MOBILE TELECOMMUNICATIONS COMPANY (ZAIN)

BOARD NOMINATION AND REMUNERATION COMMITTEE CHARTER

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1	2016	CG	Board of Directors	Establish policy with EY
1.1	2019	CG	Board of Directors	Reviewed and updated based on recommendations by PWC
2	2023	CG	Board of Directors	Updated based on CMA Executive bylaws and regulations
2.1	2025	CG	Board of Directors	Changes based on updated CMA Executive bylaws and regulations

Contents

Glossary

Term	Definition
The Company	Mobile Telecommunications Company (Zain Group) (Zain)
AGM	Annual General Meeting
BNRC or The "Committee"	Board Nomination and Remuneration Committee
BOD or the "Board"	Board of Directors
CEO	Chief Executive Officer
The Chairman	Chairman of the Board of Directors
BRC	Board Risk Committee
BAC	Board Audit Committee
CMA	Capital Markets Authority
The Secretary	Secretary to the board of directors
BOD Handbook	All new members of the board of directors are provided with this handbook as part of the board orientation program
Zain Group's Board Remuneration Policy	Remuneration Policy for Zain Group board members including committee members, which has been approved by the board
CRO	Chief Risk Officer
CFO	Chief Financial Officer
Executive Management	CEO, C-level management and any other member with a direct reporting line to the CEO
The Charter	Board Nomination and Remuneration Committee Charter
The Company's Memorandum	Zain Group's Memorandum: A document that regulates a company's external activities and must be drawn up on the formation of a registered or incorporated company. As the company's charter it (together with the company's articles of association) forms the company's constitution
External Auditor	Independent Auditor which is a certified public accounting firm, registered by the regulatory authorities
CIA	Chief Internal Auditor

Board Nomination and Remuneration Committee

1. Purpose

The Board Nomination and Remuneration Committee (hereinafter the "Committee" or the "BNRC") is responsible for the following:

1. Recommending Board Members' appointments and re-nomination for election by the General Assembly.
2. Overseeing the annual assessment of the Board members.
3. Evaluating the remuneration of the members of the Board and Executive Management which supports the long-term objectives of Zain Group.

This charter is considered as a part of the overall corporate governance framework at Zain Group.

The Charter has been developed taking into consideration the CMA rules related to Corporate Governance issued as part of CMA's executive bylaw and other regulatory requirements.

2. Scope of Authority

The Board authorizes the Committee within the scope of its responsibilities to:

1. Have full access to the Company's records, reports, material or information in the possession of any employee or external auditor of Zain Group.
2. Have the authority to the extent it deems necessary/appropriate to hire consultants or advisors for assistance in performing certain duties in accordance with applicable regulations. The Company shall pay the related consulting costs retained by the Committee.

3. Membership and Term

1. The Committee consists of at least three (3) members
2. The Chair of the Committee shall be a non-executive board member. The committee must include one independent member.
3. The Board of Directors submits recommendations regarding the rules for nominating committee members, which are approved at the Annual General Assembly. This includes the membership term and the regulations governing the committee's work.
4. The membership will run concurrently with the Board term and will be for a maximum of three (3) years, that can be renewed.

5. Members of the Committee shall be entitled to attendance fees of KD 400 for each meeting or any other amount determined by the Board of Directors with the approval of the General Assembly.

4. Quorum

1. Only members of the Committee and the Committee Secretary shall be entitled to attend Committee meetings. However, members of the executive management, consultants and other employees may be invited to attend meetings upon request of the Committee.
2. The quorum necessary for Committee meetings shall be two (2) members (i.e. majority of the members).
3. A duly convened meeting of the Committee at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as specifically delegated by the Board.

5. Meetings

Frequency of Meetings

1. The Committee shall meet at least once every year.
2. The committee shall meet to review candidacy applications, approve the names of nominees for the Board of Directors, and submit recommendations to the General Assembly in accordance with the applicable laws and regulations.
3. The Committee Chair, in consultation with the Committee Secretary, shall decide the frequency and timing of the Committee meetings.
4. It is the responsibility of the Secretary to schedule and call all meetings of the Committee and provide the Committee with a written and approved (by the Chair) agenda for all meetings along with the meeting information pack at least seven to ten working days before the meeting.
5. The Secretary shall record the attendance and the minutes of the meeting. Minutes shall be approved by all attendees in addition to the Secretary within seven days after the meeting. These minutes shall be made available for regulatory inspectors and authorized persons.
6. The Committee will maintain written minutes of its meetings. These minutes shall be made available for regulatory inspectors and authorized persons.
7. Copies of the resolutions will be maintained at Zain Group's Head Office and will be circulated to the concerned management to take necessary action.

Conflicts of Interest

In case of a conflict of interest, the respective member will not participate in the Committee's deliberations and resolutions on the matter concerned.

Annual General Assembly

The Chairman of the Committee shall attend the Annual General Meeting and be willing to answer any question raised by any shareholder about the activities of the Committee.

6. Responsibilities

Nomination/ re-nomination of Board Members and Executive Management

1. Set criteria for selecting the members of the Board of Directors and evaluating the performance of the Board and the executive management.

