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General Assembly No. (34) of the Savola Group**

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**The Agenda of the Extraordinary General Assembly Meeting (No. 34)**

**for the Savola Group's Shareholders, which will be held on:**

**Wednesday, May 10th, 2023, corresponding of 20th Shawal 1444H (as per Umm Al-Qura Calendar) at 07:30 PM**

1	Review the Financial Statements and discuss it for the fiscal year that ended 31 December 2022.
2	Review the Board of Directors' Report and discuss it for the fiscal year that ended 31 December 2022.
3	Voting on the Auditors' Report for the fiscal year that ended 31 December 2022.
4	Voting on absolving the Board of Directors from their liabilities pertaining to the management of the Company for the fiscal year that ended 31 December 2022.
5	Voting on the payment of SAR 2,200,000 as remuneration to the Board of Directors for the fiscal year that ended 31 December 2022.
6	Voting on the appointment of the External Auditor ;for the Company's from the nominees, and determine their fees based on the Audit Committee (AC) recommendation to the Board of Directors in this regards, to review and audit the Company's Interim Financial Statements for the second, third and fourth quarters and full year of 2023 as well as the first, second, third and fourth quarters and full year of 2024, in addition to the interim financial statements for the first quarter of the year 2025;. (AC Committee Recommendation Attached)
7	Voting on the recommendation of the Board of Directors to distribute cash dividends to the Shareholders for the year 2022 with a total amount of SAR 352.4 million at SAR 0.66 per share, which represents 6.6 % of the nominal value of the share; where the eligibility will be to the Shareholders owning shares on the General Assembly Meeting date, and are registered in the Company's share registry at the Depository Center at the end of the second trading day following the due date. The date of the dividends' distribution will be announced later.
8	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola), Almarai Co. (34.52% owned by Savola Group) and its subsidiaries, in which two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 715.48 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment (Attached)
9	Voting on the transactions and contracts of selling sugar which will be executed between United Sugar Company (a subsidiary of Savola Foods Co. which is fully owned by the Group), and Almarai Co (34.52% owned by Savola Group), and its subsidiaries, where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that the last year 2022 transactions and contracts were amounted to SAR 66.78 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment (Attached).

10	Voting on the transactions and contracts of selling specialty fats and margarine products which will be executed between International Foods Industries Co. (a subsidiary of Savola Foods Co. which is fully owned by the Group) and Almarai Co. (34.52% owned by Savola Group) and its subsidiaries, where two of Savola's Directors ( Mr. Sulaiman A. Al-Muhaidib and Mr. Bader Abdullah Al Issa ) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 73.27 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment (Attached).
11	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Mayar Foods Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co., which in turn owns 8.23% of Savola shares) where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 122.39 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment (Attached).
12	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Del Monte Saudi Arabia (a subsidiary of Abdulkader Al-Muhaidib & Sons Co., which in turn owns 8.23% of Savola shares) where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 66.02 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
13	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola), Nestle Saudi Arabia Ltd., and its subsidiaries, where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 243.14 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
14	Voting on the transactions and contracts of purchasing products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Manhal Water Factory Co. Ltd., where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 6.15 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
15	Voting on the transactions and contracts of leasing spaces for selling food products inside Panda Shopping Centers, which will be executed between Panda Retail Co. (a subsidiary of Savola) and Almehbaj Alshamiyah Trading Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co., which in turn owns 8.23% of Savola shares), where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that the last

	<p>year 2022 transactions and contracts were amounted to SAR 18.58 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
16	<p>Voting on the transactions and contracts of selling carton scrap which will be executed between Panda Retail Co. (a subsidiary of Savola) and Waste Collection &amp; Recycling Company, where two of Savola's Directors, Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 9.37 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
17	<p>Voting on the transactions and contracts of leasing spaces for selling products inside Panda Shopping Centers which will be executed between Panda Retail Co. (a subsidiary of Savola) and Zohoor Alreef Co., where two of Savola's Directors, Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that the last year 2022 transactions and contracts amounted to SAR 106 thousand. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
18	<p>Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and AL Jazirah Dates &amp; Food Factory where two of Savola's Directors, Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 3.1 thousand. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
19	<p>Voting on the transactions and contracts of leasing shops and retail purchases of food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Herfy Food Services Co (49% owned by Savola Group); where two of Savola's Director Eng. Mutaz Q. Alazawi and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 35.36 million. Those are continuing contracts and existing, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
20	<p>Voting on the transactions and contracts of selling edible oil products which will be executed between Afia International (a subsidiary of Savola Foods Co. which is fully owned by the Group) and Herfy Food Services Co. (49% owned by Savola Group) where two of Savola's Director Eng. Mutaz Q. Alazawi and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 18.20 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)</p>
21	<p>Voting on the transactions and contracts of selling sugar to be executed between United Sugar Company (a subsidiary of Savola food Co. which is fully owned by the Group) and Herfy Food Services Co. (49% owned by Savola Group),</p>

	where two of Savola's Director Eng. Mutaz Q. Alazawi and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 3.28 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached).
22	Voting on the transactions and contracts of selling specialty fats and margarine products, which will be executed between International Foods Industries Co. (a subsidiary of Savola food Co. which is fully owned by the Group) and Herfy Food Services Co. (49% owned by Savola Group), where two of Savola's Director Eng. Mutaz Q. Alazawi and Mr. Essam M. Al-Muhaidib, have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 5.56 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
23	Voting on the transactions and contracts of site leasing which will be executed between Panda Retail Co. (a subsidiary of Savola) and Dur Hospitality Co., where one of Savola's Directors (Mr. Bader Abdullah Al Issa and Mr. Fahad Al-Qassim), have indirect interest. Noting that in the last year 2022 transactions and contracts amounted to SAR 18 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
24	Voting on the participation of the Board member Mr. Suliman Abdulqader Al Muhaidib in a business that competing with the Company's business. (attached)
25	Voting on the participation of the Board member Mr. Essam M. Al Muhaidib in a business that competing with the Company's business (attached)
26	Voting on the Share buy-back of 2,500,000 share of Savola shares under the Employees Long Term Incentive Program (LTIP) and the purchase of these shares will be funded through the company internal resources; and authorize the Board of Director (BoD) to finalize the buy-back transaction, within a maximum period of twelve months from the date of the EGM's resolution. The company will retain the bought-back shares for a maximum period of five years from the date of the EGM approval until the time of allocation to eligible employees and after elapsed of this period the Group will follow the procedures and the requirements in the relevant laws and regulations. Noting that this program is a continuation of the current LTIP which its conditions and terms were defined and previously agreed by the BoD and the approval of the General Shareholders Assembly was obtained on 29/4/2020. (Solvency report attached)
27	Voting on the Competing Business Standards and Procedures. (attached)
28	Voting on the amendment of the Remuneration and Nomination Committee Charter. (attached)
29	Voting on the amendment of the Audit Committee Charter. (attached)
30	Voting on the amendment of the Policies, Standards, and procedures for the Board membership. (attached)
31	Voting on the amendment of the Remuneration Policy for Board, Committees and Executive Management. (attached)
32	Voting on the amendment of the company's bylaws, to be in line with the new Companies Law. (attached).
33	Voting on the amendment of article (6) of the company's By-laws regarding the Duration of the Company (attached)

34	Voting on the amendment of article (9) of the company's By-laws regarding the Preferred Shares (attached)
35	Voting on the amendment of article (10) of the company's By-laws regarding the Issuance of Shares (attached)
36	Voting on the amendment of article (16) of the company's By-law regarding the management of the company (attached)
37	Voting on the amendment of article (20) of the company's By-law regarding the Remuneration of the Board of Directors and the Committees Members (attached)
38	Voting on the amendment of article (23) of the company's By-law regarding the quorum of Board meeting and its resolutions (attached)
39	Voting on the amendment of article (45) of the company's By-law regarding Creating reserves (attached)
40	Voting on re-arranging and re-numbering of the articles of the company's bylaws, to be in line with the recommended amendments in the above items, if approved (attached)

**Audit Committee Report**  
for the year ended December 31, 2022

## Introduction

The Audit Committee of Savola Group was formed, and its charter was adopted by a resolution issued by the general assembly of shareholders in light of the regularity requirements. As new companies' law was published during the second half of 2022 which shall enter into force along with its Regulations from 19 January 2023, the Group is in the process of adapting the new companies' law and will make the necessary amendment concerning the Audit Committee, as well as presenting it to the general assembly of shareholders in the nearest meeting for their approval.

We are pleased to share with you Savola Group Audit Committee Report for the year 2022, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the Committee's charter.

## 1- Appointment

Savola Group Audit Committee was appointed at the Extraordinary General Assembly Meeting No. (41), held on Monday, 16 May 2022, corresponding to 15 Shawwal 1443H in which the formation of the Audit Committee and the charter describing its functions, responsibilities and guidelines were approved, as well as remuneration of selected members for the new office term for three years, beginning from 1 October 2022 to 30 September 2025. The appointment includes Mr. Fahad Abdullah Al Kassim (as a non-executive Board member), Mr. Tareq Abdullah Al-Garaawy (Independent member), Mr. Mohammed Ibrahim Al Issa (Independent Board member), Mr. Bader Hamad Al Rabiah (Independent Board member) and Dr. Jassim Shaheen Al Rumaihi (Independent member) as Audit Committee members after the end of the last office term on 30 September 2022.

## Membership Requirement as per the Amended Corporate Governance Regulations:

Article (51) from the amended Corporate Governance Regulations stipulated that half of the audit committee's members must be independent members or from those to whom the issues affecting independence in Article (19) of the Regulation do not apply. In addition, a member of the audit committee shall not be a member of an audit committee of more than five listed joint



stock companies at the same time. The Group took the necessary actions to ensure full compliance with the mentioned article.

## **2-Meetings**

In line with its charter, the Audit Committee will convene periodically based on chairman invitation, at least four times per year, and as may be necessary, and majority attendance of members constitute a quorum whether in person or by proxy. The Committee held six meetings during 2022 and the quorum for each meeting was reached.

## **3-Savola Group Operating Model**

The organizational structure "Operating model" adopted by the Group as a strategic investment holding company reflects the independence of the operational aspects of the Group's subsidiaries.

Conversely, all interaction between the Group's Audit Committee on one hand and its subsidiaries' Audit Committees on the other hand are governed by the Group's representation membership at the Audit Committees of the subsidiaries.

#### 4- Audit Committee members' qualifications:

The schedule below describes current and previous positions, qualifications and experience of the Audit Committee members as follows:

No	Member name	Current positions	Previous positions	Qualifications	Experience
Audit Committee members:					
1.	Mr. Fahad Abdullah Al Kassim	Current and previous positions, qualifications and experience were mentioned earlier in the Director's Report.			
2.	Mr. Mohammed Ibrahim Al Issa				
3.	Mr. Bader Hamad Al Rabia				
4.	Dr. Jassim Shaheen Al Rumaihi	Retired professor, financial consultant, and dedicated administrative officer	Regional Manager of Arab Open University for East Region, Chief Executive Officer of Razan Cognitive Holding and Saudi Constructing Union Company, Head of the Finance and Administration of Faisal Al Qahtani & sons for Trading & Constriction, and Head of the Accounting and Management Information Systems Department, King Fahd University of Petroleum and Minerals.	Ph. D in Accounting from University of Dundee, UK, Master's degree in Accounting from the University of Missouri, United States of America, Bachelor's degree in Accounting from King Saud University.	Has more than 25 years of academic and practical experience, currently working as a dedicated business consultant in the financial and administration fields, and member of several Boards and remuneration & nomination committees of other companies.
5.	Mr. Tareq Abdullah Al-Garaawy	He is currently an audit committee member of Savola Foods Company and other several joint stock companies.	Worked in several companies like Idfa Management & Financial Consultants, and Tatweer Buildings Company (TBC).	- Bachelor's degree in accountancy from King Saud University in 1996. - Master's degree in accountancy from George Washington University in 2002. - A Certified Management Accountant, and a member of the Institute of Management Accountants (USA) as well	Has more than 23 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi

No	Member name	Current positions	Previous positions	Qualifications	Experience
				as a member of Institute of Internal Auditors.	Arabia British Bank and Bank Al-Bilad.
<b>Ex- Member of Savola Group Audit Committee for the previous office term ended 30/09/2022 (Updated as of 01/10/2022):</b>					
-	Dr. Abdul Rauf Suliman Banaja	Holds number of memberships in boards and committees such as Audit Committee member in Riyad Bank, Herfy and other joint stock companies.	- Advisor to the Deputy Governor, the Saudi Arabian Monetary Agency (SAMA) (currently, Saudi Central Bank)  - Economic Advisor, Ministry of Finance  - Associate professor at University of Riyadh.	PhD in Economics, University of California, Santa Barbara, United States, 1981	Assumed several positions in a number of local and regional banks.

## 5- Audit Committee attendance:

The members of the Audit Committee attendance for the meetings of the Audit Committee held during the year 2022 are listed below.

Sr.	Name	30 Jan	24 Mar	16 May	22 Jun	23 Aug	30 Oct	Total
1.	<b>Mr. Fahad Abdullah Al Kassim*</b> (Chairman) (Non-executive, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	<b>Mr. Mohammed Ibrahim Al Issa</b> (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	<b>Mr. Bader Hamad Al Rabia</b> (Independent, Savola Board member)	✓	✓	X	✓	✓	✓	5 of 6
4.	<b>Mr. Tareq Abdullah Al-Garaawy</b> (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
5.	<b>Dr. Jassim Shaheen Al Rumaihi</b> (Independent, External member)	N/A					✓	1 of 1
-	<b>Mr. Aly Asim Barakat</b> (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6
<b>Ex- Member of Savola Group Audit Committee for the last office term ended 30/09/2022:</b>								
-	<b>Dr. Abdul Raouf Suliman Banaja</b> (Independent, External member)	✓	✓	X	✓	✓	N/A	4 of 5

\*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

## 6- Audit Committee remuneration for 2022 (Saudi Riyals):

Sr.	Name	Title	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending Meetings	Total	Other expenses
1.	<b>Mr. Fahad Abdullah Al Kassim*</b> (Non-executive, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the Board remuneration
2.	<b>Mr. Mohammed Ibrahim Al Issa</b> (Independent, Savola Board member)	Member	150,000	30,000	180,000	
3.	<b>Mr. Bader Hamad Al Rabia</b> (Independent, Savola Board member)	Member	150,000	25,000	175,000	
4.	<b>Mr. Tareq Abdullah Al-Garaawy</b> (Independent, External member)	Member	150,000	30,000	180,000	-
5.	<b>Dr. Jassim Shaheen Al Rumaihi</b> (Independent, External member)	Member From (1/10/2022)	37,500	5,000	42,500	3,885
<b>Ex- Member of Savola Group Audit Committee for the last office term ended 30/09/2022:</b>						
-	<b>Dr. Abdul Raouf Suliman Banaja</b> (Independent, External member)	Ex-Member	112,500	20,000	132,500	-
<b>Total</b>			<b>750,000</b>	<b>140,000</b>	<b>890,000</b>	<b>3,885</b>

\*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

## 7- Summary of Audit Committee duties, responsibilities and achievements executed in 2022:

- **Financial reporting**

- Analyzing and recommend to the Group's Board of Directors the approval of the preliminary quarterly results and year-end consolidated financial statements focusing particularly on the reliability of the information disclosed therein, changes in accounting policy, significant and unusual events, reasonableness of accounting estimates for significant issues, as well as compliance with accounting standards and other legal requirements.

- **Internal audit**

- Review and approve the Group's internal audit department plan, scope of activities, methodologies and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence.
- Review and assess Savola Group internal audit reports and monitor the tracking and follow-up of procedures implementation determining whether appropriate actions are taken in respect of the internal audit recommendations therein.

- **External audit**

- Review the external auditors service delivery plan, scope of work, the results of the financial audits, the relevant audit reports and management letter together with management responses or comments to the audit findings.
- Ensure that appropriate assistance was given by the Group's executive management team to the external auditors and that no difficulties were encountered during the course of the audit, including any restrictions on the scope of activities or access to required information.

- **Related party transactions**

- Review the results of external auditors limited review of Savola related party transactions for 2022 included in the related party transactions report prepared by the Board of Directors in relation

to the related party transactions executed by the company during the year and provide any recommendation to the Board based on the results, if any.

- Ensure that related party transactions are properly disclosed in the Board of Directors report and audited financial statements.

- **Savola Integrity Hotline**

Oversee the Group's wide whistleblowing reporting facility "Integrity Hotline" which captures and records matters raised by any stakeholders, including the executive management team, senior managers, employees (permanent, temporary and part-time), shareholders, trainers, clients, individuals, agency staff, consultants, suppliers and vendors.

#### **8- Review of internal control producers and its results at the Group:**

The executive management of the Group and its subsidiaries certifies on an annual basis their responsibility for establishing and maintaining internal control procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations. The reasonable assurance provided by the signed internal control certifications is supported by the results of a questionnaire completed by all heads of functions across the Group & subsidiaries designed in line with the Internal Control-Integrated Framework published by Committee of Sponsoring Organization (COSO) of the Treadway Commission. The signed internal control certificates for 2022 were handed over and filed with the Group's legal counsel.

The Internal Audit Department at the Group and its subsidiaries execute the annual audit plan approved by the Audit Committee at the Group & its subsidiaries to evaluate the existing condition of internal control procedures focusing on the assessment of the control environment, organization's structure, risks, policies and procedures, segregation of duties and information systems. A random sample of activities within the planned audit area is selected with the objective

of testing the effectiveness and efficiency of internal control procedures design and operation. All internal control recommendations resulting from the execution of annual audit plans are communicated to concerned management parties and followed-up by internal audit departments at the Group and its subsidiaries to support continuous improvement of the effectiveness of internal control procedures.

The Group's external auditors conducted their audit in accordance with international auditing standards adopted in Saudi Arabia which require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. This resulted in providing an unqualified opinion on the Group's consolidated financial statements for the year ended on December 31, 2022 based on International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Based on the results of the above mentioned procedures, the Group's Audit Committee believes that reasonable assurance was provided regarding the effectiveness of internal control procedures.

However, we emphasize that due to the geographical spread of the Group's operations locally and regionally we cannot conclude exclusively on the comprehensiveness of the internal control procedures, as these procedures in substance, rely on selecting random samples as above mentioned.

Accordingly, the Audit Committees at the Group and its subsidiaries efforts are focused continuously to develop and improve the effectiveness and efficiency of the internal control procedures review mechanism in place across the Group and its subsidiaries.



**The attachment related to item (6) of the EGM Agenda, Audit Committee recommendation regarding the nomination of External Auditors of the Company**



Date: 02/04/2023  
Corresponding to: 11/09/1444

## Savola Group Audit Committee's Recommendation Regarding Nominating an External Auditor for Auditing the Company's Records.

The Audit Committee (the Committee) of Savola Group (the Group), after the deliberations at its meeting on 26<sup>th</sup> March 2023, and based on its authorities articulated in its charter approved by the Shareholders' General Assembly; the Committee has reviewed and assessed the proposals submitted by the nominated external audit firms to audit the interim and year-end financial statements as recommended below:

### Recommendation:

After examining and conducting the technical and professional assessment for the nominated audit firms that submitted their proposals to the Group, the Audit Committee recommends to the Board of Directors and from the Board to the nearest General Shareholders Assembly, the selection of one of the external audit firms listed below to carry out the external audit engagements to, review and audit the financial statements as follows:

1. Interim financial statements for the, second, third and fourth quarters of 2023.
2. Interim financial statements for the first, second, third and fourth quarters of 2024.
3. Annual financial statements for the years 2023 and 2024, and
4. Interim financial statements for the first quarter of 2025.

No	Nominated Audit firms	Fees in SAR			Fees in SAR
		2023(Three Quarters and year end)	2024 (Four Quarters and year end)	Q1 2025	Total
1	KPMG	440,000	505,000	50,000	995,000
2	E&Y	445,000	546,000	82,750	1,073,750

Since KPMG Office is one of the Big 4 external audit companies in the assurance sector, it has satisfied the necessary standards and is qualified to offer the Group the services it needs in accordance with the law and regulations. The Committee also took into account the Group's diverse operations and wide geographic distribution both inside and outside the Kingdom, as well as the firm's reputation and professional experience, as well as the presence of its offices in most of the countries where the Group's companies operate, which provided additional assurance regarding the firm's capability, broadness of experience, and relevance to perform the review and audit services of the financial statements for the aforementioned period. In light of the recent exception granted by regularity authorities,

The Committee, therefore, proposes to the Board of Directors the appointment of KPMG office as the external auditor of Savola Group with the sum indicated and for the periods mentioned above.

Aly A. Barakat  
Committee Secretary

Fahad A. Al Kassim  
Committee Chairman



**The attachment related to items (8) to (23) of the EGM Agenda**

Sn.	Attachment
1	Notification from the Board of Directors to the General Assembly Meeting regarding the transactions with related parties
2	Related parties' transactions report
3	Independent Limited Assurance Report on the Requirements of Article 71 of the Company Law issued by the External Auditors



Jeddah on 11/09/1444  
Corresponding: 02/04/2023

جدة في: ١٤٤٤/٩/١١ هـ  
الموافق: ٢٠٢٣/٠٤/٠٢ م

Dear respected Savola Group Shareholders,

السادة/ مساهمي مجموعة صافولا  
الموقرين  
السلام عليكم ورحمة الله وبركاته،

**Subject: Notification from the Board of Directors  
to the Extraordinary General Assembly Meeting  
regarding the transactions with related parties,  
which will be held on 10<sup>th</sup> of May 2023  
corresponding to 20<sup>th</sup> Shawal 1444**

**الموضوع: تبليغ من مجلس الإدارة الى الجمعية العامة غير  
العادية للمساهمين حول تعاملات الأطراف ذات العلاقة،  
والمقرر لها ١٠ مايو ٢٠٢٣ م الموافق ٢٠ شوال ١٤٤٤ هـ**

With reference to article (71) of the Companies' law, I would like to inform you that during the fiscal year 2022, the Group, through its subsidiaries, has entered into a number of business transactions and contracts in which some of the Board members have an interest (whether directly or indirectly), such contracts and transactions were executed in accordance to the relevant regulations.

The said contracts and transactions were also disclosed in the 2022 Annual Directors' Report as per statutory requirements, knowing that the Group follows in such contracts and transactions, the same conditions and principles that it takes in dealing with such type of transactions with third parties with no preference.

In this regard, the Board recommends approving the continuation of these transactions as per the details included in the agenda items of the General Assembly Meeting.

Also, as per the relevant regulations, we have requested the Group's External Auditor to issue a report on those transactions to be presented to the Shareholder General Assembly "Attached".

بالإشارة إلى المادة (٧١) من نظام الشركات، أود إبلاغكم بأنه خلال العام المالي ٢٠٢٢ م قامت المجموعة من خلال شركاتها الفرعية بالدخول في عقود ومعاملات تجارية كان لبعض أعضاء مجلس الإدارة مصلحة فيها (بطريقة مباشرة أو غير مباشرة) والتي تم التعامل معها في ضوء الأنظمة ذات العلاقة.

كما تم الإفصاح عنها في التقرير السنوي لمجلس الإدارة للعام ٢٠٢٢ م، حسب المتطلبات النظامية علماً بأن مجموعة صافولا في مثل هذه التعاملات تتبع نفس الشروط والأسس التجارية المتبعة مع الغير ودون أي تفضيل.

وبهذا الخصوص، فقد تضمن جدول أعمال جمعيتكم الموقرة توصية من مجلس الإدارة بالموافقة على استمرار هذه التعاملات والعقود وفقاً للمعلومات الواردة في بنود جدول أعمال الجمعية.

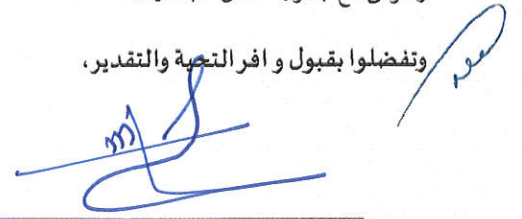
ولقد طلبنا وفقاً للنظام تقريراً خاصاً من قبل مراجع حسابات المجموعة الخارجي حول هذه المعاملات لعرضه على جمعيتكم الموقرة والمرفق مع جدول أعمال الجمعية.

