

# Corporate Governance Code

The purpose of these rules is to set out Almarai's approach to corporate governance. Almarai is committed to maintaining high standards of corporate governance and considers good corporate governance an essential tool for maximizing long term shareholder value and is consistent with its commitment to quality in all its processes and products. The Company's Corporate Governance Rules are mandatory for all Directors and staff of Almarai and can only be amended by a resolution of the Board of Directors. Corporate governance is defined as "the system by which business corporations are directed and controlled". The corporate governance structure specifies the distribution of authority and responsibilities among different participants in the Company, such as the Board of Directors, Managers, shareholders and others, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company's objectives are set and the means of attaining those objectives and monitoring performance. The Board of Directors is responsible for Almarai's Corporate Governance Rules. The shareholders' role in governance is to appoint the Directors, Audit Committee and Independent Auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The Board's actions are subject to laws, regulations and accountability to the shareholders at the General Assembly Meeting. Almarai's Corporate Governance Rules have been

prepared according to international principles of corporate governance and local regulatory requirements, particularly the Capital Market Authority (CMA). It should be viewed as setting the framework of requirements for corporate governance within the Company. It should not be seen as a substitute for sound judgment and honorable arms' length dealings by Directors and Officers of the Company and should be viewed within the context of the broader legislative framework of Saudi Arabia. In particular, the stipulations of the following, the requirements of which have not all been incorporated in these rules, need to be borne in mind when considering corporate governance issues:

- The requirements of the CMA and of Tadawul
- The Companies Law of Saudi Arabia and associated ministerial directives of the Ministry of Commerce and Ministry Investment
- Almarai's Bylaws
- The Board establishes governance rules for the Company in accordance with the provisions of these regulations, and monitors their implementation, verifies their effectiveness and amends them as necessary