

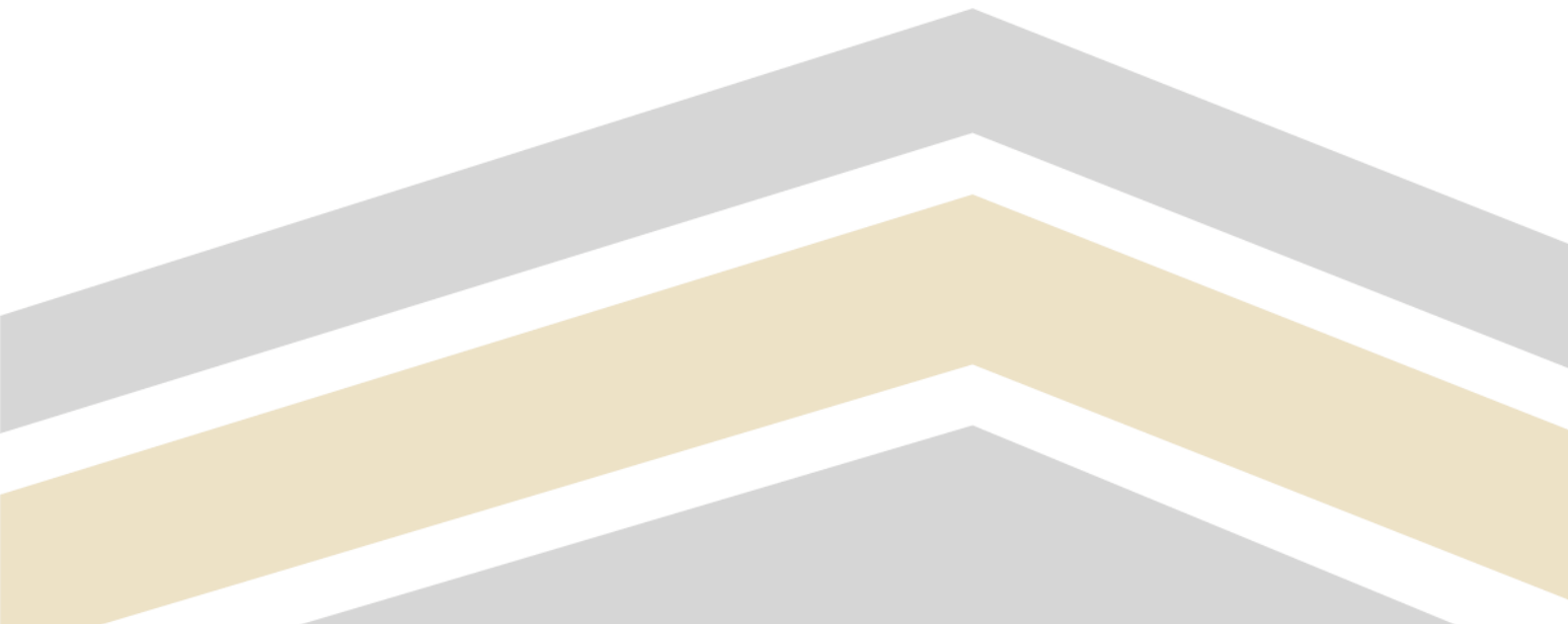


اسمنت أم القرى
Umm Al Qura Cement

Annual Report

Fiscal Year 2025

**In the Name of Allah, the
Compassionate, the Merciful**





Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

- May Allah protect him -



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

The Crown Prince and Prime Minister

- May Allah protect him -



Introduction

Dear Shareholders and Partners in Success,

The Board of Directors of Umm Al-Qura Cement Company is pleased to present to you the Annual Report for the fiscal year 2025, in which we review the Company's performance and business results during a year characterized by accelerating operational and economic challenges. These challenges were addressed through a clear vision, prudent management, and disciplined operational performance, resulting in qualitative achievements across various fronts.

At Umm Al-Qura Cement Company, we conduct our business with a vision that goes beyond the boundaries of traditional industrial activity, striving to be an active contributor to the sustainable development journey witnessed by the Kingdom of Saudi Arabia. With the rapid pace of major national projects and the continued implementation of the objectives of Saudi Vision 2030, the Company has worked throughout the year to strengthen its role as a strategic partner in supporting the construction and building sector, relying on product quality, operational efficiency, and maximizing value for shareholders.

This report reflects the Company's firm commitment to the principles of transparency, disclosure, and governance. It has been prepared in accordance with the regulatory requirements issued by the Capital Market Authority and the provisions of the Companies Law in force in the Kingdom, serving as a comprehensive reference that provides our valued shareholders with a clear view of the Company's financial and operational performance, strategic initiatives, risk management, and future opportunities.

The Board of Directors and the executive management have continued to work with a unified team spirit to strengthen financial and operational sustainability, achieving a balance between growth and financial discipline in a manner that supports the strength of the Company's financial position and enhances its ability to keep pace with economic and industrial developments.

In conclusion, we extend our sincere appreciation to our valued shareholders for their trust and continued support, and to our employees and partners for their dedication and efforts. We reaffirm our commitment to continue striving toward sustainable performance and building a stronger and more prosperous future for our Company and our community.

Umm Al-Qura Cement Company Management.



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Board of Directors Members



Chairman of the 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



Mr. Abdullah Abdulaziz Al Abdullatif

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, 2025 AD. On this occasion, I extend my thanks and gratitude to our wise government and the trust of our honorable shareholders during the year 2025, 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 2026, 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,

Chairman of board of directors
Umm Al-Qura Cement Company



اسمنت أم القرى
Umm Al Qura Cement



Part One: Leadership Pillars, Company Overview, Achievements, and Growth Capabilities

Part One: Leadership Pillars, Company Overview, Achievements, and Growth Capabilities

Chapter One: About the Company

Umm Al-Qura Cement Company is a Saudi joint stock company registered in the city of Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 1010382514 dated 28 Sha'ban 1434H, corresponding to 7 July 2013.

The Company's activities include the production of Ordinary Portland Cement (black cement), Sulfate-Resistant Cement, Clinker production, and White Cement, pursuant to the Initial Industrial License No. 1549 dated 5 Rajab 1435H, corresponding to 5 May 2015.

In addition, the Company engages in general building contracting, installation works, mechanical and electrical construction works, the management and operation of Portland cement and white cement factories, as well as the import, export, wholesale, and retail trading of the Company's products and building materials.

The Sales Office activities include marketing the Company's products, wholesale distribution of all Company products including various types of cement and gypsum and similar products, and retail trading of building materials including cement, blocks, gypsum, cement tiles, and similar materials.

Share Capital

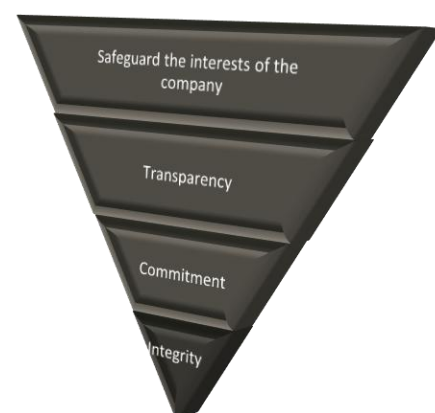
The Company's authorized and issued share capital amounts to Saudi Riyals five hundred and fifty million (SAR 550,000,000), divided into fifty-five million (55,000,000) shares with a nominal value of Saudi Riyals ten (SAR 10) per share.