Sincerely



النور علي سعد  
أمين سر مجلس الإدارة  
Elnour A. Saad  
Board Secretary

وتفضلوا بقبول وافر التحية والتقدير،



سليمان عبد القادر المهيدب  
رئيس مجلس الإدارة  
Suliman A. Al-Muhaidib  
Chairman

# Value Built on Values



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## **Summary Report on Related Party Transactions for the Year 2022**

**Summary of related party transactions for 2022 in which some of the Board members have a direct or indirect interest  
(this report was issued based on the chairman notification in this regards)**

**Introduction:**

During 2022, the Savola Group carried out a number of transactions with related parties in the ordinary course of business. In this respect, the Group follows the same conditions and principles, with no preference in dealing with such type of transactions with third parties. These transactions include the transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) and such transactions require AGM ratification, in accordance with article (71) of the Companies Law, item (14) of article (28) and item (2) of article (12) of the Corporate Governance Regulations issued by the Capital Market Authority. Below is a summary of these transactions:

**1) Transactions and contracts with a direct or indirect interest between the Company and Abdulkadir Al Muhaidib & Sons Co. and Al Muhaidib Group and their subsidiaries or any person related to any of them:**

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>a. Savola and Al Muhaidib:</b>					
Business or contract in which Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is SAR 465.76 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	SAR 122.39 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)	Annually	Business and commercial contracts between Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries are executed with some of Savola subsidiaries in the Food and Retail Sectors. Also, Abdulkadir Al Muhaidib & Sons Co. owns 8.23% of Savola shares. Mr. Sulaiman Abdulkadir Al Muhaidib who is the chairman of Abdulkadir Al Muhaidib & Sons Co. Group as well as the Chairman of Savola, in addition to, Mr. Isam Majed Almuheidib who is a Board member in Savola Group and in the Executive Management of Al Muhaidib Group.
2.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Del Monte Saudi Arabia	SAR 66.02 million			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	SAR 243.14 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	SAR 6.15 million			
5.	Leasing spaces to sell its products along with trading foods products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Almhbj Alshamiyah Trading Co.	SAR 18.58 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	
6.	Scrap sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	SAR 9.37 million			
7.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Zohoor Alreef Co.	SAR 106 thousand			
8.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Al Jazirah Dates & Food Factory	SAR 3.1 thousand			
<b>Total</b>		<b>SAR 465.76 million</b>			

## 2) Transactions and contracts with a direct or indirect interest between the Company and Almarai Co.:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>b. Savola and Almarai Co:</b>					
Business or contract in which Almarai Co. and its subsidiaries, or any person related to any of them, has a direct or indirect interest. The total amount of the transactions is SAR 855.53 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	SAR 715.48 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.	Annually	Both Mr. Sulaiman Abdulkadir Al Muhaidib, Mr. Bader Abdullah Alissa are Board members in Almarai as well as Savola Group. In addition to Mr. Walid Fatani Group CEO who is a member of Almarai Board.
2.	Selling sugar by United Sugar Company (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 66.78 million			
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 73.27 million			
<b>Total</b>		<b>SAR 855.53 million</b>			

## 3) Transactions and contracts with a direct or indirect interest between the Company and Herfy Food Services Co.:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>c. Savola and Herfy Co:</b>					
Business or contract in which Herfy Food Services Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is SAR 62.400 million.					
1.	Leasing shops and retail purchases of food products by Panda Retail Co. (a subsidiary of Savola) to/from Herfy Food Services Co.	SAR 35.36 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Eng. Mutaz Qusai Al Azzawi, who is the Chairman of Herfy Board, and Herfy Board member Mr. Isam Majed Almuhaideb are both Board members in Savola Group. Also Mr. Waleed Fatani Group CEO who is a Board member in Herfy.
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 18.20 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay		
3.	Selling sugar by United Sugar Co. (a subsidiary of Savola Food Co.) to Herfy	SAR 3.28 million			

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
	Food Services Co.		penalties, etc.)		
4.	The sale of specialty fats products by the International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 5.56 million			
<b>Total</b>		<b>SAR 62.400 million</b>			

**4) Transactions and contracts with a direct or indirect interest between the Company and other companies:**

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
1.	Leasing of shop by Panda Retail Co. (a subsidiary of Savola) from Dur Hospitality Co.	SAR 18 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Mr. Badr Abdullah Alissa is a Board member and Mr. Fahad Abdullah Al Kassim are both Board members in Dur Hospitality and Savola Group.

- The End-





## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 403029792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم ٤٠٣٠٢٩٠٧٩٢

المركز الرئيسي في الرياض

# Independent Limited Assurance Report to Savola Group Company on the Board's Declaration on the Requirements of Article 71 of the Company Law

## To the Shareholders of Savola Group Company

We were engaged by the management of Savola Group Company (the "Company") to report on the the Board's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2022 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

## Subject Matter

The Subject Matter for our limited assurance engagement is related to the Board's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Chairman of Savola Group Company (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2022 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

## Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by MOC.

## Savola Group Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

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© 2023 كي بي إم جي للاستشارات المهنية شركة مبنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



## Savola Group Company's Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

## Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

## Procedures Performed

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and/or contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2022;

## Procedures Performed (continued)

- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BoD member;
- Checked that the minutes of meetings of the BOD that the relevant director(s) who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transaction(s) and/or contract(s);
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 30 to the audited (consolidated) financial statements of the Company for the year ended 31 December 2022.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

## Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

## KPMG Professional Services

Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, March 30, 2023  
Corresponding to Ramadan 8, 1444H

The attachment related to items (24) and (25) of the EGM Agenda

<u>Competing Activities Description</u>	<u>بيان أعمال المنافسة</u>
<p>Savola Group (the Company) follows the procedures related to conflict of interest and any activities that may lead to competition with its Board members and senior executives and takes all the necessary measures in line with the relevant laws and regulations. In light of foregoing, it would like to clarify the following:</p> <p><b>1\ Members who are taking part in an activity that may lead to competition with the Company:</b></p> <ul style="list-style-type: none"> <li>- Mr. Suliman A. Al Muhaidib – BoD Chairman</li> <li>- Mr. Esam M. Al Muhaidib – Board Member</li> </ul> <p><b>2\ The nature of the Competing Activity:</b></p> <p>The above members take part in an activity that may lead to competition with the Company in one of its activities. This is represented in their direct and indirect participation in the ownership and management of Al-Mehbaj Company (one of Abdulkadir Al Muhaidib &amp; Sons companies) which specializes in retail sales of food specifically: nuts, coffee, grains, spices, dried fruit, and dried vegetables. This activity is considered as a competing activity with one of Savola subsidiary, i.e Savola Foods Company (subsidiary wholly owned by Savola Group) which during Q4 2021, it acquired 100% of Bayara Holding Limited that manufacture and distribute branded healthy snacks (raw &amp; roasted nuts, dates, seeds, dried fruits, and confectionery) and cooking ingredients (herbs, spices, and pulses).</p>	<p>إن مجموعة صافولا (الشركة) تراعي حالات تعارض المصالح وأعمال المنافسة المحتملة سواء المرتبطة بأعضاء مجلس إدارتها أو كبار تنفيذيها وتقوم باتخاذ الإجراءات اللازمة بما ينسجم مع الأنظمة والقوانين ذات العلاقة، وفي ضوء ذلك تود أن توضح ما يلي:</p> <p>١/ الأعضاء المشتركين في أعمال من شأنها منافسة الشركة:</p> <ul style="list-style-type: none"> <li>- الأستاذ/ سليمان عبد القادر المهيدب – رئيس مجلس الإدارة</li> <li>- الأستاذ/ عصام ماجد المهيدب – عضو مجلس الإدارة</li> </ul> <p>٢/ طبيعة الأعمال المنافسة:</p> <p>العضوان أعلاه يشتركان في نشاط من شأنه منافسة الشركة في أحد الفروع التي تعمل بها تتمثل في اشتراكهما بطريقة مباشرة وغير مباشرة في تملك وإدارة شركه المهباج (احدى شركات عبد القادر المهيدب وأولاده) وهي شركة متخصصة في بيع المواد الغذائية بالتجزئة على وجه التحديد، المكسرات والقهوة والحبوب والتوابل والفواكه المجففة والخضروات المجففة، حيث يعتبر هذا النشاط منافساً لنشاط احد الشركات التابعة لمجموعة صافولا، اذ استحوذت شركة صافولا للأغذية (احدى الشركات التابعة لمجموعة صافولا والمملوكة لها بالكامل) على نسبة ١٠٠٪ من شركة بيارا القابضة المحدودة خلال الربع الرابع من العام ٢٠٢١م، وهي شركة تعمل في مجال تصنيع وتوزيع الوجبات الخفيفة الصحية (المكسرات النيئة والمحمصة، التمور، البذور، الفواكه المجففة، الحلويات) وهبارات الطهي (الأعشاب والتوابل والبقول).</p>



**The attachment related to item (26) of the EGM Agenda - Solvency Report**



## KPMG Professional Services

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Commercial Registration No 4030290792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص.ب. ٥٥٠٧٨  
جدة ٢١٥٣٤  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792  
المركز الرئيسي في الرياض

# Agreed-Upon Procedures on Statement of compliance with Article 17 from Part 6 Chapter 1 of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies

To the Board of Directors of Savola Group Company ("the Group")

## Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

In accordance with our KPMG Engagement Letter dated 28 March 2023, our report is solely for the purpose of performing the agreed procedures, that would assist you in relation to the submission of the Schedule of financial information prepared by the Group, pertaining to the Group's solvency requirements in connection with Article 17 from Part 6 of Chapter 1 of the 'Regulatory Rules and Procedures', issued pursuant to the Companies Law relating to Listed Joint Stock Companies' the ("Schedule"), by Capital Market Authority, to the shareholders of the Group, as part of the annual general assembly package along with other information contained therein, for a share buy-back transaction which the Group intends to execute during the fiscal year 31 December 2023, and may not be suitable for another purpose. This report is intended solely for the Group and should not be used by, or distributed to, any other parties.

## Responsibilities of the Engaging Party

The Group has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and is responsible for the subject matter on which the agreed-upon procedures are performed.

## Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements as endorsed in the Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Group, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

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© 2023 كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



# Agreed-Upon Procedures on Statement of compliance with Article 17 from Part 6 Chapter 1 of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies

To the Board of Directors of Savola Group Company ("the Group") (continued)

## Professional Ethics and Quality Control

We have complied with the ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Group in the terms of engagement letter dated 28 March 2023:

- 1 Traced the total assets, total liabilities and total contingent liabilities mentioned in the attached schedule as at 31 December 2022 with the total assets, total liabilities and total contingent liabilities disclosed in the Group's consolidated financial statements as at 31 December 2022;
- 2 Checked the mathematical accuracy of the net assets mentioned in the attached Schedule which representing the balance after deducting total liabilities and total contingent liabilities from total assets as at 31 December 2022;
- 3 Checked working capital as at 31 December 2022 mentioned in the attached Schedule with the issued financial statements for the year ended 31 December 2022;
- 4 Checked mathematical accuracy of the balance of retained earnings as at 31 December 2022 mentioned in the attached Schedule, after deducting the balance of treasury shares expected to be acquired based on management expectations; and
- 5 Checked the market price per share of the Group prevailing on 29 March 2023 from Tadawul and agree the same with the market price used by management to estimate the purchase cost of the share buy-back.

Our findings:

- With respect to item 1, no exceptions noted.

we found that the total assets, total liabilities and total contingent liabilities mentioned in the attached Schedule as at 31 December 2022 are in agreement with the total assets, total liabilities and total contingent liabilities disclosed in the Group's consolidated financial statements as at 31 December 2022.

- With respect to item 2, no exceptions noted.

we found that the mathematical accuracy of the net assets mentioned in the attached Schedule (representing the balance after deducting total liabilities and total contingent liabilities from total assets) as at 31 December 2022 to be appropriate.

# Agreed-Upon Procedures on Statement of compliance with Article 17 from Part 6 Chapter 1 of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies

To the Board of Directors of Savola Group Company (“the Group”) (continued)

## Procedures and Findings

- With respect to item 3, no exceptions noted.

we found that the working capital as at 31 December 2022 mentioned in the attached Schedule in agreement with the issued financial statements for the year ended 31 December 2022. We did not perform any procedures on management business plan 2024.

- With respect to item 4, no exceptions noted.

we found that the mathematical accuracy of the balance of retained earnings as at 31 December 2022 mentioned in the attached Schedule, after deducting the cost of treasury shares to be correct.

- With respect to item 5, no exceptions noted.

we found that the market price per share of the Group prevailing on 29 March 2023 from Tadawul and agree the same with the market price used by management to estimate the purchase cost of the share buy-back.

## KPMG Professional Services



Nasser Ahmed Al Shutairy  
License No: 454



Jeddah, March 30, 2023  
Corresponding to Ramadan 8, 1444H



**SAVOLA GROUP COMPANY  
MANAGEMENT REPORT  
AMOUNTS IN SAUDI RIYAL THOUSANDS**

Description	Management Business	
	Actual 2022	Plan 2024
Current Assets (excluding cash and bank balances)	7,831,502	8,519,962
Less: Current Liabilities (excluding borrowings)	7,416,370	7,243,989
<b>Working Capital</b>	<b>415,132</b>	<b>1,275,973</b>

**Expected Date of Completion of  
Share Buyback Transaction**

December 2023

**Working Capital for 12 months  
following the expected date of  
completion of share buyback  
transaction**

1,275,973

**Summary of Assets and Liabilities including Contingent Liabilities:**

At December 31, 2022, i.e. date of latest audited consolidated financial statements:

Assets	Liabilities	Contingent liabilities	Total assets less liabilities and contingent liabilities	Number of shares approved for buy back	Estimated Purchase Cost of Treasury Shares*	Surplus assets
A	B	C	D=A-B-C	E	F	G=D-F
29,564,648	20,247,955	641,300	8,675,393	2,500,000	68,000	8,607,393

\* Estimated purchase cost of Treasury shares is based on closing rate of Company's shares on Tadawul on March 29, 2023.



**Mr. Waleed Fatani**  
Group Chief Executive Officer



**Mr. Wajid Usman Khan**  
Group Chief Financial Officer





**The attachment related to item (27) of the EGM Agenda**

**Competing Business Standards and Procedures for Savola Group**



## 1. Introduction

The "Competing Business Standards and Procedures for Savola Group ("Savola" or the "Company")" has been prepared to comply with point (3) of Article (44) of the Corporate Governance Regulations issued by the Capital Market Authority Board pursuant to its Decision No. (8-6-2017) Dated 16/05/1438H corresponding to 13/2/2017, as amended pursuant to its decision No. (8-5-2023) dated 25/06/1444H corresponding to 18/01/2023, which stipulates that "the Board shall assesses the members' competition with the Company's business or if he/she is in competition with one of the branch activities that it conducts in accordance with the standards issued by the Ordinary General Assembly upon a proposal from the Board".

## 2. Purpose

The purpose of the Competing Business Standards and Procedures" is to define businesses and activities that are considered competing with the Company's or its subsidiaries businesses or one of the branch activities. These standards and procedures also aim to clarify the procedures to be followed if a Board or a Committees member or a Board nominee participates in a competing business in accordance with the controls stipulated in the Implementing Regulations of the Companies' Law for listed joint-stock companies and Corporate Governance Regulations, which contributes in enhancing the transparency in all of the Company's transactions and avoid conflicts of interest.

## 3. Competing with the Company

1. A Board or Committee member may not engage in any business that may compete with the Company or any of its subsidiaries or with one its branch activities without the authorization of the Company's General Assembly, or the Board if it was delegated from the General Assembly in accordance with the conditions mentioned in these standards and procedures, the Companies' Law, and the relevant CMA regulations.
2. The election not to engage in a business that may compete with the Company or its group is a personal responsibility of each member of the Board, and If he/she violates these procedures, the Company may claim for appropriate compensation before the competent judicial authority.<sup>(1)</sup>

## 4. Duties of Members & Nominees of the Board of Directors regarding Competing Business

1. A person who desires to nominate himself/herself for the Board membership shall disclose to

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(1) Article (27) of the company's law

Article (44) of the Corporate Governance Regulation issued by the Capital Market Authority.

the Board and the General Assembly if he/she engages in a business that may compete with the Company or any of its activities.

2. The Board member shall perform his/her duties with honesty and integrity and put the interests of the Company above his/her own interests, and not use his/her position to achieve personal interests.<sup>(2)</sup>
3. The Board member shall protect the confidentiality of the information related to the Company and its activities, and not disclose any such information to any person.
4. Board member shall not misuse his/her position, duties and authorities in anyway or benefit, directly or indirectly, from any of the Company's assets, information or investment opportunities presented to them or the Company, in his/her capacity as member of the Board. This includes investment opportunities which are within the activities of the Company, or which the Company wishes to make use of. Such prohibition shall extend to the Board member who resign to, directly or indirectly, use investment opportunities that the Company wishes to use, which came to their knowledge during their tenure on the Board.

## 5. Concept of the Competing Businesses<sup>(3)</sup>

The following shall be deemed a participation in any business that may compete with the Company, any of its activities or any of its subsidiaries:

- 1) The Board members' establishing a company, an establishment, or owning of a considerable percentage of shares or stakes in a company or any other entity that engages in business activities that are similar to the activities of the Company or its group.
- 2) Accepting membership in the Board of a company or an entity that is competing with the Company or its group, or handling the management of a competing establishment or competing company of any form, except the Company's subsidiaries.
- 3) Accepting membership in any committee of a company that competes with the Company or any other company in its group.
- 4) The Board member's acting as an overt or covert commercial agent or the like for another company or entity competing with the Company or its group.
- 5) The Board member getting consideration for providing consultations to another company competing with the Company, which is in any main activity that Savola operates within. .
- 6) The Board member using his/her knowledge of or influence over any of the Company's or its group's clients, suppliers or advisors for the benefit of any company or person working for a company that is competing with the Company or its group.

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(2) Item (2) of Article (45) of the Corporate Governance Regulation issued by the Capital Market Authority.

(3) Article (45) of the Corporate Governance Regulation issued by the Capital Market Authority.

## 6. Competing Business & activities Standards:

Any business related to the Company's main activities stipulated in the Company's bylaws or/and its subsidiaries, shall be deemed a business that competes with the Company including but not limited to the following activities:

1. Manufacturing and trading in all types of food products, especially the production and processing of vegetable oils, margarine, specialty fats, sugar, frozen foods, spices, nuts, and snacks, as well as marketing, distributing, and selling these products.
2. Wholesale and retail marketing, through supermarkets, of food products, household goods, stationery and school supplies, clothes, electrical and cosmetic items, perfumes, cars accessories, equipment and paints.
3. Establishing and managing restaurants and bakeries.

## 7. Assessing the Competition

The Board, when assessing the Board member or a member of any of the Company's or its subsidiaries Committees' competition with the Company's business, shall take into account the following standards:

- 1) The geographical reach of the business competing with the Company and/or any of its subsidiaries.
- 2) The total revenues of the competing activity during the fiscal year compared to the revenues of the Savola Group in this activity, so that the business practiced by the member is considered competitive to the Company if its total revenues represent a substantial percentage of not less than 5% of the revenues of the Savola Group in this activity according to the latest audited financial statements.
- 3) Whether engaging in the competing business would prevent the Board member from providing the required care towards the interests of the Company.
- 4) Whether engaging in the competing business by the Board member is likely to have a material impact on his/her role as a member in the Company's Board or any of its Committees.

## 8. Controls of Competing with the Company<sup>(4)</sup>

If a member of the Board, or a member of one of its Committees, desires to engage in a business

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(4) Article (44) of the Corporate Governance Regulation issued by the Capital Market Authority.

that may compete with the Company or any of its activities, the following shall be taken into account:

- 1) Notifying the Board of the competing businesses (direct or indirect) that he/she desires to engage in and recording such notification in the minutes of the Board meeting.
- 2) The conflicted member shall abstain from voting on the related decision in the Board meetings, the meetings of its Committees, and General Assemblies.
- 3) The Board informing the General Assembly, once convened, of the competing businesses that the member of the Board, or a member of one of its Committees, is engaged in, after the Board assessing the member's competition with the Company's business or if he/she is in competition with one of the branch activities that it conducts or its subsidiaries in accordance with these standards, , provided that such businesses are assessed on annual basis.
- 4) Obtaining an authorization of the General Assembly of the Company, for the Board member to engage in the competing business. The Ordinary General Assembly shall have the right to delegate the authorization powers to the Board provided that the resolution of that General Assembly specifies the competing businesses and activities that the Board may authorize during the delegation period. Any member of the Board shall not be allowed to vote on the items of delegation and its revocation in the Ordinary General Assembly.
- 5) The period for the delegation referred to in the point (4) above, shall be a maximum of one year from the date of the Ordinary General Assembly approval to delegate its powers to the Company's Board, or until the end of the term of the delegated Board, whichever is earlier.

## **9. Refusal to Grant the Authorization for Competing Business<sup>(5)</sup>**

If the General Assembly or the Board - through a delegation of the Ordinary General Assembly - rejects granting the authorization for the member to participate in an activity competing with the Company or any of its subsidiaries, the member of the Board shall resign within a period specified by the General Assembly or the Board (if the Board was authorized by the General Assembly); otherwise, his/her membership in the Board shall be deemed terminated, unless he/she decides to withdraw from such competing activity or amend his/her situation in accordance with the Companies' Law and its implementing regulations prior to the end of the period set by the General Assembly or the Board (if the Board was authorized by the General Assembly).

## **10. Governance of the Standards and Procedures**

The Remunerations & Nomination Committee shall be responsible for periodically reviewing these Standards and Procedures as well as assessing their effectiveness in achieving their objectives.<sup>(6)</sup>

(5) Article (67) of the Implementing Regulation of the Companies law for listed companies.

(6) item (7) of Article (62) of the Corporate Governance Regulation issued by the Capital Market Authority.

### **1.11. Final Provisions (Review, Amendment, and Publication of these Standards)**

The "Competing Business Standards and Procedures for Savola Group shall be implemented and complied with by the Company starting from the date it is approved by the General Assembly and shall be published and made available to the shareholders, the public, and the stakeholders in the Company's website. These Standards shall be reviewed periodically as needed, and any amendment to the content shall be presented to the board. The Board will study and review such amendments and recommend for its approval by the General Assembly.

The attachment related to item (28) of the EGM Agenda

**RNC Charter Suggested Amendments**

<u>DISCLAIMER</u>	<u>تنويه هام لأخذه في الاعتبار</u>
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة،</p> <p>وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

## RNC Charter Suggested Amendments

<b>Current Article</b>	<b>Article After Amendments</b>
<p><b>1. Introduction</b></p> <p>The " Remuneration, and Nomination Committee Charter of the Board of Savola Group" has been prepared to comply with articles (60 and 64) of the CG Regulations issued by the CMA Board pursuant to Decision No. (8-6-2017) Dated 13/2/2017, which required that the "The Company's General Assembly, based on the board recommendation, shall issue a regulation for the Remuneration, and Nomination Committee (RNC) including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations."</p>	<p><b>1. Introduction</b></p> <p>The " Remuneration, and Nomination Committee Charter of the Board of Savola Group" has been prepared to comply with articles (57 and 61) of the CG Regulations issued by the CMA Board pursuant to Decision No. (8-16-2017) dated 13/2/2017 amended by Capital Market Authority Board resolution No. (8-5-2023) dated 18/01/2023, which required that the "The Company's General Assembly, based on the board recommendation, issues a regulation for the Remuneration, and Nomination Committee (RNC) including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations."<sup>(1)</sup> The words and expressions/terms in this charter shall mean the meanings set forth in the relevant CMA Regulations unless the context requires otherwise.</p>
<p><b>3. Rules for selecting the RNC committee members, nomination process and the term of their membership:</b></p> <ol style="list-style-type: none"> <li>1. The board appoint the RNC committee members for a period of three years starting and expiring with the official term of the board.</li> <li>2. The committee shall consist of at least three (3) to five (5) members max; The Majority of members shall be non-executive directors and the Board may appoint persons other than board members either</li> </ol>	<p><b>3. Rules for selecting the RNC committee members, nomination process and the term of their membership:</b></p> <ol style="list-style-type: none"> <li>1. The board appoint the RNC committee members for a period of four years starting and expiring with the official term of the board.</li> <li>2. The committee shall consist of at least three (3) to five (5) members max; The Majority of members shall be non-executive directors and the Board may appoint persons other than board members either from</li> </ol>



## RNC Charter Suggested Amendments

<p>from shareholders or others, with a minimum of one independent member from Savola’s board.</p> <p>3. The chairman of the committee shall be from Savola’s board members, and shall be independent. Savola’s board shall appoint he/she or, if no such designation is made, he/she shall be selected by committee members and shall be independent board member.</p> <p>4. The committee members shall have the appropriate experience and qualifications relevant to the duties, responsibilities and the nature of the committee's functions.</p> <p>5. The board has the right to remove and/or replace all or any of the committee members at any time. In addition, each committee member is entitled to resign provided that the timing of the member’s resignation is appropriate and accepted by the board.</p> <p>6. If the position of a committee member became vacant, the board of directors may appoint a member in the vacant position, provided that he/she has the appropriate experience and qualifications, and the company shall inform the CMA within the statutory period from the date of appointment.</p> <p>7. The Company shall notify the CMA of the committee members’ names, the classification of their membership, and any changes in the</p>	<p>shareholders or others, with a minimum of one independent member from Savola’s board.</p> <p>3. The committee members shall have the appropriate experience and qualifications relevant to the duties, responsibilities and the nature of the committee's functions.</p> <p>4. The Board of Directors shall appoint from its independent members a Chairman for the Committee. If that appointment did not take place, the committee members shall choose from amongst them a Chairman provided that he is an independent Board member The Chairman of the Board shall not be the chairman of the committee.</p> <p>5. The RNC committee membership shall expire in one of the following cases:</p> <ul style="list-style-type: none"> <li>a. Issuance of a Board of Directors resolution to remove and/or replace all or any of the committee members at any time.</li> <li>b. Resignation of the committee member pursuant to a written notice submitted to the Committee chairman and secretary and the resignation shall take effect from the date specified in the notice.</li> <li>c. Loss of legal capacity or having a physical disability that prevents the committee member from carrying out his/her responsibilities and duties.</li> </ul>
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<sup>(1)</sup> This first copy of this Charter was approved pursuant to the Ordinary General Assembly’s resolution in its meeting conducted on November 2<sup>nd</sup>, 2017.

