



# The Extraordinary General Assembly Meeting (First Meeting)

**Location:** Jeddah - at SADAFCO's Headquarters via modern technology

**Date:** Tuesday 06/02/1445H corresponding to 22/08/2023G

**Time:** 18:30 PM

## Agenda of the Extraordinary General Assembly Meeting

- 1– Review and discuss the Board of Directors Annual Report for the fiscal year ending on 31-03-2023.
- 2– Review and discuss the Company’s Financial Statements for the fiscal year ending on 31-03-2023.
- 3– Voting on the External Auditors Report for the fiscal year ended 31-03-2023, after discussing it.
- 4– Voting on appointing an external auditor for the Company among the nominees based on the recommendation of the Audit Committee, to review and audit the Company’s quarterly and annual financial statements for the second, third and annual periods of financial year ended 31/12/2023. In addition, the first quarter of financial year ended 31/12/2024, and determine their fees.
- 5– Voting on the Board of Directors' recommendation to distribute dividends amounting to SAR 95,999,250 at SAR 3 per share, equivalent to 30% of the nominal share value for the second half of the financial year ended 31 March 2023, payable to shareholders at the closing of trading on Assembly Meeting Day, and for the Shareholders registry of the Securities Depository Center at the end of the second trading day following the eligibility date, dividends distribution date will be announced later.
- 6– Voting on the Board of Directors' resolution to appoint Sheikh Sabah Mohammed Abdulaziz Al-Sabah as a (non-executive member) of the Board as of 15 December 2022 to complete the current Board term, which expires on 31-03-2024, succeeding the previous board member Mr. Abdullah Yaqoub Bishara (non-executive member). (CV attached).
- 7– Voting to pay (SAR 3,600,000) as remuneration for the Board Members for the financial year ending on 31-03-2023.
- 8– Voting to absolve the Board Members from their liability for the fiscal year ending on 31-03-2023.
- 9– Voting on authorizing the Board of Directors to distribute interim dividends, either semi-annually or quarterly, for the upcoming financial year ending 31-12-2023.
- 10– Voting on the transactions and agreements made with Buruj Cooperative Insurance Co. (Saudi Arabia), where the Vice-Chairman, Mr. Faisal Al Ayyar, and the Board Member Mr. Ahmed Al Marzouki have an indirect interest in it, this contract provides insurance services without preferential terms for a period of one year starting from 01-07-2022G and ending on 30-06-2023G. These transactions had a total value of SAR 9,335,766. (Attached).
- 11– Voting on the transactions and agreements with PKC Advisory, where the Chairman, Sheikh Hamad Sabah Al Ahmed, the Vice-Chairman, Mr. Faisal Hamad Al Ayyar, and the Board Members Mr. Abdullah Yacoub Bishara and Sheikh Sabah Mohammed Al-Sabah have indirect interest in it. This contract provides consultancy services without preferential terms. These transactions had total value of SAR 1,347,844. (Attached).

- 12– Voting on the transactions and agreements made with AXA Cooperative Insurance Co. (Saudi Arabia), where the Chairman, Sheikh Hamad Sabah Al Ahmed, the Vice-Chairman, Mr. Faisal Hamad Al Ayyar, and the Board Members Mr. Abdullah Yacoub Bishara and Sheikh Sabah Mohammed Al-Sabah have indirect interest in it. This contract provides insurance services without preferential terms. These transactions had total value of SAR 657,000. (Attached).
- 13– Voting on the transactions and agreements made with Alternative Energy Projects Co., where the Chairman, Sheikh Hamad Sabah Al Ahmed, the Vice-Chairman, Mr. Faisal Hamad Al Ayyar, and the Board Members Mr. Abdullah Yacoub Bishara and Sheikh Sabah Mohammed Al-Sabah have indirect interest in it. This Contract to supply, install, test, commissioning of and operation & maintenance for solar rooftop photovoltaic energy system at Jeddah central warehouse without preferential terms. These transactions for the year from 1-4-2022 to 31-03-2023 had a total value of SAR 880,685. (Attached).
- 14– Voting on the participation of the Board member Mr. Saied Ahmed Saied Basamh in a business competing with the Company's business. (Attached).
- 15– Voting on approval of the Competition Standards for Board Member with the company's business. (attached).
- 16– Voting on the amendment of the Company's Bylaws in accordance with the new Companies Law.
- 17– Voting on the BOD recommendation to amend Article (20) of the company's bylaws which related to the (Company Management). (Attached).
- 18– Voting on the BOD recommendation to amend Article (25) of the company's bylaws which related to the (Powers of the chairman, vice, managing director and secretary). (Attached)
- 19– Voting on the BOD recommendation to amend Article (48) of the company's bylaws which related to the (Fiscal year). (Attached)
- 20– Voting on re-arranging and numbering the articles of the company's bylaws to comply with the proposed amendments in the above items (16, 17, 18, 19), if approved. (attached).



# The External Auditor's Report





## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

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 4030290792

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

## Opinion

We have audited the consolidated financial statements of Saudia Dairy and Foodstuff Company (SADAFCO) ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة منقطة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) 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 التابعة لـ كي بي إم جي العالمية المحدودة، شركة إنجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



# Independent Auditor's Report

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO) (continued)

## Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Expected credit losses for trade receivables

Refer to Note 3 for the accounting policy and Note 20 of the consolidated financial statements.

Key audit matter	How our audit addressed the Key audit matter
<p>As at March 31, 2023, the gross trade receivables balance was Saudi Riyals 313.58 million (March 31, 2022: Saudi Riyals 272.84 million), against which an allowance for impairment loss of Saudi Riyals 27.77 million (March 31, 2022: Saudi Riyals 39.19 million) was maintained.</p> <p>The Group assesses at each reporting date whether the trade receivables (carried at amortized cost) are credit impaired. Consequently, it measures impairment allowances based on the Expected Credit Loss (ECL) model as required in International Financial Reporting Standard 9 ("Financial Instruments") ("IFRS 9").</p> <p>The ECL model involves the use of various assumptions and historical trends.</p> <p>We considered this as a key audit matter due to the judgements and estimates involved in the application of the ECL model and the impact on the trade receivables balance.</p>	<p>Our audit procedures related to expected credit losses for trade receivables included:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the management's process for determining the Impairment of trade receivables and the ECL allowance.</li> <li>- Evaluated the Group's accounting policy and methodology for ECL allowance with the requirements of IFRS 9.</li> <li>- Involved our internal specialists to review the methodology used, including the significant judgements and assumptions used in the ECL model developed by the management.</li> <li>- Tested the accuracy of trade receivables aging on sample basis, as at March 31, 2023 generated by the accounting system which is used in the preparation of ECL model; and</li> <li>- Assessed the adequacy of the disclosures included in the accompanying financial statements in accordance with relevant accounting standards.</li> </ul>

## Other Matter Relating to the Comparative Information

The consolidated financial statements of the Group as at and for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 16, 2022.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



# Independent Auditor's Report (continued)

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

## Other Information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



# Independent Auditor's Report

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO) (continued)

## Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Saudia Dairy and Foodstuff Company (SADAFCO) ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### For KPMG Professional Services

Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, June 20, 2023  
Corresponding to Dhul Hijjah 2, 1444H





# The Audit Committee Report



**SADAFCO****سدافكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية****Saudia Dairy & Foodstuff Company (SADAFCO)****Audit Committee Report****For the year ending on 31/03/2023**

Dear shareholders,  
Greetings,

The Audit Committee (the “**Committee**”) of the Company’s Board of Directors, which was formed by a resolution issued by the General Assembly of Shareholders, has prepared this report in accordance to Article (88) of Corporate Governance Regulations issued by the Capital Market Authority. The Current members of the Audit Committee are:

- |   |                 |
|---|-----------------|
| <b>1. Mr. Faisal Hamad Mubarak Al-Ayyar</b>   | <b>Chairman</b> |
| <b>2. Mr. Ahmed Mohamed Hamed Al-Marzouki</b> | <b>Member</b>   |
| <b>3. Mr. Saied Ahmed Saied Basamh</b>        | <b>Member</b>   |

The Committee, by continuously supervising the internal and external audit processes, and through coordination with the management of the internal audit department and the executive management of the company, ensured the effectiveness of the company's internal control system, which the committee and BOD consider as very important. The Committee verifies the observations and recommendations of the auditors and the soundness of the procedures taken by the management to implement those recommendations through the information contained in the reports issued by the internal audit.

The following is a summary of the duties and work of the Committee during the year ending on 31/03/2023:

**First: External Audit and Financial Statements**

1. The Committee ensured the independence of the external auditors and their commitment to provide high quality and efficient service in return for fair professional fees that have been approved, in addition to a recommendation to the Board of Directors regarding the reinstatement or termination of their services.
2. The Committee reviewed the results of the company’s operations and its financial position as it appeared in the financial statements and the quarterly and annual audit reports for the year ending on 31/03/2023, in addition to the monthly report prepared by the management, in coordination with the external auditors and the company’s senior management, and in light of Auditing standards, International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and the company's strategy and budget. The committee approved these statements and reports and submitted its recommendations thereon to the Board for approval.

**SADAFCO****سدافكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

3. The completeness of the abovementioned statements and reports was confirmed through ensuring that they contain all significant financial information, including transactions with related parties.

**Second: Internal Audit**

1. The Committee ensured the independence of the internal auditors, and the availability and adequacy of the resources and capabilities necessary for them to carry out their duties fully and in a manner that serves the interests of the company, and in line with international standards of internal auditing.

2. The Committee reviewed and approved the annual audit risk-based plan prepared by the Internal Audit Department and ensured its implementation according to the timetable specified for it.

3. The Internal Audit Department, through the performance of its regular duties, reviewed the company's internal control and risk management systems to ensure their adequacy, efficiency and effectiveness, and their implementation and compliance therewith by the company's employees, which is partially achieved through the execution of the approved annual audit plan mentioned above.

4. The Committee, through the Internal Audit Department, ensured that the Executive Management took the necessary measures to implement the recommendations contained in the internal audit reports, including updating and issuing internal policies and procedures, including the business continuity plan (crisis management) manual, which would contribute to enhancing and improving the effectiveness of the company's internal control system.

**Third: Internal controls and risk management**

Based on the work of the internal and external auditors and the conclusions contained in their audit reports issued during the current year and management's representation with respect to the effectiveness of the Company's internal and financial control systems, no major control issues that require disclosure have been noted and thus the Board believes that these systems are effective. Additionally, the appointment of a health, safety, and environment (HSE) manager, demonstrates management's commitment to the safety and health of its employees & customers in addition to its commitment towards a better environment, which would enhance the relevant internal control systems.

The committee also reviewed the results of the risk management process to ensure its effectiveness and the achievement of its objectives, which is to identify events that may negatively affect the achievement of company's objectives and thus take the appropriate measures and precautions to manage the effects of such events.

**Fourth:** The Audit Committee selected three audit firms-licensed to operate in the Kingdom of Saudi Arabia, and they were addressed to submit their offers to audit the company's accounts for the fiscal year from 01/04/2023 to 31/21/2023, prepared in accordance with International Financial Reporting Standards (IFRS), as follows:

1. **Deloitte & Touche Bakr Abulkhair & Partners**
2. **KPMG Al-Fawzan and Al-Sadhan.**
3. **Pioneers Accountants Bannaga & AlTheyab**

Upon the review performed by the Committee for the submitted offers, which are as follows:

#	Nominated Accounting office	Value of the offer individually (SAR)
1	Deloitte & Touche Bakr Abulkhair & Partners	775,000
3	KPMG Al-Fawzan and Al-Sadhan	740,500
3	Pioneers Accountants Bannaga & AlTheyab	Not received

After verifying the expertise of the nominated offices in the field of auditing and their expertise in accordance with the IFRS, the Audit Committee decided unanimously in its resolution by circulation on Monday 07/12/1444H corresponds to 26/06/2023G to nominate:

1. **Deloitte & Touche Bakr Abulkhair & Partners**
2. **KPMG Al-Fawzan and Al-Sadhan.**

Provided that one auditor shall be selected by the General Assembly Meeting of Shareholders when it is held after obtaining the necessary approval from the competent authorities, to audit the company's accounts and prepare the quarterly financial reports for the fiscal year starting from 01/04/2023 and ending on 31/12/2023. The Committee based its nomination of these auditors on that they possess the sufficient cadres to audit the company's accounts prepared in accordance with the IFRS. In addition, each of them is among the well-known, experienced and reputable audit firms in this field.

