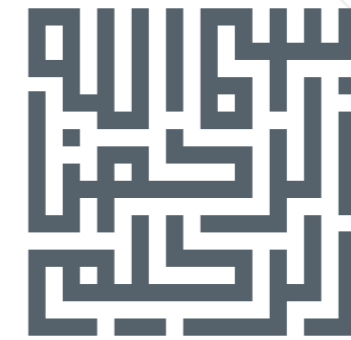


اسمنت اليمامة  
YAMAMA CEMENT



ANNUAL REPORT 2021



**In the name of Allah, Most  
Gracious, Most Merciful**



The Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

Prime Minister



His Royal Highness

**Prince Mohammed bin Salman bin  
Abdulaziz**

Crown Prince, Deputy Prime Minister, and Minister of Defense

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## The 65-Year Journey



Yamama Cement became among the first ten companies to offer their shares in the Saudi Stock Exchange (Tadawul).



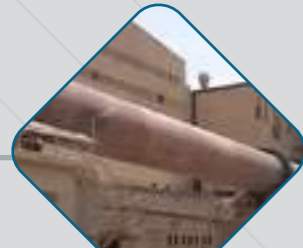
**1965**

Under the sponsorship of HRH Late King Faisal bin Abdulaziz, the first production line was launched with a daily production capacity of 300 tons of clinker. That same day, the birth of the first heavy industry was announced in Riyadh.



**1956**

Yamama Cement was established by Prince Mohammad bin Saud Al Kabeer and a group of founders, namely HH Prince Musaid bin Saud and his brothers, HH Prince Abdullah bin Mohammad bin Saud and his brothers, HH Prince Mohammad bin Abdulaziz bin Turki, Sheikhs Abdulaziz and Mohammad Al Abdullah Al Jomaih, Sheikhs Ibrahim Al Rashid Al Hamid and his brothers, Sheikh Mohammad Abdullah Al-Arifi, the Saudi National Bank, and the Riyadh Bank.



**1971**

The second production line was operated with a daily production capacity of 800 tons of clinker.



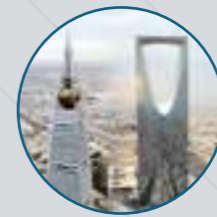
**1977**

The third and fourth production lines were operated with a daily production capacity of 1500 tons of clinker each.



**1981**

The fifth production line was operated with a daily production capacity of 1500 tons of clinker.



The most important projects to which Yamama Cement contributed:



**1988**

The sixth production line was operated with a daily production capacity of 3000 tons of clinker.



**2001**

Yamama Cement became the first cement company in the Kingdom to obtain the ISO 9001 (Quality Management) Certification.



**2007**

The seventh production line was operated with a daily production capacity of 10,000 tons of clinker.



**2021**

The production lines of the new Yamama Cement project entered their pilot phase.



**2016**

Yamama Cement's new office building was inaugurated.



**2015**

Yamama Cement signed an agreement with the German conglomerate ThyssenKrupp Industrial Solutions to build new Yamama Cement plant with a total estimated cost of SR 4.2 billion, two production lines with a daily production capacity of 20,000 tons of clinker, and the latest cement manufacturing technology in the world.



**2010**

The Yamama Enterprise Resource Planning (ERP) System project was launched.



**2010**

Yamama Cement became one of the first cement companies in the Kingdom to obtain the ISO 14001 Certification (environmental management system).



**2010**

Yamama Cement became the first cement company in the Kingdom to obtain the OHSAS 18001 Certification (international standard for occupational safety and health management systems).



## Chairman's Message

### Prince Turki bin Mohammad bin Abdulaziz bin Turki

Dear Yamama Cement Company shareholders,

May the peace, blessings, and mercy of Allah be upon you.

On behalf of myself and my fellow Board members, I am pleased to present to you the Board of Directors Report for the year ended December 31st, 2021, which includes a review of the company's most prominent work, activities, and financial results.

Yamama Cement is going through a crucially important stage which reflects the continuous growth and prosperity witnessed by our country, the Kingdom of Saudi Arabia. The company has constantly succeeded, for more than six decades, in setting high standards and serving as a model in the cement industry, all in line with the Saudi Vision 2030.

With continuous firm steps and diligent work, we have been able to gain high experience and acquire competence and excellence in the cement industry. Since the cement sector constitutes one of the main development pillars of numerous broad sectors, it indeed becomes the development front which embodies the urban renaissance witnessed by our beloved Kingdom.

It has become evident that Yamama Cement occupies a leading position among cement companies, and it has set its mission to expand and grow by targeting all major projects in the region. Moreover, the company remains committed to further building expertise in the local economy, providing more job and training opportunities to Saudi nationals, and reducing the environmental impact of its operational processes. I would also like to emphasize the Board's interest and efforts in adopting programs, policies, and strategies that help overcome all challenges faced, and achieve constant successes and achievements that meet the aspirations of shareholders. Yam-

ama Cement has reached the final stages of starting operation in its new plant, a step which will have a positive impact alongside improving production efficiency and reducing costs. Today, we continue to set the standards of leadership and excellence in the cement sector, and we adopt an approach with sustainability as an essence and development, and growth as pillars with a view to continue the path of progress and success.

On behalf of my fellow Board members and Yamama Cement employees, I would like to extend my gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud for all the valuable care and nurture they provide for this generous Kingdom. I would also like to express my thanks to Yamama Cement's management, employees, and shareholders for their constant support in achieving the company's strategy and vision.



## CEO's Message

### Mr. Jehad bin Abdulaziz Al Rashid

Dear Yamama Cement Company shareholders,

May the peace, blessings, and mercy of Allah be upon you.

In line with its sustainable strategy and plans, and as a reflection of its identity and leading position on the market, Yamama Cement strives to become the best partner for its customers, suppliers, and investors. The company is also capable of responding quickly to changes and challenges faced by the cement industry in matching their products and expertise to the growing and changing customers' needs, while applying the highest standards of work ethics.

This commitment made by Yamama Cement has paved the way for continuous successes over more than six decades, enabling the company to become one of the biggest contributors to our Kingdom's growth.

After two years of combatting the Covid-19 pandemic implications, we are still met with some challenges. Yamama Cement's development and resilience in face of these challenges are mere proof that it has been equipped, since its inception and up until today, with qualified components capable of guaranteeing its continuity and growth. Top among these components are the Yamama Cement team and its shareholders who have helped and maintained our constant success within the framework of high standards that has earned us the trust of all stakeholders, shareholders, financial institutions, and human capital we deal with.

I am confident that our dedication and status in the highly competitive building materials market make Yamama Cement well-equipped to face the challenges of the future.

In the past year, the company continued its progress and reached the final stages of delivering the project of building the new Yamama Cement plant. It also took the initial steps to transfer production line 7 – which has a capacity of 10,000 tons/day – from the old to the new site, an initiative which contributes to accelerating national development and achieving the goals of the Saudi Vision 2030.

We can only express our sincere thanks and appreciation to the custodian of the Two Holy Mosques and the Crown Prince, as well as to all our governmental, semi-governmental, and private-sector partners for their constant efforts to support this vital sector and stimulate its role in serving the national economy. We specifically thank, among these partners, the Ministry of Energy, the Ministry of Industry and Mineral Resources, the Ministry of Commerce, the Zakat, Tax, and Customs Authority, the Saudi Industrial Development Fund, and the Ministry of Human Resources and Social Development, for their continuous support of the industrial sector. I would also like to thank all shareholders, Board members, and company colleagues who work as one team to achieve continuous success for the company.





## Overview of the Company's Activity

Yamama Cement is the oldest cement company in the Central Region, and the third of its kind in the Kingdom. It was established as a public joint stock company in Riyadh with the aim of manufacturing and trading cement. HRH Late King Faisal bin Abdulaziz bin Saud inaugurated the plant in 1956. For 65 years, Yamama Cement has contributed to the urban development of the Central Region. Given that the company adopts solid foundations in applying standards of cement quality, efficiency, and strength, its various types of cement have been and are still used as the main cement in most major governmental and non-governmental projects. The company produces several types of Portland cement (ordinary cement, sulfate resistant cement, finishing cement) in its plant located in the Riyadh region.

The annual design and production capacity of its cement kilns is currently (6.6) million tons of clinker, which is equivalent to (7) million tons of cement per year. Yamama Cement products are ranked among the top in KSA and represent the top choice for customers and projects. The company produces three types of cement:



### Ordinary Portland Cement:

used in all building and construction works



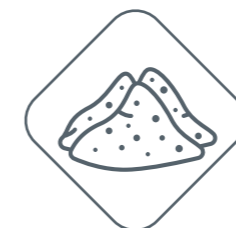
### Sulfate-Resistant Cement:

used in high salinity locations, wells, and water tanks



### Finishing Cement:

used in plastering works



# 3.3

million tons  
clinker kilns of stock



# 7

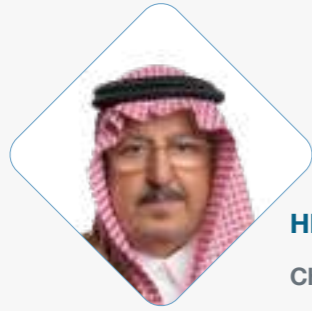
million tons of  
cement annually



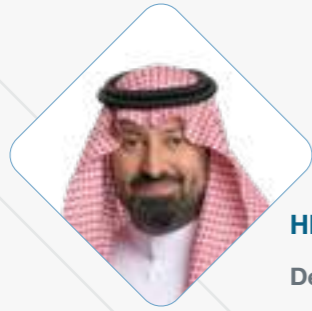
# 6.6

million tons of clinker  
annually

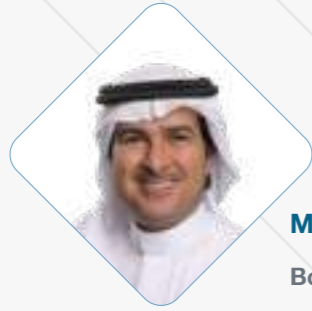
## Board of Directors



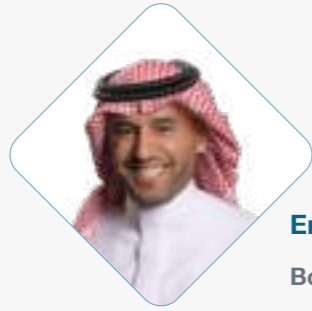
**HH Prince Turki bin Mohammad bin Abdulaziz bin Turki**  
Chairman of the Board of Directors



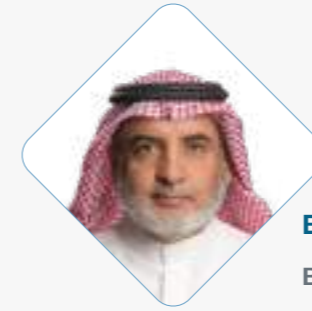
**HH Prince Nayef bin Sultan bin Mohammad bin Saud Al Kabeer**  
Deputy Chairman of the Board of Directors



**Mr. Fahd bin Thunayan Al Thunayan**  
Board Member



**Eng. Faisal bin Sulaiman Al Rajihi**  
Board Member



**Eng. Abdullah bin Abdulrahman Al Obaikan**  
Board Member



**Mr. Abdullah bin Mohammad Al Bahouth**  
Board Member



**Mr. Nizar bin Abdulaziz Al Tuwaijiri**  
Board Member



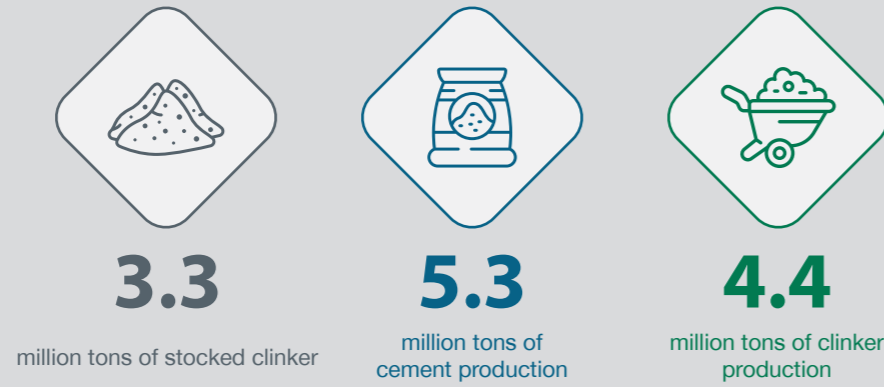
## 65 Years in the Lead..

Being one of the oldest cement companies established in the Kingdom, Yamama Cement held great responsibility and faced important challenges. The company understood the magnitude of this responsibility and the logistical expectations for the production of a vital material that contributes to empowering the construction, building, and contracting sectors, and achieving the urban development and civilizational renaissance needed at the time of the company's inception. After these long years, Yamama Cement is still aware of its pioneering role in the sector and in contributing to the sector's growth and development in order to serve the comprehensive national development led by the Saudi Vision 2030. It also incessantly works on providing distinguished products and adequate quantities with a view to continue fulfilling its role in the urban growth of the Kingdom.

