اسمنت أم القرى
Umm Al Qura Cement

Annual Report

Fiscal Year 2024

In the Name of Allah, the Compassionate, the Merciful

Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

The Crown Prince and Prime Minister

Table of Contents

Board of Directors Members 7

Chairman's Speech 8

1- Formation and Activity 9

2- Umm Al-Qura Cement Company's Strategy 10

3- Company Business Results 13

4- Risks 15

5- Potential obligations 16

6- Financing 17

Chapter One: The Board of Directors and its Committees 18

First: The Board of Directors 18

Second: Board Committees 24

Third: Executive Management 30

Fourth: The ownership of the company’s shares by the members of the Board of Directors and senior executives 31

Fifth: Payments to Board Members and Senior Executives 32

Sixth: A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies. 36

Seventh: The number of the company's requests to the shareholders' register, and the dates and reasons for those requests 36

Eight: The measures taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and their observations about the company and its performance 36

Ninth: Board approval 37

Tenth: Any punishment, penalty, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the signatory to it, and ways to remedy and avoid it in the future. 38

Eleventh: Results of the annual review of the effectiveness of internal control procedures 38

Twelfth: Audit Committee Recommendation to Appoint an Internal Auditor 38

Thirteenth: Recommendations that conflict with the decisions of the Board of Directors 38

Chapter Two Major Contracts 39

Chapter Three: Environment, Health and Safety 40

Chapter Four: Human Resources 41

Chapter Five: Information Technology 41

Chapter Six: Governance 42

Chapter Seven: Financial Performance 42

Chapter Eight: Profit Distribution 46

Chapter Nine: Community Initiatives 47

Board of Directors Members

Chairman of Board of Directors
Mr. Abdullah Abdulaziz Al Abdullatif

Member of the Board of Directors
Mr. Ahmed Abdulaziz Alhagbani

Member of the Board of Directors
Eng. Abdulrahman Sulaiman Alsayyari

Deputy Chairman of the Board
Mr. Saud Mohammed Alsabhan

Member of the Board of Directors
Mr. Abdullah Hamdan Alsourayia

Member of the Board of Directors
Mr. Mohammed Hamad Hassan Quraisha

Chairman's Speech

Messrs. / Shareholders:

On behalf of my fellow members of the Board of Directors of Umm Al-Qura Cement Company, I am pleased to present to you the annual report on the company's business results for the financial year ending on December 31, 2024 AD. On this occasion, I extend my thanks and gratitude to our wise government and the trust of our honorable shareholders during the year 2024, during which the company succeeded in navigating the changing market conditions. These results have been achieved thanks to Allah Almighty and then to the great efforts made by the company's management and its work team in the face of the exceptional circumstances that the company faced during the year.

As Umm Al-Qura Cement Company welcomes the new year 2025, we renew the company's commitment to maintaining the vision, values, and goals for which it was established. We are also confident in our ability to achieve the greatest possible benefit for all shareholders during the coming year.

We ask Allah for help and guidance,

Introduction

The report has been prepared in accordance with the requirements of the Companies Law, the Corporate Governance Regulations, and the instructions issued by the Board of Directors of the Saudi Capital Market Authority. To ensure full disclosure of these requirements, the report fulfilled the regulatory requirements for disclosure. The Board of Directors of Umm Al-Qura Cement Company recommended to the General Assembly to approve this report.

Umm Al-Qura Cement Company publishes detailed information on the activities and business related to the performance of the fiscal year 2024, to strengthen the bonds of Umm Al-Qura Cement Company with its shareholders, stakeholders, and concerned authorities.

1- Formation and Activity

Umm Al-Qura Cement Company (The Company) is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia

The authorized and issued capital of the company is 550,000,000 SAR, divided into 55 million shares, with a par value of SAR 10 per share.

During 2014, 50% of the shares were introduced for public offering, and the company's shares were traded on the Saudi stock market on June 12, 2014.

The company's fiscal year begins on the first of January and ends at the end of December of each Gregorian year.

Company	Commercial Register No	Issuing Date
Umm Al-Qura Cement Company	1010382514	Shaban 28, 1434 AH corresponding to July 7, 2013, AD.
Umm Al-Qura Cement Company Plant	4032044432	Rajab 2, 1435 AH corresponding to May 2, 2014, AD.
Umm Al-Qura Cement Company- Sales Office	4032254452	Rabi' Al-Thani 11, 1443 AH, corresponding to November 16, 2021, AD.

The company is engaged in the manufacture of ordinary cement (Portland), sulfate-resistant cement, clinker, and white cement.

The activity of the sales office is the wholesale of cement, pozzolana, and the like, retail of building materials, including cement, blocks, gypsum, cement tiles, etc.

Company Objectives:

The following are the objectives of the company:

1) The production of all kinds of Gray Cement and White Cement.
2) The production of ordinary Portland Cement, Pozzolana Cement, and Sulphate-Resistant Cement.
3) The production of Finishing Cement.
4) The production of Clinker
5) Managing and operating all kinds of Portland cement and white cement factories.
6) Wholesale and retail trade in the company's products, building materials, pozzolanic materials, and building chemicals, including their import and export abroad.
7) Management, operation, and maintenance of industrial facilities complementary to the purpose of the company.
8) Operating and exploiting quarries and mining raw materials for all raw materials.
9) Trade in raw materials resulting from mining operations.

10) Prefabricated concrete and prefabricated buildings.
11) Generation of electrical power, purchase and sale of electrical generation equipment.
12) Management and rental of owned or leased (residential) real estate
13) Management and leasing of owned or leased (non-residential) real estate
14) Commercial agencies.
15) Importing and operating radioactive devices for the company's factories
16) General contracting for buildings (construction, repair, demolition, and restoration) and roads.
17) Installation contracting, including specialized sub-contracting.
18) Maintenance and operation of residential and commercial buildings and industrial facilities.
19) Mechanical and electrical works.
20) Transportation and storage of goods inside and outside the Kingdom.

Among the above-mentioned objectives, the company started the production of Portland cement, the management and operation of Portland cement plants, and the wholesale and retail trade of the company's products.

2- Umm Al-Qura Cement Company's Strategy

Our Vision:

To be the preferred choice for customers, investors, and employees.

Our Mission:

Create sustainable value and maintain its continuous growth for customers, shareholders, and employees.

Our Values:

- Safeguard the interests of the company
- Commitment
- Integrity
- Transparency

Company's Strategic Goals:

The strategic goals of Umm Al-Qura Cement Company are based on its distinctive characteristics by creating a competitive advantage in all the main sectors of the company in order to create sustainable value by adopting the following goals:

1- Governance, Safety, Environment, Human Resources and Information Technology:
   - Commitment to governance policies and regulations and implementing the best practices.
   - Commitment to the highest standards of safety and environmental protection.
   - Developing human resources by training and advancing national competencies.
   - Continuous development of information technology, equipment, and systems.
   - Creating a practical environment with an industrial culture of professionalism and high productivity.

2- Operation
   - A high-level monitoring and control system to maintain the quality of work and product continuously and steadily.
   - High productivity of production lines.
   - High readiness of production lines with advanced maintenance systems.

3- Customers
   - Continuous and stable satisfaction of customers' needs.
   - High and stable product quality.
   - Quick service delivery.
   - Competitive prices.

4- Financial Return
   - Maximize return on sales.
   - Reduce production costs.
   - Maximize the utilization of assets.

5- The adoption of these strategies creates added values represented as
   - A sustainable system with a bright image.
   - A high profitability production system.
   - A well-established system with the ability to grow and advance rapidly.

Company's Strategic Initiatives:

The company's initiatives and its medium and long-term goals are based on the principle of sustainability and maximizing the added value for the company's shareholders and related parties through the following initiatives:

1- Secure the necessary resources for continuous production and sales

The company works to secure sources of raw materials by obtaining the necessary mining concessions and securing energy sources.

2- Cost Management

The company works to manage and control costs to maintain a highly competitive product cost.

3- Maintaining a competitive advantage in the market

The company is working on its presence in multiple markets within the surroundings of its factory location by maintaining a competitive advantage of its high-quality products and through relationships with customers and distributors.

Company Products:

- Ordinary Portland Cement: It is a final product of cement and is a type commonly used in general construction purposes such as bases, roofs, and walls.
- Portland Pozzolana Cement: It is an environmentally friendly final product of cement, where the pozzolanic material is added to the clinker in addition to gypsum.
- Finishing Cement, a type used in finishing works.

Future Plans:

The company continues to strengthen its position in the market through ambitious plans to expand the company's customer base by providing the best services, developing the quality of the final product, and improving operational efficiency by improving and standardizing the mixture of raw materials to reduce production costs while maintaining the highest quality standards. Developing the company's internal systems and policies in line with the best practices and sustainable development requirements. The company aims to explore new opportunities, adopt the latest technologies in manufacturing, and increase integration with supply chains to ensure the sustainability of resources to support its competitiveness to achieve sustainable growth. The company seeks to develop human resources and enhance social responsibility, as well as develop the company's internal systems and policies.