**On behalf of Audit Committee**  
**Faisal Hamad Mubarak Al-Ayyar**  
**Chairman of Audit Committee**



## Form No. (1) - Board Member CV





**Form No. (1) Profile of Board Nominee**

I. Personal Details of the Nominated Member						
Full name:		Sheikh Sabah Mohammed Abdulaziz Al-Sabah				
Nationality		Kuwaiti	Date of Birth	08/10/1982		
II. Academic Qualifications of the Nominated Member						
No.	Qualification	Major	Qualification Date	Academic Institution		
1	Bachelor's degree	Business Administration & Organization Management	2003/2004	Business Administration, College of Administrative Sciences, Kuwait University.		
III. Expertise of the Nominated Member						
Period		Areas of Expertise				
May 2023 till date		Chairman of National Petroleum Services Co. (NAPESCO)				
January 2023 till date		Group Chief Strategic Projects Officer of Kuwait Projects Co. (KIPCO)				
March 2022 till December 2022		VICE CHAIRMAN & CEO of Qurain Petrochemical Industries Co. (QPIC)				
2022 till date		Vice Chairman & Board Member of Jassim Transport & Stevedoring Co. (JTC)				
2022 till date		Chairman of United Oil Projects Co. (UOP)				
2015 till date		Chairman of United Building Co. (UBC)				
2013-2022		Vice Chairman & Acting CEO of United Industries Co. (UIC)				
2006-2013		Assistant Manager/Officer at Local & Gulf Trading Dept. of Manafa Investment Co.				
IV. Current Memberships in Boards of other Joint Stock Companies (Listed or Non-Listed) or any other company regardless of its legal form or any board committees:						
No.	Company Name	Core Business Activity	Role (Executive, NonExecutive, Independent)	Nature of Membership (In person, Representative of a Legal Person)	Committee Memberships	Company Legal Form
1	National Petroleum Services Co. (NAPESCO)	Petroleum	NonExecutive	Representative	- Nomination Committee - Investment Committee	Listed Joint Stock
2	Jassim Transport & Stevedoring Co. (JTC)	Transportation & handling	NonExecutive	Representative	- Executive Committee - Risk Committee - Audit Committee - Nomination Committee	Closed Joint Stock
3	United Oil Projects (UOP)	Oil Projects	NonExecutive	Representative	-	Closed Joint Stock
4	United Building Company (UBC)	Contracting	NonExecutive	Representative	-	Closed Joint Stock



# Limited Assurance Report and Chairman's Declaration Regarding Related Parties Transactions







## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
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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. 55078  
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المملكة العربية السعودية  
سجل تجاري رقم ٤٠٣٠٢٩٠٧٩٢

المركز الرئيسي في الرياض

# Independent Limited Assurance Report to Saudia Dairy and Foodstuff Company (SADAFCO) on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

## To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

We were engaged by the management of Saudia Dairy and Foodstuff Company (SADAFCO) (the "Company") to report on the Chairman'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 March 2023 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 Chairman'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 Saudia Dairy and Foodstuff Company (SADAFCO) (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 March 2023 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 Ministry of Commerce ("MOC").

### Saudia Dairy and Foodstuff Company's (SADAFCO) 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.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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 وشركاء محاسبين ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة إنجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.



## Saudia Dairy and Foodstuff Company's (SADAFCO) 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 contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 March 2023;

## Procedures Performed (continued)

- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain directors of actual or potential conflicts of direct or indirect interest in relation to transactions and contracts involving the BoD member;
- Checked in the minutes of meetings of the BOD that the relevant directors who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and contracts;
- 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 29 to the audited consolidated financial statements of the Company for the year ended 31 March 2023.

## 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, 10 July 2023  
Corresponding to 22 Dhul Hijjah 1444H

**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

**On 29/11/1444H**

**Corresponding: 18/06/2023**

From: Chairman of the Board of Directors

To: Esteemed Shareholders (Assembly General Meeting)

**Subject: Board of Directors Notification Regarding the Related Party Transactions**

In accordance with Articles (71) of the Companies' Law, and (27/9) of Corporate Governance Regulation, I would like to inform you of the transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) during the fiscal year 2022-23, noting that the below-mentioned transactions and contracts were disclosed in the Annual Report for the fiscal year 2022/2023G, the details of these transactions are as follows:

Company Name	Country	Nature of Transaction	Value (SAR)	Closing Balance (SAR)
Buruj Co-Op Insurance Co.	KSA	Insurance Services	9,335,766	2,506,823

1. SADAFCO entered into a one-year Agreement with Al Buruj Cooperative Insurance Co. (offering insurance services) with a total amount of SAR 9,335,766, starting on 1st July 2022 and ending on 30th June 2023 as its offer was the most suitable in terms of the price and benefits. Mr. Faisal Hamad Al-Ayyar (Vice Chairman of SADAFCO), is the Vice Chairman of the Gulf Insurance Co. owning 28.5% in Al Buruj Cooperative Insurance Co. Also, to be considered that Mr. Ahmed Al Marzouki (BOD Member of SADAFCO), is the Vice Chairman of Buruj Cooperative Insurance Co. (Indirect interest)

Company Name	Country	Nature of Transaction	Value (SAR)	Closing Balance (SAR)
PKC Advisory	India	Consultation Services	1,347,844	-

2. SADAFCO has a Consultancy Agreement with PKC Advisory for various business advisory services for the period of one year from 1st April 2022 until 31st March 2023 with a total amount SAR 1,347,844 , since PKC Advisory is part of Kuwait Investment Projects Company (KIPCO) Group. Noting that Sheikh Hamad Sabah Al Ahmed and Mr. Faisal Hamad Al-Ayyar are the Chairman and Vice Chairman of both SADAFCO and KIPCO, respectively. Also, to be considered that Mr. Abdullah Yagoub Bishara is a BOD Member of both KIPCO and SADAFCO, and Sheikh Sabah Mohammed Al-Sabah is a BOD Member of SADAFCO and member of the executive team of KIPCO. (Indirect interest)

**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

Company Name	Country	Nature of Transaction	Value (SAR)	Closing Balance (SAR)
AXA Cooperative Insurance Co.	KSA	Insurance Services	657,000	2,910

3. SADAFCO entered into a one-year Agreement with AXA Cooperative Insurance Co. (offering insurance services) with a total amount of SAR 657,000, starting on 16th December 2022 and ending on 15th December 2023 as its offer was the most suitable in terms of the price and benefits. Mr. Faisal Hamad Al-Ayyar (Vice Chairman of SADAFCO), is the Vice Chairman of the Gulf Insurance Company which owning 50% in AXA Cooperative Insurance Co. Also, Gulf Insurance Company is part of Kuwait Investment Projects Company (KIPCO) Group. Noting that Sheikh Hamad Sabah Al Ahmed and Mr. Faisal Hamad Al-Ayyar are the Chairman and Vice Chairman of both SADAFCO and KIPCO, respectively. Also, to be considered that Mr. Abdullah Yagoub Bishara is a BOD Member of both KIPCO and SADAFCO, and Sheikh Sabah Mohammed Al-Sabah is a BOD Member of SADAFCO and member of the executive team of KIPCO. (Indirect interest).

Company Name	Country	Nature of Transaction	Value (SAR)	Closing Balance (SAR)
Alternative Energy Projects Company (AEPC)	Kuwait	Purchase and installation of solar energy systems	880,685	880,685

4. SADAFCO has an Agreement with Alternative Energy Projects Company (AEPC) on 14th February 2021 to Supply, install, test, Commissioning of and Operation & Maintenance for Solar Rooftop Photovoltaic Energy System at Central Warehouse located in Saudi Arabia – Jeddah until the full completion of the Project with a total amount SAR 4,620,000, since Alternative Energy Projects Company (AEPC) is part of Kuwait Investment Projects Company (KIPCO) Group. Noting that Sheikh Hamad Sabah Al Ahmed and Mr. Faisal Hamad Al-Ayyar are the Chairman and Vice Chairman of both SADAFCO and KIPCO, respectively. Also, to be considered that Mr. Abdullah Yagoub Bishara is a BOD Member of both KIPCO and SADAFCO, and Sheikh Sabah Mohammed Al-Sabah is a BOD Member of SADAFCO and member of the executive team of KIPCO. (Indirect interest)

**Sheikh Hamad Sabah Al Ahmed**  
**Chairman**

سجل تجاري ٤٠٣٠٠٠٩٩١٧ - رأس المال ٣٢٥,٠٠٠,٠٠٠ ريال - البنوك : البنك السعودي البريطاني - البنك الأهلي التجاري - البنك السعودي الأمريكي  
ص. ب. ٥٠٤٣ جدة ٢١٤٢٢ تليفون ٦٢٩٣٣٦٦ فاكس - ٦٢٩٣٣٨٠ - المملكة العربية السعودية  
C.R. 4030009917 CAPITAL : SR. 325,000,000 BANK: SAUDI BRITISH BANK - NATIONAL COMMERCIAL BANK - SAUDI AMERICAN BANK  
P.O. BOX 5043 JEDDAH 21422 - TEL. 6293366 - FAX. 6293380 - KINGDOM OF SAUDI ARABIA  
WEBSITE : WWW.SADAFCO.COM

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# Notification of Competition Activities





**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

**On 29/11/1444H**

**Corresponding: 18/06/2023**

From: Chairman of the Board of Directors

To: Esteemed Shareholders (Assembly General Meeting)

**Subject: Board of Directors Notification Regarding the Competition Activities**

The following table displays the competition activities of SADAFCO's Board of Directors members for the fiscal year 2022/2023G. This information is presented in accordance with the requirements set out in Paragraph (2) of Article (27) of the Companies Law and Article (44) of the Corporate Governance Regulations. The specifics of these competing activities are outlined below:

Board Member Name	Competitor Name	Nature of the activity	Member status	Competition nature
Mr. Saied Ahmed Saied Basamh	1. Basamh Group of Companies	Distribution of foodstuff to retail stores	Ownership	Direct
	2. Saudi Goody Products Marketing Co., Ltd	Owner of a trademark for foodstuff	Ownership	Direct
	3. Saudi Specialized Food Services, Ltd	Distribution of foodstuff to retail stores, hotels, restaurants and catering customers	Ownership	Direct
	4. Basamh Industrial Co. Ltd	Manufacturing and Owner of a trademark for foodstuff	-Ownership -Board Membership	Direct
	5. Refined Food Co.	Manufacturing and Owner of a trademark for foodstuff	-Ownership -Board Membership	Direct

**Sheikh Hamad Sabah Al Ahmed  
Chairman**

سجل تجاري ٤٠٣٠٠٠٩٩١٧ - رأس المال ٣٢٥,٠٠٠,٠٠٠ ريال - البنوك : البنك السعودي البريطاني - البنك الأهلي التجاري - البنك السعودي الأمريكي  
ص. ب ٥٠٤٣ جدة ٢١٤٢٢ تليفون ٦٢٩٣٣٦٦ فاكس - ٦٢٩٣٣٨٠ - المملكة العربية السعودية  
C.R. 4030009917 CAPITAL : SR. 325,000,000 BANK: SAUDI BRITISH BANK - NATIONAL COMMERCIAL BANK - SAUDI AMERICAN BANK  
P.O. BOX 5043 JEDDAH 21422 - TEL. 6293366 - FAX. 6293380 - KINGDOM OF SAUDI ARABIA  
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# Competition Standards for Board Members



Competition Standard for Board Member	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	1

## Competition Standards for Board Members

لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	2

## Contents

## المحتويات

Page no.	Section Title	عنوان القسم	رقم الصفحة
3	Objective	الغرض	٣
٤	General Principles	مبادئ عامة	٤
4	Concept of the Competing Businesses	مفهوم أعمال المنافسة	٤
٥	Standers of the Competing Businesses	معايير أعمال المنافسة	٥
٥	Controls of the Competing Businesses	ضوابط منافسة الشركة	٥
6	Rejection to Grant Authorisation	رفض منح الترخيص	٦
6	Adoption and Changes	الإعتماد والتعديل	٦

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	3

## First: Objective

This Policy aims to put in place the required measures to govern the involvement of any member of the Board of Directors or any committee arising from it in any business that competes with the Company's activities.

## أولاً: الغرض

تهدف هذه اللائحة إلى وضع الضوابط اللازمة لتنظيم اشتراك أي من أعضاء مجلس الإدارة، أو أعضاء اللجان الميثقة عنه في عمل من الأعمال المنافسة لأنشطة الشركة.

## Second: General Principles

- 1) Each member of the Board or its committees, shall comply with the principles of truthfulness, honesty, loyalty, and care of the interests of the Company and its shareholders, and priorities their interests over his/her personal interests.
- 2) Each member of the Board or its committees, may not engage in any act or business that may compete with the Company or any of its branches. Otherwise, the Company shall have the right to claim the appropriate damages before the competent judicial authority, unless such member has authorization from the ordinary General Assembly to engage in the competing business.
- 3) Incompatible with the independence requirement for an independent Board member, if he/she engages in a business where he/she competes with the Company, or conducting businesses in any of the Company's activities.

## ثانياً: مبادئ عامة

- (١) يلتزم كل عضو من أعضاء مجلس الإدارة، أو أحد لجانها، بمبادئ الصدق والأمانة والولاء والعناية والاهتمام بمصالح الشركة والمساهمين، وتقديمها على مصلحته الشخصية.
- (٢) لا يجوز لعضو مجلس الإدارة، أو أحد لجانها، أن يشترك في أي عمل من شأنه منافسة الشركة، أو أن ينافس الشركة في أحد فروع النشاط الذي تزاوله، وإلا كان للشركة أن تطالبه أمام الجهة القضائية المختصة بالتعويض المناسب، ما لم يكن حاصل على ترخيص من الجمعية العامة العادية يسمح له بممارسة الأعمال المنافسة.
- (٣) يتنافى مع الاستقلال اللازم توافره في عضو مجلس الإدارة اشتراكه في عمل من شأنه منافسة الشركة، أو أن ينافس الشركة في أحد فروع النشاط الذي تزاوله.

