

Remuneration Policy for Board Members, Committees and Executive Management

<u>Article Text Before Amendment</u>	<u>Article Text After Amendment</u>	<u>Notes</u>
Article No. 1: Definitions and Interpretation	Article One: Definitions	Amend Article Title
The following words and expressions, wherever appeared herein, shall have the same meanings assigned hereunder thereto, unless the context requires otherwise:	The following words and phrases, wherever they appear, shall have the meanings describe the words below unless the context indicates otherwise:	Rephrase
Companies Law: Refers to the Company Act issued under Royal Edict No. R/3 on 28.01.1437AH (2016) and amendments relevant thereto.	Delete	
Governance Regulation: Refers to the governance regulation issued under the CMA Decision # 816-2017 on 16.05.1438AH (2017) and amendments relevant thereto.	Delete	
CMA: Refers to Capital Market Authority.	Authority: Capital Market Authority.	Rephrase
Company: Refers to Yanbu Cement Company.	Company: Yanbu Cement Company.	Rephrase
General Assembly Meeting: Refers to the General Assembly of Yanbu Cement Co.	General Assembly Meeting: The General Assembly of Yanbu Cement Company, composed of the company's shareholders in accordance with the provisions of the	Rephrase

	Companies Law and the company's Articles of Association.	
Board: Refers to the Board of Directors of Yanbu Cement Co.	"Board of Directors" or "Board": The Board of Directors of Yanbu Cement Company.	Rephrase
	Committees: The Committees established by the Board of Directors.	Adding New Definition
	Executive Management: The individuals entrusted with managing the company's daily operations, proposing, and implementing strategic decisions, such as the Chief Executive Officer and the Executive Officers of the company's sectors.	Adding New Definition
Article No. 2: Preamble	Delete	
The remuneration policy has been drafted to comply with Paragraph No. (1) of Article (61) of the Corporate Governance Regulations issued by the Board of the CMA pursuant to Resolution No. (816-2017) dated 16/05/1438 AH corresponding to 13/02/2017 AD, which stipulated that "the Nomination and Remuneration and Committee shall draft a clear policy for the remuneration of directors and the committees emanating from the		

<p>Board and the Executive Management, and submit the same to the Board of Directors for consideration in preparation for approval by the General Assembly Meeting</p>		
<p>Article No. 3: Objective</p>	<p>Article Two: Purpose of the Policy</p>	<p>Amend Article Title and Renumber</p>
<p>The purpose of the remuneration policy is to determine the remuneration of directors, the Audit Committee, and the committees emanating from the Board of Directors and the executive management of Yanbu Cement Company (the "Company"), based on the recommendation of the Nomination and Remuneration and Committee. This policy helps in promoting the Company's longterm goals, protecting the Company's interests, and considering the responsibilities taken by the Board and committees.</p>	<p>This policy aims to establish a framework for determining and regulating the remuneration granted to the members of the Board of Directors, affiliated committees, and the executive management of the company. The policy is based on alignment with the Companies Law, the Capital Market Law and its implementing regulations, and other relevant regulations. Additionally, it also aims to support the achievement of the company's long-term objectives and protect the interests of stakeholders.</p> <p>The policy takes into account the responsibilities borne by the Board of Directors, its committees, and the executive management, ensuring their ability to perform their duties effectively and efficiently in alignment with the company's performance and activities.</p>	<p>-Rephrase</p> <p>- Remove the term 'Audit Committee' as it is already among the committees established by the Board of Directors</p>

Article No. 4: Remuneration of Directors		
<p>The remuneration of directors consists of the following:</p> <ul style="list-style-type: none">•A certain amount;•An allowance for attending the Board’s meetings;•Benefits in kind;•A certain percentage of net profits; or•a combination of two or more of these benefits.		
<p>The Board of Directors shall determine the remuneration of its directors based on the recommendation of the Nomination and Remuneration Committee within the statutory limits provided for in the Corporate Governance Regulations issued by the CMA and the Companies Law and the Supervisory Authorities.</p>		
Directors’ remuneration		
A) An annual remuneration for each director	200,000 SAR	
B) An allowance for attending one session	3,000 SAR	