2. Oversee and ensure the following procedures are adhered to in the nomination, re-nomination, and election process for the Company's Board of Directors, the Chief Executive Officer (CEO), and the positions that report directly to the CEO within the organizational structure:
   - The Company shall publish an announcement on both the Company's website and the Exchange's website inviting interested individuals to submit their candidacy for Board membership. The nomination period must remain open for a minimum of one month from the date of the announcement.
   - The Company must obtain a "To Whom It May Concern" certificate to ensure compliance with the Capital Markets Authority's (CMA) Financial Integrity and Soundness Standards for nominees to the Board of Directors, the CEO position, and executive roles directly reporting to the CEO. This procedure applies during the election of the new Board for the upcoming term, until the General Assembly convenes, and also upon the appointment of the CEO and related executive positions.
   - The Board Nomination and Remuneration Committee (BNRC) shall recommend a list of nominees for Board membership. The Company shall disclose this list to the Exchange in accordance with the format specified in the CMA's Executive Bylaws. The disclosure must include the names of the nominees, the capacity for which each individual is nominated (i.e., Executive, Non-Executive, or Independent), in addition to a brief introduction and the curriculum vitae (CV) of each candidate. These nominees shall then be presented to the General Assembly for consideration.
   - No individual may submit their candidacy for Board membership after the closure of the nomination period, as specified above.

The following eligibility criteria must be met by nominees for the Board of Directors, the CEO, and the positions that report directly to the CEO:

- The individual must not have been convicted by a final court ruling of a crime involving dishonor, breach of trust, money laundering, terrorist financing, capital markets offenses, or corruption, unless they have been legally rehabilitated.
- The individual must possess good reputation and conduct.
- The individual must not have been previously dismissed from a position by a disciplinary decision issued by a regulatory authority or pursuant to a final court judgment.
- The individual must not have been declared bankrupt, unless they have been legally rehabilitated, or imprisoned due to unpaid debts.

3. Ensure that a job description is in place for executive, non-executive and independent members.
4. Provide recommendations to the Board of Directors on the nomination and re-nomination for the Board and Executive Management.
5. Ensure the independent members meet the independence criteria set by the CMA at all times.
6. Ensure the integrity of the voting procedures for the selection and election of Members of the Board of Directors in the general assembly through mechanisms set forth by the company memorandum of association and articles of association and in context of those set forth in the Companies Law and its Executive Bylaws and this Module, with taking into consideration the permission included in the Companies Law to adopt the Accumulative Voting system in this regard, considering this one of the governance best practice. In addition, it is necessary to develop a mechanism providing a brief introduction of candidates for the Members of a Board of Directors and the capacity on which he wishes to nominate himself (executive/non-executive/independent) before voting. This will give shareholders a clear concept of the professional and technical skills of candidates and other experience and qualifications thereof.
7. Identify the members of the Board of Directors who are qualified to occupy positions in any of the committees of the Board and make recommendations to the Board to appoint such persons to the relevant committees.
8. Determine a mechanism and manage a periodic assessment of the Board's overall performance and individual performance of each board member based on the assessment criteria stated in the relevant policy of Zain Group, including but not limited to the following:
   - Contributions achieving the goals and objectives set for the Board;

- Their ability to devote sufficient time to the affairs of the Committee; and
- The diversity of backgrounds and experience they will bring to the Board.

This is an administrative role and the results will be reported to the Chairman of the Board.

9. Conduct a periodic review on the required skills and competencies for BOD and Executive Management membership taking into consideration the strategic objectives for the Company as well as relevant rules and regulations. This may cover the following at minimum:
   - Appropriate qualifications that confirms with the requirements of the position he/she is applying for;
   - Adequate professional experience in a field that confirms with the type of company and the position he/she is applying for; and
   - Technical, leadership and administrative capabilities that satisfy the independence requirements and the efficient decision-making process related to the workflow.
10. Attract highly qualified applicants for executive positions and review their resumes when needed.
11. Provide each new Board member, upon his/her election, with a guide, which sets out the member's rights, responsibilities and duties.
12. Provide information and summaries about critical issues to Zain Group, related to the core function of the Committee, and submitting reports and information to the Board Members.
13. The Committee shall review the declaration of the independent member of the Ministry of Commerce and Industry acknowledging that he meets the independence control.

<u>Succession Planning</u>

1. In-coordination with Executive Management, design a succession plan for the Executive Management including replacement in the event of an emergency or other unforeseeable event.
2. Conduct an annual review of the adequacy of succession arrangements for executive management and their respective direct reports.

<u>Training and Development</u>

1. Provide each new director with a formal and tailored induction program (including meetings with Executive Management, visits to Zain Group's

facilities, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, Zain Group's internal and external auditors, and legal counsel).

2. Provide the board members with the Board Member Handbook.
3. Set a system to encourage Board Members to attend training courses, seminars and events providing the opportunity to meet with local and international institutions and companies with the objective of developing skills relevant to Zain Group's business.

Evaluating Executive Management Performance

The Committee shall support the Board in evaluating the Executive Management's performance in light of corporate goals and objectives and in accordance with the approved Key Performance Indicators (KPIs). The committee shall monitor the evaluation of executive management performance as a whole.