## RNC Charter Suggested Amendments

<p>future within the statutory period defined in the CG regulation issued by CMA.</p>	<p>d. Failure to attend three consecutive meetings or five non-consecutive meetings during the course of the membership without an excuse acceptable to the board.</p> <p>e. Failure to meet, at any time, any of the requirements for membership in the committee in accordance with laws and this charter.</p> <p>6. If the position of a committee member became vacant for any of the above-mentioned reasons or any other reason, the board of directors may appoint a member in the vacant position, provided that he/she has the appropriate experience and qualifications, and the company shall inform the CMA within the statutory period from the date of appointment.</p> <p>7. The Company shall notify the CMA of the committee members' names, the classification of their membership, and any changes in the future within the statutory period defined in the CG regulation issued by CMA.</p>
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## RNC Charter Suggested Amendments

### 4. Responsibilities and Duties

The committee shall assume responsibilities related to three areas: remuneration nomination, and corporate governance. Additionally, it is responsible for reporting its activities to the board regular. The committee duties and responsibilities includes the following:

#### 4-1) With regard to remuneration

1. Prepare a clear remuneration policy for board members, its committees and the executive management that enhances management team motivation and helps in retaining employees. This policy shall be recommended by the committee to the board, and submitted to the GA for approval, provided that such policy follows standards that are linked to performance, be disclosed and implementation of such policy shall be ensured.
2. Clarify the relation between the paid remunerations and the adopted remuneration policy, and highlight any material deviation from that policy.
3. Review periodically the remuneration policy and assess its effectiveness in achieving its objectives.

### 4. Committee and Chairman’s Responsibilities and Duties

#### a) RNC Competencies, Authorities, and Responsibilities:

The committee shall assume responsibilities related to three areas: remuneration nomination, and corporate governance. Additionally, it is responsible for reporting its activities to the board regular. The committee duties and responsibilities includes the following:

#### 4-1) With regard to remuneration

1. Prepare a clear remuneration policy for board members, its committees and the executive management that enhances management team motivation and helps in retaining employees. This policy shall be recommended by the committee to the board, and submitted to the GA for approval, provided that such policy follows standards that are linked to performance, be disclosed and implementation of such policy shall be ensured.
2. Clarify the relation between the paid remunerations and the adopted remuneration policy, and highlight any material deviation from that policy.

## RNC Charter Suggested Amendments

<p>4. Provide recommendations to the board in respect of the remunerations of its members, the committees’ members and senior executives, in accordance with approved policy.</p> <p>5. Review the CEO’s remunerations, including long and short-term incentives, set the CEO KPIs, and recommend to the board in this regards.</p> <p>6. Review and approve the CEO’s recommendations concerning the General guidelines of the executive management remuneration and other benefits, which the CEO implement in light of the remuneration policy mentioned in item (4-1-1) above.</p> <p><b>4-2) With regards to Nomination</b></p> <p>1. Recommend clear policies and standards for board membership, executive management and Savola’s representatives in subsidiaries and associates.</p> <p>2. The annual review of the requirements suitable for membership of the board and executive management and the preparation of a description of the required capabilities and qualifications for such membership, including, inter alia, the time that a board member should reserve for the activities of the board.</p> <p>3. Review the structure of the board, committees and executive management and provide recommendations regarding recommended changes.</p>	<p>3. Review periodically the remuneration policy and assess its effectiveness in achieving its objectives.</p> <p>4. Provide recommendations to the board in respect of the remunerations of its members, the committees’ members and senior executives, in accordance with approved policy.</p> <p>5. Review the CEO’s remunerations, including long and short-term incentives, set the CEO KPIs, and recommend to the board in this regards.</p> <p>6. Review and approve the CEO’s recommendations concerning the General guidelines of the executive management remuneration and other benefits, which the CEO implement in light of the remuneration policy mentioned in item (4-1-1) above.</p> <p><b>4-2) With regards to Nomination</b></p> <p>1. Recommend clear policies and standards for board membership, executive management and Savola’s representatives in subsidiaries and associates.</p> <p>2. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.</p>
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## RNC Charter Suggested Amendments

<ol style="list-style-type: none"> <li>4. Provide job descriptions for executive, non-executive, independent directors and senior executive management.</li> <li>5. Set procedures to be followed if the position of a member of the board or a senior executive becomes vacant.</li> <li>6. Assess performance of the board in terms of strengths and weaknesses and recommend necessary solutions in the best interests of the Company through:             <ol style="list-style-type: none"> <li>a. Propose the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> <li>b. Help the Board in its responsibility toward carrying out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</li> </ol> </li> <li>7. Review the composition of each committee of the board and recommend any changes to the board for its approval. The committee can recommend additional appointing new committee members to the board to fill vacancies as needed.</li> </ol>	<ol style="list-style-type: none"> <li>3. The annual review of the requirements suitable for membership of the board and executive management and the preparation of a description of the required capabilities and qualifications for such membership.</li> <li>4. Allocate the time that a board member should reserve for the activities of the board.</li> <li>5. Review the structure of the board, committees and executive management and provide recommendations regarding recommended changes.</li> <li>6. Provide job descriptions for executive, non-executive, independent directors and senior executive management.</li> <li>7. Set procedures to be followed if the position of a member of the board or a senior executive becomes vacant.</li> <li>8. Assess performance of the board in terms of strengths and weaknesses and recommend necessary solutions in the best interests of the Company through:             <ol style="list-style-type: none"> <li>a. Propose the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> </ol> </li> </ol>
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## RNC Charter Suggested Amendments

<p>8. Ensure on an annual basis the independence of independent directors and ensure the absence of any conflicts of interest if a board member also acts as a member of the board of another company.</p> <p>9. Study and review the CEO's recommendations concerning the appointment and termination of executive management team.</p> <p>10. Study and review succession plans for the company in general and for the board, CEO and executive management in particular.</p> <p>11. Provide an appropriate level of training and introduce new board and committee members about the company businesses and achievements to enable them to perform their role effectively and efficiently.</p> <p>12. Develop the necessary mechanisms for board members and the executive management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.</p>	<p>b. Help the Board in its responsibility toward carrying out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>9. Review the composition of each committee of the board and recommend any changes to the board for its approval. The committee can recommend additional appointing new committee members to the board to fill vacancies as needed.</p> <p>10. Ensure on an annual basis the independence of independent directors and ensure the absence of any conflicts of interest if a board member also acts as a member of the board of another company.</p> <p>11. Study and review the CEO's recommendations concerning the appointment and termination of executive management team.</p> <p>12. Study and review succession plans for the company in general and for the board, CEO and executive management in particular.</p> <p>13. Provide an appropriate level of training and introduce new board and committee members, and executive management about the company businesses, activity, strategy, objectives, and financial and operational aspects of the Company and achievements to enable them to perform their role effectively and efficiently, as well as inform them of the obligations of the Board members and their duties, responsibilities and rights and the duties and competencies of the Company committees.</p>
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## RNC Charter Suggested Amendments

<p><b>4-3) With regards to Corporate Governance</b></p> <ol style="list-style-type: none"> <li>1. verify that the Company is in compliance with CG regulation issued by CMA and the Company's CG manual and policies.</li> <li>2. review and update CG manual and rules pursuant to statutory requirements and best practices;</li> <li>3. review and develop codes of professional conduct representing the Company's values and other internal policies and procedures in order to fulfill the Company's requirements, and comply with best practices; and</li> <li>4. regularly inform the Board members of the developments in corporate governance and best practices.</li> <li>5. oversee any matters relating to the implementation of governance, and provide the Board with its reports and recommendations annually at least.</li> </ol> <p><b>4-4) Other responsibilities:</b></p> <ol style="list-style-type: none"> <li>1. Assisting the board in establishing, reviewing the Group's organization structure and Operating model which organizes the relationship between the parent company and its subsidiaries.</li> <li>2. Oversighting the implementation of the grievance policy and ensuring its effectiveness.</li> </ol>	<p>14. Develop the necessary mechanisms for board members and the executive management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.</p> <p><b>4-3) With regards to Corporate Governance</b></p> <ol style="list-style-type: none"> <li>1. verify that the Company is in compliance with CG regulation issued by CMA and the Company's CG manual and policies.</li> <li>2. review and update CG manual and rules pursuant to statutory requirements and best practices;</li> <li>3. review and develop codes of professional conduct representing the Company's values and other internal policies and procedures in order to fulfill the Company's requirements, and comply with best practices; and</li> <li>4. regularly inform the Board members of the developments in corporate governance and best practices.</li> <li>5. oversee any matters relating to the implementation of governance, and provide the Board with its reports and recommendations annually at least.</li> </ol> <p><b>4-4) Other responsibilities:</b></p>
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## RNC Charter Suggested Amendments

	<ol style="list-style-type: none"><li>1. Assisting the board in establishing, reviewing the Group’s organization structure and Operating model which organizes the relationship between the parent company and its subsidiaries.</li><li>2. Oversighting the implementation of the grievance policy and ensuring its effectiveness.</li></ol> <p><b>a) Chairman authorities and responsibilities:</b></p> <ol style="list-style-type: none"><li>1. Manage and chair the committee meetings and work to enhance their effectiveness, and in the event that the Committee Chairman is not present, he may delegate one of its members to preside over the specific session.</li><li>2. Attend the General Assembly meetings to answer shareholders questions regarding committee mandates and activities and the chairman may delegate this to one of the committee members.</li><li>3. Invite the members to attend Committee meetings in writing before a sufficient time from the date of the meeting.</li><li>4 Provide committee members with the meeting agenda, and ensure having sufficient time to discuss the items and clauses contained in the agenda.</li><li>5. Ensure that committee members are provided with the necessary presentations, documents, and the sufficient information regarding subjects presented to the Committee before a sufficient time ahead of</li></ol>
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## RNC Charter Suggested Amendments

<p><b>5. Resources and Authority</b></p> <ol style="list-style-type: none"> <li>1. The committee shall have the authority to conduct investigations into or studies of matters within the scope of the committee’s duties or any other matter specifically requested by the Board The committee may seek legal and technical advice from any outsources/ external party or consultant as deemed necessary to help fulfill its duties.</li> <li>2. The committee shall also be authorized to access all data pertaining to the remunerations and compensations of Savola and all reports of the executives’ management team succession plans.</li> <li>3. The Company shall bear any costs required to support the committee doing its work.</li> </ol>	<p>the meeting date that enables the Committee to take decisions in this regard.</p> <ol style="list-style-type: none"> <li>6. Submit periodic reports to monitor the work and performance of the Committee, and its recommendations to the Company’s Board. The said report may be verbal or written.</li> <li>7. The committee chairman may delegate any of the abovementioned authorities to any of the committee members or the secretary.</li> </ol> <p><b>5. Resources and Authority</b></p> <ol style="list-style-type: none"> <li>1. The committee shall have the authority to conduct investigations into or studies of matters within the scope of the committee’s duties or any other matter specifically requested by the Board The committee may seek legal and technical advice from any outsources/ external party or consultant as deemed necessary to help fulfill its duties.</li> <li>2. The committee shall also be authorized to access all data pertaining to the remunerations and compensations of Savola and all reports of the executives’ management team succession plans.</li> <li>3. The Committee has the right to form a team from within itself for any reason it deems appropriate to achieve its goals, and it has the right to delegate to the team some of its authorities as deemed necessary provided that such a team is comprised of not less than two (2) members.</li> </ol>
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## RNC Charter Suggested Amendments

### 6. The Committee’s Meetings, Guidelines and Procedures:

1. The committee shall meet four times a year. However, the committee has the right to conduct exceptional meetings based on the business needs and the request of the committee chairman or any two members of the committee.
2. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year, as part of the annual meetings calendar of Savola Group board, its subsidiaries and subcommittees.
3. The committee member may attend through video conference or telephone call and will be considered as physical attendance, if he/she could not attend the meeting physically due to any emergency reason.
4. A quorum is achieved upon the attendance of the majority of committee members.
5. A member of the committee shall not be authorized by more than one member to act as proxy on their behalf, if the chairman will not be able to attend the meeting he/she may authorize one of the committee members to chair the meeting. If the chairman did not authorize another member to chair the meeting, the committee

4. The Company shall bear any costs required to support the committee doing its work.

### 6. The Committee’s Meetings, Guidelines and Procedures:

1. The committee shall meet four times a year in the company head office or any other place. Meetings of the Committee may be held by Video Conference or by any other similar electronic means to permit the participation of members of the Committee and their ability to debate and vote effectively. However, the committee has the right to conduct exceptional meetings based on the business needs and the request of the committee Chairman or any member of the committee.
2. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year, as part of the annual meetings calendar of Savola Group boards, and its committees.
3. The committee member may attend through video conference or telephone call and will be considered as physical attendance, if he/she could not attend the meeting physically due to any emergency reason.
4. A quorum is achieved upon the attendance of the majority of committee members.

## RNC Charter Suggested Amendments

<p>members, who attended the meeting, may select one of them to chair the meeting.</p> <p>6. Decision-making shall be based on the majority of votes present; in the case that a tie is reached, the chairman of the meeting shall have the casting vote.</p> <p>7. The meeting agenda shall be agreed with the committee chairman ahead of the meeting and included as part of the invitation.</p> <p>8. Meeting invitations shall be signed by the committee chairman or committee secretary if he/she has been authorized to do so by the committee chairman and shall be sent before sufficient time. The presentation and other materials to be discussed during the meeting shall also be sent to the committee members before sufficient time ahead of the meeting date.</p> <p>9. No one other than the committee members shall be entitled to be present at a meeting of the committee; however, others (i.e. executive team members, directors, managers, employees, observers, etc.) may attend all or part of the meeting based on committee’s request or invitation to provide the committee with the necessary information.</p>	<p>5. A member of the committee shall not be authorized by more than one member to act as proxy on their behalf, if the chairman will not be able to attend the meeting he/she may authorize one of the committee members to chair the meeting. If the chairman did not authorize another member to chair the meeting, the committee members, who attended the meeting, may select one of them to chair the meeting.</p> <p>6. Decision-making shall be based on the majority of votes present; in the case that a tie is reached, the chairman of the meeting shall have the casting vote.</p> <p>7. No one other than the committee members shall be entitled to be present at a meeting of the committee; however, others (i.e. executive team members, directors, managers, employees, observers, etc.) may attend all or part of the meeting based on committee’s request or invitation to provide the committee with the necessary information.</p> <p>8. Minutes including recording the names of present and absent members, place, date, start, and time of commencement and adjournment of the meeting, the summary of deliberations and resolutions shall be drafted by the committee secretary, shared with the committee chairman and members within (ten) days<sup>(2)</sup> from the date of</p>
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<sup>(2)</sup> Day: Calendar Day

## RNC Charter Suggested Amendments

<p>10. Minutes including recording the names of those present and absent members, and committee deliberations and decisions shall be drafted by the committee secretary, shared with the committee chairman and members within ten (10) days from the date of the meeting and members shall send their comments (if any) within seven (7) days from the date of receipt. If no comments/feedback is received, the minutes shall be considered as approved, and shall be signed by the chairman of the committee, all attending members, and the secretary during that meeting or signatures can be secured by circulation (if necessary), and such records shall be kept within the Company's important documents.</p> <p>11. The Board will monitor the work and performance of the Committee, through its Chairman, and through periodic reports submitted to the Company's Board.</p> <p><b>7. Committee secretary and Coordinator:</b></p> <p>1. The committee members shall appoint a secretary whether from its members or from company's employees, without having the right to vote on the committee's (in case he/she isn't a committee member) decisions, and shall be responsible for meeting organization, administrative and logistical support, drafting agenda, resolutions, minutes of meetings, communication with members and other</p>	<p>the meeting and members shall send their comments (if any) within (seven) days from the date of receipt. If no comments/feedback is received, the minutes shall be considered as approved, and shall be signed by the chairman of the committee, all attending members, Governance Officer and the secretary during that meeting or signatures can be secured by circulation (if necessary), and such records shall be kept within the Company's important documents, also means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes, and the said minutes shall be archived among important documents in the Company.</p> <p>9. A Committee member has the right to object to any resolution taken by the Committee, provided that the objection is expressly recorded in the minutes of the meeting with a statement of the reasons for objection, and the member absence from the meeting in which the resolution is taken shall not be considered as a reason for exemption from liability unless it is proved that he was unaware of the resolution or was unable to object immediately after becoming aware of it.</p> <p><b>7. Committee Secretary and Coordinator:</b></p> <p>1. The committee members shall appoint a secretary whether from its members or from company's employees, without having the right to vote on the committee's (in case he/she isn't a committee member)</p>
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## RNC Charter Suggested Amendments

legalities, and carrying out the administrative process of the board nomination in cooperation with the Group's Corporate Governance and Compliance Officer. The committee shall determine his/her remuneration in light of the relevant policies in this regard.

2. The Company's Head of HR shall be appointed as a coordinator for the committee, without having the right to vote on the committee's decisions, and his / her role is to prepare the materials for the meeting, execute and follow-up on the committee's decisions with regards to HR, any other tasks assigned to him/her by the committee and update the committee about the overall progress in each meeting.

decisions, and shall be responsible for meeting organization, administrative and logistical support, drafting agenda, resolutions, minutes of meetings, keeping documents, records, and reports submitted to or issued by the committee, communication with members and other legalities, and carrying out the administrative process of the board nomination in cooperation with the Group's Corporate Governance and Compliance Officer. The committee shall determine his/her remuneration in light of the relevant policies in this regard.

2. The Company's Head of HR shall be appointed as a coordinator for the committee, without having the right to vote on the committee's decisions, and his / her role is to prepare the materials for the meeting, execute and follow-up on the committee's decisions with regards to HR, any other tasks assigned to him/her by the committee and update the committee about the overall progress in each meeting.

### **8. Confidentiality of the Committee's Work**

The Committee's members shall maintain the confidentiality of the information made available to them and the documents they review, and they shall not be permitted under any circumstances - even in the event of the termination of their membership - to disclose it to any

## RNC Charter Suggested Amendments

### 8. Committee Remuneration:

1. The annual remuneration of the committee members shall be determined based on the policy defined by the board and in accordance with the Company's Bylaws, GA resolutions, and related laws and regulations.
2. The committee member's remuneration shall be a specific sum in addition to meetings attendance fees and any other benefits stipulated in the remuneration policy defined by the board for its members, the committee's members and executive management. Payment shall be processed in line with the procedures set out in the remuneration policy.
3. The Company is obliged to cover the travel and accommodation expenses and any other expenses to enable the member to attend the committee meetings and participate in the committee activities.

individual or entity, or to use any of this information to achieve personal benefit for themselves or for one of their relatives or for others, and if they did they shall be removed from the committee membership. This provision shall be applied to the Committee's Secretary as well.

### 9. Committee Remuneration:

1. The annual remuneration of the committee members shall be determined based on the policy defined by the board and in accordance with the Company's Bylaws, GA resolutions, and related laws and regulations.
2. The committee member's remuneration shall be a specific sum in addition to meetings attendance fees and any other benefits stipulated in the remuneration policy defined by the board for its members, the committee's members and executive management. Payment shall be processed in line with the procedures set out in the remuneration policy.
3. The Company is obliged to cover the travel and accommodation expenses and any other expenses to enable the member to attend the committee meetings and participate in the committee activities.
4. Committee meetings attendance compensation for the Committee Secretary amounting to 3,000 Saudi Riyals for each session. The



## RNC Charter Suggested Amendments

	<p>Committee may revise the allowances for the Committee secretary periodically as deemed necessary</p>
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The attachment related to item (29) of the EGM Agenda

**Audit Committee Charter Suggested Amendments**

<u>DISCLAIMER</u>	<u>تنويه هام لأخذه في الاعتبار</u>
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة،</p> <p>وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p><b>Reference:</b></p> <p>1) This charter was issued by the Company General Assembly at its meeting held on Tuesday, July 26, 2016 corresponding to 21 Shawwal 1437H, in compliance with Article 101 of the Companies law issued by Royal Decree No. (M/ 3) dated 28/1/1437 AH, which stated that " Pursuant to a resolution to be passed by the ordinary general assembly of the joint a stock company, an audit committee shall be formed comprising members from among persons other than the executive members of the board of directors, whether from among the shareholders or others, provided its members be no less than three and no greater than five and provided further that such resolution shall outline the committee's tasks, the procedures to be followed by the committee, and the members' remuneration".</p> <p>2) this charter has been amended by the Company General Assembly Resolution at its meeting held on 02 /11/2017 corresponding to 13 Safar 1439 H, to comply with the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Decision No. (8-16-2017) dated 16/05/1438 H corresponding to 13/2/2017.</p> <p>3) this charter has been amended by the Company General Assembly Resolution at its meeting held on 08/05/2019 corresponding to 03 Ramadan 1440 H.</p>	<p><b>Reference:</b></p> <p>This charter was amended pursuant to item (e) of Article (51) of the amended Corporate Governance (CG) Regulations issued by the Board of the Capital Market Authority (CMA) pursuant to resolution number 8-16-2017 dated 16/5/1438H Corresponding to 13/2/2017G, which stated that: "The Company's General Assembly shall, upon a recommendation of the Board, issue a regulation for the audit committee which shall include the rules and procedures for the activities and duties of the committee, the rules for selecting its members, the means of their nomination, the term of their membership, their remunerations, and the mechanism of appointing temporary members in case a seat in the committee becomes vacant.". The words and expressions in this charter shall mean the meanings set forth in the relevant CMA Regulations unless the context requires otherwise.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p><b>Preface</b></p> <p>The Audit Committee is one of the important committees in publicly listed companies for its essential and effective role in internal and external audit, the internal control process, the development of systems and plans related to these activities, the follow-up of their implementation and the Company's compliance with the accepted rules and standards.</p> <p>The regulations of the Saudi Capital Market Authority and the Saudi Companies Law have given special importance to the Audit Committee through its formation by the GA of Shareholders in accordance with the provisions of Article 101 of the Companies Law and the empowerment of its functions and authorities. The Committee's main objectives are as follows:</p>	<p><b>Preface</b></p> <p>The Audit Committee is one of the important committees in publicly listed companies for its essential and effective role in internal and external audit, the internal control process, the development of systems and plans related to these activities, the follow-up of their implementation and the Company's compliance with the accepted rules and standards. The regulations of the Saudi Capital Market Authority have given special importance to the Audit Committee through the empowerment of its functions and authorities. The Committee's main objectives are as follows:</p>

## Audit Committee Charter Suggested Amendments

<p><b>1. Rules and Regulations regarding Committee Membership</b></p> <p>The Audit Committee of Savola Group shall be formed according to the following:</p> <ul style="list-style-type: none"> <li>a) The Audit Committee is formed upon a resolution by the Ordinary GA based on a recommendation from the Board in accordance with the provisions of Article 101 of the Companies Law.</li> <li>b) The Audit Committee members shall not be less than 3 members or more than 5; with at least one of whom is competent in financial and accounting matters.</li> <li>c) The membership of the Committee shall be composed of independent, non-executive Board members or Shareholders or others, at least one of whom shall be an independent member and shall not include any of the Executive members or any of the senior Executive in the Company.</li> <li>d) Any person who have worked for the Company's external auditor during the preceding two years may not be a member of the Audit Committee. Additionally, The Chairman of the Board may not be a member of the Audit Committee.</li> <li>e) The term of the office of the Committee is 3 years and exceptionally, the office term of the cycle that starts on 01/07/2019 will be 3 years</li> </ul>	<p><b>1. Rules and Regulations regarding Committee Membership</b></p> <p>The Audit Committee of Savola Group shall be formed according to the following:</p> <ul style="list-style-type: none"> <li>a) The Audit Committee is formed upon a resolution by the company's Board of directors.</li> <li>b) The Audit Committee members shall not be less than 3 members or more than 5; with at least one of whom is competent in financial and accounting matters.</li> <li>c) The membership of the Committee shall be composed of independent, non-executive Board members or Shareholders or others, and shall not include any of the Executive members or any of the senior Executive in the Company and shall have at least one of whom shall be an independent member.</li> <li>d) Half of the Audit Committee's members must be independent directors or from those on whom the issues affecting independence in the CMA Corporate Governance regulation do not apply.</li> <li>e) Any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member</li> </ul>
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## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>and 3 months starts on 01/07/2019 and expires on 30/09/2022. The next office term will start immediately after the end of that one and will continue for 3 years. The Board may also recommend their re-nomination to the GA for another period or other similar periods.</p> <p>f) Members of the Committee will choose among them a Chairman from the non-executive or independents members.</p> <p>g) In case a seat in the committee becomes vacant during the Committee's official term, or the number of the committee members becomes below the minimum requirement the Board of Directors shall have the right to appoint a temporary member in the vacant seat/s, provided that the new member/s has/have adequate experience and such appointment shall be submitted to the nearest General Assembly for approval and the new member shall complete the remaining term of the committee.</p> <p>h) The Committee will appoint a Secretary among its members or as it deems fit from the Company's Management team to prepare for the Committee's meetings and work, prepare and document its minutes</p>	<p>of the Audit Committee. Additionally, The Chairman of the Board may not be a member of the Audit Committee.</p> <p>f) A member of the Audit Committee shall not be a member of Audit Committees of more than five listed joint stock companies at the same time.</p> <p>g) The term of the office of the Committee starts and expires with the office term of the board. The Board may also re-appoint them for another term or other similar terms <sup>(1)</sup>.</p> <p>h) The Board of Directors shall appoint from its members a Chairman for the Committee. If that appointment did not take place, the committee members shall choose from amongst them a Chairman. In all cases, The Chairman of the committee shall be an independent or non-executive member.</p> <p>i) The Audit committee membership shall expire in one of the following cases:</p> <ol style="list-style-type: none"> <li>1. Issuance of a Board of Directors resolution to remove and/or replace all or any of the committee members at any time it deems appropriate.</li> </ol>

<sup>(1)</sup> The duration of Savola Group's Board office term is four years.