Move Article Four to Article Five with text amendment

<ul style="list-style-type: none">-Rearrange the paragraphs-Delete the referenced text from the transferred paragraph
<ul style="list-style-type: none">- Amend the referenced text in the transferred paragraph<ul style="list-style-type: none">- Increase in the annual remuneration of a Board member by 25%

The Board of Directors may, upon the recommendation of the Nomination and Remuneration and Committee, add other remuneration within the legally established limits.	Move Article Four to Article Five with text amendment	Amend the referenced text in the transferred paragraph
The Company shall pay all reasonable actual expenses incurred by a director in order to attend the Board's meetings, which include accommodation, subsistence, and travel and transportation expenses.	Move the Paragraph to Article Eight with text amendment	
Move Article Seven to Article Three with text amendment	Article Three: Criteria for Determining the remuneration of Board Members, Committees, and Executive Management	Renumber
	<p>Subject to the relevant regulations and rules issued by other regulatory authorities, as well as the applicable provisions of the Companies Law and the Corporate Governance Regulations, the determination of remuneration shall adhere to the followings criteria:</p> <ol style="list-style-type: none"> 1. Fair and proportionate to the roles, responsibilities, and duties of the Board 	Adding enhancement to the text

	<p>members, committees, and executive management.</p> <ol style="list-style-type: none"> 2. Supporting the achievement of the company's defined strategic objectives. 3. Based on the recommendation of the Nomination and Remuneration Committee. 4. Aligned with the company's activities and the skills required for its management. 5. Taking into account the sector in which the company operates, its size, complexity, and the expertise of the Board members, committees, and executive management. 6. Reasonably sufficient to retain Board members, committee members, and executive management. while ensuring the ability to attract qualified and experienced individuals. 7. Members' remuneration is proportionate to the number of meetings they have attended. 	
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<div>Article No. 5: Remuneration of committee’s members</div>								
<div>The remuneration for committee members consists of the following:<ul style="list-style-type: none">Annual bonuses; andAn allowance for attending meetings.</div> <table><tr><td>Remuneration of a member of the Audit Committee</td><td>120,000 SAR</td></tr><tr><td>Remuneration of a member of the Nomination and Remuneration Committee</td><td>100,000 SAR</td></tr><tr><td>An allowance for attending committee meetings (for each meeting)</td><td>3,000 SAR</td></tr></table>	Remuneration of a member of the Audit Committee	120,000 SAR	Remuneration of a member of the Nomination and Remuneration Committee	100,000 SAR	An allowance for attending committee meetings (for each meeting)	3,000 SAR	<div>Move the Article Five to Article Six with text amendment</div>	<div>Increase in the annual remuneration of an Audit Committee member and a Nomination and Remuneration Committee member by 25%.</div>
Remuneration of a member of the Audit Committee	120,000 SAR							
Remuneration of a member of the Nomination and Remuneration Committee	100,000 SAR							
An allowance for attending committee meetings (for each meeting)	3,000 SAR							
<div>The remuneration of the members of the Audit Committee and the Nomination and Remuneration Committee shall be determined by the Shareholders' General Assembly</div>	<div>Move the Article Five to Article Six with text amendment</div>							

Meeting based on a proposal provided by the Board of Directors.		
- The Board of Directors may form other committees according to the Company's need, circumstances, and conditions to enable it to perform its work effectively, while it may determine their work and remuneration based on the recommendation of the Nomination and Remuneration and Committee.	Move the Article Five to Article Six with text amendment	
- The Company shall pay all reasonable actual expenses incurred by the committee member in order to attend the committee's meetings, which include accommodation, subsistence, and travel and transportation expenses.	Move the Paragraph to Article Eight with text amendment	
Move the Article Eight to Article Four with text amendment	Article Four: Disclosure of Remuneration	Renumber
	The Board of Directors' report obtained to the General Assembly shall include:	Rephrase
	1. Details of the remuneration policy for the Board members, committees, and executive management, along with an explanation of how the remuneration of the Board members, their	

