



The National Agricultural Development Company

Executive Committee Charter

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1. Introduction

1.1 Purpose of the Charter

This Charter aims to govern the work of the Executive Committee by defining the roles and responsibilities of this committee as well as process of nomination and selection of its members in accordance with the requirements of Company Law, Company's Bylaw and the Corporate Governance Regulations issued by the Authority and other applicable laws and regulations.

1.2 Scope of Implementation

Notwithstanding the applicable laws and regulations in force in the Kingdom of Saudi Arabia, the Company's Bylaw, internal policies, this Charter shall be complementary thereto, read and interpreted therewith without replacing them. This Charter shall apply to:

- 1.2.1 Members of the Executive Committee and Committee Secretary

2. Regulations and Procedures of the Committee

2.1 Committee Formation

2.1.1 The Executive Committee shall be formed by a decision of the Board, and shall consist of at least three (3) members and not more than five (5) members. The majority committee members shall be non-executive Board members and members from outside the Board may also be elected.

2.1.2 Unless the Board appointed a chair, the Committee shall nominate the Committee Chairman by a majority vote of the members. The Committee shall appoint a Committee Secretary in its first meeting.

2.1.3 The Committee shall be affiliated by the Board.

2.2 Rules of Nominating the Committee Members

2.2.1 The committee members shall have experience and know-how in the Company's field of work.

2.2.2 The Committee Chairman shall be non-executive member.

2.2.3 To take care of the interests of the Company and its shareholders and put them above their personal interests, and to abide by the regulatory requirements and the Company's policies regarding conflicts of interest and disclosure.

2.2.4 The Company shall notify the Authority of the names of the committee members and their membership descriptions or any change thereto within five (5) working days.

2.3 Duration of Committee Members and Temporary Appointment

2.3.1 The term of membership shall commence from the date of appointment of the member to the Committee and shall continue until the end of the Board tenure, where the committee member performs their duties from the date of their appointment. The membership ends in one of the following events:

2.3.1.1 The expiry of the Board tenure.

2.3.1.2 The Board may, at any time, dismiss all or some of the members of the Executive Committee, 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.

2.3.1.3 The member may resign from the Committee's membership.

2.3.1.4 The Board may terminate the membership of a member of the Executive Committee who fails to attend three (3) consecutive meetings or five (5) intermittent meetings during the term of their membership without a legitimate excuse accepted by the Board, or if the member has failed to meet one of the appointment conditions.

2.3.1.5 If the position of a member becomes vacant for one of the previous cases or others during the term of membership, the board may appoint - temporarily - a member in the vacant position, provided that the member shall be fulfilling the election requirements set out herein. The new member shall complete the remaining membership period of their predecessor.

3. Roles & Responsibilities of the Committee

The committee shall carry out all the powers entrusted to it and submits its reports to the Board. The Committee shall have the following competencies:

3.1 Executive Duties

3.1.1 Recommending the amendment of any provision in the Company's bylaws.

3.1.2 Recommending the vision and objectives of the Company's strategy.

3.1.3 Reviewing the system, regulations, policies and executive programs and making the necessary amendments or additions thereto.

3.1.4 Reviewing the annual budget objectives before submitting them to the Board for approval as well as monitoring its execution.

3.1.5 Recommending to the Board regarding the profits allocation.

3.1.6 Overseeing the development of economic and advisory studies.

3.1.7 Following up the implementation of the Company's integrated information systems programs.

3.1.8 Supervising the review of the financing position and managing the Company's financial needs.

3.1.9 Recommending to the Board regarding loan and mortgage operations.

3.1.10 Recommending to the Board regarding strategic plans, long, medium and short-term goals, updating and reviewing them from time to time and submitting them to the Board for approval.

3.1.11 Supervising the review of plans related to the Company's current activities and its financial and competitive position, and following up and evaluating these plans.

3.1.12 Supervising the review of all business and topics that could affect the Company's image and reputation.

- 3.1.13 Supervising the review of new projects and investments and making recommendations thereon to the Board.
- 3.1.14 Following up the implementation of the decisions issued by the Board and the Executive Committee.
- 3.1.15 Following up the Company's financial situation and its operational and marketing policy.
- 3.1.16 Presenting reports to the Board about the work accomplished by the Committee and the approved decisions and recommendations.
- 3.1.17 Executing any tasks or responsibilities assigned by the Board.
- 3.1.18 Reviewing the Social Responsibility Policy and media plan, reviewing social work initiatives, and submitting what the committee deems necessary to the Board.
- 3.1.19 Representing the Board in General Assemblies of the Company and its Subsidiaries.