During 2014, fifty percent (50%) of the Company's shares were offered to the public through an initial public offering, and the Company's shares commenced trading on the Saudi Stock Exchange on 12 June 2014.

Our Vision

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

Our Values:



Our Mission and Objectives

Our mission and objectives are centered on creating sustainable value and continuously enhancing its growth for our customers, shareholders, stakeholders, and employees. This is achieved by leveraging our core strengths and competitive advantages, and by developing strategic capabilities across the Company's key business segments, thereby contributing to the realization of long-term sustainable value.

Achieving high operational efficiency through an integrated financial and control system that ensures product quality consistency and enhances the readiness of production lines with advanced operational capacity.

Delivering distinguished value to customers through consistent quality, prompt service, and competitive pricing that continuously meets their needs.

Strengthening corporate governance, reinforcing commitment to safety and sustainability, empowering human capital, and advancing technologies and systems to build a professional and productive work environment.



Establishing a sustainable framework that strengthens the Company's institutional reputation, enhances its production efficiency and profitability, and enables it to achieve accelerated growth and continuous development.

Enhancing profitability through revenue growth, optimization of the cost structure, and maximizing the efficient utilization of assets.

The Company carries out its manufacturing activities pursuant to the following registrations:

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.

Company Products:

*Scan the barcode for product details



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.

Future Long 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.



Chapter Two: Company Business Results

1- Production

The company's production schedule of cement and clinker during 2025:

Product Type	Production Volume (Thousand Tons) 2025	Production Volume (Thousand Tons) 2024
Clinker	1,700	1,800
Cement	1,772	1,587

2- Inventory

The company's inventory schedule of cement and clinker on December 31, 2025:

Product Type	Inventory (Thousand Tons) 2025	Inventory (Thousand Tons) 2024
Clinker	3,926	3,759
Cement	49	45

3- Quality

The company places great emphasis on quality in its comprehensive sense, particularly the quality of its products, as a fundamental pillar for enhancing customer confidence and achieving operational excellence. In continuation of this approach, the Company renewed the certification issued by the Saudi Standards, Metrology and Quality Organization on 31 August 2025, and it will remain valid until 31 August 2028, for the following products:

- Hydraulic cement – Ordinary Portland Cement (Type I).
- Hydraulic cement – Sulfate-resistant cement (Type V).
- Blended hydraulic cement – Portland Pozzolan Cement (Type IP).
- Blended hydraulic cement – Portland Limestone Cement (Type IL).

4- Operation and Maintenance

1. Operational Efficiency and Readiness

The plant has succeeded in increasing equipment availability rates across the production line, contributing to achieving an operational reliability of approximately 99%, through aligning operational plans with international quality standards. This integration ensures the continuous flow of our products (clinker and cement) to meet the growing demand in the Saudi market.

2. Maintenance as a Value-Enhancing Tool

We have adopted predictive and preventive maintenance strategies aimed at:

- **Cost Reduction:** Minimizing unexpected shutdowns that consume resources, which has led to a reduction in operational costs.
- **Asset Life Extension:** Maintaining the efficiency of the kiln, mills, and heavy equipment, thereby reducing the need for major capital investments in the near term.
- **Environmental Sustainability:** Enhancing the efficiency of filters and purification systems to ensure compliance with the environmental standards of the Kingdom, thereby strengthening the Company's market reputation.

3. Financial Impact and Growth

Discipline in maintenance and operational processes within the plant directly contributes to stabilizing profit margins. Maintenance is not performed merely for corrective purposes, but to maximize the return from every operating hour.

We assure our shareholders that the strength of Umm Al-Qura Cement Company lies in the efficiency of its operations and the proactiveness of its maintenance strategy, positioning the Company in a strong competitive stance to achieve its financial and production targets.

5- Sales

1- Company's Cement Sales in Recent Years:

Year	Sales Quantity (Thousand Tons)				
	2025	2024	2023	2022	2021
Total	1,769	1,591	1,094	1,337	1,529

2- Geographical analysis:

Region	Quantity (Thousand Tons)
Western Region	961
Southern Region	709
Central Region	99
Total	1,769

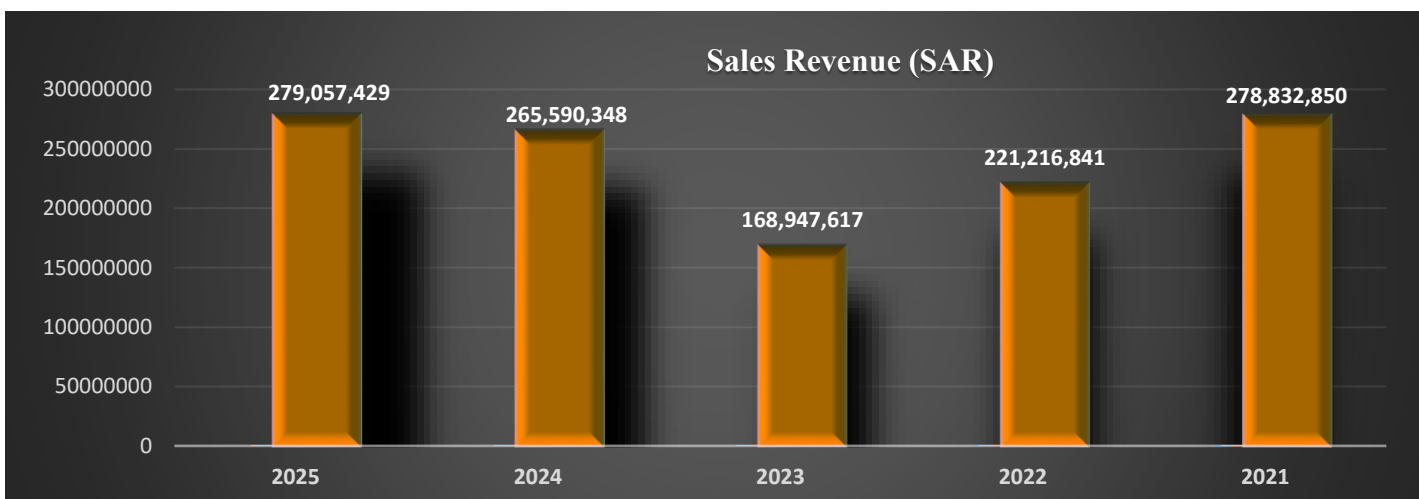
6- Business results

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

Period	Jan. 1, 2025 Dec. 31, 2025	Jan. 1, 2024 Dec. 31, 2024	Jan. 1, 2023 Dec. 31, 2023	Jan. 1, 2022 Dec. 31, 2022	Jan. 1, 2021 Dec. 31, 2021
Net profit (loss)	45,775,125	47,719,184	3,951,063	22,986,944	81,436,401
Shares No.	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Profit (loss) /share	0.83	0.87	0.07	0.42	1.48

Sales revenue (from 2021 to 2025):

Year	Revenue (SAR)				
	2025	2024	2023	2022	2021
Total	279,057,429	265,590,348	168,947,617	221,216,841	278,832,850





Chapter Three: Major Contracts

In confirmation of Umm Al-Qura Cement Company's commitment to ensuring the continuity of its production operations with high efficiency, and in accordance with the requirements of the applicable Disclosure Regulation, the following are the key contracts supporting the Company's business:

1. Power Generation Station Operation Agreement with Wartsila Power contracting co. Ltd.

On 3/11/1436H (corresponding to 18/8/2015), Umm Al-Qura Cement Company entered into a power generation station operation agreement with Wartsila Power contracting co. Ltd. (a non-related party) for the operation of the power generation station at the Company's cement plant.

