

Saudi Arabian Mining Company (Ma'aden)

Executive Committee Charter



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The Board may amend this Executive Committee Charter or grant waivers in exceptional circumstances, provided that any such modification or waiver does not violate any applicable law, rule, regulation or the Company's Authority Matrix and further provided that any such modification or waiver is appropriately disclosed.

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

VERSION NO.	DATE	NAME AND INITIAL

1 INTRODUCTION

- 1.1 The Board of Directors (the Board) of the Saudi Arabian Mining Company (hereinafter also referred to as “Ma’aden” or ‘the Company’) in its attempt to adopt a Corporate Governance Framework in line with the Corporate Governance Regulations issued by the Capital Market Authority (CMA) of the Kingdom of Saudi Arabia, and in order to ensure it remains aligned with leading practices in terms of corporate governance, has prepared this Executive Committee Charter.
- 1.2 This Charter governs the operations of the Executive Committee (the Committee) and details the scope of the Committee’s responsibilities and how it carries out those responsibilities, including its structure, procedures... etc.
- 1.3 The Committee shall review this Charter annually and shall recommend to the Board changes to the extent required under any applicable regulations, as well as to bring it into line with leading practices.
- 1.4 The Board shall annually evaluate the Committee's performance and make recommendations to enhance the performance or change the members of the Committee.

2 MISSION OF THE EXECUTIVE COMMITTEE

- 2.1 The Executive Committee shall have the right to exercise all authorities delegated by the Board of Directors and shall substantially perform the role of the Board within the defined constraints in the interim between meetings of the full Board. The exercise of such authorities by the Executive Committee shall not prejudice the authority reserved for the full Board.
- 2.2 The Committee shall report to and manage the communications with the Board of Directors.
- 2.3 The Committee shall not have the right to amend any decisions or resolutions of the Board.

3 ORGANISATION OF THE EXECUTIVE COMMITTEE

3.1 Composition

- 3.1.1 The Committee shall consist of four Board members including the Chairman of the Board and President & CEO of Ma'aden.
- 3.1.2 The Committee members should not be less than three and not more than five Board members.
- 3.1.3 The Chairman of the Board of Directors shall chair the Executive Committee.
- 3.1.4 The Board shall appoint the Committee's remaining members. Members of the Committee will be appointed by and may be removed by the Board.
- 3.1.5 In the absence of the Committee Chairman, the remaining present members shall elect one amongst themselves to chair the meeting.

3.2 The Chairman

- 3.2.1 The Chairman of the Committee (the Chairman) shall determine the agenda of the Committee's meetings.
- 3.2.2 The Chairman shall establish such other rules, as may from time to time be necessary and proper for the conduct of the business of the Committee.

3.3 Secretary

- 3.3.1 The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him by the Committee.

3.4 Committee Term

- 3.4.1 The term of the Committee shall be in line with the term of the Board of Directors of Ma'aden.

3.5 Committee Discharge

- 3.5.1 The entire Committee or any individual Committee member may be discharged, with or without cause, by the affirmative vote of the majority of the Board of Directors of the Company.

3.5.2 Any Committee member may resign upon giving written notice to the Chairman of the Committee and the Chairman of the Board and the resignation shall be effective at the time such notice is given (unless the notice specifies a later time for the effectiveness of such resignation).

3.5.3 If the resignation of a Committee member is effective at a future date, the Board may elect a successor to take office when the resignation becomes effective.

3.6 Remuneration of the Committee

3.6.1 Each member of the Committee is entitled to the below compensation:

1. An attendance payment for each meeting attended by the Committee member and
2. Annual compensation.

3.6.2 Committee members who are resident outside Riyadh are entitled to all out of pocket expenses incurred by them to attend the meeting. Such expenses include a first class ticket (back and forth) from his place of residence to the Company's head office or to the place where the meeting is held as well as any accommodation and transportation expenses incurred by them.

3.6.3 The Board report presented to the General Assembly will state the remunerations and other payments paid to the Committee members during the financial year.

3.7 Meetings & Procedures

3.7.1 The Committee shall meet when it is necessary to carry out its responsibilities. Committee members can attend meetings in person or via tele-conference or video-conference. Meeting invitations are sent one week in advance along with the meeting agenda and any other documents.

3.7.2 A majority of the members of the Committee shall constitute a quorum.

3.7.3 A member can't elect another member of the Committee to act on his behalf and to vote in the meetings.

3.7.4 The date and time for the first meeting and all subsequent Committee meetings shall be at the call of the Chairman of the Committee.

