

Board of Directors Formation and Functions

Almarai's Bylaws provide for a Board of Directors (comprising nine Members). The rules regarding the appointment, resignation, term of office, powers, remuneration and the principal requirements are summarized below. The Board of Directors is the supreme management body within the Company and is appointed by the shareholders at the General Assembly in order to represent and protect the Company's interests. The Board is responsible for leading and controlling the Company and discharges this responsibility by approving the implementation of Company strategies and objectives. The Board empowers the management of the Company to run the business within defined parameters and monitors the performance of the Company. While the Board delegates authority to the Company's management, under the direction of the CEO, to attend to the routine running of the business, the Board retains ultimate fiduciary responsibility to shareholders to ensure the proper operation of the Company. The Board is appointed by the shareholders with the primary responsibility for operating the Company in their long term best interests. The Board also has a responsibility to provide clear directions and boundaries for the Company's Executive Management to operate within. This involves setting out a clear vision and strategy for the Company and defining the delegations that will be allowed to management and the policies and boundaries within which they are permitted to operate. This process is achieved by:

- a) Approving the strategic plans and main objectives of the Company and supervising their implementation. This includes:
 - Laying down a comprehensive strategy for the Company, the main work plans and policy related to risk management and reviewing and updating such policy.
 - Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets.
 - Supervising the main capital expenses of the Company and acquisition/disposal of assets.
 - Deciding the performance objectives to be achieved, supervising the implementation thereof and overseeing the overall performance of the Company.
 - Reviewing and approving the organizational and functional structures of the Company on a periodic basis
- b) Laying down rules for internal control systems and supervising those systems. This includes:
 - Developing a written policy to regulate conflicts of interest and remedy any possible cases of conflict by Members of the Board of Directors, Executive Management and shareholders. This includes misuse of the Company's assets and facilities and arbitrary disposition resulting from dealings with related parties.
 - Ensuring the integrity of financial and accounting procedures including procedures related to the preparation of the financial reports.
 - Ensuring the implementation of control procedures appropriate for risk management by forecasting the risks that the Company could encounter and disclosing them transparently.
 - Reviewing the effectiveness of internal control systems annually.
 - Drafting Corporate Governance Rules for the Company that do not contradict the provisions of existing laws and regulations, supervising and

monitoring, in general, the effectiveness of the Rules and amending them whenever necessary.

- Laying down specific and explicit policies, standards and procedures for the Members of the Board of Directors and implementing them after they have been approved by the General Assembly.
- c) Outlining a written policy that regulates the relationship with stakeholders with a view to protecting their respective rights. Such a policy must cover the following:
- Mechanisms for indemnifying the stakeholders in the event that their rights are contravened under the law and their respective contracts.
 - Mechanisms for the settlement of complaints or disputes that might arise between the Company and stakeholders. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them.
 - A Code of Conduct for the Company's Executives and employees compatible with proper professional and ethical standards and regulating their relationship with stakeholders.
- d) The Board of Directors lays down procedures for supervising the following:
- Deciding on policies and procedures to ensure the Company's compliance with laws and regulations and the Company's obligation to disclose material information to shareholders, creditors and other stakeholders.
 - Preparing the Financial Statements and the Annual Report on the activities and financial status of the Company for the last financial year including the proposed method for a dividend payment.
 - Recommending to the General Assembly of shareholders the appointment, dismissal and the remuneration of external auditors Almarai's Corporate Governance Rules stipulate that the Board should include a minimum of one in three independent Directors. Executives may be Directors upon satisfaction of the relevant legal requirements. Almarai has implemented internal check-and-balance measures for assessing the performance of the Board of Directors and its committees. These measures include but are not limited to a formal review process involving an evaluation by each Board Member on the performance and effectiveness of the Board as a body, and its Members individually.

Members of the Board of Directors

The following tables include Directors' names, positions, membership status in other joint stock companies, and attendance at the Board meetings held during 2022, noting

that these meetings were planned, and the Chairman did not receive any request by two or more of the Board Members to hold emergency meetings during 2022.

