forty-five) days before the date set for holding the extraordinary general assembly meeting to take the decrease resolution, provided that a statement is attached to the invitation stating the amount of capital before and after the</p>	<p>Deletion Addition</p>
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		<p>decrease, the date of holding the meeting and the effective date of the decrease. If any of the creditors objects to the decrease and submits its documents to the company on the aforementioned date, the company shall pay him his debt if it is current or provide it with sufficient guarantee to fulfill the same if it is deferred. The creditor who notified the company of his objection to the decrease and whose debt was not paid if it was deferred may apply to the competent judicial authority before the date specified for holding the extraordinary general assembly to take the decrease resolution. In this case, the competent judicial authority may order the repayment of the debt, the provision of sufficient guarantee, or the postponement of holding the extraordinary general assembly meeting, as the case may be.</p> <p>3. Equality between shareholders who are holding shares of the same type and class shall be</p>	
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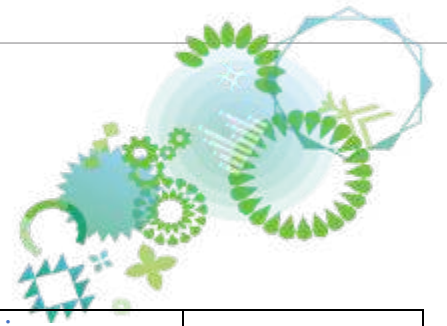
		taken into account when decreasing capital.	
<u>Article (15): Bonds:</u>	<u>Article (15): Bonds:</u>	<u>Issuing debt instruments and financing instruments:</u>	Amending the title of the article
<u>Article (16): Management of Company:</u>	The company shall be managed by a board of directors consisting of nine (9) members appointed by the ordinary general assembly for a period not exceeding three years . They may always be re-elected, and the term of membership of the first board of directors begins from the date of the ministerial resolution announced to establish the company. As an exception to this, the Constituent Assembly shall appoint the first Board of Directors for a period of five (5) years.	The company shall be managed by a Board of Directors consisting of nine (9) members, who shall be natural persons elected by the Ordinary General Assembly for a period not exceeding four years Members of the Board of Directors may be re-elected, and each shareholder has the right to nominate himself or one or more other shareholders or others for membership in the Board of Directors.	Deletion Addition
<u>Article (17): Expiration of the Board of Directors' Membership:</u>	Board membership shall expire at the end of its term or upon the relevant member ceasing to qualify as a Board member in accordance with any law or regulations in force in the Kingdom. However, the General Assembly may at any time dismiss all or some of the members of the Board of Directors, without prejudice to the removed member's right towards the company to demand compensation if the dismissal occurs for an	Board membership shall expire at the end of its term or upon the relevant member ceasing to qualify as a Board member in accordance with any law or regulations in force in the Kingdom. The General Assembly may (based on the recommendation of the Board of Directors) terminate the membership of any member who fails to attend (three) consecutive meetings or (five) separate meetings during the term of his membership	Deletion Addition



	<p>unacceptable reason and at an inappropriate time. A member of the Board of Directors may resign, provided that this is at an appropriate time, otherwise he shall be responsible before the company for any damages resulting from his resignation.</p>	<p>without a legitimate excuse accepted by the Board of Directors. However, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors, provided that this is based on a request submitted by one or more shareholders constituting (10%) of the company's shares that have voting rights. In this case, the Ordinary General Assembly shall elect a new Board of Directors or someone to replace the dismissed member (as the case may be), in accordance with the provisions of the Companies Law.</p>	
<p><u>Article (18):</u> <u>Board</u> <u>Vacancy:</u> <u>Article (18):</u> <u>Expiration of the term of the Board of Directors, retirement of its members, or vacancy of membership:</u></p>	<p>If the position of a member of the Board of Directors becomes vacant, the Board shall appoint a temporary member to fill the vacant position at their discretion, provided that he shall be someone who has experience and competence. The Ministry of Commerce and Investment and the Capital Market Authority shall be informed of the same within five working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly at its first meeting, and the new member shall</p>	<p>1. The Board of Directors shall, before the end of its term, call for the Ordinary General Assembly be convened to elect a Board of Directors for a new term. If the election is not possible and the term of the current Board cycle expires, its members shall continue to perform their duties until a Board of Directors is elected for a new term, provided that the term of office of board members whose cycle has ended shall not exceed</p>	<p>Amendment or reorganization Addition</p>



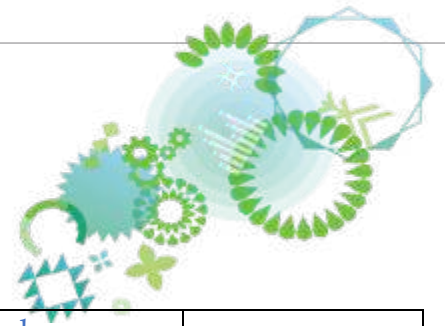
	<p>complete the term of the previous member. If the necessary conditions are not met for the Board of Directors to meet due to the number of its members being less than the minimum stipulated in the Companies Law or these Company bylaws , the remaining members shall call for the Ordinary General Assembly to be convened within sixty days to elect the necessary number of members</p>	<p>(ninety) days from the date of its end.</p> <ol style="list-style-type: none"> 2. If the Chairman and members of the Board of Directors retire, they shall call the Ordinary General Assembly to convene to elect a new Board of Directors. The retirement shall not take effect until the new Board is elected, provided that the term of the retiring Board shall not exceed (one hundred and twenty) days from the date of retirement. 3. A member of the Board of Directors may retire from membership of the Board pursuant to a written notice addressed to the Chairman of the Board. If the Chairman of the Board retires, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. In both cases, the retirement shall be effective from the date specified in the notice. 4. If the position of a member of the Board of Directors becomes vacant due to the death or retirement of any of its members and this vacancy 	
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		<p>does not result in a violation of the conditions necessary for the validity of the Board's meeting due to the number of its members being less than the minimum, the board may appoint (temporarily) someone who has experience and competence in the vacant position. This shall be notified to the Commercial Registry and the Capital Market Authority within (fifteen) days from the date of appointment. The appointment shall be presented to the Ordinary General Assembly at its first meeting. The new member shall complete the term of the previous member. The Board of Directors may keep the seat vacant until the end of the Board term or the General Assembly is requested to appoint a member to the vacant seat.</p>	
		<p>5. If the necessary conditions are not met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the Companies Law or</p>	



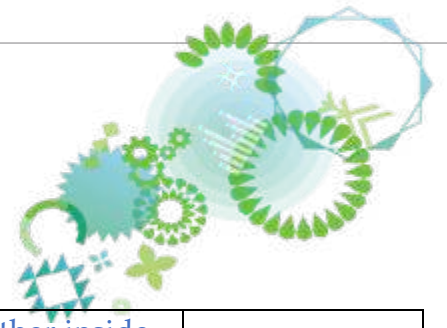
		<p>these Company bylaws , the remaining members shall call the Ordinary General Assembly to convene within (sixty) days to elect the necessary number of members.</p> <p>6. In the event that a Board of Directors is not elected for a new term or the necessary number of Board of Directors members is not completed, in accordance with Paragraphs (1), (2) and (5) of this Article, any interested party may request the competent judicial authority to appoint someone with experience and competence, in the number it deems appropriate, to supervise the management of the company and to call the General Assembly to convene within (ninety) days to elect a board of directors or complete the necessary number of board members, as the case may be, or to request the dissolution of the company.</p>	
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<p><u>Article (19):</u> <u>Powers of</u> <u>Board of</u> <u>Directors:</u></p>	<p>Subject to the General Assembly's competencies, the Board of Directors shall have the broadest authorities in managing the Company and drawing up its policies, determining its investments, supervising its business and funds, and conducting its affairs inside and outside the Kingdom. It may, for example, but not limited to, represent the Company in its relationship with third parties, government and private authorities, civil rights, police departments, chambers of commerce and industry, private bodies and companies and organizations of all kinds, enter into tenders, receive and pay, endorse, discharge and reconcile. The Board of Directors shall also have the right to sign all types of contracts and documents, including, but not limited to, memorandums of association of companies in which the Company participates, with all their amendments and appendices and amendment resolutions, sign the agreements and deeds before notaries and official authorities, as well as loan agreements, guarantees and sureties, issue powers of attorney on behalf of</p>	<p>Subject to the General Assembly's competencies, the Board of Directors shall have the broadest authorities in managing the Company in order to achieve its objectives, with the exception of acts or actions excluded by a special provision in the Companies Law or these Company bylaws that fall within the jurisdiction of the General Assembly. The board may also - within the limits of its competencies - authorize one or more of its members or a third party to undertake a specific work or tasks. For example, but not limited to:</p> <ol style="list-style-type: none"> 1. Appointing a Chairman of the Board and his deputy from among the members and removing them, appointing a CEO of the company or a managing director and secretary from among the members or others, and determining their powers if they are not specified in these Company bylaws . He also has the right to appoint consultants, employees, managers, department heads, and other company employees with their various titles and grades, determine their 	<p>Amendment or reorganization Addition</p>
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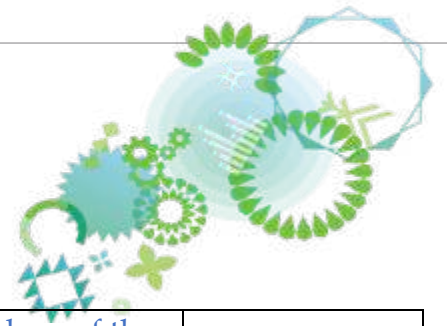
	<p>the Company, sell, purchase, transfer ownership and accept it, receive and deliver, rent and lease, receive and pay, open accounts and credits, withdraw and deposit at banks, issue bank guarantees and sign all papers, documents, checks and all banking transactions. It shall also have the right to appoint and dismiss employees and workers, apply for visas and recruit manpower from outside the Kingdom, contract with them and determine their salaries, obtain residence permits and transfer sponsorships and waive them. The Board of Directors may, within the limits of its competence, authorize one or more of its members or others to carry on some of its work.</p>	<p>positions and wages, grant them the necessary powers, or terminate their services without prejudice to their rights, and recruit workers, employees, consultants, and other from outside the Kingdom of Saudi Arabia, submitting applications for obtaining and receiving visas, issuing and/or canceling and/or renewing residency permits, transferring and waiving sponsorships, reviewing and addressing all ministries and their branches, governmental or private agencies, embassies and consulates, writing to them and signing all necessary and necessary documents.</p> <p>2. Executing everything necessary with regard to the companies that the company establishes or participates in - including, but not limited to - agreeing to establish, incorporate, purchase, manage, operate, terminate, liquidate, finance, warrantee, guarantee, and participate in any type of company, institution, fund, or branch, with others or solely, in any</p>	
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		<p> proportion, whether inside or outside the Kingdom of Saudi Arabia, determining the tasks and budgets of branches and companies, determining the amounts and values of shares or shares in which the company will participate, and increasing or decreasing the capital of those companies, or the company's withdrawal from the companies in which it participates, buying, selling, mortgaging, redemption of the mortgage, assigning and disposing of the company's equity or shares in other companies and receiving the value, and converting the entities of those companies, whether into a joint stock company, limited liability company, or other, signing the incorporation contracts of these companies and all their amendments and appendices before a notary public or any other governmental body or canceling the same, and signing any other documents, contracts or decisions issued by the </p>	
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		<p>company in its capacity as a partner or shareholder in those companies and related to those companies, including contracts to purchase, sell, mortgage, redemption of mortgage, assign or dispose of equity or shares, minutes of general assemblies, permits, requests, notices, powers of attorney, decisions, or lease contracts, or any other papers that may be necessary, required or appropriate to execute the same, appointing directors and members of the boards of directors and boards of directors of these companies, appointing representatives of the company in the assemblies of partners or shareholders of companies, and attending and voting on behalf of the company at meetings of partners, shareholders or boards of directors, including ordinary and extraordinary constituent and general assemblies or amending the purposes of those companies.</p> <p>3. Appointing and removing the Chairman of the Board,</p>	
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		<p>his deputy, members of the Board and/or the Board of Directors of companies affiliated with or owned by the company, - except for companies that require a general assembly for appointment - and appointing its representatives on the boards of companies in which the company contributes, and it shall have the right to remove or replace them.</p> <p>4. Approving the company's internal, supervisory, financial, administrative, technical, and investment regulations and policies and any policies involved in the company's daily business, strategy or development, approving the company's business and operating plans, approving its annual budget, and approving the allocation for social responsibility and donations. The Board may authorize the company's officials to sign on its behalf in accordance with the controls it sets.</p> <p>5. Forming the Remuneration and Nominations Committee and the Audit</p>	
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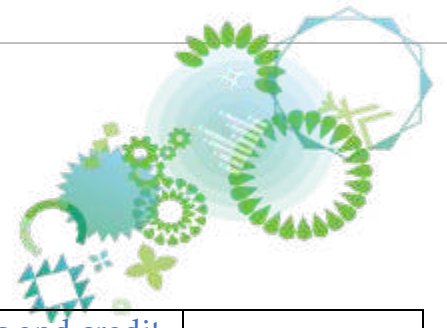
		<p>Committee, selecting, appointing and removing its members, determining their remuneration and Nominations Committee, and proposing their work policies to the General Assembly. It may form other committees and approve their work policies. In all cases, it may periodically monitor the performance of the committees, coordinate between them, and request reports on their work.</p> <p>6. Authenticating the company's articles of incorporation or Company bylaws and proposing its amendment to the general assembly, and signing and documenting the partners' decisions to amend the memorandum of association or Company bylaws and their annexes in companies in which the company participates or contributes or are owned by it, whether they are existing or new companies, which includes, but is not limited to, amending the terms of their management, increasing or reducing their capital, selling, transferring,</p>	
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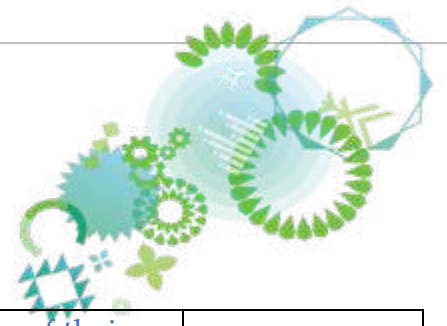
		<p> purchasing and accepting shares or equity, whether in whole or in part, or transferring their legal entity or any other amendments before a notary public, authenticators, or those in their position, as well as signing the decisions of boards of directors, partner associations, or shareholder associations, as well as representing the company, voting, objecting, discussing and signing on its behalf all necessary documents in all types of ordinary, extraordinary or other general assemblies of the company or subsidiaries or in which the company contributes or owns. </p> <p> 7. With regard to financial and banking matters, the Board of Directors shall have all the powers to open and close the bank accounts of the company and its subsidiary or owned companies, withdraw and deposit with banks, receive checks of various types, deposit or disburse the same in the company's account, request account statements, open credits, </p>	
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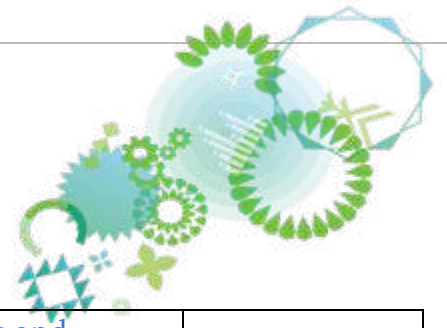
		<p> appoint authorized signatories, determine their powers, cancel the same, and replace them, signing all papers, documents, and commercial papers, including cheques, bills of exchange, and promissory notes and endorsement of the same, signing all bank transfers, issuing financial and banking guarantees, obtaining credit facilities, dealing in treasury bills, electronic banking operations, and all banking transactions, investing the company's funds and operating the same in markets inside or outside the Kingdom of Saudi Arabia, and authorizing or delegating power in those investments or procedures. Approving and signing financial derivatives agreements, and other banking, commercial and investment agreements with funds, financial institutions, commercial financial institutions and others, regardless of their duration, and signing all and all necessary documents related to those operations. </p>	
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		<p>8. Requesting loans and credit facilities for the company or its subsidiaries or owned companies from all commercial or government banks, government financing funds and institutions, or other lending or financing entities inside and outside the Kingdom of Saudi Arabia, approving the same, and signing their contracts and agreements and all required documents, regardless of their duration or amount, and under the conditions that the board deems appropriate. It shall have the right to exercise all the company's powers to borrow and collect funds, and sign and submit all necessary guarantees, including corporate guarantees to guarantee the facilities of these loans, such as real estate mortgages, promissory notes, and other commercial papers, stock certificates, and other in-kind or cash guarantees.</p> <p>9. Providing appropriate financial facilities to subsidiaries in which the company directly or indirectly owns equity or</p>	
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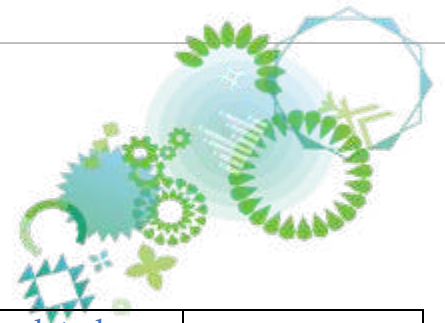
		<p>shares, regardless of their duration. It may provide guarantees and mortgages to the creditors of those companies, and waive priority in repaying the company's debts to those companies. It may provide financial, credit, technical, administrative, and investment support and treasury management to these companies, provide loans to them, and guarantee the debts of any of these companies, in accordance with what achieves the company's commercial objectives.</p> <p>10. Carrying out all acts, actions, correspondence, and communications that would achieve the company's purposes, business, actions, or goals, and managing its daily affairs.</p> <p>11. Discharging the company's debtors from their obligations in accordance with the interest of the company, and after the company has taken what the Board deems appropriate to collect these debts, and issuing guarantees, financial</p>	
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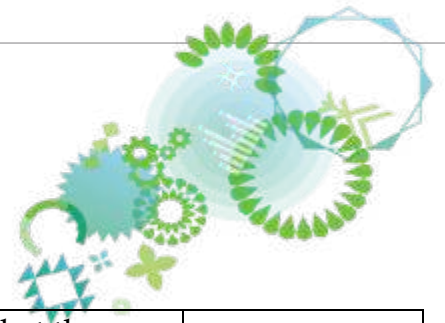
		<p>guarantees, fines and performance guarantees in relation to the company's business for the benefit of any party when it deems, in its discretion, that this serves the interest of the company, and entering into all types of banking transactions and agreements, providing bank guarantees and any other guarantee documents, including bills of exchange, promissory notes, and others, giving priority to third party debts and the like, and allowing others to use all or part of the facilities granted to the company or companies in which the company participates.</p> <p>12. Formulation of the company's policies, determining its investment, supervising its business and finances, and managing its affairs inside and outside the Kingdom. It shall have the right to represent the company in its relations with others, governmental and private entities, civil rights, police departments, chambers of commerce and industry, private bodies,</p>	
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		<p>companies and institutions of all kinds, and to enter into tenders, receive, payment, approval, settlement, reconciliation, waiver and pledge. The board also shall have the right to sign all types of contracts, documents, papers, sales, purchases, conveyance, acceptance, receipt, delivery, renting and leasing of the buildings of the company or its subsidiaries, or which it owns or mortgage the same.</p> <p>13. The Board of Directors may sell or mortgage the company's assets, or sell or mortgage the company's commercial premises. The Board of Directors is required to obtain the approval of the General Assembly when selling assets of the company whose value exceeds (50%) of the value of its total assets, whether the sale is made through one deal or several deals. In this case, the deal that leads to exceeding (50%) of the value of the assets is considered the deal that shall be approved by the General Assembly, and this</p>	
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		<p>percentage is calculated from the date of the first deal executed during the previous (12) months. The competent authority may exclude certain actions and acts from the provisions of this authority.</p> <p>14. The Board of Directors may, within the limits of its competence, assign or delegate to one or more of its members or to a third party any of the powers mentioned in this Article.</p>	
<p><u>Article (20): Remuneration:</u></p>	<p>The remuneration of Board of Directors, if any, consists of a certain amount, certain benefits, or a specific percentage as determined by the Board of Directors and within the limits of what is stipulated in the Companies Law or any other regulations, decisions, or instructions complementary to the same. In addition to an attendance allowance and a transportation allowance as determined by the Board of Directors, taking into account the regulations, decisions and instructions in force in the Kingdom issued by the competent authorities. The Board of Directors' report to the Ordinary General Assembly includes a</p>	<p>The remuneration of Board of Directors consists of a certain amount, an attendance allowance for sessions, in-kind benefits, or a certain percentage of net profits. The Board of Directors' report to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all that each member of the Board of Directors received or was entitled to receive during the financial year in terms of bonuses, allowance for attending sessions, allowance for expenses, and other benefits. It shall also include a statement of what board members received in their capacity as workers or</p>	<p>Amendment or reorganization Deletion Addition</p>



