

اسمنت اليمامة

YAMAMA CEMENT

Governance Policy



April 2021

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اسمنت اليهامة YAMAMA CEMENT

Professional Conduct Policy



This Policy was approved the Board of Directors' Meeting No. (4) on 15/12/2020

Introduction:

The Professional Conduct Rule and Code in YAMAMA CEMENT aims to enhance professional and behavioral values and principles, and to achieve the highest standards of integrity and transparency. These rules require all employees in the company to comply with the principles and values to perform their duties and job duties, which will have a positive impact on improving the company's image, protecting its reputation, and confirming commitment and compliance with the principles of professional behavior to achieve the concept of good management and enhance job performance. These values shall be embodied in behavior and practices when dealing with one another or with others and when performing their job duties.

Scope of Work:

This policy aims to crystallize general rules of behavior and professional ethics for employees of the company based on all laws, regulations and instructions related to the company work.

This policy is also considered a framework for the best ethical professional behavior and practices for all employees and affiliates of the company, including members of the Board of Directors, executive management and stakeholders.

Article No. (1): Conflict of Interest:

All members of the Board of Directors, executive management and all employees avoid conflict of interest situations that may occur between them and the company and its operations, with the obligation to adhere to the conflict of interest policy.

Article No. (2): Professional Values:

The members of the Board of Directors, the Executive Management and all employees of YAMAMA CEMENT shall comply with the following:

1. Complying with the highest standards of behavior through transparency, integrity, honesty and good morals in all dealings between each other and with all internal and external parties.
2. Estimating and judging matters professionally, objectively and independently, and making every effort to prevent wrong practices that may occur in the performance of duties and responsibilities.
3. Ensuring familiarity with the regulations and their application without overriding, contravention or negligence on the part of all employees. The employees' responsibility is to know, understand and comply with these rules and regulations. All concerned persons are expected to perform their work in all honesty and integrity in all fields and activities even if these rules are not covered by these rules and violation of these rules may lead to taking appropriate disciplinary measures that may lead to termination of the employee's services.
4. Enhancing loyalty towards the company and everything that may take care of its interests, develop it, maximize its value, and advance its interests over personal interest.

Article No. (3): Protecting the Company's Assets and Property:

Everyone shall be responsible for protecting the company's assets, funds and property, including members of the Board of Directors, executive management and stakeholders. Limiting the use of these assets to achieve the objectives and goals of the company, not to exploit those assets or resources to achieve private interests, and to use them efficiently and effectively. One of the methods of protecting the company's assets that shall be followed is as follows:

1. Protecting the company's assets and property from theft, vandalism, or any fraudulent transactions.

2. Optimal use of company resources to achieve business goals, objectives and requirements only.
3. Not to use copyrights, publishing, or trademarks without the consent of the owner of the authority.
4. Unauthorized access to YAMAMA CEMENT sites or offices, or access to its information technology, is prohibited without legal justification or approval from the owner of the authority.

Article No. (4): Health, Safety and Environment (Safety First):

YAMAMA CEMENT Company pays great attention to everything related to health, safety and the environment for all its employees and guests. Before starting work, the following shall be required:

1. Ensuring an appropriate understanding of the requirements for environmental protection, occupational health and safety.
2. The company's safety policies require the employee's commitment to follow the safety rules and necessary instructions with the environmental and health requirements of its field of work in order to ensure the completion of work, optimal operation and work in a safe manner.
3. Doing business without using personal protective equipment (such as safety shoes, goggles, and work site clothing, gloves, monitoring and protection devices) is prohibited.
4. Operating the equipment or vehicles without following safety procedures, or to work in conditions that lack occupational safety requirements, is prohibited.

Article No. (5): Creating a Safe and Secure Environment:

1. Providing adequate security measures and necessary procedures to ward off suspicious activities, which may involve security risks and threats targeting workers, work facilities, or anyone present in business facilities, or those risks that target the security of information, its assets, and its technical rights.
2. Handling and storing hazardous materials and toxic waste and disposing of them carefully in accordance with the instructions and legislation in force and in line with the company's policies and procedures.
3. Bringing any weapon, whether licensed or not, of any kind inside the company's headquarters shall be prohibited.
4. The company prohibits the entry of any prohibited materials to the work sites.

You shall take the initiative in all of the following:

- ✓ Knowing the way to implement and comply with Health, Safety and Environment standards and procedures and helping others to do so.
- ✓ Using necessary personal protective equipment and tools for the task at hand and encourage others to do so.
- ✓ Identifying, evaluating and taking measures to control the associated health and safety risks with your business.
- ✓ Stopping the works that are found to be unsafe or lead to danger.
- ✓ Handling and disposing of all materials properly, safely and legally.
- ✓ Ensuring that you and your visitors know what to do in an emergency and are aware of the proper procedure.

- ✓ Informing the immediate official about any accident, injury, epidemic, unsafe or unhealthy situation, leakage or emission of materials to the environment, so that the appropriate action shall be taken.

You shall avoid all of the following:

- ✓ Doing business and works unless you are trained in these works or are medically fit and have sufficient rest that qualifies you to do these works efficiently.
- ✓ Exercising under the influence of alcohol or drugs that inhibit concentration.
- ✓ Tolerance of threat, intimidation, harassment, horrifying or violence at work.
- ✓ Bringing weapons to company buildings and facilities.
- ✓ Dependency Assuming someone else is going to report a hazard or incident that has occurred

Article No. (6): Maintaining Confidentiality:

Information shall be considered the important asset for the company's business and shall be maintained as follows:

1. Employees' records are dealt with complete confidentiality, whether these records are hard or soft copies, and they are only viewed by the competent employees in accordance with the job requirements and work purposes.
2. All relevant persons shall maintain the confidentiality of the accessed information about customers, operations, co-workers, suppliers, or stakeholders.
3. Excluding information where disclosure is permitted, as a legal requirement.
4. "Confidential information" shall include all non-public information that may be of benefit to competitors, or harm the company or its customers if disclosed.
5. All the concerned persons with the company shall be prohibited from disclosing any sensitive information that might undermine the company's position outside of what is required by the legislative authorities. With the exception of cases where prior approval is obtained.

Article No. (7): Intellectual Property:

Intellectual property rights shall be the sole property of YAMAMA CEMENT Company such as systems, regulations, policies, software and any other developed intellectual property for the benefit of the company by the employee while performing its job or by a third party. The employee shall not have the right to keep or transfer these materials outside the company, even after the end of its service with the company. At the same time, the company shall not have the right to use intellectual rights that are not public and owned by companies or individuals without obtaining the prior approval of the legal owner of those rights.

Article No. (8): External Activities:

Workers are prohibited from engaging in and carrying out activities that compete with YAMAMA CEMENT activity, and engaging in any activity or work that is "independent" or "additional" outside work that negatively affects the quality or quantity of the performed work, and the concept of competition work shall be adhered to its obligations.

Article No. (9): Dealing with Government Authorities:

Within the framework of our business, we deal from time to time with government authorities and official officials. In this case, we shall exhibit the highest levels of professional behavior in accordance with the rules of professional conduct and ethics and investigate compliance with all applicable laws, regulations and regulatory controls, including laws and regulations specifically

related to the sale or purchase of products and services and anti-bribery regulations. Especially, since the slightest breach of any of these laws and regulations regarding government transactions shall make the company and its employees alike vulnerable to criminal penalties (including penal penalties and imprisonment) or civil penalties such as compensation for damages, fines and denial of future dealings with these authorities.

You shall take the initiative in all of the following:

- ✓ Be honest, accurate, helpful, and polite when dealing with government officials.
- ✓ Avoid potential corruption risks when dealing with government officials.
- ✓ Firmly countering potential corruption.
- ✓ Compliance with anti-corruption laws and regulations when carrying out any dealings in the interest of the company with any government official.
- ✓ Preserving the company's reputation and the way by which the public sees your actions when interacting with government officials.

You shall avoid all of the following:

- ✓ Authorizing, offering, giving or promising to give anything of value directly or indirectly to a government official to influence a formal action and procedure.
- ✓ Accepting information about the government competitive selection of the supplier, bid or proposal for a bidder.
- ✓ Deviation from the terms and requirements of government contracts, and any impermissible changes shall not be made in those contracts without obtaining the written consent and approval of the competent government official.

Article No. (10): Obligations:

1. YAMAMA CEMENT shall respect the values and cultures of the individual, whether this person is an employee, customer, or supplier. YAMAMA CEMENT shall perform employment, contractual rights in accordance with contracts, shall comply with work regulations, and relevant legislation and shall ensure the award of wages and the provision of medical care service and other advantages in accordance with the company's internal policies and regulations. The employee shall have the right to complain to the management of the company in accordance with the internal procedures without prejudice to its right to resort to the administrative and judicial authorities if its complaint is not addressed.
2. Each member of the Board of Directors shall represent and protect the interest of shareholders, take into account the rights of all other stakeholders, and shall comply with the matters related to the company interest.
3. All members of the Board of Directors, senior executives and all employees of the company shall comply with all relevant laws, regulations and instructions.
4. No members of the Board of Directors, executive management and employees of the company shall have the right to exploit their position for achieving a private interest.
5. Whoever works for YAMAMA CEMENT shall comply with high professionalism in performing the assigned work to this employee, fulfilling its commitment and obligations towards the company, following ethical standards inside and outside the work, and behaving in a decent manner consistent with the rules of professional conduct. In this regard, the employee shall review and comply with all approved company policies and procedures such

as (company policies and procedures, internal work regulations, human resources policies, professional behavior policy, governance policies and regulations).

Article No. (11): Performing Job Duties and Tasks:

1. All employees shall perform their job duties and tasks strictly in accordance with the best professional standards and practices, and shall keep in mind the interest of the company.
2. All employees shall act in all cases in an honest and credible manner, and shall devote time and effort to perform the work.
3. Being careful not to waste other people's time. All official time and office hours shall be used to serve the company and achieve its interests.
4. The employee shall not have the right to exploit its position, duties, or relationships that the employee establishes during its work, or during its life, to obtain a special interest that accrues to the employee or its family from any party, or to harm others.

Article No. (12): Implementing Job Duties and Tasks:

1. The employee shall carry out its job duties and tasks without authorizing another person, unless its direct supervisor or director explicitly authorizes this employee to do so, or as required by the company's policies. The employee's commitment to carry out its duties shall be considered a personal commitment, based on the principle of responsibility and individual competence, taking into account that all employees are partners in the responsibility to support and achieve the goals and objectives of the company.
2. The employee shall come to its place of work on time, and be present at its workplace during the official working hours. To carry out its official duties diligently and to achieve distinguished individual and collective performance.
3. The employee shall maintain the general professional appearance, and wear its clothes in a decent and modest manner, to preserve the reputation and appearance of the establishment in which this employee works, and in a manner consistent with the requirements of the job, prevailing customs and traditions and the instructions for appropriate dress code dictate at work.
4. The employee shall assist its subordinates, colleagues and other working employees to develop their knowledge, skills and competence, and encourage these employees to increase information exchange, transfer knowledge among themselves, and inform its direct supervisor of all topics related to the work to ensure the efficiency and continuity of work.
5. The employee shall help as much as possible to solve the faced problems in the field of work, and make sure to spread positive behaviors among colleagues, to help improve work performance, improve their environment and establish a sound institutional culture in its workplace.