This report examines the work of Yamama Cement throughout the financial year 2021 and demonstrates the financial performance and position of the company. It also presents the company's effective governance, its achievements in production and sales, its projects and investments, its accomplishments in the fields of safety, health, environment, and human resources, in addition to its role in social responsibility alongside other topics.

## Executive Summary

### Yamama Cement 2021 in Figures

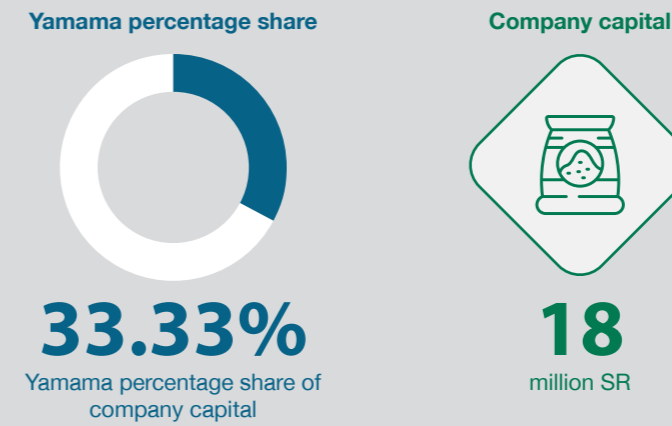


### Financial Performance

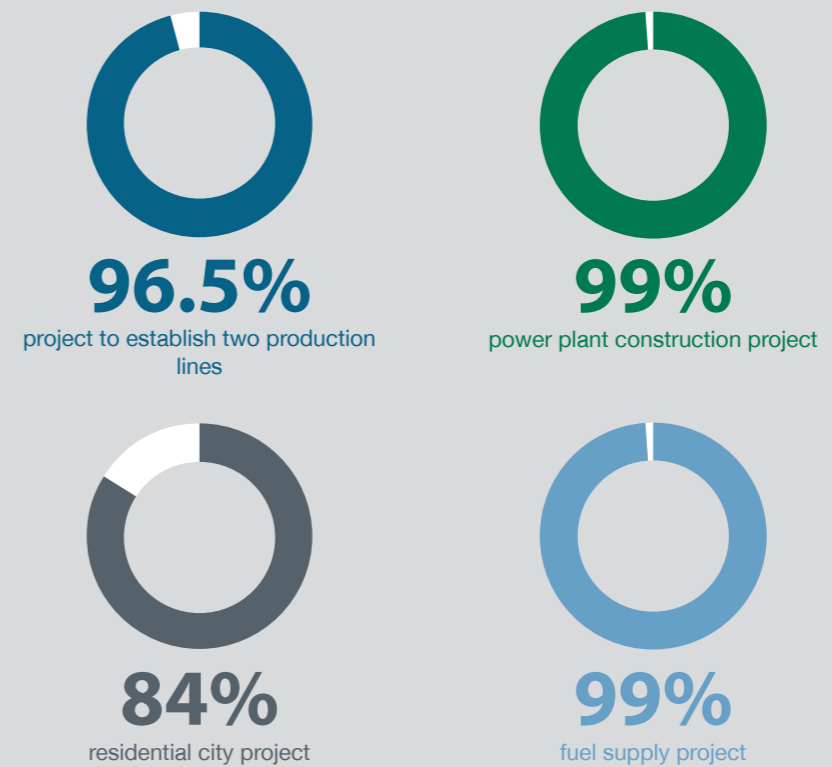


## Affiliates

### Cement Products Industry Company "in Jeddah"



### Project Completion Percentage in New Yamama Cement Plant



## Safety



**8 +** million hours  
Continuous work without any injury

## Investments



**81**  
million SR  
total investments in different funds



**507**  
million SR  
total investments in companies

## Social Responsibility



**18**  
health and charitable associations  
received support and donations



**300,000**  
trees  
were planted in the new factory  
as part of the #LetsMakeItGreen  
campaign

## Fulfillment of Financial Obligations



**130**  
million SR  
advance payments from the financial  
year 2022 to the Saudi Industrial  
Development Fund throughout 2021



**563**  
million SR  
obtained as a loan from Al Rajhi  
Bank to refinance the Saudi National  
Bank and the Samba Financial  
Group

## Governance Index



Yamama Cement is ranked among the top 10 companies in applying the highest governance standards in the Saudi capital market



**3**  
Nomination and Re-  
muneration Commit-  
tee meetings



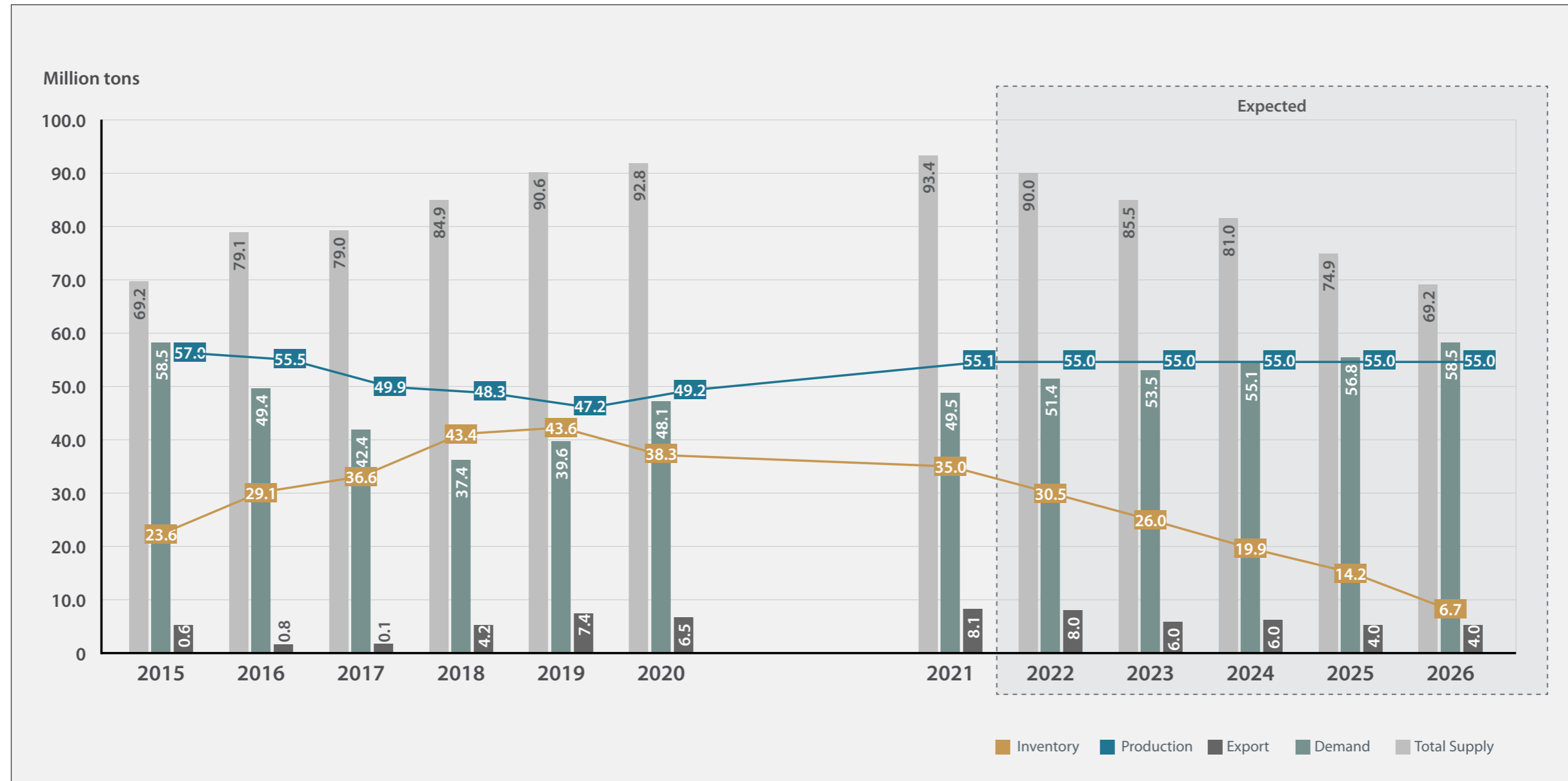
**8**  
Audit Committee  
meetings



**4**  
Board meetings

### Supply and demand for cement in the Kingdom's market during 2015 - 2026 (equivalent to clinker):

Below diagram shows the supply, demand, production and inventory of cement companies in the Kingdom of Saudi Arabia, including the forecast for the next five years



- The expected growth rate according to demand for the year 2022 and 2023 is estimated at 4%, and in the years 2024-2026 is estimated at 3%.
- Production on the premise of the design capacity of the fueling companies.
- Conversion coefficient (demand) from cement to clinker equal to (-5%).



01

**Financial and Business  
Performance**



**2,025**

million SR  
company's paid-up capital



**202,500**

shares

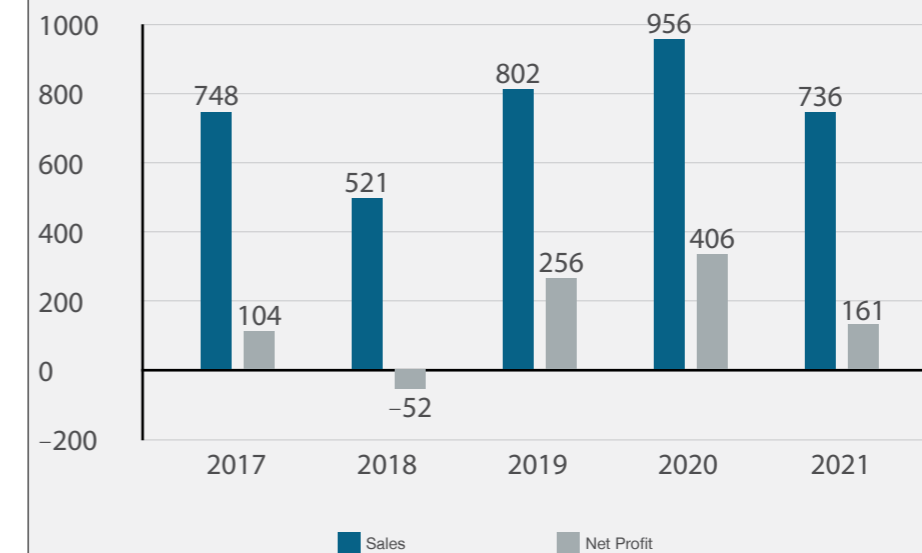
## First: Financial Performance

On December 31st 2021, Yamama Cement's paid-up capital reached SR 2,025 million distributed over 202,500 shares issued and paid in full at SR 10 per share.

### Company Profit Throughout 2021 (in SR million)

	2021	2020	Difference %	Percentage Change %	Descriptions
Net Sales	736	956	(220)	-23%	
Sales Cost	(508)	(516)	8	2%	
Total Profits	227	440	(213)	-48%	Because of decreasing sales value
Other - Operating Expenses	(64)	(69)	5	7%	
Operating Profit	164	371	(207)	-56%	Because of decreasing sales value
Net Profit	161	406	(245)	-60%	Because of the decrease in the value of sales and other income.