	<p>comprehensive statement of all the salaries, share of profits, attendance allowance, expenses, and other benefits that the members of the Board of Directors received during the fiscal year. The aforementioned report also includes a statement of what members of the board received as employees or administrators, or what they received in consideration for technical, administrative, or advisory work. It also includes a statement of the number of board sessions and the number of sessions attended by each member as of the date of the last meeting of the General Assembly.</p>	<p>administrators or what they received in consideration for technical or administrative work or consultations, and it shall also include a statement of the number of board sessions and the number of sessions attended by each member.</p>	
<p><u>Article (21):</u> <u>Powers of</u> <u>Chairman,</u> <u>Deputy</u> <u>Chairman,</u> <u>Managing</u> <u>Director and</u> <u>Secretary:</u></p>	<p>The Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman. It may also appoint a Managing Director from among its members. The Deputy Chairman shall replace the Chairman in the event of thar the chairman is absent. No member may jointly occupy the position the position of Chairman of the Board with the position of Managing Director or any executive position in the company. The Chairman has the authority to call for meeting</p>	<p>At its first meeting, the Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman. The position of Chairman of the Board may not be combined with any executive position in the company. The Board of Directors may appoint a managing director of the Board or a CEO of the company and a secretary from among the members of the Board or from others, and the Board may determine their authority and</p>	<p>Amendment or reorganization Deletion Addition</p>



	<p>of the Board of Directors and chair Board meetings.</p> <p>The Chairman of the Board of Directors shall be concerned with representing the Company in its relations with third parties and government and private authorities, appearing before Sharia courts, judicial bodies, Board of Grievances, notaries, labor offices, supreme and primary committees, commercial paper committees and all other judicial committees, arbitral tribunals, civil rights, police departments, chambers of commerce and industry, private bodies, companies and organizations of all kinds, entering into tenders, receipt, payment, endorsement, claim, defense, pleading, litigation, discharge, reconciliation, acceptance and challenge of judgments. He/ She shall also have the right to sign all types of contracts and documents, including, but not limited to, memorandums of association of companies in which the Company participates, with all their amendments and appendices and amendment resolutions, sign the agreements, instruments and deeds of transfer before</p>	<p>powers if they are not specified in these Company bylaws .</p> <ol style="list-style-type: none"> 1. The Chairman of the Board has the authority to represent the company before the judiciary, arbitration bodies, and third parties - and it shall have the right to, but is not limited to, execute everything related to claims and courts, including - but not limited to - appointing attorneys or third parties to review, plead, defend, and provide legal representation on behalf of the company, filing lawsuits, hearing and responding to the same, acknowledging, denying, reconciling, wavering, and discharging, requesting an oath, rejecting and abstaining from the same, bringing witnesses and statements, challenging the same, answering, discrediting and endorsement, challenging the authenticity, denying the execution of document, seals, and signatures, requesting a travel ban and its removal, requesting seizure and execution, requesting arbitration, appointing experts and 	
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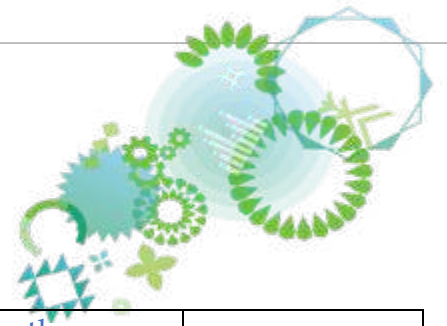
	<p>notaries and official authorities, as well as loan agreements, guarantees and sureties, follow up on transactions, collect the Company's rights and pay its liabilities, sell, purchase, transfer ownership and accept it, receive and deliver, rent and lease, receive and pay, open accounts and credits, withdraw and deposit at banks, issue bank guarantees and sign documents and checks. As well, he/ she shall have the right to appoint, dismiss and contract with employees and workers as well as determining their salaries, and to appoint attorneys and lawyers for the Company and authorize one or more of its members or others to carry on a specific work(s).</p> <p>Managing Director shall have the powers that the Board of Directors assigns thereto and shall implement the instructions of the Board of Directors commensurate with the powers included herein</p> <p>The Board of Directors shall, at its discretion, determine the special remuneration that the Chairman and Managing Director shall receive, in addition to the remuneration</p>	<p>arbitrators, appealing the reports of experts and arbitrators, rejecting and replacing the same, accepting rulings or demanding their implementation or the same or objecting to them, requesting appeal or petition for reconsideration, or requesting quash of rulings before the Supreme Court, requesting the restitution, receiving the ruling documents, and collecting the price, paying and receiving amounts to and from courts and arbitration bodies, and attending sessions in all lawsuits filed by or against the company before governmental and private agencies and before all levels of all Sharia courts, judicial bodies, administrative courts (Board of Grievances), commercial departments, labor offices, high and primary committees, and Committee for Resolution of Securities Disputes, banking dispute committees, customs committees, tax committees, commercial fraud</p>	
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	<p>determined for the members of the Board of Directors hereunder. The Board of Directors shall appoint a Secretary, whether from amongst its members or others, and determine the remuneration thereof. The Secretary shall record and keep the minutes of the Board of Directors meetings and the resolutions issued whereby in addition to exercising the other competencies entrusted thereto by the Board of Directors. The Board of Directors shall determine the remuneration thereof.</p> <p>The term of office of the Chairman, the deputy thereof, the Managing Director and the Secretary if a member of the Board of Directors shall not exceed their term of office in the Board, and they always may be re-elected. In addition, the Board of Directors may, at any time, dismiss all or any of them without prejudice to the right of the dismissed to compensation if the dismissal occurred for an illegitimate reason or at an inconvenient time.</p>	<p>committees and all other judicial committees, the Oversight and Anti-Corruption Authority, the Public Prosecution, arbitration bodies, seizure and enforcement departments, and in ministries and governmental and private bodies.</p> <p>2. Executing everything necessary with regard to the companies that the company establishes or participates in - including, but not limited to - agreeing to establish, incorporate, purchase, manage, operate, terminate, liquidate, finance, warrantee, guarantee, and participate in any type of company, institution, fund, or branch, with others or solely, in any proportion, whether inside or outside the Kingdom of Saudi Arabia, determining the tasks and budgets of branches and companies, determining the amounts and values of shares or equity in which the company will participate, and increasing or decreasing the capital of those companies, or the</p>	
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		<p>company's withdrawal from the companies in which it participates, buying, selling, mortgaging, redemption of the mortgage, assigning and disposing of the company's equity or shares in other companies and receiving the value, and converting the entities of those companies, whether into a joint stock company, limited liability company, or other, signing the incorporation contracts of these companies and all their amendments and appendices before a notary public or any other governmental body or canceling the same, and signing any other documents, contracts or decisions issued by the company in its capacity as a partner or shareholder in those companies and related to those companies, including contracts to purchase, sell, mortgage, redemption of mortgage, assign or dispose of shares or shares, minutes of general assemblies, permits, requests, notices, powers of attorney, decisions, or lease</p>	
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		<p>contracts, or any other papers that may be necessary, required or appropriate to execute the same, appointing directors and members of the boards of directors and boards of directors of these companies, appointing representatives of the company in the assemblies of partners or shareholders of companies, and attending and voting on behalf of the company at meetings of partners, shareholders or boards of directors, including ordinary and extraordinary constituent and general assemblies or amending the purposes of those companies.</p> <p>3. The Chairman of the Board shall represent the company in facilities and loans agreements and financing requests before financial, banking or financing authorities and signs the same. It also shall have the right to sign all papers, documents and bank guarantees including cheques, bills of exchange, promissory notes, and the provision of financial and</p>	
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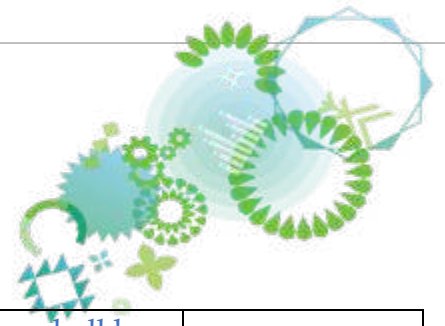
		<p>banking guarantees, including letters and pledges, and other guarantees in kind or cash for the company or its subsidiaries or in which the company directly or indirectly owns equity or shares, regardless of their duration.</p> <p>The Chairman of the Board of Directors may, within the limits of its competence, appoint or delegate to one or more members of the Board or to a third party any of the powers mentioned in this Article.</p> <p>Managing Director shall have the powers that the Board of Directors assigns thereto and shall implement the instructions of the Board of Directors commensurate with the powers included herein.</p> <p>The term of the Chairman of the Board, Deputy Chairman, the Managing Director, and the Secretary, a member of the Board of Directors, shall not exceed the term of each of them on the Board. The Board of Directors may discharge the Chairman of the Board, Deputy</p>	
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		Chairman, the CEO, and the Secretary, or any of them, from those positions, and this does not entail discharging them from their membership in the Board of Directors.	
<u>Article (22): Meetings of Board of Directors:</u>	The Board of Directors shall meet, at least four (4) times a year, upon an invitation of its Chairman. Such invitation shall be in writing and may be delivered by hand or sent by post, fax, or email. The Chairman shall call for a meeting if so, requested by at least two members.	The Board of Directors shall meet at least four meetings per year upon an invitation of its Chairman. The Chairman of the Board shall invite the Board to a meeting whenever requested to do the same in writing by any member of the Board to discuss one or more subjects. The Board of Directors shall determine the location of its meetings, and they may be held using modern technological means.	Amendment or reorganization
<u>Article (23): Board of Directors Meetings Quorum:</u>	The meeting of the Board of Directors shall not be valid unless attended by at least five (5) members. In the event that a member of Board of Directors authorizes another member to attend the Board meetings, the authorization shall be in accordance with the following controls: 1. A member of the Board of Directors may not act as a proxy for more than one member at the same meeting.	The meeting of the Board of Directors shall not be valid unless attended by at least five (5) members. In the event that a member of Board of Directors authorizes another member to attend the Board meetings, the authorization shall be in accordance with the following controls: 1. A member of the Board of Directors may not act as a proxy for more than one member at the same meeting.	The paragraph is moved to a new article called (Board Decisions)



	<p>2. The proxy shall be appointed in writing and on a specific meeting.</p> <p>3. The proxy may not vote on resolutions on which the principal thereof is prohibited from voting by law.</p> <p>Resolutions of the Board of Directors shall be adopted with the approval of the majority vote of the members present in person or represented by proxy in the meeting. Should the votes be equal, the Chairman of the Board of Directors or whosoever presiding over the meeting in his absence shall have a casting vote. The Board of Directors may issue resolutions by circulation through presenting them to all members separately unless one of the members requests in writing to hold the meeting of the Board of Directors for</p>	<p>2. The proxy shall be appointed in writing and on a specific meeting.</p> <p>3. The proxy may not vote on resolutions on which the principal thereof is prohibited from voting by law.</p>	
<p><u>Article (24):</u> <u>Board</u> <u>resolutions:</u></p>		<p>The resolutions of the Board of Directors shall be issued by at least a majority of the votes of the members present - in person or by proxy. In the event of a tie in the votes, the opinion from which the Chairman of the meeting voted shall prevail. The decision of</p>	<p>Addition</p>



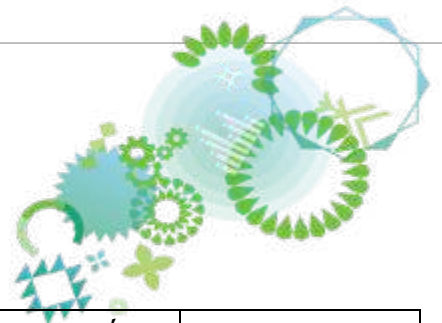
		<p>the Board of Directors shall be effective from the date of its issuance, unless it stipulates that it shall take effect at another time or when certain conditions are met.</p> <p>The Board of Directors may issue its resolution on urgent matters by presenting the same to all members by circulation, unless one of the members requests - in writing - a Board meeting to deliberate on the same. These resolutions are issued with the approval of the majority of the votes of its members, and these resolutions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.</p>	
<p><u>Article (25):</u> <u>Board</u> <u>deliberations:</u></p>	<p>The Board’s deliberations and resolutions shall be recorded in minutes to be distributed to all members of the Board and signed by the Chairman of the Board, the Secretary, and the members of the Board of Directors present. These minutes shall be registered in a special register signed by the Chairman of the Board and the Secretary, and the attendance of Board members shall be proven by a statement signed by those present.</p>	<p>The Board’s deliberations and resolutions shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, members of the Board of Directors, attendees, and the Secretary. These minutes shall be registered in a special register signed by the Chairman of the Board and the Secretary. Modern technological means may be used to sign and record the</p>	<p>Addition Deletion</p>



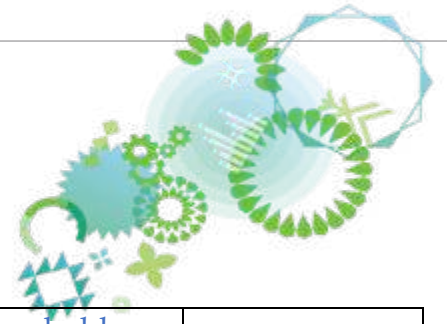
	<p>The board member shall inform the board of his direct or indirect personal interests in the business and contracts carried out on behalf of the company, and this notification shall be recorded in the minutes of the board meeting. The interested member may not participate in voting on the resolution issued in this regard.</p>	<p><u>deliberations and resolutions and record the minutes.</u> The board member shall inform the board of his direct or indirect personal interests in the business and contracts carried out on behalf of the company, and this notification shall be recorded in the minutes of the board meeting. The interested member may not participate in voting on the resolution issued in this regard.</p>	
<p><u>Article (25): Formation of committees:</u></p>	<p>The Board of Directors may form committees from amongst its members or others, authorize them of whatsoever powers it deems appropriate and determine the modus operandi of such committees.</p>		<p>Deletion</p>
<p><u>Article (26): Nomination and Compensation Committee:</u></p>	<p>The Board of Directors may form amongst its members or others a Nomination and Compensation Committee, and it shall determine its powers and modus operandi in accordance with the provisions of law and the related regulations.</p>		<p>Deletion</p>
<p><u>Article (26): Attendance of Assemblies:</u></p>	<p>The duly formed General Assembly shall represent all Shareholders and convene in the city where the Company's head office is located. Each Shareholder, regardless of the number of shares thereof, shall</p>	<p>Every shareholder has the right to attend the General Assembly meeting, and to do so he may authorize another person other than a member of the Board of Directors on his behalf. <u>The General Assembly meeting</u></p>	<p>Amendment or reorganization Deletion Addition</p>



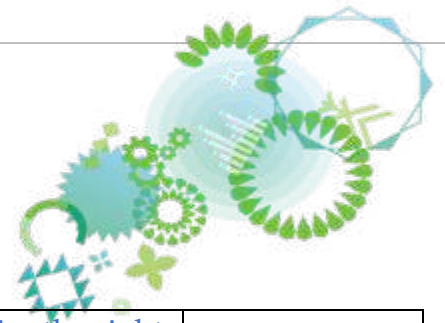
	<p>have the right to attend the General Assembly. The Shareholder may authorize another person (other than the members of the Board of Directors or the Company's employees) to attend the General Assembly on the behalf thereof.</p>	<p>may be held and the shareholder participates in deliberations and voting on resolution by means of modern technology.</p>	
<p><u>Article (28):</u> <u>Constituent</u> <u>Assembly:</u></p>	<p>This Assembly shall:</p> <ol style="list-style-type: none"> 1. Verify full share capital subscription 2. Approve the final provisions of the Company's Articles. 3. Appoint auditors for the Company and determine their fees. 4. Appoint the members of the first Board of Directors of the Company. 5. Discuss the founders' report on the business and expenses required by the incorporation of the Company. 		<p>Deletion</p>
<p><u>Article (29):</u> <u>Invitation for</u> <u>Assemblies:</u></p>	<p>The General Shareholders Assembly shall convene at the invitation of the Board of Directors. The Board of Directors shall invite the Ordinary General Assembly to convene if the Auditor, Audit Committee or a number of Shareholders representing at least five percent (5%) of the share capital so requests. The</p>	<ol style="list-style-type: none"> 1. General and private assemblies shall convene at the invitation of the Board of Directors, and the Board of Directors shall call the ordinary general assembly to be convened within (thirty) days from the date of the request of the auditor or one or more shareholders constituting at least (ten 	<p>Amendment or reorganization Deletion Addition</p>