Article No. (13): Compliance with Duties:

1. The company employee shall respect the administrative hierarchy and not bypass the line manager and comply with all the orders, directives and instructions of its superiors and directors.
2. The employee shall respect its superiors and colleagues at work and establish a culture of mutual respect among all. The employee shall act courteously and wisely. The employee shall refrain from actions that may discredit its superiors and colleagues, personally or professionally, and issuing notes written or verbal about them without providing evidence to prove that.
3. Teamwork and cooperation with colleagues shall be encouraged to achieve the goals, objectives and mission of the company.

Article No. (14): Sales:

YAMAMA CEMENT employees working in the field of sales shall comply with the following principles:

1. Sales proposals shall be clear, enabling consumers to know the offered materials and the extent of the commitment that can be observed.
2. Describing the products, goods, quality of goods, prices and method of payment clearly in the order form with no additional fees.
3. All the used sales contracts and receipts to complete the sale shall comply with applicable laws and regulations.
4. Any description of after-sales services shall be accurate and clear.
5. Sales representatives shall not create any confusion in the consumer's mind or abuse their confidence, or take advantage of their lack of experience or knowledge.
6. Sales representatives shall not implicitly indicate to the consumer that the consumer has been chosen for its distinction or that this offer has been made specifically to that consumer and not to other consumers, unlike reality, in order to obtain personal benefits.
7. Sales representatives shall respect consumers' privacy by making every effort to place calls at a time that suits their needs and desires. Sales calls shall not be in a manner that does not respect privacy (intrusive), and strictly respects the consumer's right to terminate the sales interview.
8. The sales representative shall take into account that all sales documents and references are certified, real and valid, and facilitate their conformity and approval by the party, establishment, or company that granted them.
9. When product comparisons are made, this comparison shall be fair and based on facts.
10. The sales representative shall refrain and avoid underestimating the products of other competitors or any other market parties.
11. The sales representative shall not try to induce the consumer to cancel a contract that has been signed with a sales representative of another competing company.

Article No. (15): Contracts and Procurement:

YAMAMA CEMENT employees working in the field of contracts and procurement shall comply with the following principles:

1. Purchases shall be of the best possible quality at the best price.
2. Fulfilling our commitments and pushing others to fulfill their obligations towards YAMAMA CEMENT.
3. Procurement requirements shall be subject to competitive evaluation periodically.
4. Dealing in a fit, polite and courteous manner with representatives of suppliers, bearing in mind that these representatives are important sources of information and assistance to the company in solving the company's purchasing needs.
5. Maintaining strict confidentiality regarding offers, prices and other confidential information related to the company, suppliers, and competitors' dealings.
6. Settlement of disputes and claims on a fair and facts-based basis
7. Ensuring to gain as much knowledge and experience as possible about procurement methods and the purchased materials.

8. Accepting advice from colleagues, and cooperating with those colleagues to enhance team spirit and unity of work.
9. Complying with integrity, self-pride and confident, and keenness on honesty and truth in the procurement process.
10. Cooperating with institutions and individuals working in the aimed areas at developing the procurement process professionally.

Article No. (16): Corruption and Bribery:

YAMAMA CEMENT prohibits all practices and all forms of corruption that arise from the practice of inappropriate behavior that violates laws and legislation or company policies and procedures, and among the most prominent features of corruption are the following:

Seizure of Company Materials and Rights:

This matter includes every assault or misuse of the company's resources that is in the employee's possession and its disposal, whether by embezzlement, waste, or squandering thereof, expenditure or maintenance, or unauthorized spending or spending in other than the allocated matters, fraud, breach of trust, theft, or assault on the company's funds or rights, directly or indirectly.

Bribery and Abuse of Influence and Power:

When any person offers, tempts, receives or accepts anything of value in exchange for carrying out a transaction by a company, authority or official in an irregular manner, this value shall be considered a crime of bribery. This bribery crime also occurs when the company obtains an unfair advantage over its competitors through irregular, confidential, and corrupt dealings with potential customers. Since bribery is an illegal act, any involved person in the company who proves that the mentioned person has received bribes or engages in extortion operations or illegally paying sums shall be subject to investigation by the company's supervisory departments and then referred to the competent authorities.

You shall take the initiative in all of the following:

- ✓ Obtaining pre-approval before making an offer, bid, promise, or giving anything of value, including sponsorship, community donations and social development projects.
- ✓ Documenting, registering and recording all expenditures and costs accurately.
- ✓ Reporting when corruption is observed or suspected so that appropriate action can be taken.

You shall avoid all of the following:

- ✓ Performing, delegating, or participating in operations that give unlawful benefits, bribes, or secret commissions to anyone.
- ✓ Submitting false proposals and offers.
- ✓ Accepting or giving a gift or other items of value in order to avoid adhering to company standards and procedures.

Article No. (17): Accepting Gifts:

The company maintains distinguished business relationships with its partners and seeks to develop and prosper. Therefore, the company accepts gifts, services or personal invitations and deals with them to strengthen these relationships and to achieve the company's supreme interest and an expression of good intentions. In the interest of the company to protect and integrity of its employees, the company's employees shall do the following:

1. All employees are prohibited to request or accept any gift, service, invitation, or any matter of material or moral value, direct or indirect, whether this gift or service is for the employee himself or one of its relatives from a person or entity that has a relationship or seeks to have a relationship with the company or one of its employees.
2. All concerned persons are prohibited to accept, give or offer any valuable gifts (financial / in-kind) - from or to - external parties dealing with YAMAMA CEMENT Company that result in a personal benefit that affects their decision or neutrality, which harms the interests of the company.
3. Some businesses that aim to hold discussions or meetings related to work or to strengthen business relations in the context of protocols and courtesies between the company and other parties, such as accepting lunch and dinner invitations, attending some regular business events or celebrations, and the like.
4. Not accepting, giving or offering any gift from a supplier, seller, undertaker, or customer unless the value of the gift does not exceed 1,000 (One Thousand) Saudi Riyals or its equivalent, and that refusal to accept the gift would harm the interest of the company. Provided that the beneficiary discloses this gift and notifies the direct official of that gift.
5. In the event that the employee receives a gift whose value exceeds (1000) (One Thousand) Saudi Riyals, the employee shall deliver this gift immediately to the Company's Compliance Department.
6. The legal accountability takes place for everyone who is proven to have committed or participated in bypassing the regulations related to the policy of accepting gifts, which may lead to termination of his services or his referral to the responsible authorities.

Article No. (18): Harassment:

Everyone who works for the company is the subject of appreciation and respect, regardless of its job position. The company invites its employees to show the correct behavior and take caution and caution when dealing with each other. Some practices and behaviors may be acceptable in some cultures and unacceptable in others. Therefore, any act that insults, diminishes the status of any of the company's employees, or exposes their dignity or reputation to diminution is prohibited. Examples of this are but not limited to the following:

1. Spreading lies and malicious rumors.
2. Defamation, insulting, or mockery of others.
3. Verbal and sexual harassment.
4. Violation of freedom and personal information.
5. Revenge behaviors.

In the event that any of the company employees is exposed to harassment, the harasser will be referred to the formed investigation committee from the legal department of the company, and then refer the harasser to the competent authorities.

You shall take the initiative in all of the following:

- ✓ Appropriate dealings based on mutual respect with everyone.
- ✓ Disclosing the behaviors, or comments that you are upset about or feel upset about these behaviors and comments.
- ✓ Being wise in dealing with others and taking into account the cultural considerations of others who are from another country.

- ✓ Encouraging behaviors aimed at creating a work environment free from harassment.

You shall avoid all of the following:

- ✓ Behaving in an inappropriate, offensive, or provocative manner.
- ✓ Sarcastically or making jokes or comments about race, gender, affiliation, religion, age, physical appearance or personal disability.
- ✓ Assuming your acceptable behaviors are acceptable to others.
- ✓ Participating in or encouraging any harassment, such as intellectual, political, social, or sports classification.
- ✓ Distributing, circulating or displaying offensive material, including inappropriate images or graphics.
- ✓ Using company resources to distribute offensive material.

Article No. (19): Relatives:

1. YAMAMA CEMENT Company does not prohibit the employment of relatives - in a way that does not conflict with the policy of employing women - if it is done in accordance with the adopted policies and procedures of recruitment and away from any favoritism, courtesy or abuse of powers. It is the duty of the Human Resources Department to take the necessary precautions and measures to ensure that employment decisions and appointments are not affected by favoritism and personal relationships.
2. Any person who works for YAMAMA CEMENT Company or from among its stakeholders or who is a related party shall not have the right to take advantage of its life or relations by seeking or forcing the employment of someone with whom this person has a kinship without taking into account the adopted controls and procedures in this regard, or support those who are currently in the job, either with their promotion or bonuses.
3. The company's management shall not allow the recruitment or transfer of a relative to take place, so that direct supervision is between the appointed or transferred employee and its relative who works in the company as an official, which will affect the employee's ability to make independent and unbiased decisions towards its relative.
4. In the event that there are violations of any employee who has a relationship with a human resources employee, then the human resources employee shall not have the right to enter into the investigation with its relative or take its statements in any case, and one of the other human resources employees shall be assigned to do its work.
5. The company's management categorically shall not allow some of its high-sensitivity units to combine relatives.
6. It is important that employees who were hired before the adoption of this policy are not harmed, provided that their conditions are addressed wherever possible.
7. Disclosure processes of the current or potential personal relationships and kinship of everyone who works or has an interest in the company shall be done in accordance with the conflict of interest policy.

Article No. (20): Miscellaneous

1. The Risk, Compliance and Governance Committee shall review and develop this policy periodically and as needed and in line with best practices.

2. The Risk, Compliance and Governance Department shall prepare periodic reports for the Committee and the Board on the compliance of all departments of the company in implementing this policy.
3. In the event of non-compliance with this policy, the company shall have the right to apply the prescribed penalties and sanctions in accordance with the company's rules and regulations.
4. Work under this policy shall take place as of the date of its approval by the Board of Directors.
5. This policy shall replace the current policy. This policy is published on the company's website.