On 14/11/2018, the contract was renewed for an additional period (two years) after its expiry. It was subsequently renewed again for an additional period (five years) after its expiry on 14/11/2020. The latest renewal was made on 14/11/2025 for a period of one year after its expiry.

2. Portland Cement Production Line Operation Agreement with CNBM

The Company maintains a material operation and maintenance agreement for the production line with Smart Industry International Co. Ltd (formerly known as CNBM International Engineering Co. Ltd, and later CNBM Smart Industry Technology Co., Ltd), (a non-related party).

The original agreement was signed on 27/08/2015 and remained in effect until the end of 2017. The agreement was renewed by mutual consent for two years starting from 01/01/2018, followed by a second renewal for three years, ending on 31/12/2022.

Following periodic operational reviews, the contract was extended to an additional period (one year) ending on 31/12/2023 and was subsequently renewed for an additional period (three year) ending on 31/12/2026 with the same operator under its updated commercial name (Smart Industry International Co. Ltd).

3. Limestone Quarry Operation Agreement with Al-Haytham Mining (after the operator name change)

The Company has an agreement for operating the limestone quarry with Al-Haytham Mining Company (formerly known as the General Contracting Branch of Al-Haytham Establishment), (a non-related and independent party).

The original agreement was signed on 14/07/1436H (corresponding to 21/04/2016) for a contractual period of seven years that ended on 17/09/2023. A new agreement was subsequently signed for an additional period (five year) ending on 31/05/2028.

4. Agreement for Connecting the Company's Plant to the Saudi Electricity Company Network with ASEC for contracting.

Umm Al-Qura Cement Company entered into an agreement with ASEC for contracting on 07/04/1447H (corresponding to 29/9/2025) to execute the plant's connection works to the Saudi Electricity Company network.

The contract is a turnkey contract covering the execution of all construction, supply, installation, and technical testing works required to connect the Company's substation to the Saudi Electricity Company network.





Chapter Four: Environment, Health and Safety

Sustainability and Environmental Commitment: A Vision for Sustainable Impact

Umm Al-Qura Cement Company believes that leadership in the cement industry cannot be achieved without maintaining a careful balance between industrial production and the preservation of natural resources. Accordingly, environmental management has been placed at the top of the Company's strategic priorities, which is reflected through the following initiatives:

1. Environmental Compliance and Governance

The Company has strengthened its legal and environmental compliance position by:

- Obtaining the operational environmental license for the quarry as a fundamental step in the compliance journey.
- Completing the Environmental Impact Assessment study through accredited offices approved by the National Center for Environmental Compliance and finalizing the corrective action plan in preparation for obtaining the plant's environmental license.
- Activating internal periodic inspection and monitoring mechanisms to proactively prevent pollution and protect surrounding ecosystems.

2. Smart Operational Sustainability and Resource Management

The Company has adopted a smart sustainability approach to minimize waste and transform environmental challenges into operational opportunities:

- **Waste Management:** Cooperating with specialized companies for the safe disposal of industrial waste, while initiating in-house disposal of (dust bags, wood, and damaged paper) by recycling them within the plant's thermal system as alternative fuel, thereby reducing dependence on conventional fuel without additional carbon emissions.
- **Industrial Waste Disposal:** Strengthening partnerships with certified specialized entities for waste treatment and recycling, while fully complying with the requirements of the National Center for Environmental Compliance and ensuring the acquisition of necessary destruction certificates to guarantee safe treatment in accordance with best environmental practices and standards.
- **Water Sustainability:** Implementing wastewater treatment and recycling projects for reuse in industrial operations, thereby achieving significant savings in valuable water resources.
- **Waste Assessment:** Conducting comprehensive technical studies on industrial waste to evaluate its environmental impact levels and determine the safest and most optimal disposal methods.
- **Sustainability Improvement:** Achieving a sustainability improvement rate exceeding 52% over the last two years (2024 and 2025) in waste management and disposal mechanisms.



3. Product and Green Technology Innovation

- **Environmentally Friendly Products:** The Company has expanded the production of pozzolanic cement and finishing cement, which are low-carbon footprint products that support green construction.
- **Technical Monitoring:** Utilizing the latest environmental technologies for real-time monitoring of emissions resulting from manufacturing operations, while adhering to scheduled maintenance programs to ensure the efficiency of filters and environmental systems.

Occupational Health and Safety: People First

Umm Al-Qura Cement Company adopts a strict preventive approach aimed at creating a risk-free working environment. This commitment has resulted in providing a safe environment for employees, visitors, and assets through the following:

1. Strengthening the Safety and Civil Defense System

- **Maximum Readiness:** The Civil Defense license has been renewed, and an internal specialized firefighting team has been established, equipped with the latest equipment and machinery to respond immediately to any emergency.
- **Smart Systems:** Upgrading and enhancing early fire alarm systems and automatic firefighting systems across all plant facilities.

2. Investment in Human Capital

- **Prevention Culture:** Reducing the use of hazardous chemicals and replacing them with safe and sustainable alternatives to protect both the environment and the health of employees. This includes strict compliance with the separation of chemicals during storage in accordance with Material Safety Data Sheets (MSDS) and internationally approved standards.
- **Training and Qualification:** Implementing periodic training programs and evacuation drills for all Company employees, which contributed to preventing any significant industrial incidents, while enhancing workforce awareness of occupational safety principles.

3. Business Sustainability and Alignment with National Vision

The efforts exerted by Umm Al-Qura Cement Company in environmental and sustainability domains are not merely operational commitments but a tangible contribution to achieving the objectives of Saudi Vision 2030.

The Company proudly ensures that its initiatives are directly aligned with Vision's pillars through:

- Promoting Local Content and Innovation: Developing sustainable national products such as pozzolanic cement, which supports large infrastructure projects in the Kingdom with high-quality, environmentally friendly construction materials.
- Quality of Life Enhancement: Strict adherence to occupational health and safety standards and environmental protection, thereby contributing to creating a healthy and safe environment for our communities and workforce.
- Emission Reduction Improvement: Utilizing advanced environmental monitoring systems to measure and reduce emissions, while implementing periodic maintenance programs to ensure operational efficiency and the transition during 2026 toward electrical grid connection, which will provide one of the best compliance models for emission reduction.

At Umm Al-Qura Cement Company, we believe that the sustainability of our financial growth is closely linked to the sustainability of our environmental and social impact. We remain committed to investing in green technologies that ensure our leadership in the Saudi cement market as a reliable national partner.





Chapter Five: Human Resources

Umm Al-Qura Cement Company believes that human capital is the true driver of success, and the Company moves in parallel with the sector's companies in supporting the Kingdom's Vision across several dimensions, most notably:

1. Empowering National Leadership Talent

The Company is considered one of the leading organizations in nationalizing leadership positions, achieving a Saudization rate of up to 71% in leadership roles. This figure reflects the Company's belief that national leadership is capable of managing vital operations with high efficiency, which enhances administrative and financial stability and aligns with the Kingdom's broader national objectives.