	<p>Auditor may invite the Assembly to convene unless the Board of Directors invites the Assembly within thirty (30) days from the date of the request of the Auditor. The invitation for the General Assembly shall be published in a daily newspaper distributed in the city where the head office of the Company is located, at least ten (10) days prior to the scheduled date. The invitation shall include the agenda and may only be addressed on the said time to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce and Investment and CMA during the period specified for publication.</p>	<p>percent) of the company's shares that have voting rights. The auditor may invite the ordinary general assembly to convene if the board does not address the invitation within (thirty) days from the date of the auditor's request.</p> <ol style="list-style-type: none"> 2. The request referred to in Paragraph (1) of this Article shall state the issues on which shareholders are required to vote. 3. The invitation to convene the assembly shall be sent at least (twenty-one) days before the specified date in accordance with the provisions of the law. Taking into account informing shareholders by registered letters to their addresses listed in the shareholder register, or announcing the invitation through modern technological means, and the assembly's agenda, including the items to be voted on, the place, date and time of its meeting, and a statement of the right to attend, discuss, ask questions, and deputization, as following: 	
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		<p>A. Informing shareholders through registered letters to their addresses listed in the shareholders' register, or announcing the invitation through modern technological means.</p> <p>B. Sending a copy of the invitation and the agenda to the Commercial Registry, as well as a copy to the Capital Market Authority if the company is listed on the Capital market on the date of announcing the invitation.</p> <p>1. The invitation to the assembly meeting shall include at least the following:</p> <p>A. A statement of the holder of the right to attend the assembly meeting and his right to appoint a proxy on its behalf, (who shall not a member of the Board of Directors), and a statement of the shareholder's right to discuss the subjects on the assembly's agenda and ask questions and</p>	
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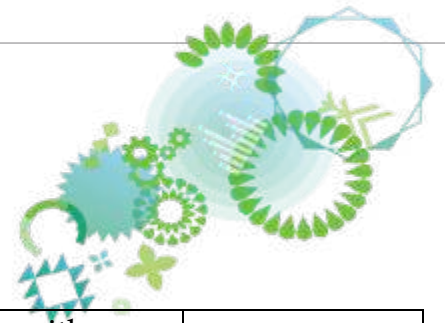
		<p>how to exercise the right to vote.</p> <p>B. The place, date and time of the meeting.</p> <p>C. The type of assembly, whether it is a public or private assembly.</p> <p>D. The meeting agenda, including the items on which shareholders are required to vote.</p>	
<p><u>Article (32)</u> <u>Assembly Attendance Record:</u></p>	<p>The Shareholders who wish to attend the General Assembly shall record their names at the head office of the Company or the venue of the General Assembly prior to the time specified for the assembly to convene. A sheet with the names of the attending Shareholders and the representatives and their places of residence shall be made at the time of the Assembly, indicating the number of shares in their possession in person or by proxy and the number of votes assigned thereto. Any interested person shall have access to such sheet.</p>		<p>Deleted and incorporated into Article 35</p>
<p><u>Article (30)</u> <u>Quorum of Ordinary General Assembly:</u></p>	<p>No meeting of the Ordinary General Assembly shall be valid unless attended by Shareholders representing at least quarter of the Company's share capital. If such quorum is</p>	<p>1. No meeting of the Ordinary General Assembly shall be valid unless attended by Shareholders representing at least quarter of the Company's share capital that have voting rights.</p>	<p>Amendment or reorganization Addition</p>



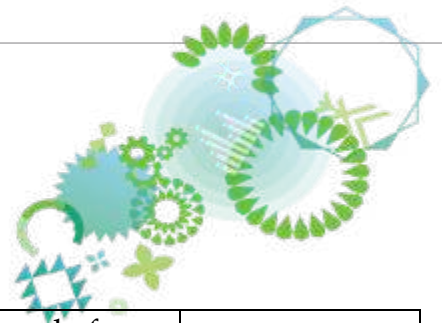
	<p>not present, one of the two options shall be chosen:</p> <ol style="list-style-type: none"> 1. The second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include an indication of the possibility of holding this meeting. 2. The invitation for a second meeting to be held within the thirty (30) days following the previous meeting shall be served and published in the manner set forth in Article (31) hereof. <p>In all cases, the second meeting shall be valid regardless of the number of shares represented therein.</p>	<ol style="list-style-type: none"> 2. If the quorum necessary to hold the Ordinary General Assembly meeting is not present in accordance with Paragraph (1) of this Article, an invitation shall be sent to a second meeting to be held in the same conditions stipulated in Article (Ninety-One) of the Companies Law within the (thirty) days following the date specified for holding the previous meeting. However, second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include an indication of the possibility of holding this meeting. <p>In all cases, the second meeting shall be valid regardless of the number of shares represented therein.</p>	
<p><u>Article (31):</u> <u>Quorum of the Extraordinary General Assembly:</u></p>	<p>No meeting of the Extraordinary General Assembly shall be valid unless attended by Shareholders representing half of the Company's share capital. If such quorum is not present in the first meeting, one of the two options shall be chosen:</p>	<ol style="list-style-type: none"> 1. No meeting of the Extraordinary General Assembly shall be valid unless attended by Shareholders representing, at least, half of the Company's share capital that have voting rights 	<p>Amendment or reorganization Addition</p>



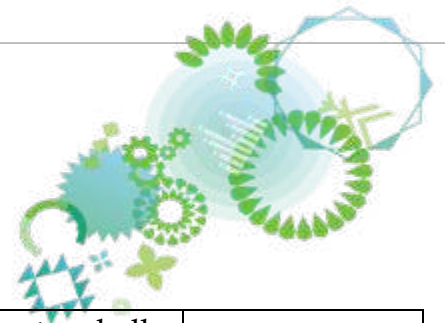
	<ol style="list-style-type: none"> 1. The second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include an indication of the possibility of holding this meeting. 2. The invitation for a second meeting to be held in the same conditions set forth in Article (31) hereof shall be served. <p>In all cases, the second meeting shall be valid if attended by Shareholders representing at least quarter of the share capital.</p> <p>If the necessary quorum is not present at the second meeting, an invitation shall be served for a third meeting in the same conditions set forth in Article (31) hereof. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent authority.</p>	<ol style="list-style-type: none"> 2. If the quorum necessary to hold the meeting of the extraordinary general assembly is not present in accordance with Paragraph (1) of this Article, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in Article (Ninety-One) of the Companies Law. However, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include an indication of the possibility of holding this meeting. In all cases, the second meeting shall be valid if it is attended by a number of shareholders representing (a quarter) of the company's shares that have voting rights at least. 3. If the quorum necessary to hold the second meeting is not present, an invitation shall be served for a third meeting to be held in the same conditions stipulated in Article (Ninety-One) of the Companies Law, and the third meeting shall be valid regardless of the 	
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		number of shares with voting rights represented therein.	
<p><u>Article (32):</u> <u>Voting in assemblies:</u></p>	<p>Each subscriber shall have one vote for each share represented thereby in the Constituent Assembly, and each Shareholder shall have one vote for each share in the General assemblies. Cumulative voting should be used in Board of Directors elections. The General Assembly meetings may be held, Shareholders may participate in their deliberations. Their resolutions may be voted by means of modern technology in accordance with the controls laid down by the competent authority.</p>	<p>1. Each shareholder shall have one vote for each share in the general assemblies. Cumulative voting shall be used to elect members of the Board of Directors, so that the right to vote per share may not be used more than once.</p> <p>2. Members of the Board of Directors may not participate in voting on the Assembly’s resolutions related to business and contracts, in which they have a direct or indirect interest or that involve a conflict of interest.</p> <p>3. General assembly meetings may be held and the shareholder may participate in their deliberations and vote on their resolutions by means of modern technology in accordance with the controls established by the competent authority.</p>	<p>Deletion Addition</p>
<p><u>Article (38):</u> <u>Presiding Assemblies and Preparation of Minutes</u></p>	<p>The General Assembly shall be presided by the Chairman or, in his/her absence, his/her Deputy. The Chairman shall appoint a Secretary for the meeting and a Vote Collector.</p>	<p>1. The General Assembly meeting of shareholders shall be presided by the Chairman of the Board of Directors or Deputy Chairman in his absence, or</p>	<p>Addition</p>



<p><u>Article (35):</u> <u>General</u> <u>Assembly</u> <u>Meeting of</u> <u>Shareholders:</u></p>	<p>Minutes of the General Assembly shall be made and include the names of Shareholders present or represented, number of shares held thereby in person or by proxy, number of votes assigned to it, the resolutions passed and the resolutions approved or objected thereby, as well as a summary of the discussions held in the meeting. The minutes shall be recorded regularly following each meeting in a special register signed by the Chairman of the Assembly, the Secretary and the Vote Collector.</p>	<p>whomever the Board of Directors delegates from among its members in their absence. In the event that this is not possible, the General Assembly shall be presided by whomever the shareholders delegate from among the Board members or others by vote.</p> <ol style="list-style-type: none"> 2. Every shareholder shall have the right to attend the General Assembly meeting, and it has the right to appoint a proxy (other than a member of the Board of Directors on his behalf). 3. The General Assembly meeting may be held and the shareholder may participate in deliberations and voting on resolutions by means of modern technology. 4. Minutes of the General Assembly shall be made and include the names of Shareholders present or represented, number of shares held thereby in person or by proxy, number of votes assigned to it, the resolutions passed and the resolutions approved or objected thereby, as well as a summary of the discussions held in the 	
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		<p>meeting. The minutes shall be recorded regularly following each meeting in a special register signed by the Chairman of the Assembly, the Secretary and the Vote Collector. The competent authority may set controls regarding the minutes of assembly meetings and the tasks of its secretaries and vote collectors.</p>	
<p><u>Article (39)</u> <u>Formation of the Audit Committee:</u></p>	<p>An Audit Committee shall be formed by resolution of the Ordinary General Assembly and shall comprise of no less than three (3) members and no more than five (5) members out of the Board of Directors executive members, whether from the Shareholders or others, and such resolution shall determine the Committee's duties and controls as well as the remuneration of its members.</p>	<p>An audit committee shall be formed by a resolution of the Board of Directors with no less than three and no more than five members other than the executive members of the Board of Directors, whether shareholders or others. The General Assembly shall issue, based on the Board of Directors' proposal, the committee's work regulations, provided that the regulations shall include the controls and procedures for its work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event that one of the committee seats becomes vacant.</p>	<p style="color: red; text-align: center;">Deletion</p>



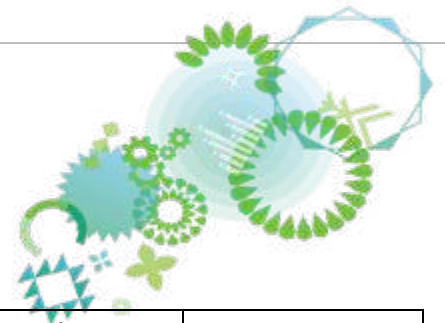
<p><u>Article (40):</u> <u>Quorum of</u> <u>Audit</u> <u>Committee</u> <u>Meeting:</u></p>	<p>Audit Committee meeting shall be valid if attended by the majority of its members. The majority of votes present shall issue resolutions. In the case of equal votes, the Chairman shall have the casting vote.</p>		<p>Deletion</p>
<p><u>Article (41):</u> <u>Competences</u> <u>of the Audit</u> <u>Committee:</u></p>	<p>The Audit Committee shall be concerned with controlling the Company work. For achieving such purpose, the audit committee shall be entitled to have access to its records and documents and ask for any explanation from the Board members or the executive management and may further ask the Board member to call the Company general assembly to hold a meeting if the Board impedes its works or if the Company is subject to serious damages or gross losses.</p>		<p>Deletion</p>
<p><u>Article (42):</u> <u>Reports of the</u> <u>Audit</u> <u>Committee:</u></p>	<p>The audit committee shall consider the Company financial statements, reports and notes submitted by the auditor and shall give its opinions thereon if any. Moreover, the audit committee shall also prepare a report expressing its opinion on the extent of sufficiency of the Company internal auditing and the other works falling in its jurisdiction. The Board of Directors shall submit</p>		<p>Deletion</p>



	<p>sufficient copies of such report to the Company headquarters in ten days at least before the date on which the meeting of the general assembly is held in order to provide any desirous shareholder with the same. The report shall be read out in the meeting of the general assembly.</p>		
<p><u>Article (43) Appointment of the Auditor:</u> <u>Article (36) Appointment, dismiss and retirement of the company's auditor:</u></p>	<p>The Company shall have one or more auditors from among those licensed to conduct auditing business in the Kingdom of Saudi Arabia that shall be appointed annually by the Ordinary General Assembly, which shall determine the auditor remuneration and the term of his work. The Ordinary General Assembly may, at any time, change the appointed auditor without prejudice to his right to be compensated in case he has been changed at an inappropriate time or for illegitimate reason.</p>	<ol style="list-style-type: none"> 1. The company shall have one (or more) auditors from amongst the auditors licensed to conduct auditing business in the Kingdom of Saudi Arabia. The General Assembly shall appoint the auditor, determine its fees, duration of work, and scope of work, and it may be reappointed, provided that the period of its appointment shall not exceed the period in accordance with the provisions established by law. 2. Pursuant to a decision to be taken by the General Assembly, the auditor may be dismissed, and the Chairman of the Board of Directors shall inform the competent authority of the dismissal resolution and its reasons, within a period not exceeding (five) days from 	<p>Amendment or reorganization Deletion Addition</p>



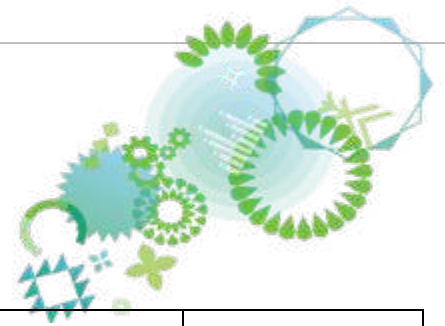
		<p>the date of adopting the resolution.</p> <p>3. The auditor may resign from his position pursuant to a written notification to be submitted to the company, and its job shall be terminated on the date of submission or on a later date specified in the notification, without prejudice to the company's right to be compensated for the damage caused to the company, where applicable. The retiring auditor is obligated to submit to the company and the competent authority - upon submitting the report - a statement of the reasons for its retirement, and the Board of Directors shall call the General Assembly to be convened to consider the reasons for the retirement, appoint another auditor, and determine its fees, the duration of its work, and the scope of its work.</p>	
<p><u>Article (37):</u> <u>Powers of the auditor:</u></p>	<p>The auditor shall have the right at any time to review the company's books, records and other documents, and it also has the right to request the statements and clarifications that he deems necessary to</p>	<p>The auditor shall have the right - at any time - to review the company's documents, accounting records and supporting documents, and has the right to request the statements and clarifications</p>	<p>Amendment or reorganization Deletion Addition</p>



	<p>obtain, in order to verify the company's assets and obligations and other matters that fall within the scope of its work. The Chairman of the Board of Directors shall enable the auditor to perform its duty, and if the auditor encounters difficulty in this regard, it shall prove the same in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it shall request the Board of Directors to invite the Ordinary General Assembly to consider the case.</p> <p>The auditor shall submit to the annual general assembly a report that includes the company's position on enabling it to obtain the data and clarifications it requested, and the violations it may have found of provisions of the Companies Law or the provisions of these Company bylaws , and its opinion on the integrity of the financial statements of the company.</p>	<p>that it deems necessary to obtain in order to verify the company's assets and obligations and other matters that fall within the scope of its work. The Board of Directors shall enable the auditor to perform its duty, and if the auditor encounters difficulty in this regard, it shall prove the same in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, it shall request them to be convened to consider the case. The auditor may serve this invitation if the Board of Directors does not serve the same within (thirty) days from the date of the auditor's request.</p>	
<p><u>Article (39):</u> <u>Financial</u> <u>documents:</u></p>	<p>1. The Board of Directors shall, at the end of each fiscal year, prepare the financial statements along with a report on the Company activity and its financial position for the</p>	<p>1. The Board of Directors shall, at the end of each fiscal year, prepare the financial statements along with a report on the Company activity and its financial position for the</p>	<p>Amendment or reorganization Deletion Addition</p>



	<p>expired year. This report shall include the proposed method for the profit distribution. The Board shall put these documents at the disposal of the Auditor at least forty-five (45) days before the deadline for holding the General Assembly</p> <p>2. The Chairman of the Board, CEO, and the Financial Manager shall sign the documents referred to in Paragraph (1) in this Article, and copies of such documents shall be kept at the Company head office at the disposal of the shareholders ten days at least prior to the date defined for holding the general assembly.</p> <p>3. The chairman of the Board shall furnish the shareholders with the financial statements, Board's report and auditor's report, if any, unless the said documents have been published in one daily newspaper distributed in the location of the head office and send a copy of such documents to the Ministry of Commerce & Investment and Capital</p>	<p>expired year. This report shall include the proposed method for the profit distribution. The Board shall put these documents at the disposal of the Auditor at least forty-five (45) days before the deadline for holding the General Assembly</p> <p>2. The Chairman of the Board, CEO, and the Financial Manager shall sign the documents referred to in Paragraph (1) in this Article, and copies of such documents shall be kept at the Company head office at the disposal of the shareholders.</p> <p>3. The Chairman of the Board of Directors shall furnish the shareholders with the company's financial statements and the Board of Directors' report, after signing the same, and the auditor's report, if any, unless published in any modern technology means, at least (twenty-one) days before the date set for holding the meeting of the annual ordinary general assembly. It shall also submit these documents in accordance with what is</p>	
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	Market Authority at least fifteen (15) days prior to the date set for the General Assembly.	specified in the implementing Regulations of the Companies Law.	
<u>Article (49): Distribution of Profits for Preference Shares:</u>	<ol style="list-style-type: none"> In case no profits have been distributed at any fiscal year, no profits shall be distributed in respect of the subsequent years except after paying the percentage stated in the provisions of ARTICLE (114) of Law of Companies to the holders of the preference shares in respect of such fiscal year. If the Company fails to pay this percentage of the profits as outlined in the provisions of ARTICLE (114) of Law of Companies for three consecutive years, the Special Assembly of the holders of these shares - held in accordance with the provisions of ARTICLE (89) of the Law of Companies- may decide either they may attend the meetings of the General Assembly of the Company and participate in the vote or appoint representatives in the Board of the Company in coping with the value of their shares in the share capital in order for the Company to 	<ol style="list-style-type: none"> In case no profits have been distributed at any fiscal year, no profits shall be distributed in respect of the subsequent years except after paying the percentage stated to the holders of the preference shares in respect of such fiscal year. If the company fails to pay the holders of preferred shares the stated percentage of the company's net profits after deducting reserves - if any - for a period of three (3) consecutive years, then the special assembly of the owners of these shares - held in accordance with the provisions of Article Eighty-Nine of the Companies Law - may decide that they shall attend the company's general assembly meetings and participate in voting in order for the company is able to pay all the profits allocated to the owners of these shares for those years. Each preferred share has one vote at the general 	Deletion