## Third: Concept of the Competing Businesses

According to Article (45) of the Corporate Governance Regulations, the following shall be deemed participants in any business that may compete with the Company or any of its activities:

## ثالثاً: مفهوم أعمال المنافسة

وفقاً ما نصت عليه المادة (الخامسة والأربعون) من لائحة حوكمة الشركات فإنه يدخل ضمن مفهوم الإشتراك في أي عمل من شأنه منافسة الشركة أو منافستها في أحد فروع النشاط الذي تزاوله ما يلي:

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	4

- a. The Board members' establishing a company or a sole proprietorship or the ownership of a controlling percentage of shares or stakes in a company or any other entity engages in business activities that are similar to the activities of the Company or its group. أ- تأسيس عضو مجلس الإدارة لشركة أو مؤسسة فردية أو تملك نسبة مؤثرة لأسهم أو حصص في شركة أو منشأة أخرى تزاوّل نشاطاً من نوع نشاط الشركة أو مجموعتها.
- b. Accepting membership in the board of a company, an entity that competes with the Company or its group, or managing the affairs of a competing sole proprietorship or any competing company of any form, except the Company's affiliates. ب- قبول عضوية مجلس إدارة شركة أو منشأة منافسة للشركة، أو مجموعتها، أو تولي إدارة مؤسسة فردية منافسة، أو شركة أيّاً كان شكلها، فيما عدا الشركات التابعة للشركة.
- c. The member acting as an overt or covert commercial agent for another company or entity competing with the Company or its group. ت- حصول العضو على وكالة تجارية أو ما في حكمها، ظاهرة كانت أو مستترة، لشركة أو منشأة أخرى منافسة للشركة أو مجموعتها.

#### Fourth: Standers of the Competing Businesses

The following criteria shall be considered when the Board measures the existence of competition the following:

- The business's nature and the competing company's products.
- The geographical area and the markets in which the competing company conducts its business.
- The capital of the competing company and its total shareholder's owners.
- The competitor's project size.

#### Fifth: Controls of the Competing Businesses

If a Board or its committees member, desires to engage in a business that may compete with the Company or any of its activities, the following shall be considered:

#### رابعاً: معايير أعمال المنافسة

- يقوم مجلس الإدارة بالتحقق من منافسة العضو لأعمال الشركة، أخذاً بالإعتبار عند قياس مدى تحقق المنافسة المعايير التالية:
- أ- طبيعة الأعمال والمنتجات التي تقدمها الشركة المنافسة.
  - ب- المنطقة الجغرافية والأسواق التي تزاوّل فيها الشركة المنافسة أعمالها.
  - ت- رأس مال الشركة المنافسة وإجمالي حقوق مالكيها.
  - ث- حجم مشاريع الشركة المنافسة.

#### خامساً: ضوابط منافسة الشركة

إذا رغب عضو مجلس الإدارة، أو أحد لجانته، في الاشتراك في عمل من شأنه منافسة الشركة، أو منافستها في أحد فروع النشاط الذي تزاوّل، فيجب مراعاة ما يلي:

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	5

- 1) Notifying the Board of his/her participation, in any businesses that may compete with the Company or lead to competing with the Company -directly or indirectly- in respect of any of its activities according to the license application form attached to these Policy (Attachment-1), and recording such notification in the minutes of the Board meeting. (١) إبلاغ مجلس الإدارة بمنافسته، أو بمشاركته في أي أعمال من شأنها منافسة الشركة أو في أحد فروع النشاط الذي تزاوله، سواءً كان ذلك بشكل مباشر أو غير مباشر وفقاً لنموذج طلب الترخيص المرفق بهذه اللائحة (مرفق-١)، وإثبات هذا الإبلاغ في محضر اجتماع مجلس الإدارة.
- 2) The conflicted member shall abstain from voting on the related decision in the Board meeting and General Assemblies. (٢) عدم اشتراك العضو صاحب المصلحة في التصويت على القرار الذي يصدر في هذا الشأن في مجلس الإدارة والجمعية العمومية.
- 3) The chairman of the Board shall inform the General Assembly, once convened, of the competing businesses that the Board member is engaged in, after the Board assesses the Board member's competition with the Company's business or if he/she is in competition with one of the branch activities that it conducts in, such businesses shall be assessed on an annual basis. (٣) قيام رئيس مجلس الإدارة بإبلاغ الجمعية العامة العادية عند انعقادها بالأعمال المنافسة التي يزاولها العضو، وذلك بعد تحقق مجلس الإدارة من منافسة العضو لأعمال الشركة أو منافستها في أحد فروع النشاط الذي تزاوله وفقاً لهذه المعايير والضوابط، على أن يتم التحقق من هذه الأعمال بشكل سنوي.
- 4) Obtaining authorization of the General Assembly of the Company for the member to engage in the competing business. (٤) الحصول على ترخيص من الجمعية العامة العادية للشركة يسمح للعضو بممارسة الأعمال المنافسة.

### Sixth: Rejection of Grant Authorization

If the General Assembly rejects granting the authorization, the member shall resign within a period specified by the General Assembly; otherwise, his/her membership in the Board shall be deemed terminated, unless he/she decides to withdraw from competing with the Company or regularize 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.

### سادساً: رفض منح الترخيص

إذا رفضت الجمعية العامة منح الترخيص، فعلى العضو تقديم استقالته خلال مهلة تحددها الجمعية العامة، وإلا عدت عضويته في المجلس منتهية، وذلك ما لم يقرر العدول عن منافسة الشركة أو توفيق أوضاعه طبقاً لنظام الشركات ولوائحه التنفيذية قبل انقضاء المهلة المحددة من قبل الجمعية العامة.

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	6

## Seventh: General provisions

## سابعاً: أحكام عامة

1. This Policy has been prepared based on Article (44) of the Saudi Corporate Governance Regulations issued by the Capital Market Authority in completion of the general framework for the Company's Corporate Governance. (١) تم إعداد هذه السياسة إستناداً للمادة (٣/٤٤) من لائحة حوكمة الشركات السعودي الصادر عن مجلس هيئة السوق المالية إستكمالاً للإطار العام لحوكمة الشركة.
2. The Audit Committee is specialized in the periodical revision of this Policy, assessing effectiveness in achieving its purposes. This policy is subject to periodical updating and revision- when needed. Any suggested amendments shall be presented by the Committee to the Board. The Board shall analyse and revise these amendments and submit recommendations for the approval of the Shareholders General Assembly. (٢) تختص لجنة المراجعة بالمراجعة الدورية لهذه اللائحة وتقييم مدى فاعليتها في تحقيق الأغراض المتوخاة منها، وتخضع هذه اللائحة للتحديث والمراجعة بصفة دورية -عند الحاجة- ويتم عرض أي تعديلات مقترحة من قبل اللجنة على مجلس الإدارة، الذي يقوم بدراسة ومراجعة التعديلات المقترحة ويوصي بها للجمعية العمومية للمساهمين لإعتمادها.
3. This Policy will be effective and enforceable from the date of its approval by the Company Shareholders General Assembly. (٣) يبدأ سريان هذه اللائحة والعمل بها إعتباراً من تاريخ إعتمادها من الجمعية العامة للمساهمين في الشركة .
4. Texts or rules, whatsoever, not stated in this Policy, will be subject to the application of the Saudi Companies' Law, the Capital Market Authority and its Executive Regulations and decisions issued by the concerned bodies. (٤) كل ما لم يرد بشأنه نص أو حكم في هذه اللائحة يطبق عليه نظام الشركات السعودي ولوائحه ونظام هيئة السوق المالية ولوائحه التنفيذية ونظام الشركة الأساس والقرارات الصادرة من الجهات المختصة.
5. This Policy has been drawn in Arabic and English texts. In case of any discrepancy or misinterpretation, the Arabic text shall prevail. (٥) حررت هذه السياسة باللغتين العربية والإنجليزية، وفي حالة وجود أي تعارض بينهما يعتمد ماذكر في الصياغة العربية.
6. This Policy will be published, after an approval by the Shareholders General Assembly, in the company website or via any other means for enabling the shareholders, the public and the stakeholders to review it. (٦) يتم نشر هذه اللائحة بعد إعتمادها من الجمعية العامة للمساهمين على الموقع الإلكتروني للشركة أو من خلال أي وسيلة أخرى لتمكين المساهمين والجمهور وأصحاب المصالح من الإطلاع عليها.



Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	7

## مرفق رقم (١): طلب الترخيص بالاشتراك في عمل منافس

طلب الترخيص بالاشتراك في عمل منافس				
بيانات العضو				
الإسم:				صفة العضوية: <input type="checkbox"/> تنفيذي <input type="checkbox"/> غير تنفيذي <input type="checkbox"/> مستقل
تفاصيل العمل المنافس				
م.	اسم الشركة المنافسة	طبيعة النشاط	صفة العضو بالشركة المنافسة	طبيعة المنافسة
١			<input type="checkbox"/> ملكية <input type="checkbox"/> منصب تنفيذي <input type="checkbox"/> عضوية مجلس إدارة <input type="checkbox"/> وكالة تجارية <input type="checkbox"/> أخرى: _____	<input type="checkbox"/> مباشرة <input type="checkbox"/> غير مباشر
٢			<input type="checkbox"/> ملكية <input type="checkbox"/> منصب تنفيذي <input type="checkbox"/> عضوية مجلس إدارة <input type="checkbox"/> وكالة تجارية <input type="checkbox"/> أخرى: _____	<input type="checkbox"/> مباشرة <input type="checkbox"/> غير مباشر
٣			<input type="checkbox"/> ملكية <input type="checkbox"/> منصب تنفيذي <input type="checkbox"/> عضوية مجلس إدارة <input type="checkbox"/> وكالة تجارية <input type="checkbox"/> أخرى: _____	<input type="checkbox"/> مباشرة <input type="checkbox"/> غير مباشر
التوقيع				
أقرأنا الموقع أدناه، بأن جميع المعلومات المذكورة في هذا النموذج صحيحة، وأنا أقوم بإبلاغ المجلس في حال حدوث أي تغيير على هذه المعلومات. اسم العضو/ التوقيع: التاريخ: ___/___/___				

Competition Standard for Board Member لائحة معايير منافسة عضو مجلس الإدارة لأعمال الشركة	Issue # رقم الإصدار	Date Issued تاريخ الإصدار	Approved By الاعتماد	Page # صفحة رقم
	1	١٤٤٥/٠٢/٠٦ هـ ٢٠٢٣/٠٨/٢٢ م	General Assembly الجمعية العامة للمساهمين	8

## Attachment (1): License Application to Participate in a Competing Business

License Application to Participate in a Competing Business				
Member Information				
Name:		Membership: <input type="checkbox"/> Executive <input type="checkbox"/> Non-Executive <input type="checkbox"/> Independent		
Details of competitors' businesses				
S.	Competitor Name	Nature of the activity	Member status	Competition nature
1			<input type="checkbox"/> Ownership <input type="checkbox"/> Executive position <input type="checkbox"/> Board Membership <input type="checkbox"/> Commercial agency <input type="checkbox"/> Other: _____	<input type="checkbox"/> Direct <input type="checkbox"/> Indirect
2			<input type="checkbox"/> Ownership <input type="checkbox"/> Executive position <input type="checkbox"/> Board Membership <input type="checkbox"/> Commercial agency <input type="checkbox"/> Other: _____	<input type="checkbox"/> Direct <input type="checkbox"/> Indirect
3			<input type="checkbox"/> Ownership <input type="checkbox"/> Executive position <input type="checkbox"/> Board Membership <input type="checkbox"/> Commercial agency <input type="checkbox"/> Other: _____	<input type="checkbox"/> Direct <input type="checkbox"/> Indirect
Signature				
I, hereby certify that all information provided in this form is accurate to the best of my knowledge. I agree to promptly inform the Board in the event of any changes to the information provided.				
Member's Name:				
Signature:				
Date: ___/___/___				



# Proposed Amendments to the Company's Bylaw



**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY**  
**SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية**  
**شركة مساهمة سعودية**

**Proposed Amendments to the Company's Bylaw**

**In compliance with the new Companies Law Issued by Royal Decree No. M/132 dated 1/12/1443H corresponding to 30/6/2022G and its Implementing regulations**

**Before Amendments**

**After Amendments**

**First Chapter: Transformation of the Company**

**First Article: Incorporation**

**First Article: Incorporation**

Saudia Dairy and Foodstuff Company (SADAFCO), under C.R. No. 4030009917 dated 21/4/1396H is established in accordance with the provisions of the Companies Law issued by Royal Decree (~~M/3~~) dated ~~28/01/1437~~ and its regulations and this bylaw from a limited liability company to Saudi joint stock company according to following:

Saudia Dairy and Foodstuff Company (SADAFCO), under C.R. No. 4030009917 dated 21/4/1396H is established in accordance with the provisions of the Companies Law issued by Royal Decree (M/132) dated 01/12/1443H and its regulations and this bylaw from a limited liability company to Saudi joint stock company according to following:

**Article Two: Company's name**

**Article Two: Company's name**

Saudia Dairy and Foodstuff Company (SADAFCO) (Saudi Joint Stock Company)

Saudia Dairy and Foodstuff Company (SADAFCO) (Saudi Listed Joint Stock Company)

**Article Three: Company's Objectives:**

**Article Three: Company's Objectives:**

The Company carries out and implements the following businesses:

