

## Executive Committee Regulations:

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**Article 1: General Introduction:**

Bylaw of the Executive Committee of Al-Jouf Agricultural Development Company "a Saudi joint stock company" has been prepared in accordance with the requirements of the Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority under Resolution No. The Companies Law issued by Royal Decree No. M / 3 dated 1/28/1437 AH, and the rules for registration and listing, in accordance with the company's articles of association.

The bylaw specifies the powers, responsibilities and duties of the Executive Committee, how to select and form members, and how to terminate their service, and also defines the rights and remuneration of members and the procedures for its meeting.

The company's executive committee is appointed by the board of directors to provide the board's presence between meetings and to provide the ability to respond quickly in emergency situations, in addition to assisting the board in performing its supervisory duties efficiently and effectively, especially with regard to defining the company's strategic objectives, financial and operational priorities, and setting special recommendations. With the dividend policy, in addition to evaluating the long-term productivity of the company's operating operations.

All recommendations issued by the Executive Committee are not binding on the Board of Directors.

**Article 2: Powers, Responsibilities and Duties of the Executive Committee:**

1. The committee will exercise all powers and assume the duties of the board of directors in the period between board meetings.

2. The committee will discuss and make decisions related to issues that need urgent decisions in emergency events.

3. The responsibilities of the committee will include making routine decisions that the company's normal business demands

4. With regard to the company's strategy and objectives, the committee will:  
Review the company's strategic planning procedures and processes in cooperation with the Managing Director or CEO.

-Ensure that the company's strategic plans have been translated into actual actions and actions aimed at achieving the company's goals.

-Reviewing the recommendations of the managing director or chief executive officer regarding the distribution of the company's resources aimed at achieving alignment between the company's strategic plans and its long-term operational goals.

- Periodically reviewing the strategic plans of the company and its subsidiaries and operational goals to ensure that they are consistent with the company's mission and goals.

-With regard to the company's operational priorities, the committee will review and prepare recommendations of the Board of Directors regarding strategic decisions related to operational priorities, including expansion into new markets and countries or exit from existing markets and countries.

5. With regard to the company's financial planning and dividend policy, the committee will do the following

Preparing and reviewing recommendations of the Board of Directors related to annual and long-term financial goals and strategies, as well as related performance indicators.

Review important financial matters for the company and its subsidiaries, such as matters related to the company's capital, the company's credit rating,

cash flows, borrowing activities and investment deposits, in cooperation with the company's executive management and the audit committee  
Preparing and reviewing the recommendations submitted to the Board of Directors related to the company's dividend policy and how to implement it  
Periodic review of actual capital expenditures and their review with pre-approved budgets. With regard to evaluating the company's long-term productivity and the effectiveness of its operational processes, the committee will review and prepare recommendations to the Board of Directors regarding the strategic decisions related to the opportunities before the company aimed at improving the quality of the products and services provided by the company and rationalizing the costs related to them.

**Article 3: Rights of the Executive Committee:**

The committee will have the following rights:

1. Requesting appropriate documents, reports, clarifications and other information from company officials, executives and employees.

2. Inviting the officials, executives and employees of the company to its meetings, to ask them and to hear their explanations.
3. To seek the services of experts and consultants from outside the company
4. Performing other services requested by the Board of Directors and which fall within the authorities of the committee.
5. The committee will carry out an annual review and evaluation of its regulations in order to ensure that it fulfills its duties and submit recommendations to the Board of Directors regarding the procedures for amendments to it
6. The committee will submit a periodic report on its activities to the Board of Directors, not less than once every six months
7. In addition, the committee members will:
  - Participate in the activities and work of the committee and attend all meetings.
  - To be fully aware of all developments in the business environment in which the company operates.

- Considering all the information that they saw because of their work in the committee as confidential information.
- Informing the board of directors in the event of a conflict of interest that may arise as a result of decisions taken by the committee.
- Preparing an annual review and evaluation of the activities of the committee and its members, including reviewing the degree of compliance of the committee with its regulations.

**Article 4: Selection, formation and termination of service for members of the Executive Committee:**

1. The committee consists of at least three members, and they will be chosen by the majority of the votes of the members of the board of directors
2. The term of membership of the committee will coincide with the term of membership of the Board of Directors.
3. Only members of the board of directors are selected for membership in the committee



4. Committee members must possess the appropriate knowledge, experience and skill in their dealings with the chief executives of the company.

