

04/04/2016

**Almarai Company announces the results of the Extraordinary General Assembly Meeting to increase the share capital.**

The Extraordinary General Assembly Meeting was held in Riyadh at the Holiday Inn Al Izdehar Hotel, Al Izdehar Hall number 3 on 3<sup>rd</sup> April 2016 at 7:00 p.m. after reaching the quorum, the shareholders approved all items on the agenda as follows:

- 1- Approve the Board Report for the fiscal year ending 31/12/2015.
- 2- Approve the Auditors report for the fiscal year ending 31/12/2015.
- 3- Approve the consolidated Financial Statements for the fiscal year ending 31/12/2015.
- 4- Approve the recommendation of the Board of Directors to pay a dividend, for the fiscal year ending 31/12/2015, of SR 1.15 per share totaling SR 690 million (This proposed cash dividend represents 11.5% of the capital share, based on 600 million shares), for shareholders registered at the date of the Extraordinary General Assembly Meeting on 3 April 2015, The dividend will be paid to the shareholders on 12 April 2016 by Saudi British Bank and any shareholder who did not receive his dividend on that day, can visit any Saudi British Bank branch and collect the dividend in form of cash.
- 5- Approve the recommendation of the Board of Directors to appoint KPMG as auditors of the company and to determine their fees for the fiscal year 2016 and the first quarter of the fiscal year 2017 based on the recommendation of the Audit and Risk Committee to the Board of Directors.
- 6- Approve the Board of Directors members from liability for the fiscal year ending 31/12/2015.

- 7- Approve the directors remuneration amounting in total to SAR 1,800,000 , and for which SAR 200,000 will be distributed to each director for the financial year ended 31/12/2015.
- 8- Elected of members of the Board of Directors of Almarai Company for a period of three years starting from date 07/08/2016 by cumulative voting as follows:
  - ◆ Prince Sultan bin Mohammed bin Saud Al Kabeer.
  - ◆ Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer.
  - ◆ Abdulrahman bin Abdulaziz Al Muhanna.
  - ◆ Suliman Abdulqader Al Muhaideb.
  - ◆ Abdullah Bin Mohammed Noor Rihaimi.
  - ◆ Bader Abdullah Al Issa.
  - ◆ Mosa Omran Al Omran.
  - ◆ Ibrahim Hassan Al Madhon.
  - ◆ Abdulrahman Suliman Al Turaigi.
- 9- Approval all the business activities and contracts that create direct or indirect interest between Almarai Company and HH Prince Sultan bin Mohammed bin Saud Al Kabeer Chairman of the Board of Directors and to renew them for another year, consisting of the following:
  - A) A managerial contract between Almarai Company and Al Kabeer Farms totaling SAR 864,000 for one year by the prevailing commercial terms.
  - B) A feed purchase contract between Almarai Company and Al Kabeer Farms totaling SAR 39,663,000 for one year by the prevailing commercial terms.
  - C) The Lease of Todhia Dairy Farm by Almarai Company from heirs of Prince Mohammed bin Saud Al Kabeer for SAR 813,000 for one year by the prevailing commercial terms.

- D) A catering services contract for the year 2015 between Almarai Company and Al Nafoura Catering for SAR 121,000 for one year by the prevailing commercial terms.
- 10- Approval all the business activities and contracts between Almarai Company and Yamama Cement Company, that create direct or indirect interest for the Chairman HH Prince Sultan bin Mohammed bin Saud Al Kabeer and Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer , because of the presence of common membership in the Board of Directors and to renew them for another year, consisting of Sukuk dividends payment to Yamama Cement Company for an amount of SAR 920,000 for one year by the prevailing commercial terms. Yamama Cement Company is one of Sukuk holders issued by the company for an amount of SAR 50.0 million, for a period of five years (2013 to 2018), by the prevailing commercial terms.
- 11- Approval all the business activities and contracts between Almarai Company and Arabian Shield Insurance Co., that create direct or indirect interest for the Chairman HH Prince Sultan bin Mohammed bin Saud Al Kabeer and Eng. Nasser Mohammed Al Muttawa because of the presence of common membership in the Board of Directors and to renew them and to renew them for another year, consisting of the following:
- A) Insurance contracts for the year 2015 between Almarai Company and Arabian Shield Insurance Co., for an amount of SAR 96,561,000 for one year by the prevailing commercial terms.
- B) The renewal of the insurance services contract for the year 2016 between the company and Arabian Shield Insurance Co, for an amount of SAR 104,723,000 for one year by the prevailing commercial terms.
- C) The payment of Sukuk dividends to Arabian Shield Insurance Co., for an amount of SAR 30,000 for one year by the prevailing commercial terms. Arabian Shield Insurance Co. is one of Sukuk holders issued by

the company for an amount of SAR 3.0 million, for a period of seven years (2012 to 2019), by the prevailing commercial terms.