Amendments List

Page	Paragraph	Old Text	Amendment Date	Requested Authority

اسمنت اليمامة YAMAMA CEMENT

Conflict of Interest Policy



This Policy was approved in the Board of Directors' Meeting No. (3) on 19/10/2020

Introduction:

YAMAMA CEMENT Company, as part of developing its values and principles of integrity, fairness and transparency, seeks to apply the highest levels of effective governance. The issued conflict of interest policy by the company (Hereinafter is referred as the "Policy") comes to promote and protect those values to avoid that the personal, family or professional interest of anyone working for the company affects the performance of its duties towards the company or that obtains through those interests personal gains or benefits at the expense of the company. Accordingly, the company's board of directors has adopted a policy of dealing with cases of conflict of interest and deals of related parties, in accordance with the companies' system, the regulations of the Capital Market Authority, the company's Articles of Association and all relevant regulations and instructions.

Scope of Policy:

This policy shall apply upon all of the following:

1. Members of the Board of Directors, Members of the Board Committees, and the Secretary of the Board.
2. Executive Management.
3. Employees
4. Stakeholders (Suppliers – Clients or Customers - Contractors).

Purpose:

The purpose of this policy is to set and adopt the controls and provisions related to dealing with cases of conflict of interest occurring or potential and the mechanisms for disclosing these controls and provisions to all those to whom the scope of this policy applies when the concerned persons deal with YAMAMA CEMENT Company or other stakeholders, which may affect the decision-making. This will preserve the rights and interests of the company and maintain a sound work environment that achieves the highest levels of transparency and integrity.

Policy Owner:

YAMAMA CEMENT Company Board of Directors.

Article No. (1): Definitions:

1. **Executive Management:** shall mean all the entrusted persons with managing the day-to-day operations of the company and proposing and implementing strategic decisions, such as the Chief Executive Officer (CEO), general managers and the like.
2. **Employees:** shall mean all employees of the company.
3. **Suppliers and Contractors:** shall mean any natural or legal person who contracts directly with the company to provide its needs in terms of services or products, to perform tasks, or to benefit from sites or assets owned by the company.
4. **Conflict of Interest:** shall mean the situation or case that is affected or likely to be affected by the neutrality of the performance or the decision of those to whom the field of work of this policy applies when performing their work or interacting with other stakeholders.
5. **Relatives shall mean all of the following:** (fathers - mothers - grandparents - grandmothers - children - brothers and sisters, whether brothers or from a mother or father "- husbands - wives - kinsman or son-in-law).
6. **Article of Association:** shall mean the laws and regulations of YAMAMA CEMENT Company.

7. **Governance Regulations:** shall mean the Governance Regulations for YAMAMA CEMENT Company.
8. **Board Bylaw:** shall mean Board Governance Regulations and committees work charters.

Article No. (2): Basic Assumptions:

1. Those to whom this policy applies are required to comply with institutional work and to the values of fairness, integrity, responsibility and transparency.
2. This policy shall be considered as an integral part of the documents that bind the company to the employees, whether those documents are appointment decisions, work contracts, or documents that bind the company to contracting or supply contracts, service contracts, etc.
3. The disclosure includes any business, contracts, or bid for the company's activity, whether inside or outside the Kingdom. The disclosure also includes any required information or data in accordance with the approved controls and procedures by the company.
4. This policy shall not conflict with relevant government laws and regulations.
5. This policy shall apply to all employees of the company whose work arises / is likely to arise from a conflict of interest.

Article No. (3): Reference:

All the approved relevant laws and regulations in the Kingdom and the company shall be applied, including, but not limited to all of the following:

1. Companies Law.
2. Corporate Governance Regulations.
3. Labor Law.
4. Articles of Association.
5. Governance Regulation.
6. Board of Directors Regulations and Policies.
7. Company's Code of Professional Conduct.

Article No. (4): Policy Statement:

Dealing with Conflict of Interest Cases:

Taking into account the provisions of the Corporate Governance Regulations, conflict of interest cases are dealt with in accordance with those mentioned in the field of work of this policy by disclosing and signing the disclosure form, each in its own right, and a commitment to update the disclosure form when any new developments that require re-disclosure and signature arise or are likely to arise.

Article No. (5): Company Bids Controls:

Subject to the provisions of the Companies Law in this regard, if a member of the Board of Directors wishes to participate in a business that would compete with or compete with the company in one of the branches of the activity that it is practicing, this member shall observe all of the following:

1. Informing the Board of Directors of the competing business that this member wishes to practice and confirming this notification in the minutes of the Board of Directors meeting.
2. Non-participation of the interested member in voting on the issued decision in this regard by the board of directors and shareholders' associations.
3. The Chairman of the board of directors shall inform the general assembly when it convenes about the competing business practiced by the board member, after the board of directors verifies that the board member is competing with the company's business.

4. Obtaining a license from the company's general assembly allowing the member to practice competitive business.

Article No. (6): Bids Business Concept:

Carrying out or practicing any business that would compete with or compete with the company in one of its branches of activities within the following activities:

1. Establishing a member of the board of directors for a sole company or establishment or owning an influential percentage of shares or stakes in a company or other establishment that carries out an activity of the type of company or establishment activity within its group.
2. Accepting the membership in the board of directors of a company or facility competing with the company or any establishment within its group, or taking over the management of a sole competing establishment or a competing company of whatever form.
3. The member obtains a commercial agency or in the same way, whether this agency is apparent or hidden for a company or other facility competing with the company or any establishment within its group.

Article No. (7): Identifying Conflict of Interest Cases:

Conflict of interest cases include, but are not limited to, the following:

1. The existence of a potential interest for a member of the board of directors in some decisions that are voted on by the board or the general assembly.
2. The existence of a potential interest in the disclosure in the disclosed cases in the company's operations and contracts.
3. The member held the position of a member of the board of directors in a competing company.
4. Exploiting the company's investment opportunities, information and assets.
5. Entering into businesses that may compete with the company.
6. Accepting gifts in any form from any party that has dealings with the company, contrary to what is stated in the company's policy in this regard.
7. The existence of a potential interest in the work of the executives and other employees and workers of the company.
8. Operations of hiring or transferring relatives and direct linkage between the superior and the subordinate.

Article No. (8): Conflict of Interest Disclosure:

1. All those to whom the scope of this policy applies shall make, upon request of the company, annual disclosures or when new developments of conflict of interest occur, in accordance with the followed procedures and all the required cases.
2. The Board of Directors shall establish clear procedures for disclosure when the company contracts or deals with a related party. Provided that this shall include informing the Authority and the public without any delay of that transaction and contracting, if this contract or deal is equal to or more than (1) % of the company's total revenues in accordance with the most recent audited annual financial statements.

Article No. (9): Conflict of Interest Disclosure by the Candidate for Membership in the Company's Board of Directors:

Those who wish to run for membership in the Board of Directors shall disclose to the Board and the General Assembly any cases of conflict of interest in accordance with the relevant policy, rules and regulations, including:

1. The existence of a direct or indirect interest in the business and contracts that are made for the account of the company whose board of directors wishes to run for.
2. Involving this member in a business that would compete with the company in one of the branches of its activity.
3. A member (who is not a board member) shall comply with filling out the disclosure form.

Article No. (10): Obligations of Board Members and Members of Committees:

The following obligations shall apply to members of the Board of Directors and members of its committees:

1. All board members and members of the committees shall perform their duties honestly and impartially, and put the interests of the company ahead of their personal interests and not exploit their positions to achieve private interests or gains.
2. A member of the board of directors and a member of the committees shall maintain the confidentiality of the company's information and activities and shall not have the right to disclose this confidential information.
3. A member of the board of directors and a member of the committees shall inform the board immediately and disclose in writing its personal interest in the business and contracts that are made for the company's account. This notification shall be recorded in the minutes of the meeting.
4. A member of the Board of Directors shall annually disclose the direct and indirect interests of this member and their relatives and acknowledge this by signing the prepared declaration form by the company in accordance with the relevant laws and regulations.
5. The Authority prohibits all members of the Board of Directors and members of the committees from trading the shares of the company during the prescribed ban periods.
6. Members of the Board of Directors and members of the committees shall not have the right to accept gifts from any person who has business dealings with the company, contrary to what is stated in the approved company policies (Charter of Professional Conduct).
7. A member of the board of directors and a member of the committees shall not have the right to initiate any case involving interest before obtaining prior written approval in accordance with the procedures specified in this policy.

The following obligations shall apply only to Members of the Board of Directors:

1. A member of the Board of Directors, unless this member has a license from the General Assembly, shall not have the right to have a direct or indirect interest in the business and contracts that are made for the company.
2. A member of the board of directors shall avoid cases of conflict of interest and shall inform the board of any situation that might affect its impartiality when considering the issues presented to the board. The Board of Directors shall not include this member in the deliberations. Its vote shall not be counted in voting on these issues in board meetings and shareholders' assemblies.
3. A member of the board of directors is prohibited from voting on the decision of the board of directors or the general assembly in the business and contracts that are made for the company's account if the member has a direct or indirect interest.
4. A member of the board of directors is prohibited from exploiting or benefiting directly or indirectly from any of the company's offered assets, information, or investment opportunities to that member in its capacity as a member of the board of directors or offered to the company. This shall include the investment opportunities that fall within the company's activities or the company wishes to benefit from these activities. The ban shall be apply to a board member

who resigns in order to exploit investment opportunities that the company wishes to benefit from and which that member learned about during its membership in the board of directors.

5. A member of the board of directors shall obtain a prior license from the general assembly and then disclose this license upon concluding a contract or having a dealings between that member and the company or its participation in a business that may compete with or compete with the company in one of its branches of activity.

Article No. (11): Disclosure Mechanisms and Conflict of Interest Case Studies:

1. Board members / members of the committees shall disclose on an annual basis through the prepared disclosure form for that and submitted to those members through the secretary of the council, sign and first-hand disclosure when the situation arises or when there are any developments that require re-disclosure.
2. The company's legal affairs study cases of violation of this policy with the necessity to provide the internal audit department with these violations, which these violations may consider raising to the audit committee to seek its opinion and directives.
3. The Audit Committee shall handle cases of non-disclosure related to members of the Board of Directors and members of its subsidiary committees.
4. If the member fails to disclose his direct or indirect interest, the company or any interested party may claim before the competent judicial authority to annul the contract or oblige the member to pay any profit or benefit achieved from that.
5. If the general assembly refuses to grant the license in accordance with Companies Law, the member of the board of directors shall submit its resignation within the specified period by the general assembly, otherwise its membership in the board shall be canceled or terminated. That is, unless that member decides to abandon the contract, deal, or competition and rectify its situation in accordance with the Companies Law and the Governance Regulations before the deadline set by the General Assembly has expired.

Article No. (12): The External and Internal Auditors and Advisors shall do the following

Achieving independence and avoiding conflict of interest cases. In the event that there is a conflict, this conflict shall be disclosed and dealt with in accordance with the approved regulations in a way that serves the interests of the company.

