

NOMINATION POLICY AND CRITERIA FOR MEMBERSHIP ON THE BOARD OF ALAMAR FOODS COMPANY

شركة الآمار الغذائية "شركة سعودية مساهمة"  
Alamar Foods Company "Saudi Joint Stock Company"

رأس المال المكتتب به والمدفوع بالكامل بالريال السعودي SAR 255,000,000 Issued and Total Paid Up Capital of  
الرياض، العليا، طريق الأمير سلطان بن عبدالعزيز، برج الآمار 3507 Alamar Tower 3507 Prince Sultan Bin Abdulaziz Road, Olaya, Riyadh,  
VAT N° 300647374900003 الرقم الضريبي Membership N° 256802 رقم العضوية C. R. 1010168969 السجل التجاري  
Tel. +966 11 2504747 P. O. Box 4748 Riyadh 11412 KSA www.alamar.com



### **Article 1: Policy Objective**

In the interest of increasing the effectiveness of governance, achieving a high degree of transparency, realizing the Company's objectives and improving its performance, the Management of Alamar Foods Company (the "**Company**") has adopted a policy and criteria for the nomination of the Company's Board members (the "**Policy**") and for their selection based on competence and the ability to represent the Board and its committees in a manner that ensures that the Board has the expertise, capability and academic and practical knowledge to contribute to increasing the Company's operational efficiency, in accordance with the standards and controls contained in the Companies Law, the Corporate Governance Regulations and other relevant laws and regulations.

### **Article 2: Scope of the Application of the Policy**

This Policy applies to all members of the Board, members of Board committees and nominees that are members in a manner that does not conflict with the Companies Law, the Corporate Governance Regulations, the Company's Articles of Association and the relevant regulations and rules governing the Company's business.

### **Article 3: Committee Responsible for Implementation of the Policy**

The Board's Nomination and Remuneration Committee (the "**Committee**") is the body responsible for managing and monitoring the implementation of this Policy.

### **Article 4: Responsibilities of the Nomination and Remuneration Committee with Regard to the Nomination of Board Members**

1. Making recommendations to the Board to nominate or re-nominate new members in accordance with the Company's Articles of Association, taking into account not to nominate any person previously convicted of a criminal breach of trust.
2. Preparing criteria on the capabilities and qualifications required for Board membership.
3. Determining the time that members must allocate for Board activities.
4. Annually reviewing the appropriate skills required for Board membership.
5. Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.
6. Annually ensuring the independence of independent directors and the absence of any conflicts of interest if a Board member also acts as a member of the board of another company.
7. Developing job descriptions for Board members.
8. Setting the special procedures to be followed if a position on the Board becomes vacant.
9. Determining the strengths and weaknesses of the Board and recommending solutions to remedy them in line with the Company's interests.

### **Article 5: Nomination procedures**

1. When nominating Board members, the Committee shall take into account the provisions stipulated in the Governance Regulations and the requirements set by the Capital Market Authority (the "**Authority**").
2. The number of Board nominees whose names are presented to the General Assembly must be more than the number of available seats, in order to allow the General Assembly to select Board members from the nominees.

### **Article 6: Composition of the Board**

The following shall be taken into consideration when composing the Board:

1. The number of Board Members shall be proportional to the size of the Company and the nature of its activity, without prejudice to the content of this Policy and the Corporate Governance Regulations.
2. The number of independent directors shall not be less than two or one-third of the Board members, whichever is greater.
3. The majority of the Board Members shall be non-executive members.

### **Article 7: Publication of the Nomination Announcement**

The Company shall publish the nomination announcement on the websites of the Company and the Saudi Stock Exchange and through any other medium specified by the Authority in order to invite persons wishing to be nominated for Board membership. The nomination period shall remain open for at least a month from the date of the announcement.



#### **Article 8: Shareholder Nomination Rights**

None of the provisions of this Policy shall prejudice the right of any Shareholder to nominate themselves or others to membership on the Board in accordance with the provisions of the Companies Law and its implementing regulations.

