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Executive Committee Charter

Abdullah Al-Othaim Markets Company

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Introduction:

Based on the Board of Directors' endeavor to implement best practices, raise the quality and accuracy of work, and perform its duties effectively, the Board of Directors forms an executive committee to assist it in implementing its delegated tasks contained in these chapter or by a decision issued by it.

First: Definitions:

Company: Abdullah Al Othaim Markets Company.

Board of Directors: Board of Directors of Abdullah Al Othaim Markets Company.

Committee: The Executive Committee formed by the Board of Directors of Abdullah Al Othaim Markets Company.

Charter: Charter for the businesses of the Executive Committee of Abdullah Al Othaim Markets Company.

Committee Member: Member of the Executive Committee of Abdullah Al Othaim Markets Company.

Executive Management: Persons entrusted with managing the operations of Abdullah Al Othaim Markets Company, and proposing and implementing strategic decisions, such as the CEO, his deputies, and the CFO.

Secretary of the Committee: Secretary of the Executive Committee.

Second: Objectives of the Charter:

This charter aims to define the committee's business controls and procedures, the scope of its work, responsibilities and authorities' the criteria for its membership and the reasons for its termination, and the tasks and duties of its members.

Third: Formation of the committee:

- a) The committee shall be formed by a decision of the Board of Directors. Its members shall not be less than three and not more than five members with experience in the company's field of work. They shall be selected either from within or outside the Board of Directors. The term of the committee shall be in accordance with the decision to form it.
- b) In the event that the Chairman of the Committee is not appointed in accordance with the Board of Directors' decision to form it, the Committee shall choose a Chairman from among its members at its first meeting. The Committee may also appoint a Vice-Chairman from among its members, and it must appoint a secretary from among its members or from others. With the necessary experience and competence.
- c) If the number of members of the committee is less than three, and in order for its meetings to be valid, the Board of Directors must appoint another member to the vacant place and complete the legal procedures in that regard.
- d) In the event that the committee membership becomes vacant due to resignation or any other reason, the Board of Directors has the right to appoint a member to fill the vacant position, and the new member shall complete the term of his predecessor.

Fourth: Criteria and bases for selecting committee members:

- 1) He must have the qualifications recognized by law and regulation.
- 2) He must have the experience and competence necessary for the committee's work.
- 3) That he is characterized by honesty and integrity and has never been convicted of a crime related to honor and honesty.

- 4) To have sufficient time to participate effectively in the work of the committee, and to have the ability to make wise decisions that are consistent with the values and ethics of the profession.
- 5) To be impartial and objective.
- 6) To have a reasonable understanding of the policies and nature of the committee's work.

Fifth: End of committee membership:

- a) Committee membership ends at the end of its term in accordance with the decision to form it, the death of the member, or his resignation.
- b) The membership of all members of the committee or one of its members may be terminated by a decision of the Board due to the member's misuse of his position in the Committee or misconduct that the Board considers harmful to the interest and reputation of the company or due to the member losing any of the criteria for membership in the Committee.
- c) Any member of the Committee may resign from membership in the Committee by submitting a written notice, or through e-mail to the Chairman of the Committee, and the resignation becomes effective as of the date of approval by the majority of the Committee members.
- d) Committee membership shall be revoked if a member fails to attend more than three consecutive meetings or five separate committee meetings during his membership period without prior permission from the committee chairman or an acceptable excuse approved by the majority of committee members.