	<p>affiliated committees, and the executive management is determined.</p>	
	<p>2. The mechanisms for determining remuneration.</p>	
	<p>3. Full, accurate, transparent disclosure of the remuneration granted to the Board members, their affiliated committees, and the executive management, whether directly or indirectly, without concealment or misleading. This includes both monetary and non-monetary benefits, regardless of their nature. If the benefits include shares in the company, the market value at the entitlement date shall be disclosed.</p>	
	<p>4. A statement of the number of Board and committee meetings, as well as the number of meetings each member attended during the financial year.</p>	
	<p>5. Clarification of the relationship between the granted remuneration and the applicable remuneration policy, along with an explanation of any material deviation from this policy.</p>	

Article No. 6: Remuneration for members of the executive management	<p>Move the Article Six to Article Seven with text amendment</p>	
<ul style="list-style-type: none"> Executive management personnel is responsible for managing the day-to-day operations of the Company, proposing and implementing strategic decisions, such as the CEO, CFO and all CEO assistants. The following provisions shall be applicable to their remuneration: 		<ul style="list-style-type: none"> - Move the Paragraph to Definitions with rephrase. - Delete the paragraph in Article Seven in the newly proposed policy.
<ul style="list-style-type: none"> The Nomination and Remuneration Committee shall submit its recommendation to the Board of Directors for approval regarding the remuneration and bonuses of the Executive management. 		<p>No Amendment</p>
<ul style="list-style-type: none"> The Board of Directors shall set down indicators for evaluating the Executive management performance based on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall submit its 		<p>Rephrase the two paragraphs and merge them into Article 7</p>

<p>recommendation to the Board of Directors for approval regarding key performance indicators for the Executive management for approval, while they shall be linked to remuneration.</p>		
<ul style="list-style-type: none"> The Nomination and Remuneration Committee shall submit its recommendation to the Board of Directors for approval, based on the CEO's proposal of annual remuneration for the executive management and Company's personnel. 		<p>Delete the paragraph in Article Seven in the newly proposed policy.</p>
<p>Move the Article Four to Article Five with text amendment</p>	<p>Article Five: Remuneration of the Members of the Board of Directors</p>	<p>Renumber</p>
	<p>The Board of Directors shall determine the remuneration of its members based on the recommendation of the Nomination and Remuneration Committee and in accordance with the policy approved by the General Assembly of Shareholders.</p>	<p>Rearranging Paragraphs</p>
	<p>The remuneration of the members of the Board of Directors consists of the following:</p> <ul style="list-style-type: none"> A certain amount. 	<p>- An enhancement added to the text.</p>

	<ul style="list-style-type: none">An attendance allowance for Board meetings (paid for physical attendance or attendance via modern technology means).	- The referenced text in Article 3 have been deleted				
Move the Article Four to Article Five with text amendment	<p>Board Member Remuneration:</p> <table><tr><td>A. Remuneration of a Board Member</td><td>250,000 SAR</td></tr><tr><td>B. Attendance Allowance per Meeting</td><td>3,000 SAR</td></tr></table>	A. Remuneration of a Board Member	250,000 SAR	B. Attendance Allowance per Meeting	3,000 SAR	<p>- An enhancement added to the text</p> <p>-- Increase in the annual remuneration of a Board member by 25%</p> <p>- The remuneration of Board members, as set forth in Article Five, shall be apply for the period from 30/06/2024 to 29/06/2025 and shall remain in effect thereafter.</p>
	A. Remuneration of a Board Member	250,000 SAR				
B. Attendance Allowance per Meeting	3,000 SAR					
	<p>- The Board of Directors may, based on the recommendation of the Nomination and Remuneration Committee, add additional remuneration, provided that it is presented to the General Assembly for approval.</p>	<p>New addition to the text</p>				