Member name	Position	Membership status	(Listed/Unlisted)	Membership of Joint Stock Companies inside and outside of KSA
HH Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer	Chairman of the Board	Non-Executive	Listed	Yamamah Cement Co., Arabian Shield Cooperative Insurance Company, Zain Company
			Unlisted	Sultan Holding Group, Global Thermal Chemical-GTC, Global Chemical Industries Company-GCI, Al-Faraby Petrochemical Company, Tejoury Company, Tarabot investment & development company, Diplomat Art, Dar Alselal, Sabeen Investment Company.
Mr. Sulaiman A.K. Al Muhaidib	Vice Chairman	Non-Executive	Listed	Savola Group.
			Unlisted	Vision invest Co. (Roaia), Abdulkadir Al Muhaidib and Sons, RAFAL Real Estate Development Company, Al Muhaidib Holding, Amwal Alajjal, Taj Alawfia, That Alsawari.
Mr. Ammar bin Abdulwahid Al Khudairy	Board Member	Independent	Listed	Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO), Saudi National Bank,
			Unlisted	Amwal Capital, Real Estate Development Fund, Saudi National Capital, Amwal AlKhaleej Alola, Saudi Sports Company, Amwal AlKhaleej Investment, Yasmeen Alshrouq Company, Global Chemical Industries - GCI, Global Thermal Chemical GTI, Rwaal Altanmiah Company, Qantarrah Investment Company, Al-Farabi Pharmaceutical, Thuraa Almostaqbal Investment, Saudi Taab Contracting, Dubai Saudi Arabia Contracting,
Mr. Bader bin Abdullah Al Issa	Board Member	Non-Executive	Listed	Savola Group, Banque Saudi Fransi, Dur Hospitality Co.
			Unlisted	Savola Foods Company, Panda Retail Company, United Sugar Company, Afia International Company, Assila Investment.
Mr. Hosam Ali Al Qurashi**	Board Member	Independent	Listed	-
			Unlisted	Saudi Coffe Company, Saudi Heritage Company, Nana Delivery App, Modern Foods Company.
Mr. Mohammed Mansour Al Mousa**	Board Member	Non-Executive	Listed	Abdullah Alothaim Markets Company.
			Unlisted	-
Mr. Salman Abdelmuhsin Al Sudeary**	Board Member	Independent	Listed	Arabian Shield Cooperative Insurance Company.
			Unlisted	Tejoury CJSC, Tejoury Company - Foreign Branch Company, Bahrain, Archiving Warehouses (Subsidiary of Tejoury), Laian Homes Company LLC, ISNDA Corp. (Subsidiary of Tejoury), Abdulrahman Al-sudairy Foundation
HH Prince Saud bin Sultan bin Mohammed bin Saud Al Kabeer	Board Member	Non-Executive	Listed	-
			Unlisted	ADDAR Chemicals Company, Thirty Exports Company Ltd, Sultan Holding Group.
Mr. Waleed Khalid Fatani	Board Member	Non-Executive	Listed	Knowledge Economic City Company (KEC), Herfy Foods Co., Savola Group
			Unlisted	Kinan International Real Estate Development Company Limited, Panda Retail Co., United Sugar Company, Afia International Company, Alkabeer Holding Company, Savola World Est.
Mr. Peter Amon*	Board Member	Independent	Listed	-
			Unlisted	More-Than-Meals
Mr. Saad bin Abdulmohsen Al Fadly*	Board Member	Independent	Listed	Saudi British Bank
			Unlisted	Hassana Investment Company
Mr. Sultan bin Abdulmalek Al Sheikh*	Board Member	Non-Executive	Listed	-
			Unlisted	Gulf International Bank (Saudi Arabia), Gulf International Bank (Bahrain), Saudi Company for Exchanging Digital Information ("Tabadul"), Tahakom Investment Company, The Saudi Real Estate Refinance Company (SRC)

* Membership ended on 6 August 2022

** Membership started on 7 August 2022