The following graph shows the value of sales and net profits during five years from 2017 till 2021 (in SR million):



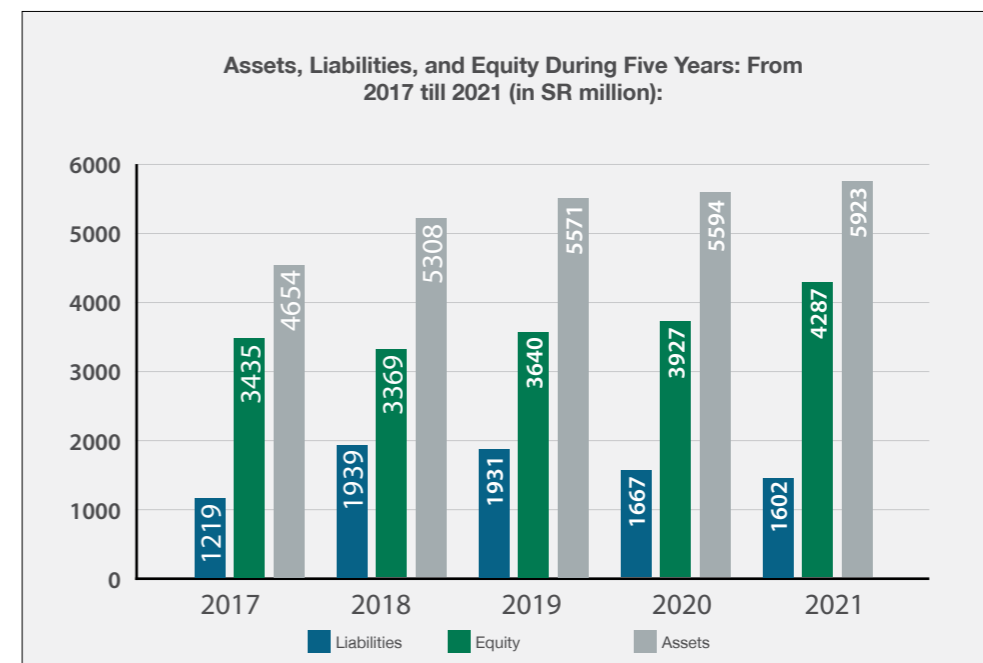


## Financial Results:

The tables and figures below present a summary of the company's financial results from 2017 till 2021:

Statement of Liabilities, Assets, and Equity (Statement of Financial Position)					
Item	(in SR thousands)				
	2021	2020 <sup>(3)</sup>	2019 <sup>(2)</sup>	2018	2017 <sup>(1)</sup>
Current assets	533,000	735,523	1,090,375	1,153,053	1,268,745
Non-current assets	5,389,799	4,858,717	4,480,629	4,154,615	3,385,397
Total Assets	5,922,800	5,594,240	5,571,004	5,307,668	4,654,142
Current liabilities	344,022	252,080	258,270	208,132	188,055
Long-term loans	1,178,190	1,308,190	1,571,819	1,650,832	950,000
Non-current liabilities	113,668	106,650	100,424	79,606	80,817
Total liabilities	1,635,881	1,666,921	1,930,513	1,938,570	1,218,872
Equity					
Capital	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000
Reserves	1,306,820	1,306,820	1,306,820	1,306,820	1,306,820
Cumulative change in fair value	193,108	(1,474)	11,681	(20,818)	(600)
Retained earnings	761,990	596,973	296,989	58,096	104,050
Total equity	4,286,919	3,927,320	3,640,491	3,369,098	3,435,270
Equity and liabilities	5,922,800	5,594,240	5,571,004	5,307,668	4,654,142

1. The comparative financial statements for the year 2017 have been modified according to the chartered accountant's note No. 30 in the financial statements ended on 31/12/2018.
2. The comparative financial statements for the year 2019 have been modified according to the chartered accountant's note No. 32 in the financial statements ended on 31/12/2020.
3. The comparative financial statements for the year 2020 have been modified according to the chartered accountant's note No. 32 in the financial statements ended on 31/12/2021.



Income Statement (in SR thousands)					
Item	2021	2020 <sup>(2)</sup>	2019	2018	2017 <sup>(1)</sup>
Net sales	735,843	956,000	801,881	521,216	748,045
Sales cost	(508,498)	(515,952)	(465,255)	(487,128)	(556,598)
Gross profits	227,344	440,047	336,626	34,088	191,447
Total administrative, marketing, and general expenses	(63,562)	(68,921)	(67,543)	(62,277)	(61,439)
Other revenue	15,316	47,422	17,252	10,758	4,116
Zakat	(18,500)	(13,000)	(30,000)	(34,410)	(29,742)
Net income for the year	160,598	405,548	256,335	(51,841)	104,382
Earnings per share	0.81	1.83	1.27	(0.26)	0.52

1. The comparative financial statements for the year 2017 have been modified according to the chartered accountant's note No. 30 in the financial statements ended on 31/12/2018.
2. The comparative financial statements for the year 2020 have been modified according to the chartered accountant's note No. 32 in the financial statements ended on 31/12/2021.

## Secondly - Production and Sales Performance

### Company Production of Cement During 2021 (in millions of tons):

Throughout 2021, Yamama Cement produced (4.4) million tons of clinker and (5.3) million tons of cement.

	2021	2020	Change
Clinker production	4.4	2.3	91%
Cement production	5.3	4.5	18%



**5.3**

million tons

company production of cement in 2021



**4.4**

million tons

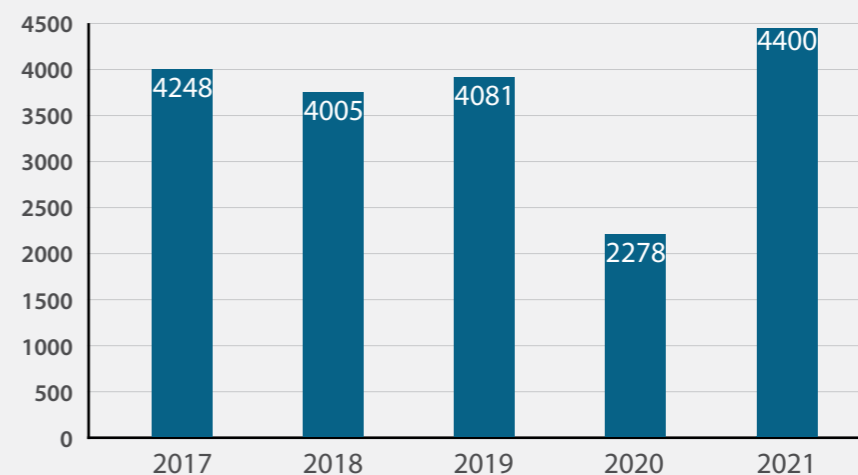
company production of clinker in 2021

In line with the company's plan to move to the new site, it was announced on the Tadawul website the following:

- On September 29, 2019, it was announced that the company intends to start dismantling and selling the old production lines from 1 to line 5 which have a production capacity of 5,600 tons of clinker per day. The lines are fully depreciated on the company's financials. This decision will not impact in any way the company's fulfillment of its obligations towards other parties, as was announced on Tadawul. The stage of dismantling and selling has already begun, and the financial impact of each period will be reflected separately if verified.
- On April 20, 2021, it was announced that the transfer and installation of the seventh line from the old factory in the South side of Riyadh city to the new factory site in the northern Halal, Al-Kharj Governorate in the region of Riyadh. the line has a production capacity of 10,000 tons of clinker per day. Therefore, by the end of year 2024 the new site will have a total production capacity of 30,000 tons of clinker per day. This decision will not impact in any way the company's fulfillment of its obligations towards other parties.
- On January 18, 2022 AD, it was announced that the company intends to sell the sixth production line at the current plant with all its parts, the production capacity of the line is 3,000 tons of clinker per day which is fully depreciated on the company's financials.

Regarding the stocked inventory of clinker in the old factory, the milling operations will continue until the end of the stocked.

The following graph shows the company's production of clinker during five years, from 2017 till 2021 (in thousands of tons):



### Geographical Distribution of Company Sales

All company sales took place within the Kingdom of Saudi Arabia, and no products were exported outside the Kingdom.



**02**

**Projects and  
Investments**



## First - Projects

### 1. Investment in the Yemeni Saudi Cement Company

Yamama Cement owns a 20% share in the Yemeni Saudi Cement Company. Since the latter company's capital stands at 100 million USD (SR 375 million), Yamama Cement's share amounts to SR 75 million, and is financed by the company's cash flows. The Yemeni Saudi Cement Company's plant is located in Abyan Governorate near the city of Aden. The annual design capacity of this plant is 1.4 million tons of cement. However, in 2011, the project was suspended in the trial operation phase, and due to the political circumstances that our sister state Yemen is facing, this phase has not been continued up until this date. Accordingly, the Yemeni Saudi Cement Company created a provision for the drop in investments, a measure which enables it to face any possible decrease in the value of investment. The provision balance reached SR 75 million at the end of 2017, which is equivalent to 100% of the investment value.

### 2. Establishment of the New Yamama Cement Plant

With a view to strengthen its position as a pioneer in the cement industry sector for more than 65 years, Yamama Cement launched in 2015 its development project, which is the largest of its kind in the cement sector in the Kingdom. This project consists in building a new plant, comprehensive in terms of resources and facilities and equipped with the latest international production lines, located in the Northern Halal region northeast of Al-Kharj governorate. The project includes, as well, the establishment of two production lines and a high-capacity power plant, a fuel supply project, the construction of a residential city. The estimated cost of these contracts is SR 4.2 billion. Throughout the financial year 2021, Yamama Cement continued to follow-up the completion of works in these projects, as follows:

#### Project to Establish Two Production Lines

The German conglomerate "ThyssenKrupp Industrial Solutions" continued to complete the work assigned to it in establishing and operating two production lines with a production capacity of 20,000 tons of clinker per day, a project of which the construction cost estimated at SR 2,800 million.

#### Power Plant Project

During 2021, work continued in the project to establish a power plant as per the estimated SR 480 million contract signed by and between Yamama Cement Company and Wärtsilä Corporation on 27-06-2016.

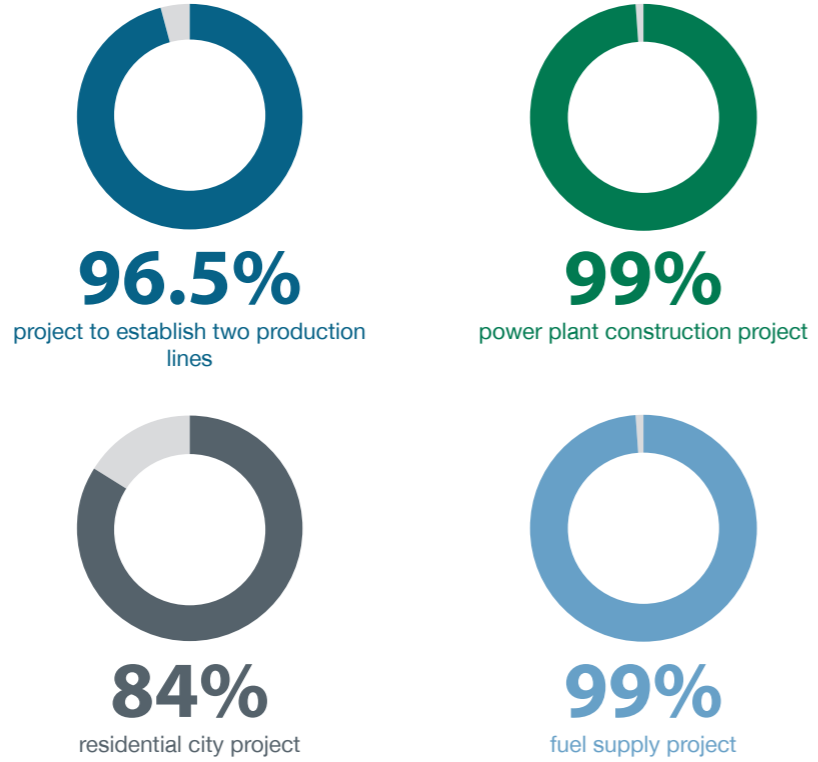
#### Fuel Supply Project

Work continued within the framework of the estimated SR 280 million contract concluded with Gas Arabian Services Co. Ltd. on 12- 10- 2016.

#### Residential City Project

Construction works continued to be implemented in this project by Al-Oarini Contracting Establishment, with which the construction contract was signed with estimated value of SR 227.3 million.

**Project Completion Percentages in New Yamama Cement Plant up to 31 Dec 2021**



It was disclosed in 2020 report that the commercial operation is expected to start on the third quarter of 2021. However, due to the Coronavirus pandemic and the hot commissioning of the production lines. The commercial operation was postponed to the second quarter of the year 2022.

**3. Land of Yamama Cement's Current Plant**

Yamama Cement will be soon transferring to its new plant and ceasing operations in its old plant thus ending 65 years of uninterrupted work at the site. This site will soon become one of the most strategic locations in the Riyadh region offering a promising investment opportunity for the company. It has an area of 4,710,234 square meters and is owned by the company by virtue of the (electronic). In this regard, Yamama Cement is committed to the Saudi Financial Reporting Standards and the decision of the Capital Market Authority allowing the employment of the book value of the property since the land is intended for use. The Board of Directors asserts that it will discuss all the presented options and work to seize the best opportunity for land use in the right time.



## Secondly - Investments

Yamama Cement invests in certain companies and funds, as demonstrated in the below table:

Company Name	Yamama Cement Share (%)	Investment Value on 31/12/2021 (in SR thousands)
1- Cement Products Industry Company "in Jeddah"(1)	33.33%	37,292
2- Industrialization & Energy Services Company (closed joint stock company)	5.625%	470,250
3- Yemeni Saudi Cement Company (net)(1)(2)	20%	0
<b>Total investments in companies</b>		<b>507,542</b>
Investments in various funds		
4- Investments in real estate funds		48,772
5- Investments in Murabaha funds		32,347
<b>Total investments</b>		<b>588,661</b>

(1) Investment value determined according to book value.

(2) An investment decrease provision has been created with a total amount of SR 75 million, which represents 100% of the investment.

## Thirdly - Subsidiaries

### Cement Products Industry Company

Company Name	Main Activity	Company Capital	State of Incorporation	Place of Operation	Yamama Cement Share
Cement Products Industry Company «in Jeddah»	Production and sales of paper bags for cement	SR 18 million	Kingdom of Saudi Arabi	Riyadh – Jeddah	33.33% of company capital

### Details of Shares and Debt Instruments Issued to Subsidiaries (in SR million)

Name of Subsidiary Company	Lender	Loan Term	Initial Loan Value	Loan Balance at the Beginning of the Year	Amount Disbursed from Loan During the Year	Amount Repaid During the Year	Loan Balance at the End of the Year	Remaining Loan Amount (Undisbursed)
	Saudi Investment Fund	9 years	63	55	3	3	55	5
Cement Industry Products	Riyad Bank and AlJazira Bank – short-term loans	6 months	108	42	0	42	0	108
	Saudi Investment Fund	24 months	30	0	30	0	30	0



**03**

**Loans and Statutory  
Payments**

## First: Loans

In order to implement its strategic projects, Yamama Cement has received available, diverse, and competitive financing, as follows:

### Saudi Industrial Development Fund

On December 20, 2016, Yamama Cement received long-term Shariah-compliant financing worth SR 900 million from the Saudi Industrial Development Fund in order to fund the establishment of the new Yamama Cement plant in the Northern Halal region northeast of Al-Kharj governorate of the Emirate of Riyadh. The loan is secured by the mortgage of the new plant's assets as well as promissory notes, and the loan is to be repaid in 12 semi-annual installments as of 2020. Throughout 2020 and 2021, SR 155 million and SR 130 million were repaid respectively.