2. Building a Professional Future Generation

In support of students and recent graduates in technical and administrative disciplines, the Company has activated graduate training programs, cooperative training, and on-the-job training initiatives, providing trainees with practical knowledge and tools to support their professional development and enable them to become effective contributors to the business ecosystem.

3. Qualitative Localization and Continuous Development

The Company adopts a strategic approach to qualitative Saudization and continuous development, aiming to attract and empower national talent in leadership roles while ensuring knowledge transfer and capacity building within the workplace. As both elements are key pillars for successful localization, the Company achieved a 63% Saudization rate across all its sites, supported by the implementation of succession planning strategies and the execution of specialized, effective, and structured training programs.

4. Development of Related Procedures

Driven by the Company's commitment to sustaining human resources in support of operational activities across all sites, succession plans have been implemented for critical positions to ensure business continuity and mitigate operational disruption risks. In addition, the Company has worked on enhancing employee benefits, contributing to a reduction in employee turnover rates and talent attrition, while promoting higher levels of employee knowledge growth through the implementation of structured specialized programs and practical workshops.



Chapter Six: Information Technology

Umm Al-Qura Cement Company recognizes that technology is the backbone of modern industry. Accordingly, the Company has invested in building an integrated technological ecosystem that ensures production accuracy and business continuity in accordance with the highest global standards.

1. Production of Automation and Smart Control

The Company's production lines are fully designed as intelligent systems, operating through advanced centralized control rooms. This includes an automated quality monitoring system that continuously collects and analyzes samples around the clock, ensuring consistent final product quality while minimizing human intervention and reducing conventional operational errors.

2. Leadership in Enterprise Resource Planning (ERP) Systems

The Company has successfully implemented a comprehensive ERP system, considered among the most efficient globally, covering all business functions including finance, sales, procurement, human resources, production, and maintenance. This integrated digital linkage ensures accurate and rapid data flow, supporting decision-making based on real-time and reliable information.

3. Digital Sovereignty and Data Protection

As a strategic step to enhance cybersecurity and operational efficiency, the Company has relocated all ERP system servers inside the Kingdom of Saudi Arabia. This measure not only ensures faster data access but also provides the highest levels of protection and compliance with national cybersecurity standards.

4. Cost Efficiency and Sustainability

The Company is committed to applying the latest technological systems that balance operational continuity with cost efficiency, ensuring sustainable operational excellence and positioning the Company among the technologically advanced companies in the cement sector.



Chapter Seven: Sustainable Social Initiatives

Umm Al-Qura Cement Company believes that its responsibility extends beyond the industrial and operational framework to include active contribution to community development and the promotion of positive social and environmental impact. Accordingly, the Company continues to deploy its capabilities to build sustainable strategic partnerships and strengthen its relationships with local communities within its operational scope, by adopting qualitative initiatives that respond to actual needs and achieve tangible and measurable impact.

First: Cement Alliance Initiative – Innovation and Sustainability Leadership

In reflection of its leading role in the industrial sector, Umm Al-Qura Cement Company played a pivotal role in establishing and launching the Cement Alliance Initiative as a strategic partnership bringing together:

- King Abdullah University of Science and Technology (KAUST)
- Ministry of Industry and Mineral Resources
- Public Investment Fund (PIF)

This initiative represents a national platform for integration between the industrial, research, and investment sectors, supporting the transition towards a more efficient and sustainable cement industry.

Initiative Features:

- Sustainable Funding Commitment:

The Company plays a leading role in supporting sustainable financing for the alliance over a period of three years, in coordination with the National Cement Companies Committee, ensuring the continuity of research and development programs and achieving their objectives within defined timelines and performance indicators.

- Strategic Objectives:

The alliance aims to accelerate industrial innovation, develop sustainable technological solutions that contribute to reducing carbon emissions, improving energy consumption efficiency, and enhancing the use of alternative materials with low carbon footprint, in support of the transition toward a cement industry aligned with the best global environmental standards.

- Enhancing Competitiveness:

The initiative seeks to adopt and implement international best industrial practices, improve operational efficiency and productivity, thereby strengthening the competitiveness of the national industry and supporting the objectives of Saudi Vision 2030 in economic diversification and industrial empowerment.



- **Technical and Development Contribution:**

The Company actively participates in the technical aspects of the alliance by contributing to studies related to carbon emission reduction, adopting digital transformation initiatives, and developing operational excellence programs. These efforts aim to enhance industrial operational efficiency, improve environmental performance, and employ advanced technologies in support of long-term sustainability and future readiness.

Second: Development and Support of Government Facilities in Taif Governorate

In line with the principle of community partnership, the Company contributed to the development and rehabilitation of several government facilities in Taif Governorate by providing office furniture, supporting equipment, and surveillance systems, thereby enhancing the efficiency of the work environment and improving the quality of services provided to beneficiaries. This initiative reflects the Company's commitment to supporting the institutional infrastructure of local government entities and enhancing the quality of life within the community.

Third: Taif University Graduate Empowerment Initiative

In recognition of the importance of investing in human capital, the Company launched accredited practical training programs approved by the Ministry of Human Resources and Social Development, targeting graduates of Taif University to provide them with practical experience across various technical and industrial disciplines within the Company's plant. The initiative aims to enhance graduates' professional readiness and enable them to acquire the technical and behavioral skills necessary to effectively participate in the industrial labor market.

Fourth: Localization and Employment Support Initiative for the Local Community

The Company reaffirms its commitment to supporting economic and social development in Taif Governorate by prioritizing employment opportunities for job seekers from the local community at the Company's plant. This contributes to enhancing Saudization rates, developing national competencies, and achieving sustainable economic impact that positively reflects on the local community.



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Umm Al Qura Cement



Part Two: Board of Directors, Its Committees, and Executive Management

Part Two: The Board of Directors and its Committees and Executive Management

Chapter One: 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 about 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
	Bohor International Investment Company (Managing Director)	Inside the Kingdom	Limited liability	Future Ceramics Company	Inside the Kingdom	Closed joint stock



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
				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
	CEO of FAD Company for Mechanical & Electrical Equipment Ltd.	Inside the Kingdom	Limited liability	Mezat Real Estate Development Company	Inside the Kingdom	Closed joint stock
	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 Floorings & Furniture Co.	Inside the Kingdom	Closed joint stock	Director of the Eastern Region at Al Sourayia Trading for Floorings & 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 Floorings & Furniture Co.	Inside the Kingdom	Closed joint stock