3- Company Business Results

1- Production

The company's production schedule of cement and clinker during 2024:

Product Type	Production Volume (Thousand Tons) 2024	Production Volume (Thousand Tons) 2023
Clinker	1,800	1,280
Cement	1,587	1,089

2- Inventory

The company's inventory schedule of cement and clinker on December 31, 2024:

Product Type	Inventory (Thousand Tons) 2024	Inventory (Thousand Tons) 2023
Clinker	3,759	3,346
Cement	45	48

3- Quality

Umm Al-Qura Cement Company attaches great importance to the issue of quality in its general concept, specifically the quality of its products. The company has obtained the certificate of the Saudi Standards, Metrology, and Quality Organization for the following products:

- Ordinary Portland Cement (TYPE 1)
- Portland Pozzolana Cement (TYPE IP)
- Sulphate-Resistant Portland Cement (TYPE V)
- Hydraulic cement blend, Portland limestone (Type IL)

4- Sales

1- Company's Cement Sales in Recent Years:

Year	Sales Quantity (Thousand Tons)				
	2024	2023	2022	2021	2020
Total	**1,591**	**1,094**	**1,337**	**1,529**	**1,693**

2- Segment Information:

Geographical analysis

The company exercises its commercial and operations sales within the Kingdom in the following geographical areas during the year 2024:

Region	Quantity (Thousand Tons)
Western Region	764
Southern Region	618
Central Region	209
Total	**1,591**

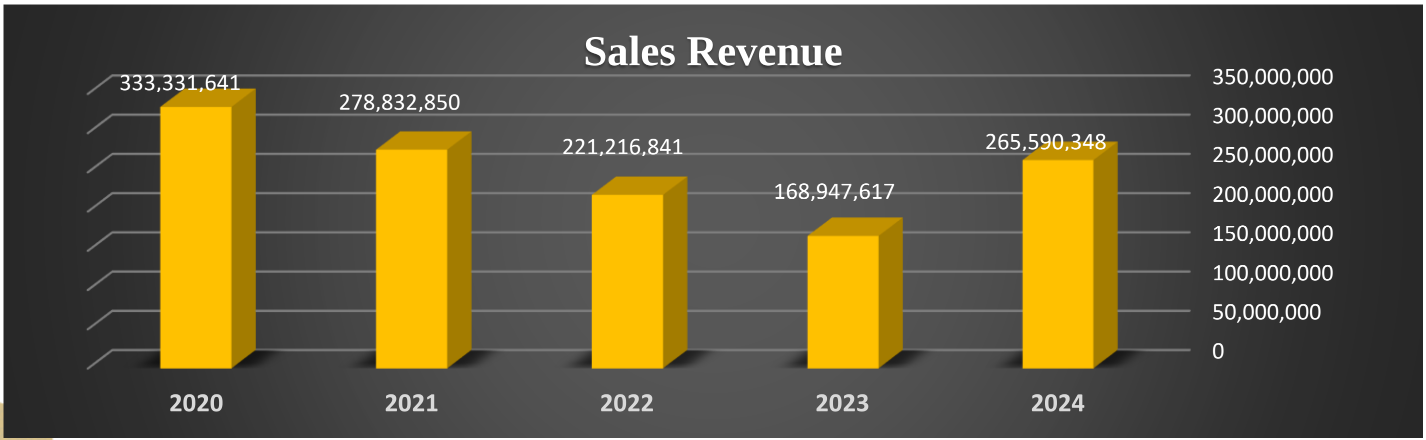
5- Business results

The following schedule shows the company's business results over five years:

Period	Jan. 1, 2024 Dec. 31, 2024	Jan. 1, 2023 Dec. 31, 2023	Jan. 1, 2022 Dec. 31, 2022	Jan. 1, 2021 Dec. 31, 2021	Jan. 1, 2020 Dec. 31, 2020
Net profit (loss)	47,719,184	3,951,063	22,986,944	81,436,401	117,672,926
Shares No.	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Profit (loss) /share	0.87	0.07	0.42	1.48	2.14

Sales revenue (from 2020 to 2024):

Year	Revenue (SAR)				
	2024	2023	2022	2021	2020
Total	**265,590,348**	**168,947,617**	**221,216,841**	**278,832,850**	**333,331,641**



4- Risks

- **Liquidity risk**

Liquidity risk is the inability of the Company to meet its obligations related to financial liabilities when it’s due. Liquidity needs are observed on a monthly basis. The management ensures that sufficient funds are available to meet any obligations as they fall due. The company's current financial liabilities consist of cost-plus financing (Murabaha financing), accounts payable, and other liabilities. The company works to reduce liquidity risk by managing the periods for collecting customer balances and the periods for repaying the balances of suppliers and other credit balances.

- **Credit risk**

Credit risk is the inability of one party to meet its obligations, which leads to the other party incurring financial losses. The company works to reduce credit risk with respect to customers by setting credit limits for each individual customer, monitoring the outstanding receivables, and obtaining guarantees against the credit limit of customers.

- **Foreign exchange risk**

Foreign exchange risk arises from changes and fluctuations in the value of financial instruments due to changes in foreign exchange rates. The company did not carry out any transactions of material relevance in currencies other than the Saudi riyal, US dollar, and Euro. Since the exchange rate of the Saudi riyal is fixed against the US dollar. As for the Euro currency, changes in exchange rate do not affect the company significantly, as the transactions do not have materiality relevance. These balances do not represent a significant currency risk. The Company's management monitors currency fluctuations and believes that the currency risk is not substantial.

- **Commission rate risk**

Commission risk arises from changes and potential fluctuations in interest rates that affect future profit or the fair values of financial instruments. The company is subject to commission risk on its liabilities on which the company pays commission, which are represented in bank facility balances and amounts due under Islamic financing. The Company seeks to reduce interest rate risk by monitoring potential fluctuations in interest rates and hedging these risks when needed. The Company's management believes that the interest rate risk is currently immaterial.

- **Operational risks related to power supply.**

The cement production operations rely mainly on fuel, which constitutes a huge part of production costs. Risks include rising fuel prices or supply disruptions that will have an impact on operations and operational results. The Saudi Aramco Company is the only source in the Kingdom of Saudi Arabia.

- **Risks related to product prices.**

The future performance of the Company relies on its ability to gain market share, maintain market share, and increase by expanding the distribution of its products. Reduced demand for the company's products for any reason would negatively affect the results of the company's operations.

This performance also depends on the company's ability to sustain its profitability by maintaining appropriate prices for its products and the ability to transfer any increase in production costs to its customers by raising product prices. The final price for its products depends on supply and demand in the domestic market, which is beyond the company's control.

- **Competition risk**

The company operates in a highly competitive sector among cement companies, which requires the company to monitor market conditions intensively and to work diligently to create a close and distinctive relationship with its customers. However, intense competition may lead to highly competitive prices so that greater market share can be acquired, which may affect the company's financial performance. A surplus in the cement market results in more competitive pressures than are currently on the market. These competitive pressures, either together or separately, may fundamentally adversely affect the company's activities, prospects, financial conditions, results of operations, and share prices.

- **Raw material risks**

The cement production depends on the concentration of calcium carbonate in limestone, which is extracted from the company's quarry. That's affected by the fluctuation of the nature of the geological composition of the quarry, which affects the production of cement and the cost of its production. Also, the company relies on purchasing the additive materials from other sources, and the fluctuating prices of these materials may affect the cost of production.

5- Potential obligations

The company has contingent liabilities arising from an existing letter of credit as of December 31,2024 amounting to SAR 4.9 million (December 31, 2023: none). This contingent liability is related to a letter of credit issued to a foreign supplier for the purchase of essential equipment for the company's plant, and this contingent liability is covered by the credit facility agreement with one of the banks.

The company also has capital commitments related to the purchase of essential equipment for the plant amounting to SAR 1.9 million. An amount of SAR 0.6 million has been paid from the total cost, with the remaining balance being SAR 1.3 million.

6- Financing

1- Industrial Development Fund Loan

- On 21 May 2014, the Company signed a long-term loan agreement with the Saudi Industrial Development Fund (SIDF) with an amount of SAR 678,000,000 to finance establishing a cement production plant. The loan is secured by mortgage of the Company's buildings, machines, and equipment to the Fund. The loan agreement included covenants regarding maintaining some financial ratios. The loan will be paid in 16 installments. The first installment is due on 15 Safar 1439H (4 November 2017) and the last installment is due on 15 Shaban 1446 H (14 February 2025).