### Commercial Banks

On March 25, 2021, Yamama Cement concluded an Islamic Sharia-compliant Murabaha contract with Al Rajhi Bank. By virtue of the contract, the company receives partial banking facilities worth SR 863 million, of which only SR 563 million were used to repay the Saudi National Bank and the Samba Financial Group loan, which was repaid in full on March 30, 2021, according to the following:

Lender	Loan Term	Initial Loan Value	Loan Balance at the Beginning of the Year	Amount Disbursed from Loan During the Year	Amount Repaid During the Year	Loan Balance at the End of the Year	Remaining Loan Amount (Undisbursed)
(in SR millions)							
Saudi Industrial Development Fund	9	900	745	0	130	615	0
Commercial Banks	5	563(1)	563	563	0	563	0
<b>Total</b>		<b>1,463</b>	<b>1,308</b>	<b>563</b>	<b>130</b>	<b>1,178</b>	<b>0</b>

- An Islamic Murabaha agreement with Al Rajhi Bank worth SR 563 million for the purpose of repaying the Saudi National Bank and Samba Financial Group loan.
  - No current portion of long-term debt is determined for 2022, as the company settled in 2021 an early repayment of a part of its loan installments worth SR 130 million to the Saudi Industrial Development Fund.
  - The Islamic Murabaha agreement with Al Rajhi is guaranteed secured by promissory notes and is to be repaid in 6 semi-annual installments as of March 2023.





## Secondly: Statutory Payments

Statutory payments are amounts due to government agencies. They are distributed as follows:



### Custom Duties:

Yamama Cement is subject to Zakat, Tax, and Customs Authority regulations related to custom duties imposed on imported parts and materials.



### Zakat:

The Company is subject to Zakat, Tax, and Customs Authority regulations in the Kingdom of Saudi Arabia, and it has settled the Zakat due for 2020.



### Social Insurance Contributions:

The company is subject to the regulations of the Ministry of Human Resource and Social Development (Social Insurance System) and thus commits to paying monthly contributions.



### Visa Fees:

The company is subject to the regulations of the Ministry of Human Resource and Social Development related to paying visa fees for non-Saudi company employees.



### Quarrying Fees:

The company is subject to the mining investment system, which entails an annual fee paid to the Ministry of Industry and Mineral Resources.



### Railway Rents:

The value of the annual rent of a land close to the company's plant leased from the Saudi Railways Organization.



### Value-Added Tax:

The company is subject to the value-added tax system stipulated in the Council of Ministers' Resolution No. 654 dated 1-11-1438H, and to the Royal Order No. (A/638) dated 18-9-1441H amending Article (2) of the value-added tax system to increase the tax rate from 5% to 15%.

Item	(in SR thousands)	
	2021	2020
Custom Duties	2,042	2,265
Zakat(1)	13,686	25,289
Value-Added Tax	68,729	50,127
Social Insurance Contributions	15,051	14,990
Visa and passport fees (2)	337	300
Quarry and material usage fees	34,777	24,247
Railway rent	8,121	10,055
Total	142,743	127,273

(1) Yamama Cement has submitted its Zakat declaration forms for previous years up until 2020 and has settled the Zakat due. According to these declaration forms, the company obtained the final Zakat assessment from the Zakat, Tax, and Customs Authority up until 2012, and it received a registered Zakat certificate for the years from 2012 until 2020.

(2) It includes exit and re-entry visas, work visas, fees, and residency renewal.





**04**

**Safety, Health, and  
Environment**



In the field of environmental preservation, Yamama Cement obtained the environmental operating permit from the National Center for Environmental Compliance in 2021. In fact, the company is committed to applying all Saudi and international standards and criteria under the supervision and follow-up of the abovementioned Center. The company also respects all environmental requirements in the basic principles adopted within its plants for its operational policy. It regularly ensures and monitors the periodic maintenance of the filters that purify the air emitted from the production lines in all the plant's facilities, all while maintaining full efficiency and exceeding the requirements specified by the General Authority of Meteorology and Environmental Protection in the Kingdom. Yamama Cement has also received the following certificates from the international Swiss company for inspection and control (SGS): ISO14001 certificate demonstrating conformity with the environmental management system (Yamama Cement is one of the first companies in the Kingdom to obtain this certificate).



Yamama Cement is committed to complying with all applicable laws, regulations, and obligations in the field of safety, health, and environment.



The Safety, Health, and Environment Department seeks to contain risks associated with company activities, and that, with a view to achieve a high-standard performance that enables compliance with regulations and extends to include reducing accidents related to safety, health, and environment, ensuring the health of workers, preserving resources and energy efficiency, and reducing waste and emissions.



The company promotes and applies healthy lifestyles that respects the environment, health, and safety, both inside and outside the workplace.



The company is keen on applying the regulations and providing the infrastructure necessary to protect individuals and the environment from risks in order to achieve the basics of health, safety, security, and environmental responsibility in the workplace.



The company works on integrating the sound management of safety, health, and environment throughout our asset and product lifecycle, which includes the entire Yamama Cement value chain, in all its phases.



The company interacts and engages with all its stakeholders, including employees, investors, supply chain stakeholders, local communities, and clients, in order to understand their requirements and address their safety, health, and environment concerns.



Yamama Cement is committed to providing top quality training to its employees in order to enhance their capacities, efficiency, and well-being in company facilities.

Furthermore, Yamama Cement assigns a specialized office authorized by the National Center for Environmental Compliance to ensure company compliance with environmental requirements and prepare continuous environmental records for its plant in accordance with the instructions set by the Center. The report results confirm Yamama Cement's adherence to the requirements set by the National Center for Environmental Compliance.

In order to ensure the safety of all workers within Yamama Cement's plant, whether they are company employees or external workers, and preserve property, the company applies the highest international safety standards to prevent injuries, accidents, and fires. It prepares, as well, scheduled employee training programs to raise awareness regarding safety requirements and how to act in case of a fire or accident. All these initiatives take place within the framework of implementing the occupational health and safety standards of the OHSAS18001 certification. Thanks to the grace of Allah and Yamama Cement's strict adherence to safety requirements, a total of more than 8 million continuous hours of work were completed during 2021 with no occupational injuries. Moreover, the company strives to apply all safety measures, adhere to social distancing, circulate awareness brochures, reorganize remote work, implement distancing inside the workplace, and provide all safety and prevention measures to combat the Coronavirus pandemic (COVID-19).



**8+** million continuous hours  
of work without any occupational injury





05

Human Resources



At the beginning of each year, the Human Resources Department works and cooperates with the remaining departments to achieve the approved annual plans. From this perspective, 2021 was full of achievements that focus on employees and their stability. The most prominent of these achievements are listed below:



Increasing the Saudization rate to 67.5%



Meeting 100% of the training needs for 2021 with a total of 16,722 hours of training



Developing performance indicators and smart goals for all company departments



Supporting housing loans through covering a percentage of the profits



Training heads of departments through workshops that aim to professionally build training needs



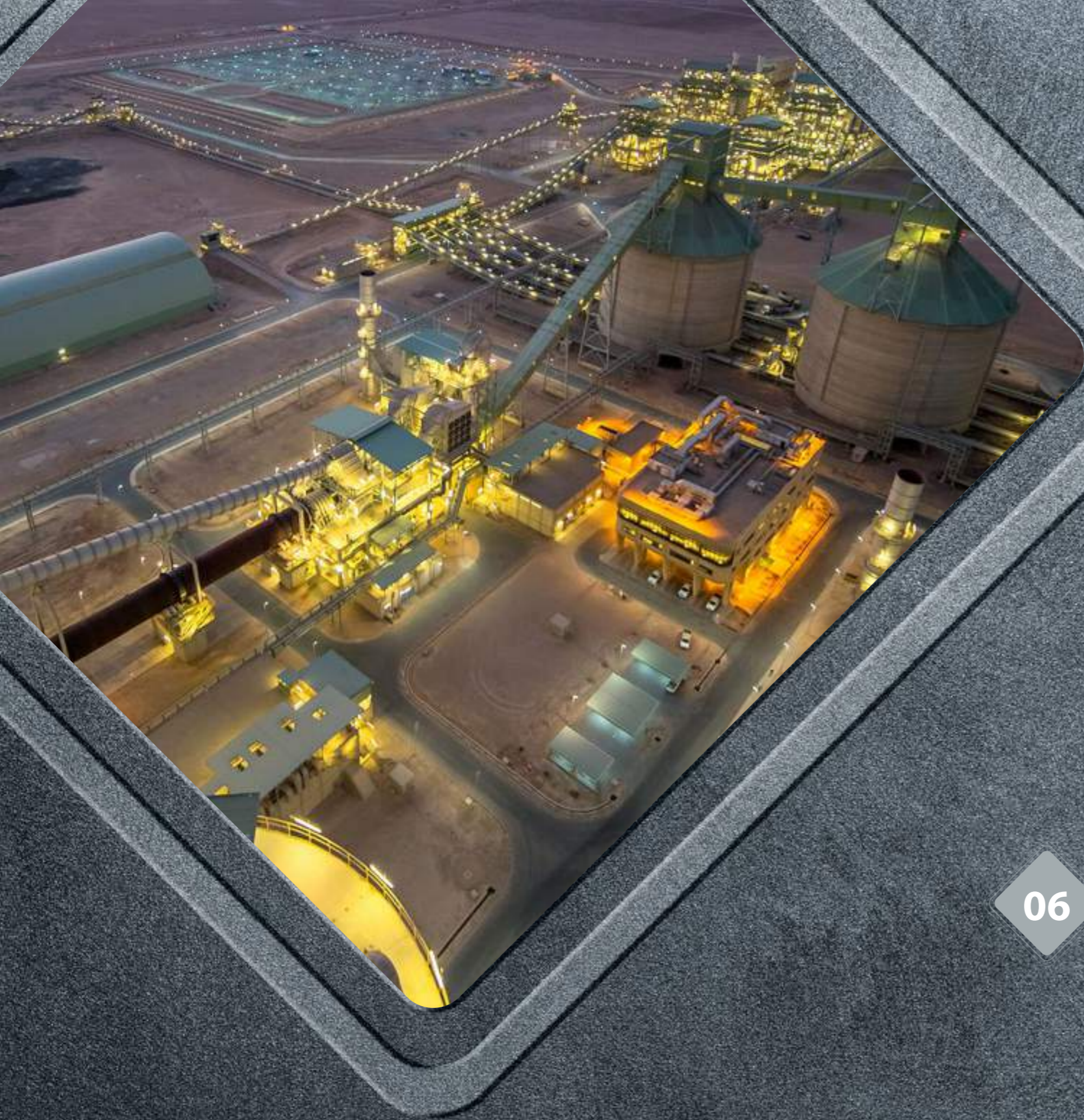
Developing and activating the performance appraisal program in line with company goals and aspirations



Reaching 324 total hours of training-of-trainers throughout the year



Launching, in collaboration with EF (Education First), the English language skills development program, which targeted 5% of company employees