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>and follow-up implementation of its recommendations, directives and decisions without voting rights.</p>	<ol style="list-style-type: none"> <li>2. Resignation of the committee member pursuant to a written notice submitted to the Committee chairman and secretary and the resignation shall take effect from the date specified in the notice.</li> <li>3. Loss of legal capacity or having a physical disability that prevents the committee member from carrying out his/her responsibilities and duties.</li> <li>4. Failure to attend three consecutive meetings or five non-consecutive meetings during the course of the membership without an excuse acceptable to the board.</li> <li>5. Failure to meet, at any time, any of the requirements for membership in the committee in accordance with the laws or this charter.</li> </ol> <p>j) In case a seat in the committee becomes vacant for any of the above-mentioned reasons or other reasons during the Committee's official term, or the number of the committee members becomes below the minimum requirement the Board of Directors shall have the right to appoint a member in the vacant seat/s, provided that the new member/s has/have adequate experience and the committee membership requirements applies to the member.</p> <p>k) The Committee will appoint a Secretary among its members or as it deems fit from the Company's Management team to prepare for the</p>



### Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
	<p>Committee’s meetings and work, prepare and document its minutes and follow-up implementation of its recommendations, directives and decisions without voting rights.</p>

## Audit Committee Charter Suggested Amendments

<p><b>2. Meetings, procedures and controls of the Committee's work</b></p> <p>a. The Audit Committee will convene periodically, at least 4 times per year, and as may be necessary. Minutes of meetings should be prepared, including a summary of their discussions, recommendations, directives and decisions.</p> <p>b. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year, as part of the annual meetings calendar of Savola Group board, its committees, subsidiaries and subcommittees.</p> <p>c. The Audit Committee will convene periodically with the Company's external auditor and internal auditor at least once a year.</p> <p>d. The internal auditor and the external auditor may call for a meeting with the Committee as deemed necessary.</p> <p>e. The Committee may hold special meetings as deemed necessary. The Committee Chairman or majority members may call for holding a special meeting as deemed necessary, and majority attendance of members constitute a quorum.</p> <p>f. The invitation to attend the Committee meetings in writing by the Committee Chairman or a Committee member representative or its Secretary by a sufficient time from the date of the meeting.</p>	<p><b>2. Meetings, procedures and controls of the Committee's work</b></p> <p>a. The Audit Committee will convene periodically, at least 4 times per year, and as may be necessary in the Company's head office, and it may meet outside the head office. Also Committee meetings may be held by Video Conference. Minutes of meetings should be prepared, including a summary of their discussions, recommendations, directives and decisions.</p> <p>b. The committee meetings are scheduled in advance - prior to the beginning of the year - on an annual basis for the whole year, as part of the annual meetings calendar of Savola Group boards and its committees.</p> <p>c. The Audit Committee will convene periodically with the Company's external auditor and internal auditor at least once a year.</p> <p>d. The internal auditor and the external auditor may call for a meeting with the Committee as deemed necessary.</p> <p>e. The Committee may hold special meetings as deemed necessary. The Committee Chairman or majority members may call for holding a special meeting as deemed necessary, and majority attendance of members constitute a quorum.</p>
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## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>Committee members are provided with the meeting agenda, presentations and documents by a sufficient time ahead of the meeting date.</p> <p>g. In the event that the Committee Chairman is not present, he may delegate one of its members to preside over the specific session.</p> <p>h. In the event that a member is not able to attend the Committee meeting in person, sufficient effort is made to enable the member to attend through the means of modern communication (conference call), and in this case, the presence of the member shall be considered as physically present.</p> <p>i. <b>Proxy:</b> In the event that a member is not able to attend the Committee meeting in person, the member may appoint another Committee member on his behalf, and a Committee member may not represent more than one member for the same meeting.</p> <p>j. <b>Voting:</b> Each member of the Committee will have one vote. Decisions are issued by the majority of the attendees' votes represented in the meeting and in case of a tie, the Chairman shall have the casting vote.</p> <p>k. The Committee Secretary prepares the draft minutes of meeting and circulates it to the Committee Chairman and members via email for</p>	<p>f. In the event that a member is not able to attend the Committee meeting in person, sufficient effort is made to enable the member to attend through the means of modern communication (conference call), and in this case, the presence of the member shall be considered as physically present.</p> <p>g. <b>Proxy:</b> In the event that a member is not able to attend the Committee meeting in person, the member may appoint another Committee member on his behalf, and a Committee member may not represent more than one member for the same meeting.</p> <p>h. <b>Voting:</b> Each member of the Committee will have one vote. Decisions are issued by the majority of the attendees' votes represented in the meeting and in case of a tie, the Chairman shall have the casting vote.</p> <p>i. The Committee Secretary prepares the draft minutes of meeting (The names of the present and absent members, place, date, time of commencement and adjournment of the meeting, the summary of deliberations and resolutions) and circulates it to the Committee Chairman and members via email for review and add their comments within (7) to (10) working days from the dated of each meeting. In the case comments were not received, it is considered as</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>review and add their comments within (7) to (10) working days from the dated of each meeting. In the case comments were not received, it is considered as a confirmation of approval, such minutes of meeting shall be kept in a book to be signed by the Committee Chairman and its members and its Secretary, and such records shall be kept within the Company's important documents.</p> <p>l. The Board will monitor the work and performance of the Committee, through its Chairman, through periodic reports submitted to the Company's Board.</p> <p>m. Members of the Board or Executive Management except the Committee members may not attend the meetings unless such Committee requests his opinion or advice.</p>	<p>a confirmation of approval, such minutes of meeting shall be kept in a book to be signed by the Committee Chairman and its members and its Secretary, and such records shall be kept within the Company's important documents, also means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes.</p> <p>j. A Committee member has the right to object to any resolution taken by the Committee, provided that the objection is expressly recorded in the minutes of the meeting with a statement of the reasons for objection, and the member absence from the meeting in which the resolution is taken shall not be considered as a reason for exemption from liability unless it is proved that the member was unaware of the resolution or was unable to object immediately after becoming aware of it.</p> <p>k. Members of the Board or Executive Management except the Committee members may not attend the meetings unless such Committee requests his opinion or advice.</p>

## Audit Committee Charter Suggested Amendments

<p><b>4. Audit Committee Authorities</b></p> <p>a. The Committee has the right to form a team from within itself for any reason it sees appropriate to achieve its goals. The Committee also has the right to delegate to the team some of its authorities as deemed necessary provided that any team is comprised of not less than two members.</p> <p>b. Investigate any activity that falls within its authority and any requests received from the Board of Director, the GA or the external auditor.</p> <p>c. The use of legal and technical advice from any external party or consultant as deemed necessary to help the Committee in fulfilling its duties.</p> <p>d. The Audit Committee is responsible for monitoring the Company's activities and in performing its duties:</p> <ol style="list-style-type: none"> <li>1) Access the records and documents of the Company.</li> <li>2) Request any clarification, statement, or information from the Board members or the Executive Management.</li> </ol>	<p><b>4. Audit Committee Authorities</b></p> <p>a. The Committee has the right to form a team from within itself for any reason it sees appropriate to achieve its goals. The Committee also has the right to delegate to the team some of its authorities as deemed necessary provided that any team is comprised of not less than two members.</p> <p>b. Investigate any activity that falls within its authority and any requests received from the Board of Director or the external auditor.</p> <p>c. The use of legal and technical advice from any external party or consultant as deemed necessary to help the Committee in fulfilling its duties.</p> <p>d. The Audit Committee is responsible for monitoring the Company's activities and in performing its duties:</p> <ol style="list-style-type: none"> <li>1) Access the records and documents of the Company.</li> <li>2) Request any clarification, statement, or information from the Board members or the Executive Management.</li> </ol>
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## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>3) Request the Board to call for a GA Meeting if its activities were hindered by the Board or if the Company has suffered significant losses and damages.</p> <p>4) Meet with the external auditors or the Company's employees, including the internal auditors, to enquire about the audit results and to provide recommendations within its scope of work.</p>	<p>3) Request the Board to call for a General Assembly Meeting if its activities were hindered by the Board or if the Company has suffered significant losses and damages.</p> <p>4) Meet with the external auditors or the internal auditors, to enquire about the audit results and to provide recommendations within its scope of work.</p>

## Audit Committee Charter Suggested Amendments

<p><b>4. Competencies, powers and responsibilities of the Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Reviewing and re-evaluating the adequacy of the functions, controls and regulations contained in this charter from time to time, and recommending any proposed changes to the Board, which shall be considered and recommended to the GA of Shareholders.</li> <li>2. Monitoring the Company’s activities and ensuring the policies and procedures that confirm the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:</li> </ol> <p><b>With Regards to Financial Reports:</b></p> <ol style="list-style-type: none"> <li>a. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.</li> <li>b. Providing its technical opinion, at the request of the Board, regarding whether the Board’s annual report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to</li> </ol>	<p><b>4. Competencies, authorities and responsibilities of the Audit Committee &amp; its Chairman</b></p> <p><b>a) Audit Committee Competencies, Authorities, and Responsibilities:</b></p> <ol style="list-style-type: none"> <li>1. Reviewing and re-evaluating the adequacy of the functions, controls and regulations contained in this charter from time to time, and recommending any proposed changes to the Board, which shall be considered and recommended to the Shareholders’ General Assembly.</li> <li>2. Monitoring the Company’s activities and ensuring the policies and procedures that confirm the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:</li> </ol> <p><b>With Regards to Financial Reports:</b></p> <ol style="list-style-type: none"> <li>a. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency;</li> </ol>
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## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>assess the Company's financial position, performance, business model, and strategy.</p> <p>c. Analyzing any important or non-familiar issues contained in the financial reports,</p> <p>d. Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor;</p> <p>e. Examining the accounting estimates in respect of significant matters that are contained in the financial reports;</p> <p>f. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.</p> <p><b>With Regards to Internal Audit:</b></p> <p>a. Analyzing and reviewing the company's internal and financial control and risk management systems.</p> <p>b. Oversee the internal audit plans and its operations, and ensuring their effectiveness required by the laws, regulations, and professional practices in this regard.</p> <p>c. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports;</p>	<p>b. Providing its technical opinion, at the request of the Board, regarding whether the Board's annual report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy;</p> <p>c. Analyzing any important or non-familiar issues contained in the financial reports;</p> <p>d. Investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor;</p> <p>e. Examining the accounting estimates in respect of significant matters that are contained in the financial reports;</p> <p>f. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.</p> <p><b>With Regards to Internal Audit:</b></p> <p>a. Analyzing and reviewing the company's internal and financial control and risk management systems.</p>



## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>d. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.</p> <p>e. Verifying the independence of the Internal Audit and enable it to perform its role effectively.</p> <p><b>With Regards to External Auditor:</b></p> <p>a. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.</p> <p>b. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.</p> <p>c. Reviewing the plan of the Company's external auditor and its activities, and ensuring that there is no violation or failure in their performance and that it does not provide any work that are beyond its scope of work and provides its opinion thereon.</p> <p>d. Responding to queries of the Company's external auditor.</p>	<p>b. Oversee the internal audit plans and its operations, and ensuring their effectiveness required by the laws, regulations, and professional practices in this regard.</p> <p>c. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports;</p> <p>d. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.</p> <p>e. Verifying the independence of the Internal Audit and enable it to perform its role effectively.</p> <p>f. Providing a recommendation to the Board on appointing and/or termination of the Head of the internal audit unit or department, or the internal auditor and suggesting his/her remunerations.</p> <p><b>With Regards to External Auditor:</b></p> <p>a. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>e. Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.</p> <p><b>With Regards to Ensuring Compliance:</b></p> <p>a. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.</p> <p>b. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.</p> <p>c. Reviewing the contracts and proposed Related Party transactions including cases of conflict of interest, if any, and providing its recommendations to the Board in connection therewith.</p> <p>d. Reporting to the Board any important issues within its scope of work in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.</p>	<p>b. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.</p> <p>c. Reviewing the plan of the Company's external auditor and its activities, and ensuring that there is no violation or failure in their performance and that it does not provide any technical, administrative or consulting works that are beyond its scope of work and provides its opinion thereon.</p> <p>d. Responding to queries of the Company's external auditor.</p> <p>e. Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.</p> <p><b>With Regards to Ensuring Compliance:</b></p> <p>a. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.</p> <p>b. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions related to the committee's scope of work.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
	<p>c. Reviewing the contracts and proposed Related Party transactions including cases of conflict of interest, if any, and providing its recommendations to the Board in connection therewith.</p> <p>d. Reporting to the Board any important issues within its scope of work in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.</p> <p><b>b) Chairman authorities and responsibilities:</b></p> <ol style="list-style-type: none"> <li>1. Manage and chair the committee meetings and work to enhance their effectiveness, and in the event that the Committee Chairman is not present, he may delegate one of its members to preside over the specific session.</li> <li>2. Attend General Assembly meetings to answer shareholders questions regarding committee mandates and activities and the Chairman may delegate this to one of the committee members.</li> <li>3. Invite the Committee meetings to attend the meeting in writing before a sufficient time from the date of the meeting.</li> <li>4. Provide committee members with the meeting agenda, and ensure having sufficient time to discuss the items and clauses contained in the agenda.</li> </ol>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
	<p>5. Ensure that committee members are provided with the necessary presentations, documents, and the sufficient information regarding subjects presented to the Committee before a sufficient time ahead of the meeting date that enables the Committee to take decisions in this regard.</p> <p>6. Submit periodic reports to monitor the work and performance of the Committee, and its recommendations to the Company's Board. The said report may be verbal or written.</p> <p>7. The committee Chairman may delegate any of the abovementioned authorities to any of the committee members or the secretary.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p><b>New article</b></p>	<p><b>1. Confidentiality of the Committee's Work</b></p> <p>The Committee's members shall maintain the confidentiality of the information made available to them and the documents they review, and they shall not be permitted under any circumstances - even in the event of the termination of their membership - to disclose it to any individual or entity, or to use any of this information to achieve personal benefit for themselves or for one of their relatives or for others, and if they did they shall be removed from the committee membership. This provision shall be applied to the Committee's Secretary as well.</p>

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p><b>6. The Audit Committee Report</b></p> <p>The Committee issues an annual report that contains a summary of its work, performance, most prominent achievements and how it preforms its roles and responsibilities in light of the relevant rules, regulations and the professional standards. to be presented in the GA as per the Saudi Companies' law or any other relevant law issued by regulators.</p>	<p><b>6. The Audit Committee Report to the Shareholder General Assembly</b></p> <p>The Committee issues an annual report that contains a summary of its work, performance, most prominent achievements and how it preforms its roles and responsibilities in light of the relevant rules, regulations and the professional standards, provided that the report contains its recommendations and opinion on the adequacy of the internal and financial control systems and risk management systems in the Company.</p> <p>The Board shall make available sufficient copies of the audit committees' report at the Company's head office and publish them on the Company's and the Exchange's websites when publishing the invitation to the General Assembly to enable shareholders to obtain a copy. Summary of the report shall be presented at the General Assembly.</p>

## Audit Committee Charter Suggested Amendments

### 8. Audit Committee Members Remuneration Policy

The Company's Audit Committee remuneration is as follows:

- a. Annual Compensation amounting to 150,000 Saudi Riyals for each member.
- b. Committee meetings attendance compensation amounting to 5,000 Saudi Riyals for each member per session.
- c. First class ticket (round trip) compensation for each member residing outside Jeddah.
- d. Tickets and living compensation for all resident members in the case the meeting is not held in Jeddah.
- e. Committee meetings attendance compensation for the Committee Secretary amounting to 2,000 Saudi Riyals for each session. The Committee may revise the allowances for the Board secretary periodically as deemed necessary;
- f. The Committee Secretary is not entitled to bonuses - if eligible for a monthly salary from the Company or its consultants or Committee member - (except the above mentioned (1.1.10-5) meeting attendance compensation).
- g. The above mentioned allowances, compensations and remuneration are paid on a quarterly basis being 25% of this

### 9. Audit Committee Remuneration

1. The annual remuneration of the committee members shall be determined based on the policy defined by the board and in accordance with the Company's Bylaws and General Assembly resolutions in this respect and without infringement of the relevant laws and regulations.
2. The committee member's remuneration shall be a specific sum in addition to meetings attendance fees and any other benefits stipulated in the remuneration policy defined by the board for its members, the committee's members, and executive management. Payment shall be processed in line with the procedures set out in the remuneration policy.<sup>(2)</sup>
3. The Company shall cover the travel, accommodation, and other expenses to enable the member to attend the committee meetings and participate in the committee activities in line the said policy.
- 4) Committee meetings attendance compensation for the Committee Secretary amounts to 3,000 Saudi Riyals for each session. The Committee may revise the allowances for the Committee secretary periodically as deemed necessary

## Audit Committee Charter Suggested Amendments

Current Charter	Charter After Amendments
<p>remuneration at the end of each quarter in accordance to the Company's financial year.</p> <p>h. Details of the remuneration paid to all Committee members is disclosed in the Board annual report.</p>	

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<sup>(2)</sup> According to the Remuneration Policy, which was approved the Shareholders' General Assembly, the annual remuneration for the audit committee's membership amounts to 150,000 Saudi Riyals, the meeting attendance fee is 5,000 Saudi Riyals for each member per meeting, and the travel accommodation expense is set by the said policy, which is published in the Company's website.



## The attachment related to item (30) of the EGM Agenda

### Policies Standards and Procedures for the Membership of Board Suggested Amendments

<u>DISCLAIMER</u>	<u>تنويه هام لأخذه في الاعتبار</u>
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة،</p> <p>وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

## Policies Standards and Procedures for the Membership of Board Suggested Amendments

Current Article	Article After Amendments
<p><b>1. Introduction</b></p> <p>The "Policies, Standards and procedures for the membership of the Board of Savola Group" (Savola or the Company) have been prepared to comply with item (3) of article (22) of the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA) Board pursuant to resolution No. (8-16-2017) dated 13/2/2017, which stipulated that the board shall <i>"set forth specific and explicit policies, standards and procedures for membership in the board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly"</i>.</p>	<p><b>1. Introduction</b></p> <p>The "Policies, Standards and procedures for the membership of the Board of Savola Group" (Savola or the Company) have been prepared to comply with item (3) of article (21) of the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA) Board pursuant to resolution No. (8-16-2017) dated 13/2/2017 and amended pursuant to Decision No. (8-5-2023) dated 18/01/2023, which stipulated that the board shall <i>"set forth specific and explicit policies, standards and procedures for membership in the board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly"</i>.</p>
<p><b>2. Policies and standards of Savola's Board membership</b></p> <p>The board shall have the appropriate balance of skills, experience, independence and knowledge of Savola's business to enable them to discharge their respective duties and responsibilities effectively. The General Assembly (GA) shall take into account, when electing members to the board, the recommendations of the RNC committee and the availability of the personal and professional capabilities required to perform their duties effectively. The member shall have the following qualifications in particular:</p>	<p><b>2. Policies and standards of Savola's Board membership</b></p> <p>The board shall have the appropriate balance of skills, experience, independence and knowledge of Savola's business to enable them to discharge their respective duties and responsibilities effectively. The General Assembly (GA) shall take into account, when electing members to the board, the recommendations of the RNC committee and the availability of the personal and professional capabilities required to perform their duties effectively. The member shall have the following qualifications in particular:</p>

## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<ol style="list-style-type: none"> <li>1. The nominee shall not have been previously convicted of a crime of dishonesty, declared bankruptcy or insolvency, or deemed unfit for the board membership in accordance with any law or instructions applied in the Kingdom.</li> <li>2. The nominee shall not be a member of the boards of more than five listed joint stock companies at the same time.</li> <li>3. The board member shall represent all shareholders and shall abide by what meets the interests of the company in general and not what serves the interests of the group he represents or the group that voted in favor of his/her appointment as a board member.</li> <li>4. The independent board members of Savola shall not be less than one-third of the total board members (i.e. 4 out of 11).</li> <li>5. Independent board members shall enjoy complete independence in his/her position and decisions and not having any independence conflicts stipulated in article 20 of the CG Regulation.</li> <li>6. <b>Ability to lead:</b> The member shall enjoy leadership skills, which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values as well as being able to</li> </ol>	<ol style="list-style-type: none"> <li>1. The nominee shall not have been previously convicted of a crime of dishonesty, declared bankruptcy or insolvency, or deemed unfit for the board membership in accordance with any law or instructions applied in the Kingdom.</li> <li>2. The nominee shall not be a member of the boards of more than five listed joint stock companies at the same time.</li> <li>3. The board member shall represent all shareholders and shall abide by what meets the interests of the company in general and not what serves the interests of the group he represents or the group that voted in favor of his/her appointment as a board member.</li> <li>4. The independent board members of Savola shall not be less than one-third of the total board members (i.e. 4 out of 11).</li> <li>5. Independent board members shall enjoy complete independence in his/her position and decisions and not having any independence conflicts stipulated in the CG Regulation.</li> <li>6. <b>Ability to lead:</b> The member shall enjoy leadership skills, which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values as well as being able to communicate effectively, plan and think strategically.</li> </ol>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>communicate effectively, plan and think strategically.</p> <p>7. <b>Qualifications, skills and experience:</b> The member shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.</p> <p>8. <b>Ability to guide:</b> The member shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision.</p> <p>9. <b>Financial knowledge:</b> The member shall have the ability to read and understand financial statements and reports.</p> <p>10. <b>Physical fitness:</b> The member shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities.</p> <p>11. Each member of the board shall comply with the principles of truthfulness, honesty, loyalty, and care of the interests of the Company and its shareholders, and prioritize their interests over his/her personal interests. This shall include, in particular, the following:</p>	<p>7. <b>Qualifications, skills and experience:</b> The member shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.</p> <p>8. <b>Ability to guide:</b> The member shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision.</p> <p>9. <b>Financial knowledge:</b> The member shall have the ability to read and understand financial statements and reports.</p> <p>10. <b>Physical fitness:</b> The member shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities.</p> <p>11. <b>Duty to act within conferred powers:</b> A member of the Board shall perform and exercise his/her duties and powers in managing the Company and guiding its activities within his/her conferred powers in accordance with the Companies Law, its implementing regulations, the Company’s bylaws and other relevant laws, and only exercise</p>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>a) <b>Truthfulness:</b> is achieved when the relationship between the board member and the Company is an honest professional relationship, and he/she discloses to the Company any significant information before entering into any transaction or contract with the Company or any of its affiliates.</p> <p>b) <b>Loyalty:</b> is achieved when the board member avoids transactions that may entail conflicts of interest and ensures fairness of dealing, in compliance with the provisions relating to conflicts of interest in these Regulations.</p> <p>c) <b>Care:</b> is achieved by performing the duties and responsibilities set forth in the Companies Law, the Capital Market Law and their implementing regulations and the Company's bylaws and other relevant laws.</p> <p>12. The nominee shall be a natural person of at least 25 years of age, whether he/she applying in his/her personal capacity or as a representative of a legal personality.</p> <p>13. Diversity of qualification and practical experience shall be taken into consideration, and priority shall be given to nominees with the appropriate skills for the board of directors.</p> <p>14. A member of the board shall resign before the end of his/her office term, if he/she lost his/her eligibility to serve as a member, or if he/she lost his/her ability to perform responsibilities or couldn't allocate the</p>	<p>powers for the purposes to achieve the objectives of which they were conferred.</p> <p>12. <b>Duty to act for the best interest of the Company and to promote its success:</b> A member of the Board shall comply with the following:</p> <p>a) working in good faith for the best interest of the Company and all its shareholders and shall not prioritize his/her personal interests over the interest of the Company and its shareholders, and in doing so shall take into consideration the rights of the other stakeholders;</p> <p>b) ensure exerting all efforts to promote the success and growth of the Company and maximize its value on the long-term for the benefit of its shareholders.</p> <p>13. <b>Duty to exercise independent judgment:</b> A member of the Board shall perform his/her duties objectively and independently in relation to managing the Company and making decisions, and shall avoid cases that affect his/her independence in making decisions or voting on them.</p> <p>14. <b>Duty to exercise reasonable and expected care, skill and diligence:</b> A member of the Board shall perform his/her duties and responsibilities in accordance with the Companies Law, the Capital Market Law, their implementing regulations, the Company's bylaws and other relevant laws, and in accordance with the diligence and care</p>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

time or effort required to perform his/her role and responsibilities in the board. Also in the event of conflict of interest, the member has the option either to obtain the approval of the ordinary General Assembly (which its approval must be renewed every year) or to submit his/her resignation.