- On 23 Dhu al-Qi'dah 1438 H (15 August 2017), a letter was signed to amend the original terms of the loan which included decreasing the loan amount to SAR 656,876,000, amending the payments to be 15 unequal semi-annual installments and amending first installment due date to be 15 Shaban 1439H (1 May 2018) without amending the last installment due date.

- During the third Quarter of the year 2023, a rescheduling agreement was concluded between the company and the Saudi Industrial Development Fund, provided that the loan repayment period will be extended, as the remaining part will be paid in (8) semi-annual installments, with the first installment being paid on 15 Safar 1446 H (corresponding to 19 August 2024), and the last installment of the loan will be on 15 Shaaban 1449 H (corresponding to 12 January 2028).

The following is a statement of the installments paid and the installments owed to the Saudi Industrial Development Fund:

Paid and Due Installments for the Saudi Industrial Development Fund Loan

Year	Installments Due Value (SAR)
2025	80,000,000
2026	80,000,000
2027	80,000,000
2028	43,000,000
Total	283,000,000

Year	Paid Installments Value (SAR)
2018	33,876,000
2019	55,000,000
2020	100,000,000
2021	90,000,000
2022	55,000,000
2023	-
2024	40,000,000
Total	**373,876,000**

2- Bank credit facilities

A credit facility agreement compatible with the provisions of Islamic Sharia was signed with Riyad Bank on April 23, 2019, and renewed on November 28, 2023, with a value of 50 million Saudi riyals. The facility period ends on November 28, 2026, guaranteed by a promissory note submitted by the company with an amount of 54 million riyals in favor of the bank (Facility grantor). The purpose of the facility is to finance the company's working capital, capital purchases, and open letters of credit. The company has utilized these facilities to issue a letter of credit in favor of an external supplier to purchase one of the essential equipment for the company's Plant.

First: The Board of Directors

A. On April 29, 2024, the Ordinary General Assembly approved the election of members of the Board of Directors from among the candidates for the term starting from July 4, 2024, for a period of three years. The company's board of directors consists of six (6 members), and the following table shows the information of the board members:

No.	Member Name	Membership Classification		
		Executive	Non-Executive	Independent
1	Abdullah Abdul Aziz Al Abdul Latif (Chairman of the Board of Directors)		√	
2	Saud Mohammad Alsabhan (Vice Chairman of the Board of Directors)		√	
3	Ahmed Abdulaziz Saleh Alhagbani (Member of the Board of Directors)			√
4	Abdulrahman Sulaiman Ibrahim Alsayyari (Member of the Board of Directors)			√
5	Abdullah Hamdan bin Sourayia AlSourayia (Member of the Board of Directors)			√
6	Mohammed Hamad Hassan Quraishah (Member of the Board of Directors)			√

B. Names of companies inside or outside the Kingdom for which a member of the company's board of directors is a member of its current and previous boards of directors or one of its directors:

Name	Companies name in which a company's board member is a member of its current board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Form	Companies name in which a company's board member is a member of its previous board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Form
Abdullah Abdul Aziz Al Abdul Latif (Chairman of Board of Directors)				Kayan Petrochemical Company (Board Member)	Inside the Kingdom	Closed joint stock
Saud Mohammad Alsabhan (Vice Chairman of the Board)	Founding Council of the Northern Health Sector	Inside the Kingdom	-	Al-Rajhi Steel Company (Member of the Board of Directors)	Inside the Kingdom	Closed joint stock
	Bohoor International Investment Company (Managing Director)	Inside the Kingdom	Limited liability	Future Ceramics Company	Inside the Kingdom	Closed joint stock
				Falcon Plastic Products Company	Inside the Kingdom	Closed joint stock
				Tunisian Saudi Bank (Chairman of the Risk Committee)	outside the Kingdom	Closed joint stock
				Asma Capital (Member of the Investment Committee - Member of the Audit Committee)	outside the Kingdom	Closed joint stock
				Najm Insurance Services Company	Inside the Kingdom	Closed joint stock
				Anfal Capital (Chairman of the Board)	Inside the Kingdom	Closed joint stock
Ahmed Abdulziz Saleh Alhagbani (Member of the Board of Directors)	CEO of Alhagbani Trading Group	Inside the Kingdom	Limited liability	Al-Aziza Real Estate Development and Investment Co.	Inside the Kingdom	Closed joint stock
				Mezat Real Estate Development Company	Inside the Kingdom	Closed joint stock
	CEO of FAD Company for Mechanical & Electrical Equipment Ltd.	Inside the Kingdom	Limited liability	-	-	-

Name	Companies name in which a company's board member is a member of its current board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Form	Companies name in which a company's board member is a member of its previous board or one of its directors	Inside the Kingdom / Outside the Kingdom	Legal Form
	CEO of Arabian Company for Fans Manufacturing Ltd.	Inside the Kingdom	Limited liability	-	-	-
	Chairman of the Board of Directors of Cracker Contracting Company	Inside the Kingdom	Limited liability	-	-	-
	Chairman of the Board of Directors of Sanad Holding Co.	Inside the Kingdom	Closed joint stock	-	-	-
Abdulrahman Sulaiman Ibrahim Alsayyari (Member of the Board of Directors)	National Industrialization Co. (Tasnee)	Inside the Kingdom	Listed joint stock	MARAFIQ Company	Inside the Kingdom	Closed joint stock
Abdullah Hamdan bin Sourayia Al Sourayia (Member of the Board of Directors)	Al Sourayia Trading for Flooring & Furniture Co.	Inside the Kingdom	Closed joint stock	Director of the Eastern Region at Al Sourayia Trading for Flooring & Furniture Co.	Inside the Kingdom	Closed joint stock
	Member of the Board of Directors of Saudi Villa Contracting Company	Inside the Kingdom	Closed joint stock	Purchasing Director at Al Sourayia Trading for Flooring & Furniture Co.	Inside the Kingdom	Closed joint stock
	Member of the Board of Directors of United Insulation Company	Inside the Kingdom	Closed joint stock	-	-	-
Mohammed Hamad Quraishah (Member of the Board of Directors)	Board Member and Audit Committee Member at Alkhaleej Training and Education Company	Inside the Kingdom	Listed joint stock	Al-Tawuniya Insurance Company	Inside the Kingdom	Listed joint stock

C. Current and previous positions, qualifications and experience of board members:

Name	Current positions	Previous positions	Qualifications	Experience
Abdullah Abdul Aziz Al Abdul Latif (Chairman of Board of Directors)	- Holds an administrative and technical position in one of the specialized agencies in the field of technology - Information systems consultant at Al Abdul Latif Holding Group	Member of the Board of Directors of Kayan Petrochemical Company	Bachelor's degree in Information Systems from King Saud University	Has administrative, technical and consulting experience in many agencies
Saud Mohammed Alsabhan (Vice Chairman of the Board)	Managing Director of Bohoor International Investment Company	- Credit Insurance Officer at the Saudi Fund for Development - An employee in the credit department at the Saudi Industrial Development Fund	- MA degree in Business Administration, majoring in International Finance and Entrepreneurship, from the American University in Washington - Bachelor's degree in Finance from King Fahd University of Petroleum	- Credit Insurance Officer at the Saudi Fund for Development - An employee in the credit department at the Saudi Industrial Development Fund - Member of the Board of Directors of companies in various fields, as well as a member of several committees
Ahmed Abdulaziz Saleh Alhagbani (Member of the Board of Directors)	- CEO of Alhagbani Trading Group Co - CEO of FAD Company for Mechanical & Electrical Equipment Ltd. - CEO of Arabian Company for Fans Manufacturing Ltd. - Chairman of the Board of Directors of Cracker Contracting Company - Chairman of the Board of Directors of Sanad Holding Company	- Member of the Board of Directors of Al-Aziza Company for Investment and Real Estate Development - Member of the Board of Directors of Mezat Real Estate Development Company	Bachelor's degree in Industrial Engineering from King Saud University	- CEO of Alhagbani Trading Group Co - CEO of FAD Company For Mechanical & Electrical Equipment Ltd - CEO of the Arabian Company for Fans Manufacturing Ltd. - Chairman of the Board of Directors of Sanad Holding Company