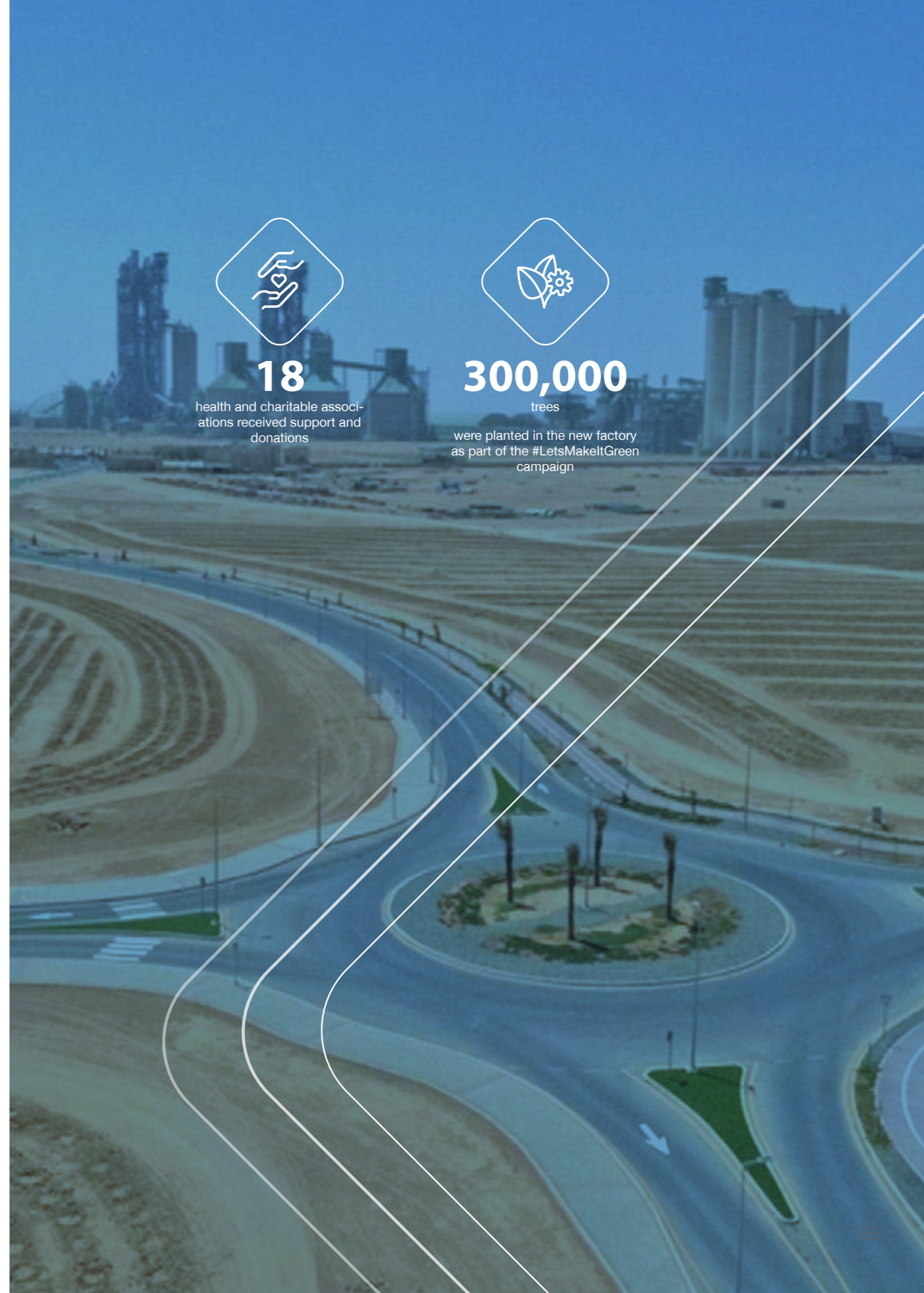


**06**

**Social Responsibility  
and Support Programs**

With a view to carry out its role in community participation, Yamama Cement works diligently to develop its various social responsibility programs in several areas, such as science and training, charitable support, environment, and community events, with the aim of stimulating a sustainable development capable of catering for the needs of society. Throughout 2021, Yamama Cement continued to fulfill its role in enhancing its community participation, and provided support and donations to 18 different charitable, health, and academic associations. The company also launched an initiative to plant 300,000 trees in its new cement plant in Riyadh, in cooperation with the “National Center for Vegetation Development and Combating Desertification” within the framework of the #LetsMakeltGreen campaign and in order to achieve the Saudi Vision 2030 goals and keep pace with the Saudi Green Initiative launched by HH the Crown Prince, may Allah protect him.

Associations that Received Donations and Support from Yamama Cement in 2021	
No.	Association Name
1	Down Syndrome Charitable Association (DSCA)
2	Disabled Children’s Association
3	Green Energy Association
4	Saudi Cancer Society
5	Charitable Society for Orphans Care in Riyadh (Ensan)
6	AlBer Society in Riyadh (Al-Faisaliah District)
7	AlBer Society (Ash Shafa District)
8	Society for Physically Disabled Adults (Harakiya)
9	Mosque Care and Services Association (Maathn)
10	Charitable Association for Rheumatic Diseases
11	Charity Health Society for Patients Care (Enayah)
12	Association for Social Awareness and Rehabilitation
13	Saudi Alzheimer’s Disease Association
14	The Charitable Association for the Memorization of the Holy Quran in Jalajil
15	Supporting activities and programs in the Deanship of Student Affairs – King Saud University
16	Association for Surplus Recycling and Grace Preserving (Tadweer)
17	Crown Prince Mohammad bin Salman’s Charitable Platform (Ehsan)
18	The National Society For Community Services (Ajwad)



18

health and charitable associations received support and donations



300,000

trees were planted in the new factory as part of the #LetsMakeltGreen campaign





## Environment Week

Throughout the inauguration of the Environment Week (The Environment for Us and for Our Future Generations), Yamama Cement was honored for being one of the participants in the #LetsMakeIt-Green campaign and received an honorary shield presented by the His Excellency the Minister of Environment, Water, and Agriculture Eng. Abdulrahman bin Abdulmohsen Al Fadli.

## Energy Savings

Yamama Cement received a (Certificate of Selling Energy Savings) from the Saudi Energy Efficiency Center for the energy savings achieved during the target year 2019, and that, in accordance with the mechanism of trading energy savings in the industry sector approved by a Decision issued by the Center's Board of Directors and stipulated in the Joint Minutes between the Ministry of Energy, the Ministry of Industry and Mineral Resources, and the Saudi Energy Efficiency Center regarding the approach towards companies committed to the energy efficiency targets for the first cycle (2014-2019).

# كفاءة

المركز السعودي لكفاءة الطاقة  
Saudi Energy Efficiency Center



07

Governance

## First - Current State of Corporate Governance

Yamama Cement has applied all the binding articles stipulated in the Corporate Governance Regulations issued by the Capital Market Authority, with the following exceptions:

Article No.	Article Content	Reasons for Non-Application
Article 39: Training	2) developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmes and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	Guiding article
Article 41: The Assessment	The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company	Guiding article
Article 85: Employee Incentives	1) forming committees or holding specialised workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions;	Guiding article
Article 85: Employee Incentives	2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme;	Guiding article
Article 85: Employee Incentives	3) establishing social organisations for the benefit of the Company's employees.	Guiding article
Article 87: Social Responsibility	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community	Guiding article
Article 88: Social Initiatives	1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;	Guiding article
Article 88: Social Initiatives	4) establishing awareness programmes to the community to familiarise them with the Company's social responsibility	Guiding article

## Corporate Governance Index Excellence Award

During the Third Global Conference for Corporate Governance held at the Corporate Governance Research Center in Al Faisal University, Yamama Cement was granted the Corporate Governance Index (CGI) Excellence Award and ranked among the top 10 companies in applying the highest standards of the CGI in non-financial companies listed in the Saudi Capital Market.

The Corporate Governance Index is a scientific measure developed by the Corporate Governance Research Center at Al-Faisal University in cooperation with Harvard University and launched by the Saudi Arabian General Investment Authority with the aim of strengthening the Kingdom's economy and stimulating investment.



## Secondly - Board of Directors

### 1. Board of Directors Meetings

The Board of Directors held (4) meetings during 2021. The following table shows the attendance of Board members in the convened meetings as well as their membership in the Boards of other joint stock companies.

Name	Classification	Board Meetings				Membership in Boards of Other Joint Stock Companies Inside and Outside the Kingdom
		1 February 29	2 April 20	3 October 18	4 December 13	
Prince Turki bin Mohammad bin Abdulaziz bin Turki** Chairman of the Board of Directors	Non-executive	✓	✓	✓	✓	- Al Thamer International Company - Al-Taif Investment & Tourism Company - Al-Muktan Company Ltd.
Prince Sultan bin Mohammad bin Saoud Al Kabeer* Deputy Chairman of the Board of Directors and Managing Director	Executive	✓	-	-	-	
Prince Khaled bin Mohammad bin Abdulaziz bin Turki*	Non-executive	✓	-	-	-	
Prince Nayef bin Sultan bin Mohammad Al Kabeer**	Non-executive	✓	✓	✓	✓	- Almarai Company - Zain KSA - Arabian Shield Cooperative Insurance Company
Mr. Fahd bin Thunayan Al Thunayan**	Non-executive	✓	✓	✓	✓	- National Gypsum Company - National Building and Marketing Company

Name	Classification	Board Meetings				Membership in Boards of Other Joint Stock Companies Inside and Outside the Kingdom
		1 February 29	2 April 20	3 October 18	4 December 13	
Eng. Ibrahim bin Abdulaziz Al Muhanna*	Independent	✓	-	-	-	
Eng. Faisal bin Sulaiman Al Rajihi**	Non-executive	✓	✓	✓	✓	- Al Argan Company - Alajjal Holding Company
Eng. Abdullah bin Abdulrahman Al Obaikan**	Independent	-	✓	✓	✓	- Obeikan Investment Group - Arabian Shield Cooperative Insurance Company - National Water Company
Mr. Abdullah bin Mohammad Al Bahouth**	Independent	✓	✓	✓	✓	- Riyadh Development Company
Mr. Nizar bin Abdulaziz Al Tuwajiri**	Independent	-	✓	✓	✓	- Al Arabi Heavy Equipment Lease Company
Mr. Mustafa bin Abdulrahman Al Sahn*	Independent	✓	-	-	-	
Mr. Hisham bin Abdulrahman Al Askar*	Independent	✓	-	-	-	
Mr. Jihad bin Abdulaziz Al Rashid*	Executive	✓	-	-	-	

\* Membership ended on March 28, 2021

\*\* Membership started on March 29, 2021

Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments regarding the company and its performance:

During the periodic meetings of the Board of Directors, all members, especially non-executives, are informed of any proposals and comments raised by stakeholders regarding the company and its performance. Accordingly, a mechanism is set in order to process the proposals and comments according to statutory procedures.

Table Showing the Attendance of Board Members (Remotely) at General Assembly Meetings Throughout 2021

No.	Name	18th General Assembly Extraordinary Session on March 28th, 2021
1	Prince Turki bin Mohammad bin Abdulaziz bin Turki (Chairman of the Board of Directors)	✓
2	Prince Sultan bin Mohammad bin Saoud Al Kabeer (Deputy Chairman of the Board of Directors and Managing Director)	✗
3	Prince Khaled bin Mohammad bin Abdulaziz bin Turki	✓
4	Prince Nayef bin Sultan bin Mohammad Al Kabeer	✓
5	Mr. Fahd bin Thunayan Al Thunayan	✓
6	Eng. Ibrahim bin Abdulaziz Al Muhanna	✓
7	Eng. Faisal bin Sulaiman Al Rajihi	✓
8	Mr. Mustafa bin Abdulrahman Al Sahn	✓
9	Mr. Hisham bin Abdulrahman Al Askar	✓
10	Mr. Abdullah bin Mohammad Al Bahouth (Public Pension Agency Representative)	✓
11	Mr. Jihad bin Abdulaziz Al Rashid (CEO)	✓

## 2. Composition and Functions of the Board of Directors

### First: Audit Committee

The Audit Committee oversees the company's Internal Audit Department in order to verify the effectiveness of its internal control system in all aspects of the company's business. It approves the audit plan of the coming financial year, examines annual audit reports and internal control system reports and follows-up on the implementation of the corrective action contained therein, examines initial, quarterly, yearly, and final financial reports and statements, and raises its recommendations to the Board of Directors for approval at specific regular times. Furthermore, the Audit Committee recommends to the Board of Directors suitable candidates to nominate for chartered accountant, reviews the chartered accountant's audit plan and their notes to the financial statements and follows-up on measures taken in this regard. Throughout 2021, the Audit Committee held (8) meetings and comprised the following members:

Name	Audit Committee Meetings							
	1	2	3	4	5	6	7	8
	Feb. 8	April 18	July 28	August 8	Oct. 6	Oct. 17	Oct. 27	Dec. 12
Mr. Raid bin Al Saiif** Current Chairman of the Audit Committee / Member from Outside the Board	-	✓	✓	✓	✓	✓	✓	✓
Mr. Abdullah bin Mohammad Al Bahouth** Member	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Lutfi Shehadeh** Member from Outside the Board	-	✓	✓	✓	✓	✓	✓	✓
Mr. Fahd bin Thunayan Al Thunayan* Previous Chairman of the Audit Committee	✓	-	-	-	-	-	-	-
Eng. Ibrahim bin Abdulaziz Al Muhanna* Member	✓	-	-	-	-	-	-	-
Mr. Hisham bin Abdulrahman Al Askar* Member	✓	-	-	-	-	-	-	-
Mr. Abdullah bin Abdulrahman Al Sheikh* Member from Outside the Board	✓	-	-	-	-	-	-	-

\* Membership ended on March 28, 2021

\*\* Membership started on April 18, 2021

### Results of the Annual Audit of Internal Control System Effectiveness and Procedures

During the financial year 2021, the Audit Committee held (8) meetings throughout which it approved the 2022 - 2024 internal audit plan, reviewed reports on the effectiveness of the internal control system as well as annual and final internal audit reports, provided guidance regarding how to address and close the remarks on the reports and follow-up on the implementation of the corrective action contained therein, approved quarterly and final financial statements for 2021, and recommended their approval by the Board of Directors.

