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## **Almarai Company Invites Its Shareholders to The Extraordinary General Assembly Meeting. (The First Meeting) (Reminder Announcement)**

The Board of Directors of Almarai Company, a Saudi Joint Stock Company, are pleased to invite the shareholders to the Extraordinary General Assembly Meeting, which will be held in Riyadh at the Holiday Inn Al Izdihar Hotel – Hall 1 on 7<sup>th</sup> April, 2019 at 8:30 p.m., (<https://goo.gl/maps/udFP9E4EHTF2>) for the following agenda:

- 1- To vote on the Auditors Report for the fiscal year ending 31<sup>st</sup> December 2018.
- 2- To vote on the consolidated Financial Statements for the fiscal year ending 31<sup>st</sup> December, 2018.
- 3- To vote on the Board Report for the fiscal year ending 31<sup>st</sup> December 2018.
- 4- To vote on the nomination of the Board of Directors based on the recommendation of the Audit Committee, to appoint an auditor to audit the Financial Statements of the fiscal years 2019 and 2020 and to review the first quarter Interim Financial Statements of the fiscal year 2021. Furthermore, to determine their fees.
- 5- To vote on the recommendation of the Board of Directors to pay a dividend, for the fiscal year ending 31 December, 2018, of SAR 0.85 per share totaling SAR 850 million (This proposed cash dividend represents 8.5% of the capital share, based on 1,000 million shares), for shareholders who own shares on the date of the Extraordinary General Assembly Meeting on 7 April 2019 which will be registered at the Securities Depository Center Company at the market closing of the second working day after. The date of the cash dividend payment will be confirmed after the approval of the Extraordinary General Assembly, and it will be within 15 days from the day of the Extraordinary General Assembly Meeting on 7 April, 2019.

- 6- To release Board of Directors members from liability for the fiscal year ending 31<sup>st</sup> December 2018.
- 7- To vote to pay the directors' remuneration amounting in total to SAR 1,800,000 where SAR 200,000 will be distributed to each director on a pro-rated basis for the financial year ending 31<sup>st</sup> December 2018.
- 8- To vote on a managerial contract, that was done in 2018, with a value of SAR 864 thousand at the prevailing commercial terms between Almarai Company and Al Kabeer Farms in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest.
- 9- To vote on a feed purchase contract, that was done in 2018, with a value of SAR 63,739 thousand at the prevailing commercial terms between Almarai Company and Al Kabeer Farms in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest.
- 10- To vote on a lease agreement of Towdihia Dairy Farm, that was done in 2018, with a value of SAR 813 thousand at the prevailing terms and conditions between Almarai Company and the heirs of Prince Mohammed bin Saud Al Kabeer in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest.
- 11- To vote on a catering services contract, that was done in 2018, with a value of SAR 325 thousand at the prevailing commercial terms between Almarai Company and Al Nafoura Catering in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest.

- 12- To vote on an insurance contract, that was done in 2018, with a value of SAR 120,498 thousand at the prevailing commercial terms between Almarai Company and Arabian Shield Insurance Co., in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest.
- 13- To vote on Sukuk dividend payment for the year 2018 to Arabian Shield Insurance Co. with a value of SAR 101 thousand in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, has a direct interest. Arabian Shield Insurance Co. holds under the prevailing terms and conditions a total amount of SAR 3.0 million in Almarai Sukuk being traded during the period of seven years (2012 to 2019).
- 14- To vote on confirmation of the Sukuk dividend payment of the year 2018 to Yamama Cement Company with a value of SAR365 thousand, in which HH Prince Sultan bin Mohammed bin Saud Al Kabeer, (Non-Executive Member) Chairman of the Board of Directors, and Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeerv (Non-Executive Member) have a direct interest.
- 15- To vote on the Telecommunication services contracts, that was done in 2018, with a value of SAR 1,418 thousand. under the prevailing commercial terms. between Almarai Company and Mobile Telecommunication Company Saudi Arabia (Zain), in which the board member Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer (Non-Executive Member) has a direct interest.
- 16- To vote on the lease contract with a rent of SAR 173 thousand for 2018 under the prevailing commercial terms between Almarai Company and Mr. Abdulaziz bin Ibrahim Al Muhanna. in which the board member Abdulrahman bin Abdulaziz Al Muhanna (Non-Executive Member) has an indirect interest. The lease is for Almarai's Depot in Sharjah, UAE. The lease term is twenty years starting on 10 April, 2001 to 9 April 2021.

