

**ANNEX 1**  
**SUMMARY OF THE BOOKRUNNERS AGREEMENT**

*Overview:*

Saudi Telecom Company (stc) (the “**Company**”), the Public Investment Fund (“**PIF**”) and the joint book runners and the Company’s financial advisors being Goldman Sachs Saudi Arabia (“**GS**”), HSBC Saudi Arabia (“**HSBC**”), Morgan Stanley Saudi Arabia (“**MS**”) and SNB Capital Company (“**SNBC**”) and/or any other book runners to be determined by the Company and the PIF (the “**Joint Book runners**”) intend to enter into a book runners agreement (the “**Book runners Agreement**”) in order to execute the contemplated transaction for the PIF to sell down a portion of its shares in the Company (the “**Sale Shares**”), while maintaining its majority stake of more than 50% of the shares of the Company (the “**Secondary Offering**”).

Pursuant to the Book runners Agreement, the parties shall proceed with the marketing of the Secondary Offering, subject to the procedures of the book building exercise and the pricing of the Sale Shares, in addition to certain other conditions.

Set out below is a brief summary of the main terms and conditions of the Book runners Agreement. However, it should be noted that such terms and conditions are subject to any amendments that the parties may agree on and which are approved by the Board of Directors (or any of its delegates).

	<b>Legal Provision</b>	<b>Summary</b>
<b>1.</b>	<b>Parties</b>	<ol style="list-style-type: none"> <li>1. PIF</li> <li>2. The Company</li> <li>3. Joint Book runners</li> </ol>
<b>2.</b>	<b>Appointments</b>	PIF and the Company appoint GS, MS and HSBC as joint global coordinators, and appoints the aforementioned companies and SNBC as the Joint Book runners with respect to the Secondary Offering.
<b>3.</b>	<b>Agreement to Sell Shares</b>	PIF agrees to sell the Sale Shares in accordance with the offering document (prospectus) prepared for purposes of the Secondary Offering and the provisions of the Book runners Agreement to investors procured by the Joint Book runners.
<b>4.</b>	<b>Delivery of Documents</b>	The Company and PIF shall make available to the Joint Bookrunners a number of documents, including among others, constitutional documents and corporate authorizations for the Secondary Offering, copies of the offering document (prospectus) and relevant announcements.

5.	<b>Pricing and Allocation</b>	It is intended that the offer price will be determined following completion of the book building process by the Joint Book runners in coordination with the Company and PIF and shall be set forth in a pricing agreement to be entered into between the parties in the form agreed upon in the Book runners Agreement (“ <b>Pricing Agreement</b> ”). Allocation of the Sale Shares will be determined by the Joint Book runners in coordination with the Company and PIF.
6.	<b>Closing</b>	The closing date shall be Trade Date agreed upon between the parties in the Book runners Agreement (T+2). PIF shall ensure the Sale Shares are [credited to the investment portfolio accounts of the purchasers to be designated by the Joint Book runners in accordance with the Book runners Agreement and the procedures of the Saudi Stock Exchange (Tadawul)] in exchange for the sum of the number of Sale Shares multiplied by the offer price less all commissions, fees and expenses payable by PIF and to be deducted from the proceeds of the Sale Shares in accordance with the Book runners Agreement.
7.	<b>Conditions</b>	The Joint Book runners are subject to a number of obligations outlined in the Book runners Agreement. The Company shall provide a number of warranties, undertakings and covenants outlined in the Book runners Agreement.
8.	<b>Undertakings</b>	The Company shall provide a number of undertakings, including among others, to ensure that all material facts included in the offering document (prospectus) are true, accurate and not misleading, timely execution and delivery of documents and provision of such information as may be required by the Joint Book runners to fulfil their obligations.
9.	<b>Commissions, Fees, Costs and Expenses</b>	PIF shall pay the Joint Book runners a commission for their services as well as a number of costs and expenses in preparation for the Secondary Offering.

<p><b>10.</b></p>	<p><b>Warranties</b></p>	<p>The Company shall make a number of warranties to the Joint Book runners including but not limited to, in relation to its capacity and authority, the offering document (prospectus), the Company’s share capital, compliance with applicable laws, tax, anti-money laundering. Set out below is a list of the topics included under the Company’s warranties.</p> <ul style="list-style-type: none"> <li>• Capacity and Authority</li> <li>• Secondary Offering Documents</li> <li>• Share Capital</li> <li>• Material Subsidiaries</li> <li>• Compliance with Laws</li> <li>• Defaults and Approvals</li> <li>• Statutory Books and Records</li> <li>• Possession of Licenses and Permits</li> <li>• No Material Adverse Change in the Business</li> <li>• Financial Statements</li> <li>• Accounting Controls</li> <li>• Tax</li> <li>• Environmental, Health and Safety Matters</li> <li>• Absence of Proceedings</li> <li>• Indebtedness</li> <li>• Insolvency</li> <li>• Insurance</li> <li>• Properties</li> <li>• Intellectual Property</li> <li>• Information Technology</li> <li>• Data Protection</li> <li>• Competition Law</li> <li>• Pensions</li> <li>• Sanctions</li> <li>• Anti-Corruption</li> <li>• Money Laundering</li> <li>• Material Contracts</li> <li>• No Distribution of Secondary Offering Materials</li> <li>• No Qualification</li> <li>• No Direct Selling Efforts</li> <li>• No General Solicitation or General Advertising</li> <li>• Substantial U.S. Market Interest</li> </ul>
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		<ul style="list-style-type: none"> <li>• Foreign Issuer</li> <li>• United States Investment Company Act</li> <li>• Related Party Transactions</li> <li>• Immunity</li> <li>• No Market Abuse</li> <li>• No Registration</li> </ul>
11.	<b>Exclusion of Liability</b>	The Company agrees that it shall not have a claim against the Joint Book runners and their affiliates in connection with recovering losses incurred as a result of carrying out their obligations under the Book runners Agreement except if such claims have resulted primarily from the fraud, willful default or gross negligence of the relevant Joint Book runner or their affiliates.
12.	<b>Indemnity</b>	The Company agrees to indemnify and hold harmless the Joint Book runners for any and all losses or claim incurred by the Joint Book runners as a result of certain enumerated circumstances in connection with the Secondary Offering and relevant documents, including losses resulting by a failure by the Company to comply with applicable law.
13.	<b>Contribution</b>	If the above-mentioned indemnity is insufficient or unavailable for certain defined reasons, the Company shall make such contributions to the Joint Book runners and/or their affiliates as detailed in the mechanisms in the Book runners Agreement.
14.	<b>Termination</b>	The Book runners Agreement lays out a number of occurrences which would permit the parties to terminate the agreement and appropriate mechanisms that would safeguard the respective parties accrued rights and obligations.
15.	<b>Restrictions on Subsequent Disposals</b>	The Book runners Agreement includes an obligation on PIF to not sell down any shares in the Company for a specified time period following completion of the Secondary Offering.
16.	<b>General Provisions</b>	The Book runners Agreement includes a number of boiler plate provisions that are customary to such agreements including among others, restrictions on assignment, entire agreement clause, severability clauses, and that each party shall bare its own costs for entering into the agreement.
17.	<b>Notices</b>	The Book runners Agreement includes customary methods for providing notice among the parties.
18.	<b>Counterparts</b>	The Book runners Agreement may be signed in a number of counterparts which shall be deemed originals and when taken together shall constitute one and the same agreement.

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