During the year 2021, the Committee approved the appointment of an independent consultant to assess the quality, efficiency and performance of the internal audit function in accordance with international professional standards, and the appointment of an independent consultant to assess the Information Technology Department and Cyber Security. Both reports were discussed by the Committee with the appointed consultants.

The committee also met with the Executive Vice President of Human Resources, the Director of Risk, Compliance and Governance, and the Director of Information Technology, and issued recommendations related to their work.

The committee also recommended that the executive management take the lead in developing a manual for financial accounting policies and procedures in line with international accounting standards.

The mentioned audit reports did not indicate any inherent weaknesses in the company's internal control system. The majority of remarks were mainly related to areas of improving performance, activating operational departments, increasing their efficiency, coordinating complementary relationships among these departments, and completing and updating the documentation of their procedures, all with the aim of strengthening the internal control system and optimizing resource exploitation. The external auditor also evaluates the internal control system as part of auditing the company's final financial statements, as the auditor is given access to all Audit Committee meeting minutes and internal audit reports for the financial period under examination.

### Recommendation of the Audit Committee Regarding the Need to Appoint an Internal Auditor in the Company in the Absence of One:

- The Internal Audit Department in the company has an assigned Director.

### Audit Committee recommendations which are incompatible with the decisions of the Board of Directors, or which have been refused by the Board in relation to the appointment, dismissal, remuneration, and performance appraisal of the auditor or the appointment of the Internal Audit Director, the rationale behind these recommendations, and the reasons for refusing them:

- No Audit Committee recommendations were found to be incompatible with the decisions of the Board of Directors or were refused by the Board in relation to the appointment, dismissal, remuneration, and performance appraisal of the auditor or the appointment of the Internal Audit Department.

### Secondly: Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for reviewing the structure of the Board of Directors and Board member performance and effectiveness, making recommendations regarding potential changes to the Board, identifying its strengths and weaknesses, ensuring its independence and the absence of conflict of interests for Board members, recommending suitable candidates to nominate for Board membership according to the requirements, and reviewing the remuneration and compensation of Board committee members, the salaries of Senior Management staff, and the Saudization percentage. Throughout 2021, the Nomination and Remuneration Committee held (3) meetings and comprised the following members:

Nomination and Remuneration Committee			
Name	1	2	3
	January 25	October 4	October 18
Eng. Abdullah bin Abdulrahman Al Obaikan** Chair of the Nomination and Remuneration Committee	-	✓	✓
Prince Nayef bin Sultan bin Mohammad Al Kabeer** Member	✓	✓	✓
Eng. Faisal bin Sulaiman Al Rajihi** Member	✓	✓	✓
Eng. Ibrahim bin Abdulaziz Al Muhanna* Previous Chairman of the Nomination and Remuneration Committee	✓	-	-
Mr. Mustafa bin Abdulrahman Al Sahn*	✓	-	-

\* Membership ended on March 28, 2021

\*\* Membership started on April 18, 2021



# 3

Nomination and Remuneration Committee meetings



# 8

Audit Committee meetings



# 4

Board of Directors meetings

### 3. Remuneration for Board of Directors Members

The remuneration of the members of the Board of Directors at Yamama Cement comprises of a specified amount of money, attendance allowances, expense allowances, in kind benefits, or a percentage of profits. Two or more of these benefits may be combined, provided that the total amount received by one Board member in remuneration, in kind, and financial benefits, does not exceed SR (500,000) annually.

The remuneration of Board members may vary in accordance with policies issued by the Nomination and Remuneration Committee and approved by the General Assembly. In addition, 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, a statement of what the Board members have paid as workers or administrators or in return for technical or administrative work or consultations (if any), and a statement of the number of Board sessions and the number of the attended sessions by each member from the date of the last General Assembly meeting.

### 4. Remuneration for Committee Members

The Board of Directors determines and approves 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.

Allowances for attending meetings and other benefits shall be disbursed as indicated in the policy in accordance with the included schedule therein. The attendance allowance is determined as SR 3,000 per session.

The remuneration of members of Board committees takes into account the number of committees that a Board member occupies, so that the total remuneration that the member receives for their membership in the board and committees shall not exceed the upper limit stipulated in the Companies Law.

### 5. Remuneration for Executive Management

The Nomination and Remuneration Committee reviews 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 includes the following:

- 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 their family;
- An annual reward linked to performance indicators in accordance with the annual evaluation made in this regard;
- Other benefits that include, but are not limited to, paid annual leave and an end of service bonus in accordance with Labor Law and the approved Human Resources Policy by the company;
- The Chief Executive Officer (CEO) implements the remuneration policy for employees and senior executives in light of the approved general plans, programs and guidelines by the committee;

## 6. Statement of attendance, allowance, and remunerations paid to members of the Board of Directors during the year 2021:

Board Members	Membership Status	Attendance Allowance			Board Members' Remuneration
		Board of Directors	Nomination and Remuneration Committee	Audit Committee	
HH Prince Turki bin Mohammad bin Abdulaziz bin Turki**	Non- Executive	15,000			400,000
HH Prince Sultan bin Mohammad bin Saud Al Kabeer*	Executive	3,000			200,000
HH Prince Khaled bin Mohammad bin Abdulaziz bin Turki *	Executive	3,000			200,000
HH Prince Nayef bin Sultan bin Mohammad Al-Saud Al Kabeer**	Non- Executive	15,000	9,000		200,000
Mr. Fahd bin Thunayan Al-Thunayan **	Non- Executive	15,000		3,000	200,000
Eng. Ibrahim bin Abdul Aziz Al Muhanna *	Independent	3,000	3,000	3,000	200,000
Eng. Faisal bin Suleiman Al-Rajih**	Non- Executive	15,000	9,000		200,000
Eng. Abdullah bin Abdulrahman Al Obeikan**	Independent	9,000	6,000		-
Mr. Abdullah bin Mohammad Al-Bahouth**	Independent	15,000		24,000	200,000
Mr. Nizar Abdulaziz Al- Tuwaijri**	Independent	9,000			-
Mustafa Abdul Rahman Al Sahen *	Independent	3,000	3,000		200,000
Mr. Hisham bin Abdulrahman Al-Askar*	Independent	3,000		3,000	200,000
Mr. Jehad bin Abdul Aziz Al Rasheed * (CEO)	Executive	3,000			200,000
Mr. Raed bin Ali Al- Saif	Independent Outside Member			21,000	
Mr. Lotfi Shehadeh	Independent Outside Member			21,000	
Mr. Abdullah Al Alshaykh*	Independent Outside Member			3,000	
<b>Total</b>		<b>111,000</b>	<b>30,000</b>	<b>78,000</b>	<b>2,400,000</b>

\*Membership ended on 28 March 2021

\*\*Membership started on 29 March 2021

Committee Members	Membership Status	Annual Remuneration of Committee Membership	
		Nomination and Remuneration Committee	Audit Committee
HH Prince Naif bin Sultan bin Mohammad AlSaud Al Kabeer	Non-Executive	50,000	
Eng. Faisal bin Sulaiman AlRajih	Non-Executive	50,000	
Eng. Abdullah bin Abdulrahman AlObaik	Independent	50,000	
Mr. Abdullah bin Mohammad AlBahouth	Independent		100,000
Mr. Raed bin Ali AlSaif	Independent Outside Member		100,000
Mr. Lotfi Shehadeh	Independent Outside Member		100,000
<b>Total</b>		<b>150,000</b>	<b>300,000</b>

## 7. Statement of salaries, paid remunerations, and end-of-service gratuities for Senior Executives during the year 2021 (in SR thousands):

Senior Executives	Fixed Remunerations		Variable Remunerations		Grand Total
	Salaries	Allowances	Benefits in Kind	Profits	
6 Senior Executives including CEO and Executive Vice President of Finance	6,196	1,799	0	0	7,995

\*Total end of service gratuities for Senior Executives up to December 31, 2021, amounting to SR 2,550 thousand.

## 8. Current and previous positions of the members of the Board of Directors, their qualifications, and experience.

Current Positions	Previous Positions	Qualifications	Experience
HH Prince Turki bin Mohammad bin Abdulaziz bin Turki Chairman of the Board of Directors			
Chairman of the Board of Directors of Yamama Cement	Member of the Board of Directors of Yamama Cement	BA in Political Science and Sociology	-Member of the Board of Directors of Yamama Cement from 1991 thus far -Chairman of the Board of Directors of Al-Thamra International Group - Chairman of the Board of Directors of Al-Maktan Company Ltd. - Chairman of the Board of Directors of Taif Investment & Tourism Company



Current Positions	Previous Positions	Qualifications	Experience
HH Prince Naif bin Sultan bin Mohammad Al-Saud Al Kabeer Vice Chairman of the Board of Directors Member of Nomination and Remuneration Committee			
-Vice Chairman of the Board of Directors of Yamama Cement - Chairman of the Board of Directors of Mobile Telecommunications Company of Saudi Arabia (Zain) - Chairman of the Board of Directors of Almarai Company		BA in Administrative Sciences	- Chairman of the Board of Directors of Mobile Telecommunications Company of Saudi Arabia (Zain)
Mr. Fahd bin Thunayan Al-Thunayan Member of Audit Committee			
Board Member of Yamama Cement		BA in Business Administration	- Member of the Board of Directors of NADEC - Member of the Board of Directors and Managing Director of the National Gypsum Company - Member of the Board of Directors of National Building and Marketing Company
Eng. Faisal bin Suleiman Al-Rajhi Member of Nomination and Remuneration Committee			
- Member of the Board of Directors of Al-Rajhi Holding Group -Member of the Board of Directors of Yamama Cement	CEO of Al Rajhi Holding Group	BA in System Engineering MA in Business Administration	- General Manager of Dalmaza Snack Food Factory in Riyadh - Member of the Board of Directors of Al Rajhi Holding Group
Eng. Abdullah bin Abdulrahman Al Obeikan Chairman of the Nomination and Remuneration Committee			
- Member of the Board of Directors of Yamama Cement		BA in Electrical Engineering	-CEO of Obeikan Investment Group -Member of the Board of Directors of Obeikan Investment Group -Member of the Board of Directors of Arabian Shield Insurance Company
Mr. Abdullah bin Mohammad Al- Bahouth Representative of (Public Pension Agency) Member of the Audit Committee			
-General Manager of the General Department of Participant Affairs -Member of the Board of Directors of Yamama Cement	Director of Participant Accounts Department	BA in Operations Research MA in Applied Statistics	-Member of the Board of Directors of Dar Al Tamleek Company -Member of the Board of Directors of Iwan International Housing Company - Member of the Board of Directors of Riyadh Development Company -Director of Pension Payments Department

Current Positions	Previous Positions	Qualifications	Experience
Mr. Nizar Abdulaziz Al- Tuwajri			
-Member of the Board of Directors of Al Arabi Heavy Equipment Lease Company -Member of the Board of Directors of Yamama Cement - Head of Corporate Banking - Arab National Bank	Regional Director - Head of central region for banking services	BA in Information Systems MA in Public Administration	- Central Region Team Leader for Banking Services -Regional Director-Head of central region for banking services -Head of Corporate Banking- Arab National Bank

### 9. The current and previous positions of members of the committees outside the Board, their qualifications and experience:

Current Positions	Previous Positions	Qualifications	Experience
Mr. Raed bin Ali Al- Saif Chairman of the Audit Committee			
Investment and Business Department in the office of Prince Sultan bin Mohammad bin Saud Al Kabeer	Relationship Manager for Banque Saudi Fransi (BSF) - Head of the Corporate Finance Department at the Arab National Bank	BA in Accounting	- Member of the Board of Directors of IBC Lebanon Beirut - Member of the Board of Directors of Saudi Arabia Zain - Chairman of the Board of Directors of Al Arabi Investment Group Co.
Mr. Lotfi Shehadeh Member of the Audit Committee			
		BA in Accounting	-Member of the Board of Directors of Al Khorayef Group - Member of the Board of Directors of SACO Company - Member of the Board of Directors of Al Khaleej Training

### 10. List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors

List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)	List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)
Prince Turki bin Mohammad bin Abdulaziz bin Turki					
Al-Thamra International Group	Inside	Partner			
Al-Maktan Company Ltd	Inside	Partner			
Taif Investment and Tourism Company	Inside	Partner			
Prince Sultan bin Mohammad bin Saud Al-Kabeer					
Almarai Company	Inside	Joint stock Listed			
Mobile Telecommunication Company Saudi Arabia (Zain)	Inside	Joint stock Listed			
Arabian Shield Cooperative Insurance Company	Inside	Joint stock Listed			
Farabi Petrochemicals Company	Inside	Partner			
Tigory ltd	Inside	Partner			
Tarabot Investment & Development	Inside	Partner			
The Ideal Factory	Inside	Partner			
Al Nafoura Company	Inside	Partner			
Al Nafoura for Food Supply	Inside	Partner			
Al Nafoura & Ideal United	Inside	Partner			
Al Madak Diplomat Patisserie	Inside	Partner			
Al Diplomat Factory for pastries and sweets	Inside	Partner			
Al Diplomat Technique for pastries and sweets	Inside	Partner			
Dar Al Silal Factory Company	Inside	Partner			
Mr. Fahd bin Thunayan Al-Thunayan					
Specialized Co. For Plastic Production	Inside	Partner	Manayer Najd Trading & Medical Supply Company	Inside	Partner
Fat Trading Corporation	Inside	Partner	Almasa Holdings (Middle East)	Inside	Partner