- 17- To vote on a publishing services contract, that was done in 2018, with a value of SAR 59 thousand at the prevailing commercial terms for Al-Jazirah Press, Printing and Publishing, in which the board member Mr. Abdulrahman bin Abdulaziz Al Muhanna (Non-Executive Member) has a direct interest
- 18- To vote on a feed purchase contract, that was done in 2018, with a value of SAR 2,327 thousand under the prevailing terms and conditions between Almarai Company and Arab Company for Agricultural Services (Arasco), in which the board member Mr. Abdulrahman bin Abdulaziz Al Muhanna (Non-Executive Member) has a direct interest.
- 19- To vote on the Sales contract, that was done in 2018, with a value of SAR 701,888 thousand under the prevailing terms and conditions between Almarai Company and Panda Retail Company in which Savola Group, one of Almarai's main shareholders and who is represented in the board of directors, holds significant shares. Savola board representatives at Almarai include: Mr. Suliman bin Abdulkader Al Muhaideb (Non-Executive Member), Eng. Anees bin Ahmed bin Mohammed Moumina (Non-Executive Member) and Mr. Bader bin Abdullah Al Issa(Non-Executive Member).
- 20- To vote on a sugar purchase contract, that was done in 2018, with a value of SAR 79,315 thousand at the prevailing commercial terms and conditions, between Almarai Company and United Sugar Co., in which Savola Group, one of Almarai's main shareholders and who is represented in the board of directors, holds significant shares. Savola board representatives at Almarai include: Mr. Suliman bin Abdulkader Al Muhaideb (Non-Executive Member), Eng. Anees bin Ahmed bin Mohammed Moumina (Non-Executive Member) and Mr. Bader bin Abdullah Al Issa (Non-Executive Member).
- 21- To vote on the Sales contract, that was done in 2018, with a value of SAR 6,095 thousand under the prevailing terms and conditions between Almarai Company and Herfy Food Services in which Eng. Anees bin Ahmed bin Mohammed Moumina has a direct interest.

- 22- To vote on a financial services contract, that was done in 2018, with a value of SAR 15,993 thousand under the prevailing terms and conditions between Almarai Company and National Commercial Bank, in which the previous board member Engr. Anees bin Ahmed bin Mohammed Moumina (Non-Executive Member) has a direct interest.
- 23- To vote on the financing facility for the period (2018 – 2024) with a value of SAR 446,429 thousand at the prevailing commercial terms between Almarai Company and National Commercial Bank in which the board member Eng. Anees bin Ahmed bin Mohammed Moumina (Non-Executive Member) has a direct interest.
- 24- To vote on the Sukuk dividend payments totaled SAR 11,267 thousand, for 2018, to National Commercial Bank, in which the board member Eng. Anees bin Ahmed bin Mohammed Moumina (Non-Executive Member) has a direct interest. National Commercial Bank holds under the prevailing terms and conditions Sukuk as follows: National Commercial Bank holds SAR 200,000,000, of Sukuk issued for the period (2015 to 2022), an amount of SAR 190,000,000, for the period (2013 to 2020), and lastly an amount of SAR 125,000,000 for the period (2012 to 2019).
- 25- To vote on a financial services contract, that was done in 2018, with a value of SAR 2,484 thousand under the prevailing terms and conditions between Almarai Company and J.P. Morgan Saudi Arabia Limited, in which the previous board member Engr. Rayan bin Mohammed Fayez (Non-Executive Member) has a direct interest.
- 26- To vote on a banking services contract, that was done in 2018, with a value of SAR 48,581 thousand at the prevailing commercial terms between Almarai Company and Saudi British Bank (SABB) in which the board member Mr. Suliman bin Abdulkader Al Muhaideb (Non-Executive Member) has a direct interest.