	<p>be able to pay all priority profits allocated for the holders of such shares for the previous years.</p>	<p>assembly meeting. In this case, the holder of the preferred share has the right to vote on all items on the agenda of the ordinary general assembly without exception, or to appoint representatives on the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority profits allocated to the owners of these shares for previous years.</p>	
<p><u>Article (40):</u> <u>Profit</u> <u>Distribution:</u></p>	<p>a) Ten percent (10%) of the net profits shall be set aside to build the statutory reserve. The ordinary General Assembly may stop this deduction when said reserve reaches an amount equivalent to thirty percent (30%) of the Company paid-up share capital.</p> <p>b) The Ordinary General assembly may, at the recommendation of the Board, set aside a specific percentage that does not exceeded 20% of net profits to build up an agreed reserve allocated</p>	<ol style="list-style-type: none"> 1. The Ordinary General Assembly - when determining the share of shares in net profits - may decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits - as much as possible - to shareholders. The aforementioned assembly may also deduct amounts from the net profits to achieve social objectives for the company's employees. 2. The General Assembly shall determine the percentage that shall be distributed to shareholders from the net 	<p>Deletion Addition</p>



	<p>for a specific purpose or purposes.</p> <p>c) The Ordinary General Assembly may decide, on the proposal of the Board of Directors, to distribute A down payment representing at least (5%) of the paid-up capital from the residual to the shareholders</p> <p>d) Subject to the provisions stipulated in these Articles and the Law of Companies, the General Assembly may, after the aforementioned, allocate a percentage not exceeding (5%) of the residual as remuneration for members of the Board of Directors, provided that the entitlement of this remuneration is proportional to the number of sessions attended by the member.</p> <p>e) The Ordinary General Assembly may decide on the proposal of the Board of Directors to distribute the residual thereafter to the shareholders as an additional share in the profits.</p> <p>f) The company may distribute interim</p>	<p>profits after deducting reserves, if any.</p> <p>3. Distributable profits consist of the net income for the fiscal year, deducting all amounts that shall be set aside to the reserve allocated for specific purposes in these Company bylaws - if any - or that shall be set aside to the reserves formed by the General Assembly, in addition to the retained profits and the distributable reserves made up of profits.</p> <p>4. Without prejudice to the provisions of paragraphs stated in this article; The company's policies and regulations shall determine the reserves that shall be allocated for certain profits purposes and the mechanism and percentage of profits that can be distributed to shareholders.</p> <p>5. The company may distribute interim dividends to shareholders on a semi-annual or quarterly basis in accordance with the controls set by the competent authority, based on an authorization issued by the Ordinary General Assembly to the Board of</p>	
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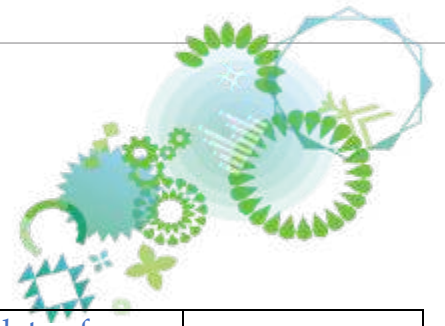
	<p>dividends to shareholders on a semi-annual or quarterly basis in accordance with the controls set by the competent authority, based on an authorization issued by the Ordinary General Assembly to the Board of Directors to distribute such profits.</p>	<p>Directors to distribute such profits.</p>	
<p><u>Article (43):</u> <u>Losses of</u> <u>Company:</u></p>	<p>1- If, at any time of the fiscal year, the losses of the Company amount to half the paid-up share capital, every officer or auditor in the company shall, once informed of the same, notify the chairman, who shall immediately notify the members of the Board of Directors. The Board of Directors shall, within 15 (fifteen) days of being notified, call for an extraordinary general assembly to be convened, within 45 (forty five) days of the date of being notified of the losses, in order to decide either to increase or decrease the share capital of the company, as per the provisions of the Law of Companies, to the extent that the ratio of the losses becomes less than half the</p>	<p>1- If, at any time of the fiscal year, the losses of the Company amount to half the paid-up share capital, the Board of Directors shall disclose the same, as well as the recommendations it has reached regarding those losses within (sixty) days from the date it becomes aware of the amount of these losses. The Board shall invite the extraordinary general assembly to be convened within (one hundred and eighty) days from the date of becoming aware of the same, to consider the continuation of the company while taking any necessary measures to address or resolve those losses.</p>	<p>Deletion Addition</p>



	<p>paid up share capital; or to dissolve the Company before the set duration herein.</p> <p>2- The Company shall be deemed dissolved by the force of Law of Companies if the Board fails to hold the general assembly within the period defined in paragraph (1) above; or if the assembly fails to adopt a resolution on this matter; or if the assembly resolved to increase the share capital according to the adjustment required herein but no subscription is made regarding the whole share capital increase within 90 (ninety) days of the date of the assembly resolution to increase the share capital.</p>		
<p><u>Article (44):</u> <u>Liability</u> <u>Claim:</u></p>	<p>Each shareholder shall have the right to file a liability claim against members of the Board of Directors if the wrongful act committed thereby is of a nature to cause a personal prejudice thereto. However, the shareholder may file such claim only if the right of the Company to file it still existing and after informing the Company of his intention to file such claim.</p>	<p>1. The company may file a liability claim against the members of the Board of Directors due to violating the provisions of the Companies Law or these Company bylaws , or due to their defaults, omission, or negligence in performing their duties, which results in damages to the company. The General Assembly decides to file this claim and appoint someone to act</p>	<p>Deletion Addition</p>



		<p>on behalf of the company to execute the same. If the company is in the process of liquidation, the liquidator shall take over filing the claim. In the event that any liquidation procedures are opened against the company in accordance with the bankruptcy law, this claim shall be filed by its legal representative.</p> <p>2. One or more shareholders constituting (five percent) of the company's capital may file a liability claim eligible to the company in the event that the company does not file the same. Taking into account that the primary objective of filing the claim is to achieve the company's interests. The claim shall be based on a valid basis, and the plaintiff shall have a good faith and a shareholder in the company at the time of filing the claim.</p> <p>3. In order to file the claim referred to in Paragraph (2) of this Article, it is necessary to inform the members of the Board of Directors - as the case may be - of the intention to file the claim at least (fourteen)</p>	
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		<p>days before the date of filing the same.</p> <p>4. The shareholder has the right to file his personal claim against the members of the Board of Directors if their default resulted to a personal damage to it.</p>	
<p><u>Article (45):</u> <u>Termination</u> <u>of the</u> <u>Company:</u></p>	<p>The Company shall be terminated after the expiration of the term specified thereto and pursuant hereto or upon the applicability of any of the items provided for in law of Companies. Upon the Company termination and in case of dissolution thereof prior to the date specified therefor, the Extraordinary General Assembly shall, based on the Board proposal, decide the way of liquidation and shall appoint one or more liquidators and determine the powers and fees thereof. Board powers shall end by the company's termination; however, the Board shall continue to manage the Company until a liquidator is appointed. In addition, the company's staff shall have their competencies to the extent that does not conflict with those of liquidators.</p>	<p>The company shall be terminated by one of the reasons for Expiry mentioned in Article (two hundred and forty-three) of the Companies Law, and upon its expiration the company shall enter the stage of liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. If the company terminated and its assets are insufficient to pay its debts or it is in default according to the bankruptcy system, the company shall be applied to the competent judicial authority to open any liquidation procedures under the bankruptcy system.</p>	<p>Deletion Addition</p>
<p><u>Article (53):</u> <u>Law of</u> <u>Companies:</u></p>	<p>The provisions of the Law of Companies, Law of Capital Market Authority and the</p>	<p>1. The company is subject to the applicable law in the Kingdom of Saudi Arabia.</p>	<p>Deletion Addition</p>



<p><u>Article (46):</u> <u>Final</u> <u>Provisions:</u></p>	<p>Regulations thereof shall be applicable to matter not provided for herein.</p>	<p>2. Any provisions herein that contradict the provisions of the Companies Law shall be considered null and void, and the provisions contained in the Companies Law shall be applied to the same. The provisions of Companies Law and its implementing Regulations shall be applied for provisions not provided herein.</p>	
<p><u>Article (47):</u> <u>Publication:</u></p>	<p>These Articles shall be kept and published in accordance with Law of Companies and the Regulations thereof.</p>	<p>These Company bylaws shall be kept and published in accordance with the provisions of Law of Companies and its implementing Regulations.</p>	<p>Addition</p>



Twenty-Third Item

Voting on amendment of Audit Committee Charter. (attached).



Audit Committee Charter



Audit Committee Charter

Table of Contents

Purpose	3
Article (1) Audit Committee Formation	3
Article (2) Competencies, and Responsibilities of the Audit Committee	4
Article (3) Powers of the Audit Committee	6
Article (4) Conflict between the Audit Committee and the Board	6
Article (5) Audit Committee Meetings	6
Article (6) Arrangements for Providing Remarks	7
Article (7): Competencies of the Audit Committee members	8
Article (8): The Audit Committee's Membership Termination and its Provisions	10
Article (9): The Audit Committee's Report	10
Article (10): Remuneration of the Committee Members	10
Article (11): Discloser	11
Article (12): Review	11
Article (13): Publication and Entry into Force	11



Audit Committee Charter

Purpose

Audit Committee Charter aims to govern audit 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) Audit Committee Formation

Audit 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 Audit Committee membership requirements considering below provisions:

1. Audit Committee members number shall not be less than three or more than five.
2. Audit Committee shall include one member specialized in Finance and Accounting.
3. Audit Committee shall include one independent member at least.
4. Chairman of the Audit Committee consider to be an Independent member¹
5. Chairman of the Board shall not be a member of the Audit Committee.
6. Any person who works or has worked in the Company's Finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the Audit Committee.
7. A member of the audit committee shall not be a member of more than five listed joint stock companies at the same time or simultaneously serve on the Audit Committee of a competitor of Zain KSA.
8. In case a seat in the Audit committee becomes vacant the Board of Directors has the right to appoint a member who meets all Audit Committee membership requirements and the member newly appointed shall complete the terms of his predecessor.
9. Half of the audit committee's members may consider to be an Independent Directors or from those on whom the issues affecting independence that stated on the Corporate Governance regulation of the Capital Market Authority.²
10. The members of the Audit Committee shall not include any of the executive members from the Board of Directors

¹ Guideline Article unless the Regulatory Authorities stated otherwise.

² Guideline Article unless the Regulatory Authorities stated otherwise.



Audit Committee Charter

Article (2) Competencies, and Responsibilities of the Audit Committee

The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The Audit 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 shall state the name of the expert and his relation to the Company or its Executive Management; the duties of the audit committee shall particularly include the following:

- A. Financial Reports:
 - 1. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency
 - 2. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy
 - 3. Analysing any important or non-familiar issues contained in the financial reports.
 - 4. Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
 - 5. Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
 - 6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- B. Internal Audit:
 - 1. Examining and reviewing the Company's internal and financial control systems and risk management system.
 - 2. Analysing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
 - 3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
 - 4. Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest its remunerations.



Audit Committee Charter

5. Approval the internal audit department annual plan
- C. External Auditor:
1. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
 2. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, considering the relevant rules and standards.
 3. Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical, administrative or consulting works that are beyond its scope of work and provides its opinion thereon.
 4. Responding to queries of the Company's external auditor
 5. Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.
- D. Ensuring Compliance:
1. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
 2. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions
 3. Reviewing the contracts and proposed Related Party transactions and providing its recommendations to the Board.
 4. Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.



Audit Committee Charter

Article (3) Powers of the Audit Committee

In order to perform its duties, the audit committee may review the Company's records and documents, and request any clarification or statement from the Board members or the Executive Management and request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.

The committees 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.

Article (4) Conflict between the Audit Committee and the Board

If a conflict arises between the recommendations of the audit committee and the Board resolutions, or if the Board refuses to put the committee's recommendations into action as to appointing or dismissal the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the committee's recommendations and justifications, and the reasons for not following such recommendations.

Article (5) Audit Committee Meetings

Audit Committee Meetings General Provisions

The audit committee shall convene periodically, provided that at least (4) meetings are held during the Company's Financial year. The Audit Committee shall convene periodically with the Company's External Auditor and Internal Auditor, and the internal auditor and the external auditor may call for a meeting with the audit committee at any time as may be necessary.

Meeting Invitation

The Committee shall meet at the invitation of its Chairman 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



Audit Committee Charter

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

Audit committee meeting attended by the Committee members, and Committee Secretary, the committee may request any party to hear its opinion or to take its advice, and the meeting will be valid only if it is attended by majority of its members. Audit Committee decisions shall be passed by a majority vote of attending members. In case of a tie, the chairman of the meeting shall have the casting vote. In case of emergencies or situations beyond the Committee's control and where the Audit Committee cannot be convened, the Audit Committee can take its decisions via circulation.

Article (6) Arrangements for Providing Remarks

The audit committee shall develop Mechanism that enable the Company's employees to confidentially provide their remarks in any inaccuracies in the financial or other reports. The audit committee shall ensure that such Mechanism have been put into action through an adequate independent investigation in respect of the error or inaccuracy and shall adopt appropriate follow-up procedures.



Audit Committee Charter

Article (7): Competencies of the Audit Committee members

Committee Chairman:

Committee members chose among them committee chairman, 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 his/ her behalf.**

Committee Member:

Audit 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 chairman 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.**



Audit Committee Charter

Committee Secretary:

The Committee shall appoint a secretary, among its members or others, who will assist and advise to the Audit 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 Chairman approval, which must include the below:

1. Meeting agenda after incorporating with the committee chairman 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 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 committee within (5) working days of the meeting and send the copy to the Audit Committee 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.



Audit Committee Charter

Article (8): The Audit Committee's Membership Termination and its Provisions

Audit 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 three 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 (9): The Audit Committee's Report

The Audit Committee issues an annual report include details of its performance of its competencies and duties stated in these Regulations, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company and the Board shall make available sufficient copies of the audit committees' report at the Company's head office and publish them on the Company's and the Exchange's websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof. Summary of the report shall be read at the General Assembly.

Article (10): 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 committees and the Executive Management that been approved by the General Assembly.



Audit Committee Charter

Article (11): 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 (12): Review

Audit 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 (13): Publication and Entry into Force

Audit Committee Charter shall be effective 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.



AUDIT COMMITTEE CHARTER

Confidential
Version 2.0 dated 13 April 2017
Approved by General Assembly

DOCUMENT CONTROL

Document Description:

Document Title	Audit Committee Charter
Issuance/ Revision	2.0
Date	13 April 2017
Owner	Internal Audit
Author	Internal Audit and Risk Management & Business Continuity
Security Level	For external use

The Board of Directors (hereinafter referred to as the "Board" or the "Directors") may recommend changes to this Audit Committee Charter (hereinafter referred to as the "Charter") for approval from the General Assembly, provided that any such modification or waiver does not violate any applicable laws, rules, regulations, the Company's Delegation of Authority (hereinafter referred to as the "DoA") Matrix and Bylaws and further provided that any such modification or waiver is appropriately disclosed to the concerned parties.

- The changes to this document shall be consecutively numbered and dated.
- The following log shall be used and signed off for all updates.

Approvals

Name	Role	Signature	Date
Audit Committee	Chairman of the Committee (Recommend)		01 March 2017
Board of Directors	Chairman of the Board (Recommend)		09 March 2017
Shareholders – General Assembly	Approval		13 April 2017

MUS.



DOCUMENT SIGN OFF PAGE

DOCUMENT NAME: AUDIT COMMITTEE CHARTER

Date: 8 March 2017

The Policy document have been updated based on the Companies Law 2015 and Corporate Governance 2017 issued by CMA and is being submitted to the Board for their review and recommendation

A handwritten signature in blue ink, appearing to be "Zain", is written above a horizontal line.

Preparer: Risk Management & Business Continuity

Reviewer: Legal Director

A handwritten signature in blue ink, appearing to be "Abdul", is written above a horizontal line.

Reviewer: Chief Executive Officer

A handwritten signature in blue ink, appearing to be "M. H.", is written above a horizontal line.

Recommend: Internal Audit

Document Change History

Date	Issuance/ Revision	Author	Description of Changes
5 April 2009	1	Board Secretary	Board of Directors of Mobile Telecommunications Company Saudi Arabia (Zain KSA)(the "Company") on 20 April 2008 and approved by the Ordinary General Assembly of the Shareholders of the Company in the meeting held on 5 April 2009
13 April 2017	2	Risk Management & Business Continuity and Internal Audit	Approved by General Assembly

Distribution

External use

TABLE OF CONTENT

1. Introduction	2
2. Purpose	2
3. Organization of the Audit Committee	3
3.1 Structure of the Audit Committee	3
3.2 Remuneration of the Committee	4
3.3 Meetings and Procedures of the Committee	4
3.4 Minutes of Meetings	5
3.5 Authority of the Committee	6
3.6 Reporting Responsibilities of the Committee	7
4. Audit Committee Responsibilities	8
4.1 Internal Controls and Finance and Accounting Policies and Procedures	8
4.2 External Audit and Financial Statements	8
4.3 Internal Audit	10
4.4 Compliance with Laws, Regulations and Internal Policies	11
4.5 Information Technology (IT) Systems Controls and Telecom Systems Controls	11
4.6 Other Responsibilities	11
5. Responsibilities of the Audit Committee Members	12
6. Relationship with Others	13
7. Members' Orientation	13

Audit Committee Charter

1. Introduction

- 1.1 The Board of the Mobile Telecommunications Company Saudi Arabia ("Zain KSA") in its attempt to adopt a Corporate Governance Framework in line with the Corporate Governance Regulations dated 13 February 2017 issued by the Capital Market Authority ("CMA") of the Kingdom of Saudi Arabia, and in order to ensure that it remains aligned with the requirements of Companies Law 2015 issued by Ministry of Commerce ("MOCI") and leading practices in terms of Corporate Governance, has recommended this Charter for approval by the Shareholders in General Assembly.
- 1.2 This Charter governs the operations of the Audit Committee ("the Committee") and details the scope of the Committee's responsibilities and how it carries out those responsibilities, including but not limited to its structure and procedures.
- 1.3 Audit Committee shall review this Charter annually and shall recommend to the Board any changes to the extent required under any applicable regulations, as well as to bring it in line with leading practices.
- 1.4 Shareholders' General Assembly shall, upon a recommendation of the Board, issue rules for appointing the members of the Committee, the means of their nomination, the term of their membership, and define the term of their office and the procedure to be followed by the Committee (Article 54(c) of Corporate Governance Regulations).
- 1.5 The Board shall evaluate the performance of the Audit Committee annually, based upon an annual performance report prepared by the Audit Committee. The Audit Committee evaluation shall include an assessment of the performance and commitment of each member to the activities of the Committee.