- 12- Approval all the business activities and contracts between Almarai Company and Mobile Telecommunication Company Saudi Arabia (Zain), that create direct or indirect interest for Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer because of the presence of common membership in the Board of Directors and to renew them for another year, consisting of contracts for Telecommunication services for the year 2015, for an amount of SAR 13,000 for one year by the prevailing commercial terms.
- 13- Approval the Lease Contract between Almarai Company and Mr. Abdulaziz bin Ibrahim Al Muhanna, as this is an indirect interest with Mr. Abdulrahman bin Abdulaziz Al Muhanna (Almarai board member). The lease is for rent of land for Almarai's distribution center in Sharjah costing SAR 173,000, for twenty years starting on 10 April 2001 to 9 April 2021 and to renew them for another year by the prevailing commercial terms.
- 14- Approval all the business activities and contracts between Almarai Company and Al-Jazirah Press, Printing and Publishing that create direct or indirect interest for Mr. Abdulrahman bin Abdulaziz Al-Muhanna and Eng. Nasser Mohammed Al Muttawa because of the presence of common membership in the Board of Directors and to renew them for another year, consisting into a contract for publishing for the year 2015, for an amount of SAR 436,000 for one year by the prevailing commercial terms.
- 15- Approval all the business activities and contracts that have direct or indirect interest to Savola Group which have representatives in the Board of Directors, and to renew them for another year, consisting of the following:

- A) Sales from Almarai Company to Azizia Panda United, a subsidiary of Savola Group, totaling SAR 566,733,000 for one year by the prevailing commercial terms.
  - B) Packaging purchases by Almarai Company from Savola Packaging Systems Co. Ltd. which was a subsidiary of Savola Group until 17th March 2015 totaling SAR 28,197,000 for the period 1st January 2015 to 17th March 2015 by the prevailing commercial terms.
  - C) Sugar purchases by Almarai Company from United Sugar Co. a subsidiary of Savola Group totaling SAR 108,380,000 for one year by the prevailing commercial terms.
  - D) Soya Bean Oil purchases by Almarai Company from Afia International Company a subsidiary of Savola Group totaling SAR 41,000 for one year by the prevailing commercial terms.
- 16- Approval all the business activities and contracts between Almarai Company and Saudi British Bank that create direct or indirect interest for Mr. Suliman Abdulkader Al Muhaideb because of the presence of common membership in the Board of Directors and to renew them for another year, consisting of the following:
- A) Bank services contract between Almarai Company and Saudi British Bank during 2015, an amount of SAR 28,812,000 for one year by the prevailing commercial terms.
  - B) Bank Financing between Almarai Company and Saudi British Bank, an amount of SAR 1,175,494,000, for six years (2015 – 2021), and renewing this bank financing for another year by the prevailing commercial terms.
  - C) Sukuk dividends payment to Saudi British Bank, for an amount of SAR 6,645,000 for one year by the prevailing commercial terms. Saudi British Bank is one of Sukuk holders issued by the company for an

amount of SAR 100 million, for a period of seven years (2015 to 2022), by the prevailing commercial terms, an amount of SAR 150 million, for a period of five years (2013 to 2018), by the prevailing commercial terms, an amount of SAR 150 million, for a period of seven years (2013 to 2020), by the prevailing commercial terms, an amount of SAR 50 million, for a period of seven years (2012 to 2019), by the prevailing commercial terms.

17- Approval all the business activities and contracts between Almarai Company and Banque Saudi Fransi that create direct or indirect interest for Mr. Mosa Omran Al Omran and Mr. Ibrahim Mohammed Alissa, because of the presence of common membership in the Board of Directors and to renew them for another year, consisting of the following:

- A) Contract Bank services between Almarai Company and Banque Saudi Fransi during 2015, an amount of SAR 19,714,000 for one year by the prevailing commercial terms.
- B) Bank Financing between Almarai Company and Banque Saudi Fransi, an amount of SAR 781,667,000, for four years (2015 – 2019), and and renewing this bank financing for another year by the prevailing commercial terms.
- C) Sukuk dividends payment to Banque Saudi Fransi, for an amount of SAR 7,083,000 for one year by the prevailing commercial terms. Banque Saudi Fransi is one of Sukuk holders issued by the company for an amount of SAR 100 million, for a period of seven years (2015 to 2022), by the prevailing commercial terms, an amount of SAR 200 million, for a period of five years (2013 to 2018), by the prevailing commercial terms, an amount of SAR 100 million, for a period of seven years (2013 to 2020), by the prevailing commercial terms, an amount of SAR 90 million, for a period of seven years (2012 to 2019), by the prevailing commercial terms.

- 18- Approval the Board Member Mr. Abdulrahman bin Abdulaziz Al-Muhanna to participate in the work of a competitor of the company, of being a member of the board of the Arab Company for Agricultural Services (Arasco) that engage in similar activity of the company in the poultry segment.
- 19- Approval the Board Member Dr. Ibrahim Hasan Al Madhun to participate in the work of a competitor of the company, of being a member of the board of the Herfy Food Services Co. that engage in similar activity of the company in the bakery segment.
- 20- Approve the increase in the share capital from SAR 6,000 million to SAR 8,000 million, an increase of 33%, this will result in an increase in the number of shares from 600 million shares to 800 million shares through the distribution of one bonus share for each three shares outstanding for existing shareholders at the end of the trading day of the Extraordinary General Assembly meeting, this increase will be funded from the Retained Earnings of the company. The objective of this proposed share capital increase is to adjust the company's share capital to its assets level, and it will help support its ambitious investment program announced in May 26th 2015. This program aims at increasing the capacity expansion needs in all areas of Almarai integrated business model (farming, manufacturing, distribution and logistics), and also addresses the investments required in product renovation and innovation. The company's will be in a stronger financial position to achieve its targeted continuous growth in all core business segments and geographic expansion. This share capital increase should also raise the operational efficiency, improve the utilization of available resources to support the company's growth and contribute to create appropriate jobs for the national manpower.
- 21- Approve To amend Article (6) of the Companys By-law to be read as follow:” The share capital of the Company shall be eight billion Saudi Riyals (SAR 8,000,000,000), divided into eight hundred million

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(800,000,000) registered shares of equal value of ten Saudi Riyals (SAR 10) each.”