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
	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 Nomination and Remuneration 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)	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Credit Insurance Officer at the Saudi Fund for Development - An employee in the credit department at the Saudi Industrial Development Fund 	<ul style="list-style-type: none"> - MA degree in Business Administration, majoring in International Finance and Entrepreneurship, from the American University in Washington - Bachelor's degree in Finance from King Fahad University of Petroleum 	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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
<p>Abdulrahman Sulaiman Ibrahim Alsayyari (Member of the Board of Directors)</p>	<p>Member of Al Shura Council</p>	<p>-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</p> <p>-Consultant at the Ministry of Industry and Mineral Resources</p>	<p>- Bachelor's degree in Electrical Engineering from King Saud University</p> <p>- Course in Credit and Financial Management from Chase Manhattan Bank</p>	<p>- 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</p> <p>- Participation in many committees responsible for the cement sector and the evaluation of many companies in the cement and petrochemical industries</p> <p>- Assistant General Director of Finance</p> <p>- Former Board Member of MARAFIQ Company</p> <p>- Member of the current board of directors in the National Industrialization Company (Tasnee)</p> <p>-Founder of companies working in the oil, gas and renewable energy sectors</p>
<p>Abdullah Hamdan bin sourayia Al Sourayia (Member of the Board of Directors)</p>	<p>-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</p> <p>-Member of the Board of Directors and member of the Audit Committee of the Saudi Villa Contracting Company</p> <p>-Member of the Board of Directors and member of the Audit Committee of the United Insulation Company</p>	<p>- Director of the Eastern Region, then Purchasing Director, Flooring Department of Al Sourayia Trading Company for Flooring & Furniture</p>	<p>Bachelor's degree in Marketing from King Abdulaziz University</p> <p>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)</p>	<p>- 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</p> <p>-Member of the Board of Directors and member of the Audit Committee of the Saudi Villa Contracting Company</p> <p>-Member of the Board of Directors and member of the Audit Committee of the United Insulation Company</p>

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 -Senior Executive General Manager – Key Accounts and Corporate Sales, The Company for Cooperative Insurance al-Tawuniya.	-Industrial Engineering Bachelor's degree from King Abdulaziz University. -Master of Business Administration from University of Business and Technology - Diploma in Board of Directors from the International Institute for Management Development (IMD), Switzerland.	- 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 2025

Meeting No. & date Member Name	Membership	NO.74 /03/12 2025	NO.75 /05/08 2025	NO.76 /07/31 2025	NO.77 /10/23 2025	NO.78 /11/04 2025	NO.79 /12/21 2025	Attendance times
Abdullah Abdul Aziz Al Abdul Latif	Chairman	√	√	√	√	√	√	6
Saud Mohammad Alsabhan	Vice Chairman	√	√	√	√	√	√	6
Ahmed Abdulaziz Saleh Alhagbani	Independent	√	√	√	√	√	√	6
Abdulrahman Sulaiman Ibrahim Alsayyari	Independent	√	√	√	√	√	√	6
Abdullah Hamdan Sourayia Al Sourayia	Independent	√	√	√	√	√	√	6
Mohammed Hamad Quraishah	Independent	√	√	√	√	√	-	5

Present (√) Excused (-)



Chapter Two: Board Committees

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

1- Audit Committee

The existence of an effective internal control system is one of the primary responsibilities entrusted to the Board of Directors. The Audit Committee is responsible for assisting the Board in carrying out its oversight responsibilities. The primary duties and responsibilities assigned to the Audit Committee include monitoring the process of managing key risks that may affect the preparation of the Company's financial and non-financial reports, overseeing the integrity of internal control systems related to financial reporting and compliance with accounting standards, in addition to following up on internal and external audit activities. Accordingly, on 29/04/2024, the Ordinary General Assembly approved the update of the Audit Committee Charter, including defining its roles, working procedures, and members' remuneration for the new term commencing on 04/07/2024 for a period of three years. Based on the Board of Directors' resolution issued on 04/07/2024, the Audit Committee was formed, consisting of four members as follows:

A. Committee members

NO.	Member	Membership
1	Saud Mohammad Alsabhan	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)	<ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> - CFO for Methanol Chemicals Co. - Head of Accounts for Marafiq Company - Zakat & Tax Consultant for EY - Financial Auditor Assistant for SIDF 	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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
Abdulaziz Sulaiman Ibrahim Alsayari (Not a Board Member)		<ul style="list-style-type: none"> - Vice President of Projects and Companies Department at Riyadh Bank - Senior Project Management Consultant at the Industrial Development Fund 	<ul style="list-style-type: none"> - Master of Business Administration from the University of Bridgeport, USA 	<ul style="list-style-type: none"> - Vice President of Projects and Companies Department at Riyadh Bank - Senior Project Management Consultant at the Industrial Development Fund


B. 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 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.

- 
- D. 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.
 - E. Verification of accounting estimates in material matters contained in the financial reports.
 - F. Examine the company's accounting policies and express an opinion and recommendation to the Board of Directors.

2- Internal audit:

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

- 1) 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.
- 2) Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, considering relevant rules and standards.
- 3) 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.
- 4) Answer the company's auditor inquiries.
- 5) Examine the auditor's report and observations on the financial statements and follow up on what has been taken.
- 6) 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.
- 7) Ensure the coordination of the audit work if there is more than one auditor.

4- Monitoring compliance

- A. Reviewing the regulatory reports results and verifying that the company has taken the necessary action.
 - B. Verify the company's compliance with the relevant regulations, policies, and instructions
 - C. Review the company's proposed contracts and transactions with relevant parties and submit its views thereon to the Board of Directors.
 - D. 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.

C. Attendance schedule for the committee meetings for the year 2025

Meeting number and date Member name	(51)	(52)	(53)	(54)	Attendance times
	2025/03/11	2025/05/07	2025/07/30	2025/11/03	
Mr. Saud Mohammad Ali Alsabhan	√	√	√	√	4
Abdullah Hamdan Sourayia Al Sourayia	√	√	√	√	4
Abdulaziz Sulaiman Ibrahim Alsayari	√	√	√	√	4
Abdullah Ali Hamad Al Hajri	√	√	√	√	4

present (√) Excused (-)

2. Nomination and Remuneration Committee

The Remuneration and Nomination Committee is a committee emanating from the Board of Directors and operates in accordance with the authorities delegated to it by the Board. Its core role is to ensure the Company's continuity by attracting qualified leadership talent and establishing fair and motivating compensation policies that are closely linked to strategic performance and the achievement of shareholders' objectives.

A. Committee members

NO.	Member	Membership
1	Abdulrahman Sulaiman Ibrahim Al-Sayyari	Chairman - Independent
2	Abdullah Hamdan Sourayia Al Sourayia	Board Member - Independent
3	Mohammed Hamad Hassan Quraishah	Board Member - Independent

B. Committee duties and responsibilities:

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

1- Rewards Specializations:

- A. 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.
- B. Clarifying the relationship between the given rewards and the applicable rewards policy and stating any material deviation from this policy.
- C. Review the rewards policy and evaluate the effectiveness of achieving its objectives.
- D. 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:

- A. Proposing clear policies and standards for membership of the Board of Directors and Executive Management
- B. 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.
- C. Describe the capabilities and qualifications required for membership of the Board of Directors and executive management positions.
- D. Identifying weaknesses and strengths in the Board of Directors and proposing to address them in accordance with the Company's interest

- E. Annual review of the required needs of appropriate skills for membership of the Board of Directors.
- F. Review the structure of the Board of Directors and provides recommendations for suitable changes that can be made.
- G. 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.
- H. Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- I. Develop special procedures for a vacancy in the membership of the Board of Directors or senior executives.