Article No. 7: Determining the remuneration for directors, committees, and executive management:	Move Article Seven to Article Three with text amendment	
The following should be taken into consideration in determining the remuneration:		
<ul style="list-style-type: none"> To be fair and proportionate to the activities and responsibilities of directors, committees, and executive management. 		
<ul style="list-style-type: none"> To be supportive to achieve the strategic objectives of the Board of Directors. 		
<ul style="list-style-type: none"> To be based on the recommendation of the Nomination and Remuneration Committee. 		
<ul style="list-style-type: none"> To be commensurate with the Company's activity and the skills needed to manage it. 		
<ul style="list-style-type: none"> Take into consideration the sector in which the Company operates, its size, complexity, and the experience of directors, committees, and executive management. 		
<ul style="list-style-type: none"> To be reasonably sufficient to maintain the directors, its committees, the executive 		

management, and being able to attract qualified and experienced people.		
<ul style="list-style-type: none"> Directors' remuneration shall be proportional to the number of meetings they attended. 		
<ul style="list-style-type: none"> In all cases, the total remuneration and financial or in-rem benefits and rewards that a director receives shall not exceed what is stipulated and provided for in the regulations. 	Delete the referenced text after moving the article.	
<ul style="list-style-type: none"> When forming the committee's membership, the number of committees that a director may serve shall be taken into consideration, as the total amount paid for membership in the board of directors and committees shall not exceed the limit stipulated and provided for in the regulations. 	Delete the referenced text after moving the article.	
Move the Article Five to Article Six with text amendment	Article Six: Remuneration of Committee Members	Renumber
	The remuneration of the members of the Audit Committee and the Nomination and Remuneration Committee shall be determined by the General Assembly	Rearranging Paragraphs

	of Shareholders based on a proposal from the Board of Directors		
Move the Article Five to Article Six with text amendment	<p>The remuneration of committee members consists of the following:</p> <ul style="list-style-type: none"> - An Annual remuneration. - Attendance allowance for committee meetings (paid for physical attendance or attendance via modern technology means). 		Rearranging Paragraphs
	Remuneration of an Audit Committee Member	150,000 SAR	- New addition to the text
	Remuneration of a Nomination and Remuneration Committee Member	125,000 SAR	- Increase in the annual remuneration of an Audit Committee member and a Nomination and Remuneration Committee member by 25%.
	Attendance Allowance for Committee Meetings (per meeting)	3,000 SAR	- The remuneration of committee members, as set forth in Article Six, shall apply for the period from 30/06/2024 to 29/06/2025 and shall remain in effect thereafter.

	<p>The Board of Directors may establish additional committees as needed, based on the company's needs, circumstances, and conditions, to enable them to perform their duties effectively. The Board shall define their scope of work and remuneration based on the recommendation of the Nomination and Remuneration Committee and in alignment with the regulations issued by the Capital Market Authority.</p>	Rearranging Paragraphs
Article No. 8: Disclosure of Remuneration	<p>Move the Article Eight to Article Four with text amendment.</p>	
The Board of Directors report addressed to the General assembly Meeting includes:		
<ul style="list-style-type: none"> Details of the remuneration policy for directors, committees, and executive management, and how the remuneration of directors, committees emanating therefrom, and senior executives are determined. Mechanisms for determining remuneration. 		

<ul style="list-style-type: none"> • Accurately, transparently, and detailed disclosure of the remuneration granted to directors, the committees emanating therefrom and the senior executives, directly or indirectly, without concealment or misleading, whether they are amounts or benefits, of whatever nature, but if the advantages are shares in the Company, then the market value shall be at the date of maturity. 		
<ul style="list-style-type: none"> • A statement of the number of board meetings and the number of meetings attended by each director during the financial year. 		
<ul style="list-style-type: none"> • Clarifying the relationship between the bonuses awarded and the applicable remuneration policy, and indicating any material deviation from this policy. 		

Move the Article Six to Article Seven with text amendment	Article Seven: Remuneration of Executive Management	Renumber
	The following provisions shall be observed regarding the remuneration of the executive management:	An enhancement added to the text
	1. The Nomination and Remuneration Committee shall submit its recommendation to the Board of Directors for approval regarding the remuneration and bonuses of the Executive Management.	No Amendment
	2. The Nomination and Remuneration Committee shall submit its recommendation on the key performance indicators (KPIs) for the executive management to the Board of Directors for approval. When setting these indicators, consideration shall be given to ensuring their alignment with the achievement of the company's strategic objectives and their linkage to remuneration.	Rephrase the paragraph and enhance the text after merging.