Board and Board Committees Performance Assessment

1. Facilitate the annual assessment of the Board's overall performance and performance of each Board member. Such assessment shall include the members' expertise and knowledge, assessment of their powers and leading characteristics. This assessment to be conducted based on the approved board assessment matrix.
2. Manage the performance evaluation process for the Board and Board Committees and submit all completed evaluations to the Board for final scoring.

Board and Executive Management Remuneration

1. Prepare the remuneration policy related to the Board and Executive Management and submit for Board's approval. Compensation for the board shall not exceed 10% of the Company's net profit (after depreciation and amortization and after distributing profits to shareholders of no less than 5% of capital or any other percentage as indicated in the company's memorandum).
2. The independent board member may be exempt from receiving the maximum amount of board remuneration as mentioned previously in this section, according to a decision by the AGM.
3. Review the remuneration policy at least once a year or upon the Board's request. The Board shall be provided with recommendations related to policy amendments/updates in accordance with the Company's goals; the purpose of which is to retain highly qualified and productive personnel at all levels.

4. Determine and establish different remuneration categories that will be given to the employees such as fixed remuneration, variable (performance remunerations), equity and End of Services Benefit category.
5. Request the management to submit the required information regarding the workflow of the remunerations scheme. In addition, make recommendations to the Board regarding the level and components of the remunerations of the CEO, deputies/deputies as well as Zain Group's executive management, taking into account the total remunerations including salaries, fees, expenses and employee benefits.
6. Seek advice from the Board Risk Committee (BRC) and the CRO, as appropriate, on the alignment of risk appetite with performance objectives set in the context of incentive packages and whether any adjustments for risk need to be applied when considering performance objectives or actual performance.
7. In the event of any difference in points of view, appropriate risk adjustments shall be decided by the Chairman of the Board and the Board Members.
8. Ensure that remuneration for employees in risk management, internal audit and compliance functions is determined independently based on jobs objectives.
9. Coordinate with the BRC and the BAC to determine the remuneration of the CRO and the CIA. Ensure that no Director or member of executive management or any of their associates/assistants is involved in deciding their own remuneration.
10. Review internal audit reports or any other reports prepared by a regulatory authority with regards to remunerations and benefits for the members of the board and the executive management.
11. Provide support to the Chairman of the Board in the process of determining the remuneration of the Board Secretary.
12. Ensure that remuneration is granted in accordance with the approved remuneration policy.

Professional advice

The Committee shall also be responsible for overseeing external consultants to determine directors' remuneration, administer remuneration plans, and monitor other related matters. This needs to be in compliance with CMA rules of corporate governance and other applicable regulations or instructions.

7. Reporting Responsibilities

1. The Committee shall report to the Board on critical issues related to Zain Group and ensure that Board members are continuously informed of the Company's latest activities and news.
2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.
3. The Committee shall prepare a detailed annual report for all the remunerations granted to the BOD and the executive management and managers, whether such remunerations are given in the form of cash or benefits, and regardless of its nature or title directly or indirectly from the company or its subsidiaries (in accordance with the structure contained in the executive bylaws of the Capital Markets Authority Module 15). The committee shall follow the disclosures and transparency standards required while preparing the remuneration report by disclosing all the remunerations granted either directly or indirectly. The report shall be provided to the board of directors then to the General Assembly for approval. The report shall be recited by the Chairman during the AGM and shall include the following:
   - The remuneration and incentives system applied by Zain Group and particularly what applies to the board and the executive management.
   - The details of the remunerations granted to the members of the board and the executive management (the amounts, benefits and advantages) with analysis of the remuneration categories.
   - The value of the remuneration granted to the Chief Executive Officer (CEO) and executive management and managers who received the highest remuneration amounts in the Company, in addition to the CFO or his/her deputy if not included.
   - Any other remuneration granted (directly or indirectly) by the Company or its subsidiaries.
   - Any substantial deviations from the approved remuneration policy.

8. Management Responsibilities

1. The Management shall ensure that all information required by the Committee to discharge its responsibilities is provided in a timely manner (as requested by the Committee).
2. The Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.
3. The company shall maintain a record and register that includes all data related to compensations, salaries, incentives and other financial benefits that were granted for members of the board of directors, executive management and managers. All shareholders of the company shall have the right to access this record during the normal

working hours of the company without any fees or charges. In addition, the company must update this data record periodically to reflect the reality of the conditions of Related Parties.

9. Confidentiality

Members of the Committee and other persons who attend the Committee meeting must maintain the confidentiality of all documents they receive as well as the contents of deliberations and all confidential and classified information of Zain Group and its customers.

10. Amendments to the Charter

In the event of any proposed amendments to the executive bylaws, they shall be presented to the Board of Directors for approval.

This Charter is subject to an annual review by the Committee to:

- Cover the governance process in new activities.
- Ensure compliance with regulatory requirements.
- Keep up with the latest developments in corporate governance practices and standards, both locally and internationally in the business industry.

Any proposed amendments to the Charter will be provided to the Board for approval.