2. Purpose

- 2.1 The Board of Directors being the governing body of Zain KSA has to ensure that the Company's management maintains adequate policies, procedures and internal controls for:
 - Safeguarding the Company's assets.
 - Properly recording the transactions and events as they take place.
 - Preparing reliable financial information.
 - Overseeing and monitoring the enterprise wide risks for managing the Company's operations.
- 2.2 The above aspects must be independently and periodically be assessed by the Company's internal as well as external auditors.
- 2.3 To further strengthen the Internal Audit Activity in Zain KSA ("IAD") and to ensure its objectivity and independence, the General Assembly and Board has established Zain KSA's Audit Committee. The primary purpose of the Audit Committee is to monitor the company's business including records and documents, requesting any clarification statement from the Board. In order to do so, it has the right to access the company's records and documents and request any clarification from the Board or the Executive Management (Article 103 of Companies Law 2015 & Article 59 of Corporate Governance). Such review by the Audit Committee shall include monitoring amongst other matters, the following affairs of the Company
 - Adequacy and soundness of governance, internal control systems, risk management, compliance, financial accounting and reporting policies and

Audit Committee Charter

practices, financial statements and effectiveness of internal and external audit functions.

- Adherence to the Company's approved policies and procedures.
- Adequacy and soundness of policies and procedures in respect of the safety and security of the Company's assets, resources and integrity of the Company's financial statements.
- Performance of the Company's internal and external audit functions and their independence.
- Ensure that a positive culture of managing opportunities, threats and uncertainties is embedded throughout the Company.

- 2.4 The above will be done without assuming any management capacity to ensure independence.

3. Organization of the Audit Committee

3.1 Structure of the Audit Committee

- 3.1.1 As per Article 101 of Companies Law 2015, Article 12(5) and Article 54 (a) of Corporate Governance Regulations, the Audit Committee shall be formed from non-executive directors¹ whether from shareholders or others, under a resolution adopted by the Ordinary General Assembly. The majority of the Audit Committee members shall be independent².
- 3.1.2 In Zain KSA, Audit Committee shall consist of at least three (3) non-executive Board members. In case the Board recommends and/or Shareholders decides, non-board members can also be appointed as Committee members.
- 3.1.3 The Audit Committee members shall include a specialist in financial and accounting matters (in compliance with Article 54(a) of the Corporate Governance Regulations).
- 3.1.4 Members of the Committee shall be nominated for appointment by the Board upon their own consideration or by recommendation from the Nomination and Remuneration Committee ("NRC"). The Board may request the removal of a member, subject to resolution by the General Assembly.
- 3.1.5 In case of death or resignation by a member of the Audit Committee, the Board shall appoint a new member as a replacement, whose appointment shall be ratified in the next General Assembly (Article 54 (c) of Corporate Governance Regulations).
- 3.1.6 No Committee member shall simultaneously serve on the Audit Committee of a competitor of Zain KSA.
- 3.1.7 It is prohibited for a person to be a member of Zain KSA's Audit Committee who works or has worked in Zain KSA Finance Department, or was part of the Executive Management or for was associated with Zain KSA's external auditor during the preceding two (2) years (Article 54 (d) of Corporate Governance Regulations).
- 3.1.8 One of the members shall serve as the Chairman of the Committee (hereinafter referred to as the "Chairman"). The Chairman shall be designated by the Board. Neither the Chairman of the Board nor the Chairman of the Executive Committee may chair this Committee (Article 51 (c) of Corporate Governance Regulations).

¹ Non-Executive Director: A member of the Board of Directors who does not have a full-time management position at the company, or who does not receive monthly or yearly salary
² Independent Director: A non-executive member of the Board who enjoys complete independence in his/her position and decisions and none of the independence affecting issues stipulated in Article 20 of Corporate Governance Regulations apply to him/her

Audit Committee Charter

- 3.1.9 The Board shall also nominate a Vice Chairman to chair the Committee's meeting in the Chairman's absence.
- 3.1.10 The Committee shall appoint a Secretary of the Committee (hereinafter referred to as the "Secretary") to keep records of its proceedings and resolutions. He / She can be one of the Committee's members or a non-Committee member and he can be from outside the Board. If the Secretary is not a Committee member, he will attend the Committee meetings without having any voting rights. The Secretary, if not a Committee member, should not be involved in other duties or responsibilities that would result in a conflict of interest with his duties as the Committee's Secretary. Head of IAD ("HIA") can be secretary of the Audit Committee. The Secretary is responsible for the following:
- Keeping complete records of the Committee's meetings for the purpose of issuing reports on the performance of the Committee to the Board.
 - Circulating the Committee's resolutions to the concerned parties.
 - Coordinating with concerned departments regarding the Committee's resolutions that necessitate legal compliance and regulatory procedures.
 - Establishing a mechanism for tracking and following-up on the Committee's resolutions.
 - Executing any other task or responsibility assigned to him by the Committee's Chairman or any of its members.
- 3.1.11 The Audit Committee's term of office shall be for a period not to exceed the tenure of the Board. The membership of an Audit Committee member, if he is a Director, shall come to an end at the expiry of his membership of the Board or by his voluntary resignation from the Committee membership. A non-Director's membership will cease by way of his resignation or at the end of the Committee's term.

3.2 Remuneration of the Committee

- 3.2.1 In addition to the remuneration that each member shall receive equivalent to the entitlement of a Board member.
- 3.2.1.1 For meeting attendance, each member of the Committee will be paid based on the amount as approved in By-Laws and a decision by the Board.
- 3.2.1.2 The above amounts should be recommended by the Board for the approval in General Assembly as required by Article 101 of Companies Law 2015.
- 3.2.2 Committee members who are resident outside the Company's registered office location are entitled to all out of pocket expenses incurred by them to attend the meeting as per the policy and entitlement of non-resident Board members in Zain KSA.
- 3.2.3 Board of Directors' reports presented to the General Assembly will disclose the remunerations and other payments made to the Audit Committee members.

3.3 Meetings and Procedures of the Committee

- 3.3.1 The Committee shall approve its yearly meeting schedule at the first meeting of each year. At the end of each meeting, the attendees shall appoint the date for the next meeting.
- 3.3.2 The Audit Committee shall convene periodically, provided that at least four meetings are held during the Zain KSA's financial year (Article 57 (a) of Corporate Governance Regulations).

Audit Committee Charter

- 3.3.3 The Audit Committee shall convene periodically with Zain KSA's external auditor and internal audit (Article 57 (b) of Corporate Governance Regulations).
- 3.3.4 Zain KSA Internal Audit and the external auditor may call for a meeting with the audit committee at any time as may be necessary (Article 57 (c) of Corporate Governance Regulations).
- 3.3.5 The Audit Committee shall meet at the invitation of its Chairman or any two (2) members. Such an invitation to be accompanied by the agenda for the meeting and shall be hand delivered or sent to the members electronically or in any other manner at least seven (7) days before the date of the meeting, unless waived by mutual consent of all the members.
- 3.3.6 The agenda of each meeting shall be prepared by the Secretary of the Committee after the approval of the Chairman.
- 3.3.7 The Committee shall meet at least four (4) times in every financial year at the Company's registered office and may meet more frequently from time to time as it deems necessary or as may be required by the Board. Unless otherwise directed by the Board meetings can be attended in person or via tele-conference or video-conference.
- 3.3.8 No one other than the Committee members, the Secretary shall be entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Chairman. Generally, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and HIA are invited for the Audit Committee meetings unless the Audit Committee decides otherwise. Other senior management and chief Officers of the Company may be invited by the Audit Committee to attend the Committee meeting. None of the invitees shall have any voting rights.
- 3.3.9 The Chairman shall preside, when present, at all meetings of the Committee.
- 3.3.10 The presence of the majority of Committee members with the presence of the Chairman or Vice-Chairman shall constitute a quorum for the Committee's meetings. To present their views, feedback and decision, members can use technology means i.e. emails, tele-conference or video-conference. (Article 102 of Companies Law 2015).
- 3.3.11 A member cannot elect another member of the Committee to act on his behalf and to vote in the meetings.
- 3.3.12 In case of emergencies or situations beyond the Committee's control and where the Audit Committee cannot be convened, the Audit Committee can take its decisions via circulation.
- 3.3.13 The Committee's resolutions shall be taken by a majority of votes.
- 3.3.14 Resolutions shall be issued by majority of votes present. In the case of a tie/deadlock vote, the Chairman would have the casting vote (Article 102 of Companies Law 2015).
- 3.3.15 The Committee shall keep written minutes of its meetings as detailed in this document under section 3.4 Minutes of Meetings.

3.4 Minutes of Meetings

- 3.4.1 The deliberations and resolutions of the Audit Committee will be recorded in minutes. Such minutes will be kept with the Board of Directors' records. These minutes will be provided to each of the Committee members after the approval of all Committee members who have attended the meeting.

Audit Committee Charter

- 3.4.2 The Committee shall keep a record of its meetings and report on these to the Board. The Committee's meetings will be documented as follows:
- The minutes shall specify the date and the place of the meeting, the names of attendees and absentees, summary of discussions held in the meeting and their related decisions and recommendations.
 - The draft minutes shall be prepared by the Secretary within seven (7) business days after each meeting and shall be sent to all Committee members for review. Any comments on the minutes from any of the Committee members shall be provided during a week from the draft's receipt date, or otherwise the minutes will be considered as approved.
 - The Secretary shall amend the draft minutes based on the members' comments, if any, and shall send the minutes along with these comments to the Chairman.
 - The Secretary shall prepare the final minutes according to the Chairman's recommendations and shall send them to the Committee members duly signed by the Chairman and himself.
 - The signed copy of the minutes shall be kept attached with the related documents and correspondence in a special file.

3.5 Authority of the Committee

- 3.5.1 The Audit Committee's role shall be to review and advise but not to make any business decisions unless the matter is for making a conclusion / recommendation as a result of a review, audit, or investigation or the matter of decision has been conferred on Audit Committee by the Board. The Committee shall demonstrate a constructive, supportive and advisory approach.
- 3.5.2 To achieve its objectives, the Audit Committee is authorized to:
- Monitor the company's business.
 - Request the Board of Directors to invite the Company's General Assembly to convene if its business was hindered by the Board of Directors or if the Company sustained material losses or damages (Article 103 of Companies Law 2015 and Article 13 (c) of Corporate Governance Regulations).
 - Perform the specific duties and functions enumerated in this Charter and upon the directions and approval of the Board, to investigate any of the Company's activities.
 - Have the right to access the company's records and documents and request any clarification from the Board of Directors or the Executive Management.
 - Communicate its findings and recommendations for any corrective actions to the Board but not take management's decision, subject to 3.5.1 above, on behalf or for the Company's Chief Officers and employees in this regard. The Board shall either accept and implement the recommendations of the Audit Committee or advise the Committee of the reasons for any deviations from the proposal.
- 3.5.3 In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or consultants, or incur additional expenses for this purpose, that shall be paid by the Company within fiscal limits agreed with the Board. This shall be carried out in coordination with the CEO & CFO unless the Audit Committee decides otherwise.
- 3.5.4 The Audit Committee may require any Chief Officer or employee of the Company or any of its subsidiaries and the Company's advisors (including but not limited to: consultants, auditors and legal advisors) to meet with the Committee, after coordinating with the CEO unless the Audit Committee decides otherwise.

Audit Committee Charter

- 3.5.5 Individual members of the Committee shall not access independently the Company's Chief Officers or employees without the Chairman's approval or a resolution from the Audit Committee.
- 3.5.6 If a conflict arises between the recommendations of the audit committee and the Board resolutions, or if the Board refuses to put the committee's recommendations into action as to appointing or dismissing the company's external auditor or determining its remuneration, assessing its performance or appointing the internal auditor, the Board's report shall include the committee's recommendations and justifications, and the reasons for not following such recommendations (Article 56 of Corporate Governance Regulations).

3.6 Reporting Responsibilities of the Committee

- 3.6.1 The Chairman shall report formally to the Board on its proceedings after each meeting on all matters within his duties and responsibilities.
- 3.6.2 Make recommendations to the Board as it deems appropriate on any area within its responsibilities where action or improvement is desired.
- 3.6.3 In compliance with Article 104 of Companies Law 2015 and Article 14 (c) of Corporate Governance Regulations prepare an annual Audit Committee report which shall include the following
- details of its performance of its competencies and duties stated in the Companies Law and its Implementing Regulations, provided that the report contains its recommendations and the Audit Committee's opinion on the adequacy and efficiency of the company's internal control & financial control and risk management systems along with other businesses within its scope of work.
 - The number of meetings held during the year along with the number of meetings attended by each member.
 - The Board shall make available sufficient copies of the Audit Committees' report at least ten (10) days prior to the date set for convening the Ordinary General Assembly at the Company's head office, and publish them on Zain KSA's and the Tadawul websites when publishing the invitation to convene the General Assembly, to enable shareholders to get a copy thereof.
 - Audit Committee report shall be read at the General Assembly.
- 3.6.4 Chairman of the Audit Committee shall see that the external auditor's report is read at the General Assembly Meeting (Article 104 of Companies Law 2015).
- 3.6.5 Review any other reports relating to the Committee's responsibilities and issued by Zain KSA.
- 3.6.6 As per Article 128 of Companies Law 2015, Within thirty (30) days from the date set for approving the financial statements, Board of Directors' Report, Auditor's report and the Audit Committee's Report, the Board shall lodge/file copies of these documents with MOCI and CMA.

4. Audit Committee Responsibilities

The Audit Committee shall have the competence to monitor the Zain KSA's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The Audit Committee will carry out the following responsibilities as set out below:

4.1 Internal Controls and Finance and Accounting Policies and Procedures

- 4.1.1 Review with the Company's management and internal and external auditors the Company's policies to reasonably assure the adequacy of accounting principles and financial practices applied (Article 55 (a) of Corporate Governance Regulations).
- 4.1.2 Review the effectiveness of the Company's internal & financial controls and risk management system, including information technology and telecom (industry specific) security and controls (Article 55 (b) of Corporate Governance Regulations).
- 4.1.3 Understand the scope of internal and external auditors' review of internal controls over financial reporting, and review reports on significant findings, implications and recommendations together with management's responses.
- 4.1.4 Review with the Head of IAD and the external auditors the coordination of audit efforts to ensure complete coverage of key business controls and high risk areas, improve efficiency and the effective use of audit resources.
- 4.1.5 Review and comment on any significant new policy or changes to existing finance and accounting policies and procedures adopted by management.

4.2 External Audit and Financial Statements

- 4.2.1 Recommend to the Board the appointment, dismissal and remuneration of external auditors. Any such recommendation must be made with regard to their independence, cost and competencies (Article 55 (c) and 81 of Corporate Governance Regulations).
- 4.2.2 In appointing an external auditor for the Company, the management of the Company and the Audit Committee shall comply with the related guidelines as included in the Section II 'the Auditor' of Companies Law 2015 and resolution No. 903 dated 12/08/1414H issued by Ministry of Commerce and Industry ("MoCI").
- 4.2.3 An invitation for external audit proposals should be requested as per the Procurement Policies and Procedures of Zain KSA. A formal documented evaluation of the auditors included in the short-list should be carried out CFO in agreement with CEO. The evaluation and management's recommendation shall be submitted to the Audit Committee for their review and recommendation. The Committee's recommendations will be subject to the Board's approval and the Annual General Meeting's ratification.
- 4.2.4 Review and confirm the independence of the external auditors, the objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards (Article 55 (c) of Corporate Governance Regulations).
- 4.2.5 Recommend a frequency for change/rotation of external auditors on a periodic basis.
- 4.2.6 Pre-approve all audit and non-audit services provided by the external auditors, including specific pre-approval of internal controls related services, and to ensure the external auditors are not engaged to perform non-audit services prohibited by law or regulations (Article 55 (c) of Corporate Governance Regulations).

Audit Committee Charter

- 4.2.7 Review external audit reports, work with and support the external auditors where practicable and to provide an alternative communication link between the external auditors and the Board as and when needed and responding to any queries from them (Article 55 (c) of Corporate Governance Regulations).
- 4.2.8 Oversee the arrangements for the completion of the quarterly review of interim financial statements and year end audited financial statements. Review together with the external auditor the audit plan (proposed audit scope) (Article 55 (c) of Corporate Governance Regulations) and coordinating the audit effort with the IAD.
- 4.2.9 Review and analyze the interim (quarterly) and annual financial statements prior to presentation to the Board, and provide its opinion and recommendations thereon to ensure their integrity, fairness and transparency. (Article 55 (a) of Corporate Governance Regulations).
- 4.2.10 Provide its technical opinion, at the request of the Board, regarding whether the Board's Annual Report and the Zain KSA financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Zain KSA financial position, performance, business model, and strategy. (Article 55 (a) of Corporate Governance Regulations).
- 4.2.11 Review with the external auditor the audited financial statements with respect to the audit approach, accounting adjustments and reclassifications, analyzing any important or non-familiar issues contained in the financial reports (Article 55 (a) of Corporate Governance Regulations) recommendations for improving the internal controls and any other significant audit findings before these are presented to the Board.
- 4.2.12 Review and discuss the adopted accounting policies and any changes in accounting policies, providing opinion and recommendations to the Board.
- 4.2.13 Annually review and evaluate the external auditor's qualifications, performance and independence, including a review and evaluation of the lead partner, taking into account the opinions of the management including Head of IAD and present its conclusions to the Board. The Audit Committee shall also consider the regular rotation of the external audit firm itself to assure continuing auditor independence in fact and in appearance.
- 4.2.14 Review the scope, terms of reference and remuneration for any Zakat and Income tax assignment which can be performed by external consultants.
- 4.2.15 On a regular basis, meet separately with the external auditors to discuss major observations arising from interim and final audits and any other matter which the auditors wish to highlight.
- 4.2.16 Consider, review and follow-up with management any findings raised as part of the external auditor's Management Letter, and management's response thereto, including timetable for implementation of any recommendations.
- 4.2.17 Review with management and external auditor the effect of changes in applicable accounting standards and the changes of the regulations on the Company's financial statements.
- 4.2.18 Regularly review with the external auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the external auditors' activities or access to requested information and management's response.

Audit Committee Charter

- 4.2.19** Regularly report to the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's Independent external auditor, or the performance of the IAD.