3.7.5 The Chairman of the Committee shall have a casting vote in case of an equality of votes.

3.7.6 Members of the Committee and other persons who attend an Executive Committee meeting, based on invitations from the Committee's Chairman, shall

maintain silence and confidentiality on all documents they receive, on the contents of deliberations and on all confidential information and secrets of the Company, particularly operating and business secrets that are disclosed to them in the course of their work on the Committee.

3.7.7 The Committee shall keep written minutes of its meetings as detailed in this document under section 3.9 “Minutes of Meetings”.

3.8 Authority

3.8.1 The Committee shall have the access to resources and information necessary for it to discharge its duties and responsibilities.

3.9 Minutes of Meetings

3.9.1 The deliberations and resolutions of the Executive 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 attended the meeting.

3.9.2 The Committee’s meetings will be documented as follows:

- a. The Secretary of the Committee shall record in the minutes of meeting all decisions and recommendations arising from discussions during the meeting.
- b. For each meeting, the minutes shall include the date and the place of the meeting, the name of attendees and absentees, summary of discussions took place in the meeting and their related decisions and recommendations.
- c. All comments of the Committee’s members shall be provided to the Secretary within a week from the date of receipt of the draft minutes from the Secretary.
- d. The Committee’s Secretary shall amend the draft minutes based on the members’ observations and send it attached with these observations to the Chairman.
- e. The final minutes shall be prepared according to the Chairman’s recommendations and sent to the Committee members duly signed by the Chairman and the Secretary.
- f. If any of the members’ comments are considered important by the member, he may ask the Committee’s Secretary to include his comments

in the next meeting's agenda as one of the main subjects. The next meeting's agenda will be then decided by the Committee's Chairman as per 3.2.1.

- g. The signed copy of the minutes shall be kept attached with its related documents and correspondence in a special file maintained by the Secretary of the Committee.
- h. All agreed actions will be recorded in a tracking report with the agreed deadlines. The status of the agreed actions shall be discussed at each meeting. The Secretary shall maintain this tracking report and shall update this after each meeting. This report shall be attached to the minutes of the meeting.

3.10 Reporting Responsibilities

- 3.10.1 The Committee's Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 3.10.2 The Committee shall make recommendations to the Board it deems appropriate on any area within its responsibilities where action or improvement is needed.

4 RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

- 4.1 The Committee shall review and recommend to the Board the Company's strategies and objectives.
- 4.2 The Committee shall review proposed long term (more than 3 years) business, financial and operating plans and provide recommendations to the Board.
- 4.3 The Committee shall approve proposed short (less than 1 year) and mid term (1-3 years) business, financial and operating plans in line with the Company's approved long term plans.
- 4.4 The Committee shall review and approve the annual manpower, operating and capital expenditure budgets.
- 4.5 The Committee shall review and recommend to the Board all major projects/expansions, in line with the Company's approved strategies and long term business, financial and operating plans.
- 4.6 The Committee shall review and recommend to the Board proposals of JV, agreements, acquisitions and divestments in line with long term business, financial and operating plans.
- 4.7 The Committee shall monitor and receive reports on the execution and completion of Ma'aden's and its subsidiary/affiliated company major projects/expansion.
- 4.8 The Committee shall approve the Company's policies and procedures except for Accounting which shall be reviewed by the Audit Committee; and compensation and benefits policies of the Company and its subsidiaries/affiliates which shall be reviewed and approved by the Nomination and Remuneration Committee.
- 4.9 The Committee shall approve incorporation of branch offices and agencies in line with the Company's approved strategies and long term business, financial and operating plans.
- 4.10 The Committee shall recommend to the Board the conclusion of loans and mortgages.
- 4.11 The Committee shall recommend to the Board the investment plans of the Company's liquid money.
- 4.12 Receive and discuss reports from management on legal matters and litigation of material concern and recommend to the Board the necessary actions.

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- 4.13 The Committee shall monitor the performance of the Company and its individual business units and shall seek explanations for any departures or deviations from the approved plans and budget.
 - 4.14 The Committee shall receive reports on all key decisions made by the Company's management. The Committee will make recommendations as appropriate for action, and assist the Board in focusing discussions on relevant matters related to those recommendations.
 - 4.15 The Committee shall perform any other duties expressly delegated to the Committee by the Board from time to time.
 - 4.16 Approve operating and capital expenditures within its authority limit as specified in the Company's Authority Matrix.
 - 4.17 Approve operating and capital expenditures exceeding the approved budget of Ma'aden as per the Authority Matrix.
 - 4.18 Recommending to the Board all decisions beyond its authority.

5 APPROVAL

- 5.1 This Executive Committee Charter has been approved by the Board of Directors at their meeting held on 23/02/2010.
- 5.2 This Executive Committee Charter was proposed by the Board of Directors and approved by the General Assembly Meeting held on 24/04/2010.

Chairman of the Board

Board Secretary