5. The Board of Directors may at any time terminate the service of any member of the Committee and choose another member.

**Article 5: Procedures related to Executive Committee meetings:**

1- The committee will select a chairperson according to the majority of the votes of its members.

2- It is possible for the company secretary to do the committee's secretarial work.

3- Meetings will be held when the need requires that the committee perform its functions and duties, and at least a meeting of the committee will be held according to what the interest of work requires, and in the event that there is a meeting of the board of directors in which topics that fall within the powers of the committee will be discussed, then the meeting of the committee must be Before the board meeting.

- 4- Meetings are called by the committee chairman, members, or by the board of directors.
- 5- The quorum of the meetings will depend on the attendance of at least half of the members
- 6- The committee secretary will be responsible for distributing the meeting invitation and agenda to all committee members.
- 7- Meeting minutes will be signed by all members attending the meeting.
- 8- Decisions of the committee will be taken by majority vote of the members attending the meeting.

**Article 6: Remuneration for Members of the Executive Committee:**

The Board of Directors determines the annual remuneration for the members of the committee in accordance with the companies' system and the applicable regulations and instructions of the relevant authorities.

## After Amending

# Executive Committee Regulations

### **Chronology of releases**

<b>Version</b>	<b>Planner</b>	<b>Date</b>
First	Board Secretary	2010
Second	Board Secretary	15/5/2018
Third	Board Secretary	/ /2021

### **Check this document**

Board of Directors

### **Adopt this list**

The Thirty-first Ordinary General Assembly on 15/5/2018

The Thirty-fourth Ordinary General Assembly on // 2021

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## Article 1 General Introduction

The formation of the Executive Committee is subject to Article 50 of the Corporate Governance Regulations, which requires the Board of Directors to form specialized committees according to the following:

- 1- The company's need, circumstances and conditions to enable it to perform its tasks effectively.
- 2- The formation of committees shall be in accordance with general procedures established by the Council, including defining the mission of the committee, the duration of its work, the powers vested in it during this period, and the manner of monitoring. The board of directors has the duty and the committee to inform the board of directors of the results it reaches or the decisions it takes in a transparent manner and the board of directors must regularly follow up the work of the committee to verify the practice of the business assigned to it.
- 3- Each committee shall be responsible for its work before the Board of Directors, and this does not prejudice the responsibility of the Board for those actions and for the powers or powers that it has delegated to it.
- 4- The number of members of the committees shall not be less than three and not more than five members
- 5- The company is obligated to notify the Commission of the names and members of the committees within five working days from the date of their appointment and any changes that occur to that within five days.

The bylaw specifies the powers, responsibilities and duties of the Executive Committee, how to select and form members, and how to terminate service and it also specifies the rights and remuneration of members and the procedures for its meeting.

The Company's Executive Committee is appointed by the Board of Directors to enable the Board to perform its tasks effectively and provide the ability to respond quickly in emergency situations, in addition to assisting the Board in performing its supervisory duties efficiently and effectively, especially with regard to defining the company's strategic objectives, financial and operational priorities, and making recommendations. Of dividend policy, in addition to evaluating the long-term productivity of the company's operating operations.

All recommendations issued by the Executive Committee are not binding on the Board of Directors.

### **Article 2: Rules for selecting members of the committee, how to nominate them, and their term of membership**

- 1- Formed by a decision of the company's board of directors from members of the board of directors or from others, provided that there is high competence and professionalism.
- 2- The committee, in its first meeting, selects the head of the committee.
- 3- The number of members of the committee shall not be less than three and not more than five members.
- 4- The members of the Executive Committee are appointed for a period not exceeding the term of the Board's session.
- 5- The Executive Committee appoints a secretary from among its members or from the company's employees in its first meeting after its formation.

6- If the position of one of the members of the Executive Committee becomes vacant, the company's board of directors may appoint a member in the vacant position, provided that it has experience and competence, and it must inform the Commission within five working days from the date of the vacancy of a member's position or the appointment of a member.

7 - The company must notify the Authority of the names of the executive committee and their membership characteristics within five working days and any changes that occur to that within five working days from the date of the changes occurring.

8- Membership of the committee ends with the end of the term of the board session or any regulation issued by the competent authorities such as the Financial Market Authority and the Ministry of Trade.