4.3 Internal Audit

- 4.3.1** Ensure that the Company maintains an IAD activity to provide management and the Audit Committee with ongoing assessments of the Company's governance, risk management processes and system of internal controls.
- 4.3.2** Review and discuss with the Board, the IAD's budget and staffing and provide a recommendation to the Board on the appointment of the Head of Internal Audit (Articles 55 (b) & 76 of Corporate Governance Regulations). Ensure that there are no unjustified restrictions or limitations and review and concur in the appointment, replacement or dismissal of the Head of IAD.
- 4.3.3** Monitor and oversee the performance and activities of Internal Audit (Article 55 (b) of Corporate Governance Regulations) including the annual performance appraisal and bonus based on performance and salary increment of the Head of IAD, in accordance with the policy of the Company. Audit Committee may also seek input and feedback from management in this regards.
- 4.3.4** Oversee the IAD and review its charter, scope, efficiency, independence, objectivity, performance and work plan.
- 4.3.5** Review, for the purpose of carrying out internal audit work and preparation of the internal audit plan, the internal audit risk assessment to decide on the effectiveness of the internal audit plan.
- 4.3.6** Evaluate the internal audit procedures for establishing the annual internal audit plan.
- 4.3.7** Approve the Internal audit charter as well as internal audit policies and procedures.
- 4.3.8** Review the internal audit scope, internal audit risk assessment and nature of the internal audit plan and any subsequent changes, including whether or not the internal audit plan is sufficiently linked to the Company's overall business objectives and management's success and risk factors.
- 4.3.9** Review all internal audit reports, including executive summary, observations/findings, implications, recommendations, management responses and the exceptions noted and pursue the implementation of the corrective measures in respect to the comments included in the internal audit report (Article 55 (b) of Corporate Governance Regulations).
- 4.3.10** Review and discuss all the follow-up reports of the internal audit as well as the status of all the significant observations/findings in the internal audit report (Article 55 (b) of Corporate Governance Regulations).
- 4.3.11** Review with the Head of IAD the results of the internal audit efforts on a yearly basis, or as deemed necessary, and peruse periodic and annual internal audit reports.
- 4.3.12** Supervise the Company's IAD function to ensure its effectiveness in executing the activities and duties specified in the internal audit charter.
- 4.3.13** Review and approve, on a regular basis, the IAD risk register, audit plan and all major changes to the plan.

Audit Committee Charter

- 4.3.14 Review the effectiveness of the IAD, including compliance with the Institute of Internal Auditors' ("IIA") international Standards for the Professional Practice of Internal Auditing.
- 4.3.15 On a regular basis, meet separately with the Head of IAD to discuss any matters that the Audit Committee or Head of IAD believes should be discussed privately.

4.4 Compliance with Laws, Regulations and Internal Policies

- 4.4.1 Review the effectiveness of the system for monitoring compliance with applicable laws and regulations including governance regulations, the results of management's investigation and follow-up (including any disciplinary action) or any instances of non-compliance including reviewing the findings of the reports of supervisory authorities to ensure the Compliance with the relevant laws, regulations, policies and instructions Article 55 (d) of Corporate Governance Regulations)
- 4.4.2 Review the findings of any examinations by regulatory agencies (including but not limited to: Communications and Information Technology Commission ("CITC"), MoCI, General Authority for Zakat and Tax ("GAZIT"), Tadawul and CMA and internal/external auditor's observations.

4.5 Information Technology (IT) Systems Controls and Telecom Systems Controls

- 4.5.1 The Committee shall consider and review with management, the Chief Technical Officer ("CTO"), the external auditors and the IAD work regarding:
- The effectiveness or weaknesses of the Company's computerized information system controls and security.
 - Any related significant findings/observations, implications and recommendations of the external auditors and IAD together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in the system's controls, including any significant risks related thereto and major controls over such activities.
 - The status and adequacy of management information systems and other information technology.
 - The Committee shall review with the Head of IAD and the external auditors the coordination of the audit effort to ensure complete coverage of key system controls and risk areas related to IT controls.

4.6 Other Responsibilities

- 4.6.1 Review the contracts and proposed Related Party transactions, and provide its recommendations to the Board in connection therewith (Article 55 (d) of Corporate Governance Regulations),
- 4.6.2 Follow-up on allegations of material, financial, ethical or legal irregularities; look into serious violations of the Company's policies, alleged breach of legal provisions or contravention of the Code of Conduct and Ethics, which are highlighted by the IAD or any other staff member. This includes investigating any issues raised by Zain KSA's Chief Financial Officer or any person assuming his/her duties. (Article 55 (a) of Corporate Governance Regulations). For this purpose, also, Audit Committee shall develop arrangements by assisting the Board in developing reporting misconduct policies that enable Zain KSA's employees to confidentially provide their remarks in respect of any inaccuracies in the financial or other reports. The Audit Committee shall ensure that such arrangements have been put into action through an adequate independent investigation in respect of the error or inaccuracy, and shall adopt

Audit Committee Charter

appropriate follow-up procedures (Article 58 of Corporate Governance Regulations).

- 4.6.3 Institute, oversee and direct any special investigations, as needed, concerning matters relating to the Company's financial statements, internal controls, compliance with the laws or business ethics.
- 4.6.4 Review all significant issues within the scope of the Committee charter, including any changes in accounting principles/estimates, with the management and the external auditors (Article 55 (a) of Corporate Governance Regulations), prior to any decision being reached on reporting practices to be followed by the Company, and report thereon to the Board.
- 4.6.5 Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 4.6.6 The Committee shall be available at all times to receive suggestions, questions or recommendations from the external auditors, IAD or the Chief Officers.
- 4.6.7 Perform other activities related to these activities as requested by the Board.

5. Responsibilities of the Audit Committee Members

- 5.1 The members shall make every effort to attend all Committee meetings and to effectively participate in discussions. The members shall inform the Chairman of the Audit Committee in writing if they cannot attend a meeting.
- 5.2 The members shall maintain the confidentiality of the Company's trade secrets gained through performing their duties and shall not publicize confidential information to shareholders out of the General Assembly or to any other party. If members are found to be in breach of this, they shall be dismissed from the Committee and can be held responsible for the financial damages caused by such announcements.
- 5.3 The members of the Audit Committee shall not execute any management job in the Company even by way of consultancy.
- 5.4 The members shall carry on good performance in executing their duties and responsibilities and shall be updated in their domain in the interests of the Company.
- 5.5 The members shall be honest, truthful, objective and independent in performing their duties.
- 5.6 The members shall not participate in any occupations that can violate the Code of Conduct and Ethics or the Conflict of Interest Policy of the Company or its principles. Moreover, the members shall not accept any occupations that are liable to give rise to conflicts of interest with the Company and those which may prevent them from executing their duties objectively and independently.
- 5.7 The members are required to disclose all personal interests (including shares' ownership in the Company) and their nature that are executed with the Company and any personal relation with the Board of Directors and the Chief Officers.

Audit Committee Charter

6. Relationship with Others

The sphere of the Committee's responsibilities will make it necessary for it to maintain a good relationship with other Board and management committees established at Zain.

7. Members' Orientation

New Committee members will be provided with an orientation program which will include presentations by Chief Officers on the Company's strategic plans, its significant financial, accounting and risk management issues, legal affairs, compliance programs, operations, Code of Conduct, management structure, key policies, practices and internal and external auditors. In addition, each incoming member will be provided with copies of Zain's Bylaws, Management Agreement, the executive summary of the corporate plan, previous internal audit reports, internal audit plans and other appropriate information.

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Twenty-fourth Item

Voting on amendment of Remuneration and Nomination
Committee Charter. (attached).



Nomination and Remuneration Committee Charter



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



Nomination and Remuneration Committee Charter

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.



Nomination and Remuneration Committee Charter

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.



Nomination and Remuneration Committee Charter

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.



Nomination and Remuneration Committee Charter

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.



Nomination and Remuneration Committee Charter

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.



Nomination and Remuneration Committee Charter

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

Nomination and Remuneration Committee's Membership and 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.



Nomination and Remuneration Committee Charter

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 effective 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 2 nd , 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.



Twenty-fifth Item

Voting on amendment of Remuneration Policy of Board Members, Committee Members and Senior Executives. (attached).



**Remunerations Policy for the Board members
and its committees and the Executive Management**



Remunerations Policy for the Board members
and its committees and the Executive Management

Table of Contents

Purpose	3
Article (1) General Provisions	3
Article (2) Remunerations Rules and Standards	4
Article (3) Paying and Returning Remunerations	5
Article (4) Discloser	6
Article (5) Review	6
Article (6) Publication and Entry into Force	6



Remunerations Policy for the Board members and its committees and the Executive Management

Purpose

This policy aims to govern Board of Directors, its Committees, and Executive Management Remuneration in accordance with general guidelines set by Nominations and Remuneration Committee of the Company to attract talented professionals and retain and motivate them to achieve the success of the Company in long-term development.

Article (1) General Provisions

Competencies and Powers of Board of Directors:

1. The Board of Directors consider in determination and disbursement the remuneration of each member in accordance with this policy and the related provisions in Company's Bylaw, relevant laws, regulations, guidelines, or legislation that issued by the Relevant Regulatory Authorities.
2. Review Remunerations Policy for the Board members and its committees and the Executive Management in preparation for approval by the General Assembly.
3. Ensure that Nomination and Remuneration Committee implementing this policy and evaluate its effectiveness periodically.
4. Decide about the Recommendation of the Nomination and Remuneration Committee about the Board of Directors Remuneration in preparation for approval by the General Assembly.
5. Decide about the Recommendation of the Nomination and Remuneration Committee about Board's Committees' member remuneration and approved its disbursement.

Competencies and Powers of Nomination and Remuneration Committee:

1. Preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, such policy shall follow standards that linked to performance, and disclosing Periodically Reviewing the policy and assessing its effectiveness in achieving its objectives.
2. Clarifying the relation between the paid and this policy and highlighting any material deviation from that policy.
3. Recommending to the Board of Directors the remuneration of the Board of Directors and committees in accordance with this policy.



Remunerations Policy for the Board members
and its committees and the Executive Management

Article (2) Remunerations Rules and Standards

Implementing to the Company's Bylaw, relevant laws, regulations, guidelines, or legislation that issued by the Relevant Regulatory Authorities the company worked on the Rules and Standards Board members and its committees and the Executive Management Remunerations as below:

1. Be consistent with the Company's strategy, objectives, and level of risks that it faced.
2. Provide remunerations with the aim of encouraging the Board members, its Committee Members, and Executive Management to the Board of Directors determined objective in annual base and success of the Company in long-term development.
3. Take into consideration the practices of other companies, Company Sector, Company size and its board experience to avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations.
4. The Remuneration must be sufficient to the job level, responsibilities, experience and education background, performance level in order to attract, motivate and retain highly qualified and experienced.
5. Board members shall not vote on the agenda item relating to the Remuneration of Board members at the General Assembly's meeting.

First: Board members and its committees Remuneration:

In determination and disbursement of Board of Directors' members and its committees' members shall consider the below:

1. The remuneration may be a fixed amount, an in-kind benefits allowance for attending meetings, or a percentage of the net profit¹, or a combination of two or more in in accordance with the Company law, or Company's Bylaw
2. The Remuneration must be fair and proportionate to the Board member's activities carried out and responsibilities borne by the Board members, in addition to the objectives set out by the Board to be achieved during the financial year.
3. The Remunerations may vary depending on the Board members' number of Board meetings.
4. The reasonable costs and expenses actually incurred by the Company on behalf of a Board member or in its committee's member in performing their work.
5. The Remuneration of independent Board members shall not be a percentage of the profits that are realized by the Company.

¹ Percentage of the net Profit Based on the Company's Bylaw



**Remunerations Policy for the Board members
and its committees and the Executive Management**

6. Based on the Nomination and Remuneration Committee recommendation the Board of Directors shall approve the Remuneration of its committees.
7. Based on the Nomination and Remuneration Committee recommendation the Board of Directors shall approve the Remuneration of its committees. The Remuneration shall disbursement after publishing Annual Financial Statements of the Company.
8. A Board member may receive a Remuneration for any additional executive, technical, managerial or consultative – pursuant to a professional license- duties or positions carried out by the Board member, and such Remuneration should be in addition to the Remuneration he/she may receive in capacity as a member in the Board and in the committees formed by the Board, pursuant to the Companies Law and the Company's bylaws.

Second: Executive Management Remuneration

1. Board of Directors determine Salaries of the Chief Executive officer, or Executive Management by way of example (basic Salary, Financial Benefits, In-kind Benefits, or any other benefits), based on approved internal policies and procedures
2. The remuneration of senior executives will be variable based on approved internal policies and procedures.
3. Depend the disbursement of the remuneration senior executives after publishing Annual Financial Statements of the Company.

Article (3): Paying and Returning Remunerations

Take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations by way of example:

1. If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership without a legitimate excuse accepted by the Board, then such Board member shall not be entitled to any Remuneration for the period starting from the last Board shall pay back any Remuneration received for that period.
2. If it is evidenced to the audit committee or the Capital Market Authority that the Remuneration paid to any Board member was based on false or misleading information presented to the General Assembly or included in the annual Board report, the Board member shall return such Remuneration to the Company, and the Company may request such Board member to return such Remuneration.



Remunerations Policy for the Board members and its committees and the Executive Management

Article (4): Discloser

The Board shall include below points on the Annual Report:

1. The Board must disclose in its annual report details of the Remuneration policies, and mechanisms for determining such Remuneration, including amounts in cash and in-kind benefits paid to each Board member in exchange for any executive, technical, managerial, or advisory work or positions.
2. Provide an accurate, transparent and detailed disclosure in the Board report on the remunerations granted to the Board members and Executive Management, directly or indirectly, without any omission or misleading information, and whether these were in cash or other benefits of any nature. In case they were shares of the Company, the value of the shares is the market value on the due date.
3. Explain the relationship between remunerations granted and applicable remuneration policy, highlighting any significant deviation from this policy.
4. A description of the necessary details with respect to the remunerations and compensations granted to each of the Board members, five Senior Executives who have received the highest remuneration from the Company provided that the chief executive officer and chief financial officer are among them.

Article (5): Review

Remunerations Policy for the Board members and its committees and the Executive Management 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 and according to Nomination and Remuneration Committee recommendation to Company Board of Directors and shall be presented to the General Assembly for approval.

Article (6): Publication and Entry into Force

Remunerations Policy for the Board members and its committees and the Executive Management shall be effective 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 POLICY

Confidential
Version 1.0 dated 2 August 2017
Draft for Board submission

DOCUMENT CONTROL

Document Description:

Document Title	Remuneration Policy
Issuance/ Revision	1
Date	2 August 2017
Owner	Human Resource & Board Secretary
Author	Risk Management & Business Continuity
Security Level	For external use only

The Board of Directors ("Board" or the "Directors") may recommend changes to this policy (hereinafter referred to as the "Policy"), provided that any such modification or waiver does not violate any applicable laws, rules, regulations, the Company's Delegation of Authority ("") Matrix and Bylaws and further provided that any such modification or waiver is appropriately disclosed to the concerned parties.

- The changes to this document shall be consecutively numbered and dated.
- The following log shall be used and signed off for all updates.

Review & Approvals

Name	Role	Signature	Date
Legal Director	Review		
Chief Human Resource & Corporate Communication Officer	Review		
Chief Executive Officer	Review & Recommend		
Independent Board member	Review & Recommend		
Chairman of the Nomination & Remuneration Committee	Chairman of the Committee Recommend		
Chairman of the Board	Chairman of the Board Recommend		
General Assembly	Approve		

Document Change History

Date	Issuance/ Revision	Author	Description of Changes
2 August 2017	1	Risk Management & Business Continuity and HR	First draft based on Corporate Governance Regulations - Mr. Hisham comments incorporated

Distribution

For external use

TABLE OF CONTENT

1. Introduction	3
2. Purpose and Objectives	3
3. Board's remuneration.....	4
3.3 Fixed remuneration.....	4
3.4 Variable remuneration.....	4
3.5 Reimbursement of expenses.....	4
4. Management.....	5
4.6 Fixed salary	5
4.7 Variable components.....	5
4.8 Bonus.....	5
4.9 Personal benefits	5
4.10 End of Service benefits.....	6
4.11 Share options	6
4.12 Reimbursement of expenses.....	6
5. Reporting & Disclosure	6

Remuneration Policy

1. Introduction

- 1.1 The Board of the Mobile Telecommunications Company Saudi Arabia ("Zain KSA" or "the Company") in its attempt to adopt a Corporate Governance Framework in line with the Corporate Governance Regulations dated 13 February 2017 issued by the Capital Market Authority ("CMA") of the Kingdom of Saudi Arabia, and in order to ensure that it remains aligned with the requirements of Companies Law 2015 issued by Ministry of Commerce and Investment ("MoCI") and leading practices in terms of Corporate Governance, has approved this Policy in compliance with Articles 22, 61 and 62 of Corporate Governance Regulations.
- 1.2 This policy document forms an essential part of the Company's Corporate Governance Framework.
- 1.3 Expressions and words in this Policy shall have the meaning set forth in the Companies Law 2015, Listing Rules and Corporate Governance Regulations issued by CMA.

2. Purpose and Objectives

- 2.1 As per Articles 22, 61 & 62 of Corporate Governance Regulations, the Board of Directors of Zain KSA has proposed these policy guidelines for the company's remuneration¹ for members of the Board and management, including senior executives². This document shall be approved by the General Assembly of Zain KSA.
- 2.2 This Zain KSA Remuneration policy reflects the interests of the shareholders and the company, taking into consideration any specific matters, including the assignments and the responsibility undertaken. In addition, the remuneration policy helps promote long-term goals for safeguarding Zain KSA's interests. The policy intends to achieve following objectives:
 - 2.2.1 Be consistent with the Zain KSA's strategy and objectives.
 - 2.2.2 Provide policy for remunerations with the aim of encouraging the Board members and senior executives achieve the success of the Company and its long-term development.
 - 2.2.3 Be consistent with the magnitude, nature and level of risks faced by Zain KSA.
 - 2.2.4 Take into consideration the practices of other regional and global telecom, Information & Communication Technology (ICT) and Tadawul All Share Index (TASI) companies, considering their size and operations in relevance to Zain KSA, in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations.
 - 2.2.5 Regulating the offer of Company's shares to the Board members and the senior executives, whether newly issued or purchased by the Company.

¹ Salaries, allowances, dividends and the like, periodic or annual bonuses linked to performance, long or short term incentive plans and any other in kind benefits except the actual reasonable expenses and fees incurred by the company to enable the Board member to perform his duties.

² Persons responsible for managing the daily operations of the Company, and processing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO).