### 3. **Nominate right procedures of the company board membership**

1. Each shareholder shall have the right to nominate himself/ herself or other person(s) for membership to the board of directors, to the extent of his shareholding in the capital.
2. The RNC committee shall coordinate with the executive management of the company to announce the opening of the nomination for the company board membership at least 60 days prior to the end of the Board's office term in accordance with applicable laws and regulations.
3. The Company shall publish the nomination announcement on the websites of the Company and the Exchange and through any other medium specified by the Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.

that should be exercised by a diligent person with the general knowledge, skill and experience that the member of the Board has and that are expected of a person carrying out the functions carried out by the member of the Board.

15. **Duty to avoid conflict of interest:** A member of the Board shall avoid transactions and situations in which he/she has actual or potential direct or indirect interest that conflicts or may conflict with the Company's interest, and the member of the Board shall comply with the provisions relating to conflicts of interest in the Companies Law and its implementing regulations.
16. **Duty to disclose any direct or indirect interest in businesses and contracts executed for the Company's account:** A member of the Board shall disclose any direct or indirect interest he/she has in the business and contracts executed for the Company's account immediately upon becoming aware thereof and shall comply with the provisions relating to disclosure of interest in business and contracts in the Companies Law and its implementing regulations.
17. **Duty not to accept benefits from third parties in relation to his/her role in the company:** A member of the Board shall not exploit his position, duties and powers vested in him/her in his/her capacity as a board member in any way to obtain or accept benefits from third parties for a specific act or to refrain from doing a specific act.

## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>4. The RNC committee shall submit its recommendation to the board of directors on nomination for the board membership in accordance with the standards mentioned in this policy.</p> <p>5. Anyone who is interested in being nominated to the company board shall declare his/her wish by notifying the company administration in accordance with the applicable rules and regulations. This notice shall include an introduction of the nominee with respect to his/her curriculum vitae, his/her qualifications and his/her work experience, such documents shall be submitted in Arabic language. In addition, he/she must provide the Company with the all supporting documents such as (national ID, family ID, passport for non-Saudis nominees for board membership and any other relevant documents requested by the company to meet the legal requirements).</p> <p>6. A person who desires to nominate himself/herself for the membership of the Board shall disclose to the Board or the General Assembly any cases of conflicts of interest, including:</p> <ul style="list-style-type: none"> <li>a) having direct or indirect interest in the contracts and businesses entered into for the benefit of the Company in which he/she desires to be nominated to the Board.</li> <li>b) engaging in business that may compete with the Company or any of its activities.</li> </ul> <p>7. Nominees for board membership shall complete the form(s) specified</p>	<p>18. The nominee shall be a natural person of at least 25 years of age, and he/she shall apply in his/her capacity as a shareholder or as a nominee of a shareholder.</p> <p>19. Diversity of qualification and practical experience shall be taken into consideration, and priority shall be given to nominees with the appropriate skills for the board of directors.</p> <p>20. A member of the board shall resign before the end of his/her office term, if he/she lost his/her eligibility to serve as a member, or if he/she lost his/her ability to perform responsibilities or couldn't allocate the time or effort required to perform his/her role and responsibilities in the board. Also in the event of conflict of interest, the member has the option either to obtain the approval of the ordinary General Assembly or to submit his/her resignation.</p> <p><b>3. Nominate right procedures of the company board membership</b></p> <ul style="list-style-type: none"> <li>1. Each shareholder shall have the right to nominate himself/ herself or other person(s) for membership to the board of directors.</li> <li>2. The RNC committee shall coordinate with the executive management of the company to announce the opening of the nomination for the company board membership at least 60 days prior to the end of the Board's office term in accordance with applicable laws and regulations.</li> <li>3. The Company shall publish the nomination announcement on the</li> </ul>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>by the CMA, which can be found on their website.</p> <p>8. Any nominee who is a previous board member of Joint stock company shall state the names and dates of the boards in which he was a member.</p> <p>9. Any nominee who has served as a board member in the company shall enclose with the nomination notice a statement from the company management on the last session in which he/she was a board member including the following:</p> <ul style="list-style-type: none"> <li>a) The number of Board meetings held during each year of the session.</li> <li>b) The number of meetings attended by the member, and the percentage of his attendance of the total meetings.</li> <li>c) The committees in which the member participated, the number of meetings held by each of these committees during each year of the session, the number of meetings attended and the attendance percentage of the total number of meetings.</li> </ul> <p>10. Membership type shall be clarified upon nomination, i.e. if the nominee is an executive member or a non-executive member or an independent member.</p>	<p>websites of the Company and the Exchange and through any other medium specified by the Authority; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.</p> <p>4. The RNC committee shall submit its recommendation to the board of directors on nomination for the board membership in accordance with the standards mentioned in this policy.</p> <p>5. Anyone who is interested in being nominated to the company board shall declare his/her wish by notifying the company administration in accordance with the applicable rules and regulations. This notice shall include an introduction of the nominee with respect to his/her curriculum vitae, his/her qualifications and his/her work experience, such documents shall be submitted in Arabic and English language. In addition, he/she must provide the Company with the all supporting documents such as (national ID, family ID, passport for non-Saudis nominees for board membership and any other relevant documents requested by the company to meet the legal requirements).</p> <p>6. A person who desires to nominate himself/herself for the membership of the Board shall disclose to the Board or the General Assembly any cases of conflicts of interest, including:</p> <ul style="list-style-type: none"> <li>a) having direct or indirect interest in the contracts and businesses entered into for the benefit of the Company in which he/she</li> </ul>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>11. The membership nature shall be clarified, i.e. if the member is a nominee for himself /herself or he/she represents a legal person.</p> <p>12. The RNC shall coordinate with the executive team of the company to satisfy the regulatory requirements and to provide the regulatory authorities with all required documents.</p> <p>13. Cumulative voting is used as a voting method in Board elections.</p> <p>14. Voting in the General Assembly shall be confined to the Board nominees whose nominate himself/herself in accordance with the procedures, the criteria's and polices mentioned above.</p>	<p>desires to be nominated to the Board.</p> <p>b) engaging in business that may compete with the Company or any of its activities.</p> <p>7. Nominees for board membership shall complete the form(s) specified by the CMA, which can be found on their website.</p> <p>8. Any nominee who is a previous board member of Joint stock company shall state the names and dates of the boards in which he was a member.</p> <p>9. Membership type shall be clarified upon nomination, i.e. if the nominee is an executive member or a non-executive member or an independent member.</p> <p>10. The RNC shall coordinate with the executive team of the company to satisfy the regulatory requirements and to provide the regulatory authorities with all required documents.</p> <p>11. Cumulative voting is used as a voting method in Board elections.</p> <p>12. Voting in the General Assembly shall be confined to the Board nominees whose nominate himself/herself in accordance with the procedures, the criteria's and polices mentioned above.</p>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p><b>4. Appointment of Chairman and Vice Chairman</b></p> <p>Savola's shareholders elect the members of the board at the GA meeting in accordance with the rules and regulations and provision provided herein. Then the board, selects from its non-executive members a chairman and a Vice chairman and the board shall have the right to remove or re-appointment them.</p> <p><b>5. The expiry of the Board Membership and vacancies</b></p> <ol style="list-style-type: none"> <li>1. The office term of the board shall expire by the end of the defined period which is 3 years from the date of his/her election by the GA.</li> <li>2. The office term of the board member shall expire in accordance with any law or regulation worked under in the Kingdom, or because of death or resignation or conviction of a crime against honor and honesty; nonetheless, the GA may, at all times dismiss, all or any of the members of the board, but without prejudice to the dismissed member's right to remuneration if such dismissal has taken place in an untimely manner or is without cause. Further, a member of the board may resign office, provided that</li> </ol>	<p><b>4. Appointment of Chairman and Vice Chairman</b></p> <p>Savola's shareholders elect the members of the board at the GA meeting in accordance with the rules and regulations and provision provided herein. Then the board, at its first meeting, selects from its non-executive members a chairman and a Vice chairman and the board shall have the right to remove or re-appointment them.</p> <p><b>5. The expiry of the Board Membership and vacancies</b></p> <ol style="list-style-type: none"> <li>1. The office term of the board shall expire by the end of the defined period which is 4 years from the date of his/her election by the General Assembly.</li> <li>2. The office term of the board member shall expire in accordance with any law or regulation worked under in the Kingdom, or because of death or resignation or conviction of a crime against honor and honesty; nonetheless, the GA may dismiss, all or any of the members of the board,. Further, a board member may resign pursuant to a written notice submitted to the chairman of the board of directors. If the chairman of the board resigns, the notice shall be submitted to the board members and the board's secretary. In both cases, the resignation shall take effect from the date specified in the notice.</li> </ol>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

<p>such resignation be in proper time, failing which, such member shall be liable to pay remuneration to the Company for any damage arising from such resignation</p> <p>3. Upon the recommendation of the board of directors, the general assembly may terminate the membership of board member who fails to attend three consecutive board meetings without a valid reason.</p> <p>4. If during the membership period, any position becomes vacant, the board shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified and that such appointment be brought before the Ordinary General Assembly in its first meeting; and the member newly appointed shall complete the terms of his predecessor.</p>	<p>3. Upon the recommendation of the board of directors, the general assembly may terminate the membership of board member who fails to attend (three) consecutive board meetings or (five) non-consecutive meetings during the course of his membership without an excuse acceptable to the board.</p> <p>4. If during the membership period, any position becomes vacant, the board shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified and that such appointment be brought before the Ordinary General Assembly in its first meeting; and the member newly appointed shall complete the terms of his predecessor in light of the Company's Bylaws.</p> <p>5. If the chairman and members of the board of directors resign, they shall call for an ordinary general assembly meeting to elect a new board. The resignation shall not take effect until a new board is elected, provided that the resigning board does not continue to carry out its duties beyond the period specified in the Regulations.</p> <p>6. If the board of directors is not elected for a new term or if the required number of board members is not satisfied, in accordance with the Companies' Law, any person with interest may petition the competent judicial authority to appoint</p>
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## Policies Standards and Procedures for the Membership of Board Suggested Amendments

	<p>qualified persons with expertise, in any number it deems appropriate, to supervise the management of the company and call on the general assembly to convene within (ninety) days to elect a new board of directors or appoint board members to satisfy the required number, as the case may be, or may petition the competent judicial authority to dissolve the company.</p>
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The attachment related to item (31) of the EGM Agenda

**Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments**

<u>DISCLAIMER</u>	تنويه هام لأخذه في الاعتبار
<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة،</p> <p>وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

<b>Current Articles</b>	<b>Articles After Amendments</b>
<p style="text-align: center;"><b>1. Introduction</b></p> <p>The "Remuneration Policy for Board, Committees and Executive Management of Savola Group (Savola or the Company)" was prepared to comply with item (1) of article (61) of the CG Regulations issued by the Capital Market Authority (CMA) Board pursuant to Decision No. (8-6-2017) Dated 13/2/2017, which stipulated that the Remuneration and Nomination Committee (RNC) shall “prepare a clear policy for the remunerations of the board members and its committees and the Executive Management, and presenting such policy to the board in preparation for approval by the General Assembly”.</p> <p style="text-align: center;"><b>3. General Standards for remuneration</b></p> <p>The RNC committee responsibilities include recommending to the board the remuneration of the board, its committees, and the executive management in accordance with the approved criteria, as follows:</p> <ol style="list-style-type: none"> <li>1. Be proportionate to Savola’s activities and the required skills for its management;</li> <li>2. The variable part of the remuneration shall be linked to the long-term performance;</li> <li>3. Remuneration shall be consistent with the strategy, objectives, the magnitude, nature and level of risks faced by Savola;</li> <li>4. Benchmarking shall be used to take into consideration the remuneration practices of other companies. The disadvantages of such comparisons</li> </ol>	<p style="text-align: center;"><b>1. Introduction</b></p> <p>The "Remuneration Policy for Board, Committees and Executive Management of Savola Group (Savola or the Company)" was prepared to comply with item (1) of article (58) of the CG Regulations issued by the Capital Market Authority (CMA) Board pursuant to Decision No. (8-16-2017) Dated 13/2/2017 and amended pursuant to Decision No. (8-5-2023) dated 18/01/2023, which stipulated that the Remuneration and Nomination Committee (RNC) shall “prepare a clear policy for the remunerations of the board members and its committees and the Executive Management, and presenting such policy to the board in preparation for approval by the General Assembly....”</p> <p style="text-align: center;"><b>3. General Standards for Remuneration</b></p> <p>The RNC committee responsibilities include recommending to the board the remuneration of the board, its committees, and the executive management in accordance with the approved criteria, as follows:</p> <ol style="list-style-type: none"> <li>1. Be proportionate to Savola’s activities and the required skills for its management;</li> <li>2. Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the long-term success and development of the Company, and the variable part of the remuneration shall be linked to the long-term performance;</li> </ol>

## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

<p>in leading to unjustifiable increases in remunerations and compensations shall be avoided;</p> <ol style="list-style-type: none"> <li>5. Shall be prepared in coordination with the RNC committee with respect to new appointments;</li> <li>6. Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;</li> <li>7. Be fair and proportionate to the board or committees member's activities carried out and responsibilities borne by the board or committees members, in addition to the objectives set out by the board to be achieved during the financial year;</li> <li>8. Take into consideration the sector in which Savola operates, its size and experience of its board members;</li> <li>9. Be reasonably sufficient to attract and retain highly qualified and experienced board members; and</li> <li>10. The remunerations of different board members may vary depending on the board members' experience, expertise, duties he/she undertakes, and independence and number of board meetings he/she attended in addition to other considerations.</li> <li>11. The remuneration shall be suspended if it has been determined that such remuneration was based on inaccurate information provided by a member of the board or the executive management.</li> <li>12. If the company developed a program to grant some of its shares to board members, Executive management and employees, whether a new issue or shares purchased by the company, the RNC</li> </ol>	<ol style="list-style-type: none"> <li>3. Remuneration shall be consistent with the strategy, objectives, the magnitude, nature and level of risks faced by the Company;</li> <li>4. Benchmarking shall be used to take into consideration the remuneration practices of other companies. The disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations shall be avoided;</li> <li>5. Shall be prepared in coordination with the RNC committee with respect to new appointments;</li> <li>6. Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;</li> <li>7. Be fair and proportionate to the board or committees member's activities carried out and responsibilities borne by the board or committees members, in addition to the objectives set out by the board to be achieved during the financial year;</li> <li>8. Take into consideration the sector in which Savola operates, its size and experience of its board members;</li> <li>9. Be reasonably sufficient to attract and retain highly qualified and experienced board members without exaggeration;</li> <li>10. The remunerations of different board members may vary depending on the board members' experience, expertise, duties he/she undertakes, and independence and number of board meetings he/she attended in addition to other considerations.</li> </ol>
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## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

committee shall supervise this program in light of the company's bylaws and the relevant CMA laws and regulations.

11. The remuneration shall be suspended if it has been determined that such remuneration was based on inaccurate information provided by a member of the board or the executive management to prevent the exploitation of employment status to receive undeserved remunerations.

12. If the company developed a program to grant some of its shares to board members, Executive management and employees, whether a new issue or shares purchased by the company, the RNC committee shall supervise this program in light of the company's bylaws and the relevant CMA laws and regulations.

### 4. The Board Members Remuneration

1. The remuneration of Savola board members may consist of a specified sum; an attendance fee; expense fees; other in-kind benefits; a certain percentage of the net profits; or a combination of two or more of those benefits. In no event, the remuneration of a board member shall not exceed the limit stated in the Companies Law and shall be in line with the table stipulated herein and any amendments may take place in the future to be approved in line with relevant regulations.

2. The remuneration of the various board members may vary in light of the policy recommended by the RNC committee and approved by the GA. The Annual Directors' report to the GA shall include a

### 4. The Board Members Remuneration

1. The remuneration of Savola board members may consist of a specified sum; an attendance fee; expense fees; other in-kind benefits; a certain percentage of the net profits; or a combination of two or more of those benefits. The remuneration of a board member shall be in line with the table stipulated herein and any amendments may take place in the future to be approved in line with relevant regulations.

2. The Remunerations of different Board members may vary depending on the Board members' experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations, and in light of this policy. The Annual Directors' report to the GA shall



## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

comprehensive statement of all the amounts received by each board member during the fiscal year including remunerations, allowances, expenses, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services (if any). Such a report shall also include a statement of the number of the board meetings held and the number of meetings attended by each member beginning from the date of the last meeting of the GA.

3. Where the remuneration represents a certain percentage of Savola's profits, provisions of article (76) item No. (2) of the Saudi Companies' Law shall be taken into consideration in addition to article (45) of Savola's bylaw. In no event, may the total amount of any compensation and remuneration whether it being cash or in kind benefits received by a board member be greater than SAR (500,000) Five Hundred Thousand Saudi Riyals annually.
4. The remuneration of independent board members shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola's profitability.

include a comprehensive statement of all the amounts received by each board member during the fiscal year including remunerations, allowances, expenses, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services (if any). Such a report shall also include a statement of the number of the board meetings held and the number of meetings attended by each member.

3. Where the remuneration represents a certain percentage of Savola's profits the following guidelines shall be taken into consideration:
  - a) The remuneration of independent board members shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola's profitability.
  - b) The said percentage shall be determined based on a recommendation from the RNC in case the company achieved profits provided that the matter is presented to the GA for its approval and the matter is compliant with the Company bylaws and relevant regulations.
4. If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership without a legitimate excuse accepted by the Board,

## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

<p><b>5. The Committees' Members Remuneration</b></p> <ol style="list-style-type: none"> <li>1. The board shall determine and approve its committee's remuneration –excluding the Audit committee remuneration-, attendance fees and other benefits based on the RNC committee recommendation.</li> <li>2. Committee member remuneration shall comprise of an annual remuneration (a lump sum) and attendance fees, and other benefits as defined in this policy.</li> <li>3. However, Audit committee members' remuneration shall be determined by the GA based on the board's recommendation as per the regulations.</li> <li>4. When forming any Board's Committee, the number of seats that occupied by each Board member, shall be taken into consideration as the total amount paid for his/her membership on both board and committees, shall not exceed the statutory limit defined in the companies' law.</li> </ol>	<p>then such Board member shall not be entitled to any remuneration for the period starting from the last Board meeting he/she attended, and he/she shall pay back any remuneration he/she received for that period.</p> <p><b>5. The Committees' Members Remuneration</b></p> <ol style="list-style-type: none"> <li>1. The board shall determine and approve its committee's remuneration, attendance fees and other benefits based on this policy which was approved in light of the RNC recommendation.</li> <li>2. Committee member remuneration shall comprise of an annual remuneration (a lump sum) and attendance fees, and other benefits as defined in this policy.</li> </ol>
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## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

8. Breakdown of Board Members and its committees remuneration	8. Breakdown of Board Members and its committee’s remuneration												
<b>1) Board members</b>	<b>1) Board members</b>												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">a) Attendance fee per meeting</td> <td style="padding: 5px;">SAR 5,000</td> </tr> <tr> <td style="padding: 5px;">b) Additional allowance (transportation expenses and travel per-diem) for board members who are based outside Jeddah.</td> <td style="padding: 5px;">SAR 3,000</td> </tr> <tr> <td style="padding: 5px;">c) Annual remuneration as a specific sum for each board member</td> <td style="padding: 5px;">SAR 200,000</td> </tr> </table>	a) Attendance fee per meeting	SAR 5,000	b) Additional allowance (transportation expenses and travel per-diem) for board members who are based outside Jeddah.	SAR 3,000	c) Annual remuneration as a specific sum for each board member	SAR 200,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">a) Attendance fee per meeting</td> <td style="padding: 5px;">SAR 5,000</td> </tr> <tr> <td style="padding: 5px;">b) Additional allowance (transportation expenses and travel per-diem) for board members who are based outside Jeddah.</td> <td style="padding: 5px;">SAR 3,000</td> </tr> <tr> <td style="padding: 5px;">c) Annual remuneration as a specific sum for each board member</td> <td style="padding: 5px;">SAR 200,000</td> </tr> </table>	a) Attendance fee per meeting	SAR 5,000	b) Additional allowance (transportation expenses and travel per-diem) for board members who are based outside Jeddah.	SAR 3,000	c) Annual remuneration as a specific sum for each board member	SAR 200,000
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c) Annual remuneration as a specific sum for each board member	SAR 200,000												
<p>d) <b>Compensation based on profitability:</b> a certain percentage of the net profits after fulfilling all legal requirements, and it shall be determined based on the RNC committee recommendation, taken into consideration the provisions of article (4) item No. (B) of the Regulatory Rules and Procedures issued by CMA pursuant to the Companies Law.</p>	<p>d) <b>Compensation based on profitability:</b> a certain percentage of the net profits after fulfilling all legal requirements, and it shall be determined based on the RNC committee recommendation, taken into consideration that the matter shall be presented to the GA for its approval in line with the Company’s bylaws and relevant laws, and the independent board members remuneration shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola’s profitability.</p>												
<p>e) <b>Amendments and payment:</b></p> <ul style="list-style-type: none"> <li>• The annual remuneration of the Board member referred to in paragraph (c) of item (1) above might be subject to review from time to time based on RNC Committee recommendation in</li> </ul>	<p>e) <b>Amendments and payment:</b></p> <ul style="list-style-type: none"> <li>• The annual remuneration of the Board member referred to in paragraph (c) of item (1) above might be subject to review from time to time based on RNC Committee recommendation in</li> </ul>												

## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

light of the company's performance after obtaining the GA meeting approval.

- Meeting attendance allowance and the additional entitlement shall be paid on a quarterly basis whereas the annual remuneration shall be paid after the annual GA meeting approval; the said specific sum remuneration is not linked to company profitability.

light of the company's performance after obtaining the GA meeting approval.

- Meeting attendance allowance and the additional entitlement shall be paid on a quarterly basis whereas the annual remuneration shall be paid after the annual GA meeting approval; the said specific sum remuneration is not linked to company profitability.

### 2) Committee Members

Attendance allowance per meeting	SAR 5,000
Annual Committee remuneration for each committee member	SAR 100,000
Remuneration and attendance allowance shall be paid on a quarterly basis.	

### 2) Audit Committee Members

Attendance allowance per meeting	SAR 5,000
Annual Committee remuneration for each committee member	SAR 150,000
Remuneration and attendance allowance shall be paid on a quarterly basis.	

### 3) Members of any Other Committee affiliated from the Board

Attendance allowance per meeting	SAR 5,000
Annual Committee remuneration for each committee member	SAR 100,000
Remuneration and attendance allowance shall be paid on a quarterly basis.	