The company's board of directors shall be responsible for the following:

1. Disclosure of the policy of nominating members of the company's board of directors and members of the committees, their remuneration and the remuneration of the executive management, including the way of determining the remuneration of board members and members of the committees and the remuneration of the members of the executive management in the company.
2. Clarifying the relationship between the granted bonuses and the policy of nominating the members of the company's board of directors and the members of the committees, their remuneration and the remuneration of the executive management in force, and stating any fundamental deviation from that policy.
3. Accurate, transparent and detailed disclosure in the report on the granted rewards and bonuses to members of the board of directors and members of the committees and the executive management, directly or indirectly, without concealing or misleading, whether these amounts are sums, benefits or advantages of whatever nature and name. If the granted benefits are shares in the company, then the input value of the shares will be the market value on the maturity date.

4. Statement of details of rewards and compensations in accordance with the relevant laws and regulations.
5. Organizing the disclosure processes for each of its members, the members of the committees and the members of the executive management by setting up records for the disclosures that are updated periodically in accordance with the disclosures required under the relevant laws and regulations, while providing the opportunity for the shareholders of the company to view the record without financial compensation.

Article No. (13): Executive Management Obligations:

The executive management in the company shall disclose all information that may lead to the occurrence of conflict of interest cases and follow all the described instructions and regulations in the relevant procedures, which are for example but not limited to the following:

1. Refraining from disclosing information of a private or confidential nature (sensitive) or using any of that information to achieve personal interests.
2. Disclosure of any interest in an investment or ownership in a commercial activity or establishment that provides any services to the company, obtains an interest from the company, or seeks to perform a service with the company.
3. Disclosure of any commercial activity or other establishment in a position that makes this establishment benefit or may benefit from any taken procedures by the establishment as it is similar to this activity or establishment.
4. Disclosure of any occupied positions outside the company or any interest linking the management or their relatives with companies or commercial establishments or any party dealing with the company or the presence of relatives within the company under their supervision.
5. Not accepting gifts in any form provided by any person working with the company, whether these gifts are presented to the members or their relatives that contradict the company's policies and instructions.
6. Permanent disclosure of cases that may lead to a conflict of interest or when such conflict occurs.
7. The senior executives shall not have the right, unless these executives have prior written approval from the Board of Directors, to have a direct or indirect interest in the business and contracts that are made for the company's account.
8. General Managers may not cooperate or participate in the membership of the boards of directors of companies, societies, cultural, social, sports or charitable clubs. This shall only be done after the managers obtain written approval from the Chief Executive Officer (CEO) of the company.

Article No. (14): Employees Obligations:

1. Every employee of the company shall report any conflict of interest cases that the employee discovers, in accordance with the approved reporting departments in the company.
2. The concerned department with employment in the event of new employment in the company shall notify the candidates that the company's employees are prohibited from engaging in free work that is consistent in nature with the nature of the company's work. It is prohibited to engage in any other business without the approval and non-objection of the company. The signature of the male / female candidate shall be taken upon concluding the employment contract, on an acknowledgment in accordance with which the male / female candidate shall not to have the right to engage in any of the above-mentioned activities and to disclose any commercial activity prior to joining the company. In the event that there is any commercial activity owned by the candidate that is consistent in nature with the nature of the company's work, the signature of the candidate shall be taken on the Undertaking, which the candidate commits upon to cancel the commercial register within a specific period, provided that this

period shall not exceed two months from the date of appointment. This obligation shall be included in the concluded contract between the two parties. In the event of non-compliance with what is included in the declaration, disclosure and undertaking, the company shall have the right to take legal action in this regard, which may amount to the termination of the contract.

3. Avoid any dealings in which their personal interests conflict with contractors, suppliers, merchants and any other individuals, companies or institutions that do business or seek to deal with the company.
4. Avoid situations that lead to a conflict of their interests with the interests of the company or the interests of other parties related to the company, when those parties are authorized to sign agreements or contracts on behalf of the company with other parties.

Article No. (15): Suppliers, Clients or Customers and Contractors:

The company appreciates the important role that suppliers and contractors play in the success of the company's business and the achievement of its goals and objectives and stresses the necessity of their commitment to the systems and policy of professional behavior in YAMAMA CEMENT Company and the supplier's behavioral rules in addition to the procurement policies and procedures. These obligations shall be included in the concluded contracts with suppliers and contractors in accordance with the approved procedures in this regard, with an emphasis on commitment to disclose any kinship linking any of them with one of the members of the board of directors, members of its committees, senior executives, employees or contractors in the company.

Article No. (16): Responsibilities of the Organizational Units to activate and apply this policy:

1. The Secretary of the Board of Directors shall be responsible for organizing and following up the disclosure of the members of the Board of Directors and members of the committees, developing and updating a special record of the disclosures periodically.
2. The Human Resources Department shall be responsible for updating the disclosure form for conflict of interest on an annual basis and making this form available automatically to all employees, executives and contractors, and ensuring that all employees, including new employees, sign the disclosure form.
3. The commercial department represented by the procurement department shall be responsible for ensuring that there are no conflict of interest cases, preparing a disclosure form for suppliers and contractors and taking their signature upon qualification, in addition to creating a database of conflict of interest cases.
4. Legal affairs shall be concerned with studying the referred disclosure forms to by the company's employees and preparing its report in accordance with the contained details in the conflict of interest policy.

Article No. (17): Confidentiality:

1. The Confidential information related to the company and its activities shall be maintained and shall not be disclosed this confidential information to any person or others.
2. Members of the Board of Directors shall not have the right to disclose, other than in the General Assembly, the decisions of the company that the members have approved. Members of the Board of Directors may not exploit what the members know by virtue of their membership to achieve an interest for themselves, one of their relatives, or others, otherwise the members shall be dismissed and demanded for compensation.

Article No. (18): Miscellaneous:

1. The Nomination and Remuneration Committee shall ensure, on an annual basis, the independence of the independent members of the Board of Directors and the absence of a conflict of interest if the member is a member of the Board of Directors of another company.
2. The Audit Committee shall review the cases and the proposed dealings that the company may conduct with the related parties and submits its opinions on this to the Board.
3. In the event of non-compliance with this policy, the company shall have the right to apply the prescribed penalties and sanctions in accordance with the company's rules and regulations and policies.
4. The disclosure of suppliers and contractors that have relatives in the company shall not prevent these suppliers and contractors from registering and qualifying them in the list of qualified suppliers.
5. All company contracts with stakeholders shall include a mandatory provision requiring disclosure of conflicts of interest in accordance with company policy and periodically or when any developments related to information or data to be disclosed during the contract term.
6. In the event that the contractor / supplier delays disclosure within sixty days of the event, the company shall have the right to cancel the contract and to charge the contractor / supplier all the costs and penalties arising from that, with the necessity to include this in the contracts concluded with these suppliers / contractors.
7. Whoever is subject to this policy shall disclose in the event of a conflict of interest, and whoever conceals information or provides incorrect information in the disclosure form for the conflict of interest policy exposes himself to the stipulated penalties in the Governance Law and the company's penal regulation.
8. The work under this policy shall take place from the date of its approval by the Board of Directors. The Board shall review this policy from time to time in accordance with the need.
9. This policy shall replace the current policy. This policy is published on the company's website.

Amendments List

Page	Paragraph	Old Text	Amendment Date	Requested Authority

Model (A)

Acknowledgment and Disclosure for Members of the Board of Directors

I, the undersigned, and in my capacity as a member of the Board of Directors of YAMAMA CEMENT Company, hereby acknowledge that I have read the company’s approved conflict of interest policy by the Board of Directors thereof and in accordance with the requirements of the issued Corporate Governance Regulations by the Capital Market Authority. In accordance with all the aforementioned, I hereby agree and comply with all the following:

1. Not to use any accessed information by virtue of my position in the company and not to disclose this information in order to achieve any private gain.
2. Not obtaining any benefit or profit gain, directly or indirectly, by taking advantage of my position in the company.
3. Not accepting gifts from any party that has dealings with the company, contrary to what is stated in the company's gift acceptance policy.
4. Not to interfere in the company's operations by requesting employment of persons or requesting the transfer of any employee or any similar requests.
5. Notifying the company represented by the secretary in writing of any developments occurring during the year and after signing this form, they shall be disclosed.

I would also like to disclose, as of its date, that I own or have an investment, interest, or business competing for a company’s activity, or there is a personal relationship with one of the company’s employees as follows:

1.
2.
3.
4.
5.

I hereby also confirm that I am not directly or indirectly involved in any arrangements or agreements with any supplier or client /customer that deals with the company and that arises from any personal benefits for me.

Name:

Job Title:

Signature:

Date:

Model (B)

Acknowledgment and Disclosure for Company Employees

I, the undersigned, and in my capacity as an employee in YAMAMA CEMENT Company, hereby acknowledge that I have read the company’s approved conflict of interest policy by the Board of Directors thereof and in accordance with the requirements of the issued Corporate Governance Regulations by the Capital Market Authority. In accordance with all the aforementioned, I hereby agree and comply with all the following:

1. Not to use any accessed information by virtue of my position in the company and not to disclose this information in order to achieve any private gain.
2. Not obtaining any benefit or profit gain, directly or indirectly, by taking advantage of my position in the company.
3. Not accepting gifts from any party that has dealings with the company, contrary to what is stated in the company's gift acceptance policy.
4. Notifying the company represented by the secretary in writing of any developments occurring during the year and after signing this form, they shall be disclosed.

I would also like to disclose, as of its date, that I own or have an investment, interest, or business competing for a company’s activity, or there is a personal relationship with one of the company’s employees as follows:

1.
2.
3.
4.
5.

I hereby also confirm that I am not directly or indirectly involved in any arrangements or agreements with any supplier or client /customer that deals with the company and that arises from any personal benefits for me.

Name:

Job Title:

Signature:

Date:

Model (B)

Stakeholders Acknowledgment and Disclosure

(Supplier / Client or Customer / Contractor)

I, the undersigned, and in my capacity as one of the stakeholders in YAMAMA CEMENT Company, hereby acknowledge that I have read the company's approved conflict of interest policy by the Board of Directors thereof and in accordance with the requirements of the issued Corporate Governance Regulations by the Capital Market Authority. In accordance with all the aforementioned, I hereby agree and comply with all the following:

1. Not to use any accessed information by virtue of my position in the company and not to disclose this information in order to achieve any private gain.
2. Not to give gifts to any party in the company, contrary to the mentioned regulations in the company's policy of accepting gifts.
3. Notifying the company represented by the secretary in writing of any developments occurring during the year and after signing this form, they shall be disclosed.

I would also like to disclose, as of its date, that I own or have an investment, interest, or business competing for a company's activity, or there is a personal relationship with one of the company's employees as follows:

1.
2.
3.
4.
5.