3.2 Investment Duties

- 3.2.1 Reviewing and approving the Company's general investment policy, which includes (the investment concept and strategy etc.).
- 3.2.2 Reviewing investment offers and opportunities and ranking them in order of priority according to specific investment evaluation criteria and approving new investments to be made, with a maximum value of (50) Fifty Million Saudi Riyals. As for any investments greater than this value, the committee shall submit its recommendations to the Company's Board.
- 3.2.3 Reviewing and approving acquisitions and investment offers in accordance with the Company's general strategy.
- 3.2.4 Monitoring of financial results and the integration of the Company's investments, in addition to all investment transactions such as acquisitions, joint ventures, and liquidation works.
- 3.2.5 Reviewing and recommending any strategic alliances the Company may make.
- 3.2.6 Reviewing and approving the Company's investment plan.
- 3.2.7 Reviewing the Company's financial derivatives policy, as well as all hedging transactions, to provide a framework for the Company's use of derivative and hedging transactions, as well as to monitor these transactions and the investment risks to which the Company may be exposed.
- 3.2.8 Submit periodic reports to the Board on the Investment Committee's activities, as well as related issues and recommendations.
- 3.2.9 Direct supervision of the Company's investments internally and externally and submitting periodic reports to the Board.
- 3.2.10 Making recommendations to the Board about exiting or liquidating an existing investment.
- 3.2.11 Adopting the corporate governance framework and management mechanisms for subsidiaries and affiliated Companies.

- 3.2.12 Adopting policies for nominating Board members and representative for subsidiaries and affiliated Companies, including the mechanisms for selecting Board members and representatives for such companies.
- 3.2.13 Submitting the necessary recommendations to appoint members of the Board and representatives for subsidiaries and affiliated Companies to the Board for approval.
- 3.2.14 Ensuring the soundness of investment procedures and setting the controls to guarantee the interests of the Company and supervising the stages of merger or acquisition for any investment opportunity.
- 3.2.15 Reviewing the performance evaluation and work progress periodically in accordance with the plans approved by the boards of subsidiaries and affiliated companies and submit recommendations to the board.

4. Powers of the Committee

The Executive Committee shall have the powers and authorities required to carry out the tasks and obligations delegated to it, including the following:

- 4.1 Requesting the reports and data necessary to complete its work.
- 4.2 The right to access the records and documents of the Company and its subsidiaries as required.
- 4.3 Requesting any clarification or statement from the members of the executive management.
- 4.4 Inviting Company officials, executives, or employees to a meeting.
- 4.5 Seeking the assistance of whoever it deems fit from inside or outside the Company within the scope of its powers, provided that it is included in the minutes of the Committee's meeting, with the name of the expert and their relationship with the Company or the Executive Management.

5. Regulations of the Committee

5.1 Powers of the Committee Chairman and Committee Secretary

5.1.1 Committee Chairman

The Board shall appoint the Committee Chairman in the formation decision. The Committee Chairman may be the Board Chairman. The Committee Chairman shall have the following tasks:

- 5.1.1.1 Inviting the committee to a meeting and specifying the time, date, and location of the meeting after consultation with committee members.
- 5.1.1.2 Managing and improving the effectiveness of committee meetings.
- 5.1.1.3 Preparing the agenda, taking into consideration the topics that each committee member wishes to include.
- 5.1.1.4 Ensuring that there is sufficient time to discuss the items of the agenda.
- 5.1.1.5 Enhancing the effective participation of members in the committee's meetings by reviewing and discussing the topics listed in the agenda of its meetings, and by expressing their views in a way that contributes to achieving the committee's objectives.
- 5.1.1.6 Preparing periodic reports on the activities of the committee and submitting its recommendations and findings to the Board.

5.1.1.7 Following up the implementation of the decisions issued by the committee.

5.1.1.8 Representing the Committee before the General Assembly and the Board.

5.1.2 Committee Secretary

The committee may appoint a Committee Secretary for it, provided that the member holds the academic qualification and practical experience that would enable him/her to carry out the tasks entrusted to him/her, which are as follows:

5.1.2.1 Arranging the dates of the committee's meetings on an annual basis, and preparing a proposal for its agenda in coordination with the Committee Chairman.

5.1.2.2 Informing the committee members of the meeting dates and providing them with its agenda and the documents needed to review the committee's meeting items.

5.1.2.3 Attending and documenting the committee's meetings, preparing its minutes including the discussions and deliberations, stating the meeting venue, date, start and end time, documenting the committee's decisions and voting results and keeping them in a special register.

5.1.2.4 Keeping documents, records and reports presented to or issued by the committee.

5.1.2.5 Carrying out all the administrative works of the committee and performing all other tasks assigned from time to time by the committee.

5.1.2.6 Maintaining the Company's secrets and refraining from any behavior that may conflict with the Company's interests.