3. Board's remuneration

- 3.1 In compliance with Companies Law 2015, Zain KSA has mentioned the remuneration policy for its Board in Article 20 of Zain KSA Bylaws.
- 3.2 Efforts are made to ensure that the remuneration of the Board of Directors matches to the level in other regional and global telecom, ICT and TASI companies, considering their size and operations in relevance to Zain KSA, whilst also taking into consideration board members' required competencies, effort and the scope of the board work, including the number of meetings.
- 3.3 Fixed remuneration**
- 3.3.1 Members of the Board of Directors shall receive a fixed amount (basic remuneration), which shall be approved by the General Assembly for the current financial year, annually.
- 3.3.2 In addition to the basic remuneration, annual committee remuneration is paid to board members who are also members of one of the board committees.
- 3.3.3 Should a Board member assume specific ad-hoc tasks beyond the normal work as member of the Board, the Board of Directors will decide on a fixed fee for such tasks subject to approval by General Assembly.
- 3.3.4 The above shall also be applicable to non-executive and independent board members.
- 3.4 Variable remuneration.**
- 3.4.1 The Board members, shall be entitled to profits in terms of their respective shareholding as recommended by the Board and as approved by the General Assembly, in form of distributable profits (dividend), in accordance with the dividend payout policy.
- 3.4.2 As per Article 76 of Companies Laws, if, Board's remuneration represents a percentage of the company's profits, it must not exceed 10% of the net profits after the deduction of reserves as determined by the General Assembly pursuant to the provisions of Companies Law, and after distribution of a dividend of not less than 5% of the company's paid up capital to the shareholders, provided that the entitlement for such remuneration shall be in proportion with the number of meetings attended by the member. Any determination of remuneration made in violation of this provision shall be considered void.
- 3.5 Reimbursement of expenses**
- 3.5.1 Expenses such as travel and accommodation relating to Board meetings, meetings of the Committee and relevant training are reimbursed in accordance with the Company's travel policy applicable at senior executive's level.
- 3.6 In all cases, the total amount of the remunerations, of board members shall not exceed Saudi Riyals Five Hundred Thousand (SAR 500,000) of financial or in kind benefits annually, in all cases, in accordance with measures imposed by the competent authority (Article 76 of Companies Law).

4. Management

- 4.1 Zain KSA believes that a combination of fixed and performance-based pay to the management helps ensure that the company can attract and retain key employees.
- 4.2 Members of the management are employed under employment service contracts in accordance with the Saudi Labor Law.
- 4.3 The Nomination & Remuneration Committee submits proposals concerning the remuneration of the senior executives and ensures that the remuneration is in line with the conditions in telecom companies. The proposals are submitted for approval in a board's meeting.
- 4.4 Management, based on their level, receives a competitive remuneration package consisting of the following components:
- 4.4.1 Fixed salary including basic, housing and conveyance.
 - 4.4.2 Variable components.
 - 4.4.3 Bonus – performance based
 - 4.4.4 End of service benefits.
 - 4.4.5 Benefits.
- 4.5 If it is proved after the grant of variable components to members of the senior executive that these were paid erroneously, the company may in exceptional cases reclaim in full or in part variable components.
- 4.6 Fixed salary
- 4.6.1 The fixed salary shall be based on the current market level.
- 4.7 Variable remuneration
- 4.7.1 The variable components shall always be within the limits of the overall budget and guidelines for incentive pay as approved by the Board.
- 4.8 Bonus
- 4.8.1 Members of the management participate in a performance based bonus scheme which is based on the results for the year and individual performance. The bonus is paid out annually after adoption of the annual report for the relevant financial year.
 - 4.8.2 The bonus scheme is based on target achievement of a number of parameters, at corporate level and individual level
- 4.9 Personal benefits
- 4.9.1 Members of management have access to a number of work-related benefits, as per their level and designation. The extent of individual benefits is as per Zain KSA internal policies.
 - 4.9.2 All employees of the Company are covered under health insurance as required by Saudi Arabia Labor Law.
 - 4.9.3 All benefits, in accordance with Saudi Labor law and internal policies of Zain KSA are provided to employees of Zain KSA.

Remuneration Policy

4.10 End of Service benefits

- 4.10.1 Zain KSA pays its employees end of service benefits in accordance with Saudi Arabia Labor Law

4.11 Long-term Incentive Plan

- 4.11.1 Zain KSA may decide to offer its employees long term incentive plans for example employee share options. Such plan and program shall be offered in accordance with the relevant rules and regulations issued by CMA and Zain KSA Bylaws.
- 4.11.2 For this purpose, the company shall issue a policy for each proposed program subject to approval by the relevant authority.

4.12 Reimbursement of expenses

- 4.12.1 Expenses in connection with performance of responsibilities and relevant training are reimbursed in accordance with the Company's travel policy.

5. Reporting & Disclosure

- 5.1 As per Article 76 of Companies Law and Article 93 of Corporate Governance Regulations the Board of Zain KSA shall disclose:
- 5.1.1 Remuneration policy and the method by which remunerations of the Board and senior executives are determined.
- 5.1.2 Provide an accurate, transparent and detailed disclosure in the Board report on the remunerations granted to the Board members and senior executives, directly or indirectly, without any omission or misleading information, and whether these were in cash or other benefits of any nature. In case they were shares of the Company, the value of the shares is the market value on the due date.
- 5.1.3 Explain the relationship between remunerations granted and applicable remuneration policy, highlighting any significant deviation from such policy.
- 5.1.4 A description of the necessary details with respect to the remunerations.
- 5.1.5 Compensations granted to each of the following, separately:
- Board members
 - Five (5) senior executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are among them.
 - Members of committees.

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Twenty-sixth Item

Voting amendment of policy and standard for Board of Directors and Executive Management Membership. (attached).



**Standard Policy for Board of Directors
and Executive Management Membership**



Standard Policy for Board of Directors
and Executive Management Membership

Table of Contents

Purpose	3
Article (1) General Provisions	3
Article (2) Board of Directors Formation	4
Article (3) Board of Directors General Standers Formation	4
Article (4) Nomination Procedure	5
Article (5) Board of Directors election and appointment Procedure.....	7
Article (6): Notice	9
Article (8): Discloser	10
Article (9): Review	10
Article (10): Publication and Entry into Force.....	10



Standard Policy for Board of Directors
and Executive Management Membership

Purpose

This Policy as procedural rules defining the general and special standards 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 Provisions

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.



Standard Policy for Board of Directors
and Executive Management Membership

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 Three 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.



Standard Policy for Board of Directors
and Executive Management Membership

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 shareholder¹ 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 competing 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.



Standard Policy for Board of Directors
and Executive Management 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 standers 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 nominees.³

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 Guidelline Article unless the Regulatory Authorities stated otherwise.



Standard Policy for Board of Directors
and Executive Management Membership

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 in 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.

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.



Standard Policy for Board of Directors
and Executive Management Membership

Article (6) Board of Directors election and appointment Procedure

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 societies 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 (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.



Standard Policy for Board of Directors
and Executive Management Membership

Second: For vacancy

In case of vacancies, the bord 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 (6): 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.



Standard Policy for Board of Directors
and Executive Management Membership

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 effective 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.



Policies, Standard & Procedures For Membership in Zain KSA Board

Confidential
Version 2.0 dated 26 August 2017
Draft for Board submission

Policies, Standard & Procedures For Membership in Zain KSA Board

DOCUMENT CONTROL

Document Description:

Document Title	Policies, Standards & Procedures for membership in Zain KSA Board
Issuance/ Revision	2.0
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Author	Risk Management & Business Continuity
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The Board of Directors (hereinafter referred to as the "Board" or the "Directors") may recommend changes to this document for approval from the General Assembly, provided that any such modification or waiver does not violate any applicable laws, rules, regulations, the Company's Delegation of Authority (hereinafter referred to as the "DoA") Matrix and Bylaws and further provided that any such modification or waiver is appropriately disclosed to the concerned parties.

- The changes to this document shall be consecutively numbered and dated.
- The following log shall be used and signed off for all updates.

Review & Approvals

Name	Role	Signature	Date
Legal Director	Review		
Chief Executive Officer	Review		
Board Independent member – Corporate Governance	Review & Recommend		
Chairman of the Board	Chairman of the Board Recommend		
General Assembly	General Assembly		

Document Change History

Date	Issuance/ Revision	Author	Description of Changes
23 March 2014	1	Board Secretary	Board of Directors approved the policy on 23 March 2014
26 August 2017	2	Risk Management & Business Continuity and Internal Audit	Changes from Companies Law 2015, Corporate Governance Rules 2017 and Zain KSA Bylaws incorporated

Policies, Standard & Procedures For Membership in Zain KSA Board

Distribution

External use

TABLE OF CONTENT

1. Introduction	2
2. Objective.....	2
3. Policies and Principles.....	2
3.1 General policies.....	2
3.2 General Criteria for Selection of the Board Members.....	3
4. Procedures.....	4
4.1 For Nomination / appointment.....	4
4.2 For vacancy.....	6

1. Introduction

- 1.1 The Board of the Mobile Telecommunications Company Saudi Arabia ("Zain KSA" or "the Company") in its attempt to adopt a Corporate Governance Framework in line with the Corporate Governance Regulations dated 13 February 2017 issued by the Capital Market Authority ("CMA") of the Kingdom of Saudi Arabia, and in order to ensure that it remains aligned with the requirements of Companies Law 2015 issued by Ministry of Commerce & Investment ("MoCI") and leading practices in terms of Corporate Governance has recommended these policies and procedures for approval from the General Assembly (**Article 22 (3) of Corporate Governance Regulations**).
- 1.2 This document provides a framework for the nomination and election of members of the Board. It includes relevant sections from the Board of Directors' Manual and Nomination and Remuneration Committee (hereinafter also referred to as "NRC") Charter. This document also lists down procedures, that should be followed if a position of a Board member becomes vacant (**Article 65 of Corporate Governance Regulations**).
- 1.3 Expressions and words explained in this document shall have the meaning set forth in the Corporate Governance Regulations issued by CMA.
- 1.4 The Board will review periodically this document to ensure that the policies and processes both meet the statutory requirements and applicable regulations and remain in line with leading practices.

2. Objective

- 2.1 The objective of this document is to lay down specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of Corporate Governance Regulations, and implementing them following approval by the General Assembly

3. Policies and Principles

3.1 General policies

- 3.1.1 As per **Article 16 of the Company's Bylaws**, the Board shall consist of nine (9) members, to be appointed by the Ordinary General Assembly for a term not exceeding three (3) years and the members may be always reappointed by the Ordinary General Assembly (**Article 17 of Corporate Governance**).
- 3.1.2 The NRC shall be primarily responsible for the nomination and initial assessment of potential Board members and shall perform such activities as conferred to them by Corporate Governance Regulations (Refer NRC Charter for details).
- 3.1.3 Zain KSA shall have a Chairman and a Vice Chairman (**Article 81 of Companies Law 2015, Article 24 of Corporate Governance Regulations and Article 21 of Zain KSA Bylaws**).
- 3.1.4 Every shareholder has the right to nominate himself, one person or more for the Board of Directors' membership, within the limits of his ownership percentage in the capital (**Article 68 of Companies Law 2015 & Article 69 of Corporate Governance Regulations**).
- 3.1.5 For nomination and composition, NRC shall also consider the composition of independent, non-executive Directors, as follows:
 - 3.1.5.1 The majority (more than 50%) of the Board members shall be of Non-Executive Directors (**Article 16 of Corporate Governance Regulations**).

Policies, Standard & Procedures For Membership in Zain KSA Board

- 3.1.5.2 The number of Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater (Article 16 of Corporate Governance Regulations).
- 3.1.5.3 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 (Article 95 of Companies Law 2015, Article 8 of Corporate Governance and Article 35 of Zain KSA Bylaws).
- 3.1.5.4 Voting in the General Assembly shall be confined to the Board nominees whose information has been announced as explained in this document in compliance with Article 8 of Corporate Governance Regulations.

3.2 General Criteria for Selection of the Board Members

- 3.2.1 In electing members of the Board, the following criteria shall be taken into consideration:
 - 3.2.1.1 A Board member shall not be a member of the Boards of Directors of more than five (5) listed joint stock companies at the same time (Article 17 (c) of Corporate Governance Regulations).
 - 3.2.1.2 It is prohibited to hold, at the same time, the position of Chairman of the Board and any other executive position in the Company, including the positions of the Managing Director, the Chief Executive Officer, or the general manager, even if the Company's bylaws provided for otherwise (Article 24 of Corporate Governance Regulations).
 - 3.2.1.3 Past experience in positions with high degree of responsibility, leadership roles in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board. (a minimum experience of 10 years of performing executive management and leadership roles shall be preferred) (Article 18 of Corporate Governance Regulations).
 - 3.2.1.4 To have personal characteristics which shall include truthfulness, integrity, sound judgment, financial literacy, technical, leadership, and administrative competencies and previous performance track records (Article 18 of Corporate Governance Regulations).
 - 3.2.1.5 Proven expertise and background including academic qualifications that will add to and complement the range of skills, expertise and background of the Board (Article 18 of Corporate Governance Regulations).
 - 3.2.1.6 Candidates having experience in telecommunication industry or having experience in specific fields that can add value to the Board shall be preferred (Article 18 of Corporate Governance Regulations).
 - 3.2.1.7 Ability to balance the legitimate interests and concerns of all of the shareholders and other stakeholders in reaching decisions (Article 18 of Corporate Governance Regulations).
 - 3.2.1.8 Ability to devote sufficient time and energy to the performance of their duties as a Board member (Article 18 of Corporate Governance Regulations).
 - 3.2.1.9 Ability to make significant and immediate contributions to the Board's discussion and decision making process (Article 18 of Corporate Governance Regulations).
 - 3.2.1.10 Not having been declared bankrupt or insolvent unless such case has ceased to exist as per the provisions of the law. Also, not having any debts and obligations to various lenders that the Board member cannot settle.

Policies, Standard & Procedures For Membership in Zain KSA Board

- 3.2.1.11 No person shall be elected or nominated as a Board member if he has been previously convicted of any offense affecting honor or honesty.
- 3.2.1.12 Board members shall not hold a position as a Board member, statutory auditor, corporate executive officer, general manager or an employee, or commercial agent or distributor of any company in competition with Zain KSA or in any of Zain's principal business domains (hereinafter referred to as "Competing Companies") or be a major shareholder of any Competing Company.

4. Procedures

4.1 For Nomination / appointment

- 4.1.1 The NRC shall request the existing Board to announce the opening of the nomination to the Board within an appropriate timeframe prior to the expiry of the existing Board. The announcement shall include the details of information which is required to be furnished by the candidate and shall be published pursuant to the Corporate Governance Regulations and Companies Laws 2015.
- 4.1.1.1 The nomination announcement shall be published on Zain KSA website and Tadawul Saudi Stock Exchange and through any other medium specified by CMA; 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 (Article 68 of Corporate Governance Regulations).
- 4.1.2 NRC shall make sure the agenda for election of the Board member is included in the General Assembly meeting's agenda.
- 4.1.3 The NRC may use the services of third party consultants in searching for or completing background checks on candidates.
- 4.1.4 Nomination through management teams and current Board shall be accepted.
- 4.1.5 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 nominees (Article 66 of Corporate Governance Regulations).
- 4.1.6 To be eligible for nomination to the Board, candidates shall be required to provide the following information to the NRC:
- 4.1.6.1 A detailed resume (profile) which includes educational qualification and details of experience.
- 4.1.6.2 Copy of ID.
- 4.1.6.3 Two (2) letters of reference.
- 4.1.6.4 Completed CMA form number (3) (which is available on the CMA website).
- 4.1.6.5 Acknowledgement / confirmation of following:
- ◆ Signed declaration stating his/her consent to act as a Board member which shall include that he/she shall comply with the principles of truthfulness, honesty, loyalty, and care of the interests of the Company and its shareholders, and priorities their interests over his/her personal interest (Article 29 of Corporate Governance Regulation)

Policies, Standard & Procedures For Membership in Zain KSA Board

- Reading and acknowledging companies with Zain KSA's Conflict of Interest Policy and Code of Ethics and disclosing the details as per the policies and regulations (Article 71, 72 & 73 of Companies Law and Article 45 of Corporate Governance Regulations).
 - Details of companies (listed and non-listed) in which the candidate still serves as a member of the Board of Directors.
 - Details of companies or institutions (listed and non-listed) undertaking activities similar to those of Zain KSA, in which the candidate takes part in the management or ownership.
 - Details of any joint stock companies where the candidate previously served as a member of Board of Directors, including the duration and period he served on each board.
- 4.1.7 For a candidate who previously served as member of the Board of Zain, he is required to furnish the following information:
- 4.1.7.1 The number of board meetings held during each year of the Board term, number of meetings he attended and his attendance ratio to the total number of Board meetings.
 - 4.1.7.2 The committee in which he participated in during each year of the Board term, number of meetings held by each committee, number of meetings he attended and his attendance ratio to the total number of the Committee meetings.
 - 4.1.7.3 A summary of Zain's achieved financial results during each year of the Board of term.
- 4.1.8 The candidate shall submit his/her request and details for nomination to Zain KSA, at least thirty (30) days before the General Assembly date or as per the timeline announced by the Company.
- 4.1.9 The NRC shall prepare a list of candidates, who have responded to the announcement with their completed profile and details.
- 4.1.10 The NRC shall screen candidates to select the most appropriate candidates. For this purpose, NRC shall review, objectively, all candidates' profile and shall short list the ones who meet the selection criteria as per this policy of Zain.
- 4.1.11 The NRC shall interview and evaluate the short listed candidates who are considered to be most qualified for election, if required.
- 4.1.12 All such evaluation and short listing shall be appropriately documented in the minutes of the meeting.
- 4.1.13 Based on the results of interview evaluation process, NRC shall prepare a final list of candidates for nomination as Directors with complete profiles for review by the Board.
- 4.1.14 The NRC shall present the list of candidates in the Board meeting held for the purpose of election, along with their recommendations to the Board. This can be done through circulation also.
- 4.1.15 The Board shall review and discuss the nominated candidates by the NRC.
- 4.1.16 The review of Board members of the candidate shall be documented in the minutes of the meeting.
- 4.1.17 NRC shall ensure that Zain KSA has notified the CMA and MoC' of the names of the Board members and description of their memberships within five (5) business days from the

Policies, Standard & Procedures For Membership in Zain KSA Board

commencement date of the Board term or from the date of their appointment, whichever is shorter, as well as any changes that may affect their membership within five (5) business days from the occurrence of such changes. **(Article 17(d) of Corporate Governance Regulations)**

- 4.1.18 Once no objection is received from CMA/MoCI, the list shall be then presented to General Assembly for election, in line with Company's Bylaws and Corporate Governance Regulations.
- 4.1.19 Upon calling for the General Assembly, Zain KSA announce on the Tadawul's website information about the nominees for the membership of the Board which shall include the nominees' experience, qualifications, skills and their previous and current jobs and memberships. Zain KSA shall make a copy of the mentioned information available at its head office and its website **(Article 8 of Corporate Governance Regulations)**.
- 4.1.20 The General Assembly shall take into account, when electing members to the Board, the recommendations of the nomination committee and the availability of the personal and professional capabilities required to perform their duties effectively pursuant **Article 18 of Corporate Governance**.
- 4.1.21 Zain KSA shall notify CMA of the names of the Board members and description of their memberships within five (5) business days from the commencement date of the Board term or from the date of their appointment, whichever is shorter, as well as any changes that may affect their membership within five business days from the occurrence of such changes **(Article 17 of Corporate Governance Regulations)**.