Sixth: Duties and responsibilities of the Chairman of the Committee:

Taking into consideration the duties and responsibilities of the member in general contained in these charter, the main duties and responsibilities of the Chairman of the Committee include, for example, the following:

- 1) Chairing and managing the committee meetings. In the event of his absence, his deputy (if present) will replace him. In the event of the absence of the committee chairman and his deputy (if present), another meeting will be scheduled as soon as possible.
- 2) Supervising and managing the committee's work, following up on it, and verifying compliance with its regulations by the concerned authorities or whomever they delegate to do so.
- 3) Ensuring the integrity of the decisions and recommendations taken by the committee, and that they are based on knowledge foundations and are in the interest of achieving the company's goals and strategic plans.
- 4) Submit issues to the Board of Directors on which the committee has not reached a decision and reports with critical risks.
- 5) Follow up on the implementation of the decisions and recommendations of the Committee and its relevant authorities.
- 6) Follow up on compliance with the regulations and verify the need to update them.
- 7) Ensure the implementation of the decisions and recommendations approved by the committee, and prepare a follow-up list of the decisions that includes a summary of the decisions, their implementation entities, and the latest developments on them, to be presented to the committee at each meeting.
- 8) The committee chairman may delegate part of his duties to whomever of the committee members he deems appropriate.

9) Attending the general assembly meetings of the company's shareholders or his representative.

Seventh: Committee member duties and responsibilities:

- 1) Regular attendance at the Committee's sessions and active participation in its work. If something arises that requires the Committee member's absence from one of its meetings, he must notify the Committee Chairman by any available means of notification. The member may not leave the session before its conclusion except with permission from the Committee Chairman.
- 2) Good and appropriate preparation for the meeting, reviewing before the meeting the topics on the agenda of each meeting and up for discussion, and reading all documents related to it.
- 3) Maintaining the secrets of the committee's and the company's work, and not disclosing to others any information he has come across that is considered confidential because of his work.
- 4) Review the draft proceedings and minutes of the committee's meetings, understand them well, and make his comments on them within a reasonable period from the date of his receipt of the draft, and request clarification of any unclear decision or text in those minutes.
- 5) That the member develops the skills necessary to carry out the work assigned to him.
- 6) Knowing and understanding the company's mission, strategy, goals and objectives well, being familiar with its programs and executive plans, and keeping abreast of developments related to the company's business.
- 7) To exercise integrity, honesty, honesty and objectivity, and to be free from personal interests by not directing the company's policy to his personal interest, and not to knowingly disclose misleading information.

8) He shall not accept anything of significant value from an employee, customer, supplier, or anyone who has a business relationship with the company that might influence the decisions he makes in the committee.

Eighth: The tasks, Authorities and powers of the committee:

The committee works to assist the CEO of the company within the limits of the powers granted to him by the Board of Directors and within the powers of the committee granted to it by the Board of Directors. It submits its reports to the Board of Directors and maintains direct channels of communication with him. It has no right to amend any decision issued by him or implement anything that conflicts with it. In form and content, it must take into consideration, within its tasks and powers stated below, any laws, regulations or other policies related directly or indirectly.

Among the committee's tasks and powers are the following:

- 1) Assisting the Board of Directors in performing its guidance and supervisory tasks efficiently and effectively, and enhancing its performance in completing various tasks and its role in following up on business developments.
- 2) Developing the company's strategy, setting relevant values and standards, and following up on the company's strategic objectives and its financial and operational priorities.
- 3) Working with and supervising the executive management to set and develop strategic goals and plans, and evaluating the proposals submitted by them and submitting them and approving them by the Board of Directors.
- 4) Supervising and reviewing the preparation of the annual budget and work plan and submitting the necessary recommendations to the Board of Directors.

- 5) Follow up and ensure the implementation of the company's long, medium and short-term strategic plans and update them periodically to ensure their effectiveness in achieving the desired strategic goals.
- 6) Monitoring the performance of executive management and the extent to which it achieves the company's goals and objectives.
- 7) Follow up on the implementation of estimated budgets compared to the company's actual ones, analyze the causes of deviations, review reports on the company's performance, ensure that they are implemented with the necessary quality and acceptable cost, and propose standards (KPIs) with the executive management for approval by the Board of Directors and ensure their implementation according to the approved plans.
- 8) Work with and supervise the executive management to follow up on the company's expansion plans and develop its current and future projects (including capital projects) according to priorities.
- 9) Study and review initiatives from the executive management, support them with the decisions and facilities they need, and propose them to the Board of Directors or any opinions regarding them.
- 10) Follow up on the implementation of the decisions, directives and recommendations of the Board of Directors with the executive management without prejudice to the powers and tasks of the Board of Directors and its committees.
- 11) Reviewing the company's financial, operational and marketing policies and procedures and submitting the necessary recommendations regarding them to the Board of Directors.
- 12) Review the company's governance systems and related issues periodically, and submit recommendations to make any required amendments to the Board of Directors.