5.1.2.7 Providing assistance and advice to the Committee in matters that fall under its competence.

5.1.3 Competencies of the Committee Secretary

The Committee Secretary shall have the following powers and authorities:

5.1.3.1 Documenting the Committee meetings and preparing minutes thereof, which shall include the discussions and deliberations carried out during such meetings, as well as the place, date, times on which such meetings commenced and concluded; recording the decisions of the Committee and voting results and retaining them in a special and organized register; including the names of the attendees and any reservations they expressed, if any; and signing these minutes by all of the attending Committee members, the Committee Chairman of the meeting and the secretary.

5.1.3.2 Retaining the reports submitted to the Committee and the reports prepared by it.

5.1.3.3 Providing the Committee members with the agenda of the Committee meeting and related worksheets, documents and information and any additional information related to the topics included in the agenda items, requested by any Committee member.

5.1.3.4 Ensuring that the Committee members comply with the Committee procedures, or any other procedures approved by the Committee.



- 5.1.3.5 Notifying the Committee members of the dates of the Committee's meetings within sufficient time prior to the date specified for the meeting.
- 5.1.3.6 Presenting the draft minutes to the Committee members to provide their opinions on them before signing the same.
- 5.1.3.7 Ensuring that the Committee members receive, fully and promptly, a copy of the minutes of the Committee's meetings as well as the information and documents related to the Company.
- 5.1.3.8 Coordinating among the Committee members.
- 5.1.3.9 Providing assistance and advice to the Committee members.
- 5.1.3.10 Reporting the decisions taken by the Committee to Board affected by these decisions after obtaining the approval of the Committee Chairman.
- 5.1.3.11 Providing the Committee members in each meeting with an updated list of the follow-up record of the implementation of the Committee's decisions to ensure that Committee members are informed of the status and developments of the implementation of decisions.
- 5.1.3.12 Report to the Committee Chairman any obstacles facing the implementation of the Committee's decisions, including the delay in their implementation.

5.2 Duties of the Committee Member

- 5.2.1 Abiding by the Companies law, its implementing regulations, related laws, and the Company's Bylaw when exercising duties, and refrain from undertaking or participating in any act that may harm the interests of the Company.
- 5.2.2 To be aware of the tasks and responsibilities of the committee, and to dedicate sufficient time to implement their role in achieving them.
- 5.2.3 Carrying out duties free of external influence, whether inside or outside the Company, and prioritizing the company's interests over personal interests.
- 5.2.4 Not to accept gifts from any person who deals with the Company in accordance with the controls stipulated in the Code of Conduct policy.
- 5.2.5 Preparing for meetings and attending them regularly, unless the member is absent for justified reasons as may be notified by the Committee Chairman and accepted by the committee.
- 5.2.6 Actively participate in the Committee meetings through their review and discussion of the agenda items.
- 5.2.7 Enhancing knowledge of organizational developments in areas and topics related to the committee's tasks and responsibilities.

6. Meetings and Procedures of the Committee

6.1 Invitation to the Meeting

- 6.1.1 The Committee shall meet at least once every six (6) months at the Committee Chairman's invitation. The Committee Chairman shall also convene a meeting in exceptional cases, if any.

- 6.1.2 Meeting invitations shall be sent to each member of the Committee at least five (5) days prior to the date of the meeting, provided that the time, date, venue and agenda of the meeting as well as the documents to be discussed in the meeting, shall be indicated in the invitation.
- 6.1.3 The Committee holds its meetings at the Company headquarters; however, they may be held elsewhere, if necessary, subject to the Board's approval.
- 6.1.4 The Committee Secretary shall send the invitation to the members in writing or by e-mail, as soon as the Committee Chairman has instructed to invite the meeting.
- 6.1.5 With the exception of the Committee Secretary, no member of the Board or Executive Management who is not a member of the Committee has the right to attend its meetings unless invited by the Committee to listen to their opinion or acquire their counsel.
- 6.1.6 A member may request the Committee Chairman, in writing, to invite the committee to a meeting to discuss specific matters. In this case, the Committee Chairman shall invite the committee to a meeting within a period not exceeding seven (7) days from the date of receiving the request. The Committee Chairman shall call for the meeting whenever requested by the Board.
- 6.1.7 The committee may hold meetings and vote remotely using modern technology means. The Committee Chairman may - unless one of the members requests in writing a meeting of the committee to deliberate in it - take the committee's recommendations and decisions by passing it on to the members and signing on it to the effect that all members are aware of them, and these decisions are valid only if they are signed by the majority of the members or through electronic means, provided that the decision is documented in the minutes of the first meeting held by the Committee after the decision is issued.

6.2 Quorum and Voting

- 6.2.1 The meeting shall only be validly held if attended by the majority of its members. The Committee resolutions shall be passed by the majority of the present members. In case of votes tie, the side supported by the Board Chairman shall prevail.
- 6.2.2 A member may not refrain from voting and to state the objection along with its reasons in the minutes of the committee meeting.