C. Attendance schedule for the Committee meetings for the year 2025

Member name	Membership	(31) 2025/05/18	(32) 2025/10/16	(33) 2025/12/14	Attendance times
Abdulrahman Sulaiman Ibrahim Al-Sayyari	Chairman of the Committee - Independent	√	√	√	3
Abdullah Hamdan Sourayia Al Sourayia	Independent	√	√	√	3
Mohammed Hamad Hassan Quraishah	Independent	√	√	√	3

present (√) Excused (-)

Chapter Three: Executive Management

Current and previous executive management positions, qualifications and experience

Name	Current positions	Previous positions	Qualifications	Experience
Mohammad Fadel Kamel Alhawi	CEO (Acting) Plant and project Director Umm Al Qura Cement Company	<ul style="list-style-type: none"> - Project Director at Umm Al-Qura Cement Company. - Director of the Obeikan Paper Industries Factory. -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	<p>More than 30 years of experience in the industrial cement sector</p> <ul style="list-style-type: none"> - Director of the Obeikan Paper Industry Factory -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	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Bachelor's degree in Accounting. -Certified Financial Manager (CFM) - Master of Business Administration (MBA) in Finance and Accounting, IBAS University, Switzerland. 	<p>More than 18 years of experience in financial management across multiple sectors, including manufacturing, contracting, electronics, retail & wholesale, and food industries.</p> <p>Have extensive experience in:</p> <ul style="list-style-type: none"> - 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.

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

1- Ownership of Board Members

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	445,000	445,000	0	0%
Mr. Abdullah Hamdan Sourayia Al Sourayia	Member	His shares	N/A	N/A	0	0%
Mr. Mohammed Hamad Hassan Quraishah	Member	His shares	5	5	0	0%

✓ There are no debt instruments for members of the Board of Directors

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

Member Name	Position	Notes	Date of ownership	Total shares
Mr. Abdulrahman Sulaiman Ibrahim Alsayyari	Member	Shares owned by 3 of his sons	31\12\2025	5,570

✓ There are no ownership by other relatives of the board members.

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

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



Chapter Five: 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

- 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

- 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:

First: 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

Second: 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

Third: 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, 2025 to December 31, 2025:

Board member remuneration (Thousand riyals)																
Name	Fixed Rewards							Variable Rewards					Indemnity	Total summation	Expense allowance	
	A certain amount	Allowance for attending council sessions	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 Remuneration of the Chairman, Managing Director, or Secretary, if he is a member	Total	percentage of profits	Periodic Bonuses	Short term stimulus plans	Long term stimulus plans	Granted Shares	Total				
First: Non-executive Members																
Abdullah Abdul Aziz Al Abd Al Latif	-	24	-	-	-	-	24	-	400	-	-	-	400	-	424	-
Saud Mohammed Alsabhan	40	24	8	-	-	-	72	-	250	-	-	-	250	-	322	-
Total	40	48	8	-	-	-	96	-	650	-	-	-	650	-	746	-
Second: Independent Members																
Ahmed Abdulaziz Saleh Alhagbani	-	24	-	-	-	-	24	-	200	-	-	-	200	-	224	-
Abdulrahman Alsayyari	-	24	6	-	-	-	30	-	250	-	-	-	250	-	280	-
Abdullah AlSourayia	-	24	14	-	-	6	44	-	300	-	-	-	300	-	344	-
Mohammed Hamad Quraishah	-	20	6	-	-	1.5	27.5	-	250	-	-	-	250	-	277.5	-
Total	-	92	26	-	-	7.5	125.5	-	1,000	-	-	-	1,000	-	1,125.5	-
Total	40	140	34	-	-	7.5	221.5	-	1,650	-	-	-	1,650	-	1,871.5	-



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 plans	long term stimulus plans	Granted Shares	Total			
Total	2,160	1,320	-	3,480	370	-	-	-	-	3,850	422	-	4,272

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
Saud Alsabhan	50	8	58
Abdullah Al Sourayia	50	8	58
Abdullah Al-Hajri	50	8	58
Abdulaziz Alsayari	50	8	58
Total	200	32	232
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
Abdulrahman Sulaiman Alsayyari	50	6	56
Abdullah Al Sourayia	50	6	56
Mohammed Hamad Quraishah	50	7.5	57.5
Total	150	19.5	169.5

Chapter Six: 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 16/06/2025	Ordinary General Assembly held on 19/08/2025
Abdullah Abdul Aziz Al Abdul latif	√	√
Saud Alsabhan	√	√
Ahmed Alhagbani	√	√
Abdulrahman Alsayyari	√	√
Abdullah Al Sourayia	√	-
Mohammed Hamad Quraishah	√	√

present (√) Excused (-)

Chapter Seven: 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	26-01-2025	Company procedures
2	17-04-2025	Company procedures
3	16-06-2025	General Assembly
4	30-06-2025	Company procedures
5	21-07-2025	General Assembly
6	19-08-2025	General Assembly
7	12-10-2025	Company procedures

Chapter 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 - the shareholders' proposals and comments regarding the company and its performance.





Chapter Nine: 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 accounting records have been properly prepared.
2. The internal control system has been established on sound foundations and implemented effectively.
3. There is no significant doubt that may affect the Company's ability to continue as a going concern.
4. The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
5. There are no voting share interests (other than those of Board members and senior executives) held by persons who have notified the Company of such rights or any change thereto during the year 2025.
6. There are no interests in options, subscription rights, or similar rights held by members of the Board of Directors, senior executives, their spouses, or minor children in the Company's shares (except as previously disclosed) or in the Company's debt instruments.
7. The Company did not issue or grant any debt instruments convertible into shares, contractual securities, warrants, or similar rights during the year ended 31/12/2025.
8. There are no conversion or subscription rights under any debt instruments convertible into shares, contractual securities, warrants, or similar rights issued or granted by the Company.
9. The Company has no contracts in which any member of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, or any related person has an interest.
10. The Company has not redeemed, purchased, or cancelled any redeemable debt instruments.
11. There are no arrangements or agreements under which any shareholder has waived any rights to dividends.
12. There are no investments or reserves established for the benefit of the Company's employees.
13. No shares or debt instruments have been issued by any subsidiary company, as the Company does not have any subsidiaries.
14. The Company does not hold any treasury shares.
15. None of the members of the Board of Directors engages in any business that competes with the Company's activities.



16. There are no transactions between the Company and any related party, as the Company does not have any subsidiaries.
17. The Board of Directors has not released any of the Company's debtors from their obligations during the financial year ended 2025.
18. The Company has not established any procedures or restrictions that may impede shareholders from exercising their rights guaranteed under applicable laws and regulations.
19. There are no legal disputes or claims exceeding 5% of the Company's net assets according to the latest financial statements.
20. There are no judicial rulings issued against the Board of Directors or any of its members relating to the activities of the Board or any of its members.
21. There has been no judicial ruling for the liquidation of the Company or the initiation of any bankruptcy proceedings against the Company.

Part Three: Financial Performance and Dividend Distribution



Part Three: Financial Performance and Dividend Distribution

Chapter One: Financial Performance

- Financial Year:

The Company's financial year begins on 1 January and ends on 31 December of each calendar year.

- Overview of Financial Performance:

The principal activity of Umm Al-Qura Cement Company is the production of Ordinary Portland Cement and Sulfate-Resistant Cement. The Company's financial results primarily depend on sales volume in the local market and the efficiency of operational cost management. During the fiscal year under review, financial indicators demonstrated the Company's ability to manage economic fluctuations, with a focus on the following:

- Revenues:
Reflect the Company's strategy to enhance its market share and support major construction projects.
- Net Profit:
Directly influenced by demand dynamics, energy prices, and supply chain costs, as the Company continues to improve production efficiency to maximize shareholders' value.
- Financial Position:
The Company maintains a financial position that supports the continuity of its operational activities, while fully complying with regulatory requirements and the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia.

