



# Remuneration & Nomination Committee Charter



SADAFCO



سدافكو

SAUDIA DAIRY & FOODSTUFF COMPANY  
SAUDI JOINT STOCK CO.

الشركة السعودية لمنتجات الألبان والأغذية  
شركة مساهمة سعودية

### Proposed Amendments to the Remuneration & Nomination Committee Charter

In compliance with the new Companies Law Issued by Royal Decree No. M/132 dated 1/12/1443H corresponding to 30/6/2022G, its Implementing regulations, and the Company's Bylaws as amended by Extraordinary General Assembly on 22/08/2023.

#### Before Amendments

#### After Amendments

##### First: Introduction

This Charter is prepared as per ~~Corporates' law, its Executive regulation,~~ Corporate Governance Regulation issued by the Capital Market Authority ~~and the Company Bylaw.~~ The aim of the formation of Remuneration and Nomination Committee is to verify the appropriateness of the Board and Executive Management Members compensations and remunerations and ensure conformity with the Company strategy. Also, it shall ensure the independence of the Board Members and their nomination shall be in accordance with the membership policies and standards, approved by the Shareholders General Assembly and according to the conditions stated in the Companies law, its Executive regulation, the Company By-law, Capital Market law, its executive regulations. In addition, it will be responsible for the assessment of the Board Members, and its committees, and the supervision of administrative replacement plans in the Company's Executive Management. The committee will be responsible for its work before the Board and will analyse, within the scope of its specialty, any work submitted by the Board, and it shall deliver its recommendations to the Board to make resolution thereto.

According to clause (7) of Article (50) of Corporate Governance Regulation which states that "a Company may combine remuneration and nomination committees into one committee named remuneration and nomination committee. In such case, the remuneration and nomination committee must satisfy the requirements related to any of and practice all specialties prescribed."

##### First: Introduction

This **Remuneration & Nomination Committee** Charter is prepared as per Corporate Governance Regulation issued by the Capital Market Authority. The aim of the formation of Nomination and Remuneration Committee is to verify the appropriateness of the Board and Executive Management Members compensations and remunerations and ensure conformity with the Company strategy. Also, it shall ensure the independence of the Board Members and their nomination shall be in accordance with the membership policies and standards, approved by the Shareholders General Assembly and according to the conditions stated in the Companies law, its Executive regulation, the Company By-law, Capital Market law, its executive regulations. In addition, it will be responsible for the assessment of the Board Members, and its committees, and the supervision of administrative replacement plans in the Company's Executive Management. The committee will be responsible for its work before the Board and will analyse, within the scope of its specialty, any work submitted by the Board, and it shall deliver its recommendations to the Board to make resolution thereto.

According to clause (7) of Article (47) of Corporate Governance Regulation which states that "a Company may combine remuneration and nomination committees into one committee named remuneration and nomination committee. In such case, the remuneration and nomination committee must satisfy the requirements related to any of and practice all specialties prescribed."

<p><b>Second: Rules of Selecting Members of Remuneration and Nomination Committee, the process of their Nomination and Membership Duration</b></p> <p>8- The Committee's membership duration should not exceed the Board membership duration, which is <b>three</b> years.</p>	<p><b>Second: Rules of Selecting Members of Remuneration and Nomination Committee, the process of their Nomination and Membership Duration</b></p> <p>8- The Committee's membership duration should not exceed the Board membership duration, which is (<b>four</b>) years.</p>
<p><b>Eighth: Revision and Enforcement</b></p> <ol style="list-style-type: none"> <li>1. The content of this Charter will be revised, as needed, upon a recommendation by the Board, provided that these amendments are to be submitted to the Shareholders General Assembly for approval in the nearest meeting.</li> <li>2. This Charter will be effective and enforceable from the date of its approval by the company Shareholders General Assembly.</li> <li>3. Texts or rules, whatsoever, not stated in this Charter, 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.</li> </ol> <p style="text-align: center;"><b>Added</b></p> <ol style="list-style-type: none"> <li>4. This Charter 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.</li> </ol>	<p><b>Eighth: Revision and Enforcement</b></p> <ol style="list-style-type: none"> <li>1. The content of this Charter will be revised, as needed, upon a recommendation by the Board, provided that these amendments are to be submitted to the Shareholders General Assembly for approval in the nearest meeting.</li> <li>2. This Charter will be effective and enforceable from the date of its approval by the company Shareholders General Assembly.</li> <li>3. Texts or rules, whatsoever, not stated in this Charter, 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.</li> <li>4. This Charter has been drawn in Arabic and English texts. In case of any discrepancy or misinterpretation, the Arabic text shall prevail.</li> <li>5. This Charter 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.</li> </ol>