The Company carries out and implements the following businesses:

- 1- Agricultural and animal production, including the cultivation of agricultural crops, livestock breeding, milk production and its derivatives, poultry and apiaries, and the production of eggs and onions.
- 2- Maintenance, operation and management of agricultural projects, installation and maintenance of machinery, irrigation systems, greenhouses, grain silos, rental of agricultural machinery, maintenance, coordination and landscaping of gardens and parks, and agricultural pest control.
- 3- Investment in industrial fields, especially the manufacture and marketing of all foodstuffs, dairy and its derivatives, ice cream, juices, sweetened water,

- 1- Agricultural and animal production, including the cultivation of agricultural crops, livestock breeding, milk production and its derivatives, poultry and apiaries, and the production of eggs and onions.
- 2- Maintenance, operation and management of agricultural projects, installation and maintenance of machinery, irrigation systems, greenhouses, grain silos, rental of agricultural machinery, maintenance, coordination and landscaping of gardens and parks, and agricultural pest control.
- 3- Investment in industrial fields, especially the manufacture and marketing of all foodstuffs, dairy and its derivatives, ice cream, juices, sweetened water,

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SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

gaseous and mineral, plastic and cartons complementary industries.	gaseous and mineral, plastic and cartons complementary industries.
4- Wholesale and retail trade in agricultural crops, foodstuffs, electrical and electronic appliances, household utensils and ready-made clothes.	4- Wholesale and retail trade in agricultural crops, foodstuffs, electrical and electronic appliances, household utensils and ready-made clothes.
5- Establishing, operating and managing hotels, restaurants, kitchens, restrooms, buffets and cafes, and providing tourism services.	5- Establishing, operating and managing hotels, restaurants, kitchens, restrooms, buffets and cafes, and providing tourism services.
6- Storage and refrigeration, especially the ownership, use, maintenance and rental of warehouses and refrigerators for food preservation.	6- Storage and refrigeration, especially the ownership, use, maintenance and rental of warehouses and refrigerators for food preservation.
7- Agriculture, forestry and fishing.	7- Agriculture, forestry and fishing.
8- Manufacturing industries and their branches according to industrial licenses.	8- Manufacturing industries and their branches according to industrial licenses.
9- Supply of electricity, gas, steam, air conditioning and its branches.	9- Supply of electricity, gas, steam, air conditioning and its branches.
10- Water supply, sanitation activities, waste management and treatment.	10- Water supply, sanitation activities, waste management and treatment.
11- Construction and building.	11- Construction and building.
12- Transportation and storage activities, including land transportation of goods inside and outside the Kingdom of Saudi Arabia.	12- Transportation and storage activities, including land transportation of goods inside and outside the Kingdom of Saudi Arabia.
13- Accommodation and food services.	13- Accommodation and food services.
14- Information and Communication.	14- Information and Communication.
15- Financial, business and other services.	15- Financial, business and other services.
16- Buying and selling land, real estate and factories necessary to achieve the Company's objectives.	16- Buying and selling land, real estate and factories necessary to achieve the Company's objectives.
17- Professional, scientific and technical activities.	17- Professional, scientific and technical activities.
18- Administrative and support services.	18- Administrative and support services.
19- Education.	19- Education.
20- Arts, Entertainment and Leisure.	20- Arts, Entertainment and Leisure.
21- Collective, social and personal services.	21- Collective, social and personal services.
22- Private civil security guards.	22- Private civil security guards.

SADAFCO



سدافكو

SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

23- Commercial agencies and distribution contracts.  The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.	23- Commercial agencies and distribution contracts.  The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.
<b>Article Four: Participation and ownership in companies</b>	<b>Article Four: Participation and ownership in companies</b>
The Company may establish companies on its own with limited liability or <del>closed joint stock provided that the capital is not less than (5) million riyals.</del> It may also own shares and stocks in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The Company may also dispose of these shares or stocks, provided that this does not include mediation in their trading.	The Company may establish companies on its own with limited liability, joint stock or <u>simplified joint-stock</u> . It may also own shares and stocks in other existing companies or merge with them, and it has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The Company may also dispose of these shares or stocks, provided that this does not include mediation in their trading.
<b>Article Five: Company's Headquarters</b>	<b>Article Five: Company's Headquarters</b>
The Headquarters of the Company is located in the city of Jeddah, and branches, offices or agencies may be established for it inside or outside the Kingdom by a resolution of the Board of Directors.	The Headquarters of the Company is located in the city of Jeddah, and branches, offices or agencies may be established for it inside or outside the Kingdom by a resolution of the Board of Directors.
<b>Article Six: Duration of the Company</b>	<b>Article Six: Duration of the Company</b>
The <del>term of the</del> Company <del>is (99) years</del> starting from the date of its registration in the commercial registry <del>as a joint stock company, and this period may always be extended by a resolution issued by the Extraordinary General Assembly at least one year before the expiry of its term.</del>	The Company <u>was established for an indefinite period</u> starting from the date of its registration in the commercial registry.
<b>Chapter Two: Capital and Shares</b>	
<b>Article Seven: Capital</b>	<b>Article Seven: Capital</b>
The Company's capital is set at (325,000,000) <u>Saudi Riyals</u> (Three hundred twenty-five Million Riyals), divided into (32,500,000)	The Company's <u>issued</u> capital is set at (325,000,000) (Three hundred twenty-five Million <u>Saudi</u> Riyals), divided into



nominal shares of equal value, the value of each of which is (10) Saudi Riyals, all of which are ordinary shares.	(32,500,000) <u>thirty-two million and five hundred thousand</u> nominal shares of equal value, the value of each of which is (10) Saudi Riyals, all of which are ordinary shares.
<b>Article Eight: Subscription to Shares</b>	<b>Article Eight: Subscription to Shares</b>
Shareholders have subscribed to all of the Company's shares amounting to (32,500,000) shares with a value of (325,000,000) Riyals, fully paid upon conversion.	Shareholders have subscribed to all of the Company's shares amounting to (32,500,000) <u>thirty-two million and five hundred thousand</u> shares with a value of (325,000,000) <u>three hundred twenty-five Million Saudi Riyals</u> , fully paid upon conversion.
<b>Article Nine: Preferred Shares</b>	<b>Deleted Article</b>
<del>The Extraordinary General Assembly of the Company may, according to the principles set by the competent authority, issue preferred shares or decide to purchase them or convert ordinary shares into preferred shares or convert preferred shares into ordinary ones. Preferred shares do not give the right to vote in the General Assembly of shareholders. But they give their holders obtaining a percentage greater than the ordinary shareholders of the Company's net profits after setting aside the statutory reserve.</del>	Deleted Article
<b>Article Ten: Sale of Unpaid Shares</b>	<b>Article Nine: Sale of Unpaid Shares</b>
The shareholder is obligated to pay the value of the share on the dates specified for this. If he fails to pay on the due date, the board of directors may, after notifying him <del>by publishing in a daily newspaper, or notifying him by a registered letter,</del> sell the share in the auction or the stock market, as the case may be, and in accordance with the regulations <del>set</del> by the competent authority.  The Company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder, and if the proceeds of the sale are not sufficient to meet these amounts, the Company may collect the remainder from shareholder's money.	<ol style="list-style-type: none"> <li>The shareholder shall pay the value of the share on the specified dates. If failed to do so, the Board of Directors may, after notifying this shareholder <u>through the means of announcement approved by the competent authority</u>, sell the share in the public auction or the stock market, as the case may be, and the <u>other shareholders shall have priority in purchasing the shares of the failed shareholder</u>, in accordance with the applicable regulations and controls set by the competent authority.</li> <li>The Company shall collect the due amounts from the sale proceeds and return the remaining balance to the shareholder. If the sale proceeds are not sufficient to pay such amounts, the Company may collect the remainder from all the shareholder's total assets.</li> </ol>



SADAFCO



سدا فكو

SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

<p>However, shareholders who fail to pay until the day of the sale may pay the value due in addition to the expenses incurred by the Company in this regard;</p> <p>The Company cancels the sold share in accordance with the provisions of this article and gives the buyer a new share bearing the number <del>of the cancelled share</del> and indicates in the <del>shares</del> register that the sale took place with <del>the name</del> of the new owner.</p>	<p>3. . Enforcement of the rights related to overdue shares shall be suspended upon the expiry of the due date until they are sold or paid in accordance with the provisions of Paragraph (1) of this Article. These rights include the right to obtain a share of the net profits to be distributed and the right to attend the assemblies and vote on their decisions. However, shareholders who fail to pay until the day of the sale may pay the value due in addition to the expenses incurred by the Company in this regard; and in this case the shareholder has the right to request obtaining the dividends to be distributed. The Company shall cancel the <u>certificate</u> of the sold share in accordance with the provisions of this Article, and it shall give the purchaser a new share <u>certificate bearing the same number</u>. An indication shall also be made in the <u>Shareholders' Register</u> that the sale has taken place with the <u>necessary data</u> of the new owner.</p>
<p><b>Article <del>Eleven</del>: Issuance of Shares</b></p>	<p><b>Article <u>Ten</u>: Issuance of Shares</b></p>
<p><del>The shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued at a higher value. In this last case, the difference in value is added in a separate item within the shareholders' equity and may not be distributed as dividends to the shareholders. The share is indivisible in the face of the Company.</del> If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it. These persons are jointly responsible for the obligations arising from the ownership of the shares.</p>	<p><u>The Company's shares are nominal and indivisible in the face of the Company.</u> If the share is owned by multiple persons, they must choose one of them to represent them in the use of the rights related to it. These persons are jointly responsible for the obligations arising from the ownership of the shares. <u>The shares may not be issued for less than their nominal value but may be issued for a higher than this value, in this last case, the value difference is added in a separate item under the shareholders' rights.</u></p>
<p><b>Article <del>Twelve</del>: Trading in Shares</b></p>	<p><b>Article <u>Eleven</u>: Trading in Shares <u>and Shareholder Register</u></b></p>
<p><del>Shares subscribed by shareholders may not be traded until after the financial statements have been published for three fiscal years, each of which is not less than twelve months from the date of the Company's transformation. The bonds of these shares are marked with an indication of their type, the date of the Company's</del></p>	<p><u>The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.</u></p>

<p><del>transformation, and the period during which trading is prohibited. However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the shareholders to another shareholder or from the heirs of one of the shareholders in the event of his death to a third party or the case of execution the money of the insolvent or bankrupt founder, provided that the priority of owning those shares shall be given to other shareholders.</del></p> <p><del>The provisions of this Bylaw shall apply to what the shareholders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.</del></p>	
<p><b>Article Thirteen: Shareholders Register</b></p>	<p><b>Deleted Article</b></p>
<p><del>The Company's shares are traded in accordance with the provisions of the Capital Market Law.</del></p>	<p><b>Deleted Article</b></p>
<p><b>Article Fourteen: Capital Increase</b></p>	<p><b>Article Twelve: Capital Increase</b></p>
<p><del>1-</del> The Extraordinary General Assembly may decide to increase the Company's capital, provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for converting them into shares has not yet expired.</p> <p><del>2-</del> The Extraordinary General Assembly has the authority to allocate the newly issued shares resulting from a capital increase, either wholly or partially, to the employees of the Company, its subsidiaries, or a selected few. However, when</p>	<p><u>1-</u> By a resolution of the Company's Board of Directors, the issued capital may be increased within the limits of the authorized capital (if any), provided that the issued capital has been paid in full.</p> <p><u>2-</u> The Extraordinary General Assembly may decide to increase the Company's <u>issued or authorized</u> capital, provided that the <u>issued</u> capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified for converting them into shares has not yet expired.</p> <p><u>3-</u> The Extraordinary General Assembly has the authority to allocate the newly issued shares resulting from a capital increase, either wholly or partially, to the employees of the Company, its subsidiaries, or a selected few. However, when</p>

the Company issues shares allocated to employees, shareholders are not entitled to exercise their right of priority.

~~3-~~ The shareholder who possesses a share at the time of the Extraordinary General Assembly's decision to approve the capital increase has the priority to subscribe to new shares issued in exchange for cash shares. Such shareholders will be notified of their priority by publishing the decision to increase the capital ~~in a daily newspaper or by sending them a registered mail~~ containing the terms of subscription, ~~duration~~, and the starting and ending dates.

~~4-~~ The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the Company.

~~5-~~ The shareholder has the right to sell or assign the priority right ~~during the period from the time of the issuance of the General Assembly's resolution approving the capital increase until the last day of subscription in the new shares associated with these rights~~ in accordance with the regulations set by the competent authority.

~~6-~~ Without prejudice to the provisions of Paragraph ~~4~~ above, shares shall be allotted to the holders of pre-emptive rights who have expressed interest to subscribe thereto, in proportion to their pre-emptive rights resulting from the capital increase, provided that their allotment does not exceed the number of new shares they have applied for.

the Company issues shares allocated to employees, shareholders are not entitled to exercise their right of priority.

4- The shareholder who possesses a share at the time of the Extraordinary General Assembly's decision to approve the issued or authorized capital increase has the priority to subscribe to new shares issued in exchange for cash shares. Such shareholders will be notified of their priority ~~if any~~ by publishing the decision to increase the capital via the means of advertising approved by the competent authority containing the terms of subscription, the means, and the starting and ending dates.