- 27- To vote on the financing facility for the period (2016 – 2027) with a value of SAR 1,346,621 thousand under the prevailing terms and conditions between Almarai Company and Saudi British Bank (SABB), in which the board member Mr. Suliman bin Abdulkader Al Muhaideb (Non-Executive Member) has a direct interest.
- 28- To vote on the Sukuk dividend payments totaled SAR 14,688 thousand, for 2018, to Saudi British Bank (SABB), in which the board member Mr. Suliman bin Abdulkader Al Muhaideb (Non-Executive Member) has a direct interest. SABB holds under the prevailing terms and conditions Sukuk as follows: SABB holds SAR 110,000,000, of a Sukuk issued for the period (2015 to 2022), an amount of SAR 167,000,000, for the period (2013 to 2020), and lastly an amount of SAR 148,000,000 for the period (2012 to 2019).
- 29- To vote on a banking services contract, that was done in 2018, with a value of SAR 8,940 thousand at the prevailing commercial terms and conditions, between Almarai Company and Banque Saudi Fransi, in which the board members Eng. Mosa bin Omran Al Omran (Independent Member) and Mr. Bader bin Abdullah Al Issa (Non-Executive Member), have a direct interest.
- 30- To vote on the financing for the period (2016 – 2019) with a value of SAR 393,000 thousand under the prevailing terms and conditions between Almarai Company and Banque Saudi Fransi, in which the board members Eng. Mosa bin Omran Al Omran (Independent Member) and Mr. Bader bin Abdullah Al Issa (Non-Executive Member) have a direct interest.

- 31- To vote on the agreement to be entered into by the **Company** in its capacity as (the “Pledgor”) with BSF (as “Security Agent”) confirming the obligations of the Company under the Share Pledge Agreement dated 12 August 2009 entered into by the Company and that such obligations and any security created under the Share Pledge Agreement shall extend to the liabilities and obligations of Al-Etisalat Al-Mutanakilah Al Saudia Company (“Zain KSA”), in connection with certain Murabaha based finance facilities procured by **Zain KSA** being (a) term Murabaha refinancing facilities in an aggregate amount of up to SAR4,254,558,187.38 and US\$454,669,389.30, and (b) working capital Murabaha facilities in an aggregate amount of up to SAR462,115,384.61 and US\$49,384,615.38 for Zain KSA’s general corporate purposes (together, the “**Facilities**”), which Facilities have been procured by Zain KSA pursuant to the Murabaha Financing Agreement dated 10 August 2009 (as amended, including pursuant to the second amendment agreement dated 5 June 2018 between, amongst others, Zain KSA as the purchaser and BSF as the original investment agent that has been entered into for purposes of refinancing the Facilities), and in respect of which matters the board members Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer, Eng. Mosa bin Omran Al Omran and Mr. Bader bin Abdullah Al Issa have indirect interest.
- 32- To vote on the agreement to be entered into by the Company in its with BSF whereby the Company shall confirm its obligations under the Deed of Subordination dated 29 July 2013 between, the Company in its capacity as (as “Subordinated Creditor”), Zain KSA as (as “Purchaser”) and BSF as (as “Security Agent”), and that the security created thereunder shall extend to the liabilities and obligations of Al-Etisalat Al-Mutanakilah Al Saudia Company (“Zain KSA”) , in connection with certain Murabaha based finance facilities procured by Zain KSA being (a) term Murabaha refinancing facilities in an aggregate amount of up to SAR4,254,558,187.38 and US\$454,669,389.30, and (b) working capital Murabaha facilities in an aggregate amount of up to SAR462,115,384.61 and US\$49,384,615.38 for Zain KSA’s general corporate purposes (together, the “Facilities”), which Facilities have been procured by Zain KSA pursuant to the Murabaha Financing Agreement dated 10 August 2009 (as amended, including pursuant to the second amendment agreement dated 5 June 2018 between, amongst others, Zain KSA as the purchaser and BSF as the original investment agent that has been entered into for purposes

of refinancing the Facilities, and in respect of which matters the board members Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer, Eng. Mosa bin Omran Al Omran and Mr. Bader bin Abdullah Al Issa have indirect interest.