Name or Entity:

Job Title:

Signature:

Date:

اسمنت اليهامة

YAMAMA CEMENT

**Remuneration Policy for the Board of Directors, its
Committees, and the Executive Management**



This Policy was approved in the Ordinary General Assembly Meeting No. (53) on 16/04/2020

Introduction:

The "Remuneration Policy for the Board of Directors, its Committees and Executive Management" has been prepared for the Board of Directors of YAMAMA CEMENT Company in order to comply with the issued Corporate Governance Regulations by the Board of the Capital Market Authority in accordance with the Decision No. (8-16-2017), dated on 16/05/1438 H, Corresponding to 13/02/2017. This policy stated that, "the Nominations and Remuneration Committee shall prepare a clear policy for the remuneration of members of the Board of Directors, the Sub-Committees and the Executive Management, and submit this policy to the Board of Directors for consideration in preparation for approval by the General Assembly".

Objective:

This policy aims to define clear criteria for the remuneration of members of the Board of Directors, its committees and senior executives in light of the requirements of Companies Law and the rules and regulations of the Capital Market Authority. The policy aims to attract individuals with a degree of competence, ability and talent to work in the board of directors, committees and executive management by adopting plans and programs that stimulate rewards and are linked to performance, which contributes to improving the company's performance and achieving the interests of its shareholders.

Article No. (1): General Criteria for Remuneration:

The Nomination and Remuneration Committee is concerned with recommending to the Board the remuneration of Board members, members of committees and senior executives of the company, in accordance with the approved standards, as follows:

1. Remuneration shall be consistent with the activity and strategy of the company, its objectives, and the needed skills to manage this remuneration.
2. Consider linking the variable portion of rewards to long-term performance.
3. The Company shall take into account the consistency of the remuneration with the company's strategy and objectives and with the size, nature and degree of its risks.
4. The Company shall take into account the practices of other companies and what is prevalent in the labor market in determining rewards, while avoiding what may arise from unjustified increase in bonuses and compensations.
5. To be prepared in coordination with the Nomination and Remuneration Committee regarding new appointments.
6. Rewards shall be determined based on the job level, the tasks and responsibilities of the occupant, academic qualifications, work experience, skills, and level of performance.
7. The remuneration shall be reasonably sufficient to attract, motivate and retain suitably competent and experienced individuals.
8. The remuneration of the members of the Board of Directors shall be determined to reflect the member's experience, competencies, the assigned tasks to those members and the number of the attended sessions by each member, and other considerations.
9. Remuneration disbursement or refund shall be suspended if it appears that this remuneration was decided based on inaccurate information provided by a member of the board of directors or executive management. This is to prevent the employment situation being exploited for undue rewards.
10. In the event of developing a program to grant shares in the company to members of the Board of Directors, the executive management and its employees, whether it is a new issue or purchased shares by the company, this shall be done under the supervision of the Nominations and Remuneration Committee and in accordance with the company's articles of association and the relevant Financial Market Authority regulations and rules.

Article No. (2): Remuneration for Board of Directors:

1. The remuneration of the members of the Board of Directors in the YAMAMA CEMENT Company (Hereinafter is referred to as "the Company") consists of a certain amount, an attendance allowance for the sessions and meetings, an expenses allowance, in-kind benefits, or a percentage of the profits. Any member shall have the right to combine two or more of these benefits in a way that does not exceed what is stipulated in the Companies Law and its bylaws in accordance with the included schedule in this policy and any amendments to this schedule later that are approved by the Law.
2. This remuneration may be of varying magnitude and in light of the issued policy by the Nominations and Remuneration Committee and approved by the Assembly. The annual report of the board of directors to the general assembly of shareholders shall include a comprehensive statement of all remunerations, expenses allowances and other benefits that board members received during the financial year. The annual report of the board of directors to the general assembly of shareholders shall also include a statement of what the members of the board have paid as workers or administrators or in return for technical or administrative work or consultations (if any). The annual report of the board of directors to the general assembly of shareholders shall also include a statement of the number of board sessions and the number of the attended sessions by each member from the date of the last meeting of the general assembly.
3. In the event that the remuneration of the members of the board of directors is a percentage of the profits, the provisions of Paragraph No. (2) of Article No. (76) of the Companies Law No. (2), and Article No. (24) of the Articles of Association of the company shall be observed. Provided that the total remuneration and financial and in-kind benefits that a single board member receives in all cases shall not exceed the amount of (500,000) Five Hundred Thousand Saudi Riyals annually.

Article No. (3): Remuneration for Committee Members:

1. The Board of Directors shall determine and approve the membership remuneration of its committees, with the exception of the Audit Committee, attendance allowances and other entitlements based on the recommendation of the Nomination and Remuneration Committee.
2. Allowances for attending meetings and other benefits shall be disbursed as indicated in this policy in accordance with the included schedule therein.
3. The remuneration for membership of the audit committee or the allowance for attending meetings shall be approved by the general assembly of shareholders based on the recommendation of the board of directors, in accordance with the Law.
4. When forming the membership of the committees emanating from the board of directors, the number of committees that a board member can occupy shall be taken into consideration, so that the total remuneration that the member receives for its membership in the board and committees shall not exceed the upper limit stipulated in the Companies Law.

Article No. (4): Remuneration for Executive Management:

1. The Nomination and Remuneration Committee shall review the set salary scale for all employees, senior executives, the incentive program, plans on an ongoing basis, and shall approve these plans and programs based on the recommendation of the Executive Management. The remuneration of the Executive Management shall include the following:

2. Basic salary (to be paid at the end of each calendar month on a monthly basis) and allowances that include, for example but not limited to, housing allowance, transportation allowance, education allowance for children, telephone allowance, medical insurance benefits for the member and its family, insurance policy.
3. An annual reward linked to performance indicators in accordance with the annual evaluation made in this regard.
4. Short-term incentive plans related to exceptional performance, long-term incentive plans such as stock options programs (whenever any), other benefits that include, but are not limited to, annual leave, annual travel tickets, and an end of service bonus in accordance with Labor Law and the approved Human Resources Policy by the company.
5. The Nomination and Remuneration Committee shall approve remuneration plans and programs for Senior Executives.
6. The Chief Executive Officer (CEO) shall implement the remuneration policy for employees and senior executives in light of the approved general plans, programs and guidelines by the committee.

Additional Parameters for Bonuses, Rewards and the Method of Disbursement:

1. Board members may not vote on the board members remuneration item at the shareholders' general assembly meeting.
2. The Company may disclose the remuneration of board members, committees, and senior executives in the annual report of the board of directors in accordance with the issued controls and directives under the Companies Law and the Capital Market Authority's regulations and their implementing regulations.
3. A member shall deserve the remuneration as of the date its joined the board or committee and in accordance with the term of its membership.
4. The procedures for disbursing remuneration for members of the Board of Directors and committees shall be prepared by the Secretary of the Board, provided that the order for their disbursement is approved by the Chief Executive Officer (CEO).
5. Allowance for attending board meetings, committee remuneration, and attendance allowance for committee meetings shall be paid within a week of holding the meeting. As for the annual remuneration for the Assembly, these amounts shall be paid in full after its approval at the annual general assembly meeting.

A Statement of the details of the Remuneration of the Members of the Board of Directors and its Committees:

1. Board of Directors:

a) Allowance for attending one session:	3,000 Saudi Riyals
b) Additional allowance (travel and transportation) for those from outside the city of the meeting place (Riyadh)	In accordance with the Actual Expense
c) An annual lump sum per member	This amount shall be determined annually, not exceeding 500 Thousand Saudi Riyals, in accordance with Companies Law
d) Amendments and Exchange Mechanisms:	
<ul style="list-style-type: none"> • The amount of the annual lump sum remuneration for a member of the Board of Directors referred to in Paragraph No. (c) of Clause No. (1) above may be revised from one period to another based on the recommendation of the Nominations and Remuneration Committee. 	

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- This is in light of the variables related to performance, and then the approval of the general assembly of shareholders is obtained on that.
 - The allowance for attending the meetings shall be disbursed within a week after the end of the meeting, while the lump sum annual bonus shall be disbursed after its approval by the general assembly of shareholders (as stipulated in the company's Articles of Association).
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2. Members of the Committees emanating from the Board of Directors:

a) Allowance for attending one session:	3,000 Saudi Riyals
A session attendance allowance shall be disbursed after each meeting.	
b) The Remuneration of the Audit Committee Members from inside and outside the Board	100 Thousands Saudi Riyals
c) Remuneration of the remaining members of the committees from inside and outside the Board	50 Thousands Saudi Riyals

Article No. (5): Final Provisions (Review, Amendment and Publication of this Policy):

The provisions of this policy shall be implemented and complied with by the company as of the date of its approval by the general assembly of shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view this policy. This policy shall be reviewed periodically, if needed, by the Nomination and Remuneration Committee. The committee shall present any proposed amendments to the Board of Directors, which studies and reviews the proposed amendments and recommends them to the General Assembly of shareholders for approval.

اسمنت اليمامة

YAMAMA CEMENT

Disclosure and Transparency Policy



Introduction:

Without prejudice to the registration and listing rules, the Board of Directors shall set written policies for disclosure, its procedures and supervisory laws and regulations in accordance with the contained requirements of disclosure in the Companies Law and the Financial Market Law, as the case may be, and their implementing regulations, taking into account the following:

1. These policies shall include appropriate disclosure methods that enable shareholders and stakeholders to access financial and non-financial information related to the company, its performance, share ownership, and to assess the company's status in an integrated manner.
2. Disclosure to shareholders and investors shall be without discrimination, in a clear, correct and shall not mislead manner, in a timely, orderly and accurate manner, in order to enable shareholders and stakeholders to exercise their rights to the fullest.
3. Preparing reporting systems that include determining the information that shall be disclosed, and the method for classifying the information in terms of its nature or the periodicity of its disclosure.
4. Reviewing disclosure policies periodically and verifying that these policies are consistent with best practices, and with the provisions of the Capital Market Law and its implementing regulations.

Article No. (1): Disclosure Controls:

1. **Timing:** Important and new developments shall be disclosed immediately to all market participants simultaneously.
2. **Accuracy:** All disclosed information shall be accurate and sufficient.
3. **Disclosure Methods:** The information shall be disclosed to the shareholders through the "Tadawul" website of the Capital Market Authority.
4. **Confidentiality of information affecting the share:** Information that affects the company's share price shall be disclosed. Any information shall be dealt with in complete confidentiality until this information is published to the shareholders.
5. **Interacting with Rumors:** It is strictly prohibited to interact with rumors or expectations, and any attempt to influence the opinions or conclusions of analysts is prohibited.

The Company shall not have the right to disclose any information that may form a line, for example, disclosure of deals that are in their negotiating stages.