Name	Current positions	Previous positions	Qualifications	Experience
Abdulrahman Sulaiman Ibrahim Alsayyari (Member of the Board of Directors)	Member of Al Shura Council	Worked for thirty-three years at the Saudi Industrial Development Fund and as Vice Director of the Credit Department in the Fund Assistant General Director of Finance for four years Consultant at the Ministry of Industry and Mineral Resources	- Bachelor's degree in Electrical Engineering from King Saud University - Course in Credit and Financial Management from Chase Manhattan Bank	- Worked for thirty-three years at the Saudi Industrial Development Fund, leading to the position of vice director of the credit department in the fund - Participation in many committees responsible for the cement sector and the evaluation of many companies in the cement and petrochemical industries - Assistant General Director of Finance - Former Board Member of MARAFIQ Company - Member of the current board of directors in the National Industrialization Company (Tasnee) -Founder of companies working in the oil, gas and renewable energy sectors
Abdullah Hamdan bin sourayia Al Sourayia (Member of the Board of Directors)	-General Director of Procurement with membership of the Board of Directors and membership of the Audit Committee and the Nomination and Remuneration Committee of Al Sourayia Trading Company for Flooring and Furniture -Member of the Board of Directors and member of the Audit Committee of the Saudi Villa Contracting Company -Member of the Board of Directors and member of the Audit Committee of the United Insulation Company	- Director of the Eastern Region, then Purchasing Director, Flooring Department of Al Sourayia Trading Company for Flooring & Furniture	Bachelor's degree in Marketing from King Abdulaziz University Multiple courses in (advanced trends of purchases and tender systems, contract management, warehouse management, electronic inventory control, local and external purchasing management systems and methods, and human resource management)	- Director of the Eastern Region, then Purchasing Director - Flooring Department, then General Director of Purchasing with membership of the Board of Directors and membership of the Audit Committee and the Nominations and Remunerations Committee of Al Sourayia Trading Company for Flooring and Furniture -Member of the Board of Directors and member of the Audit Committee of the Saudi Villa Contracting Company -Member of the Board of Directors and member of the Audit Committee of the United Insulation Company

Name	Current positions	Previous positions	Qualifications	Experience
Mohammed Hamad Quraishah (Member of the Board of Directors)	-Board of Director for Alkhaleej Training and Education Company -Senior Executive General Manager of key Accounts & Corporate Sales for Tawunyia Insurance Company	Regional Underwriting Manager, then General Manager of Key Accounts and Corporate Sales, then Executive Vice President of Key Accounts and Corporate Sales at Tawunyia Insurance Company	-Industrial Engineering Bachelor's degree from King Abdulaziz University. -Master of Business Administration from University of Business and Technology	- Regional Underwriting Manager for Tawunyia Insurance Company - General Manager of key Accounts & Corporate Sales for Tawunyia Insurance Company - Executive Vice President of Key Accounts & Corporate Sales for Tawunyia Insurance Company - Board Member, Audit Committee Member, Nominations and Remuneration Committee Member at Alkhaleej Training and Education Company

D. Board of Directors attendance schedule for 2024

Meeting No. & date / Member Name	Membership	No. 65 Riyadh 29/02/2024	No. 66 Riyadh 10/03/2024	No. 67 Riyadh 28/04/2024	No. 68 Riyadh 04/07/2024	No. 69 Riyadh 30/07/2024	No. 70 Riyadh 29/09/2024	No. 71 Riyadh 24/10/2024	No. 72 Riyadh 31/10/2024	No. 73 Riyadh 26/12/2024	Attendance times
Abdullah Abdul Aziz Al Abdul Latif	Chairman	√	√	√	√	√	√	√	√	√	9
Saud Mohammad Alsabhan	Vice Chairman	√	√	√	√	√	√	√	√	√	9
Salih Ibrahim Alkholaifi	Independent	-	√	√	×	×	×	×	×	×	2
Ahmed Abdulaziz Saleh Alhagbani	Independent	√	√	√	√	√	√	√	√	√	9
Abdulrahman Sulaiman Ibrahim Alsayyari	Independent	√	√	√	√	√	√	√	√	√	9
Abdullah Hamdan Sourayia Al Sourayia	Independent	√	√	√	√	√	√	√	√	√	9
Mohammed Hamad Quraishah	Independent	×	×	×	√	√	√	√	√	√	6

Present (√) Absent (-) Was not a member (×)

Second: Board Committees

The company's board of directors has two sub-committees:

1- Audit Committee

On 29/04/2024 AD, the Ordinary General Assembly agreed to update the Audit Committee's bylaw, define its tasks, work controls, and remuneration for its members, for the new term starting from 04/07/2024 AD and for a period of three years. The Audit Committee consists of three (3) members:

- **Committee members from 01/01/2024 to 03/07/2024**

1- Mr. Saud Mohammed Ali Al-Sabhan (Chairman - non-executive member)
2- Abdullah Hamdan Sourayia Al Sourayia (Board Member - Independent)
3- Mr. Fawaz Hamad Alfawaz (Not a Board Member)

Based on the Board of Directors' decision issued on July 4, 2024, the Audit Committee was formed, consisting of four members, namely:

- **Members of the Committee from 04/07/2024 to 31/12/2024**

1- Mr. Saud Mohammed Ali Al-Sabhan (Chairman - non-executive member)
2- Abdullah Hamdan Sourayia Al Sourayia (Board Member - Independent)
3- Abdulaziz Sulaiman Ibrahim Alsayari (Not a Board Member)
4- Abdullah Ali Hamed Al-Hajri (Not a Board Member)

- **Positions, qualifications, and experience of current and previous committee members (from outside the board)**

Name	Current positions	Previous positions	Qualifications	Experience
Abdullah Ali Hamad Al Hajri (Audit Committee Member - Not a Board Member)	- CFO for Tayseer Arabian Company - Member of the Audit Committee for Saudi Water Partnership Company (SWPC) - Member of the Audit Committee for Gulf Union Al-Ahlia Cooperative Insurance Company - Chairman of the Audit Committee for Future Vision Company - Chairman of the Audit Committee for Lamasat Company.	- CFO for Methanol Chemicals Co. - Head of Accounts for Marafiq Company - Zakat & Tax Consultant for EY - Financial Auditor Assistant for SIDF	- Master's degree in finance from Southern New Hampshire University, USA - Bachelor's degree in accounting from King Faisal University - Certified Public Accountants from the Saudi Organization for Certified Public Accountants	- CFO for Tayseer Arabian Company - CFO for Methanol Chemicals Co. - Head of Accounts for Marafiq Company Zakat & Tax Consultant for EY - Financial Auditor Assistant for SIDF

Name	Current positions	Previous positions	Qualifications	Experience
Abdulaziz Sulaiman Ibrahim Alsayari (Not a Board Member)		- Vice President of Projects and Companies Department at Riyad Bank - Senior Project Management Consultant at the Industrial Development Fund	- Master of Business Administration from the University of Bridgeport, USA	- Vice President of Projects and Companies Department at Riyad Bank - Senior Project Management Consultant at the Industrial Development Fund

Committee duties and responsibilities:

The Committee's terms of reference, Authorities and responsibilities:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and impartiality of of its reports, financial statements and internal control systems. The committee's tasks include in particular:

1- **Financial reports:**

- Examine the company's initial and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommendation thereon, to ensure their integrity, fairness and transparency.
- To express a technical opinion, at the request of the Board of Directors, as to whether the report of the Board of Directors and the financial statements of the Company are fair, balanced and understandable and include information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Examine any important or unfamiliar issues contained in financial reports.
- Thoroughly examine any matters raised by the company's chief financial officer, his or her duty holder, the company's liability officer or the auditor.
- Verification of accounting estimates in material matters contained in the financial reports.
- Examine the company's accounting policies and express an opinion and recommendation to the Board of Directors.

2- **Internal audit:**

- Study and review the company's internal and financial control and risk management systems.
- Approval of the annual plan for the Internal Audit Department.
- Examine internal audit reports and follow up on the implementation of corrective procedures for the observations contained therein.

- Oversight of the performance and activities of the internal auditor and the internal audit department of the company to verify its effectiveness in the performance of its business and functions.
- Recommendation to the Board of Directors regarding the appointment of the Director of the Internal Audit Department, proposing his compensation, evaluating his performance, and isolating him
- Meeting periodically with the Director of the Internal Audit Department and discussing the necessary topics with the committee individually or in the presence of the company’s senior executives.
- Considering any differences in viewpoints that may arise between the Internal Audit Department, Executive Management, and other organizational units in the company, resolving the issue and ensuring the implementation of the decisions issued about it.

3- External audit:

- Recommendation to the Board of Directors to nominate and isolate the company auditors, determine their fees, and evaluate their performance after verification of their independence, reviewing the scope of work and the terms of the contract.
- Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, considering relevant rules and standards.
- Reviewing and approving the company’s auditor’s plan and work, ensuring that he does not submit technical or administrative work that falls outside the scope of the audit work, and expressing its views on this.
- Answer the company's auditor inquiries.
- Examine the auditor's report and observations on the financial statements and follow up on what has been taken.
- Considering any differences in viewpoints that may arise between the company’s auditor, Executive Management, and resolving the issue and ensuring the implementation of the decisions issued about it.
- Ensure the coordination of the audit work if there is more than one auditor.

4- Monitoring compliance

- Reviewing the regulatory reports results and verifying that the company has taken the necessary action.
- Verify the company's compliance with the relevant regulations, policies, and instructions
- Review the company's proposed contracts and transactions with relevant parties and submit its views thereon to the Board of Directors.
- Raise any issues to the Board of Directors and provide recommendations on the actions that should be taken.