- 33- To vote on the Sukuk dividends payment totaled SAR 5,280 thousand, for 2018, to Banque Saudi Fransi, in which the board members Eng. Mosa bin Omran Al Omran (Independent Member) and Mr. Bader bin Abdullah Al Issa (Non-Executive Member) have a direct interest. Banque Saudi Fransi holds under the prevailing terms and conditions the following Almarai Sukuks: SAR 100,000,000 for the period (2015 to 2022), an amount of SAR 50,000,000 for the period (2013 to 2020).
- 34- To vote on the participation of Board Member Mr. Abdulrahman bin Abdulaziz Al-Muhanna in a competing activity as he is a Board Member of the Arab Company for Agricultural Services (Arasco) which engages in similar activities to those of Almarai within the Poultry segment.
- 35- To vote on the participation of Board Member Eng. Anees bin Ahmed bin Mohammed Moumina in a competing activity as he is a board member of Herfy Food Services Co. which engages in a similar activity of the Company within the bakery segment.
- 36- To vote on the participation of Board Members Mr. Suliman bin Abdulkader Al Muhaideb, Eng. Anees bin Ahmed bin Mohammed Moumina and Mr. Bader bin Abdullah Al Issa in a competing activity within the poultry segment, as they are representing Savola Group, one of Almarai's main shareholders, in Almarai's board of directors. Savola holds 51% shares of Al Kabeer Group whose one of its products range is poultry.



- 37- To vote on the purchase of up to 10 million shares and to allocate them within the Employee Share Participation Program (ESOP). This is to be financed by the Company's own resources, and to authorize the Board of Directors to complete the purchase in one or several tranches over a maximum period of twelve months from the date of the Extraordinary General Assembly resolution, as well as to authorize the Board of Directors to determine the conditions of this program, including the allocation price for each share offered to the designated employees.
- 38- To vote on the amendments to be made on paragraph (7) of Article 3 of the Company's Bylaws concerning the Objectives of the Company,
- 39- To vote on the amendments to be made on paragraph (6) of Article 20 of the Company's Bylaws concerning the Powers of the Board of Directors
- 40- To vote on the amendment to be made on paragraph (3) of Article 22 of the Company's Bylaws concerning the Powers of Chairman of Board of Directors,
- 41- To vote on the amendment to be made on paragraph (1) of Article 26 of the Company's Bylaws concerning the Conflict of Interest and Competing the Company, and adding new paragraphs (2), (3) and (4) to Article 26,
- 42- To vote on the amendment to be made on paragraph (2) of Article 31 of the Company's Bylaws concerning the Invitation for General Assembly of Shareholders,
- 43- To vote on the amendment to be made on Article 42 of the Company's Bylaws which is related to the Report of Audit Committee.,
- 44- To vote on the amendment to be made on paragraph (2) of Article 47 of the Company's Bylaws concerning the Financial Documents,
- 45- To vote on the amendment to be made on Article 52 of the Company's Bylaws concerning the Liability Action by adding paragraph 2. (Attached)}

Each shareholder who is registered in the Company's shareholders Book with Edaa at the end of the trading session prior to the Assembly meeting shall be entitled to attend the Assembly and according to the rules and regulations. The right to register for the attendance of the Assembly shall end at the time of the starting the Assembly. And the right to vote on the meeting agenda shall end at the start of the counting of votes. The Extraordinary General Meeting of the General Assembly shall be held in the presence of shareholders representing half of the company's capital, and the shareholders of the Company are kindly requested to be present before the time of the Assembly to complete the registration procedures. Taking in consideration that there will be designated place for women

Each shareholder has the right to attend the General Assembly Meeting, whether in person or by proxy, subject to presentation of corroborating evidence (Commercial Registration if the shareholder is a company) or a written power of an attorney endorsed by the Chamber of Commerce, a licensed bank or an Authorized Person in the Kingdom, provided that the authorizing shareholder holds an account with the attesting bank or Authorized Person, Notary public or Persons licensed for attesting. The Authorization could be to another shareholder, other than a member of the Board of Directors or employee of the Company, to attend on their behalf. The shareholder or its proxy must deliver the original copy of the proxy letter to the Company at least two days prior to the assembly meeting and send it to P.O.Box 8524 Riyadh 11492, and the proxy shall present the original proxy letter prior to the assembly meeting.