A. Appointment of the Company's External Auditor for the Year 2025

The Extraordinary General Assembly of the Company, held on Monday, 20 Dhul-Hijjah 1446H corresponding to 16 June 2025, approved the appointment of Dr. Mohammed Al-Amri & Co. – Certified Public Accountants to examine, review, and audit the financial statements for the second, third, and fourth quarters and the annual financial statements for the fiscal year 2025, as well as the first quarter of 2026. Their remuneration was also determined.

B. Auditor's Report and Financial Statements for the Year 2025 and Related Notes

The Company's financial statements as of 31 December 2025 and the accompanying notes were reviewed by Dr. Mohammed Al-Amri & Co. – Certified Public Accountants. The financial statements were prepared in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia, and the Company issues its financial statements in Saudi Riyals.

- ✓ The external auditor's report does not include any reservations regarding the annual financial statements for the period ended 31/12/2025.
- ✓ There is no recommendation from the Board of Directors to change the external auditor before the end of their appointed term.
- ✓ The financial statements have been prepared in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

C. Financial Statements

Upon reviewing the Company's financial statements for the year ended 31/12/2025, which were reviewed and audited by Dr. Mohammed Al-Amri & Co. – Certified Public Accountants, the following is noted:

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

Statement	2025	2024	2023	2022	2021
Assets					
Non-current Assets	657,943	695,368	739,936	777,301	824,618
Current assets	499,514	488,837	444,531	402,924	370,361
Total Assets	1,157,457	1,184,205	1,184,467	1,180,225	1,194,979
Shareholders' equity					
Capital	550,000	550,000	550,000	550,000	550,000
Regular reserve	-	-	32,070	31,675	29,376
Retained Earnings (Accumulated losses)	308,974	263,418	183,863	180,418	173,110
Reserve for investment revaluation at fair value through other comprehensive income	63	175	102	49	14
Total Shareholders' Equity	859,037	813,593	766,035	762,142	752,500
Liabilities					
Non-current liabilities	25,627	222,594	296,939	224,590	331,435
Current liabilities	272,793	148,019	121,493	193,493	111,044
Total Liabilities	298,420	370,612	418,432	418,084	442,479
Total Liabilities and Equity	1,157,457	1,184,205	1,184,467	1,180,225	1,194,979

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

Statement	2025	2024	2023	2022	2021
Net sales	279,058	265,590	168,948	221,217	278,833
Cost of Sales	(202,090)	(182,668)	(136,057)	(150,390)	(159,689)
Gross profit	76,968	82,923	32,890	70,827	119,144
Selling and Marketing Expenses	(3,627)	(3,621)	(3,419)	(4,233)	(3,415)
Administrative and general expenses	(13,142)	(14,030)	(14,343)	(10,838)	(10,112)
Operating profit (loss)	60,199	65,271	15,128	55,756	105,616
Finance costs	(9,380)	(11,864)	(12,647)	(14,841)	(17,602)
Currency exchange Gains (Losses)	(119)	162	(90)	145	(180)
Other revenues and expenses	558	2,356	10,924	(10,023)	1,225
Net profit (loss) for the year before zakat and tax	51,258	55,925	13,316	31,036	89,059
Zakat expenses	(5,483)	(8,206)	(9,365)	(8,049)	(7,623)
Net Profit (Loss) for the Year	45,775	47,719	3,951	22,987	81,436
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	(112)	73	53	34	14
Actuarial (losses) from re-measurement of employees' end-of-service benefits obligation	(220)	(235)	(111)	370	160
Total comprehensive income for the year	45,444	47,558	3,893	23,391	81,611
Profit (loss) per share	0.83	0.87	0.07	0.42	1.48

C- Operating results for the year 2025 AD compared to the year 2024 AD:

Statements	2025	2024	variation
Sales/Revenue	279,057,429	265,590,348	5%
Total profit (loss)	76,967,625	82,922,681	-7%
Operating Profit (Loss)	60,198,936	65,270,842	-7.8%
Net profit (loss) after zakat and tax	45,775,125	47,719,184	-4.1%
Total Comprehensive Income	45,443,579	47,558,093	-4.4%
Total shareholders' equity (excluding non-controlling interests)	859,036,756	813,593,177	5.6%
Earnings (losses) per share	0.83	0.87	-4.1%

- ✓ The decrease in net profit during the current year compared to the previous year is mainly attributed to the decline in the average selling price per ton and the decrease in other revenues, despite the increase in sales volumes. This occurred notwithstanding the reduction in general and administrative expenses, finance costs, and Zakat expenses.
- ✓ The Company confirms that all explanatory data and charts included in this report have been formulated and prepared based on the results of the Audit Committee's review of the financial statements for the year 2025, and in accordance with the final approval issued by the Board of Directors, in order to ensure the consistency of the disclosed figures with the approved accounting standards.

D- Regular payments due:

The following table shows the amounts of regular payments paid during the year 2025 AD and due at the end of the year 2025 AD (Saudi riyals)

Statement	Paid during 2025	Due at the end of 2025
Mining fees and Quarry rent	12,254,706	28,966,854
Zakat, Tax and Customs Authority	27,337,860	9,139,725
General Organization for Social Insurance	1,565,496	132,738
Total Regular payments paid and due	41,158,062	38,239,317



Chapter Two: Profit Distribution

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.

B. Dividend Distribution During the Fiscal Year 2025:

Based on the recommendation of the Board of Directors, the Extraordinary General Assembly, in its meeting held on 20 Dhul-Hijjah 1446H (corresponding to 16 June 2025), approved not to distribute cash dividends to shareholders for the fiscal year ended 31 December 2024.

This strategic decision was taken as part of the Company's efforts to strengthen its financial solvency and support its financial position in a manner that ensures the continuity of operational growth and aligns with the Company's future aspirations.



اسمنت أم القرى
Umm Al Qura Cement



Part Four: Strategy and Control



Part Four: Strategy and Control

Chapter One: Risk Management

The Company adopts a proactive risk management methodology aimed at protecting its assets and maximizing shareholders' value. The most significant risks are summarized as follows:

A. Liquidity Risk

The Company ensures its continuous ability to meet its financial obligations when due by monitoring cash requirements on a monthly basis and aligning customer receivable collection periods with payment schedules to suppliers and other commitments.

B. Credit Risk

The Company adheres to a strict credit policy that includes setting specific credit limits for each customer, continuously monitoring outstanding balances, and securing necessary guarantees to mitigate potential financial losses.

C. Foreign Exchange Risk

Foreign exchange risk arises from fluctuations in the value of financial instruments due to changes in foreign currency exchange rates. The Company conducts a limited level of transactions in foreign currencies other than the Saudi Riyal, primarily the US Dollar and the Euro. As the Saudi Riyal is pegged to the US Dollar, and transactions in Euro are not material, currency risk exposure is considered insignificant. Management continuously monitors currency fluctuations and believes that foreign exchange risk is not material.

D. Interest Rate Risk

Interest rate risk arises from potential fluctuations in interest rates that may affect future earnings or the fair values of financial instruments. The Company is exposed to interest rate risk related to interest-bearing liabilities, including bank credit facilities and financing under Islamic financing arrangements. The Company seeks to mitigate interest rate risk by monitoring potential fluctuations in interest rates and applying hedging mechanisms when necessary. Management believes that interest rate risk is currently not material.