## Remuneration Policy for Board, Committees, and Executive Management Suggested Amendments

<b>3) Other Non-Cash Benefits</b>	<b>4) Other Non-Cash Benefits</b>
<div style="background-color: #e0f2f1; padding: 5px; border: 1px solid black; margin-bottom: 5px;"> <p>Travel cost for non-Jeddah based members for attending meetings shall be covered by Savola.</p> </div> <div style="padding: 5px; border: 1px solid black; margin-bottom: 5px;"> <p>Savola shall cover accommodation and transportation for all board, committee members and executive management for any meetings convening outside Jeddah.</p> </div> <div style="background-color: #e0f2f1; padding: 5px; border: 1px solid black;"> <p>All airfare tickets for board and committee members shall be issued or refund in First or Business class, roundtrip, (preferably the national carrier) (as per availability).</p> </div>	<div style="background-color: #e0f2f1; padding: 5px; border: 1px solid black; margin-bottom: 5px;"> <p>Travel, accommodation, and transportation costs for non-Jeddah based members for attending meetings shall be covered by Savola.</p> </div> <div style="padding: 5px; border: 1px solid black; margin-bottom: 5px;"> <p>Savola shall cover accommodation, travel and transportation for all board, committee members and executive management for any meetings convening outside Jeddah.</p> </div> <div style="background-color: #e0f2f1; padding: 5px; border: 1px solid black;"> <p>All airfare tickets for board and committee members shall be issued or refund in First or Business class, roundtrip, (preferably the national carrier) (as per availability).</p> </div> <p style="margin-top: 20px;">5) Attendance fees and any other fixed remuneration (if any) for the Board’s Secretary shall be determined by the Board whether by a resolution or stated in the CG manual and polices, hence, the Board always has the right to revisit such decision from time to time as deems appropriate.</p>



**The attachment related to items from (32) to (40) of the EGM Agenda  
Suggested Amendment on Company's Bylaws**

The attachment related to items (32 to 40) of the EGM Agenda

**Proposed Amendments to Savola Group's AOA**

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<p>This English version of this document is a translation of the original Arabic document and has been made for the purpose of informing non-Arabic speakers of the said document.</p> <p>In case of any discrepancy or misinterpretation of any clause or article, the original Arabic document shall prevail.</p>	<p>هذه النسخة الإنجليزية من هذه الوثيقة تمثل ترجمة للنسخة الأصلية الصادرة باللغة العربية، والغرض منها تعريف الناطقين بغير اللغة العربية بهذه الوثيقة،</p> <p>وفي حالة وجود اختلاف في الترجمة أو خطأ في تفسير النص لأي بند أو مادة من هذه الوثيقة يُعتبر النصّ الأصلي الصادر باللغة العربية هو الحاكم.</p>

## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p><b>Article (1): Incorporation</b> The Company has been incorporated as a Saudi joint stock company in accordance with the provisions of the Companies' law and <del>with</del> the provisions of these articles set forth hereunder.</p>	<p><b>Article (1): Incorporation</b> The Company has been incorporated as a Saudi joint stock company in accordance with the provisions of the Companies' law, <b>its implementing regulations</b>, and the provisions of these articles set forth hereunder.</p>
<p><b>Article (6): Duration of the Company</b> The Company's <del>duration is Ninety-nine (99) Gregorian years that commenced</del> as of the date of which the Company is registered in the Commercial Register. <del>However, the duration of the Company may always be extended by a resolution to be issued by the Extraordinary General Assembly at least one year prior to its expiry date.</del></p>	<p><b>Article (6): Duration of the Company</b> The Company <b>was established for an indefinite period commencing</b> from the date of its registration in the Commercial Register.</p>
<p><b>Article (7): The Capital</b> The Company's capital <del>paid up is fixed</del> at SR 5,339,806,840 (Saudi Riyals Five Thousand Three Hundred Thirty-Nine Million Eight Hundred Six Thousand Eight Hundred Forty) divided into 533,980,684 (Five Hundred Thirty-Three Million Nine Hundred Eighty Thousand Six Hundred Eighty-Four) shares having an equal nominal value of SR 10 (Saudi Riyals Ten) each, <del>all of which are ordinary shares.</del></p>	<p><b>Article (7): The Capital</b> The Company's <b>issued</b> capital is at SR 5,339,806,840 (Saudi Riyals Five Thousand Three Hundred Thirty-Nine Million Eight Hundred Six Thousand Eight Hundred Forty) divided into 533,980,684 (Five Hundred Thirty-Three Million Nine Hundred Eighty Thousand Six Hundred Eighty-Four) <b>ordinary</b> shares having an equal nominal value of SR 10 (Saudi Riyals Ten) each.</p>
<p><b>Article (8): Subscription in the Shares</b> The shareholders have subscribed in all shares of the Company's Capital amounted to 533,980,684 shares (Five Hundred Thirty-Three Million Nine Hundred Eighty Thousand Six Hundred Eighty-Four) in full and cash; all cash amounts of the capital have been deposited with the Bank.</p>	<p><b>Article (8): Subscription in the Shares</b> The shareholders have subscribed in all shares of the Company's <b>issued</b> Capital amounted to 533,980,684 shares (Five Hundred Thirty-Three Million Nine Hundred Eighty Thousand Six Hundred Eighty-Four) in full and cash; all cash amounts of the capital have been deposited with the Bank.</p>



## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p><b>Article (9): Preference Shares:</b>            The Extraordinary General Assembly may, in accordance with the policies laid out by related bodies, issue <del>preference shares, buy such shares, convert normal shares to preference shares, or convert preference shares to normal shares.</del> Preference shares shall not give their holder voting rights in the General Assembly of shareholders. Preference shares shall entitle their holders to receive net profits <del>more than</del> the holders of the ordinary shares after setting aside the <del>statutory reserve provided not to exceed an amount of 50% of the Company's share capital.</del> Said shares shall vest their holders, in addition to the right of sharing in the net profits, which are distributed to the ordinary shares, with the following:</p> <ul style="list-style-type: none"> <li>- The right to obtain a certain percentage of the net profits, not less than 5% of the nominal value of the share, after setting aside the <del>statutory</del> reserve and before any distribution of the Company's profits.</li> <li>- The priority to receive the value of their shares from the capital upon the Company's liquidation, and to receive a certain percentage of the proceeds from liquidation date.</li> </ul> <p>The Company may purchase these shares in accordance with the <del>policies reached at by the General Assembly Meeting of the Shareholders.</del> These shares shall not be included in the computation of the quorum provided for in the Company's Bylaws.</p>	<p><b>Article (9): Preferred Shares and Redeemable Shares</b></p> <p><b>1. Preferred Shares</b>            The Extraordinary General Assembly may, in accordance with the policies <b>and rules</b> set by related bodies, issue preferred shares. Preferred shares shall entitle their holders to receive a larger percentage of net profits than ordinary shares holders after setting aside <b>the company reserve- if any. Such</b> shares shall vest their holders, in addition to the right of sharing in the net profits, which are distributed to the ordinary shares, with the following:</p> <ul style="list-style-type: none"> <li>a) The right to obtain a certain percentage of the net profits, not less than 5% of the nominal value of the share, after setting aside <b>the Company reserves -if any-</b> and before any distribution of the Company's profits.</li> <li>b) The priority to receive the value of their shares from the capital upon the Company's liquidation, and to receive a certain percentage of the proceeds from liquidation date.</li> </ul> <p>The Company may purchase these shares in accordance with the Shareholders' <b>Extraordinary</b> General Assembly's resolutions <b>or convert these shares into ordinary shares</b>, and such shares shall not be included in the computation of the quorum for the General Assembly provided for in the Company's Bylaws, <b>nor does it grant its holders the right to vote in the shareholders' general assemblies.</b></p> <p><b>2. Redeemable Shares</b>  <b>The Extraordinary General Assembly may, in accordance with the policies and rules of its redemption laid out by related bodies, issue redeemable shares.</b></p>

## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p><b>Article (10): Issuance of Shares</b>  Shares shall be nominal and <del>may not be issued at a value less than the par value. However,</del> shares may be issued at a value exceeding the par value. In such instances, the difference in the value of the share shall be added in a particular clause within shareholders' rights and shall not be distributed to the shareholders. A share is indivisible in front of the Company but when owned by several persons, they should elect one to represent them in exercising the rights pertaining to such a share. Such person shall be equally liable for the obligations arising out of their ownership of such a share.</p>	<p><b>Article (10): Issuance of Shares</b>  Shares shall be nominal and <b>may be divided into shares of a lower nominal value or merged in order to become shares of a higher nominal value. Additionally,</b> shares may be issued at a value exceeding the par value. In such instances, the difference in the value of the share shall be added in a particular clause within shareholders' rights and <b>shall be utilized in accordance with the regulations set by the competent authority.</b> Such shares shall not be distributed as dividends to the shareholders, and the share is indivisible against the Company but when owned by several persons, they should elect one to represent them in exercising the rights pertaining to such a share. Such person shall be equally liable for the obligations arising out of their ownership of such a share.</p>
<p><b>Article (11): Trading of the Shares</b>  Trading the Company's shares in the stock market shall be in accordance with the Capital Market Regulations.</p>	<p><b>Article (11): Trading of the Shares</b>  Trading the Company's shares in the stock market shall be in accordance with the Capital Market Regulations <b>and its implementing regulations.</b></p>

## Proposed Amendments to Savola Group's AOA

<p><b>Article (13): Capital increase</b></p> <ol style="list-style-type: none"> <li>1. The Extraordinary General Assembly may decide to increase the capital, provided that the Capital has been paid in full. However, <del>the Capital is not required to be paid in full if the unpaid portion of the Capital is attributable to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the period for conversion into shares</del> has not yet expired.</li> <li>2. The Extraordinary General Assembly shall in all cases allocate the issued shares upon the increase of the Capital or part thereof to the employees of the Company <del>and the subsidiaries or some or any of them</del>, provided that the issued shares do not exceed 0.25% of the Company's Capital. Shareholders may not exercise <del>the right of priority when the Company issues shares to employees</del>.</li> <li>3. <del>The shareholder of the share at the time of the</del> Extraordinary General Assembly <del>Resolution</del> approving the increase of company's capital, shall have the priority right in the subscription of the new shares issued against cash shares. These shall be notified by <del>publishing in a daily newspaper or by the method of</del> disclosure mechanisms for the listed companies of the capital increase resolution, subscription terms, duration, start and end date.</li> <li>4. The Extraordinary General Assembly shall be entitled to suspend the <del>right of priority for the shareholders in the subscription of the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases deemed appropriate for the Company's interest</del>.</li> <li>5. <del>The shareholder has the right to sell or waive the right of priority during the period from the time of the General Assembly's decision to approve the increase of the Capital to the last day of subscription in the new shares associated with these rights</del>, in accordance with the controls set by the competent authority.</li> </ol>	<p><b>Article (13): Capital increase</b></p> <ol style="list-style-type: none"> <li>1. The Extraordinary General Assembly may decide to increase the Company's <b>issued capital or its authorized capital- if any</b>, provided that the <b>issued</b> capital has been paid in full. However, the full payment of capital shall not be required if the unpaid portion of said capital relates to shares issued against the conversion of debt instruments or financing sukuk into shares and the period set for conversion has not yet expired.</li> <li>2. The Extraordinary General Assembly shall in all cases allocate the issued shares upon the increase of the Capital or part thereof to the employees of the Company or any of its subsidiaries, provided that the issued shares do not exceed 0.25% of the Company's Capital. Shareholders may not exercise their preemptive rights on issued shares allocated for employees.</li> <li>3. A shareholder who owns the share on the date of issuance the Extraordinary General Assembly decision approving the increase of company's <b>issued capital or board of directors' resolution regarding increasing the issued capital within the limits of its authorized capital- (if any)</b>, shall have the priority right in the subscription of the new shares issued against cash shares. These shall be notified by the disclosure mechanisms for the listed companies <b>adopted by the competent authorities</b> of the capital increase resolution, subscription terms, duration, start and end date.</li> <li>4. The Extraordinary General Assembly shall be entitled to suspend the preemptive rights of shareholders to subscribe to the capital increase against cash contributions <b>or may grant such rights</b> to non-shareholders in cases <b>it deems beneficial to</b> the Company.</li> <li>5. A shareholder may sell or assign preemptive rights <b>with or without financial consideration in accordance with the controls set by the regulations</b>.</li> <li>6. Subject to the provisions of paragraph (4) above, newly issued shares shall be distributed to preemptive rights holders requesting subscription, in proportion to their preemptive rights against the total preemptive rights resulting from the capital</li> </ol>
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## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p>6. Subject to the provisions of paragraph (4) above, <del>the</del> new shares shall be distributed to <del>the priority</del> rights holders <del>who applied for the subscription</del>, in proportion to their <del>priority</del> rights of the total <del>priority</del> rights resulting from the capital increase, provided that <del>their</del> new shares do not exceed <del>what they requested for from the new shares</del>; <del>the rest of the new shares will be distributed to the priority rights holders who have requested more than their share in the proportion of their priority rights from the total priority rights resulting from the capital increase provided that their</del> new shares do not exceed <del>what they have requested from the new shares</del>; the remaining shares shall be <del>distributed</del> to others, unless otherwise decided by the Extraordinary General Assembly or <del>the rules of the</del> Capital Market Authority states otherwise.:-</p>	<p>increase, provided that the number of newly issued shares they receive does not exceed the number of shares they request, taking into consideration the type and class of their shares. The remaining new shares shall be distributed to preemptive rights holders who request more than their share in the proportion to the preemptive rights they have against the total preemptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they request. Any remaining shares shall be offered to others, unless otherwise decided by the Extraordinary General Assembly or the Capital Market Authority Law states otherwise.</p>

## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p><b>Article (14): Capital reduction</b></p> <p>1. The Extraordinary General Assembly may reduce the company's capital if it exceeds its need or if the Company suffers losses. In the latter case alone, the capital may be reduced below the limit provided for in Article (54) of the Companies Act. The decision shall be issued <del>only after reading the external auditor's report on the reasons for it and the obligations imposed on the Company and the effect of the reduction on these obligations. The decision shall also indicate the method of reduction.</del></p> <p>2. If the capital reduction is <del>due to the capital being in excess over the company's needs, the creditors must be invited to submit their objections within sixty days from the date of publication of the reduction resolution on the Tadawul website and a daily newspaper distributed in the area where the company's Head Office is located. If any creditor raises an objection and submits to the Company, within the above period, the documents substantiating his/her claim, the Company shall perform its debt if it is present or provide sufficient security to satisfy it if it is later.</del></p> <p>3. The Capital shall be reduced in one of the following ways:</p> <p><del>A-</del> Cancellation of a number of shares equal to the amount to be reduced.</p> <p><del>B-</del> The Company purchases of a number of its shares equals the amount to be reduced, and then cancels those shares.</p>	<p><b>Article (14): Capital reduction</b></p> <p>1. The Extraordinary General Assembly may decide to reduce the Company's capital if it exceeds the Company's need or if the Company incurs losses. In the latter case, the capital may be reduced below the limit provided for in the Companies Law. <b>The decision to reduce the capital shall not be issued until a statement prepared by the board of directors stating the grounds for such decrease, the company's liabilities, and the effect of the decrease on satisfying such liabilities is presented at the general assembly. Said statement shall include the report of the company's auditor.</b></p> <p>2. If the capital reduction is because it exceeds the company's needs, the creditors shall be invited to submit their objections to the decrease <b>-if any- within the period provided for the Companies Law prior to the date set for the extraordinary general assembly meeting to decide on the decrease. The invitation shall include a statement indicating the amount of capital prior to and after the decrease, the date of the meeting, and the date the decrease becomes effective.</b> If a creditor objects to the decrease and submits supporting documents to the company within the <b>statutory</b> period, the company shall pay the debt if it is due or provide a sufficient guarantee if it is not due. <b>Equality among shareholders of the same type and class shall be observed upon capital reduction.</b></p> <p>3. The Capital shall be reduced in one of the following ways:</p> <p>a) Cancellation of a number of shares equal to the amount to be reduced.</p> <p><b>b) Reduction of the nominal value of a share by canceling a part thereof equal to the amount of losses incurred by the company.</b></p> <p><b>c) Reduction of the nominal value of a share by returning a part thereof to the shareholder or relieving him/her from all or part of the unpaid amount of the share's value.</b></p> <p>d) The Company purchases of a number of its shares equals the amount to be reduced, and then cancels those shares.</p>

## Proposed Amendments to Savola Group's AOA

Current Articles	Articles After Amendments
<p><b>Article (16): Management of the Company</b>            The Company shall be managed by a Board of Directors consisting of (11) members to be elected in the Ordinary General Meeting by using the cumulative voting method, for a period of <del>three</del> years. Members of the Board of Directors may be re-elected, <del>and each shareholder shall have the right to nominate himself or another person or more for membership of the Board of Directors within the percentage of his ownership in the company's capital.</del></p>	<p><b>Article (16): Management of the Company</b>            1. The Company shall be managed by a Board of Directors consisting of (11) members to be elected in the Ordinary General Meeting by using the cumulative voting method, for a period of <b>four</b> years. Members of the Board of Directors may be re-elected <b>for additional terms according to the election and nomination procedures provided for in the applicable rules and regulations set by the competent authority.</b>            2. Each shareholder shall have the right to nominate himself or another person or more <b>from the shareholders</b> for membership of the Board of Directors. <b>In all cases, board members must be natural persons.</b></p>
<p><b>Article (17): Expiry of the Board Membership</b>            The office term of the Board of Directors shall expire by the end of the defined period, or by expiry of the membership in accordance with any law or regulation worked under in the Kingdom, or because of death or resignation or conviction of a crime against honor and honesty; <del>nonetheless, the Ordinary General Assembly may, at all times dismiss, all or any of the members of the Board of Directors, but without prejudice to the dismissed member's right to compensation if such dismissal has taken place in an untimely manner or is without cause.</del> Further, a member of the Board of Directors may resign office, <del>provided that such resignation be in proper time, failing which, such member shall be liable to pay compensation to the Company for any damage arising from such resignation.</del> Upon the recommendation of the board of directors, the general assembly may terminate the membership of board member who fails to attend three consecutive board meetings without a valid <del>reason.</del></p>	<p><b>Article (17): Expiry of the Board Membership, Resignation, or Removal of its Members</b>            1. <b>The board of directors shall call the Ordinary General Assembly to convene prior to the expiration of the board's term to elect a board of directors for a new term. If the election cannot be held and the term of the current board expires, its members shall continue to carry out their duties until a board of directors is elected for a new term, provided the members do not continue to carry out their duties beyond the period specified in the Companies Law Implementing Regulations.</b>            2. The office term of the Board of Directors shall expire by the end of the defined period, or by expiry of the membership in accordance with any law or regulation worked under in the Kingdom, or because of death or resignation or conviction of a crime against honor and honesty. <b>A member of the Board of Directors may resign pursuant to a written notice submitted to the chairman of the board of directors. If the chairman of the board resigns, the notice shall be submitted to the board members and the board's secretary. In both cases, the resignation shall take effect from the date specified in the notice.</b>            3. <b>If the chairman and members of the board of directors resign, they shall call for an ordinary general assembly meeting to elect a new board. The</b></p>

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Current Articles	Articles After Amendments
	<p><b>resignation shall not take effect until a new board is elected, provided that the resigning board does not continue to carry out its duties beyond the period specified in the Regulations.</b></p> <p>4. Upon the recommendation of the board of directors, the general assembly may terminate the membership of board member who fails to attend three consecutive <b>or five non-consecutive</b> board meetings without a valid <b>excuse accepted by the Board.</b></p> <p>5. <b>The Ordinary General Assembly may, however, remove some or all Board members, and in such case, the Ordinary General Assembly shall elect a new Board or a replacement for the removed member, as the case may be, in accordance with the provisions of the Companies Law and its implementing regulations while observing the rules pertaining to Board members' removal set by the competent authority.</b></p>
<p><b>Article (18): The Vacancy in the Board of Directors</b>  <del>If during the membership period, any position becomes vacant, then the Board of Directors shall temporarily appoint a member to fill that position provided that such member be from among persons who are experienced and qualified as the Board deems fit without using the arrangement of votes casted in the General Assembly elected the Board members described in clause 70 of the Companies' Law; provided that the concerned authorities be informed accordingly within five business days from the date of such appointment and that such appointment be brought before the Ordinary General Assembly in its foremost meeting; and the member newly appointed shall complete the terms of his predecessor.</del></p> <p>If the number of members of the Board of Directors falls below the minimum quorum for <del>its valid</del> meeting as stated in <del>the Companies' Law</del> or in this Bylaws, the rest of the Board members must call for the Ordinary General Assembly within (60) days to elect the number of members required.</p>	<p><b>Article (18): The Vacancy in the Board of Directors</b>            If any position in the Board becomes vacant <b>due to the death or resignation of a Board member, and if the minimum number of members required for the validity of board meetings as stipulated in these articles is not affected by such vacancy,</b> then the Board of Directors may (temporarily) appoint qualified person with relevant expertise to provisionally fill the vacancy, provided that the <b>concerned authorities be informed accordingly within (fifteen) days</b> from the date of such appointment and that such appointment be brought before the Ordinary General Assembly in its foremost meeting; and the member newly appointed shall complete the terms of his predecessor.</p> <p>If the number of members of the Board of Directors falls below the minimum quorum <b>for the validity of the</b> meeting as stated in this Bylaw, the rest of the Board members must call for the Ordinary General Assembly within (60) days to elect the number of members required.</p>
<p><b>Article (19): Authorities of the Board of Directors and Forming the Committees</b></p>	<p><b>Article (19): Authorities of the Board of Directors and Forming the Committees</b></p>



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Current Articles	Articles After Amendments
<p>1) <b>Authorities of the Board of Directors:</b> Subject to the authority given to the General Assembly, the Board of Directors shall have broader authorities in managing the Company and exercise all acts and perform all deeds falling within the Company's objectives provided for in its Articles of Association. It may, for instance, set-up industries complementary to the Company's industries or may participate with other establishments and/or individuals in setting up such industries; and may participate in any way whatsoever with individuals or companies practicing activities similar to those of the Company, or encouraging the realization of the company's objectives; or may purchase part or all of its stocks or shares, The Board of Directors has the right to conclude loans, no matter how long, and to sell or mortgage the Company's real estates or stores as it deems to achieve the interest of the Company. The Board of Directors may relieve the company's debtors from their dues if any absolute judgment or decision is passed or made to that effect by a competent authority, or if two years elapsed as of the date the debtors had failed to honor settlement, and the Board of Directors have deemed pursuing claim of such obligations is of no avail. The Board may as well, within the limits of its authority, authorize one or more of its members or third parties to undertake certain work or acts within the rules set by the relevant regulations.</p> <p>2) <b>Forming the Committees:</b> The Board of Directors may form by its decision, the right number of committees in accordance with the relevant law's</p>	<p>1) <b>Authorities of the Board of Directors:</b> Subject to the authority given to the General Assembly, the Board of Directors shall have broader authorities in managing the Company and exercise all acts and perform all deeds falling within the Company's objectives provided for in its Articles of Association. It may, for instance, set-up industries complementary to the Company's industries or may participate with other establishments and/or individuals in setting up such industries; and may participate in any way whatsoever with individuals or companies practicing activities similar to those of the Company, or encouraging the realization of the company's objectives; or may purchase part or all of its stocks or shares, The Board of Directors has the right to conclude loans, no matter how long, and to sell or mortgage the Company's real estates or stores as it deems to achieve the interest of the Company. The Board of Directors may relieve the company's debtors from their dues if any absolute judgment or decision is passed or made to that effect by a competent authority, or if two years elapsed as of the date the debtors had failed to honor settlement, and the Board of Directors have deemed pursuing claim of such obligations is of no avail. The Board may as well, within the limits of its authority, authorize one or more of its members or third parties to undertake certain work or acts within the rules set by the relevant regulations.</p> <p><b>The board of directors must obtain the approval of the general assembly for the sale of company assets the value of which exceeds 50% of the value of its total assets, whether the sale is made through one transaction, or more. In such case, the transaction which leads to the sale of more than 50% of the value of assets shall require the general assembly's approval. Said percentage shall be calculated from the date the first transaction is concluded within the previous 12 months. The Competent Authority may exclude certain acts and dispositions from this requirement.</b></p> <p>2) <b>Forming the Committees:</b> The Board of Directors may form by its decision, the right number of</p>