#### **Article 9: Requirements Related to Nomination for Board Membership**

1. Submission of a letter to the Company's Management stating their desire to nominate themselves, within the announcement period set at one month from the opening of nominations, accompanied by their curriculum vitae, qualifications and experience in the Company's business, in accordance with the relevant forms and statutory requirements.
2. Submission of a statement containing the names of the joint-stock companies of which they are a Board member.
3. Submission of a statement of the companies or institutions in whose management or ownership they participate in and which carry out business similar to the Company's activities.
4. Disclose to the Board and the General Assembly any conflicts of interest and independence indicators, in accordance with the procedures established by the Authority, including:
  - a. Having a direct or indirect interest in the businesses and contracts made for the Company's account.
  - b. Participating in a business that would compete with the Company or any of its activities.
  - c. Providing a statement of the number and dates of the boards of the companies in which they have been a board member. If they were previously a member of the Company's Board in previous terms, they must attach a statement of the terms they participated in, and the Company shall complete the remaining procedures.

#### **Article 10: Conditions for membership on the Board**

1. Board members are required to be professionally capable and have the required experience, knowledge, skill and appropriate extent of academic qualifications that enable them to perform their duties efficiently and competently and contribute effectively to the management and development of the Company and protection of its earnings.
2. Board members must not be a member of the board of joint-stock companies listed on the capital market in excess of the number authorized by law.
3. They must be healthy and not suffer from any health issue that may hinder them from performing their duties and responsibilities.
4. Board members must not be an employee of a competing company or a participant in any business that would compete with the Company.
5. They must not have been previously dismissed or removed from the board of a joint-stock company or from the management of any establishment due to negligence, mismanagement or irregular attendance of meetings of the Board or its committees.
6. They must not have been previously convicted of crimes involving moral turpitude or dishonesty.

#### **Article 11: General Provisions on Board Membership**

1. The Company shall make available to Shareholders information about the nominees for membership on the Board before the date of the election, and this information shall include a description of the nominees' expertise, qualifications and skills.
2. Each Shareholder shall be entitled to nominate themselves or one or more other persons for Board membership, based on their respective share in the capital.
3. The Company's Articles of Association shall specify the number of Board members, provided that such number is not less than three and not more than eleven.
4. Without prejudice to the provisions of the Company's Articles of Association, the Board shall appoint a Chairman and a Vice Chairman from among its members and may appoint a Managing Director. It is prohibited to hold the position of Chairman of the Board and any other executive position in the Company at the same time.
5. The General Assembly shall appoint the Board members for the term stated in the Company's Articles of Association, provided that such term does not exceed three years. Board members may be reelected, unless otherwise provided for in the Company's Articles of Association.
6. The Company shall notify the Authority of the names of the Board members and a description of their membership within five (5) business days from the commencement date of the Board term or from the date of their appointment,



whichever is earlier, and shall notify the Board of any changes that may affect their membership within five business days from the occurrence of such changes.

**Article 12: Vacant Positions on the Board and Termination of the Membership of a Board Member**

1. If a seat on the Board becomes vacant during the year, the Board may, in accordance with the conditions set out in Article 21 of the Company's Articles of Association, temporarily appoint another member to fill the vacant position. The Ministry of Commerce shall be notified within five (5) days from the date of such appointment and this appointment shall be presented to the Ordinary General Assembly in its first meeting. The new member shall complete the term of their predecessor. If the number of Board members is less than the quorum required for the validity of its meetings, the Ordinary General Assembly shall be called within sixty (60) days to appoint the required number of members.
2. The Company's Articles of Association indicate the manner of termination of Board membership. The Ordinary General Assembly may at all times dismiss all or any of the Board members, even if the Company's Articles of Association state otherwise, without prejudice to the right of the dismissed member to compensation if the dismissal was for an unacceptable reason or at an inappropriate time. The General Assembly may also, upon the recommendation of the Board, terminate the membership of any of its members who fail to attend three consecutive meetings of the Board without a valid excuse.
3. Upon termination of the membership of a Board member, pursuant to any of the prescribed membership termination methods, the Authority and the Saudi Stock Exchange shall be immediately notified thereof, along with the reasons for such termination.
4. If a Board member resigns and has observations on the Company's performance, they shall submit a written statement on their observations to the Chairman. This statement must be presented to the Board members.

**Article 13: Review and update of the Policy**

The Board shall periodically review this policy upon the recommendation of the Nomination and Remuneration Committee to ensure that its suitable for the Company's needs and compatible with the changes in the relevant regulations and shall recommend any proposed amendments to the General Assembly for approval.

**Article 14: Publication of the Policy**

This policy may be published on the Company's website to enable the related parties to view it, or through any other means of publication deemed fit by the Committee.