- 13) Reviewing investment and acquisition operations and/or reviewing the submission of binding offers related to projects and/or reviewing any changes related to these investments or offers made or intended to be submitted by the company before presenting them to the Board of Directors.
- 14) Study and recommend exiting from current investments, and entering into new investment and industrial projects, including developing and developing current activities.
- 15) Review any issues or actions that may affect the company's public image.
- 16) Consider financial reports, the Board of Directors' report, reports of the Legal Affairs Department, reports of operational aspects related to the daily management of the company, and reports of the status of competing companies.
- 17) Review social work initiatives and submit the necessary recommendations to the Board of Directors.
- 18) Ensure that the company takes any corrective measures based on the observations received from the internal auditor or auditor related to the committee's powers.
- 19) Study any other issues referred to it by the Board of Directors and submit its recommendations to the Board to take the appropriate decision regarding them.
- 20) Seeking the assistance of whatever experts and specialists it deems necessary from within or outside the company within the limits of its powers, provided that it includes this in the minutes of its meeting with a detailed statement about the expert or specialist, his relationship with the company or the executive management, and the cost resulting from that.
- 21) Submitting a report on the committee's work at the end of each year to the Board of Directors.
- 22) The committee has all the necessary powers and authorities entrusted to it by the Board of Directors in a manner that does not conflict with the powers matrix and any relevant laws or regulations.

Ninth: Committee meetings and minutes:

- 1) The committee shall meet as needed at no less than (six) meetings annually, based on the request of the committee chairman or one of its members, with a statement of the reasons for calling the meeting and the approval of the majority of members, or based on the request of the Board of Directors. The validity of its meetings requires the attendance of at least a majority of the members. Its decisions shall be issued by a majority of the votes of those present, and when the votes are equal, the opinion with which the chairman of the meeting voted shall prevail.
- 2) With the approval of the majority of members, any meeting may be postponed or canceled according to what the committee deems appropriate.
- 3) The committee may hold its meetings using technical means via visual or audio communication, and attendance is considered original.
- 4) The committee's meetings and decisions are recorded in minutes signed by all attending members, and these minutes and decisions are recorded in a special register signed by its chairman, provided that all members present and not attending the meeting are provided with a draft of the minutes of the meeting within (seven) days, and if there are any notes or amendments to it The members must provide the draft to the Chairman of the Committee within a period not exceeding (five) days from the date of sending the minutes. Otherwise, the draft is considered final and the signatures of the members are completed unless the impediment to that is an emergency reason, subject to the discretion of the Chairman of the Committee. It is also permissible to use any technical means to prove the deliberations, minutes and decisions. Committee and sign it.

5) Any member of the committee may reserve any decision taken by the committee, provided that he explains the reasons that prompted him to make that reservation and that it is recorded in the minutes of the committee meeting. No member is exempted from his responsibility for the decisions taken at the meeting in the event of his absence from attendance unless he expresses a reservation about them.

6) The committee invites any member of the company's board of directors, executive management, or others to attend its meetings and provide relevant information as needed.

Tenth: Agenda and supporting documents:

1) The meeting agenda shall be adhered to, taking into account any topics suggested to be added by members at a previous meeting. Any member has the right to add a new item or items either before the meeting or when the meeting agenda is approved, and the item shall be included among the meeting items for discussion.

2) Members will be provided with the available means, whether by e-mail or otherwise, with the agenda, topics proposed to be discussed, and the decisions required to be taken, accompanied by supporting documents, no less than a week before the meeting date. For scheduled meetings, except for emergency meetings, members will be provided with a reasonable and sufficient period of time before the meeting to enable the member to study The items and documents presented for each item.