5- The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to non-shareholders in the cases it deems appropriate for the interest of the Company.

6- The shareholder has the right to sell or assign the priority right in accordance with the regulations and controls set by the competent authority.

7- Without prejudice to the provisions of Paragraph 5 above, shares shall be allotted to the holders of pre-emptive rights who have expressed interest to subscribe thereto, in proportion to their pre-emptive rights resulting from the capital increase, provided that their allotment does not exceed the number of new shares they have applied for.

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SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

Remaining new shares shall be allotted to pre-emptive rights holders who have asked for more than their proportionate stake, in proportion to their preemptive rights resulting from the capital increase, provided that their total allotment does not exceed the number of new shares they have asked for. Any remaining new shares shall be offered for public subscription, unless the Extraordinary General Assembly decides, or the Capital Market Law provides otherwise

Remaining new shares shall be allotted to pre-emptive rights holders who have asked for more than their proportionate stake, in proportion to their pre-emptive rights resulting from the capital increase, provided that their total allotment does not exceed the number of new shares they have asked for. Any remaining new shares shall be offered for public subscription, unless the Extraordinary General Assembly decides, or the Capital Market Law provides otherwise

#### Article **Fifteen**: Decreasing Capital

#### Article **Thirteen**: Decreasing Capital

The Extraordinary General Assembly has the right to decide to reduce the capital if it exceeds the Company's needs or if the Company suffers losses. Only in the latter case may the capital be reduced below the limit stipulated in Article (54) of the Companies Law. The reduction decision shall not be issued except after reading ~~a special report~~ prepared by the ~~auditor~~ on the reasons for ~~it~~, the obligations of the Company, and the effect of the reduction on these obligations.

If the capital reduction is the result of an increase in the Company's need, It is obligatory to invite the creditors to express their objections to it within ~~sixty~~ days ~~from~~ the date of ~~publishing~~ the decreasing decision in ~~a daily newspaper distributed in the area where the Company's head office is located.~~

If one of the creditors objects and submits his documents to the Company on the aforementioned date, the Company must pay him his debt if it is immediate or provide him with a sufficient guarantee to pay it if it is deferred.

1- The Extraordinary General Assembly has the right to decide to reduce the capital if it exceeds the Company's needs or if the Company suffers losses. Only in the latter case may the capital be reduced below the limit stipulated in Article (Fifty-Nine) of the Companies Law. The reduction decision shall not be issued except after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for such reduction, the obligations of the Company, and the effect of the reduction on the fulfilment of these obligations, provided that a report from the company's auditor shall be attached to this statement.

2- If the reduction of the capital is due to it being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto (if any) at least (45) days prior to the date set for the Extraordinary General Assembly meeting to take a decision on the reduction, provided that a statement is attached to the invitation clarifying the amount of the capital before and after the reduction, the date of the meeting and the effective date of the reduction. Should any creditor object and present to the Company evidentiary documents within the time limit set above, then the Company shall pay such debt, if already due,

**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY**  
**SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية**  
**شركة مساهمة سعودية**

	or present an adequate guarantee of payment if the debt is due on.
<b>New Article</b>	<b>Article Fourteen: Conversion of Shares</b>
New Article	<ol style="list-style-type: none"> <li>1- <u>It may convert one type or class of the shares into another type or class.</u></li> <li>2- <u>To convert a type or class of shares into another type or class, the approval of the Extraordinary General Assembly must be obtained, except for cases in which the decision to issue shares stipulates that they are automatically converted into another type or class upon satisfying certain conditions or upon the lapse of a specified period.</u></li> <li>3- <u>The provisions provided for in Article (110) of Companies Law shall apply to cases in which the conversion of shares requires the amendment or cancellation of the rights or obligations associated with a type or class of shares.</u></li> <li>4- <u>Common and preferred shares and their classes may not be converted into redeemable shares or any classes thereof except with the approval of all shareholders of the Company.</u></li> </ol>
<b>Article Sixteen: The Company's purchase of its shares</b>	<b>Article Fifteen: The Company's purchase, <u>Sale, and Pledge</u> of its shares</b>
The Company may buy its <del>ordinary or preferred</del> shares or mortgage them, and the Company may purchase its shares to allocate them to the Company's employees within the employee stock program in accordance with the controls set by the competent authority. The shares purchased by the Company shall not have votes in the shareholders' assemblies.	<ol style="list-style-type: none"> <li>1. The Company may buy its shares, <u>sell them</u>, or mortgage them <u>in accordance with the applicable laws and regulations set by the competent authority</u>, the shares purchased by the Company shall not have votes in the shareholders' assemblies.</li> <li>2. The Company may purchase its shares to allocate them to the Company's employees within the employee stock program in accordance with the <u>applicable laws and</u> controls set by the competent authority.</li> </ol>



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SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

New Article	<b>Article Sixteen: Issuing preferred shares or redeemable shares and buying them back by the Company</b>
New Article	<p>The Company may issue preferred shares, or redeemable shares, or decide to buy them back, in accordance with the following regulations:</p> <ol style="list-style-type: none"> <li>1. Obtaining the approval of an Extraordinary General Assembly.</li> <li>2. Obtaining the approval of the shareholders who are affected by this issuance, in a special meeting according to Article 110 of the Companies Law.</li> <li>3. The outstanding shares shall not exceed (10%) of the Company's capital.</li> <li>4. The Company's capital must be fully paid.</li> <li>5. Compliance with other relevant rules and regulations</li> </ol>
<b>Article Seventeen: Sale of treasury shares</b>	<b>Article Seventeen: Sale of treasury shares</b>
The Company may sell treasury shares in one stage or several stages in accordance with the controls and procedures set by the competent authority.	The Company may sell treasury shares in one stage or several stages in accordance with the controls and procedures set by the competent authority.
<del>Article Eighteen: Shares Mortgage</del>	Deleted Article
<del>The Company may pledge its shares as security for a debt, in accordance with the controls and procedures set by the competent authority.</del>	Deleted Article
<b>Article Nineteen: Issuance of Debt Instruments or Financial Instruments</b>	<b>Article Eighteen: Issuance of Debt Instruments or Financial Instruments</b>
<p>The Company may issue - in accordance with the Capital Market Authority law - debt instruments or financing instruments.</p> <p>The Company may issue, in accordance with the Capital Market Authority law, debt instruments or financing instruments that are convertible into shares after the issuance of a decision from the Extraordinary General Assembly specifying the maximum number of shares that may be issued in exchange for these</p>	<ol style="list-style-type: none"> <li>1- The Company may issue - in accordance with the Capital Market Authority law - debt instruments or financing instruments.</li> <li>2- The Company may issue, in accordance with the Capital Market Authority law, debt instruments or financing instruments that are convertible into shares after the issuance of a decision from the Extraordinary General Assembly</li> </ol>

**SADAFCO****سدا فكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

instruments, whether these instruments and are issued at the same time, or through a series of issues, or through one or more programs to ~~issue debt instruments or financing instruments~~, and the Board of Directors decide without the need for a new approval from this Assembly new shares only in exchange for those instruments or instruments whose holders request their conversion. Immediately after the end of the transfer period specified for the holders of such instruments, the Board shall take what is necessary to amend this Bylaw with regard to the number of issued shares and the capital..

The board of directors must announce the completion of the procedures for each capital increase ~~in the manner specified in the law for the publication of Extraordinary General Assembly resolutions~~.

The Company may convert the debt instruments or financial instruments to shares according to Capital Market Authority law, ~~in all cases it is not allowed to convert these instruments in the following two cases:~~

~~A) If the conditions for issuing debt instruments and financial instruments do not include the possibility of converting these instruments into shares by raising the Company's capital.~~

~~b) If the holder of a debt instrument or financial instrument does not agree to this transfer.~~

specifying the maximum number of shares that may be issued in exchange for these instruments, whether these instruments and are issued at the same time, or through a series of issues, or through one or more programs for such issuance, and the Board of Directors decide without the need for a new approval from this Assembly new shares only in exchange for those instruments or instruments whose holders request their conversion. Immediately after the end of the transfer period specified for the holders of such instruments, or upon the fulfillment of conditions for their automatic conversion into shares, or upon expiry of the specified period for such conversion, the Board shall take what is necessary to amend this Bylaw with regard to the number of issued shares and the capital.

3- The Board of Directors must announce the completion of the procedures for each capital increase to the commercial register.

4- The Company may convert the debt instruments or financial instruments to shares according to Capital Market Authority law, and this is subject to the holder's approval, whether such approval was previously obtained and included in the issuance conditions or obtained later by mutual agreement.



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SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

Chapter Three: Board of Directors	Chapter Three: Board of Directors
<b>Article <del>Twenty</del>: Company Management</b>	<b>Article <u>Nineteen</u>: Company Management</b>
The management of the Company is assumed by a Board of Directors consisting of (nine) members elected by the Ordinary General Assembly for a period not exceeding ( <del>three</del> ) years.	The management of the Company is assumed by a Board of Directors consisting of (nine) members elected by the Ordinary General Assembly for a period not exceeding ( <u>Four</u> ) years. <u>The Board member may also be re-elected for other cycles in accordance with the applicable laws and controls set by the competent authority.</u>
<b>Article <del>Twenty-One</del>: Board Membership Expiration</b>	<b>Article <u>Twenty</u>: Board Membership Expiration</b>
The membership of the Board shall end upon the expiry of its term or upon the expiry of the member's eligibility for it in accordance with any regulations or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members, <del>without prejudice to the right of the dismissed member towards the Company to claim compensation if the dismissal occurred for an unacceptable reason. Or at an inappropriate time, and a member of the board of directors may retire, provided that this is at an appropriate time, otherwise he will be responsible before the Company for the damages resulting from the retirement.</del>	The membership of the Board shall end upon the expiry of its term or upon the expiry of the member's eligibility for it in accordance with any regulations or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the Board members, <u>and in this case, the Ordinary General Assembly shall elect a new Board of Directors or someone to replace the dismissed member (as the case may be) in accordance with the provisions of the Companies Law and its Implementing Regulations.</u>
<b>Article <del>Twenty-Two</del>: Vacant position in the Board</b>	<b>Article <u>Twenty-One</u>: Expiration of Bord Term, Member Retirement, or Membership Vacancy</b>
If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position, <del>provided that he is among those</del> who have sufficient experience and competence. The <del>Ministry and the Capital Market Authority</del> must be informed of this within ( <u>five</u> ) working days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly in its first meeting, the new member shall complete the term of his predecessor. If the necessary conditions for the convening of the board of directors are not met due to the number of its members being less than the	1- <u>Before the end of its term, the Board of Directors shall call the Ordinary General Assembly to convene to elect a Board for a new session. If the election cannot be held and the term of the current board term has expired, the members shall continue to perform their duties until the election of a Board for a new term, provided that the term of the Board members whose term has ended shall not exceed ninety (90) days from the date of the end of the term of the board. The Board must take the necessary measures to elect a new Board before the continuity period specified in this paragraph expires.</u>

**SADAFCO****سدا فكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

minimum stipulated in the Companies Law ~~or this Bylaw~~, the rest of the members shall invite the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

- 2- If the Board's chairman and members retire, they must call the Ordinary General Assembly to convene to elect a new Board. The management shall take the necessary measures to elect a Board of Directors to replace it before the expiry of the period of continuity specified in this paragraph. The Resignation shall not come into force until the election of a new Board, provided that the period of continuity of the retired Board does not exceed one hundred and twenty (160) days from the date of that retirement. The Board of Directors shall take all necessary measures to elect a new Board before the expiry of the period of continuity specified in this paragraph.
- 3- A Board member may retire from the membership of the Board by virtue of a written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification must be directed to the remaining Board members of the Board's Secretary. Resignation shall come into force - in both cases - from the date specified in the notification.
- 4- If the position of a member of the Board of Directors becomes vacant, due to the death or retirement of any of its members, and this vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the number of its members being less than the minimum, the Board may keep the seat vacant until the end of its term, or the Board may appoint a temporary member in the vacant position, who have sufficient experience and competence. The competent authorities must be informed of this within (fifteen) days from the date of appointment, and the appointment shall be presented to the Ordinary General Assembly in its first meeting, the new member shall complete the term of his predecessor.