List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)	List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)
First Guard Security	Inside	Partner	Nadec	Inside	Joint Stock Listed
Al Madina Al Khassa	Inside	Partner			
Saudi Hanoush Company	Inside	Partner			
National Building and Marketing Company	Inside	Joint stock Listed			
National Gypsum Company	Inside	Joint stock Listed			
Saudi Chemical Company	Inside				
Al-Jazirah Corporation for Press, Printing & Publishing	Inside	LLC			
Maceen Capital Company	Inside	Partner			
Fahd Thunayyan & Partners for Chemical Products Co	Inside	Partner			
Jawdat Contracting Company	Inside	Partner			
Fahd Thunayyan Industrial Investment Company	Inside	Partner			
Mase Gulf Company	Inside	Partner			
Technical Company for Plastic	Inside	Partner			
Eng. Faisal bin Suleiman Al-Rajhi					
Al Rajhi Holding Group	Inside	Partner	Dalmaz Food Industries Co.	Inside	Partner
Al Ajyal Holding Company	Inside	Partner	Al-Rajhi Investment Group	Inside	Partner
Eng. Abdullah bin Abdulrahman Al Obeikan					
Obeikan Investment Group	Inside	Joint stock Unlisted			
Arabian Shield Cooperative Insurance Company	Inside	Joint stock Listed			
National Water Company	Inside	LLC			

List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)	List of companies, inside or outside Saudi Arabia, in which Yamama Board members currently serve or have previously served as board members or directors	inside / outside the Kingdom	Legal Entity (Joint-Stock Listed / Joint-Stock Unlisted / Limited Liability / ...)
Mr. Abdullah bin Mohamed Al-Bahouth					
Arriyadh Development	Inside	Joint Stock Listed	Iwan International Housing Company	Inside	Joint Stock
			Dar Al Tamleek Company	Inside	
Mr. Nizar Abdulaziz Al- Tuwajri	Inside	Unlisted	Al Arabi Heavy Equipment Lease Co.		

#### 11. The interest and rights of the members of the Board of Directors and the Executive Management in the shares or debt instruments of the company or any of its subsidiaries, as well as their wives and minor children

Name	Shares at the beginning of the year		Change during the year		Shares at the end of the year	
	Number of Shares	Ratio	Number of Shares	Ratio	Number of Shares	Ratio
Prince Turki bin Mohammad bin Abdulaziz bin Turki	34,500	% 0.0170	34,500	% 0.0170	0	0
Prince Nayef bin Sultan bin Mohammad bin Saud Al-Kabeer	1,000	%0.0005	1,000	%0.0005	0	0
Mr. Fahd bin Thunayan Al-Thunayan	1,500	% 0.0007	1,500	%0.0007	0	0
Eng. Faisal bin Suleiman Al-Rajhi	131,303	% 0.0648	1,000	%0.0005	(130,303)	(0.0643%)
Mr. Abdullah bin Mohammad Al-Bahouth (Representative of the General Organization for Social Insurance)*	7,107,135	% 3.5096	7,107,135	% 3.5096	0	0
Mr. Jihad bin Abdulaziz Al-Rasheed (CEO)	34,000	% 0.0167	100,000	% 0.0493	66,000	% 0.0325
Mr. Khalid bin Ibrahim bin Jafal (Finance and IT Vice President)	1	0.0000	0	0	1	0.0000

\* These shares are owned by the Public Pension Agency, and Mr. Abdullah Al-Bahouth does not own any of the company's shares.  
-There are no debt instruments for the members of the Board of Directors.

## 12. Current and previous positions of the Executive Management, their qualifications and experience:

Current Positions	Previous Positions	Qualifications	Experience
<b>Jehad bin Abdulaziz Al-Rasheed</b>			
Chief Executive Officer	Several Leadership Positions at Sabic	BA in Mathematics	<ul style="list-style-type: none"> <li>• 28 years at Sabic</li> <li>• CEO of Yamama Cement since 8 years.</li> </ul>
<b>Khalid bin Ibrahim bin Jafal</b>			
Executive VP of Finance and IT	Director of Treasury & Planning at Yamama Cement	<ul style="list-style-type: none"> <li>• BA in Accounting</li> <li>• Master's in Financial Management</li> <li>• Saudi Organization for Certified Public Accountants (SOCPA)</li> </ul>	<ul style="list-style-type: none"> <li>• 18 years at Yamama Cement</li> <li>• Member of the Saudi Organization for Certified Public Accountants (SOCPA)</li> </ul>
<b>Abdullah I. AISuwailem</b>			
Executive VP of Operations	Director of Production Department at Yamama Cement	BA in Industrial Engineering	27 years at Yamama Cement
<b>Abdullah Alnewiser</b>			
Executive VP of Projects	Director of Materials Department at Yamama Cement	BA in Industrial Engineering	20 years at Yamama Cement
<b>Mohammed Bin Saeed Al-Maliki</b>			
Executive VP of Commercial	Director of Supply Chain Management at Yamama Cement Company	Bachelor Degree of Mechanical Engineering	<ul style="list-style-type: none"> <li>• 12 years in the Yamama Cement Company.</li> <li>• 3 years in Al-Omir Contracting Company.</li> </ul>
<b>Othman bin Ali Al-Hamad</b>			
Executive VP of Human Resources	Director of Human Resources Development at Yamama Cement	BA in Sociology	24 years years at Yamama Cement

## Thirdly - Disclosure and Transparency

The company has adopted a policy for disclosure and transparency of data and information as per the requirements of the Capital Market Authority in compliance with the highest standards of disclosure and transparency in a manner that ensures the protection of the rights of shareholders and stakeholders and enables them to exercise their rights to the fullest. Since transparency and the appropriate timing for disclosing information are among the foundations of corporate governance, the company's board of directors worked to create effective and credible practices to adhere to enhance the company's relationship with investors, shareholders, and stakeholders.

## Fourthly - Related Parties

The Engagement with Related Parties				(In SR thousands)			
Related Parties	Related Party	Nature of Transaction	Contract Term	Amount of Transaction		Balance on December 31	
				2021	2020	2021	2020
1. Cement Product Industry Ltd. Al Yamama Cement owns 33.33% of the Capital	- Associate company	Buying paper bags	Open	16,302	14,446	1,842	1,849
2. The Yemeni Saudi Cement Company Closed joint-stock company (1) Al Yamama Cement owns 20% of the Capital	- Associate company - Vice-Chairman and Managing Director, HH Prince Sultan bin Muhammad bin Saud Al Kabeer until the date of March 28, 2021 (4) and owns 16% of the Yemeni company	Administrative expenses	Open	252	249	891	638
3. Arabian Shield Cooperative Insurance Company Saudi Joint-stock company (2)	- Vice-Chairman and Managing Director, HH Prince Sultan bin Muhammad bin Saud Al Kabeer until the date of March 28, 2021 (4) and owns 14.25 % of the company's shares - Member of the Board of Directors, HH Prince Nayef bin Sultan bin Muhammad bin Saud Al Kabeer, who holds the position of Chairman of the Board of Directors of the Arab Shield Company. - Member of the Board of Directors - Eng. Abdullah bin Abdulrahman Al-Obaikan, who is a member of the Board of Directors of the Arab Shield Cooperative Insurance Company.	Insurance Policy	Annual	13,545	13,570	0	0

The Engagement with Related Parties				(In SR thousands)			
Related Parties	Related Party	Nature of Transaction	Contract Term	Amount of Transaction		Balance on December 31	
				2021	2020	2021	2020
4. Mobile Telecommunications Company of Saudi Arabia -Zain (3)	Member of the Board of Directors, HH Prince Nayef bin Sultan bin Muhammad bin Saud Al Kabeer, who holds the position of Chairman of the Board of Directors of Zein Company	Telecom services	Annual	1,543	252	0	0
5. Al-Rajhi Bank	Member of the Board of Directors, Eng. Faisal bin Suleiman Al-Rajhi Brother of Abdullah Sulaiman al-Rajhi - CEO of Al-Rajhi Bank	Bank financing	Annual	563,000	0	563,000	0

1. A 20% stake was purchased at SR75 million in the Yemeni Saudi Cement Company, with a capital of SR375 million (USD 100 million) and that at the nominal value by purchasing from some Yemeni and Saudi partners for part of their shares and among them, it was purchased from HH Prince Sultan bin Muhammad bin Saud Al Kabeer, Vice Chairman, and Managing Director, where 4% of the company's shares were purchased for SR15 million (there are no conditions for this transaction).

2. A competition was held between some insurance companies, and after their technical and financial offers were compared, the Arab Shield Cooperative Insurance Company was selected for medical and property insurance.

3. A competition was held between some telecom companies, and after their technical and financial offers were compared, Zain Saudi Arabia was chosen

4. The membership of HH Prince Sultan bin Muhammad bin Saud Al Kabeer expired at the end of the previous council term, March 28, 2021



08

Shareholders

## Shareholders

The company has worked to achieve the aspirations of shareholders, develop their rights, facilitate their access to information, and pays great attention to enhancing the quality of disclosure of financial results, important developments, and fundamental changes, focusing on the timing factor and the way it is delivered to the shareholders, committed to its disclosure and transparency policy, which is in line with the instructions of the Capital Market Authority and the instructions of disclosure and transparency contained in Article 90 of the Corporate Governance Regulations issued by the Capital Market Authority.

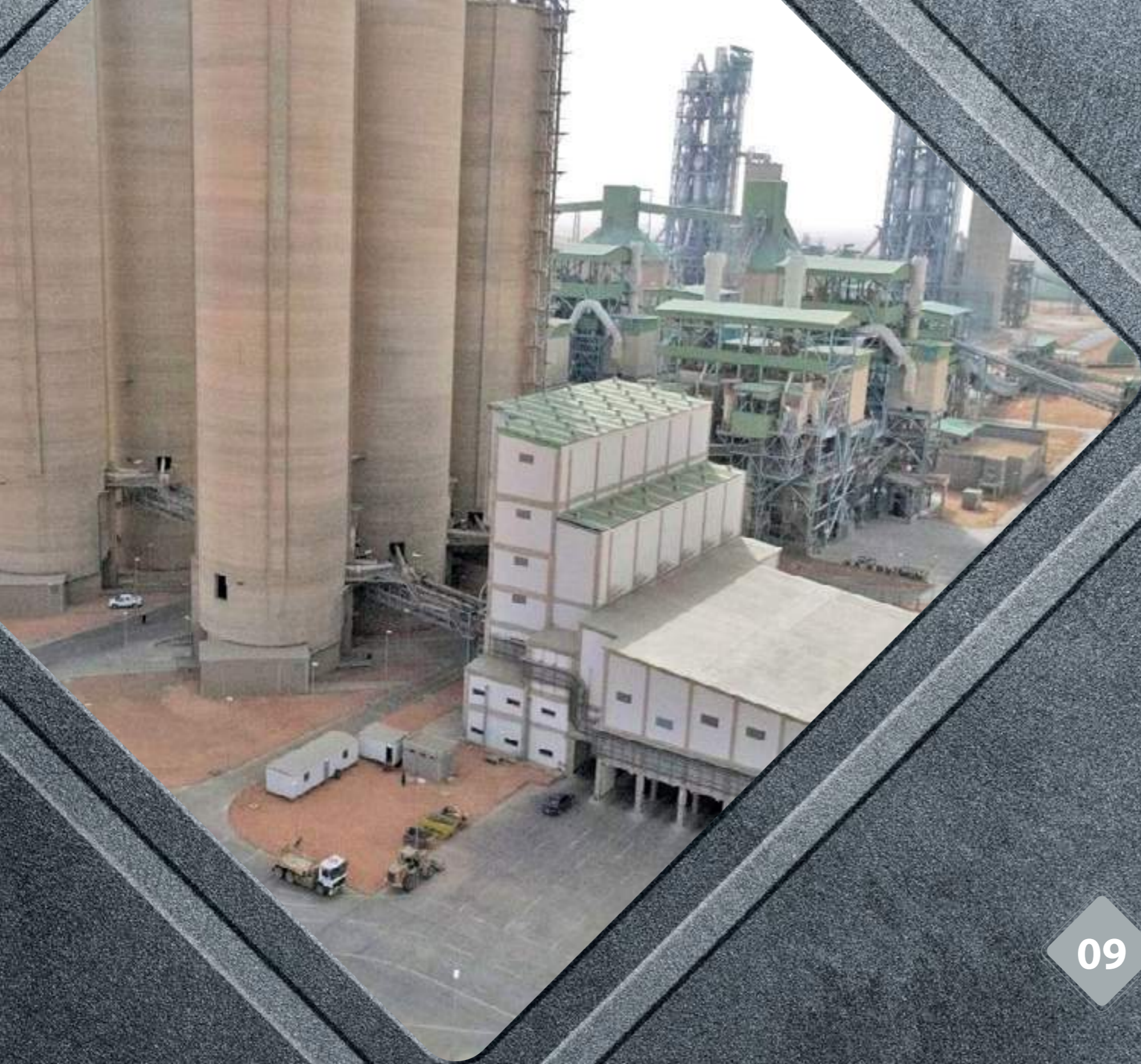
Shareholders	Number	Shares	Property
Institutional Investments and Saudi Funds	92	39,810,069	%19.65
Institutional Investments and non-Saudi Funds	100	10,489,853	5.18%
Saudi people	14,572	146,497,535	72.35%
Non- Saudi People	436	5,702,543	%2.82
Total	15,200	202,500,000	100%

Senior Investors of Yamama Cement	Shares	Property
Prince Sultan bin Mohammad bin Saud Al Kabeer Al-Saud	15,954,465	7.87%
Saleh bin Abdulaziz bin Mohammad Al Salem	10,649,311	5.25%
Total	26,603,776	13.13%

### The company's requests to the shareholders register during the year 2021

Date of request	Reason for request
January 17	Corporate Procedures
March 2	Corporate Procedures
March 17	Corporate Procedures
March 28	Corporate Procedures
March 28	Corporate Procedures

It is possible for those interested and for the related parties to contact the Relations Department at Yamama Cement via the following email: [ir@yamacement.com](mailto:ir@yamacement.com). For further information, kindly visit the site: [www.yamacement.com](http://www.yamacement.com)



09

Risks



Risk management is one of the major lines of defense, and it is an integral part of the internal control system and The Company's strategy to achieve long and short term goals while ensuring The Company's ability to implement its strategies and achieve its goals effectively. Therefore, Yamama Cement is committed to assessing the risks of operations and activities in a systematic and structured process carried out in scientific and transparent ways. The Board of Directors, being in charge of The Company's control, guidance, and supervision, is responsible for protecting the interests of investors by maintaining an effective risk management system.

