

25th February 2019

Almarai Company Announces the Opening of Nominations for Membership to The Board of Directors

ELEMENT LIST

EXPLANATION

Almarai company (“The Company”) is pleased to announce to its shareholders, the opening of nominations for membership to the board of directors for the new session beginning on 7th August 2019 to 6th August 2022 (three years). Candidates will be elected in a general assembly meeting in 2019. Announcements will be made later after necessary approvals are received from the competent authorities.

In accordance with the rules and procedures stipulated in their candidacy for membership of the Board of Directors who meet the criteria of the Companies’ Law and the Corporate Governance Regulations issued by the Capital Market Authority and the policies, standards and procedures of membership in the Board of Directors of Almarai Company approved under the extraordinary general assembly resolution held on October 8, 2017, which can be found by visiting the company’s website in the following links

<https://www.almarai.com/en/corporate/investors/corporate-governance-code/cgc-overview/>

Introduction

Type of
Assembly

New Session

Assembly Start
Date

2019-08-07 Corresponding to 1440-12-06

Assembly End
Date

2022-08-06 Corresponding to 1444-01-08

Number of
members

9

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Application Start Date	2019-03-01 Corresponding to 1440-06-24
Application End Date	2019-03-30 Corresponding to 1440-07-23
Applications Submission Method	<p>Application to be submitted to Nomination and Remuneration Committee by sending it to the Investor Relations Department during the working business hours (from 8:00 a.m. to 5:00 p.m. KSA time) using the following methods:</p> <p>1-By Hand at almaria Company Head office, Building 1, North Ring road, Exit 7, Al-Izdihar District, Riyadh</p> <p>2-By Email: Board.Directors@almarai.com</p> <p>For inquiries, communicate with the Investor Relations through:</p> <p>Phone: 966114700005 ex.7150 or 7987</p> <p>Fax: 966114701555</p> <p>Email: BOARD.DIRECTORS@ALMARAI.COM</p>
Application Requirements	<p>First: Conditions of candidacy for membership of the Board of Directors:</p> <p>1- To observe the policies, standards and procedures of membership in the Board of Directors of Almarai Company approved by the Extraordinary General Assembly Resolution of 8/10/2017 (attached)</p> <p>2- Candidates for board membership shall not have been convicted of an offense that violates honor and fiduciary duty, have been adjudicated bankrupt, made arrangements or conciliation with their creditors, or deemed unfit for membership on a board of directors under any applicable Saudi law or instructions.</p>

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- 3- Board members shall not concurrently hold seats on the boards of more than five joint stock companies listed on Tadawul.
- 4- Candidates shall not be government employees.
- 5- Board members shall be professionally capable, and possess the required experience, knowledge, skill and independence, which enable them to effectively and efficiently perform their duties
- 6- They shall have the ability to lead: by demonstrating leadership skills that allow them to grant powers in a manner that leads to stimulating performance, as well as adopting the best practices for effective management and adherence to professional values and ethics.
- 7- Candidates must possess the appropriate qualifications, professional and personal skills, training, practical experience relevant to the company's current and future activities, or expertise in management, economics, accounting, law or governance, as well as the desire to learn and train.
- 8- Have the ability to provide guidance: possess the required technical, leadership and managerial skills, as well as the ability to quickly take decisions, understand the technical requirements related to business, and be able to provide strategic guidance, planning and well-defined foresight.
- 9- Possess financial knowledge: be able to read and understand financial statements and reports.
- 10- Be physically fit: not hindered by health issues that may impede them from exercising their duties and responsibilities.
- 11- Candidates should be able to communicate effectively and think strategically.
- 12- Candidates shall comply with the principles of truthfulness, honesty, loyalty, and care for the interests of the company and its shareholders, and prioritize the latter's interests over their own personal interests. Honesty is achieved where the relationship between the board member and the company is honest, and shall

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involve disclosing to the company any significant information before entering into any transaction or contract with the company or any of its affiliates; while loyalty shall require avoiding transactions that may entail conflicts of interest and ensure fairness of dealing, in compliance with the provisions relating to conflict of interest in the corporate governance regulations; in turn, care and attention shall be achieved by performing the duties and responsibilities set forth in the companies' law, the capital market law and their implementing regulations, as well as the company's bylaws and other relevant laws.

13- Independent members shall enjoy complete independence in their position and decisions. They shall satisfy none of the infringements to independence set out in article 20 of the corporate governance regulations.

14- A board member shall represent all shareholders of the company and take all actions to achieve the best interests of the company and its shareholders, while protecting the rights of the other stakeholders rather than only the interests of the group that elected him.

Second: Procedures for nomination to the Board of Directors:

1- Submit a written request signed by the candidate express his Details of the candidate in terms of curriculum vitae, qualifications and experience in the area of the Company's business, and Fill out the CV template (Form 1). (Attached)

2- Completing form (3) as issued by the capital market authority (Attached), and which can be found on the CMA's website:

<https://cma.org.sa/rulesregulations/formssite/pages/default.aspx>

3- The candidate must Indicate the number and the periods of membership of the boards of joint stock companies of which the candidate has been a member.

4- Statement of all the joint stock companies of which the candidate is still a member.

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5- The candidate must clarify the Membership type, i.e. if the member is an executive member or a non-executive member or an independent member.

6- The candidate must clarify the membership nature, i.e. if the member is a nominee for himself or if he represents a legal person.

7- Any nominee who is a previous company board member shall enclose with the nomination notice a statement from the company administration on the last session in which he was a board member including the following information:

- The number of the board meetings held in each year of the session years
- The standing committees in which the member participated, the number of the meetings held by each committee within one year of the session period, the number of the meetings he attended and the percentage of his attendance to the total meetings.

8- The candidate shall disclose any conflict of interest cases that include:

- The existence of a direct or indirect interest in the business and contracts of Almarai Company
- Participation in a business that competes with Almarai, or competes in one of the branches of activities Almarai is engaged in.

9- the nominee must submit the following document for consideration to their application: a clear copy of the nominee's passport and/or national id for individuals, the commercial registration for companies and establishments, and the phone numbers of the nominee(s).

10- Each shareholder is entitled to nominate himself or another person or more for membership of the Board within the limits of his percentage of ownership in the capital