5- Ensure that the executive management takes appropriate procedures to protect the company from strategic, financial, operational, and compliance risks.

6- Ensure that the company is managed according to economic principles and with efficiency and effectiveness.

7- **The Board of Directors informs the committee of the results, or the decisions taken transparently.**
8- **Prepare the committee's annual report to the General Assembly containing its opinion on the adequacy of the internal control system in the company and other work it has done that falls within its jurisdiction.**
9- **Study the topics referred to committees by the Board of Directors and submit its recommendations to the Board to take a decision or to take decisions if the Board delegates it to do.**

The audit committee must establish a mechanism that allows the company's employees to submit their observations regarding an overrun in financial reports or any other issue in confidence, and the committee must verify the application of this mechanism by conducting an independent investigation commensurate with the size of the error or abuse and adopting appropriate follow-up procedures

Attendance schedule for the audit committee meetings for the year 2024

Meeting number and date / Member name	Membership	(47) 27/02/2024	(48) 28/04/2024	(49) 29/07/2024	(50) 30/10/2024	Attendance times
Mr. Saud Mohammad Ali Alsabhan	Committee Chairman of – Non-Executive Member	√	√	√	√	4
Mr. Fawaz Hamad Fawaz Alfawaz	Not a Board Member	√	√	×	×	2
Abdullah Hamdan Sourayia Al Sourayia	Independent Member	√	√	√	√	4
Abdulaziz Sulaiman Ibrahim Alsayari	Not a Board Member	×	×	√	√	2
Abdullah Ali Hamad Al Hajri	Not a Board Member	×	×	√	√	2

present (√) absent (_) was not a member (×)

2. Nomination and Remuneration Committee

The Committee consists of three members appointed by the Board of Directors:

- **Committee members for the period from 01/01/2024 until 03/07/2024**:

1- Mr. Abdullah Hamdan Sourayia Al Sourayia (Independent member and Chairman of the Committee)
2- Mr. Saud Mohammed Ali Al-Sabhan (non-executive member)
3- Eng. Ahmed Abdelaziz Saleh al-Haqqabani (independent member)

- **Committee members for the period from 04/07/2024 until 31/12/2024**:

1- Mr. Abdulrahman Sulaiman Ibrahim Al-Sayyari (Chairman of the Committee and Independent member)
2- Mr. Abdullah Hamdan Sourayia Al Sourayia (Independent member)
3- Mr. Mohammed Hamad Hassan Quraishah (independent member)

Committee duties and responsibilities

The duties and responsibilities of the Nomination and Remuneration Committee include the following:

1- Rewards Specializations:

- Develop clear policies for the compensation and remuneration of members of the Board of Directors and senior executives, and when setting these policies, consideration should be given to the use of performance-related criteria.
- Clarifying the relationship between the given rewards and the applicable rewards policy and stating any material deviation from this policy.
- Review the rewards policy and evaluate the effectiveness of achieving its objectives.
- Recommendation to the Board of Directors for the board member, committees, and the company's senior executives rewards in accordance with the approved policy.

2- Nominations Specializations:

- Proposing clear policies and standards for membership of the Board of Directors and Executive Management
- Recommendation to the Board of Directors of the nomination and re-nomination of members in accordance with the approved policies and standards, considering not to nominate any person who has been previously convicted of a crime involving breach of trust.
- Describe the capabilities and qualifications required for membership of the Board of Directors and executive management positions.
- Identifying weaknesses and strengths in the Board of Directors and proposing to address them in accordance with the Company's interest
- Annual review of the required needs of appropriate skills for membership of the Board of Directors.
- Review the structure of the Board of Directors and provides recommendations for sutible changes that can be made.

- Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- Develop special procedures for a vacancy in the membership of the Board of Directors or senior executives.

Attendance schedule for the Nominations and Remunerations Committee meetings for the year 2024 AD

Member name	Membership	Meeting No. (28) 07/03/2024	Meeting No. (29) 28/04/2024	Meeting No. (30) 29/10/2024	Attendance times
Mr. Abdullah Hamdan bin Sourayia Al Sourayia.	Chairman of the Committee Independent	√	√	√	3
Mr. Abdulrahman Sulaiman Ibrahim Al-Sayyari	Chairman of the Committee Independent	×	×	√	1
Mr. Saud Alsabhan	non-executive member & Vice Chairman of the Board	√	√	×	2
Mr. Ahmed Abdulaziz Saleh Alhagbani.	Independent	√	√	×	2
Mr. Mohammed Hamad Hassan Quraishah	Independent	×	×	√	1

present (√) absent (_) was not a member (×)

Third: Executive Management

Current and previous executive management positions, qualifications and experience

Name	Current positions	Previous positions	Qualifications	Experience
Mohammad Fadl Kamel Alhawi	CEO (Acting) Plant and project Director Umm Al Qura Cement Company	- Project Director at Umm Al-Qura Cement Company. - Director of the Obeikan Paper Industries Factory. -Project Director at Gulf Cement Company. -Maintenance Director at Riyadh Cement Company. -Project Director at Gulf Cement Company. -Maintenance Director at Southern Providence Cement Company.	Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals in 1989	More than 30 years of experience in the industrial cement sector - Director of the Obeikan Paper Industry Factory -Project Director at Gulf Cement Company -Maintenance Director at Riyadh Cement Company -Project Director at Gulf Cement Company -Maintenance Director at Southern Province Cement Company
Mohammad Gamal Shaban*	Finance Manager and Information Technology (Acting) Umm Al Qura Cement Company	- Handled several positions in Umm Al-Qura Cement Company, including financial controller and chief accountant - Chief Accountant At Al-Thamar Electronics Company-Riyadh - Senior Accountant at Seven Horses Contracting Company- Riyadh	- Bachelor’s degree in Accounting. -Certified Financial Manager (CFM)	More than 17 years of experience in financial management across multiple sectors, including manufacturing, contracting, electronics, retail & wholesale, and food industries. Have extensive experience in: - Develop and implement financial strategies: Formulate and implement integrated financial plans to achieve growth and profitability objectives. - Governance and Compliance: Ensuring adherence to the highest standards of transparency, governance, and regulations. - Financial risk management: Analyzing and assessing risks and implementing effective strategies to reduce their impact. - Preparing budgets and financial reports: designing and following up on budgets and preparing periodic financial reports to support decision-making. - Improve operations through automation: Develop and automate financial processes to enhance operational efficiency and reduce costs. - Contract management and negotiation: Supervising contract management and negotiation to achieve the best benefits for the organization. - Leading Finance Teams: Directing and managing finance teams to enhance performance and collaboration.

- Mr. Mohammad Gamal Shaban was assigned to perform the functions of Finance Manager of the company from 11 Dhu al-Qa'dah 1445 AH, corresponding to 19 of May 2024.

Fourth: The ownership of the company's shares by the members of the Board of Directors and senior executives

The Board of Directors of Umm AlQura Cement consists of six members, and the following is a statement of the total shares owned by the chairman and members of the company

1- Ownership of Board Members

Important: There are no debt instruments for members of the Board of Directors.

Member Name	Position	Notes	start of fiscal year	end of fiscal year	Net change	percentage change
			Number of Shares	Number of Shares		
Mr. Abdullah Abdul Aziz Al Abdul Latif	Chairman of the Board	His shares	308,000	308,000	0	0%
Mr. Saud Mohammed Alsabhan	Vice Chairman of the Board	His shares	1,000	1,000	0	0%
Mr. Ahmed Abdulaziz Saleh Alhagbani	Member	His shares	314,785	314,785	0	0%
Mr. Abdulrahman Sulaiman Ibrahim Alsayyari *	Member	His shares	358,000	445,000	87,000	20%
Mr. Abdullah Hamdan Sourayia Al Sourayia	Member	His shares	N/A	N/A	-	-
Mr. Mohammed Hamad Hassan Quraishah	Member	His shares	0	5	5	100%

2- Ownership of the members' spouses and their minor children

*Three sons of Mr. Abdulrahman Sulaiman Ibrahim Alsayyari own a total of 5,570 shares on 12-31-2024.

3- Ownership of senior executives, their spouses and minor children

There is no property for senior executives, their spouses and minor children.

Fifth: Payments to Board Members and Senior Executives

On June 25, 2018, the Ordinary General Assembly approved the remuneration policy for the members of the Board of Directors, the committees emanating from the Board and the executive management, the Ordinary General Assembly agreed to update the policy at its meeting on 29-04-2024, the company paid the members of the Board of Directors remunerations and allowances for attending sessions within the framework of the provisions of the approved policy.

A- Standards for the remuneration of members of the Board of Directors and committees emanating from the Board and the Executive Management

The following criteria are taken into consideration when approving the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management:

1- The remuneration shall be fair and commensurate with the member’s competencies, business and responsibilities undertaken and borne by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.