Risk management works to establish a culture of risk management through leading standards by managing risks. Therefore, The Company has prepared a broad framework for risk management in line with leading practices informing the Board of Directors about The Company's strategic risks.

The most important tasks that were carried out in the fiscal year 2021 for risk management are the following:

- Understanding the risk environment and assessing the qualitative risks and The Company's potential exposure to such risks.
- Existence of risk records for each unit of The Company.
- Determining the best ways for coping with risks.
- Issuing periodic reports to the management and the Board of Directors on the status of risks and how to monitor and improve them.
- Providing appropriate confidence to all stakeholders.

### Types of risks faced by The Company and approaches to cope with them:

#### 1. Financial Risk:

- Credit Risk:

Credit risk is the inability of one party to meet its obligations, which leads the other party to incur a financial loss. Consequently, The Company has no substantial credit risks, as it mainly deals with customers in the local market who are credible in dealing with sufficient guarantees within The Company. This reduces the risks associated with credit to the minimum limits, and it also proves the debts owed to customers at the applicable value.

- Market Risk:

Market risk is represented in the exposure of the fair value or future cash flows of financial instruments to fluctuation due to changes in market prices. Market risk includes three types of risk: commission rates - currency risk- other price risks.

- Foreign Currency Risk:

It is the risk associated with a change in the value of financial instruments due to a change in the currency rates that The Company uses in its financial dealings. The Company's transactions are mainly focused on dealing in SAR, US dollars, and Euro, since the exchange rate of the SAR is fixed against the dollar in the US, there are no fundamental risks.

- Liquidity Risk

It is the risk that The Company will encounter difficulty in raising funds to meet obligations related to financial instruments. Liquidity risk may arise from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed through regular monitoring to ensure that sufficient liquidity is available through cash flows in addition to quick solutions such as credit facilities to meet any future commitments.

- Commission Rate Risk:

Represents the risks associated with changes in the value of financial instruments due to changes in commission rates. The Company is exposed to commission rate risks and manages these risks by continuously monitoring the movement of commission rates.

**2. Information Systems Risks:**

The Company is always working to increase information and technical security on a continuous and renewed basis and is interested in making continuous updates to the systems to protect The Company's data from technical crimes that do not stop developing its methods. Sufficient protection and information security.

**3. Risks of Availability of Operating Resources:**

The Company always works to ensure the availability of the necessary raw materials and the necessary energy sources to achieve operational results according to the plans set.

**4. Risks related to prices and supply of energy products:**

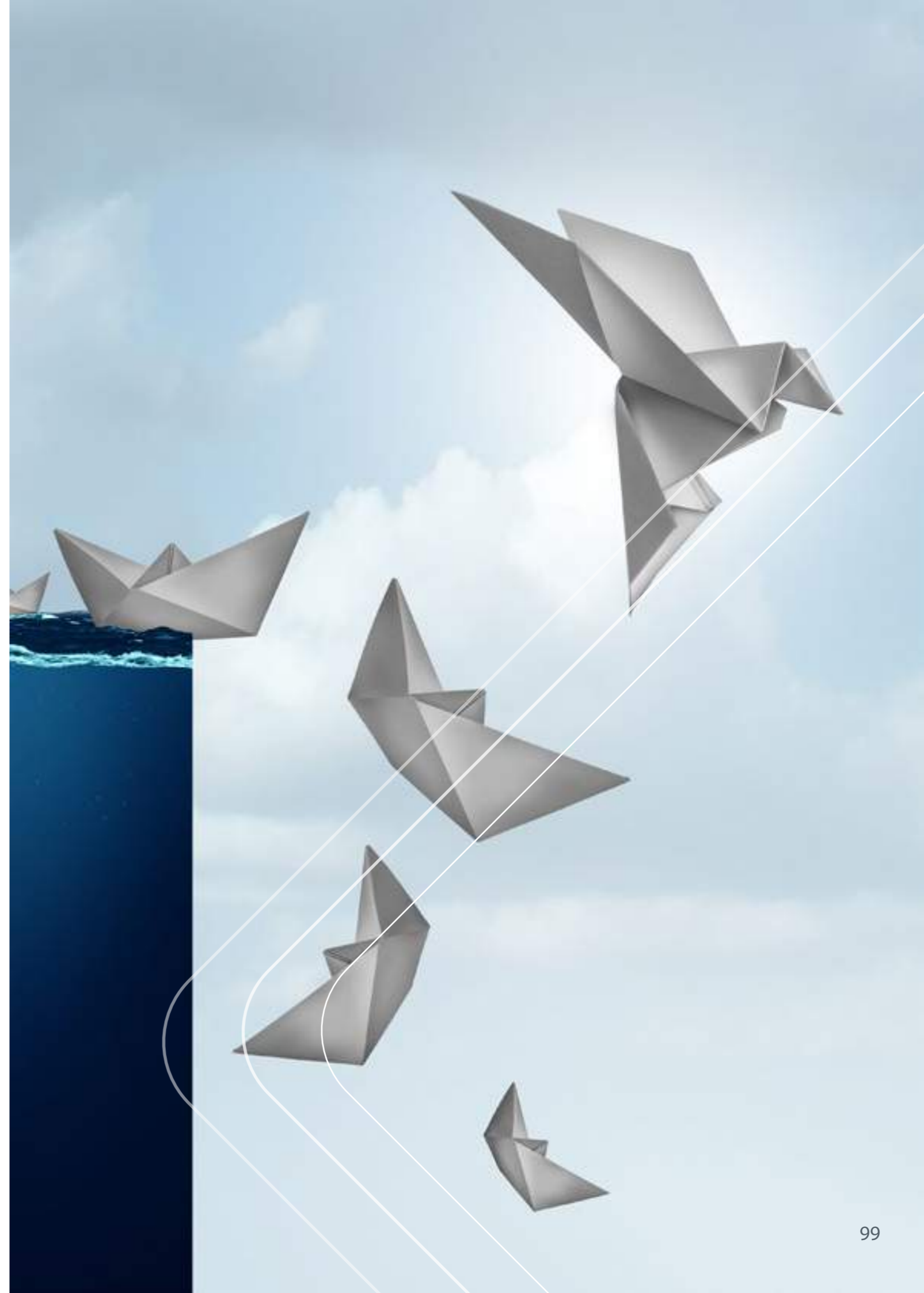
Cement manufacture consumes large quantities of energy products, which represent a considerable part of production costs. Accordingly, any potential price rise will have a fundamental impact on operational results, knowing that fuel is obtained from one source only, Aramco.

**5. Oversupply Risks:**

There are potential risks as a result of competition between cement companies as a result of the production capacity expansions of some cement companies and the slowdown in economic growth, which results in an increase in supply and an increase in stocks.

**6. Operational Risk:**

Intensive preventive maintenance programs have been put in place to maximize the production efficiency to which The Company's operational assets are subject, but The Company may face the risks of sudden unscheduled stoppage of production lines.





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**Resolutions and Penalties**

## Resolutions

The Company's management acknowledges the following:

1. The account records were properly prepared.
2. The internal control system was prepared on a sound basis and was effectively implemented.
3. There is no doubt about the company's ability to continue its activity.
4. There is no contract in which there is a substantial interest for any member of the Board of Directors or the Executive Management other than the contracts mentioned in the relevant parties.
5. There are no investments or reserves that have been created for the benefit of the employees, for example (savings - employees shares ... etc.).
6. There are no sanctions, penalties or precautionary restrictions imposed on the company by the Capital Market Authority or by any other supervisory, regulatory or judicial authority.
7. The company's financial statements have been prepared in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.
8. The CEO of the company, Mr. Jehad bin Abdulaziz Al-Rasheed is a member of the Board of Directors of Hail Cement Company Until November 29, 2021, which operates in the same competing activity of the company, and approval was obtained from the General Assembly, He also is a member in Cement Products Industry Company.
9. There is no interest in the voting-eligible shares category belonging to persons (except for members of the Board of Directors, Senior Executives and their relatives).
10. There is no interest, contractual securities and subscription rights belonging to the members of the Board of Directors, Senior Executives and their relatives, in the shares or debt instruments of the company, except for what is mentioned in the table of the relevant parties.
11. There are no transferable debt instruments and any contractual securities, subscription warrants, or similar rights issued or granted by the company during the fiscal year of 2021.
12. There are no business or contracts in which the company represents a party or in which there is an interest for one of the members of the Board of Directors, the CEO, the CFO, or any person related to any of them, except for what is mentioned in Paragraph (8) above and what was mentioned in the fourth item of the governance chapter (related parties).
13. There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company.
14. There is no refund, purchase or cancellation on the part of the company for any refundable debt instruments.
15. There are no arrangements or agreements whereby a member of the Board of Directors or a Senior Executive in The Company has waived any salary or remuneration.
16. There are no arrangements or agreements whereby a shareholder waived any rights to profits.
17. There are no shares or debt instruments issued for a subsidiary company.
18. The Company has no treasury shares held.

## Current Lawsuits

A lawsuit is currently filed by the public prosecutor of one of the government agencies against the company, and the Committee for Settlement of Violations of Competition Law decided to impose a financial fine on the company. Backed by the company's legal advisor, the company management however considers that this decision is not final, and that the company has strong objections in response to the case, and that there is no need for any settlement in exchange. Specific objection measures are being taken in this regard before the Administrative Court.



11

**Dividend Distribution Policies**

The Company's policy in distributing its annual net profits depends on what is stated in The Company's articles of association, and the availability of the necessary liquidity to meet the payment of The Company's strategic investments and projects. The profits are distributed as follows:

- Ten percent (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this deduction when the mentioned reserve reaches (30%) of the paid-up capital, and a certain percentage of the net profits may be set aside to form an agreement (additional) reserve to be allocated for specific purposes, including, but not limited to, to offset any decrease or decline in the value of fixed assets and equipment - spare parts stock - stock of materials in operation or raw materials - investment - other) or any other purpose as decided by the ordinary general assembly of shareholders.
- After that, a first share of the profits of five percent (5%) of the paid-up capital shall be distributed to the shareholders, if the profits of one of the years do not allow the distribution of this share, then it may not be claimed from the profits of the coming years.
- Ten percent (10%) of the remainder shall be set aside as remuneration for members of the Board of Directors, not exceeding 500,000 riyals per member.
- After that, an additional share of the profits shall be distributed to the shareholders.
- The General Assembly may, upon the proposal of the Board of Directors, decide to create other reserves.
- The General Assembly, based on the proposal of the Board of Directors, decides how to dispose of the remaining profits in the interest of The Company.
- The statutory reserve is used to cover The Company's losses or increase the capital, and if this reserve exceeds (30%) of the paid-up capital, the General Assembly may decide to distribute the increase to shareholders in the years in which The Company does not achieve net profits sufficient to distribute the important share in The Company's articles of association.
- The General Assembly, based on the proposal of the Board of Directors, decides how to dispose of the remaining profits in the interest of The Company. The Company may distribute interim dividends to its shareholders on an annual, semi-annual, or quarterly basis per the regulations issued by the Capital Market Authority, based on an authorization issued by the General Assembly of the Board of Directors to distribute interim dividends.

## Conclusion:

Finally, the board of directors appreciate your kind trust and promises to continue its diligent work and relentless pursuit to achieve the company's goals, aspirations and visions, to make the company one of the most important cement companies in our beloved country.