Article No. (2): Disclosure Policy:

The Company shall adopt a disclosure policy that ensures that all necessary information about the company is shown, without any delay, that is of interest to the relevant parties and the investment community. The Company shall make the information accessible to those parties in a timely and fair manner, so that appropriate decisions shall be taken based on correct and accurate information. Disclosure shall be based on five levels as follows:

First: The Company Disclosure shall be as follows:

1. The Results of the Company's Business.
2. Company Objectives.
3. Operations with related parties.
4. Major shareholders and voting rights.
5. Member Benefits and Compensation.
6. Important Potential Risks.

7. Complying with the Capital Market Authority's regulations for owning shares.

Second: Disclosure related to the Board of Directors:

The following information shall be disclosed as follows:

1. Names of members and their relatives, with the classification of each member (executive board member, non-executive board member, or independent board member) and a statement of its membership in other joint stock companies.
2. Any significant interests in dealings with the company.
3. A brief description of the terms of reference and tasks of the main board committees, such as the Audit Committee and the Nomination and Remuneration Committee, with the names of these committees, their chairmen, members and the number of their mentioned meetings.
4. The Board of Directors shall attach the latest report, and all the factors affecting the company's business that the investment community needs for evaluation. The Board of Directors shall include the following:
 5. Describing the main activity type.
 6. Describing the important company plans and decisions.
 7. Tables and summary graphs of the company's assets and liabilities and financial business arising for the last five years.
 8. Geographical analysis of the company's total revenues, and the total revenues of its subsidiaries outside the Kingdom.
 9. A statement of any material differences in the operating results compared to the results of the previous year, or any announced expectations by the company.
 10. A statement of any difference from the issued accounting standards by the Saudi Organization for Certified Public Accountants.
 11. Name of each subsidiary and its main activity.
 12. Details of shares and debt instruments issued for each subsidiary.
 13. Clarifying the dividend policy.
 14. A statement of any interest in the voting-eligible shares category belonging to persons (other than members of the company's board, senior executives, their spouses, and their minor children) who informed the company of those rights or any change therein during the last financial year.
 15. A statement of any interest, option rights, and subscription rights of the members of the company's board of directors, senior executives, their spouses and minor children, in the shares or debt instruments of the company or any of its subsidiaries, or any change in that interest or these rights during the last financial year.
 16. Information related to any loans on the company, whether these loans are payable on demand or otherwise, and a disclosure of the total indebtedness of the company and its groups, and any paid sums by the company in repayment of loans during the year.
 17. A statement of the classes and numbers of any debt instruments convertible into shares, and any option rights, subscription right notes, or similar rights issued or granted by the company during the financial year, with an explanation of any obtained compensation by the company in return for that.

18. A statement of any transfer or subscription rights under convertible debt instruments into shares, option rights, subscribing right memoranda or similar rights issued or granted by the company.
19. A statement of any refund, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.
20. The number of board meetings held during the last financial year, and the attendance record of each member.
21. Details of the paid bonuses, rewards and compensations for each of the following separately:
 22. Members of the Board of Directors.
 23. Five senior executives who received the highest rewards and compensation from the company, in addition to the Chief Executive Officer (CEO) and the financial director if the Chief Executive Officer (CEO) and the financial director were not among the five senior executives.
24. Information related to any contract to which the company is a party, and there is or was a substantial interest in the company for a member of the company's board of directors, the general manager, the financial director, or any person related to any of them.
25. A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any salary or compensation.
26. A statement of any arrangements or agreement under which a shareholder of the company waived any rights to dividends.
27. A statement of the value of the due legal payments for the payment of any zakat, taxes, fees or any other dues, with a brief description of these amounts and their reasons.
28. A statement of the value of any investments or other reserves created for the benefit of the company's employees.
29. Any imposed penalty, sanction or precautionary restriction on the company by the Authority or any other supervisory, regulatory or judicial authority.
30. The report shall clarify any reservations made by the chartered accountant on the financial statements.
31. The report shall include an affidavit to keep accounting records in accordance with the approved standards.
32. The report shall include an acknowledgment that the internal control system has been prepared on a sound basis, and that this control has been effectively implemented.
33. The report shall include a statement that there is no doubt about the ability of the company to continue its activity.

Third: Disclosure related to the Shareholders:

Every related person shall notify the company and the Capital Market Authority at the end of the trading day in which one of the following cases is fulfilled:

1. When this person becomes an owner or has an interest in (5 %) or more of any class of shares eligible to vote, or debt instruments convertible into shares.
2. When there is an increase or decrease in the ownership or interest of the referred shareholder to in the previous paragraph, by (1 %) or more of the shares or debt instruments of that source.
3. When a member of the board of directors or a senior executive (or any of its affiliates) becomes owner or has an interest in any equity rights or debt instruments.

4. When there is any increase or decrease in the ownership or interest of any of the members of the board of directors in the source or one of its senior executives, by (5 %) or more of the shares or debt instruments that this member owns in that source (or any of its affiliates), or by (1 %) or more of the shares or debt instruments of that issuer (or any of its affiliates), whichever is less.
5. The Authority Notification shall be on the issued disclosure forms by the authority as the case may be, and sent to the fax of the General Administration for Supervision and Control of Trading. The sender shall keep evidence of its notification within the specified period, noting that incomplete notification will be taken into account.
6. A person who becomes an owner or has an interest in (10 %) or more of any class of shares eligible to vote, or debt instruments convertible into shares - may not dispose of any of these shares without the approval of the Capital Market Authority. The concerned person in accordance with the issued form shall base the approval of the authority on the submitted request by the authority.

Fourth: Disclosure of the Members of the Board of Directors:

The Board of Directors shall organize the disclosure processes for each of its members and members of the executive management, taking into account the following:

1. Establishing a special register for the disclosures of members of the Board of Directors and the executive management and updating these disclosures periodically, in accordance with the required disclosures under the Companies Law and the Capital Market Law and their implementing regulations.
2. Providing access to the record for the shareholders of the company free of charge.

The following information shall be disclosed as follows:

1. Names of members and their relatives, with the classification of each member (executive board member, non-executive board member, or independent board member) and a statement of its membership in other joint stock companies.
2. Any significant interests in dealings with the company.
3. A brief description of the terms of reference and tasks of the main board committees, such as the Audit Committee and the Nomination and Remuneration Committee, with the names of these committees, their chairmen, members and the number of their mentioned meetings.
4. The Board of Directors shall attach the latest report, and all the factors affecting the company's business that the investment community needs for evaluation. The Board of Directors shall include the following:
 5. Describing the main activity type.
 6. Describing the important company plans and decisions.
 7. Tables and summary graphs of the company's assets and liabilities and financial business arising for the last five years.
 8. Geographical analysis of the company's total revenues, and the total revenues of its subsidiaries outside the Kingdom.
 9. A statement of any material differences in the operating results compared to the results of the previous year, or any announced expectations by the company.
 10. A statement of any difference from the issued accounting standards by the Saudi Organization for Certified Public Accountants.
 11. Name of each subsidiary and its main activity.
 12. Details of shares and debt instruments issued for each subsidiary.
 13. Clarifying the dividend policy.

14. A statement of any interest in the voting-eligible shares category belonging to persons (other than members of the company's board, senior executives, their spouses, and their minor children) who informed the company of those rights or any change therein during the last financial year.
15. A statement of any interest, option rights, and subscription rights of the members of the company's board of directors, senior executives, their spouses and minor children, in the shares or debt instruments of the company or any of its subsidiaries, or any change in that interest or these rights during the last financial year.
16. Information related to any loans on the company, whether these loans are payable on demand or otherwise, and a disclosure of the total indebtedness of the company and its groups, and any paid sums by the company in repayment of loans during the year.
17. A statement of the classes and numbers of any debt instruments convertible into shares, and any option rights, subscription right notes, or similar rights issued or granted by the company during the financial year, with an explanation of any obtained compensation by the company in return for that.
18. A statement of any transfer or subscription rights under convertible debt instruments into shares, option rights, subscribing right memoranda or similar rights issued or granted by the company.
19. A statement of any refund, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.
20. The number of board meetings held during the last financial year, and the attendance record of each member.
21. Details of the paid bonuses, rewards and compensations for each of the following separately:
 22. Members of the Board of Directors.
 23. Five senior executives who received the highest rewards and compensation from the company, in addition to the Chief Executive Officer (CEO) and the financial director if the Chief Executive Officer (CEO) and the financial director were not among the five senior executives.
24. Information related to any contract to which the company is a party, and there is or was a substantial interest in the company for a member of the company's board of directors, the general manager, the financial director, or any person related to any of them.
25. A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any salary or compensation.
26. A statement of any arrangements or agreement under which a shareholder of the company waived any rights to dividends.
27. A statement of the value of the due legal payments for the payment of any zakat, taxes, fees or any other dues, with a brief description of these amounts and their reasons.
28. A statement of the value of any investments or other reserves created for the benefit of the company's employees.
29. Any imposed penalty, sanction or precautionary restriction on the company by the Authority or any other supervisory, regulatory or judicial authority.
30. The report shall clarify any reservations made by the chartered accountant on the financial statements.
31. The report shall include an affidavit to keep accounting records in accordance with the approved standards.
32. The report shall include an acknowledgment that the internal control system has been prepared on a sound basis, and that this control has been effectively implemented.

33. The report shall include a statement that there is no doubt about the ability of the company to continue its activity.

Fifth: Disclosure of Remuneration:

The Board of Directors shall comply with all of the following:

1. Disclosure of the remuneration policy and the way by which the remuneration of board members and executive management in the company is determined.
2. Accurate, transparent and detailed disclosure in the report of the board of directors about the remunerations granted to members of the board of directors and the executive management, directly or indirectly, without concealment or misleading, whether they are sums, benefits or advantages, whatever their nature and name. If the benefits are shares, then the input value of the shares is the market value on the maturity date.
3. Clarifying the relationship between the awarded remuneration and the applicable remuneration policy, and indicate any material deviation from this policy.
4. A statement of the necessary details regarding the rewards and compensations paid to each of the following separately:
 - a) Members of the Board of Directors.
 - b) Five senior executives who received the highest remuneration from the company, including the Chief Executive Officer (CEO) and the rest of the executive management members.
 - c) Committee Members.

The mentioned disclosure in this article shall be in the report of the board of directors.