3) In the event of any inquiry or request for clarification from any member regarding any of the items on the agenda or its documents before the date of the meeting, it will be responded to in a timely manner by the Chairman of the Committee or his authorized representative.

4) In the event of any update or change, whether regarding the meeting agenda or its documents, the members will be provided with the change at the appropriate time.

Eleven: Secretary of the Committee:

The committee shall appoint a secretary who shall be responsible for the following:

- 1) Preparing for meetings and preparing the agenda in coordination with the Chairman of the Committee, approving it and ensuring the availability of documents and documents supporting it.
- 2) Proposing the committee's meeting schedule for each year before its start and sharing it with members.
- 3) Ensure that minutes of meetings and decisions are recorded, documented and preserved in accordance with what is generally accepted.
- 4) Providing the committee members with the agenda of any meeting with supporting documents, and providing them with any updates thereon, sufficiently in advance of the date of holding those meetings.
- 5) Providing members with draft minutes of meetings within a period not exceeding (seven) days from the date of the meeting and taking into account any proposals or amendments to the minutes or any decisions issued at the meeting.
- 6) Obtaining the necessary signatures on the minutes of meetings and any decisions and keeping them in a special file.
- 7) Serve as the main point of contact and source of information and provide advice to committee members regarding the company's activities.
- 8) Closely following up on the committee's work and ensuring that committee members are fully informed of any information taken into consideration when making decisions.

- 9) Maintaining the committee's work regulations and directing its activities to be implemented in accordance with those regulations. This includes providing advice to the committee about making amendments to the charterions when necessary.
- 10) Preparing and following up on correspondence and coordinating with the Chairman and members of the committee to hold meetings when the need arises.
- 11) Preparing information packages that must be circulated to committee members at its meetings.
- 12) Documenting outstanding issues that require the committee to take specific action and following up on raising them in subsequent committee meetings.
- 13) Coordination with the parties that the Committee requests to be invited to attend its meetings, and these parties include consultants, legal advisors, or any other party.
- 14) Disseminate the committee's decisions to the concerned parties.
- 15) Coordination with relevant departments regarding the committee's decisions that require legal compliance and adherence to regulatory procedures.

Twelve: Committee Remunerations:

A committee member is entitled to an annual remuneration in accordance with the approved remuneration policy, contracts signed with committee members, or as decided by the Board of Directors.

Thirteen: Confidentiality of the committee's Business:

The committee member and other persons invited to the committee meetings must commit to maintaining the confidentiality of the information made available to him and the documents he has access to.

He may not, under any circumstances, even if his membership expires, disclose them to any individual or entity unless he is authorized to do so by the Board of Directors. Or uses any of this information to achieve a personal benefit for himself, for one of his relatives, or for a third party. The company has the right to demand compensation from him in the event of a breach of what is stated in this clause. This also applies to the Secretary of the Committee

Fourteen: Conflict of interest:

The member must avoid situations that lead to a conflict of his interests with the company's interests. Conflict of interest means the existence of a direct or indirect interest for any member in a topic on the committee's agenda, and such interest would influence (or believe that such interest will influence) the independence of the committee member's opinion. Which is supposed to express his professional point of view, and every member of the committee who has a direct or indirect interest in any matter or proposal presented to the committee must inform the committee of the nature of his interest in the matter presented, and he must refrain from participating in deliberations and voting. Regarding the matter.

Fifteen: Application and interpretation of the provisions of the character:

The provisions of these character shall be applied and interpreted in a manner that does not conflict with the company's bylaws and any other regulations approved by the Board of Directors and in accordance with the Saudi Companies Law and the Capital Market Authority's regulations and their executive regulations.

Sixteen: General provisions:

- a) These character are effective from the date of approval by the Board of Directors, and may not be amended except based on its approval.
- b) Everything that is not stipulated in these chapter shall be applied in accordance with the relevant rules and regulations issued by the competent authorities.



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