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Current Articles	Articles After Amendments
<p>requirements and needs of the company. In addition, the Board shall have the authorities to specify the committees' scope of works or charters, procedures of its works, appointment and dismissal of its members and their remuneration, mechanism of overseeing its works within the Governance Regulations decided by the Board in order to allow the Board to conclude its responsibilities efficiently.</p>	<p>committees in accordance with the relevant law's requirements and needs of the company. In addition, the Board shall have the authorities to specify the committees' scope of works or charters, procedures of its works, appointment and dismissal of its members and their remuneration <b>in light of the applicable laws and each committee's charter</b>, mechanism of overseeing its works within the Governance Regulations decided by the Board in order to allow the Board to conclude its responsibilities efficiently.</p>
<p><b>Article (20): Remunerations of the Board and its Committees Members</b>  <b>1) Remunerations of the Board of Directors:</b>            The remuneration of the Board members may consist of a <del>specified</del> sum, or an <del>attendance fee</del>, or expense fees, or <del>other benefits in kind</del>, or a <del>certain</del> percentage of the Company's net profits; the remuneration may be a combination of two or more of those benefits. <del>The remuneration received by a board member must not be greater than the limit set in the Companies' law and its implementing rules.</del>            The Remunerations of the Board members may vary in light of a policy set by <del>Compensation</del> and Nomination Committee <del>as</del> approved by the General Assembly. The Board of Directors' Report to the General Assembly shall include a comprehensive statement of all the amounts received by the Board members during the fiscal year including remunerations, allowances, expenses, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services. Such report shall also include a statement of the number of the Board meetings and the number of meetings attended by each member <del>beginning from the date of the last meeting of the General Assembly.</del>   <del>Board members shall not vote on the agenda item relating to the remuneration of Board members at the General Assembly meeting.</del></p>	<p><b>Article (20): Remunerations of the Board and its Committees Members</b>  <b>1) Remunerations of the Board of Directors:</b>            The remuneration of the Board members may consist of a <b>fixed</b> sum, an allowance for attending meetings, expense fees, in-kind benefits, a percentage of the Company's net profit; the remuneration may be a combination of two or more of those benefits. The remunerations of the Board members may vary in light of a policy set by the Remuneration and Nomination Committee and approved by the General Assembly. The Board of Directors' Report to the General Assembly <b>during its annual meeting</b> shall include a comprehensive statement of all the amounts received by the Board members during the fiscal year including remunerations, <b>meeting allowances</b>, expense allowances, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services. Such report shall also include a statement of the number of the Board meetings and the number of meetings attended by each member.   <b>2) Remunerations of the Board's committees:</b>            The Board shall determine the remuneration of its committees, meeting allowances, and other benefits based on a policy approved by the Board based on recommendation of the Remuneration and Nomination Committee and <b>approved by the Shareholders' General Assembly.</b></p>

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Current Articles	Articles After Amendments
<p><del>Where the remuneration represents a certain percentage of the Company's profits, the provisions of article (76) item No. (2) must be taking into consideration as well as article (45) of this Bylaws. In no event may the total amount of any remuneration and cash or in kind benefits received by a board member be greater than SAR (500.000) Five Hundred Thousand Saudi Riyals annually.</del></p> <p><del>Taking into consideration that the remuneration of independent Board members shall not be a percentage of the company's profits that are realized by the Company, nor shall it be based directly or indirectly on the company's profitability.</del></p> <p><b>2) Remunerations of the Board's committees:</b></p> <p>The Board shall determine the remuneration of its committees, attending fees, and other benefits based on a policy approved by the Board based on recommendation of the <del>Compensation</del> and Nomination Committee.</p> <p><del>The committee's remunerations shall be paid based on a policy approved by the Board except of the Audit Committee remuneration, which shall be determined by the General Assembly based on the Board's recommendation.</del></p>	
<p><b>Article (21): Authorities of the Chairman, Vice Chairman, Chief Executive Officer, and the Board Secretary:</b></p> <p>The Board of Directors shall appoint, from amongst its members, a Chairman and a Vice Chairman, and it may appoint a Managing Director. <del>A member of the Board of Directors may not jointly hold the office of the Chairman and any other executive office in the Company.</del></p> <p>The Chairman of the Board of Directors is the person responsible for the optimal management of the Board's works and improve its performance and develop its works. The Chairman is also responsible for taking the necessary measures to ensure that the Board carries out</p>	<p><b>Article (21): Appointment of the Chairman, Vice Chairman, Managing Director or Chief Executive Officer, and the Board Secretary and their authorities</b></p> <p>1-The Board of Directors shall appoint, <b>in its first meeting</b>, from amongst its members a Chairman and a Vice Chairman, and it may appoint a Managing Director. It is prohibited to hold, at the same time, the position of Chairman of the Board and any other executive position in the Company.</p> <p>2-The Chairman of the Board of Directors is the person responsible for the optimal management of the Board's works and improve its performance and develop its works. The Chairman is also responsible for taking the necessary measures to ensure that the Board carries out</p>

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Current Articles	Articles After Amendments
<p>its responsibilities and functions in the light of this Bylaws and other relevant Laws, and to ensure that the members of the Board are aware of their role and responsibilities and committed to the powers of the Board of Directors, taking into consideration those powers that have been determined for the Company's executive management.</p> <p>The Chairman of the Board of Directors shall have the power to call for a meeting of the Board of Directors and to chair the meetings, to certify the resolutions passed by the Board of Directors as well as the extracts taken therefrom, to prepare the meeting's Agenda, taking into consideration the subjects proposed by the Board members or the CEO, and to lead the Board Meetings and urge the members to participate effectively to achieve the planned goals of the company. The Chairman shall have the power to chair the General meeting, and delegate his authorities to the Vice Chairman and others also, the Chairman and the Vice Chairman shall have the right to empower others to attend the General meetings of the companies that the company owns share and vote on their agendas on behalf of the company.</p> <p>The Board of Directors may appoint a CEO amongst its members or from outside the Board; the CEO shall implement the policy laid down by the Board of Directors or by the General Meetings of the Shareholders, adopt the resolutions necessary for the Company's interest, for the management of its business and the realization of its objectives, as well as other powers and authorities specified by the Board of Directors or by the Company's Bylaws. Also, the Managing Director (if appointed) or the CEO shall have the right to empower others to attend the General meetings of the Companies that it owns shares in, and to vote on their agendas on behalf of the Company.</p> <p>Taking into account the responsibilities and powers of the Board of Directors and based on the Board's resolutions and the General Assembly's resolution, the Chairman, shall have the power to represent the company before third parties, judicial bodies Public</p>	<p>its responsibilities and functions in the light of this Bylaws and other relevant Laws, and to ensure that the members of the Board are aware of their role and responsibilities and committed to the powers of the Board of Directors, taking into consideration those powers that have been determined for the Company's executive management.</p> <p>3-The Chairman of the Board of Directors shall have the power to call for a meeting of the Board of Directors and to chair the meetings, to certify the resolutions passed by the Board of Directors as well as the extracts taken therefrom, to prepare the meeting's Agenda, taking into consideration the subjects proposed by the Board members or the CEO, and to lead the Board Meetings and urge the members to participate effectively to achieve the planned goals of the company. The Chairman shall have the power to chair the General meeting, and delegate his authorities to the Vice Chairman and others also, the Chairman and the Vice Chairman shall have the right to empower others to attend the General meetings of the companies that the company owns share and vote on their agendas on behalf of the company. The Board of Directors may appoint a CEO amongst its members or from outside the Board; the CEO <b>or managing director (MD) (if appointed)</b> shall implement the policy laid down by the Board of Directors or by the General Meetings of the Shareholders, adopt the resolutions necessary for the Company's interest, for the management of its business and the realization of its objectives, as well as other powers and authorities specified by the Board of Directors or by the Company's Bylaws. Also, the Managing Director (if appointed) or the CEO shall have the right to empower others to attend the General meetings of the Companies that it owns shares in, and to vote on their agendas on behalf of the Company.</p> <p>Taking into account the responsibilities and powers of the Board of Directors and based on the Board's resolutions and the General Assembly's resolution, the Chairman, shall have the power to represent the company before third parties, judicial bodies Public</p>

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Current Articles	Articles After Amendments
<p>Notaries, all courts including all its levels, judicial committees, arbitration committees, ministries, emirates, police departments, civil rights department, the Bureau of Investigation and Public Prosecution, Grievance Board, Department of Zakat and Income Tax, Saudi Arabian General Investment Authority, all official public and private departments, institutions and bodies, chambers of commerce and industry, banks, all governmental funds and financing institutions, and all private companies. The Chairman shall also have the right to authorize any of the Board members, or the CEO, or any of the Company's employees in all or part of the aforesaid powers, and gives the authority to empower others to person(s) to whom a Power of Attorney was given by the Chairman; also the Chairman has the right to cancel any authorization or power of attorney.</p> <p>The MD (if appointed) or the CEO shall have the right to sign on behalf of the company all contracts, agreement, documents, and papers including but not limited to land deeds before public notaries, investment contracts, loan contracts, <del>guarantees</del> and indemnities, lands sale and purchase contracts, lands merge and acceptance contracts, as well as paying and receiving their prices after the approval of the Board of Directors. In addition, they have the right to sign rental and lease contracts, agency and franchise contracts, hedging contracts, and other contracts, agreements, documents, deals, and commitments. They may enter <del>into</del> bids on behalf of the Company, incorporate companies, participate in any other companies of whatever type, sign their articles of association and all amendments thereto, even if it contains an increase or decrease in the capital, change of its activities, or any other amendments. Moreover, they may sell, giveaway and purchase shares and stocks, register the agencies and trademarks, , open, close, and manage bank and investment accounts, issue cheques, credits, withdrawals, deposits, issue all guarantees, mortgages, promissory notes, and any other commercial instrument. Furthermore, they may do all acts and actions, and anything that will help induce the Company's affairs and satisfies its objectives; and all of what the Board of Directors bestows upon them. They,</p>	<p>Notaries, all courts including all its levels, judicial committees, arbitration committees, ministries, emirates, police departments, civil rights department, the Bureau of Investigation and Public Prosecution, Grievance Board, Department of Zakat and Income Tax, Saudi Arabian General Investment Authority, all official public and private departments, institutions and bodies, chambers of commerce and industry, banks, all governmental funds and financing institutions, and all private companies. The Chairman shall also have the right to authorize any of the Board members, or the CEO, or any of the Company's employees in all or part of the aforesaid powers, and gives the authority to empower others to person(s) to whom a Power of Attorney was given by the Chairman; also the Chairman has the right to cancel any authorization or power of attorney.</p> <p>The MD (if appointed) or the CEO shall have the right to sign on behalf of the company all contracts, agreement, documents, and papers including but not limited to land deeds before public notaries, investment contracts, loan contracts, guarantees and indemnities, lands sale and purchase contracts, lands merge and acceptance contracts, as well as paying and receiving their prices after the approval of the Board of Directors. In addition, they have the right to sign rental and lease contracts, agency and franchise contracts, hedging contracts, and other contracts, agreements, documents, deals, and commitments. They may enter bids on behalf of the Company, incorporate companies, participate in any other companies of whatever type, sign their articles of association and all amendments thereto, even if it contains an increase or decrease in the capital, change of its activities, or any other amendments. Moreover, they may sell, giveaway and purchase shares and stocks, register the agencies and trademarks, , open, close, and manage bank and investment accounts, issue cheques, credits, withdrawals, deposits, issue all guarantees, mortgages, promissory notes, and any other commercial instrument. Furthermore, they may do all acts and actions, and anything that will help induce the Company's affairs and satisfies its objectives; and all of what the Board of Directors bestows upon them. They,</p>

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Current Articles	Articles After Amendments
<p>also, may defend and prosecute on behalf of the Company, attend hearings, hear testimonials and witnesses, respond to them, admit, and deny them; reconcile, remission of debts, accept, and appeal decisions; and review their performance. They, may as well, appoint experts, attorneys, and arbitrators inside and outside the Kingdom of Saudi Arabia and dismiss them, empower others in any of the stated above. They also shall have the right to represent the Company in its relationship with others including the Ministries, the Emirates, the Police Departments, the General Authority of Zakat and Tax, the General Authority for Investment, all the official and private departments and institutions, the chambers of commerce, banks, and all government funds and private companies of all types. They may delegate of those they deem appropriate under a formal mandate to carry out any of the aforesaid powers.</p> <p>The remuneration of the Chief Executive Officer shall be determined by the Board of Directors, in accordance with recommendation from the remuneration and nomination committee.</p> <p>The Board of Directors shall appoint from amongst its members or from others, a secretary who shall be responsible for pursuing the board's works, the board affairs and its subcommittees, drawing up the minutes of the meetings of the Board of Directors and for recording the resolutions in the Company's registers, and shall countersign it jointly with the</p> <p>Chairman of the Board and follow up on their executions. The Secretary remuneration shall be determined in accordance with the resolution of the Board of Directors.</p> <p>The office term of the Chairman, Vice chairman, MD (if appointed) or the Secretary shall not exceed the term of their respective membership in the Board. However, they may be re-appointed.</p>	<p>also, may defend and prosecute on behalf of the Company, attend hearings, hear testimonials and witnesses, respond to them, admit, and deny them; reconcile, remission of debts, accept, and appeal decisions; and review their performance. They, may as well, appoint experts, attorneys, and arbitrators inside and outside the Kingdom of Saudi Arabia and dismiss them, empower others in any of the stated above. They also shall have the right to represent the Company in its relationship with others including the Ministries, the Emirates, the Police Departments, the General Authority of Zakat and Tax, the General Authority for Investment, all the official and private departments and institutions, the chambers of commerce, banks, and all government funds and private companies of all types. They may delegate of those they deem appropriate under a formal mandate to carry out any of the aforesaid powers. The remuneration of the Chief Executive Officer shall be determined by the Board of Directors, in accordance with recommendation from the remuneration and nomination committee.</p> <p>The Board of Directors shall appoint from amongst its members or from others, a secretary who shall be responsible for pursuing the board's works, the board affairs and its subcommittees, drawing up the minutes of the meetings of the Board of Directors and for recording the resolutions in the Company's registers, and shall countersign it jointly with the</p> <p>Chairman of the Board and follow up on their executions. The Secretary remuneration shall be determined in accordance with the resolution of the Board of Directors.</p> <p>The office term of the Chairman, Vice chairman, MD (if appointed) or the Secretary shall not exceed the term of their respective membership in the Board. However, they may be re-appointed.</p>
<p><b>Article (22): Meeting of the Board of Directors</b> The Board of Directors shall <del>meet at</del> the invitation <del>made</del> by the Chairman <del>of the Board</del> or his representative. The invitation shall be in writing and may be sent to the</p>	<p><b>Article (22): Meeting of the Board of Directors</b> The Board of Directors shall convene <b>at least (four) meetings per year upon</b> the invitation of the Chairman or his representative. The invitation shall be in writing</p>

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<p>members <del>by mail, fax, or</del> through modern <del>technical</del> means, such as e-mail or electronic portals or others before a reasonable time from the date of the meeting. The Chairman or his representative shall call the Board for a meeting whenever requested by <del>two</del> members of the Board. <del>It shall be taken into consideration that the number of Board meetings shall be sufficient as required by the Company's needs and in light of the rules provided for in the relevant regulations.</del></p> <p><del>The Board may pass resolutions by circulation to all members individual in the urgent matters, unless any member calls a meeting of the Board in writing for deliberation. The resolutions shall be brought before the Board of Directors at its first subsequent meeting for approval. (This paragraph was added to Article 23)</del></p>	<p>and may be sent to the members through modern technological means, such as e-mail, electronic portals <b>or applications</b>, or other means within a reasonable time prior to the date of the meeting. <b>The Board shall determine the place of its meetings, and they may be held by means of modern technology.</b></p> <p>The Chairman or his representative shall call the Board for a meeting whenever requested by <b>a member of the Board to discuss a single matter or more.</b></p>
<p><b>Article (23): The Quorum of the Board Meeting</b></p> <p>A meeting <del>of the Board</del> of Directors shall <del>not</del> be valid <b>unless</b> attended by at least <del>one</del> half of the Board members; provided that the number of members present should not be less than three members. <del>A Director</del> may delegate another board member to attend on his behalf. In addition, the meetings may be attended through the modern <del>technical</del> means, and the member attended through such means, will be construed as <del>if he</del> <b>is</b> physically attending. A member may give proxy to another member of the Board to attend the meetings of the Board of Directors; provided that such acting to be according to the following controls:</p> <ol style="list-style-type: none"> <li>a. No more than one proxy shall be given to any Director <del>at a meeting</del>.</li> <li>b. Proxy shall be in writing.</li> <li>c. Delegate should not vote on resolutions prohibited by the law.</li> </ol> <p>Resolutions of the Board shall be passed by the majority votes of the Directors present or represented by proxy. In case of a tie, the side with which the Chairman of the meeting votes, shall prevail. The members of the Board of Directors shall be held jointly liable in case the wrongful act is arising from a unanimous resolution passed by them. Nonetheless, in the resolutions adopted</p>	<p><b>Article (23): The Quorum of the Board Meeting and Board Resolutions</b></p> <ol style="list-style-type: none"> <li>1) A Board meeting shall only be valid if attended by at least half of the Board members <b>whether in person or by proxy</b>; provided that the number of members present should not be less than three members, and a member may delegate another board member to attend on his behalf. In addition, the meetings may be attended through the modern technological means, and the member attended through such means, will be construed as physically attending, and in case, a member designated another member to act as his proxy, the designation shall be according to the following controls:             <ol style="list-style-type: none"> <li>a. No more than one proxy shall be given to any Director per meeting.</li> <li><b>b. Proxy shall be in writing whether through e-mail or any other means.</b></li> <li>c. Delegate should not vote on resolutions prohibited by the law.</li> </ol> </li> <li>2) Resolutions of the Board shall be passed by the majority votes of the Directors present or represented by proxy. In case of a tie, the side with which the Chairman of the meeting votes, shall prevail, and <b>such resolutions shall become effective on the date of its</b></li> </ol>



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<p>by majority vote, dissenting members will not be liable/questionable for, if such members explicitly record their dissent in the minutes of meeting. Absence from the meeting at which such resolution is adopted shall not constitute cause for relief from liability, unless it is proven that the absent member was not aware of such resolution or was unable to object to it upon becoming aware of it.</p>	<p><b>issuance, unless the decision provides for a specific date or condition for its effectiveness.</b></p> <p>3) The members of the Board of Directors shall be held jointly liable in case the wrongful act is arising from a unanimous resolution passed by them. Nonetheless, in the resolutions adopted by majority vote, dissenting members will not be liable/questionable for, if such members explicitly record their dissent in the minutes of meeting. Absence from the meeting at which such resolution is adopted shall not constitute cause for relief from liability, unless it is proven that the absent member was not aware of such resolution or was unable to object to it upon becoming aware of it. <b>The Company may provide a liability insurance coverage for its Board members, executive management, and their direct reportees (whenever applicable) during the term of their service or membership against any claim made against them in their capacity as board members, managers, or directors.</b></p> <p>4) <b>The board of directors may issue decisions on urgent matters by circulation to all members, unless a member submits a written request for a board meeting to deliberate such matters. The decisions shall be passed by the majority vote of members, and such decisions shall be presented to the board of directors at its subsequent meeting to be recorded in the minutes of said meeting.</b></p>
<p><b>Article (24): Deliberations of the Board of Directors Meetings</b></p> <p>Deliberations and resolutions of the Board of Directors shall be recorded in minutes <del>to be</del> signed by the Chairman of the meeting, present members, and the Board Secretary. A member of the Board of Directors, must disclose to the Board any direct or indirect interest he may have in any transactions and contracts that are made for the account of the Company, and such disclosure must be recorded in the minutes of the meeting. Such member may not vote on the resolution to be issued in this respect.</p>	<p><b>Article (24): Deliberations of the Board of Directors Meetings</b></p> <p>Deliberations and resolutions of the Board of Directors shall be recorded in minutes <b>prepared by the Board Secretary and</b> signed by the Chairman of the meeting, present members, and the Board Secretary. A member of the Board of Directors must disclose to the Board any direct or indirect interest he/she may have in any transactions and contracts that are made for the account of the Company, and such disclosure must be recorded in the minutes of the meeting. Such member may not vote on the resolution to be issued in this respect. <b>Modern technological means may be used for signing and recording deliberations, decisions, and minutes.</b></p>

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Current Articles	Articles After Amendments
<p><b>Article (25): Shareholder's Rights and Assemblies Attendance</b></p> <p>All rights related to the share shall be reserved to shareholders, especially, the right to get a share of the profits that are decided to be distributed, the right to get a share of the Company's assets upon liquidation, the right to attend General Assemblies, and to participate in its deliberations and vote on its resolutions, the right to transfer the shares, the right to scrutinize the Board's transactions and file an action for liability against the Board members, the right to inquiry and request of information in a manner that would not harm the Company's interest and without conflict to CMA's laws and implementing regulations.</p> <p>The General Assembly of the Shareholders shall be held in the city where the company's head office is located, either at the company's headquarters or in any other place. Each shareholder, regardless of the number of his shares, has the right to attend the General Assemblies of the Shareholders and may authorize another person who is not a member of the board of directors <del>or employees of the company to attend the meetings</del>, and the authorized person may accept more than one of the shareholders of the Company to attend the meeting and vote on their behalf regardless of the number of shares represented at the meeting.</p>	<p><b>Article (25): Shareholder's Rights and Assemblies Attendance</b></p> <p>1) All rights related to the share shall be reserved to shareholders, especially, the right to get a share of the profits that are decided to be distributed, the right to get a share of the Company's assets upon liquidation, the right to attend General Assemblies, and to participate in its deliberations and vote on its resolutions, the right to transfer the shares, the right to scrutinize the Board's transactions and file an action for liability against the Board members, the right to inquiry and request of information in a manner that would not harm the Company's interest and without conflict to CMA's laws and implementing regulations.</p> <p>2) The General Assembly of the Shareholders shall be held in the city where the company's head office is located, either at the company's headquarters or in any other place. Each shareholder, regardless of the number of his shares, has the right to attend the General Assemblies of the Shareholders and may authorize another person who is not a member of the board of directors, and the authorized person may accept more than one of the shareholders of the Company to attend the meeting and vote on their behalf regardless of the number of shares represented at the meeting.</p>
<p><b>Article (28): Invitation of the General Assemblies</b></p> <p>The General or special meetings of the Shareholders shall be held by an invitation of the Board of Directors. The Board of Directors must call for the convention of the general meetings upon the request of the auditor, <del>or the Audit Committee</del>, or by a number of Shareholders representing at least <del>5% of the share capital</del>. The auditor may call for a meeting of the General Assembly if the Board of Directors did not call for it within (30) days of the date of the auditor's request.</p> <p>The invitation for the General Meeting shall be published, at least twenty-one days prior to the convention of the meeting, in the Saudi Capital Market website (Tadawul), the Company's website, <del>and in a daily local newspaper which is distributed in the city where</del></p>	<p><b>Article (28): Invitation of the General Assemblies</b></p> <p>1. The General or special meetings of the Shareholders shall be held by an invitation of the Board of Directors, <b>and the call for an assembly meeting shall be made at least (twenty-one) days prior to the date set for the meeting by publishing the invitation and agenda in the Saudi Exchange website (Tadawul) and the Company's website in accordance with the rules and controls set by the competent authority and the Companies Law.</b></p> <p>2. The Board of Directors must call for the convention of the general assembly meetings within <b>(thirty)</b> days upon the request of the auditor, or the Audit Committee, or by <b>a shareholder or a number of Shareholders representing at least 10% of the</b></p>



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<p><del>the Company's head office is situated. A copy of the invitation and of the agenda shall be sent to the concerned authorities within the timeframe defined for the publication.</del></p> <p>The General Assemblies' meetings may be held, and the shareholders may participate in the deliberations and voting on the resolution, by using modern technical means, in accordance with the regulations set by the Capital Market Authority (CMA).</p>	<p><b>company's voting shares.</b> The auditor may call for a meeting of the <b>Ordinary General</b> Assembly if the Board of Directors did not call for it within (thirty) days of the date of the auditor's request.</p> <p><b>3.</b> The General Assemblies' meetings may be held, and the shareholders may participate in the deliberations and voting on the resolution, by using modern technical means, in accordance with the regulations set by the Capital Market Authority (CMA).</p> <p><b>4. The Audit Committee may request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.</b></p>
<p><b>Article (29): Register of Assemblies' Attendance</b>  <del>Shareholders that are interested in attending the General or special Assembly shall register their names in the Company's Head Office or at any place, where the Assembly will take place in, before the time of the Assembly as specified in the invitation of the Assembly.</del></p> <p><del>The Company may also register shareholders who wish to attend the Assembly and vote on the resolutions through modern technological means whenever possible.</del></p>	<p><b>Deleted Article</b></p>
<p><b>Article (30): Quorum of the Ordinary General Assembly</b>  The Ordinary General Assembly Meeting shall not be valid unless attended by a number of Shareholders representing at least one-quarter of the <del>Share Capital</del>. If such quorum is not present at the first meeting, an invitation shall be sent for a second meeting to be held after a lapse of an hour from the preceding meeting, provided however, that the invitation for the first meeting shall indicate the possibility of holding the second meeting. The second meeting shall be deemed valid regardless of the number of shares represented therein.</p>	<p><b>Article (29): Quorum of the Ordinary General Assembly</b>  The Ordinary General Assembly Meeting shall not be valid unless attended by a number of Shareholders representing at least one-quarter of the <b>Company's voting shares</b>. If such quorum is not present at the first meeting, an invitation shall be sent for a second meeting to be held after a lapse of an hour from the preceding meeting, provided however, that the invitation for the first meeting shall indicate the possibility of holding the second meeting. The second meeting shall be deemed valid regardless of the number of the <b>voting shares</b> represented therein.</p>
<p><b>Article (31): Quorum of the Extraordinary General Assembly</b>  The Extraordinary General Assembly Meeting shall not be valid unless attended by a number of Shareholders</p>	<p><b>Article (30): Quorum of the Extraordinary General Assembly</b>  The Extraordinary General Assembly Meeting shall not be valid unless attended by a number of Shareholders</p>