Article No. (3): Board of Directors Report:

The report of the Board of Directors shall include a review of its operations during the last financial year, and all the affecting factors the company's business. The report of the Board of Directors shall include all of the following:

1. The implemented provisions of these regulations and what was not implemented and the reasons for that.
2. Names of board members, committee members, and executive management, and their current and previous positions, qualifications and experiences.
3. Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member in its current and previous field of management, or of its managers.
4. Formation of the Board of Directors and classification of its members as follows: Executive Board Member - Non-Executive Board Member - Independent Board Member.
5. The taken actions by the Board of Directors to inform its members, especially non-executives, of shareholders' proposals and comments about the company and its performance.
6. A brief description of the committees' specializations and tasks, such as: the Audit Committee, the Nomination and Remuneration Committee, with mentioning the names of the committees, their chairmen and members, the number of their meetings, dates of their meetings, and attendance data for members for each meeting.
7. Where applicable, the adopted means by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external authorities that performed the evaluation and its relationship to the company, if any.
8. Disclosure of the remuneration of members of the Board of Directors and the executive management.

9. Any penalty, sanction, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with an explanation of the causes of the violation, the signatory to it, means of remediation and avoiding its occurrence in the future.
10. Results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system.
11. Recommendation of the audit committee regarding the need to appoint an internal auditor in the company in the absence of one.
12. Recommendations of the audit committee that there is a conflict between the committee and the decisions of the board of directors, or which the board refused to take into account regarding the appointment and dismissal of the company's auditor, determining its fees and evaluating its performance or appointing the internal auditor, the rationale for those recommendations, and the reasons for not taking them into account.
13. Details of the company's social contributions, if any.
14. A statement of the dates of the shareholders' general assembly held during the last financial year and the names of the members of the board of directors attending this assembly.
15. A description of the main types of activities of the company and its subsidiaries. In the event that two or more types of activity are described, a statement shall be attached to each activity and its impact on the volume of the company's business and its contribution to the results.
16. Describing the company's significant plans and decisions (including structural changes to the company, expansion of its business, or cessation of its operations) and future expectations of the company's business.
17. Information related to any risks faced by the company (whether operational risks, financing risks, or market risks) and the policy for managing and monitoring these risks.
18. A summary in the form of a table or a graph of the company's assets, liabilities and business results in the last five financial years or since incorporation, whichever is shorter.
19. Geographical analysis of the total revenue of the company and its subsidiaries.
20. Clarifying any material differences in the operating results compared to the results of the previous year or any expectations announced by the company.
21. Clarifying any difference from the approved accounting standards by the Saudi Organization for Certified Public Accountants.
22. Name of each subsidiary company, its capital, the percentage of ownership of the company in it, its main activity, the state that is the main place of its operations, and the country of its incorporation.
23. Details of the issued shares and debt instruments for each subsidiary.
24. Describing the company's policy for distributing dividends.
25. Describing any interest in the voting-eligible shares category belonging to persons (other than the members of the company's board of directors, senior executives and their relatives) who informed the company of those rights under Article No. (Forty Five) of the Registration and Listing Rules, and any change in those rights during the last financial year.
26. Describing any interest, contractual securities, and subscription rights of the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the last financial year.
27. Information related to any loans on the company (whether these loans are payable on demand or otherwise), a disclosure of the total debt of the company and its subsidiary companies, any

paid amounts by the company in repayment of loans during the year, the principal amount of the loan, the name of the donor, its duration and the remaining amount. In the absence of loans on the company, the company shall submit a declaration of this.

28. Describing the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the financial year with an explanation of any obtained compensation by the company in return for that.
29. Describing any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.
30. Describing any refund, purchase or cancellation by the company of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed purchased securities by the company and those purchased by its subsidiaries.
31. Number of board meetings held during the last financial year, their dates, and the attendance record for each meeting indicating the names of those present.
32. The number of company requests for shareholders' register, dates and reasons for those requests.
33. Describing any transaction between the company and any related party.
34. Information related to any business or contracts in which the company is a party, or in which there is an interest for a member of the company's board of directors, its senior executives or any person related to any of its members, including the names of those involved in the business or contracts, the nature of these business or contracts, their terms, duration and amount. If there are no such actions or contracts, the company shall submit a declaration of this.
35. A statement of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any remuneration.
36. A statement of any arrangements or agreement under which a shareholder of the company waived any rights to dividends.
37. A statement of the value of the due legal payments for the payment of any zakat, taxes, fees or any other dues, with a brief description of these amounts and their reasons.
38. A statement of the value of any investments or reserves established for the benefit of the company's employees.
39. Acknowledgments of the following:
 - a) That the account records were properly prepared.
 - b) That the internal control system was prepared on a sound basis and was effectively implemented.
 - c) There is no doubt about the ability of the company to continue its activity.
40. If the auditor's report includes reservations about the annual financial statements, the board of directors' report shall clarify those reservations, their reasons, and any information related to them.
41. In the event that the Board of Directors recommends changing the auditor before the end of the period for which the auditor was appointed, the report shall contain that, along with the reasons for recommending the change.

اسمنت اليهامة

YAMAMA CEMENT

Membership Policies, Standards and Procedures



Introduction:

The "Policy and Standards for Membership Procedures in the Board of Directors of YAMAMA CEMENT Company" have been prepared in order to comply with the Corporate Governance Regulations issued by the Board of the Capital Market Authority in accordance with the Resolution No. (8-16-2017), dated on 16/05/1438 H, Corresponding to 13/02/2017. This policy stated that, "the Nominations and Remuneration Committee shall prepare a clear and specific policy, standards and procedures for membership in the Board - in a manner that does not contradict the mandatory provisions in the Corporate Governance Regulations and put them into effect after the approval of the General Assembly".

Article No. (1): Policies and Criteria for Membership in the Company's Board of Directors:

The Board of Directors shall consist of seven members - as stipulated in the articles of association of the company - and it is required that a member of the board of directors be of professional competence who possesses the necessary experience, knowledge, skill and independence, in order to enable that member to carry out its duties efficiently and competently. When electing members of the Board of Directors, the General Assembly shall take into account the recommendations of the Company's Nomination and Remuneration Committee. Availability of the personal and professional elements necessary to perform their duties effectively and it is taken into consideration that the member in particular has the following:

1. The candidate for Board of Directors membership shall not have been previously convicted of a crime involving breach of honor and trust, and not be insolvent, bankrupt, or unfit for membership in the Board in accordance with any system, law or instructions in force in the Kingdom of Saudi Arabia.
2. A board member shall not hold more than five joint stock companies listed in the financial market simultaneously.
3. A member of the board of directors shall represent all shareholders. This member shall comply with the matters related to the interest of the company in general and not to what is in the interests of the group this member represents or that voted to appoint him to the board of directors.
4. The majority of the board members shall be non-executives.
5. The number of independent members shall not be less than three members.
6. The independent member shall enjoy complete independence in its position and decisions, and none of the independence symptoms stipulated in Article No. (20) of the Governance Regulations issued by the Authority shall not apply to the independent member.
7. **Leadership Ability:** The candidate for Board of Directors membership shall have leadership skills that qualify this member to grant powers in a way that leads to stimulating performance, applying best practices in the field of effective management, adherence to professional values and ethics, and the ability to communicate effectively, think and strategize.
8. **Qualifications, Skills, and Experiences:** by having educational qualifications, appropriate professional and personal skills, level of training, practical experiences related to the current and future activities of the company and knowledge of management, economics, accounting, or law, or the desire to learn and train.
9. **Directing Ability:** by having the technical, leadership and administrative capabilities, and speed in decision-making, on strategic direction, long-term planning, understanding the technical requirements related to workflow and have a clear future vision.
10. **Financial Knowledge:** By being able to read and understand financial statements and reports.
11. **Health Fitness:** that the member shall not have a health obstacle that hinders this member from exercising its duties and specializations.

12. The candidate for membership of the Board shall comply with the principles of truth, honesty, loyalty, care and concern for the interests of the company and shareholders and present the company interest on its personal interest.
 - a) Truthfulness is that the relationship of the board member to the company is a sincere professional relationship. The company shall disclose any influential information before executing any deal or contract with the company or one of its subsidiaries.
 - b) While loyalty is achieved by avoiding dealings, involving a conflict of interest while verifying the fairness of the dealings and observing the provisions relating to conflict of interest contained in the governance regulation.
 - c) As for the care and attention, the care and attention is to perform the duties and responsibilities stipulated in the Companies Law, the Financial Market Law, the Company's Articles of Association, and other related regulations.
13. Diversity in academic qualification and practical experience shall be taken into consideration, and priority shall be given to nomination for the needs of those with the appropriate skills for membership of the Board of Directors.
14. A member of the board of directors shall resign before the end of its term in the board of directors, in the event that the member loses its capacity to work as a member of the board of directors, is unable to practice its business, or is unable to allocate the time or effort necessary to perform its duties in the board. In the event of a conflict of interest, the member shall have the option to obtain a license from the General Assembly, to be renewed every year, or to submit its resignation.
15. Any approved requirements by the legislative authorities in the competent Kingdom shall be applied.

Article No. (2): Eligibility and Procedures for Candidacy for the Board of Directors Membership:

1. Each shareholder shall have the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of its ownership percentage in the capital.
2. The nomination announcement is published on the website of the financial market (Tadawul) as well as on the company's website, and in any other specified means by the authority, in order to invite persons wishing to run for membership of the Board of Directors. Provided that the nomination remains open for a period of at least one month from the date of announcement, and voting in the General Assembly is limited to candidates for membership of the Board of Directors who are announced by the company.
3. The Nomination and Remuneration Committee for the described criteria shall submit its recommendations to the Board of Directors regarding candidacy for membership of the Board in accordance with this policy.
4. Those wishing to nominate themselves for membership in the company's board of directors shall disclose their desire to run, in accordance with the submitted notification to the company's management in accordance with the stipulated period and dates in accordance with this policy, and the applicable rules and regulations. This notification shall include an introduction to the Arabic language in terms of its CV, qualifications, and practical experience, in addition to providing the company with all supporting documents such as (the National ID Card, family card, passport for non-Saudis nominated for membership of the Board and any other related documents required by the company to fulfill the legal requirements).
5. The candidate for membership in the Board shall disclose to the Board of Directors and the General Assembly any cases of conflict of interest that include:
 - a) The existence of a direct or indirect interest in the business and contracts that are made for the account of the company, for which this member want to nominated to its board of directors.

- b) The member's participation in a business that would compete with the company, or compete with one of the branches of the activity that it is practicing.
6. Board membership applicants shall fill out the specified form or forms by the Capital Market Authority, which can be obtained through the Authority's website.
7. The candidate who previously held a membership in the board of directors of a joint stock company shall attach the date of the number of company boards of directors that this member assumed membership.
8. The candidate who previously held a board membership from the company's management shall attach to the nomination notification information from the company's management about the last term in which this member took up the board membership, including the following information:
 - a) The number of Board meetings that took place during each year of the session.
 - b) The number of meetings the member attended, and the percentage of its attendance for the total number of meetings.
 - c) The permanent committees in which the member participated, the number of the held meetings by each of those committees during each year of the session, the number of meetings the member attended, and the percentage of its attendance to the total meetings.
9. Membership status shall be clarified upon candidacy, i.e. whether the member is an executive, non-executive member or independent member.
10. The nature of the membership shall be clarified. That is, if the member is a candidate for the personality or if the member is a representative of a legal person.
11. The Nomination and Remuneration Committee coordinates with the Executive Management to complete the legal requirements and provide the relevant legal authorities with all the required documents.
12. Voting for the selection of the members of the Board of Directors shall be made by the cumulative voting method.
13. Voting in the General Assembly shall be restricted to those who nominate themselves in accordance with the aforementioned policies, criteria and procedures.