6.3 Documentation of the Committee Meetings

- 6.3.1 The Committee Secretary shall prepare minutes of the Committee's meetings that include the following:
 - 6.3.1.1 Venue, date, start and end time of the meeting.
 - 6.3.1.2 The names of the members present and absent, indicating the names of those invited to attend the meeting who are not members of the committee.
 - 6.3.1.3 The deliberations and decisions of the committee, with a statement of the results of voting on them and the reasons for the objections, if any.
 - 6.3.1.4 Determining the authority responsible for implementing the decisions taken, determining the time frame for their implementation, and the follow-up mechanism.

- 6.3.2 The Committee Secretary shall send the draft minutes of the meeting to the members of the Committee who shall present their feedback on it. If any, within a maximum period of five (5) working days.
- 6.3.3 A member has the right to object to any decision taken by the committee, provided that their objection is explicitly mentioned in the meeting minutes with a statement of the reasons for such objection and his absence from attending the meeting at which the decision is issued shall not be considered a reason for exemption from responsibility unless it is proved that he is not aware of the decision or unable to object to it immediately after noticing it.
- 6.3.4 After addressing the committee members' comments on the draft minutes, and approval of Committee Chairman, the Committee Secretary shall send the revised draft to the committee members. The minutes shall be considered official once signed by all members and the Committee Secretary.
- 6.3.5 The minutes of the meeting, agenda and all accompanying documents shall be kept in a special register signed by the Committee Chairman and secretary.
- 6.3.6 The Committee shall follow the results of implementing its decisions and any other topics discussed in previous meetings.
- 6.3.7 The Committee Chairman shall present the recommendations and findings to the Board in the first meeting of the Board following the meeting of the Committee.

7. Remuneration and Bonus of the Committee Members

Comprehensive information on rewards and remuneration is detailed in the Board and Committees Members Rewards Policy

8. Confidentiality of the Committee's Works

The committee member shall maintain the confidentiality of the information available to him/her and the documents the member has accessed, and shall not in any way, even after the end their membership, disclose it to any unauthorized person or entity unless authorized to do so by the Board, nor use any of this information for personal benefits or their relatives or others, and the Company has the right to claim compensation in the event of a breach of what is stated in this Article, as it applies to the Committee Secretary and other persons invited to attend the meeting.

9. Conflicts of Interest

The member shall take care of the interests of the Company and the public interests and give them priority over any personal interest, and avoid cases that lead to a conflicts of interest, and shall abide by the provisions stipulated in the Conflicts of Interest policy.

10. Term of the Committee

The term of the Committee shall commence from the date of its formation and shall remain until the end of the Board tenure, where the Committee member performs their duties from the date of their appointment. The membership ends in one of the following events:

- 10.1 The expiry of the Board tenure.
- 10.2 The Board may, at any time, dismiss all or some of the members of the Committee, 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.



- 10.3 The member may resign from the Committee's membership.
- 10.4 The Board may terminate the membership of a member of the Committee who failed to attend three (3) consecutive meetings or five (5) intermittent meetings during the term of their membership without a legitimate excuse accepted by the Board, or if the member has lost one of the appointment conditions.
- 10.5 If the term of a member expires, the Board shall appoint a replacement for the member to complete the remaining period, and the Committee shall continue to perform its work until the appointment of the replacement if the minimum number of members stipulated in Article three (3) of this Charter is available.

11. General Provisions

- 11.1 The Board shall follow up on the work of the Committee regularly to verify that it is carrying out the duties assigned to it.
- 11.2 This Charter shall be considered as an integral part and read with the Company's Bylaw, Governance Regulations, and the Charter of the Board and its Committees.
- 11.3 This charter cancels and supersedes any contradicting procedures, decisions or internal charter of the Company.
- 11.4 Anything not covered herein shall be subject to the applicable laws and regulations issued by the competent authorities.

12. Attending Meetings

- 12.1 The Committee Chairman shall preside over the meetings of the Committee, put issues for voting, and supervise the voting process when making decisions and announcing the results. In case of the Committee Chairman absence, the Committee Chairman Deputy shall replace Committee Chairman. In case of the absence of the Committee Chairman Deputy, the Committee shall appoint one of its Committee members to preside over the meeting.
- 12.2 A Committee member may participate in the meeting remotely if it is not possible to attend the meeting physically by linking the Committee member through modern technology means and reviewing the meeting agenda through the means approved by the Committee. The Committee member has the right to discuss items and vote on decisions. The Committee member present remotely shall be considered in attendance to the meeting.
- 12.3 Except for the Committee Chairman, a committee member may not delegate or authorize another member to vote on their behalf.