



**Board Investment Committee Charter**





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## 1- Introduction

- 1-1 The Investment Committee ("Committee") shall carry out the duties stated in this Charter.
- 1-2 The Charter shall state the Committee's scope of work, structure, and mandate.
- 1-3 To ensure Company's alignment with best practices in corporate governance, the Committee shall periodically review this charter, and submit its recommendations to the Board of Directors ("Board") to approve any necessary amendments as per applicable rules and regulations.
- 1-4 The Board shall assess the Committee performance on a regular basis, and submit any recommendation for improving the Committee's performance.

## 2- Committee Mandates

The Committee shall carry out all the assigned mandates, submit its recommendations to the Board, and shall maintain channels of direct communication with the Board. The Committee shall not amend any decree issued by the Board. The Committee's mandates shall be as per the relevant laws and regulations as follows:

- 2-1 Study the Company's assets information, develop investment strategy along with directives and related policies and submit the same to the Board for approval.
- 2-2 Direct supervision of the Company's domestic and overseas investments and periodic submission of the performance reports on the same to the Board.
- 2-3 Approve subsidiary governance framework.
- 2-4 Ensure the integrity of investment process, set relevant controls for protecting Company's interests and supervise the stages of acquisition/merger related to any investment opportunity.
- 2-5 Review performance assessment and work progress on a regular basis for the plans approved by the Boards of Directors of subsidiaries and provide the relevant recommendations to the Board.
- 2-6 Provide recommendations to the Board regard the exit from or liquidation of a current investment.
- 2-7 Review the integration and synergy performance reports for subsidiaries.
- 2-8 Endorse decisions related to the company's long-term financial borrowings and submit to the Board for approval.
- 2-9 Approve financial amendments in shareholder agreements.
- 2-10 To be briefed of any changes in a subsidiary's core line of business/ mandate and provide inputs as necessary.
- 2-11 Endorse merger transactions related to subsidiaries.

### 3- Organizing Committee Business

#### 3-1 Committee Formation:

- 3-1-1 The Investment Committee shall be formed by a decree of the Board, and comprise of three to five members from the Board or others with proper level of knowledge and experience
- 3-1-2 If the Committee chairman is absent, the attending members shall nominate one of them to preside over the meeting temporarily.
- 3-1-3 The Committee may seek assistance from Non-Executive Directors or persons from outside the Board, whether shareholders or not.

#### 3-2 Committee Chairman:

- 3-2-1 In their first meeting at the beginning of each new term, or in case the committee is re-formed, the committee members shall select a chairman for their committee.
- 3-2-2 The Committee chairman shall organize meetings, specify the agenda and shall be acquainted with all the information and documents necessary for enabling the Committee to carry out its responsibilities.
- 3-2-3 The Committee chairman or those he deputizes from the Committee members shall attend the General Assemblies to answer shareholders' questions relevant to the committee's mandate.

#### 3-3 Committee Secretary:

- 3-3-1 Stc Board Secretary shall carry out the Committee's secretarial duties. The Committee may appoint a Secretary from its members, provided that he/she meets the appropriate requirements as stipulated in the Corporate Governance Regulations issued by the Capital Market Authority and who shall be responsible for documenting the Committee meeting minutes, which shall include the discussions and deliberations carried during meetings, as well as the place, date, times on which the meetings commenced and concluded; and record the decisions of the Committee and voting results and retaining them in a special and organized register, and including the names of the attendees and the reservations they expressed (if any). Such minutes shall be signed by all of the attending members.
- 3-3-2 The Committee Secretary shall provide the Committee members with the agenda of the Committee meeting, any related documents, and provide additional information related to the topics included in the agenda items, requested by any Committee member before at least five calendar days of the date specified for the meeting.
- 3-3-3 The Committee Secretary shall notify the Committee members of the dates of the Committee's meetings within a sufficient period.

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3-3-4 The Committee Secretary shall submit regular reports on the Committee's activities and works to the Board. The Committee Secretary shall also carry out any and all other duties assigned to him by the Committee.

3-3-5 The Committee Secretary cannot participate in any of the Committee decisions or in voting.

#### 3-4 Invitees:

3-4-1 Only Committee members can attend its meetings. The Committee however, may invite other persons to attend any of its meetings or a part thereof as necessary, and those invitees shall not be entitled to vote at such meetings on any decision the Committee takes thereon.

3-4-2 Invitees should not be part of any discussion unless the Committee has invited them to discuss or provide explanation.

3-4-3 Committee members and other persons invited to the Committee meetings would maintain the confidentiality of such meetings, the documents and information that is shared with them and the contents of such meetings discussions and reviewing of documents of which the attendees have become aware.

#### 3-5 Committee Term:

The enactment date of the Committee is date of being formed and shall end either on the expiry of the Board's term or the formal termination of the Committee by the Board at any time. The Committee's term must be consistent with the duration of the Board tenure.

#### 3-6 Termination of Committee Services:

3-6-1 The Board of Directors can terminate all/any Committee's members when the member(s) abuse their position in the Committee or the Board deems their conduct as damaging to the Company's goals and reputation.

3-6-2 A Committee member may resign by delivering a written notice to the Board Committee Chairman. Such resignation shall become effective as of the date of delivering the said notice, unless the notice specifies a later time for the resignation to be effective.