The shareholders who are registered in the Tadawulaty electronic trading services can remotely vote on the items of the Extraordinary General Assembly Meeting, through (electronic voting) service at (<https://www.tadawulaty.com.sa>) free of charge (voting and registration) noting that the remote voting will start at 10:00 AM on 3<sup>rd</sup> April 2019, and continue until 04:00 PM on the day of the Meeting, on 7<sup>th</sup> April 2019.

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## تقرير لجنة المراجعة

2019/01/23م

سلمهم الله

المساهمين الأكارم

شركة المراعي - شركة مساهمة مدرجة

ص ب 8524 الرياض 11492، المملكة العربية السعودية

يندرج ضمن مسؤولية الإدارة التنفيذية للشركة التأكد من وجود نظام رقابة داخلية ملائم وفعال، يتضمن سياسات وإجراءات وعمليات أعدت لتحقيق الأهداف الاستراتيجية للشركة، وعليه فقد وضع نظام للرقابة الداخلية يبدأ بالاطار العام للحوكمة في الشركة والذي يحدد الأدوار والمسؤوليات الموكلة لمجلس الادارة ولجان الشركة، وأيضاً لجان الإدارة الأخرى، بما يكفل توفر الرقابة المناسبة على مستوى الشركة.

تبذل جميع قطاعات الشركة وإداراتها جهوداً متكاملة لتحسين بيئة الرقابة من خلال المراجعة المستمرة للسياسات والإجراءات، وللمحد من أي تجاوزات ولمنع وتصحيح أي قصور في نظام الرقابة الداخلية.

تُعتبر المراجعة الداخلية وظيفة مُستقلة عن الإدارة التنفيذية، وتكون إدارة المراجعة الداخلية مسؤولة عن أعمالها أمام لجنة المراجعة، ويدخل ضمن نطاق أعمال إدارة المراجعة الداخلية تقييم كفاية وفاعلية نظام الرقابة الداخلية، بما في ذلك الالتزام بالسياسات والإجراءات. كما يتم رفع تقارير المراجعة التي تتضمن نقاط الضعف في نظام الرقابة الداخلية وكذلك الإجراءات التصحيحية إلى كل من الإدارة التنفيذية العليا ولجنة المراجعة، وتقوم لجنة المراجعة بوضع خطة لأعمالها تأخذ في الاعتبار المخاطر الرئيسية التي تواجه الشركة.

وتقوم لجنة المراجعة بالإضافة إلى مراجعة أعمال إدارة المراجعة الداخلية، باستلام تقارير دورية عن آخر المستجدات من الإدارة التنفيذية العليا حول الموضوعات والمبادرات الرئيسية، كما تقوم لجنة المراجعة بمقابلة مراجع

حسابات الشركة لمناقشة أي مسائل تنشأ من أعمالهم تتعلق بالحسابات أو الرقابة الداخلية، وتقوم لجنة المراجعة برفع تقارير دورية لمجلس الإدارة، وتقريراً سنوياً للجمعية العامة للمساهمين.

وترى لجنة المراجعة بأن نظام الرقابة الداخلية صُمم بشكل فاعل ونفذ بشكل جيد، ولا توجد به ثغرات رقابية، كما لا يوجد ضعف جوهري في أعمال الشركة للعام المالي المنتهي في 2018/12/31م، وهذا يوفر قناعة مقبولة للجنة المراجعة عن كفاية ومدى فاعلية نظام الرقابة الداخلية، علماً بأن أي نظام رقابة داخلية بغض النظر عن مدى سلامة تصميمه وفاعلية تطبيقه لا يمكن أن يوفر تأكيداً مطلقاً.

والله ولي التوفيق،،،

رئيس لجنة المراجعة

  
د. عبدالرحمن بن سليمان الطريقي