2- The remuneration shall be based on the recommendation of the Remuneration Committee.

3- The remuneration should be commensurate with the company's activity and the skill needed to manage it.

4- Taking into consideration the sector in which the company operates, its size and the experience of the members of the board of directors.

5- The remuneration should be reasonably sufficient to attract, motivate and retain members of the Board of appropriate competence and experience.

6- Its consistency with the company's strategy and objectives.

7- The remuneration are offered for the purpose of urging the members of the board of directors and the executive management to make the company a success and its long-term development, such as linking the variable part of the remuneration to long-term performance.

8- That the rewards be determined based on the job level, the tasks and responsibilities assigned to the incumbent, educational qualifications, practical experience, skills, and the level of performance.

9- Its consistency with the size, nature and degree of risks with the company.

10- Taking into consideration the practices of other companies in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that might result from that.

11- It should aim to attract, maintain and motivate professional competencies, without exaggerating them.

12- To prepare in coordination with the Nominations Committee when new appointments are made.

13- Organizing the granting of shares in the company to members of the Board of Directors and the executive management, whether it is a new issue or shares purchased by the company.

B- Controls for the remuneration of members of the board of directors and committees emanating from the board and the executive management

The following controls shall be applied to the remuneration of members of the Board of Directors, committees emanating from the Board and the Executive Management:

1 .In all cases; the sum of what a member of the Board of Directors receives in terms of financial or in-kind rewards and benefits does not exceed five hundred thousand riyals annually, according to the controls set by the related function.

2 .Rewards are calculated based on the member's actual attendance.

3. The members of the Board of Directors may not vote on the Board’s remuneration item at the General Assembly meeting, and it is prohibited from doing so whether they vote on their own behalf or by proxy on behalf of others.

4. The remuneration of the independent members of the Board of Directors may not be a percentage of the company's profits or be based directly or indirectly on the company's profitability.

5 .Remunerations are paid at the end of the term, and the company may stop the disbursement if the membership of a board member ends due to his absence or negligence in his work, or if the audit committee or the board of directors finds out that the remunerations decided for any of the members of the board of directors were based on inaccurate or misleading information after it was presented to General Assembly or to include it in the annual report of the Board of Directors.

6. The Board of Directors may recommend to the General Assembly later to change some of the rules of this policy.

C- The members of the Board of Directors and the committees emanating from the Board and the Executive Management are entitled to the following remunerations:

Firstly: Board of Directors members

Remuneration	Amount
A certain amount annually for each member of the Board of Directors	200,000 riyals (two hundred thousand Saudi riyals)
Annual remuneration for the Chairman of the Board of Directors	200,000 riyals (two hundred thousand Saudi riyals)
Remuneration for the Vice Chairman of the Board of Directors	10,000 riyals (ten thousand Saudi riyals) quarterly, with no more than 40,000 riyals annually
Allowance for attending a session for each member of the Board of Directors	4,000 riyals (four thousand Saudi riyals) for each meeting

Secondly: Members of the committees emanating from the Board of Directors (audit committee, nomination and remuneration committee, etc.)

Remuneration	Amount
Annual remuneration for each member	50,000 Riyals (fifty thousand Saudi riyals)
Meeting attendance allowance for each member	2,000 Riyals (Two thousand Saudi riyals) attendance allowance for each meeting

Thirdly: Executive Management Remuneration

The remuneration of the company's executive management (if any) is determined by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee.

D- The relationship between the remunerations granted and the applicable rewards policy, and an indication of any material deviation from the policy:

The Nominations and Remunerations Committee studies the relationship between the granted remunerations and the applicable remuneration policy. It also studies deviations from the policy, and no deviation from the policy has been found.

E- The following is a statement of the company’s total remuneration granted to members of the Board of Directors and five senior executives (including the CEO and the Chief Financial Officer) during the period from January 1, 2024 to December 31, 2024:

Board member remuneration (Thousand riyals)																
Name	Fixed Rewards							Variable Rewards						Indemnity	Total summation	Expense allowance
	A certain amount	Allowance for attending council	Total allowance for attending committee sessions	In-kind benefits	A statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy	Remuneration of the Chairman, Managing Director, or Secretary, if he is a	Total	percentage of profits	Periodic Bonuses	Short term stimulus plans	Long term stimulus plans	Granted Shares (Value is entered)	Total			
First: Non-executive Members																
Abdullah Abdul Aziz Al Abd Al Latif	-	36	-	-	-	-	36	-	400	-	-	-	400	-	436	-
Saud Mohammed Alsabhan	40	36	14	-	-	-	90	-	300	-	-	-	300	-	390	-
Salih Ibrahim Alkholaifi	-	12	-	-	-	-	12	-	200	-	-	-	200	-	212	-
Total	**40**	**84**	**14**	**-**	**-**	**-**	**138**	**-**	**900**	**-**	**-**	**-**	**900**	**-**	**1,038**	**-**
Second: Independent Members																
Ahmed Abdulaziz Saleh Alhagbani	-	36	6	-	-	-	42	-	250	-	-	-	250	-	292	-
Abdulrahman Alsayyari	-	36	2	-	-	-	38	-	200	-	-	-	200	-	238	-
Abdullah AlSourayia	-	36	16	-	-	5	57	-	300	-	-	-	300	-	357	-

Board member remuneration (Thousand riyals)																
Name	Fixed Rewards							Variable Rewards						Indemnity	Total summation	Expense allowance
	A certain amount	Allowance for attending council	Total allowance for attending committee sessions	In-kind benefits	A statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy	Remuneration of the Chairman, Managing Director, or Secretary, if he is a	Total	percentage of profits	Periodic Bonuses	Short term stimulus plans	Long term stimulus plans	Granted Shares (Value is entered)	Total			
First: Non-executive Members																
Mohammed Hamad Quraishah		20	2	-	-	1	23	-	-	-	-	-	-	-	23	-
Total	**-**	**128**	**26**	**-**	**-**	**6**	**160**	**-**	**750**	**-**	**-**	**-**	**750**	**-**	**910**	**-**
Total	**40**	**212**	**40**	**-**	**-**	**6**	**298**	**-**	**1,650**	**-**	**-**	**-**	**1,650**	**-**	**1,948**	**-**

Senior executives remuneration (Thousand riyals)													
Position	Fixed Rewards				Variable Rewards						End of service pay	Total executive remuneration for the board, if any	Grand Total
	Salaries	allowances	In-kind benefits	Total	Regular rewards	profits	short term stimulus	long term stimulus	Granted Shares (Value is entered)	Total			
Total	**2,191**	**883**	**-**	**3,074**	**487**	**-**	**-**	**-**	**-**	**3,561**	**41**	**-**	**3,602**

Including: CEO, finance manager, plant manager, sales manager and human resources manager remuneration

Committee member rewards (Thousand riyals)			
First: Members of the Audit Committee (Thousand riyals)			
Name	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	grand total
Fawaz Alfawaz	50	4	54
Saud Alsabhan	50	8	58
Abdullah Al Sourayia	50	8	58
Abdullah Al-Hajri	-	4	4
Abdulaziz Alsayari	-	4	4
Total	**150**	**28**	**178**
Second: Members of the Nominations and Remunerations Committee (Thousand riyals)			
Name	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Grand total
Abdullah Al Sourayia	50	8	58
Saud Mohammed Alsabhan	50	6	56
Ahmed Abdulaziz Saleh Alhagbani	50	6	56
Abdulrahman Sulaiman Alsayyari	-	2	2
Mohammed Hamad Quraishah	-	2.5	2.5
Total	**150**	**24.5**	**174.5**

Sixth: A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies.

Name	Ordinary General Assembly held on 29/04/2024
Abdullah Abdul Aziz Al Abdul latif (Chairman of the Board of Directors)	√
Saud Alsabhan (Vice Board of Directors)	√
Salih Alkholaifi (Member of the Board of Directors)	√
Ahmed Alhagbani (Member of the Board of Directors)	√
Abdulrahman Alsayyari (Member of the Board of Directors)	√
Abdullah Al Sourayia (Member of the Board of Directors)	√

Seventh: The number of the company's requests to the shareholders' register, and the dates and reasons for those requests

The number of the company's requests to the shareholders register	The date of request	Reasons for request
1	02/01/2024	Company procedures
2	02/01/2024	General Assembly
3	24/04/2024	Company procedures
4	24/04/2024	Company procedures
5	08/12/2024	Company procedures

Eight: The measures taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and their observations about the company and its performance

The Chairman of the Board of Directors informs the members of the Board of Directors - especially the non-executives - at the first meeting of the shareholders' proposals and comments regarding the company and its performance.