Article No. 9: Review and amendments		No Amendment
The Nomination and Remuneration Committee shall review this policy periodically, provided that amendments and proposals shall be submitted to the Board of Directors for consideration, and then submitted to the General assembly Meeting for approval.	Rephrase Article Nine without renumbering	Rephrase
New Article	<u>Article Eight: General Provisions</u>	
	1. A member shall be entitled to remuneration from the date of their appointment to the Board or committee and in accordance with the duration of their membership.	New paragraph
	2. The annual remuneration for members of the Board of Directors and the members of its subcommittees shall be disbursed after its approval by the Board of Directors, based on the recommendation of the Nominations and Remuneration Committee.	New paragraph
	3. The annual remuneration shall be disbursed at the end of the fiscal year or upon the conclusion	-Paragraph 3 of Article 8, concerning the timing of

	<p>of the Board's term, whichever occurs first, or upon the termination of the member's relationship with the Company in accordance with applicable regulations. The remuneration for each member shall be determined either in full or proportionally based on the actual period of membership during the year, and in alignment with the criteria and conditions set forth in this Policy.</p>	<p>remuneration disbursement, shall come into effect on 31/12/2025. Until that date, the disbursement of remuneration shall continue to follow the approved mechanism, in accordance with the remuneration policy approved by Ordinary General Assembly No. (43) on 27/05/2021.</p>
	<p>4. The General Assembly shall approve, based on the recommendation of the Board of Directors, the remuneration policy for Board members, their affiliated committees, and the executive management.</p>	<p>New paragraph</p>
	<p>5. - The company shall pay all reasonable and actual expenses incurred by Board and committee members in attending Board or committee meetings, including accommodation,</p>	<p>Move the paragraph from Article Three in the previous policy and added the highlighted text</p>

	lodging, subsistence, travel, and transportation expenses.	
	<p>6. -Board members are permitted to excuse themselves from attending only one Board meeting during financial year. If a member is absent from more than one meeting, a deduction shall be made from their remuneration in proportion to the number of absences relative to the total number of Board meetings held during the year.</p>	New paragraph
	<p>7. Members of committees emanating from the Board are permitted to excuse themselves from attending only one committee meeting during the financial year. If a member is absent from more than one meeting, a deduction shall be made from their remuneration in proportion to the number of absences relative to the total number of committee meetings held during the year.</p>	New paragraph

	<p>8. If the Audit Committee or the Capital Market Authority determines that any remuneration paid to a Board member, committee member, or executive management was based on incorrect or misleading information presented to the General Assembly or included in the Board's annual report, the member must return the remuneration to the company, and the company has the right to reclaim it.</p>	<p>New paragraph added on accordance with Article Eleven of the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.</p>
	<p>9. In matters not explicitly addressed in this policy, the Companies Law and its regulations, the Capital Market Law, and the implementing regulations and circulars issued by the Capital Market Authority shall apply.</p>	<p>New paragraph</p>
<p><u>Article No. 10: Publication and Entry into force</u></p>	<p>Rephrase Article Ten without renumbering</p>	
<p>This policy shall be considered effective and any subsequent amendments thereto from the date of the approval thereto by the General Assembly Meeting, while the Company shall publish it to the shareholders and the public through its website</p>		

and in accordance with any legal requirements imposed by the regulatory authorities.		
Rephrased Article Nine without renumbering	<u>Article Nine: Review and Amendments</u>	Rephrased Article Nine
	The Nomination and Remuneration Committee shall be responsible for periodically reviewing this policy and submitting any amendments or recommendations to the Board of Directors for review. The proposed amendments shall then be submitted to the General Assembly for voting.	
Rephrased Article 10 without renumbering	<u>Article Ten: Publication and Enforcement</u>	Rephrased Article 10
	This policy, along with any subsequent amendments, shall become effective from the date of its approval by the General Assembly. The company shall publish it for shareholders and the public through its website, and in accordance with any regulatory requirements imposed by the relevant authorities.	