	<p><u>5-</u> If the necessary conditions for the convening of the Board of Directors are not met due to the number of its members being less than the minimum stipulated in the Companies Law, the rest of the members shall invite the Ordinary General Assembly to convene within <u>(sixty)</u> days to elect the necessary number of members.</p>
<p><b>Article Twenty-<del>Three</del>: Board Powers</b></p>	<p><b>Article Twenty-<u>Two</u>: Board of Directors Powers</b></p>
<p>Taking into account the powers established for the General Assembly, the Board of Directors shall have the widest powers in managing the Company to achieve its purposes. However, with regard to the sale of Company real estate, the minutes of the Board of Directors' meeting and the rationale for its decision to dispose of the property should include the following conditions.</p> <p><del>1-</del> The board should specify in the sale resolution the reasons and justifications for it.</p> <p><del>2-</del> The sale should be close to the same price of similar sold items.</p> <p><del>3-</del> That the sale be present, except in cases determined by the Board and with sufficient guarantees.</p> <p><del>The Board of Directors may</del> contract loans with any party, such as government financing funds and institutions, and commercial loans with commercial banks, financial houses, credit companies, and others, regardless of their duration and for any limits determined by the Board of Directors.</p> <p><del>The Board of Directors shall also have</del> the right of compromise, assignment, contract, commitment and association in the name of</p>	<p>1. Taking into account the powers established for the General Assembly, the Board of Directors shall have the widest powers in managing <u>and supervise</u> the Company <u>business</u> to achieve its purposes, <u>inside and outside the Kingdom of Saudi Arabia, including without limitation the following:</u></p> <p><u>a-</u> <u>The right to participate in other companies and to manage their assets, properties, and real estate, and the right to buy, accept, pay the price, mortgage, release the mortgage, sell, vacate, receive the price, and deliver the price. However, with regard to the sale of Company real estate, the minutes of the Board of Directors' meeting and the rationale for its decision to dispose of the property should include the following conditions.</u></p> <ul style="list-style-type: none"> <li>- The board should specify in the sale resolution the reasons and justifications for it.</li> <li>- The sale should be close to the same price of similar sold items.</li> <li>- That the sale be present, except in cases determined by the Board and with sufficient guarantees.</li> </ul> <p><u>b-</u> Contract loans with any party, such as government financing funds and institutions, and commercial loans with commercial banks, financial houses, credit companies, and others, regardless of their duration and for any limits determined by the Board of Directors.</p> <p><u>c-</u> the right of compromise, assignment, contract, commitment and association in the name of and on behalf of the Company.</p>

**SADAFCO****سدا فكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

and on behalf of the Company. The Board of Directors may carry out all acts and actions that would achieve the objectives of the Company. ~~The Board of Directors may delegate on its behalf, within the limits of its powers, one or more of its members or third parties to take an action or a particular act.~~

The Board of Directors shall, in the cases it determines, have the right to discharge the Company's debtors from their obligations in accordance with what is in its interest, provided that the minutes of the Board of Directors and the rationale for its resolution include observance of the following conditions:

- ~~1-~~The release must be at least one full year after the debt was created
- ~~2-~~ The release shall be for a specified amount as a maximum per year for one debtor.
- ~~3-~~ Release is a right of the board, and it is not permissible to delegate it.

The board ~~may also~~, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or works.

The Board of Directors may carry out all acts and actions that would achieve the objectives of the Company.

d- The formation of committees of all types, the determination of their powers and authorities, the appointment of their members from among the Board's members or others, the dismissal of members, and the determination of their remuneration.

e- The Board of Directors shall, in the cases it determines, have the right to discharge the Company's debtors from their obligations in accordance with what is in its interest, provided that the minutes of the Board of Directors and the rationale for its resolution include observance of the following conditions:

- The release must be at least one full year after the debt was created.
- The release shall be for a specified amount as a maximum per year for one debtor.
- Release is a right of the Board, and it is not permissible to delegate it.

2. The approval of the General Assembly is required when the Board of Directors intends to sell assets that exceed fifty percent (50%) of the total value of its assets, whether the sale is made through a single transaction or multiple transactions. In this case, the transaction that leads to exceeding the fifty percent (50%) threshold of the asset value is the transaction that requires the approval of the General Assembly. This percentage is calculated from the date of the first transaction that took place within the previous twelve (12) months.

The Board, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or works.



<p><b>Article Twenty-Four: Board Remuneration</b></p> <p><del>The remuneration of the Board of Directors consists of the percentage stipulated in Paragraph (5) of Article 25 of this Bylaw and within the limits stipulated in the Companies Law and its Bylaws, in an amount not exceeding five hundred thousand Saudi Riyals.</del> The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all The members of the board of directors obtained it during the fiscal year in terms of bonuses, expenses allowance and other benefits, It should also include a statement of what the members of the Council received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy, and it should also include a statement of the number of board sessions and the number of sessions attended by each member <del>from the date of the last meeting of the General Assembly.</del></p>	<p><b>Article Twenty-Three: Board Remuneration</b></p> <p>1- The Remuneration and Nomination Committee shall submit a recommendation to the Board of Directors regarding the remuneration of its members. Such remuneration may be a fixed amount, attendance fee for meetings, benefits in kind, or a certain percentage of the net profits. Two or more types of remuneration may be combined. The Board of Directors shall propose the amount of the remuneration to the Ordinary General Assembly at its annual meeting, each year separately.</p> <p>2- The Board of Directors' annual report presents to the Ordinary General Assembly <u>during the annual meeting</u> must include a comprehensive statement of all the remuneration that the Board of Directors received <u>or is entitled to receive</u> during the fiscal year, this report shall include bonuses, <u>attendance allowance</u>, expenses allowance, as well as any other benefits. Additionally, the report should specify the compensation that each Board member received in their capacity as an employee or administrator, or for any technical or administrative work or consultation services rendered. Furthermore, it should provide a breakdown of the number of board meetings held and attended by each member.</p>
<p><b>Article Twenty-Five: Powers of the Chairman, Vice-Chairman, Managing Director and the Board Secretary</b></p>	<p><b>Article Twenty-Four: Powers of the Chairman, Vice-Chairman, Managing Director, <u>Chief Executive Officer</u>, and the Board Secretary</b></p>
<p>The Board of Directors appoints from among its members a Chairman and a Vice-Chairman, and he may appoint a Managing Director. It is not permitted to hold the position of the Chairman of the Board of Directors and any executive position in the Company. The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in his absence.</p>	<p>1- The Board of Directors appoints, <u>at its first meeting</u> a Chairman and a Vice-Chairman among its members, and may appoint a Managing Director, <u>Chief Executive Officer</u>, <u>or both</u>. It is not permitted to hold the position of the Chairman of the Board of Directors and any executive position in the Company. The Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in his absence.</p>

**SADAFCO****سدا فكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

The Chairman of the Board is responsible for representing the Company in its relations with others, before the judiciary, government agencies, notaries, courts, committees for settling disputes of all kinds, arbitration bodies, chambers of commerce, private bodies, companies and institutions of all kinds, and signing all kinds of contracts, documents, including but not limited to contracts of incorporation of companies in which the Company participates. With all its amendments and appendices, signing agreements, instruments and transfer of ownership before notaries public, official bodies and loan agreements, guarantees, mortgages, their release, issuing legal agencies on behalf of the Company, pleading, defending, conciliation, acknowledgment and arbitration on behalf of the Company. The Board determines the remuneration to be obtained by the Chairman of the Board of Directors and the Managing Director, in addition to the remuneration prescribed for members of the Board of Directors.

The board of directors appoints a secretary to be chosen by it from among its members or from others, who is responsible for recording the minutes of the board of directors' meetings, writing down the resolutions issued by these meetings and keeping them, in addition to exercising the other powers assigned to him by the board of directors, the board fix his remuneration.

The term of Chairman, Vice-Chairman, Managing Director and Secretary ~~does~~ not exceed term of their membership in the Board, and they may be re-elected, ~~and the Board at any time may dismiss them or any of them without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.~~

- 2- The Chairman of the Board shall have the broadest powers in managing the Company, including, but not limited to responsible for representing the Company in its relations with others, before the judiciary, government agencies, notaries, courts, committees for settling disputes of all kinds, arbitration bodies, chambers of commerce, private bodies, companies and institutions of all kinds, and signing all kinds of contracts, documents, including but not limited to contracts of incorporation of companies in which the Company participates. With all its amendments and appendices, signing agreements, instruments and transfer of ownership before notaries public, official bodies and loan agreements, guarantees, mortgages, their release, issuing legal agencies on behalf of the Company, pleading, defending, conciliation, acknowledgment and arbitration on behalf of the Company, he/she may delegate or authorize (in writing) some of his/her powers to other Board members or to others to perform specific tasks or duties inside or outside the Kingdom of Saudi Arabia.
- 3- If appointed, the Managing Director and the Chief Executive Officer shall implement the Board of Directors' resolution, manage the company's daily operations, and lead its employees under the supervision and control of the Board of Directors. The Board shall determine the scope and powers of the Managing Director and the Chief Executive Officer in matters not provided for by this Bylaw.
- 4- If appointed, the Managing Director and the Chief Executive Officer shall be responsible for managing the Company on a daily basis, in accordance with the powers and authorities granted to them by the Board. solely or jointly, they shall have the necessary authority to manage the Company's daily operations, such as representing the Company before all

**SADAFCO****سدافكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

government and private ministries, authorities, police stations, public prosecution, chambers of commerce and industry, notaries, companies, and institutions of various types, as well as before all Sharia, administrative, judicial, and quasi-judicial courts, bodies, and committees in filing claims, defending the Company's interests, hearing claims, responding to them, admitting or denying them, settling disputes, and arbitrating on behalf of the Company, and in demanding the enforcement of judgments in all matters and disputes raised by or against the company. They shall also receive court orders and collect all amounts due to the company by means of certified or uncertified checks from enforcement courts or other entities, issue legal powers of attorney, appoint and dismiss attorneys and lawyers, sign all types of contracts, documents, and papers, including without limitation articles of incorporation of companies in which the Company participates, along with all their amendments and supplements, modify or cancel any contracts, documents, or papers related thereto, settle the Company's obligations, register trademarks and renew them, appoint and contract with employees, determine their salaries, dismiss them from service, request visas, bring in employees and workers from abroad, obtain residence permits, work licenses, transfer sponsorship, relinquish sponsorship, and access all government electronic platforms. Separately, each of them has the right to delegate or authorize one or more specific tasks to others, within or outside the Kingdom of Saudi Arabia.

- 5- The Board determines the remuneration to be obtained by the Chairman of the Board of Directors, the Managing Director -if appointed-, and the Chief Executive Officer, in addition to the remuneration prescribed for members of the Board of Directors.



	<p>6- The Board of Directors appoints a secretary to be chosen by it from among its members or from others, who is responsible for recording the minutes of the Board of Directors meetings, writing down the resolutions issued by these meetings and keeping them, in addition to exercising the other powers assigned to him by the Board of Directors, the Board fix his remuneration.</p> <p>7- The term of Chairman, Vice-Chairman, Managing Director, <u>Chief Executive</u>, and Secretary <u>- If they are Board members - shall not exceed the term of their membership in the Board, and they may be re-elected. The Board of Directors may dismiss the Chairman, Vice Chairman, Managing Director, Chief Executive Officer, Secretary, or any of them, from their positions, without dismissing them of their membership in the Board of Directors</u></p>
<b>Article Twenty-<del>Six</del>: Board Meetings:</b>	<b>Article Twenty-<u>Five</u>: Board Meetings:</b>
The Board of Directors meets at least <del>twice</del> a year at the invitation of its Chairman. The invitation is in writing and may be delivered by hand or sent by mail or fax. The Chairman of the Board must invite the Board to a meeting whenever requested by <del>two of the members</del> .	<p>1- The Board of Directors meets at least <u>(four) times in the fiscal year</u> at the invitation of its Chairman. The invitation is in writing and may be delivered by hand or sent by mail, <u>email</u>, or fax. The Chairman of the Board must invite the Board to a meeting whenever requested by <u>any Board member to discuss one topic or more</u>.</p> <p>2- <u>The Board of Directors shall determine the place of its meetings, and its meetings may be held by means of modern technology.</u></p>
<b>Article Twenty-<del>Seven</del>: Quorum of the Board Meeting</b>	<b>Article Twenty-<u>Six</u>: Quorum of the Board Meeting</b>
The meeting of the Board is not valid unless it is attended by at least half of the members, provided that the number of attendees is not less than 3 members by themselves.	1- The meeting of the Board is not valid unless it is attended by at least half of the members, <u>whether present or represented</u> , provided that the number of attendees is not less than 3 members by themselves. A member of the Board of Directors may delegate other members to attend meetings of the Board on his behalf in accordance with the following rules:

A member of the Board of Directors may delegate other members to attend meetings of the Board on his behalf in accordance with the following rules:

- A member of the Board of Directors may not represent more than one member in attending the same meeting.
- That the delegation be fixed in writing and in connection with a specific meeting.
- The representative may not vote on resolutions that the law prohibits the representative from voting on

The resolutions of the board are issued by a majority of the opinions of the members present or represented therein (and in the event of equal **opinions**, the side with which the chairperson voted shall prevail). With the exception of this, the following resolutions require the approval of no less than (60%) of the members of the Council present or represented at the meeting:

- Borrowing in excess of (30%) of the Company's capital during any one fiscal year.
- Approve capital expenditures of more than (20%) of the Company's capital during any one financial year.
- Establishing new factories or practicing new industrial activities.
- Selling the Company's real estate

The Board of Directors may issue resolutions by ~~circulation and presenting them to all the members separately, unless one of the members requests in writing the meeting of the Board for deliberation, and these resolutions are presented to the Board of Directors at its first meeting.~~

- A member of the Board of Directors may not represent more than one member in attending the same meeting.
  - That the delegation be fixed in writing and in connection with a specific meeting.
  - The representative may not vote on resolutions that the law prohibits the representative from voting on.
- The resolutions of the board are issued by a majority of the opinions of the members present or represented therein and in the event of equal **votes**, the side with which the chairperson voted shall prevail. With the exception of this, the following resolutions require the approval of no less than (60%) of the members of the Council present or represented at the meeting:
    - Borrowing in excess of (30%) of the Company's capital during any one fiscal year.
    - Approve capital expenditures of more than (20%) of the Company's capital during any one financial year.
    - Establishing new factories or practicing new industrial activities.
    - Selling the Company's real estate.
  - The Board resolution shall be effective from the date of its issuance unless it is stipulated that it shall be effective at another time or upon the fulfillment of certain conditions.
  - The Board of Directors may issue resolutions by circulation, unless one of its members requests (in writing) a meeting for deliberation. Resolutions by circulation shall be issued as soon as approved by the majority, and it should submitted to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