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Current Articles	Articles After Amendments
<p>representing at least one-half of the <del>Share Capital</del>. If such quorum is not present at the first meeting, an invitation shall be sent for a second meeting to be held in the same manner set forth in the preceding Article hereof. The second meeting shall be deemed valid if attended by a number of Shareholders representing at least one-quarter of the <del>Share Capital</del>. If the quorum required for the second meeting is not present, an invitation shall be sent for a third meeting to be held in the same manner as stated in <del>article (28) of this Bylaws and article (90) &amp; (91) of the Companies' Law</del>, and the meeting shall be valid regardless of the number of shares represented therein <del>after the approval of the competent authority</del>.</p>	<p>representing <b>at least</b> one-half of the <b>Company's voting shares</b>. If such quorum is not present at the first meeting, an invitation shall be sent for a second meeting to be held in the same manner set forth in the preceding Article hereof. The second meeting shall be deemed valid if attended by a number of Shareholders representing <b>at least</b> one-quarter of the <b>voting shares</b>. If the quorum required for the second meeting is not present, an invitation shall be sent for a third meeting to be held in the same manner as stated in the <b>Companies Law</b>, and the meeting shall be valid regardless of the number of <b>voting shares</b> represented.</p>
<p><b>Article (32): Voting in the General Assemblies</b> Each shareholder shall have one vote with respect to each share in the <del>General Assembly</del>. However, the members of the Board of Directors may not participate in voting on the resolutions of the Assembly in connection with absolving them from the management liability for their office terms, and <del>on</del> the resolution of Board members' remuneration. The cumulative vote shall be used in the election of the Board of Directors.</p>	<p><b>Article (31): Voting in the General Assemblies</b> Each shareholder shall have one vote with respect to each share in the <b>Ordinary and Extraordinary General Assemblies, and cumulative voting shall be used in electing the Board, in which it is not allowed to use the voting right of a single share more than once</b>. However, the members of the Board of Directors may not participate in voting on the resolutions of the Assembly in connection with absolving them from the management liability for their office terms, the resolution of Board members' remuneration, <b>and resolutions relating to transactions and contracts in which they have direct or indirect interest, or which involve a conflict of interest</b>.</p>
<p><b>Article (33): Resolutions of the Assemblies</b> Resolutions of the Ordinary General Meeting shall be passed by the majority of the <del>shares</del> represented in the meeting. The resolutions of the Extraordinary General Meeting shall be passed by the majority of <del>votes of two-thirds (2/3)</del> of the shares represented in the meeting unless the resolution to be passed is relating to the increase or decrease of the Capital, <del>the extension of the Company's duration, the dissolution of the Company before the period specified in the Articles of Association, or the amalgamation of the Company with another company or establishment</del>. In such instances, the resolution shall not be valid unless passed by the</p>	<p><b>Article (32): Resolutions of the Assemblies</b> Resolutions of the Ordinary General Meeting shall be passed by the majority of <b>voting rights</b> represented in the meeting. The resolutions of the Extraordinary General Meeting shall be passed by <b>(two-thirds) of voting shares</b> represented in the meeting unless the resolution to be passed is relating to the increase or decrease of the Capital, the dissolution of the Company, or the merger of the Company with another company, <b>or division of the company into two companies or more</b>. In such instances, the resolution shall not be valid unless passed by <b>(three-quarters)</b> of <b>voting</b> shares represented in the meeting.</p>

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majority of <del>three-quarters</del> (3/4) of the shares represented in the meeting.	
<p><b>Article (34): Deliberations in the Assemblies</b>            Each Shareholder shall have the right to discuss the matters listed in the agenda of the Assembly meeting, and pose question to the Members of Board of Directors. The Board of Directors or the Auditor shall answer those questions only to the extent where the Company's interest shall not be jeopardized. If according to the shareholder, the answer to his question is not satisfactory, he may appeal to the Assembly whose decision shall be <del>binding</del>.</p>	<p><b>Article (33): Deliberations in the Assemblies</b>            Each Shareholder shall have the right to discuss the matters listed in the agenda of the <b>General</b> Assembly meeting and pose question to the Members of Board of Directors. The Board of Directors or the Auditor shall answer those questions only to the extent where the Company's interest shall not be jeopardized. If according to the shareholder, the answer to his question is not <b>sufficient</b>, he may appeal to the <b>General</b> Assembly whose decision shall be final.</p>
<p><b>Article (35): Chairing the Assemblies and the Preparation of the Minutes</b>            The General Meeting shall be <del>presided over</del> by the Chairman of the Board of Directors or the Vice Chairman in the Chairman's absence, or by any such member as delegated by the Board of Directors from among its members present at the meeting, if the Chairman and the Vice Chairman absent in the Meeting. The Chairman of the General Meeting shall appoint a secretary for the meeting and votes <del>collector</del>. Minutes of meeting of the General Assembly shall be prepared including the number of the Shareholders present in person or <del>represented</del> by proxy, the number of shares held by them whether in person or by proxy, the number of votes attached to such shares, the resolutions adopted, the number of votes supporting or opposing such resolutions, and a sufficient summary of the deliberations conducted during the meeting. After each meeting, all minutes shall be regularly recorded in a special register to be signed by the Chairman of the General of the Meeting, the Secretary and the <del>Votes Collector</del>.</p>	<p><b>Article (34): Chairing the Assemblies and the Preparation of the Minutes</b>            The General Meeting shall be chaired by the Chairman of the Board of Directors or the Vice Chairman in the Chairman's absence, or by any such member as delegated by the Board of Directors from among its members present at the meeting, if the Chairman and the Vice Chairman absent in the Meeting. <b>If none of the above is possible, the shareholders shall vote to designate a board member or any other person to chair the general assembly meeting.</b>            The Chairman of the General Meeting shall appoint a secretary for the meeting and votes counter. Minutes of meeting of the General Assembly shall be prepared including the number of the Shareholders present <b>in person or by proxy</b>, the number of shares held by them whether in person or by <b>proxy</b>, the number of votes attached to such shares, the resolutions adopted, the number of votes supporting or <b>opposing</b> such resolutions, and a sufficient summary of the deliberations conducted during the meeting. After each meeting, all minutes shall be regularly recorded in a special register to be signed by the Chairman of the General of the Meeting, the Secretary and the votes <b>counters</b>.</p>
<p><b>Article (36): Committee Formation</b>  <del>The Audit Committee shall be formed by a resolution of the Ordinary General Assembly. It shall be formed of not less than (3) members and not more than (5) members, who are not executive Board members, and whether</del></p>	<p><b>Deleted Article</b></p>

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<p><del>from among the shareholders or others, including a member who is competent in financial and accounting matters. The resolution will state the committee's objectives, scope of work, and remuneration of its members. If the position of a member of the Committee becomes vacant during the Committee's official term, the Board of Directors shall have the right to appoint a temporary member, provided that such appointment shall be submitted to the nearest General Assembly for approval and the new member shall complete the term of his predecessor.</del></p>	
<p><b>Article (37): Quorum of the Committee Meeting</b>  <del>The Audit Committee meeting shall be valid if attended by the majority of its members. A Committee's may participate in its meeting by using modern technological means, and the member who participated through this technology shall be deemed as if he/she attended in person. Resolutions of the Committee shall be issued by a majority of the votes present and, in case of a tie, the side with which the Chairman votes, shall prevail.</del></p>	<p><b>Deleted Article</b></p>
<p><b>Article (38): The Committee's Authorities</b>  <del>The Audit Committee shall have the power to overseeing the Company's business. In that respect, it has the right to access to the Company's records and documents, and request for any clarification or statements from the Board of Directors or the Executive Management. In addition, it may request the Board of Directors to call for a General Assembly Meeting of the Company if the Board obstructed its operations or the company suffered extreme damages or losses.</del></p>	<p><b>Deleted Article</b></p>
<p><b>Article (39): The Committee's Reports</b>  <del>The Audit Committee shall review the company's financial statements, the auditor's reports and notes and give its opinion, if it has any; it shall also prepare a report including its opinion on the efficiency of the Company's internal control system, as well as any other tasks carried out by it within its authorities. The Board of Directors must file sufficient copies of the report in the Head Office of the Company at least twenty one days before the date of the General Assembly for the shareholders who desire to obtain copies of the report. The Report shall be recited in the General Assembly meeting.</del></p>	<p><b>Deleted Article</b></p>

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Current Articles	Articles After Amendments
<p><b>Article (40): Appointment of the Auditor</b>            The Company must have one auditor or more, from amongst those licensed to practice in the Kingdom. The Ordinary General Assembly shall <del>annually</del> appoint the auditor(s) and determine <del>his remuneration</del> and the term of appointment. The General Assembly may at any time replace the Auditor(s) without prejudice to its right of compensation if such replacement occurred in an inappropriate time or for an improper reason.</p>	<p><b>Article (35): Appointment, Removal, and Resignation of the Company's Auditor</b></p> <ol style="list-style-type: none"> <li>1. The Company must have one auditor or more, from amongst those licensed to practice in the Kingdom. The Ordinary General Assembly shall appoint the auditor(s) and determine <b>the fees, the term of office, and scope of work. The auditor may be re-appointed for a period not exceeding the maximum statutory period.</b></li> <li>2. <b>The auditor may be removed pursuant to the General Assembly's decision. The Chairman of the Board shall notify the Competent Authority of the removal decision and the grounds therefor within a period not exceeding (five) days from the decision date.</b></li> <li>3. <b>The auditor may resign pursuant to a written notice submitted to the company, and the resignation shall take effect from the date of its submission or at a later date as specified therein, without prejudice to the company's right to compensation for any damage it incurs, if justified. The resigning auditor shall, upon submission of the notice, provide the company and the Competent Authority with the reasons for the resignation. The company's manager or board of directors shall call the General Assembly to convene to review said reasons and appoint another auditor and specify his fees, term of office, and scope of work.</b></li> </ol>
<p><b>Article (41): Authorities of the Auditor</b>            The auditor shall at any time have the right to access to the Company's <del>books</del>, records, and <del>any</del> other documents, and to request any <del>statements</del> and clarifications as he deems necessary to verify the Company's assets, liabilities, and other matters that are within the scope of his <del>duties</del>. The Chairman of the Board of Directors must enable the Auditor to perform his duties. If the Auditor encounters any difficulties in that regard, he shall set that in a report to be presented to the Board of Directors. If the Board fails to facilitate the auditor's tasks, the Auditor must request the Board to call for an Ordinary General Assembly to discuss the matter.</p>	<p><b>Article (36): Authorities of the Auditor</b>            The auditor shall at any time have the right to access to the Company's <b>files, accounting</b> records, and other <b>supporting</b> documents, and to request <b>any information</b> and clarifications as he deems necessary to verify the Company's assets, liabilities, and other matters that are within the scope of his <b>work</b>. The Chairman of the Board of Directors must enable the Auditor to perform his duties. If the Auditor encounters any difficulties in that regard, he shall set that in a report to be presented to the Board of Directors. If the Board fails to facilitate the auditor's tasks, the Auditor must request the Board to call for an Ordinary General Assembly to discuss the matter. <b>If the Board fails to call for a meeting within (30)</b></p>

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Current Articles	Articles After Amendments
	days from the date of the auditor's request, the auditor himself may call for a meeting.
<p><b>Article (42): Auditors report</b>  <del>The Auditor shall submit to the Annual General Assembly a report containing the position of the Company toward enabling him to obtain the information and clarifications he requested, and what he may have revealed of violations of the provisions of the Companies' Law or the provisions of this Bylaws and his opinion on the extent of conformity of the Company's accounts with the actual.</del></p>	Deleted Article
<p><b>Article (44): Financial Documents</b></p> <ol style="list-style-type: none"> <li>1- The Board of Directors must, at the end of each financial year, prepare the financial statements of the Company, a report of its activities, and a balance sheet of the financial year that ended; the report shall contain the suggested means of distributing profits. The Board shall put these documents under the disposal of the Auditor at least (45) days before the date of the General Assembly.</li> <li>2- The Chairman of the Board or any member appointed by the Board, the Chief Executive Officer and the Chief Financial Officer, shall sign the documents referred to in clause (1) of this article. Copies of these documents shall be filed in the Company's Head Office under full disposal of the Shareholders <del>at least twenty one days before the date of the General Assembly.</del></li> <li>3- The Chairman of the Board shall publish the Company's financial statements, the Board of Directors' Report, and the Auditor's Report on Tadawul's website, <del>and provide the CMA with copies of these documents at least (15) days before the date of the General Assembly.</del></li> </ol>	<p><b>Article (38): Financial Documents</b></p> <ol style="list-style-type: none"> <li>1- The Board of Directors must, at the end of each financial year, prepare the financial statements of the Company, a report of its activities, and a balance sheet of the financial year that ended; the report shall contain the suggested means of distributing profits. The Board shall put these documents under the disposal of the Auditor at least <b>(forty-five)</b> days before the date of the <b>annual</b> General Assembly.</li> <li>2- The Chairman of the Board or any member appointed by the Board, the Chief Executive Officer and the Chief Financial Officer, shall sign the documents referred to in clause (1) of this article, and <b>publish the documents in the Saudi Exchange website (Tadawul) and the Company's website.</b> Copies of these documents shall be filed in the Company's Head Office under full disposal of the Shareholders.</li> <li>3- The Chairman of the Board shall publish the Company's financial statements, the Board of Directors' Report, and the Auditor's Report on Tadawul's website <b>(twenty-one)</b> days before the date of the General Assembly <b>and provide copies of these documents in accordance with the Implementing Regulations of the Companies Law.</b></li> </ol>
<p><b>Article (45): Profit Distribution</b>  <del>The Company's annual net profits shall be distributed as follows:</del></p>	<p><b>Article (39): Creation of Reserves</b></p> <ol style="list-style-type: none"> <li>1. The Ordinary General Assembly may, <b>when determining dividends from the net profit,</b> decide to</li> </ol>



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<p><del>1. 10% of the net profits shall be set aside to form a statutory reserve. However, the Ordinary General Assembly may discontinue such procedures when the reserve totals 30% of the paid-up capital.</del></p> <p>2. The Ordinary General Assembly may decide to allocate other reserves, in the amount that serves the Company's interests or ensures distribution of stable profits as much as possible to shareholders. The said Assembly may, as well, deduct from the net profits such amounts as required for the <del>setting up of or providing aid to social institutions for the company's employees.</del></p> <p>3. Out of the remaining profits, shall be distributed to shareholders pursuant to a recommendation of the Board of Directors as required by the regulations in this regard, taking into account the provisions of Article (46) of this Bylaws.</p>	<p>allocate reserves, in the amount that serves the Company's interests or ensures distribution of stable profits as much as possible to shareholders. The said Assembly may, as well, deduct from the net profits such amounts as required for <b>social objectives for the company's employees, setting-up non-profit organizations, or supporting existing non-profit organization with the purpose of servicing the community.</b></p> <p><b>2. The Ordinary General Assembly may, upon a recommendation by the board of directors, decide to use its reserves including reserves set per statutory requirements preceding the date of these Articles of Association approval for the benefit of the company or its shareholders.</b></p>
<p><b>New Article</b></p>	<p><b>Article (40): Distribution of Dividends</b>  <b>The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any, pursuant to the recommendation of the Board of Directors as required by the regulations in this regard and this Bylaw.</b></p>
<p><b>Article (46): The maturity of profits and interim profits</b>  The shareholder shall be entitled to his share of dividends as per the General Assembly resolution issued in this regard in the recommendation of the Board of Directors. The resolution shall specify the maturity date, and the distribution date. The entitlement of profits shall be to the shareholders who registered in the shareholders' records at the end of the maturity date.</p> <p>The Company may, under this Bylaws, distribute interim dividends (quarterly or biannual) to its shareholders after fulfilling the following requirements:</p> <ol style="list-style-type: none"> <li>1) The issuance of a resolution by the General Assembly renewed annually authorizing the Board to distribute interim dividends.</li> <li>2) The Company shall maintain regular positive profitability.</li> </ol>	<p><b>Article (41): The Date of Eligibility of Dividends and Interim Dividends</b></p> <ol style="list-style-type: none"> <li><b>1) The shareholder shall be entitled to his share of dividends as per the General Assembly resolution issued in this regard in the recommendation of the Board of Directors. The resolution shall specify the eligibility date, and the distribution date. The entitlement of dividends shall be to the shareholders who registered in the shareholders' records at the end of the eligibility date, and the Board shall implement the General Assembly's decision regarding the distribution of dividends according to the relevant regulations in this matter.</b></li> <li><b>2) The Company may, under this Bylaws, distribute interim dividends (quarterly or biannual) to its shareholders after fulfilling the following requirements:</b></li> </ol>

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Current Articles	Articles After Amendments
<p>3) The Company shall have reasonable liquidity, and is able to reasonably foresee the scale of its profits.</p> <p>4) The Company shall have distributable profits according to the latest audited annual financial statements sufficient to cover the proposed dividend distribution, after deducting the amounts distributed and capitalized of the profits after the date of these financial statements.</p> <p>5) The Board must include in its annual report submitted to the General Assembly of the Company, the percentage of dividends distributed to shareholders during different periods of the financial years in addition to the percentage of dividends proposed for distribution at the end of the financial year, and the aggregate dividend amounts.</p> <p>6) Disclose and announce the resolution to distribute dividends on Tadawul website immediately upon its approval by the Board of Directors.</p>	<p>a. The issuance of a resolution by the General Assembly renewed annually authorizing the Board to distribute interim dividends.</p> <p>b. The Company shall maintain regular positive profitability.</p> <p>c. The Company shall have reasonable liquidity and is able to reasonably foresee the scale of its profits.</p> <p>d. The Company shall have distributable profits according to the latest audited annual financial statements sufficient to cover the proposed dividend distribution, after deducting the amounts distributed and capitalized of the profits after the date of these financial statements.</p> <p>3) The Board must include in its annual report submitted to the General Assembly of the Company, the percentage of dividends distributed to shareholders during different periods of the financial years in addition to the percentage of dividends proposed for distribution at the end of the financial year, and the aggregate dividend amounts.</p> <p>4) Disclose and announce the resolution to distribute dividends on Tadawul website immediately upon its approval by the Board of Directors.</p>
<p><b>Article (47): Distribution of Shares and Preferred Shares</b></p> <p>1) If profits were not distributed for any financial year, profits for the next year will be distributed only after paying the percentage set forth <del>in Article (114) of the Companies' Law</del> to holders of Preferred Shares of that year.</p> <p>2) If the Company failed to pay out the percentage of the profits as set forth <del>in Article (114) of the Companies' Laws</del> for three consecutive years, the Special Assembly for the holders of the Preferred Shares duly held in accordance <del>with the provisions of Article (89) of the Companies' Law</del>, may decide either that such holders to attend the General Assemblies of the Company and participate in voting, or to</p>	<p><b>Article (42): Distribution of Shares and Preferred Shares</b></p> <p>1) If profits were not distributed for any financial year, profits for the next year will be distributed only after paying the percentage <b>set forth</b> in the Companies' Law to holders of Preferred Shares of that year.</p> <p>2) If the Company <b>fails</b> to pay <b>holders of Preferred Shares the specified percentage of the Company's net profits after deduction of reserves (if any)</b> the percentage of the profits for three consecutive years, the Special Assembly of holders of Preferred Shares duly held in accordance with the Companies' Law, may decide either that such holders to attend the General Assemblies of the Company and participate in voting until the Company is able to pay <b>all profits</b></p>



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<p>appoint representatives in the Board of Directors in proportion to the value of their shares in the Capital until the Company is able to pay the full amount of priority profits allocated to the holders of these shares for the preceding years.</p>	<p>allocated to holders of such shares from all previous years. Each Preferred Share shall have one vote in the General Assembly, and the holder of a Preferred Share may, in this case, vote on all agenda items of the General Assembly without any exceptions.</p>
<p><b>Article (48): The Company's Losses</b>  <del>1. If the Company's losses reached half of its paid up capital, at any time during the financial year, any executives of the Company or the Auditor, as soon as such losses become known to them must immediately notify the Chairman of the Board of Directors. The Chairman of the Board shall immediately notify other Board members of that situation, and the Board must, during (15) days of their knowledge of the situation, call for an Extraordinary General Assembly Meeting during (45) days of their knowledge of the situation to decide either to increase the Company's share capital or reduce it in accordance with the regulations of the Companies' Law, and to the extent that will decrease the percentage of the Company's losses to be less than half of the paid up capital; or to dissolve the Company prematurely and before its expiry as stated in the Companies' Law.</del></p> <p><del>2. The Company shall be considered as dissolved by force of the Companies' Law, if the Extraordinary General Assembly did not meet during the period set forth in clause (1) of this Article, or if it held the meeting but did not pass a resolution in the matter, or if it decided to increase the Capital in such manner as set forth stated in this article and the entire Capital increase was not subscribed for during (90) days since the issuance of the General Assembly's resolution.</del></p>	<p><b>Article (43): The Company's Losses</b>            If the losses of the Company amount to half of the issued capital, the Board shall, within (60) days from the date of its knowledge thereof, announce the losses and the recommendations relating thereto, and shall, within (180) days from said date, call for an extraordinary general assembly meeting to consider the continuation of the company by taking measures necessary to resolve such losses or the dissolution of the company.</p>
<p><b>Article (49): Liability Action</b>  <del>Each Shareholder shall have the right to institute an action for liability prescribed for the Company against the Board members if the wrongful act committed by them caused personal harm to that shareholder. The shareholder may only institute such action if the</del></p>	<p><b>Article (44): Liability Action</b>            1. The Company may initiate a derivative action against a board member for any damage incurred by the company resulting from the violation of the Companies Law or these Articles from a wrongful act, negligence, or omission in the performance of their duties. The decision to initiate the action and</p>

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Current Articles	Articles After Amendments
<p><del>Company's right to do so is still valid and notifying the Company of his intention to institute such an action.</del></p>	<p>to designate a representative on behalf of the company to pursue such action shall be made by the general assembly. If the company is under liquidation, the liquidator shall initiate the action. If any liquidation proceedings are initiated against the company under the Bankruptcy Law, the action shall be initiated by its legal representative.</p> <ol style="list-style-type: none"> <li>2. A single shareholder, or more, representing (5%) of the company's capital may initiate a derivative action on behalf of the company if such action is not initiated by the company, provided the action serves the interests of the company and is based on valid grounds, and the plaintiff is acting in good faith and is a shareholder in the company at the time of initiating the action.</li> <li>3. To initiate the action referred to in paragraph (2) of this Article, the company's board members shall be notified of the intent to initiate the action at least (fourteen) days prior to the initiation date.</li> <li>4. A shareholder may initiate a private right of action against the Board if the wrongful act attributed thereto results in a damage personally affecting him.</li> </ol>
<p><b>Article (50): Dissolution of the Company</b>  <del>The Company, once dissolved, will enter into the phase of liquidation and it will retain its legal personality to such extent as required for its liquidation. The liquidation resolution shall be issued by the Extraordinary General Assembly; the resolution shall include the appointment of the liquidator, specifying his powers and fees, the restrictions imposed on his powers and the time required for liquidation. The voluntary liquidation period shall not exceed five years and may not be extended by a judicial order. The powers of the Board of Directors shall cease upon the dissolution of the Company. Nevertheless, the Board of</del></p> <p><del>Directors will continue to manage the Company, and will be deemed, as regards third parties, to be the liquidators of the Company until such time when a liquidator is appointed. The Company's General Assembly shall remain active during the liquidation period and their role</del></p>	<p><b>Article (45): Dissolution of the Company</b>  The company is terminated by one of the reasons for termination mentioned in the Companies Law, and upon its termination, the Company enters the process of liquidation in accordance with the provisions of the Companies Law. If a company is terminated and its assets are not sufficient to pay its debts, or if it is distressed under the Bankruptcy Law, it shall petition the competent judicial authority to initiate any liquidation proceedings under the Bankruptcy Law.</p>

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<p><del>shall be limited to exercising such powers as not inconsistent with those of the liquidator.</del></p>	
<p><b>Article (51): Companies Laws</b>  <del>The Companies' Law and its implementing rules will be applied in all matters not mentioned in this Bylaws.</del></p>	<p><b>Article (46): Companies Laws</b></p> <ol style="list-style-type: none"> <li>1. The company is subject to the regulations in forced in the Kingdom of Saudi Arabia.</li> <li>2. Any provision that contradicts the provisions of the Companies Law in these Articles shall not be considered and the provisions of the Companies Law shall prevail. Anything not provided for in these Articles shall be subject to the Companies Law and its Implementing Regulations.</li> </ol>
<p><b>Article (52): Publishing</b>  This Bylaws shall be registered and published in accordance with the Company's laws.</p>	<p><b>Article (47): Publishing</b>  This Bylaws shall be registered and published in accordance with the Company's laws <b>and its implementing regulations.</b></p>