E. Operational and Supply Chain Risks

The Company focuses on securing energy (fuel) supplies as a major cost component and manages its relationship with its strategic supplier (Saudi Aramco) to ensure the continuity of production operations and avoid price volatility.



F. Market and Competition Risks

The Company faces strong competition and fluctuations in demand volumes. Therefore, it seeks to enhance its market share and build strong customer relationships while monitoring excess supply in the cement sector to adjust pricing strategies in a manner that supports profitability.

G. Raw Material Risks

Production efficiency is closely linked to limestone quality and quarry composition variability. Management works on improving extraction processes and securing additive materials at competitive prices to control production costs.

H. Cybersecurity Risk

The Company recognizes the increasing reliance on technological systems in operational and administrative processes. Accordingly, the Company works on strengthening digital infrastructure and implementing cybersecurity standards to protect sensitive data and prevent any breach that could lead to operational disruption or information leakage.

Chapter Two: Contingent Liabilities and Capital Commitments

- The Company has capital commitments related to the purchase of essential plant equipment amounting to SAR 7.1 million. An amount of SAR 0.9 million has been paid from the total cost, while the remaining balance amounts to SAR 6.2 million.
- The Company has signed a construction contract worth SAR 17.8 million with a local contractor to execute the works for connecting the Company's plant to the Saudi Electricity Company network.
- The Company had no contingent liabilities as of 31 December 2025.





Chapter Three: Financing Structure and Loans

1. Saudi Industrial Development Fund (SIDF) Loan

On 21 May 2014, the Company entered into a long-term loan agreement with the Saudi Industrial Development Fund (SIDF) amounting to SAR 678,000,000 to finance the construction of a cement manufacturing plant. The loan is secured by a mortgage over the Company's buildings, machinery, and equipment in favor of the Fund. The loan agreement included certain financial covenant requirements that the Company must comply with. The loan is repayable in sixteen installments, with the first installment due on 15 Safar 1439H (corresponding to 4 November 2017) and the final installment due on 15 Shaaban 1446H (corresponding to 14 February 2025).


On 23 Dhu al-Qi'dah 1438H (corresponding to 15 August 2017), a side letter was executed to amend some terms of the original loan agreement, including reducing the loan amount to SAR 656,876,000, adjusting the number of repayment installments to fifteen unequal semi-annual installments, and postponing the first repayment installment to 15 Shaaban 1439H (corresponding to 1 May 2018), without changing the final maturity date.

Deferred financing costs represent prepaid discount amounts upon receiving the loan. These costs are amortized over the relevant loan term using the effective interest rate method, and monitoring fees related to the loan obligations are charged accordingly.

During 2023, a rescheduling agreement was signed between the Company and the Saudi Industrial Development Fund to extend the repayment period, whereby the remaining balance will be repaid over eight semi-annual installments, with the first installment due on 15 Safar 1446H (corresponding to 19 August 2024) and the final installment due on 15 Shaaban 1449H (corresponding to 12 January 2028).

In accordance with the requirements of International Financial Reporting Standard No. (9), the Company assessed whether the rescheduling constitutes a substantial modification of the existing financial liability terms. The assessment concluded that the modification was not substantial. Accordingly, the Company recognized gains amounting to SAR 8,761,365 in the statement of profit or loss and other comprehensive income for the year 2023, representing the difference between the discounted present value of cash flows under the new terms (using the original effective interest rate) and the discounted present value of the remaining cash flows of the financial liability under the original terms.

The loan agreements include certain covenants and specified repayment schedules. Under these agreements, the Fund has the right to demand immediate repayment of the loan if any covenant or repayment schedule is not met. As of 30 September 2025, the installment was not paid according to the contractual terms, and the Company was notified by the Fund through a letter demanding full repayment of the loan amount. Consequently, non-current liabilities were reclassified to current liabilities.



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

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
2025	80,000,000
Total	453,876,000

Year	Installments Due Value (SAR)
2026	80,000,000
2027	80,000,000
2028	43,000,000
Total	203,000,000

2. Bank Credit Facilities

The Company entered into a Shariah-compliant credit facility agreement with Riyadh Bank on 23 April 2019, which was renewed on 28 November 2023, with a total facility amount of SAR 50 million. The facility period expires on 28 November 2026 and is secured by a promissory note issued by the Company in favor of the financing bank amounting to SAR 54 million. The purpose of the credit facilities is to finance the Company's working capital, capital purchases, and the opening of documentary letters of credit.

Chapter Four: Governance

Umm Al-Qura Cement Company places corporate governance at the core of its administrative strategy, believing that integrity and transparency are the fundamental pillars for protecting shareholders' rights and ensuring business sustainability.

1. Compliance with National Standards

The Company complies with all provisions of the Corporate Governance Regulations issued by the Capital Market Authority. This commitment reflects management's keen interest in applying the highest standards of institutional discipline and administrative oversight in line with the laws and regulations applicable in the Kingdom.


2. Balancing Interests and Responsibilities

The governance framework at Umm Al-Qura aims to create a fair balance between the Company's management, the Board of Directors, and shareholders. This balance contributes to building sustainable trust with investors and enhances the Company's reputation as a solid economic entity committed to ethical and professional responsibility.

3. Transparency in Implementation

The Company follows an approach characterized by absolute transparency, strictly applying the mandatory provisions while handling advisory provisions in a manner that serves the interests of the Company and its shareholders during the current phase. This is clearly disclosed in its annual reports. The Board of Directors approved the Governance Charter of Umm Al-Qura Cement Company during its twenty-fifth meeting, based on the Corporate Governance Regulations. The Company complies with all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except for the provisions listed below:

Article number / paragraph	Reason for exception
(37) (Training and Qualification of Board Members, Committee Members, and Executive Management)	Indicative Articles
(39) (Performance Evaluation of the Board, its Members, Committees, and Executive Management)	
(67) (Formation of the Risk Management Committee)	
(68) (Functions of the Risk Management Committee)	
(69) (Risk Management Committee Meetings)	
(82) (Employee Incentives)	
(85) (Teamwork Initiatives)	
(92) (Formation of the Corporate Governance Committee)	

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- **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 2025 Ad

 - **Result of the annual review of the effectiveness of internal control**
 - ✓ 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 applicable, 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.

 - **Recommendations that conflict with the decisions of the Board of Directors**
 - ✓ There is no conflict or disagreement between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding matters related to the external auditor or any other issues.



Conclusion

The Board of Directors of Umm Al-Qura Cement Company is pleased to express its highest gratitude and appreciation to the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince – may God protect them – for their continuous support and ongoing empowerment of the private sector. We pray to Almighty God to perpetuate the nation’s prosperity and advancement.

The Board also extends its sincere thanks and appreciation to all government authorities, financial institutions, and our partners, including clients and suppliers, while valuing the trust of our esteemed shareholders and the dedication and efforts of our workforce across all Company facilities, which have been the cornerstone of our achievements during the year.

The Board reaffirms its ongoing commitment to pursuing the Company’s strategic objectives, enhancing shareholder value, and fulfilling the expectations of the community, ensuring sustainable performance and excellence across all areas of operations.

Completed by praise of Allah.

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