Article No. (3): Mechanism for Selecting the Chairman and Vice President of the Board of Directors:

YAMAMA CEMENT shareholders elect members of the Board of Directors at the general assembly meeting of shareholders in accordance with the rules and regulations included in this policy. Then the Board selects a chairperson and a vice president from among its members. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the company. The Board shall have the right to remove them from their positions or re-select them at any time.

Article No. (4): Membership Cancellation of the Board Member and Vacancy of One of the Positions:

1. The membership of the Board shall end with the expiration of the prescribed period for this membership, which is three years from the date of its election by the General Assembly. Members whose membership term has expired may be re-elected.
2. The Ordinary General Assembly may at any time dismiss all or some of the members of the board of directors, even if the company's articles of association stipulate otherwise, without prejudice to the dismissed member's right to the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the Board of Directors may retire, provided that this is at an appropriate time. Otherwise, the member shall be liable before the company for the damages arising from its retirement.

3. If the position of one of the members of the board of directors becomes vacant, the board may appoint, temporarily, a member of the vacant position. Provided that the member shall be of those with experience and sufficiency. The members shall inform the competent authorities of this within five working days from the date of appointment. The appointment shall be presented to the ordinary general assembly at its first meeting, the new member shall complete the term of its predecessor.
4. If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law, the remaining members shall call the Ordinary General Assembly to convene within sixty days, to elect the necessary number of members.
5. The General Assembly may - based on the recommendation of the Board - terminate the membership of those who are absent from attending three successive meetings of the Board without a legitimate excuse.
6. If a member of the board of directors resigns, and the member has comments on the performance of the company, the member shall submit a written statement thereof to the chairman of the board of directors. This statement shall be presented to the members of the board of directors.

Article No. (5): Final Provisions (Review, Amendment and Publication of this Policy):

The provisions of this policy shall be implemented and complied with by the company as of the date of its approval by the general assembly of shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view this policy. This policy shall be reviewed periodically, if needed, by the Nomination and Remuneration Committee. The committee shall present any proposed amendments to the Board of Directors, which studies and reviews the proposed amendments and recommends them to the General Assembly of shareholders for approval.

اسمنت اليمامة

YAMAMA CEMENT

Whistleblowing Policy and Protection of Reporters



This Policy was approved in the Board of Directors' Meeting No. (1) on 11/02/2020

Introduction:

The "Whistleblowing Policy and Protection of Reporters" has been prepared to comply with the Corporate Governance Regulations issued by the Board of the Capital Market Authority in accordance with the Decision No. (8-16-2017), dated on 16/05/1438 H, Corresponding to 13/02/2017. This policy stated that, "The Board of Directors, based on a proposal from the Audit Committee, shall establish the necessary policies or procedures for stakeholders to follow in submitting their complaints or reporting violating practices".

Article No. (1): Purpose:

The purpose of this policy shall be as follows:

1. Urging stakeholders to report any violation.
2. Providing a confidential means for the purpose of reporting any violation.
3. Protecting the individuals who whistleblower in good faith.
4. Raising the level of communication and transparency.
5. Implementing the articles of the Corporate Governance Regulations issued by the Capital Market Authority related to the arrangement for submitting comments and reporting violating practices.

Objectives:

This policy aims to provide an opportunity for everyone who works for the company to report violations and ensure that the reporter shall not be subjected to retaliation or harm arising from that. Small minor events have to be dealt with within the normal corporate governance structure. Whenever possible, employees shall first contact their line manager to discuss their concerns about any malpractice.

This policy is not intended to question the financial, commercial, operational, or other business decisions of the company. This policy shall not be used for the purpose of retrospective consideration of any matters that have already occurred in the context of other procedures. This policy shall also not be used to raise any matters that would normally be classified as behavioral or disciplinary accusation by the company.

Article No. (2): Guarantees and Warranties:

The policy shall guarantee that the reporter will not be exposed to abuse or risk losing its job, position or social standing in the company and any form of punishment as a result of reporting any violation in accordance with this policy. Provided that the violation is reported in good faith and that the reporter has honest and reasonable suspicion data. It does not matter if the company is later found that this reporter is wrong.

In order to protect the personal interest of the whistleblower, this policy shall guarantee that the identity of the author will not be revealed when the reporter does not wish to do so, unless the law stipulates otherwise. Every effort will be made to keep the identity of the author confidential and confidential for any breach. However, in certain cases, to deal with any report, the identity of the reporter shall be revealed, for example the need to reveal the identity before any court of competent jurisdiction.

The reporter shall also maintain the confidentiality of the submitted report and shall not disclose this report to any employee or other person. The reporter shall also not conduct any investigations himself regarding the report.

Article No. (3): Scope of Application:

This policy shall apply to all stakeholders, including permanent employees of the company, those who work on contracts, and any consultants or persons who act in the name of the company, or on behalf of the company, regardless of their position in the company, without any exception. Any individual or group of individuals, whether suppliers, partners, or from the public can report any risks or violations.

Terms and Definitions:

1. Whistleblower: shall mean the person who reports the violation.
2. Employees: shall mean those working under employment contracts with the company, and this includes employees of all job ranks.
3. Stakeholders: shall mean all those who have a relationship with the company and its business.
4. Corruption: shall mean the abuse of power.
5. Fraud: shall mean an intentional act that involves the use of deception to acquire some form of financial benefit or obtain an advantage from a position, which leads to the infliction of financial or moral loss.
6. Violation: shall mean any wrong behavior, illegal or unethical practices, or other violations of the applicable regulations and instructions. Violations to be reported include, but are not limited to, the following:
 - a) Illegal behavior (including bribery or corruption) or misconduct.
 - b) Financial misbehavior (including allegations of false expenditures and misuse of valuables).
 - c) Non-disclosure of conflict of interest situations (such as using a person of its position in the company to promote its own interests or the interests of others above the interest of the company).
 - d) Fraud (including loss, concealment or destruction of official documents).
 - e) Criminal offenses committed, being committed, or likely to be committed of any kind.
 - f) Failure to adhere to internal control policies, regulations and rules, or to apply them incorrectly.
 - g) Obtaining undue benefits or rewards from an external party to grant that party unjustified preferential treatment.
 - h) Illegally disclosing confidential information.
 - i) Manipulating accounting data.
 - j) Threatening to employee health and safety.
 - k) Violation of the rules of professional conduct, and unethical behavior.
 - l) Misusing of powers to achieve private benefits.
 - m) Nepotism and favoritism.
 - n) False allegations, omissions, and conspiracy
 - o) Abuse of power.
7. Reporting: shall mean the followed process in reporting a violation within the company.
8. The Method of Communication: shall mean the method specified in this policy to report a violation.
9. Disclosure: shall mean any report made in good faith that would disclose or reveal any information that may prove the conduct of a contravening activity.

10. Investigation Team: shall mean the team that investigates the report.

Article No. (4): Powers and Responsibilities:

1. The Board of Directors shall be responsible for ensuring that this policy applied and approved.
2. Audit Committee: shall mean the committee emanating from the Board of Directors. This committee shall have a life to consider the submitted reports, investigate these reports and take appropriate action in the event that the reports are proven to it.
3. Audit Manager: shall mean the sole responsible for receiving and submitting reports to the reference committee.
4. The Investigation Team: shall have the right to unconditional access to all company buildings, unconditional access to its records, inspect, copy or remove all or part of the contents of files, offices and lockers without prior knowledge or consent of any individual. The team can use or own custody of any of these terms or facilities when it is in the field of their investigations, provided that this is done in their presence or the presence of their direct supervisor.
5. All stakeholders and employees who have access to communications and / or investigations shall not have the right to disclose or discuss the results of the investigation with anyone other than the persons who have the right to know these results, in order to avoid damaging the reputation of accused persons whose innocence appeared to be attributed to them. Also, in order to protect the company from potential civil liability.
6. The audit manager shall maintain all records and documents related to the reports.

Article No. (5): Activities and Operations:

Whistleblower:

1. The informant submits a notification and provides documented information to the address shown below.
2. The sooner a report can be submitted, the easier it will be to take appropriate action.
3. The whistleblower shall be able to prove his good faith, although the whistleblower is not required to prove the authenticity of the report.
4. Whistleblowers shall not have to act on their own initiative in conducting any investigation.
5. Under no circumstances shall the whistleblower share the documented correspondence exchanged between the whistleblower and the internal audit with others. Failure to do so will lead to disciplinary action against the employee.

Audit Manager:

1. This manager shall receive reports from the whistleblower.
2. The Audit Manager informs the review committee of all reports and taken actions, and follows up on reports that have been decided upon.

Audit Committee:

1. The Audit Committee shall conduct a preliminary review to determine whether an investigation should be conducted, and what form it should take. Some reports can be resolved without the need for an investigation.
2. The audit committee shall deal with reporting any violations in a fair and appropriate manner.

3. If the report is found to be unjustified, no further investigation will take place. This decision shall be final and not subject to review unless additional evidence is submitted regarding the report.
4. If the committee discovers that the report is based on reasonable and justified data, a team will be formed to investigate the report.
5. The committee may seek the assistance of any specialized external party to carry out the investigation work.
6. The committee may seek the assistance of any employee or authority within the company
7. The committee will refer the report to the competent authorities if needed.
8. The Audit Committee shall notify the reported person of the alleged allegations at the beginning of the official investigation, with the opportunity to express their views and views during the investigation.
9. The whistleblower will have the opportunity to respond to the material findings stated in the investigation report, unless there are compelling reasons preventing this from happening.
10. An allegation of wrongful action will not be supported unless there is substantial evidence to support this allegation.
11. Data on any investigation that is conducted can be provided to the author of the communication. However, it is not permissible to inform the author of any disciplinary or other measures that may result in the company's breach of confidentiality obligations towards another person.
12. The disciplinary measures resulting from the violation shall be determined in accordance with the human resources policy and the applicable Labor Law.
13. The Audit Committee submits its recommendations to the Board of Directors for approval.

Means of Submitting Reports:

Reports shall be submitted to the following email address:

Comm.audit.yam@gmail.com

Terms of Publication and Amendment:

1. The Board of Directors shall approve this policy.
2. The company shall comply with this policy as of the date of its approval.
3. This policy shall be published among employees, and on the company's website.
4. The content of this policy shall be reviewed at any time and when needed.