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سدافكو

SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

<p><b>Article Twenty–<del>Eighth</del>: Board Deliberations</b></p> <p>The deliberations and resolutions of the Board of Directors shall be recorded in minutes signed by the Chairman of the <del>Board</del>, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.</p>	<p><b>Article Twenty–<u>Seven</u>: Board Deliberations</b></p> <p>1- The deliberations and resolutions of the Board of Directors shall be recorded in minutes <u>prepared by the Secretary and signed by the Chairman of the meeting</u>, the members of the Board of Directors present, and the Secretary.</p> <p>2- These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.</p> <p>3- <u>Modern technology may be used to sign and record deliberations, decisions, and minutes.</u></p>
<p><b>Chapter Four: Shareholders' Assemblies</b></p>	<p><b>Chapter Four: Shareholders' Assemblies</b></p>
<p><b>Article Twenty–<del>Ninth</del>: <del>Attendance of Assemblies</del>:</b></p>	<p><b>Article Twenty–<u>Eight</u>: <u>Shareholder General Assembly Meeting</u>:</b></p>
<p><del>Every subscriber, regardless of the number of his shares, has the right to attend the Constituent Assembly.</del></p>	<p>1- <u>The General Assembly Meeting shall be chaired by Chairman, or by the vice-Chairman in his/her absence, or whoever is delegated by the Board among its members or others in their absence. In the event that this is not possible, the General Assembly Meeting shall be chaired by whoever is delegated by the shareholders from among the members of the Board or others by voting.</u></p> <p>2- <u>Each shareholder shall have the right to attend the General Assembly Meeting, he/she shall appoint another person other than the member of the Board of Directors to attend.</u></p> <p>3- <u>The General Assembly Meeting and the shareholder's participation in deliberations and voting on decisions may be held by modern technology means.</u></p>
<p><b><del>Article Thirty: The Constituent Assembly:</del></b></p>	<p><b>Deleted Article</b></p>
<p><del>Shareholders invite all subscribers to hold a Transformational Assembly within (forty five) days from the date of the ministry's resolution to license the transformation of the Company. The invitation to the first meeting shall include that.</del></p>	<p>Deleted Article</p>

**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

<del>In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it.</del>	
<del><b>Article Thirty-One: Functions of the Constituent Assembly:</b></del>	<b>Deleted Article</b>
<del>The Transformational Assembly specializes in the following matters: 1— Verify that all the capital has been subscribed and that the payment has been made in accordance with the provisions of the Companies Law with the minimum amount of capital and the amount due from the value of the shares. 2— Laying out the final texts of the Company's Bylaw, but it is not allowed to make fundamental amendments to the Bylaw before it, except with the approval of all the shareholders represented therein. 3— Appointment of the first auditor of the Company 4— Deliberation in the shareholders' report on the business and expenditures required for entry.  For the validity of its convening, the presence of a number of subscribers representing at least half of the capital is required, and each shareholder in its meetings has a vote for each share he subscribes to or represents.</del>	<b>Deleted Article</b>
<del><b>Article Thirty-Two: Functions of the Ordinary General Assembly:</b></del>	<b>Deleted Article</b>
<del>With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters related to the Company and is held at least once a year during the six months following the end of the Company's financial year. Other ordinary assemblies may be called whenever the need arises.</del>	<b>Deleted Article</b>

<p><b><del>Article Thirty-Three: Functions of the Extraordinary General Assembly:</del></b></p>	<p><b>Deleted Article</b></p>
<p><del>The Extraordinary General Assembly is competent to amend the Company's articles of association with the exception of matters that are prohibited from amending them by law, and it may issue resolutions on matters originally within the competences of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.</del></p>	<p><b>Deleted Article</b></p>
<p><b>Article <del>Thirty-Four</del>: Call of Assemblies</b></p>	<p><b>Article <u>Twenty-Nine</u>: Call of Assemblies:</b></p>
<p>The general or special assemblies are convened at the invitation of the board of directors, and the board of directors must call the Ordinary General Assembly to convene <del>if</del> the external auditor, <del>the audit committee</del>, or a number of shareholders representing at least (5%) of the <del>capital so requested</del>. The external auditor may invite the Assembly to convene if the board does not invite the Assembly within thirty days from the date of the auditor's request. The invitation to convene the General Assembly shall be <del>published in a daily newspaper distributed at the Company's head office</del> at least twenty-one days before the date fixed for the meeting. <del>However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Ministry and to the Capital Market Authority, within the period specified for publication.</del></p>	<p><u>1-</u> The general or special assemblies are convened at the invitation of the Board of Directors, and the Board of Directors must call the Ordinary General Assembly to convene <u>within (thirty) days upon the request of</u> the external auditor, or a number of shareholders representing at least (10%) of the <u>Company voting shares</u>. The external auditor may invite the <u>Ordinary General</u> Assembly to convene if the Board does not invite the Assembly within <u>(thirty)</u> days from the date of the auditor's request.</p> <p><u>2-</u> The request referred to in Paragraph (1) of this Article must indicate the matters that the shareholders are required to vote on.</p> <p><u>3-</u> The invitation to convene the General Assembly shall be at least (twenty-one) days before the date fixed for the meeting <u>in accordance with the applicable regulations and controls set by the competent authority.</u></p>
<p><b><del>Article Thirty-Five: Record of attendance at assemblies</del></b></p>	<p><b>Deleted Article</b></p>
<p><del>Shareholders who wish to attend the General Assembly register their names at the Company's head office or at any place specified by the board of directors before the time set for the Assembly.</del></p>	<p><b>Deleted Article</b></p>



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SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

Article <del>Thirty-Six</del> : Quorum of the Ordinary General Assembly Meeting	Article <u>Thirty</u> : Quorum of the Ordinary General Assembly Meeting
<p>The meeting of the Ordinary General Assembly is not valid unless it is attended by shareholders representing at least one quarter of the <del>capital</del>. If the necessary quorum is not available to hold <del>this meeting, the second meeting shall be held an hour after the end of the period specified for the first meeting</del>, provided that the invitation to hold the first meeting includes an announcement about the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented in it.</p>	<p>1- The Ordinary General Assembly meeting is not valid unless it is attended by shareholders representing at least one-quarter of the <u>Company's shares with voting rights</u>.</p> <p>2- If the necessary quorum is not available to hold the <u>Ordinary General Assembly in accordance with paragraph (1) of this Article, an invitation to a second meeting shall be convened in accordance with article (ninety-one) of the Campines Law within (thirty) days following the date fixed for the previous meeting. However, the second meeting may be held one hour after the expiry of the period fixed for the first meeting, provided that the invitation to hold the first meeting includes an announcement about the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares <u>that have voting rights</u> represented in it.</u></p>
Article <del>Thirty-Seven</del> : Quorum of the Extraordinary General Assembly Meeting	Article <u>Thirty-One</u> : Quorum of the Extraordinary General Assembly Meeting
<p>The meeting of the Extraordinary General Assembly is not valid unless attended by shareholders representing half of the <del>capital</del>. If this quorum is not available in the <del>first</del> meeting, the second meeting <del>will</del> be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an <del>announcement about</del> the possibility of holding this the meeting, in all cases the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the <del>capital</del>, if the necessary quorum is not present in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (34) <del>of this bylaw</del>, and the third meeting will be valid regardless of the number of shares represented therein, <del>after approval of the competent authority</del>.</p>	<p>1- The Extraordinary General Assembly meeting is not valid unless attended by shareholders representing <u>at least</u> half of the <u>shares of the Company that have voting rights</u>.</p> <p>2- If this quorum is not available in the <u>Extraordinary General Assembly meeting in accordance with paragraph (1) in this Article, a second meeting shall be called to be held in the same condition provided in article (ninety-one) of the Companies Law, however, the second meeting <u>may</u> be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes about the possibility of holding this the meeting, in all cases the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the <u>shares of the Company that have voting rights</u>.</u></p>

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الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

	<p>3- if the necessary quorum is not present in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (ninety-one) of the <u>Companies Law</u>, and the third meeting will be valid regardless of the number of shares that have voting rights represented therein.</p>
<p><b>Article Thirty-Eight: Voting in Assemblies:</b></p>	<p><b>Article Thirty-Two Voting in Assemblies:</b></p>
<p><del>Each subscriber has a vote for each share he represents in the Transformational Assembly, and</del> each shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used to elect the board of directors. It is permissible to hold meetings of general and private assemblies of shareholders and the shareholder to participate in their deliberations and vote on their resolutions by means of modern technology according to the controls set by the competent authority.</p>	<p>1- Each shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used to elect the Board of Directors, <u>so that the right to vote per share may not be used more than once.</u></p> <p>2- <u>The members of the Board of Directors may not participate in voting on the decision of the Assembly that relate to works and contracts in which they have a direct or indirect interest or that involve a conflict of interest.</u></p> <p>3- It is permissible to hold meetings of general and private assemblies of shareholders and the shareholder to participate in their deliberations and vote on their resolutions by means of modern technology according to the controls set by the competent authority.</p>
<p><b>Article Thirty-Nine: Assemblies Resolutions:</b></p>	<p><b>Article Thirty-Three: Assemblies Resolutions:</b></p>
<p><del>Resolutions in the Transformational Assembly are issued by an absolute majority of the shares represented in it, and</del> the resolutions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, and the resolutions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting, unless it is a resolution related to increasing or decreasing the capital or extending the term of the Company or Its dissolution before the expiry of the period specified in its Bylaw or its merger with another company shall not be valid unless it is issued by a</p>	<p>1- The decisions of the Ordinary General Assembly are issued by <u>approval of</u> an absolute majority of the <u>voting right</u> represented in the meeting.</p> <p>2- The decisions of the Extraordinary General Assembly are issued by <u>approval of</u> two-thirds of the <u>voting right</u> represented in the meeting unless it is a decision related to increasing or decreasing the capital or extending the term of the Company or Its dissolution before the expiry of the period specified in its Bylaw or its merger with another company or <u>divided the Company into two or more companies</u> shall not be valid unless it is issued by a majority of three-quarters of the <u>voting right</u> represented in the meeting.</p>



majority of three quarters of the <b>shares</b> represented in the meeting.	
<b>Article Forty: Deliberations in Assemblies:</b>	<b>Article Thirty-Four: Deliberations in Assemblies:</b>
Each shareholder has the right to discuss the topics listed on the Assembly's agenda and to direct questions in this regard to the members of the board of directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that the Company's interest is not jeopardized. If the shareholder thinks that the answer to his question is <b>not convincing</b> , he will appeal to the Assembly, and its resolution in this regard will be enforceable.	Each shareholder has the right to discuss the topics listed on the <u>General</u> Assembly's agenda and to direct questions in this regard to the members of the Board of Directors and the external auditor. The Board of Directors or the external auditor shall answer the shareholders' questions to the extent that the Company's interest is not jeopardized. If the shareholder thinks that the answer to his/her question is <u>insufficient</u> , he/she will appeal to the <u>General</u> Assembly, and its decision in this regard will be enforceable.
<b>Article Forty-One: Presiding Assemblies and Preparation of Minutes:</b>	<b>Article Thirty-Five: Preparation of Assemblies Minutes:</b>
<del>The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board from among its members for that in the absence of the chairman and his deputy.</del> Minutes of the meeting of the Assembly shall be drawn up containing the number of shareholders present or <b>represented</b> , the number of shares they hold by themselves or by proxy, the number of votes decided to them, the resolutions taken, the number of votes approving or disapproving of them, and an adequate summary of the discussions that took place in the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the Assembly chairman, secretary and vote collector.	Minutes of the meeting of the Assembly shall be drawn up containing the number of shareholders present <u>in person</u> or <u>proxy</u> , the number of shares they hold by themselves or by proxy, the number of votes decided to them, the resolutions taken, the number of votes approving or disapproving of them, and an adequate summary of the discussions that took place in the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the assembly chairman, secretary, and vote collector.
<b>Chapter Five: Audit Committee</b>	<b>Deleted Chapter</b>
<b>Article Forty-Two: Formulation of the committee:</b>	<b>Deleted Article</b>
<del>By resolution of the Ordinary General Assembly shall form an audit committee consisting of three members who are not</del>	<b>Deleted Article</b>

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**SAUDIA DAIRY & FOODSTUFF COMPANY**  
**SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية**  
**شركة مساهمة سعودية**