4.2 For vacancy

To comply with Article 65, following procedures shall be following by Zain KSA in terms of vacancy of a Board member without prejudicing the requirements as mentioned in **Article 70 of Companies Law and Article 18 of Zain KSA Bylaws**

- 4.2.1 In case of a vacancy, by means of resignation, termination or death, Zain KSA Board shall select and appoint a temporary member (director) to fill the vacancy in accordance with the order of the votes obtained provided that the newly selected Board member is experienced and adequate to fill the vacancy in line with this document. Such appointment shall be presented before the next first General Assembly.
- 4.2.2 NRC shall assist the Board in this regards, for selecting and nominating a Board member.
- 4.2.3 Notification to MoCI and CMA shall be given within five (5) working days from the date of appointment.
- 4.2.4 From the first meeting, the new member shall complete his predecessor's term.
- 4.2.5 Where the conditions required for convening a Board's meeting are not satisfied because the number of directors falls below the minimum prescribed in this Law or in the company's bylaws, the remaining directors must call for an ordinary general assembly within sixty (60) days to elect the required number of directors.

Policies, Standard & Procedures For Membership in Zain KSA Board

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Twenty-seventh Item

Vote on the competition business policy. (attached).



Competition Business Standard



Competition Business Standard



Competition Business Standard

Table of Contents

Purpose 3

Scope of implementation 3

General principles: 3

Article (1): Competition Business Concept 4

Article (2): Company Competition Controls 4

Article (3): Competition Business Standards 5

Article (4): Refusal to grant a competition license 5

Article (5): Company's right to compensation 6

Article (6): Disclosure 6

Article (7): Review 6

Article (8): Effectiveness & Publication 6



Competition Business Standard

Purpose

This policy aims to clarifying the concept of competition and its controls, the mechanism of competing the Company in its activities or in competing with its branches, subsidiaries or owned companies or those within its group, and all members of the Board of Directors or members of the committees emanating from the board are committed to abiding by it without prejudice to the Company's Articles of Association and any relevant regulations and instructions issued by the regulatory authorities.

Scope of implementation

This policy applies to the following:

- Members of the Board of Directors and its emanated committees.
- A member's relatives who are engaged in competitive activities, including (parents, grandparents, children, siblings, spouses and their respective relatives by blood or marriage.
- The individual establishments or companies owned by a member of the Board of Directors or any committee member, or in which they have ownership or controlling interest, or are considered major shareholders, or own shares collectively with individual or collective relatives, amounting to 5% or more of the total ordinary shares.
- The individual establishments or companies where a member of the Board of Directors or any committee member serves as a member of its Board of Directors or as a member of board committees, manages it, or is considered as one of the senior managers or executives, or any of their relatives.
- The individual establishments or companies where a member of the Board of Directors or any committee member acts as a representative, agent, or proxy on behalf of the Company, or any of their relatives.

General principles:

1. The member must exert the necessary due diligence and care to abstain from engaging in any competitive activities with the Company's business or potential competition in its activities or in competition with any of its branches without obtaining a permission from the Board of Directors or the General Assembly.



Competition Business Standard

2. The member must not accept any membership on a Board of Directors or a committee emanating from the Board of Directors, hold any managerial position, or provide consulting or professional services to any Company that competes with the Company in its activities or competes with any of its branches or group.
3. The member is prohibited from exploiting or benefiting, directly or indirectly, from any of the Company's assets, information or investment opportunities offered to them as a member or offered to the Company, including the investment opportunities that fall within the Company's activities or those the Company wishes benefit from. The prohibition extends to the member who resigns in order to exploit the investment opportunity, directly or indirectly, which the Company wishes to benefit from and which came to their knowledge during their membership.

Article (1): Competition Business Concept

The engagement concept in any activity that may compete with the Company or its branches or any activity within its group includes the following:

1. The establishment by a member of the Board of Directors of a Company or an individual establishment, or their ownership of a significant percentage of the shares or stakes in another Company or establishment engaged in activities similar to those of the Company or its group, or their participation in any activity that may compete with the Company or any of its branches or group.
2. Accepting the membership of the Board of Directors of a Company or establishment competing with the Company or its group, or taking over the management of a competing individual establishment or Company, whatever their form, except for the Company's subsidiaries.
3. The member obtaining a commercial agency or its equivalent, whether apparent or hidden, for another Company or establishment that competes with the Company or its group.

Article (2): Company Competition Controls

Should a member wish to engage in an activity that may compete with the Company or one of its branches, the following must be considered:

1. Informing the Board of Directors of the competitive activities they intend to practice and documenting such notice in the minutes of the Board of Directors' meeting.
2. The interested member shall not engage in the voting on the decision to be issued in this regard in the Board of Directors and its committees or the General Assembly.



Competition Business Standard

3. The Board of Directors shall inform the ordinary General Assembly, when convened, about the competitive business undertaken by a member of the Board of Directors or a member of its committees, after the Board of Directors verifying whether the member of the Board of Directors or a committee member competes with the Company's business or competes with one of its branches in the activities engaged in according to the criteria of this policy. Such business shall be verified annually unless the Board of Directors has been granted an authorization from the General Assembly to approve the competitive business.
4. Obtaining a license from the Company's ordinary General Assembly or the Board of Directors by the virtue of an authorization from the ordinary General Assembly, permitting the member of the Board of Directors to engage in the competitive business.

Article (3): Competition Business Standards

The Board of Directors shall consider the criteria below to verify whether the member competes with the Company's business or competes with one of its branches or within its group, as follows:

1. Nature of the business that the member intends to compete with the Company or one of its branches or within its group.
2. The markets that the member intends to target, as well as assessing the expected impact on the Company's volume of sales.
3. Type of the products that the member intends to launch, market and promote.
4. Should the competition take the form of managerial or professional consulting services that the member will provide to the competing companies, understanding the scope of such consultations unless such consultations are inherently licensed professionally and are usually part of the business conducted by the member.
5. Studying the direct or indirect interest of the member from the competitive business to a related party and type of the impact or the conflict that the member may encounter from continuing the work or licensing for the competitive business.

Article (4): Refusal to grant a competition license.

If the General Assembly or the Board of Directors, by the virtue of an authorization from the General Assembly, refuses to grant a license for competitive business, the member of the Board of Directors must submit his resignation within the deadline set by the General Assembly or the Board of Directors. Otherwise, his membership on the board shall be deemed expired, unless he decides to withdraw from the contract, dealing or the competitive business,



Competition Business Standard

or to reconcile his situation in accordance with the Companies Law and its Executive Regulations before the deadline specified by the General Assembly or the Board of Directors.

Article (5): Company's right to compensation

In the event that a member of its Board of Directors or a member of the emanating committee violates this policy or the provisions of the laws and instructions related to the competition business, the Company shall have the right to claim the appropriate compensation before the competent judicial authority.

Article (6): Disclosure

A member of the Board of Directors or a member of one of the committees emanating from the Board of Directors shall disclose immediately and without delay or concealment any business that is competing with the business and activities of the Company or in one of its branches or any of the companies within its group to the Board of Directors.

Article (7): Review

The policy is subject to review for the purpose of updating and amending it in accordance with the Company's Articles of Association, laws, regulations, instructions and relevant legislation issued by the competent regulatory authorities, and pursuant to the proposals made by the Company's Board of Directors, provided that they shall be presented to the General Assembly for approval.

Article (8): Effectiveness & Publication

The policy shall be effective and shall come into force from the date of its approval by the General Assembly, and shall be published on the Company's website to be available for the shareholders and stakeholders for review. All the matters not stipulated in this Regulation are governed by the Company's Articles of Association and relevant laws, regulations, instructions and legislation issued by the competent regulatory authorities.

Twenty-eighth Item

Voting on the business and contracts between the company and Zain group company in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Operational contract, noting that the transactions amounted to (5,817) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).



Twenty-nine Item

Voting on the business and contracts between the company and Zain group company in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Branding Fee, noting that the transactions amounted to (170,000) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

Thirtieth Item

Voting on the business and contracts between the company and Subsidiaries of Zain group. in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser Alkharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Board Member), Mr. Firas Oggar (Former Board Member), Mr. Kamil Hilali (Board Member), and Mr. Talal Al Mamari (Board Member). which is Telecom Services (interconnect/roaming). The of transactions provided amounted to (5,113) thousand SAR for the fiscal year 2023, And The of transactions received amounted to (58,204) thousand SAR for the fiscal year 2023. and other telecommunications services rendered of (723) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

thirty-one Item

Voting on the business and contracts between the company and Al Marai company and to the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer. which is Telecom Services rendered, noting that the transactions amounted to (37,907) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).

Thirty-second Item

Voting on the business and contracts between the company and Yamama Cement company and to the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer. which is Telecom Services rendered, noting that the transactions amounted to (7,418) thousand SAR for the fiscal year 2023. and there is no Preferential terms for this contract. (attached).



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LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

Scope

We have been engaged by Mobile Telecommunications Company Saudi Arabia (the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as the engagement, to report on the Company's compliance with the requirements of Article (71) of the Companies' Law (the "Subject Matter") contained in the Company's attached notification (Appendix A) which is presented by the Company's Board of Directors to the Ordinary General Assembly on the transactions and contracts in which some members of the Company's Board of Directors have a direct or indirect personal interest in them dated 23 May 2024.

Criteria Applied by the Company

In preparing the Subject Matter the Company applied the below criteria (the "Criteria"). Such Criteria were specifically designed for the notification presented by the Company's Board of Directors to the Ordinary General Assembly (Appendix A). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies' Law issued by the Ministry of Commerce ("MC") (1443H -2022G).
- Notification presented by the Company's Board of Directors to the Ordinary General Assembly (Appendix A) dated 23 May 2024.
- Declarations submitted by some of the Company's Board of Directors' members regarding the transactions and contracts in which some members of the Company's Board of Directors have a direct or indirect personal interest in them.
- Meeting minutes of the Board of Directors meeting which include disclosures by some of the Company's Board of Directors' members regarding transactions and contracts in which some members of the Company's Board of Directors have a direct or indirect personal interest in them.

Company's Responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY) (continued)**

Our Responsibilities (continued)

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000') that is endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 15 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject matter and related information and applying analytical and other appropriate procedures.



**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY) (continued)**

Description of Procedures Performed (continued)

Our procedures included:

- Obtained the notification presented by the Company's Board of Directors to the Ordinary General Assembly (Appendix A) regarding the transactions and contracts entered between some of the Board of Directors' members directly or indirectly with the Company dated 23 May 2024.
- Obtained the declarations from some of the Company's Board of Directors' members for the transactions and contracts done with the Company's in which some members of the Company's Board of Directors have a direct or indirect personal interest in them.
- Obtained Board of Directors minutes of meetings that indicates some members' notification to the Board of Directors of transactions and contracts done with the Company in which some members of the Company's Board of Directors have a direct or indirect personal interest in them.
- Discussing with the management the contracts and transactions between the Board of Directors' members either directly or indirectly with the Company during the year ended 31 December 2023.

We also performed such other procedures as we considered necessary in the circumstances.

Other Matter

The attached notification (Appendix A) is stamped by us for identification purposes only.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter, in order for it to be in accordance with the Criteria applied by the Company referred to above.

for Ernst & Young Professional Services

Ahmed Ibrahim Reza
Certified Public Accountant
License No. (356)

Riyadh: 18 Duh Al-Qi'dah 1445 H
(26 May 2024)

Notification of business and contracts in which members of the Board of Directors have an interest.

In accordance with the provisions of Paragraph (A) of Article (71) of the Companies Law and Paragraph (9) of Article (27) of the Corporate Governance Regulations, relevant to informing the General Assembly of the businesses and contracts carried out on behalf of the Mobile Telecommunication Company Saudi Arabia "ZAIN KSA" in which any member of the Board of Directors has a direct or indirect interest in it. I would like to inform your esteemed Assembly of the following transactions:

#	Related Party	Nature and conditions of transaction, business or contract	Duration /	Net Value / amount during 2023	Related party relationship with Zain KSA	Interested Board members / senior executives (directly or indirectly)
			Term	SAR'000		
1	MTC KSCP	Operational	Open	5,817	Founding Shareholder of Zain KSA	Mr. Bader Nasser Alkharafi (Vice chairman) - Mr. Ossama Matta (Board Member) - Mr. Martial Caratti (Board Member) - Mr. Firas Oggar (Board Member) - Mr. Kamil Hilali (Board Member) - Mr. Talal Al Mamari - (Board Member)
2	MTC KSCP	Adminiatration and Branding Fee	Open	(170,000)	Founding Shareholder of Zain KSA	
3	Oman Tel	Telecom Services (Interconnect/roaming)	Open	(52,992)	Oman Tel is a shareholder in MTC KSCP which is a Founding Shareholder of Zain KSA	
4	Zain Bahrain	Telecom Services (Interconnect/roaming)	Open	898	Zain Bahrain is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
5	Zain Jordan	Telecom Services (Interconnect/roaming)	Open	(792)	Zain Jordon is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	

6	MTC Lebanon S.A.R.L (Touch)	Telecom Services (Interconnect/roaming)	Open	(432)	MTC Lebanon S.A.R.L is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
7	Zain Kuwait	Telecom Services (Interconnect/roaming)	Open	3,816	Zain Kuwait is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
8	Zain Sudan	Telecom Services (Interconnect/roaming)	Open	(3,988)	Zain Sudan is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
9	Zain Iraq "IRQAT"	Telecom Services (Interconnect/roaming)	Open	16	Zain Iraq "IRQAT" is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
10	Mada Bahrain	Telecom Services (Interconnect/roaming)	Open	383	is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
11	Zain Global Communications Co. SPC	Telecom Services	Open	723	Zain Global Communications Co. SPC is a subsidiary to MTC KSCP which is a Founding Shareholder of Zain KSA	
12	Al Marai Company	Telecom Services	Open	37,907	HH Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer serves as Chairman of Al Marai Company's Board of Directors	HH Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer (Chairman)
13	Yamama Cement Company	Telecom Services	Open	7,418	HH Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer serves as a Board Member in Yamama Cement Company	

Annual Audit committe Report for 2023.





Annual Audit Committee Report for 2023

Zain KSA

5th May, 2024



1. Introduction

The Audit Committee (AC) in 2023 has overseen the efficiency and effectiveness of internal control at Zain KSA. To assess that, six meetings were held during 2023 with the Internal Vice President, Senior Management, and External Auditor. This report briefly summarizes the AC roles and responsibilities, the composition of the AC, meetings conducted, important outcomes and decisions, internal audit coverage, and AC opinion on the internal control system.

2. AC Roles and Responsibilities

The Committee's roles and responsibilities include its statutory duties as per the CMA Corporate Governance Rules, the Companies Law and the responsibilities assigned to it by the Board of Directors.

The Audit Committee has carried out its functions through meetings and discussions with Executive Management, Internal Audit team and External Auditors.

The main responsibilities of the AC are the following:

- Assist the Board of Directors in evaluations of the adequacy and efficiency of the internal and financial control systems, accounting practices, information systems, and auditing processes applied within the Company.
- Review and monitor the Company's management, Internal Auditors, External Auditors and the Company's finance policies to reasonably assure the adequacy of accounting principles and financial practices applied.
- Review and discuss the accounting policies adopted, any changes in accounting policies, submit recommendations and views to the Board of Directors.
- Review and analyze the interim (quarterly) and annual financial statements prior to presentation to the Board of Directors, providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- Nominate and recommend the appointment and remuneration of External Auditors, monitor their effectiveness, and determine their equivalents.
- Supervising and monitoring the company's Internal Audit department to verify its effectiveness in performing the duties and tasks assigned to it.
- Reviewed the effectiveness of the system for monitoring compliance with applicable laws and regulations including governance regulations, the results of management's investigation and any instances of non-compliance.
- Approved the Internal Audit charter as well as Internal Audit policies and procedures.
- Meeting individually and periodically with the Internal Audit Vice President to discuss any matters that the Audit Committee or the Internal Audit Vice President may consider necessary.

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3. AC Composition

The AC composition is as follows:

S No	Name	Position
1	Mr. Martial Antoine Caratti	Chairman of the Zain KSA Audit Committee
2	Mr. Ossama Michael Matta	Audit Committee Member
3	Mr. Saud Abdullah Albawardi	

4. AC Meeting

The AC meets at least four times per annum, with the authority to convene additional meetings as circumstances require.

The following are the details of the AC meetings held in 2023:

Name	21 st March 2023	7 th May 2023	23 rd May 2023	3 rd August 2023	6 th Nov 2023	25 th Feb 2024	Total
Mr. Martial Antoine Caratti	✓	✓	✓	✓	✓	✓	6
Mr. Ossama Michael Matta	✓	✓	✓	✓	✓	✓	6
Mr. Saud Abdullah Albawardi	✓	✓	✓	✓	✓	✓	6

5. Important Decisions / Outcomes

The following are important outcomes for above mentioned meetings:

- AC reviewed and approved the risk-based audit plan for 2023 and the required budget.
- AC reviewed and recommended the year-end Financial Statements for 2023, and the quarterly Financial Statements for 2023 for approval by the Board of Directors.
- AC reviewed and examined the quarterly Internal Audit reports for 2023 and discussed the important observations and the management timeline for implementation.
- AC evaluated the proposals of External Auditors and provided recommendations to the Board of Directors to nominate an External Auditor to the company.
- AC reviewed the adequacy of the Company's internal control system.

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6. Snapshot of Internal Audit Activities

Internal Audit reviewed the following areas during 2023 as part of the approved yearly IA Plan:

S. No.	Audit
1	Compliance Department
2	Cyber Security
3	Enterprise Risk Management
4	Revenue Assurance and Fraud management
5	Product Development & Management - Digital products (Yaqoot)
6	Sales - Digital products (Yaqoot)
7	IT Strategic Planning, Implementation and Enterprise Architecture
8	Security and Control - Call Center Applications
9	Mobile Network (Core) - Planning and Deployment
10	Indirect Sales B2C
11	Direct Sales B2C

7. Internal Control Systems

The internal control system has an important role to play in the success of any organization. Zain KSA is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction and adherence to regulatory requirements.

The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The audit Committee also reviews the External Auditor's reports and management letter, which might include any lack of internal control noted by the External Auditor as part of his internal controls assessment.

Based on the above, the Audit Committee believes **that the company's internal control system is well-designed and provides reasonable assurance on financial reporting reliability, operational efficacy, and regulatory compliance without any material deficiency or material weakness**

In conclusion, the Audit Committee extends its sincere thanks to the Board of Directors for its support to the Committee to fulfill its roles and responsibilities and to the Executive Management for providing all the data requested to perform the duties of the Committee.