3-6-3 A member loses his membership if he/she misses three consecutive meetings without prior permission from the Committee chairman or is unable to provide a legitimate excuse of absence acceptable to the majority of the attending Committee members.

3-6-4 The Committee may nominate a replacement member to be approved by the Board for a vacant position in the Committee. The new member shall complete the remaining duration of the replaced member's term taking into consideration the requirements that should be fulfilled by the Committee member.

#### 3-7 Remunerations and Compensation of Committee Members:

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3-7-1 Each Committee member shall be given annual rewards and attendance allowance as stated in the Company's incorporation Document and as per the policy of "Board Members Appointment, Compensation & Executive Management Compensation Policy".

3-7-2 The Committee members shall be eligible for a compensation for the expenses they experience to attend Committee meetings from their places of residence to the Company head office, or to the place where the meetings are held, in addition to any other costs related to accommodation and transportation in accordance with the Company related policy.

### 3-8 The Committee Meetings:

#### 3-8-1 Meeting Invitation:

- a. The Committee shall meet as per committee chairman request or upon a request from two of its members.
- b. The Committee shall meet for at least four meetings a year, or as necessary.
- c. In a Committee meeting, if a member cannot attend in person, he may take part in its deliberations and vote on proposed resolutions using one of the modern technological means subject.
- d. The invitations to the meeting shall be sent to each Committee member with sufficient notice time. Such an invitation shall be accompanied with the agenda and necessary documents and information, and shall specify the time, date and place of the meeting.
- e. Committee meetings shall be held at the Company head office or at any other place the Committee members select.

#### 3-8-2 Meeting Agenda:

The Committee Secretary shall, in coordination with the Committee chairman and the Executive Management, prepare the agenda of the Committee meeting and schedule the topics to be discussed according to their significance and priority, which shall be revised and approved by the Committee chairman before being distributed to Committee members.

#### 3-8-1 Quorum and Voting:

- a. A Committee meeting shall not be a valid meeting unless attended by the majority of the Committee members.
- b. A Committee member cannot assign another member to attend a Committee meeting on his behalf or to vote on his behalf.
- c. Committee decisions shall be approved by majority of the members present at the meeting. In case of equal votes, the decision voted by the Chairman shall be final or he may postpone the decision for further study.
- d. The Committee cannot issue its decisions by offering them to its members separately except in cases of urgent matters. Such decisions shall be considered valid and effective in case of the consent of at least two-thirds of the members unless for the request of

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one of the members for a meeting to review them. The decisions shall be put forward to the Committee's next first meeting for recording the same in the minutes of the meeting.

### 3-8-2 Minutes of Meeting:

- a. The Committee Secretary shall prepare and send to the Committee members the first draft of the Minutes of meeting within a sufficient time.
- b. The Committee members shall submit their feedback and remarks on the minutes within five business days from receiving the first draft of such minutes by the Committee Secretary.
- c. Each member would have the right to express objection towards any decision issued by the Committee through declaring the reasons of objection. If any member leaves before the meeting is declared adjourned, the objection of the member, if any, would be limited to decisions on articles discussed while the member was present. The minutes of meeting should state clearly the subject that had been discussed during the member absence. In addition, the absent members can request to discuss the topic again.
- d. The Committee Secretary shall amend the first draft minutes of meeting according to the committee members' feedback and recommunicate the same to finalize the minutes.
- e. The Committee members shall submit their feedback and remarks on the minutes within two business days of receiving the second draft by the Committee Secretary.
- f. The Committee Secretary shall prepare the final version of the minutes, which shall be considered official once signed by all attending members and the Committee Secretary.
- g. The Committee Secretary shall send the approved minutes to the Committee members.
- h. In case a Committee member wishes to add his/her feedback into the minutes of the meeting following the present meeting as one of the main topics, he/she would have to coordinate with the Committee chairman to schedule the same in the meeting agenda.
- i. The Committee shall follow up the implementation of the decisions it made and on any other topics discussed in previous meetings.

### 3-9 Reports:

- 3-9-1 Once approved, the minutes of the Committee meeting shall be accessible to any Board member along with the related documents.
- 3-9-2 The Committee shall provide recommendations to the Board regarding matters within the mandate of the Board of Directors, which affect the Committee duties.

### 3-10 Resources and Sources of Information:

- 3-10-1 The Committee shall have access to any and all resources and information necessary for properly carrying out its functions, duties, and responsibilities.
- 3-10-2 The Committee can assign consulting project contracts directly, or direct Executive Management to award a consulting project contract to a consulting firm that the Committee has chosen according to its rules and responsibilities in case of special or exceptional cases without applying the company's Procurement Policy.



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#### **4- General Provisions**

- 4-1 This Charter shall be effective as of the date of its approval by the Board of Directors. No articles of this Charter shall be amended, omitted, or added without the Board's approval.
- 4-2 This Charter shall be complementary to STC incorporation Document, STC Governance Documents, Board of Directors' & Board's committees' Charters, and other related laws.
- 4-3 This Charter shall supersede and replace any decisions not consistent with it.
- 4-4 Any topics not covered in this document, must follow the related regulations issued by the competent authorities.

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