<del>executive members of the board of directors, whether shareholders or others. The resolution specifies the committee's tasks, its work regulations, and the rewards of its members.</del>	
<b>Article Forty-Three: Quorum of Committee's Meeting:</b>	<b>Deleted Article</b>
<del>For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its resolutions are issued by the majority of the votes of those present. When the votes are equal, the side with which the chairperson voted shall prevail.</del>	<b>Deleted Article</b>
<b>Article Forty-Four: Committee Functions:</b>	<b>Deleted Article</b>
<del>The Audit Committee is responsible for monitoring the Company's business, and for this purpose, it has the right to audit its records and documents and to request any clarification or statement from the members of the board of directors or the executive management. And it may ask the board of directors to call the Company's General Assembly to convene if the board of directors obstructs its work or the Company suffers serious damage or losses.</del>	<b>Deleted Article</b>
<b>Article Forty-Five: Committee's Reports</b>	<b>Deleted Article</b>
<del>The Audit Committee shall look into the Company's financial statements, reports and notes submitted by the auditor and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the Company's internal control system and the other work it has undertaken that interfere with the scope of its competence. The Board of Directors shall provide sufficient copies of this report at the Company's head office at least twenty one days before the date of the General Assembly to provide each of the shareholders who desire a copy of it, and the report is read during the Assembly.</del>	<b>Deleted Article</b>

Chapter <del>Six</del> : Accounts Auditor	Chapter <u>Five</u> : Accounts Auditor
<p><b>Article <del>Forty-Six</del>: Appointment of Accounts Auditor</b></p> <p>The Company must have one or more auditors from among the auditors licensed <del>to work</del> in the Kingdom <del>of Saudi Arabia</del>, to be appointed <del>annually</del> by the <del>Ordinary</del> General Assembly, <del>and to determine his remuneration and the duration of his work. The Assembly may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.</del></p>	<p><b>Article <u>Thirty-Six</u>: Appointment, <u>Dismissal</u>, and <u>Resignation of Company Auditor</u></b></p> <p>1- The Company must have one (or more) auditors among the auditors licensed in the Kingdom, to be appointed <u>determined its fees, term, and scope of work</u> by the General Assembly, <u>such auditors may be reappointed provided that the period of their appointment does not exceed the period prescribed by law.</u></p> <p>2- The auditor may be dismissed by a General Assembly decision, and the Chairman shall inform the competent authority of such dismissal decision and the reasons therefor, within a period not exceeding five (5) days from the date of issuance of this decision.</p> <p>3- The auditor has the option to resign from their duties by providing written notice to the Company. The resignation will take effect from the date specified in the notice or a later date, as indicated by the auditor, without infringing on the Company's right to seek compensation for any damages incurred if deemed necessary. Along with the resignation notice, the auditor must also submit a statement explaining the grounds for their resignation to both the Company and the relevant authority. Subsequently, the Board of Directors is obligated to call for a General Assembly meeting to discuss the reasons behind the auditor's resignation, appoint a replacement auditor, and determine the fees, term, and scope of work for the new appointment.</p>
<p><b>Article <del>Forty-Seven</del>: Powers of Account Auditor</b></p> <p><b><del>Powers of the auditor</del></b></p> <p>The auditor at any time <del>has the right</del> to audit the Company's <del>books</del>, records and <del>other</del> documents. <del>He</del> also has the right to request data and clarifications that <del>he</del> deems necessary to obtain</p>	<p><b>Article <u>Thirty-Seven</u>: Powers of Account Auditor</b></p> <p>The auditor at any time shall have access to audit the Company's <u>documents, accounting</u> records, and any support documents. It also has the right to request data and clarifications that it deems</p>

<p>in order to verify the Company's assets, obligations and other matters that fall within the scope of <b>his</b> work. Difficulty in this regard is proven in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, it must ask <del>the board of directors</del> to invite the <b>Ordinary</b> General Assembly to look into the matter.</p>	<p>necessary to obtain in order to verify the Company's assets, obligations, and other matters that fall within the scope of its work. If a report submitted to the Board of Directors indicates that the auditor is facing difficulties in carrying out their duties, the Board must take action to assist the auditor. If the Board fails to do so, the auditor can request the General Assembly to convene and address the issue. <u>If the Board does not make such a request within 30 days of the auditor's initial request, the auditor may make the request themselves.</u></p>
<p><b>Chapter <del>Seven</del>: Company's <del>Accounts</del> and Profit Distribution:</b></p>	<p><b>Chapter <u>Six</u>: Company's <u>Finances</u> and Profit Distribution:</b></p>
<p><b>Article <del>Forty-Eight</del>: Fiscal Year</b></p>	<p><b>Article <u>Thirty-Eight</u>: Fiscal Year</b></p>
<p>The Company's fiscal year begins on the first of <del>April</del> and ends at the end of <del>March</del> of each year, <del>provided that the first fiscal year begins from the date of its registration in the Commercial Register as a joint stock company until March 31 of the following year.</del></p>	<p>The Company's fiscal year begins on the first <u>day</u> of <u>January</u> and ends at the end of <u>December</u> of each <u>Georgian</u> year.</p>
<p><b>Article <del>Forty-Nine</del>: Financial Documents:</b></p>	<p><b>Article <u>Thirty-Nine</u>: Financial Documents:</b></p>
<p>A- At the end of each fiscal year of the Company, the board of directors must prepare the Company's financial statements and a report on its activity and financial position for the past financial year. This report includes the proposed method for distributing profits and the board puts these documents at the auditor's disposal forty-five days before the date set for convening the General Assembly.</p> <p>B- The Company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (a) of this article, and a copy of them shall be provided at the Company's head office at the shareholders' disposal <del>at least twenty one days before the date set for holding the General Assembly.</del></p>	<p>A- At the end of each fiscal year of the Company, the board of directors must prepare the Company's financial statements and a report on its activity and financial position for the past financial year. This report includes the proposed method for distributing profits and the board puts these documents at the auditor's disposal (forty-five) days before the date set for convening the <u>annual Ordinary</u> General Assembly.</p> <p>B- The documents mentioned in paragraph (A) of this Article must be signed by the Chairman of the Board of Directors, Chief Executive Officer, and Chief Financial Officer. A copy of these documents should be made available to shareholders at the Company's headquarters.</p>



**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

<p>C- The chairman of the board of directors must provide the shareholders with the Company's financial statements, the board's report and the auditor's report, unless they are published in <del>a daily newspaper distributed in the Company's head office. He must also send a copy of these documents to the ministry and the Capital Market Authority, fifteen</del> days at least before the date of the General Assembly meeting.</p>	<p>C- <u>Upon signing</u>, the Chairman of the Board of Directors is responsible for providing shareholders with the Company's financial statements, the Board's Annual Report, and the auditor's report. These documents should be made available to shareholders <u>at least 21 days before the annual Ordinary General Assembly meeting, unless they have already been published through modern technology.</u></p>
<p><b>Article Fifty: Distribution of Profits:</b></p>	<p><b>Article Forty: Creation Reserves:</b></p>
<p><del>The net annual profits of the Company shall be distributed as follows:</del></p> <p>1- <del>(10%) of the net profits shall be set aside to form the statutory reserve of the Company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the paid up capital.</del></p> <p>2- <del>The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form a consensual reserve to be allocated for a specific purpose or purposes, as decided by the Ordinary General Assembly of shareholders.</del></p> <p>3- <del>The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed profits as much as possible to the shareholders.</del> <del>The aforementioned Assembly may also deduct sums from the net profits to establish social institutions for the Company's employees, or to assist the existing ones of these institutions.</del></p> <p>4- <del>From the remain profits a percentage representing (5%) of the Company's paid in capital shall be distributed to the shareholders.</del></p> <p>5- <del>Taking into account the provisions stipulated in Article (24) of this articles and Article Seventy six of the</del></p>	<p>1- <u>When deciding on dividends to be paid out of the net profit, the Ordinary General Assembly has the option to create reserves that serve the Company's interests or ensure the distribution of fixed dividends to shareholders, if possible. The Assembly is also authorized to allocate portions of the net profit towards social objectives that benefit the Company's employees.</u></p> <p>2- <u>The General Assembly -based on Board of Directors recommendation- shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any.</u></p>

<p><del>Companies Law, after the foregoing, 10% of the remainder is allocated to the Board of Directors' remuneration, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.</del></p>	
<p><b>Article <del>Fifty-One</del>: Profit Entitlement</b></p>	<p><b>Article <u>Forty-One</u>: Profit Entitlement and <u>Distribution</u>:</b></p>
<p>The shareholder is entitled to a share in the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution indicates the due date and distribution date. The Company may distribute interim profits to its shareholders on a semi-annual or quarterly basis, in accordance with the regulations set by the competent authority. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.</p>	<p>1- The shareholder is entitled to a share in the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution indicates the due date and distribution date. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. <u>The Board of Directors must implement the General Assembly's decision regarding the distribution of profits to shareholders.</u></p> <p>2- The Company may distribute interim profits to its shareholders on a semi-annual or quarterly basis <u>upon resolution of the Board of Directors</u>, in accordance with the regulations set by the competent authority.</p>
<p><b>Article <del>Fifty-Two</del>: Distribution of Profits for Preferred Shares:</b></p>	<p><b>Deleted Article</b></p>
<p><del>If no dividends are distributed for any financial year, then no dividends may be distributed for the following years until after paying the percentage specified in accordance with the provision of Article (14) of the Companies Law to owners of preferred shares for that year.</del></p> <p><del>2- If the Company fails to pay the specified percentage in accordance with the provisions of Article (14) of the Companies Law for a period of three consecutive years, the Special Assembly of the owners of these shares may convene in accordance with the provisions of Article (89) of the Companies Law to decide either that they attend the Company's General Assembly meetings and participate in voting or appoint their representatives to the board</del></p>	<p><b>Deleted Article</b></p>



**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

<del>of directors in proportion to the value of their shares in the capital, until the Company can pay all the priority profits allocated to the owners of these shares for the previous years.</del>	
<b>Article Fifty-Three: Company Losses:</b>	<b>Deleted Article</b>
<p><del>1— If the losses of the joint stock company reaches amount half of the paid up capital at any time during the year, any official in the Company or the auditor must immediately inform the Chairman of the Board of Directors and the Chairman of the Board of Directors must immediately inform the members of the Board of this, and the Board of Directors must within fifteen days Whoever becomes aware of this shall call the Extraordinary General Assembly to meet within forty five days from the date of his knowledge of the losses to decide either to increase or decrease the Company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses drops to less than half of the paid up capital, or to dissolve the Company before the specified deadline in companies law.</del></p> <p><del>2— The Company is considered dissolved by the force of the Companies Law if the General Assembly does not meet within the period specified in Paragraph 1 of this Article, or if it meets and is unable to issue a resolution on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and subscription in all increase of capital does not happen within ninety days from issuance date of the Assembly increase resolution.</del></p>	<b>Deleted Article</b>
<b>Chapter Eight: Disputes</b>	<b>Deleted Chapter</b>
<b>Article Fifty-Four: Liability Claim:</b>	<b>Deleted Article</b>
<del>Each shareholder has the right to file a liability lawsuit for the Company against the members of the Board of Directors if the</del>	<b>Deleted Article</b>

**SADAFCO****سدافكو**

**SAUDIA DAIRY & FOODSTUFF COMPANY**  
**SAUDI JOINT STOCK CO.**

**الشركة السعودية لمنتجات الألبان والأغذية**  
**شركة مساهمة سعودية**

~~mistake made by them causes a special damage to him. The shareholder may not file the aforementioned lawsuit unless the Company's right to file it still exists, and the shareholder must inform the Company of his intention to file the lawsuit.~~

**Chapter Nine: Dissolving Company and its Liquidation:**

**Article ~~Fifty-Five~~: Company Expiration**

~~As soon as the Company expires, the Company enters the stage of liquidation and retains the legal personality to the extent necessary for its liquidation. A voluntary liquidation resolution is issued by the Extraordinary General Assembly. The liquidation resolution must include the appointment of the liquidator, his powers, his fees, and the restrictions imposed on his powers, the time period required for liquidation, and the period of voluntary liquidation should not exceed five years and may not be extended for more than that except by a court order. The authority of the Company's board of directors ends with its dissolution. However, they remain in charge of the Company's management and are considered to be liquidators for others until the liquidator is appointed. Shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with the competencies of the liquidator.~~

**Article Forty-Two: Company Expiration**

The Company will expire if any of the reasons for expiry outlined in Article (243) of the Companies Law occur. In the event of expiration, the Company will enter into liquidation according to the guidelines set forth in Chapter Twelve (12) of the Companies Law. If the Company expires and its assets are not sufficient to cover its debts or if it defaults under the Bankruptcy Law, it must apply to the appropriate Judicial Authority to initiate any necessary liquidation procedures under the Bankruptcy Law.

**Chapter ~~Ten~~: Final Provisions**

**Article ~~Fifty-Six~~:**

~~The Companies Law and its bylaws shall apply to everything that is not provided for in these articles.~~

**Chapter Eight: Final Provisions**

**Article Forty-Three:**

- 1- The Company shall be subject to the applicable laws and regulations in the Kingdom of Saudi Arabia.
- 2- Any provision contrary to the provisions of the Companies Law in these Bylaws shall not be considered and the provisions of the Companies Law and all that is not provided

**SADAFCO****سدافكو****SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.****الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية**

	<u>for in these Bylaws shall be applied to the Companies Law and its Implementing Regulations.</u>
<b>Article <del>Fifty-Seven</del>:</b>	<b>Article <u>Forty-Four</u>:</b>
This Bylaw shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.	This Bylaw shall be deposited and published in accordance with the provisions of the Companies Law and its <u>Implementing</u> regulations.