Ninth: Board approval

The Board of Directors of Umm Al-Qura Cement, according to the information available to it and based on the company's auditor's report and current market data as well as future indicators, acknowledges the following:

1. The accounts records were prepared correctly.
2. The internal control system was prepared on sound foundations and implemented effectively.
3. That there is no significant doubt impeding the company's ability to continue its activity.
4. There are no Punishments, penalties or precautionary restrictions imposed on the company by any other supervisory, regulatory or judicial authority.
5. The company's financial statements have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, and other standards and publications issued by the Saudi Organization for Certified Public Accountants (SOCPA).
6. There is no interest in voting shares (other than members of the Board of Directors and senior executives) belonging to persons who have informed the company of these rights and any change in those rights during the year 2024 AD.
7. There is no interest, option rights or subscription rights belonging to the members of the Board of Directors, senior executives, their spouses, and minor children in the company's shares (Except stated in Clause 2 - Fourth)or debt instruments of the company.
8. There are no debt instruments convertible into shares or any contractual securities or memoranda of subscription rights or similar rights issued or granted by the company during the year ending on 31/12/2024 AD.
9. There are no conversion or subscription rights under debt instruments convertible into shares or any contractual securities or subscription right memoranda or similar rights issued or granted by the company.
10. There are no contracts with the company that include an interest for a member of the board of directors, the CEO, or the financial manager, or anyone related to any of them.
11. There is no refund, purchase or cancellation by the company of any redeemable debt instruments.
12. There are no arrangements or agreements whereby a shareholder has waived any rights to profits.
13. There are no investments or other reserves created for the benefit of the company's employees.
14. There are no shares or debt instruments issued to a subsidiary company, as the company does not have a subsidiary company
15. The company does not have treasury shares held.
16. No business of any competitive nature is carried out by any member of the board of directors.

Tenth: Any punishment, penalty, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the signatory to it, and ways to remedy and avoid it in the future.

There are no Punishments, penalties, or precautionary restrictions imposed on the company by any other supervisory, regulatory, or judicial authority during 2024 Ad

Eleventh: Results of the annual review of the effectiveness of internal control procedures:

The company's internal audit department performs all audits, whether financial or administrative, to verify the effectiveness of the internal control system and procedures in protecting the company's assets, evaluating work risks, measuring performance efficiency, and submitting its reports to the audit committee. The audit committee believes that the company's internal control system and risk management system are available. It is efficient and effective in several aspects, and it needs development and improvement in other aspects to keep pace with the size and nature of the company's business.

Twelfth: Audit Committee Recommendation to Appoint an Internal Auditor

During the fiscal year 2024, and based on the resignation of the previous internal auditor, the Audit Committee studied the need to appoint a new internal auditor in accordance with the regulatory requirements and approved professional standards. After conducting the necessary assessment, the Committee recommended to the Board of Directors to appoint a new internal auditor to ensure the continued efficiency and effectiveness of internal audit activities. The Board of Directors approved the Committee's recommendation, and the decision was made to officially appoint him in accordance with the approved regulatory procedures.

Thirteenth: Recommendations that conflict with the decisions of the Board of Directors

During the year 2024, and after conducting a thorough and comprehensive review of the recommendations submitted by the Audit Committee and comparing them with the decisions of the Board of Directors of Umm Al-Qura Cement Company, it was found that there is no conflict between them. All relevant documents and papers were reviewed, and it was confirmed that the recommendations are fully consistent with the legal framework and internal regulations in force in the company, which supports the principles of corporate governance and transparency in the decision-making process.

Chapter Two Major contracts

1- Power plant operation agreement with Wartsila Power Contracting Co. Ltd

Umm Al-Qura Cement Company entered into an agreement to operate the electric power plant with Wartsila Power Contracting Co. Ltd (not a related party) on 3/11/1436 AH corresponding to 18/08/2015 AD, to operate the electric power plant of Umm Al-Qura Cement Factory, and the contract was renewed. For an additional two years after its expiry on November 14, 2018, the contract was renewed for an additional five years after its expiration on November 14, 2020.

2- Portland cement production line operation agreement with CNBM

There is an operating agreement for the Portland cement production line with CNBM International Engineering Co. Ltd (CNBM Smart Industry Technology Co., Ltd) after changing the operator’s name (not a related party). The agreement was entered into on August 27, 2015, and ended on December 31, 2017. The contract was renewed on 1/1/2018 for two years with the consent of both parties, then the contract was renewed for a period of three years ending on 31/12/2022 AD. Once again, the contract was renewed for a period of one year ending on 31/12/2023 AD, then the contract was renewed for a period of three years ending on 31/12/2026 AD With the same operator after changing the name to (Smart Industry International Co. Ltd).

3- The agreement to operate the limestone quarry with the branch of Al Haytham General Contracting

Existing agreement to operate the limestone quarry with the branch of Al Haytham General Contracting (not a related party). The agreement was concluded on 14/07/1436 AH corresponding to 21/04/2016 AD, and the term of the contract is seven years, it ends on 17/09/2023 AD, then a new agreement was concluded for an additional five years ending on 31/05/2028 AD

Chapter Three: Environment, Health and Safety

The environment:

Umm Al-Qura Cement Company pays great attention to everything related to the environmental issue and always places it in its list of priorities. Umm Al-Qura Cement considers its environmental efforts as a long-term strategic objective, and to achieve the best results for the environmental impact, the company has assigned the task of studying the environmental impact assessment to one of the offices approved by the General Presidency. Meteorology and Environmental Protection, as well as the formation of a committee of relevant departments to enhance practical efforts, including the following:

- Covering the earthen floors with basalt gravel in all areas of the factory to reduce dust emissions raised with the wind instead of planting trees in order to conserve water in the area.
- Treat and recycle wastewater and reuse it again in industry.
- Minimize the use of dangerous chemicals and reduce their negative effects.
- Production of environmentally friendly pozzolanic cement.
- Contracting with companies licensed by the National Center for Environmental Compliance to dispose of industrial waste, which in turn recycles it.
- Disposing of some waste such as dust bags, wood and damaged paper by using them in industrial processes as fuel.
- Internal inspection and monitoring mechanism to enhance environmental protection and prevent pollution.

Occupational Health and Safety:

Umm Al-Qura Cement Company is committed to applying occupational health and safety policies and procedures and constantly working to develop them to preserve the safety of employees, visitors, and property and to achieve a safe work environment, and considers it a preventive approach that promotes the application of the following:

- Renewing the Civil Defense license.
- Availability of modern and advanced firefighting teams, equipment, and mechanisms.
- Modernization and enhancement of automatic fire extinguishing systems and early fire warning systems.
- Regular training, raising awareness, qualifying personnel, and implementing these principles for all company employees and stakeholders, which have helped to prevent industrial accidents, thanks to Allah's grace.

Chapter Four: Human Resources

Umm Al-Qura Cement Company pays attention and care to its human resources and is very concerned with localization as one of the most important missions and messages that the company carries toward the homeland and society.

The company was able to achieve a localization rate of 61.54%, and it is working on building training and development plans for its employees, as the company targeted the recruitment of fresh graduates in several fields to employ them and train them on the job to be effective in the work teams.

The company also targeted Saudi talents and worked on developing and qualifying them for leadership positions, as the percentage of localization in the company's directors is 71%.

On the other hand, the company is working on developing human resources procedures and systems to raise efficiency and improve the work environment.

Chapter Five: Information Technology

Given the importance of information technology in improving work efficiency and developing its outputs, production lines have been designed to contain an automatic system that is operated through advanced central control rooms, a quality control system and automatic sampling control on a 24-hour basis. Umm Al-Qura Cement Company has worked to implement the latest and most efficient information technology systems in terms of continuity and cost, and the company has also succeeded in implementing an ERP system that is considered the most efficient globally, by fully implementing the financial, sales, procurement, human resources, production and maintenance systems.

Chapter Six: Governance

Umm Al-Qura Cement abides by the Corporate Governance Regulations to protect the rights of shareholders and stakeholders. At its twenty-fifth meeting, the Board of Directors approved the Umm Al-Qura Cement Corporate Governance Regulations based on the Corporate Governance Regulations. The company applies and adheres to all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article number / paragraph	Reason for exception
(37)	Indicative Articles
(39)	
(67)	
(68)	
(69)	
(82)	
(84)	
(85)	
(86) - Paragraph (3)	
(92)	

Chapter Seven: Financial Performance

1-Appointing an auditor year 2024 AD

The General Assembly of the company, in its meeting held on Tuesday 20/10/1445 H corresponding to 29/04/2024 AD, approved the appointment of Dr. Mohammed Al-Amari & Partners Company - Chartered Accountants to examine, review and audit the financial statements for the second, third, fourth and annual quarters of the fiscal year 2024 AD, And the first quarter of 2025 AD, and its fees have been agreed upon

2-The chartered accountant's report and financial statements for the year 2024 and its clarifications

The company's financial statements as of December 31, 2024, and the related clarifications have been reviewed by Dr. Mohammed Al-Amari & Partners Company - Chartered Accountants, and the financial statements have been prepared in accordance with international accounting standards approved in the Kingdom of Saudi Arabia, and the company issues its financial statements in Saudi riyals.