However, the Board of Directors may, at any time, dismiss all or some of the members of the Executive Committee.

### **Article 3: Duties and Functions of the Executive Committee:**

1- Participating in developing the new strategic plans for the company and evaluating the proposals submitted by the executive management for such plans, including, but not limited to, mergers, acquisitions, entering into new projects, expanding the existing production capacity, and submitting recommendations in these and other matters to the Board of Directors.

2- Reviewing the company's performance based on the monthly management reports in light of the set goals and the estimated budget, measuring performance with results, and studying the impact of future external and internal factors on the company's business.

3 - Submit recommendations to the Board of Directors regarding the estimated budget.



- 4- Reviewing and evaluating proposals for new capital investments and deciding on issues falling within the competence of the committee according to the company's approved powers and responsibilities guide.
- 5- Reviewing the policies and regulations proposed by the executive management and recommending to the Board of Directors the appropriate decision.
- 6- Periodic review of the company's corporate governance rules, policies and professional behavior controls in accordance with the corporate governance rules and submitting recommendations to the Board of Directors to make any required amendments in this regard.
- 7- Follow up the implementation of the decisions of the Board and the Executive Committee and the implementation of any tasks referred by the Board of Directors to the committee.
- 8- Review the annual budget with the administration before submitting it to the board of directors for approval.
- 9- Supervising the preparation of economic feasibility studies, advisory studies and operational plans.
- 10- Following up on the company's financial position, the flow of supply, sources of financing, if necessary, and its operational and marketing policies.
- 11- Study and follow up any actions that may affect the reputation and image of the company.

**Article 4: Powers of the Committee:**

- 1- Requesting documents, reports, clarifications and other appropriate information from officials, executives and employees of the company.
- 2- Inviting officials, executives and employees of the company to its meetings.
- 3- Seeking the services of experts and consultants from outside the company.

**Article 5: Committee Meetings:**

- 1- The Executive Committee meets periodically, with no less than four annual meetings during the fiscal year.
- 2 - For the Executive Committee meetings to be valid, the majority of its members must be present, and the committee issues its decisions and liquidations by the majority of the votes of those present.
- 3- - He invites the Chairman of the Executive Committee to its meeting, and any member of its members or the Chairman of the Board of Directors may request the Chairman of the Executive Committee to invite it to a meeting.
- 4- No member of the board of directors or the executive management is entitled to attend the meetings of the executive committee unless the committee requests to hear his opinion or obtain his advice.
- 5- The meetings of the Executive Committee must be documented and minutes prepared that include the discussions and deliberations that took place, and its recommendations documented.

6 - In the absence of the committee chairman, the participants in the meeting choose a temporary chairperson for the committee, who will be the chairman of the committee at that meeting and the voting mechanism is in Clause 2.

**Article 6: Secretary of the Executive Committee:**

The Executive Committee appoints a secretary for it, so that his term of office is equivalent to that of the committee's work (while reserving the right to re-appointment) and he is responsible for the following matters:

- 1) Coordinating the committee's meetings and developing the proposal for its agenda in coordination with the committee chairman.
- 2) Inform the committee members of the meeting dates and provide them with its agenda and documents necessary to study the meeting items.
- 3) Attending committee meetings with the aim of preparing meeting minutes, and circulating these minutes to all committee members for approval, signature and keeping in a special record.
- 4) Coordination with the concerned departments with regard to committee decisions that are related to commitment or require taking specific procedural steps.
- 5) Documenting and following up on issues that require the committee to take a specific action and need to be followed up in subsequent committee meetings, as they are recorded in the relevant procedures form.
- 6) Arranging with the parties that the committee requests to invite them to its meetings. These parties include consultants, legal advisors, others or any other party.

- 7) Circulate the committee's decisions to the concerned parties.
- 8) Preparing a periodic follow-up report on the implementation of the committee's decisions by the executive management.

**Article 7: Remuneration for Members of the Executive Committee:**

- 1- The remuneration for the members of the committee is a specific amount annually in addition to an attendance allowance of three thousand riyals for each meeting.
- 2- Annual remuneration for the members of the committee shall be determined upon the recommendation of the Nominations and Remuneration Committee.

**Article 8: Accreditation**

- 1- These bylaws are approved by the General Assembly after approval by the Council
- 2- The provisions of these regulations shall be effective from the date of approval by the General Assembly