3-The auditor's report does not include any reservations on the annual financial statements for the period ending on 31/12/2024 AD

4- There is no recommendation from the Board of Directors to change the auditor before the end of the period for which he was appointed

5-Clarification about the company's application of international accounting standards

The financial statements have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA).

6-Financial Statements

By reviewing the company's financial statements for the year ending on 31/12/2024, which were reviewed and audited by Dr. Mohammed Al-Amari & Partners Company - Chartered Accountants, it became clear that:

A- The statement of financial position for five years (Thousand riyals)

Statement	2024	2023	2022	2021	2020
Assets					
Non-current Assets	695,368	739,936	777,301	824,618	878,302
Current assets	488,837	444,531	402,924	370,361	389,935
Total Assets	**1,184,205**	**1,184,467**	**1,180,225**	**1,194,979**	**1,268,237**
Shareholders' equity					
Capital	550,000	550,000	550,000	550,000	550,000
Regular reserve	-	32,070	31,675	29,376	21,575
Retained Earnings (Accumulated losses)	263,418	183,863	180,418	173,110	148,814
Reserve for investment revaluation at fair value through other comprehensive income	175	102	49	14	-
Total Shareholders' Equity	**813,593**	**766,035**	**762,142**	**752,500**	**720,389**
Liabilities					
Non-current liabilities	222,594	296,939	224,590	331,435	426,273
Current liabilities	148,019	121,493	193,493	111,044	121,574
Total Liabilities	**370,612**	**418,432**	**418,084**	**442,479**	**547,847**
Total Liabilities and Equity	**1,184,205**	**1,184,467**	**1,180,225**	**1,194,979**	**1,268,237**

B- Statement of profit /loss and other comprehensive income during five years (Thousand riyals)

Statement	2024	2023	2022	2021	2020
Net sales	265,590	168,948	221,217	278,833	333,332
Cost of Sales	(182,668)	(136,057)	(150,390)	(159,689)	(175,297)
Gross profit	**82,923**	**32,890**	**70,827**	**119,144**	**158,035**
Selling and Marketing Expenses	(3,621)	(3,419)	(4,233)	(3,415)	(2,932)
Administrative and general expenses	(14,030)	(14,343)	(10,838)	(10,112)	(10,647)
Operating profit (loss)	**65,271**	**15,128**	**55,756**	**105,616**	**144,456**
Finance costs	(11,864)	(12,647)	(14,841)	(17,602)	(20,582)
Currency exchange Gains (Losses)	162	(90)	145	(180)	(160)
Other revenues and expenses	2,356	10,924	(10,023)	1,225	1,750
Net profit (loss) for the year before zakat and tax	**55,925**	**13,316**	**31,036**	**89,059**	**125,464**
Zakat expenses	8,206	9,365	(8,049)	(7,623)	(7,791)
Net Profit (Loss) for the Year	**47,719**	**3,951**	**22,987**	**81,436**	**117,673**
Other comprehensive income items: **Items that will not subsequently be reclassified to profit or loss:**					
Unrealized gains on revaluation of financial investments at fair value through other comprehensive income	73	53	34	14	-
Actuarial (losses) from re-measurement of employees' end-of-service benefits obligation	(235)	(111)	370	160	(561)
Total comprehensive income for the year	**47,558**	**3,893**	**23,391**	**81,611**	**117,112**
Profit (loss) per share	**0.87**	**0.07**	**0.42**	**1.48**	**2.14**

C- Operating results for the year 2024 AD compared to the year 2023 AD:

Statements	2024	2023	variation
Sales/Revenue	265,590,348	168,947,617	57%
Total profit (loss)	82,922,681	32,890,216	165%
Operating Profit (Loss)	65,270,842	15,128,184	331%
Net profit (loss) after zakat and tax	47,719,184	3,951,063	1109%
Total Comprehensive Income	47,558,093	3,893,450	1123%
Total shareholders' equity (excluding non-controlling interests)	813,593,177	766,035,084	6%
Earnings (losses) per share	**0.87**	**0.07**	**1109%**

Notes:

The reason of the increase in the net profit during this year compared to the previous year is due to the significant increase of the value and volume of sales, In addition to the decrease in General and Administrative expenses, Financing expenses and Zakat which led to an improvement in net profit and enhanced financial performance.

The Audit Committee has studied the annual financial statements of the company for the year 2024 AD, and the Board of Directors has also approved the annual financial statements for the year 2024 AD.

D- Regular payments due**:**

- Quarry fees:

The company is subject to the mining investment system issued by Royal Decree No. M/140 dated 19/10/1441 h

- Zakat and tax:

The company is subject to zakat and tax regulations in the Kingdom of Saudi Arabia, where the amount of zakat and tax is recorded according to the accrual basis.

- GOSI:

The company is subject to the social insurance system and social insurance contributions are recorded according to the accrual basis, where they are paid monthly on the basis of the due from the previous month.

The following table shows the amounts of regular payments paid during the year 2024 AD and due at the end of the year 2024 AD (Saudi riyals)

Statement	Paid during 2024	Due at the end of 2024
Mining fees and Quarry rent	23,574,924	25,524,464
Zakat, Tax and Customs Authority	27,412,387	11,398,585
General Organization for Social Insurance	1,313,242	133,271
Total Regular payments paid and due	**50,951,728**	**37,016,777**

Chapter Eight: Profit Distribution

In its meeting held on Tuesday, Shawwal 20, 1445 AH, corresponding to 29/04/2024 AD, the Company's Ordinary General Assembly approved the Board of Directors' recommendation not to distribute cash dividends to shareholders for the financial year ending on 31/12/2023 AD, to support and strengthen the company's financial position.

A. Profit Distribution Policy

1- The company's annual net profits are distributed as follows:

- The general assembly has the right, based on the proposal of the board of directors, to reserve a percentage of the net profits to form a consensual reserve to be allocated for specific purposes.
- The company, after fulfilling the regulations issued by the competent authorities, has the right to distribute semi-annual and quarterly profits.
- Profits are distributed to shareholders by authorizing the Board of Directors to distribute interim profits that are renewed annually.

2- Dividend payment timing

The shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall specify the due date and the distribution date. The right to profits shall be for the shareholders registered in the shareholders' records at the end of the day specified for the due date.

3- Formation of reserves

- The Ordinary General Assembly may decide to form reserves allocated for purposes determined by the Assembly, to the extent that it achieves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders.
- The reserve allocated for specific purposes may not be used except by a decision of the Extraordinary General Assembly. If this reserve is not allocated for a specific purpose, the Ordinary General Assembly may - based on a proposal from the Board of Directors - decide to spend it in a way that benefits the company or shareholders. The competent authority shall set controls for the use of the reserve.

4- Company losses:

If the losses of a joint stock company reach half of the capital, the Board of Directors must disclose this and the recommendation regarding these losses within sixty days from the date of being informed and invite the Extraordinary General Assembly to meet within one hundred and eighty days from the date of being informed. This is to consider the Company's ability to continue as a going concern and to take any actions necessary to address or resolve these losses.

Chapter Nine: Community Initiatives

Umm Al-Qura Cement Company seeks to contribute to society and enhance its role in making a positive social impact with its potential capabilities. It also seeks to establish a strong relationship with local communities in the company's areas of activity by implementing social programs, including:

- **Cement Alliance Initiative**

 The company played an active role in establishing the Cement Alliance Initiative, in partnership with King Abdullah University of Science and Technology, the Ministry of Industry and Mineral Resources, and the Public Investment Fund. The company has played a major role in funding the alliance for three years, in coordination with the National Committee for Cement Companies. This alliance aims to promote innovation, apply the best industrial practices, and develop sustainable solutions in the cement sector, which raises performance standards and enhances competitiveness.

- **Mosque renovation**

 As part of serving the community, the company initiated providing the cement needed to renovate a mosque in Radwan Governorate. The initiative included providing technical support and high-quality materials to ensure the project is implemented according to the highest standards, contributing to creating a suitable environment for worshipers, and improving community infrastructure.

Through these initiatives, Umm Al-Qura Cement Company emphasizes its pioneering role in driving socio-economic development, promoting sustainability and innovation, benefiting the local community, and contributing to achieving a sustainable positive impact.

Conclusion

The Board of Directors extends its thanks and gratitude for the trust you have placed in it and beseeches God Almighty to keep our beloved country prosperous under our wise leadership. The Board would like to extend its sincere thanks and appreciation to all governmental and private institutions, banks, and all the company's valued customers and suppliers for their continuous cooperation and support.

Completed by praise of Allah.