



اسمنت ينبع
Yanbu Cement

Annual Report

Board report

2022

Towards a sustainable environmental future

(Turtle Reserve initiative at the Plant site)



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

May God protect him



Mohammad bin Salman Al Saud

Crown Prince and Prime Minister

May God protect him

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Chairman's Statement



Ladies and Gentlemen / Shareholders of Yanbu Cement Company

May the peace, blessings, and mercy of God be upon you,

I am pleased to welcome you on behalf of myself and my fellow members of the Board of Directors, and it is my honor to present to you the annual report of Yanbu Cement Company for the fiscal year of 2022, which addresses the most important achievements and events that the company witnessed during the year 2022.

Thanks to God, your company has been able to achieve very good results despite the intensity of competition and the decline in demand. Meanwhile, we maintained our commitment to the company's values in all activities, which is reflected in its continuous progress and success, along with its commitment to strengthen the company's efforts in applying the principles of social and environmental responsibility.

The company witnessed sustainable growth, further success and maximize the return to investors during another year full of economic challenges, by continuing to raise production efficiency, Improve Quality, reducing operational costs and increasing the company's sales volume at the local and global levels. This is reflected in achieving profits for the company at SAR 215,407,476 in 2022 with an increase of 35% more than 2021 profits. The company also continued to apply its environmental and social responsibility by improving the processes of reducing carbon emissions.

As regards the company's implementation of its strategic plans, it has succeeded to acquire 100% of Yanbu Saudi-Kuwaiti Paper Products Company, whose annual production capacity reached 200 million paper bags, which enhances the opportunities of increasing your company's investments in products that support the cement industry.

Your company has been able to achieve these successes, by God's aid in the first place, and secondly due to the existence of a clear strategy and sound planning as well as the efforts exerted by both the Board, the various committees and the Executive Management in implementing the approved strategy and making the necessary adjustments to encounter the challenges while upholding its commitment towards our shareholders.



The Board of Directors extends its thanks and gratitude to the Government of the Custodian of the Two Holy Mosques and the Crown Prince for the encouragement and care they gave to the national industries, and their fruitful endeavors and generous support to achieve the vision of the government of the Custodian of the Two Holy Mosques and his Crown Prince 2030, whose results began to yield their fruits in all sectors, thanks to God.

On behalf of myself and my fellow members of the Board of Directors and all the shareholders, I would like to seize this opportunity to extend sincere thanks and appreciation to all employees of the company for their loyalty and dedication in achieving exceptional levels of performance, which has been an important factor for this success. We hope that we have succeeded in carrying out the task entrusted to us and that the results shall meet your satisfaction. We ask God, the Almighty, for more success and to achieve the goals for the year 2023.

May the peace, blessings, and mercy of God be upon you,
Chairman of Board of Director

Chief Executive Officer's Speech



The year 2022 was not an ideal year for the local demand for cement, but Yanbu Cement Company has achieved a very good performance during the year relying on its strategy main pillars that contribute to the transformation and growth. The Company also continued to apply the highest standards in governance and safety and to ensure compliance with them, while developing plans for crises and risk management. Your company has been keen to develop its business and set annual goals, to draw several initiatives and to develop new products using the best local and international quality standards to cater the needs of the markets.

Growth and sustainability in production and sales are essential parts of the future strategic objectives of Yanbu Cement Company. At the production level, the company has been able to produce 6.5 million tons in 2022 compared to 5.2 million tons in 2021. At the level of local sales, the company has achieved local sales of 4.4 million tons despite the decline in demand in the local market and the intensity of competition between cement companies compared to 4.7 million tons in 2021. Moreover, the company has been able to increase clinker export sales to reach 2.5 million tons compared to 1.6 million tons in 2021, i.e. an increase of 53%. As a result of this performance and rationalization of expenses, the company achieved a profit of SAR 215.407.476 million in 2022, i.e. an increase of 35% compared to the profits of SAR 159.56 million in 2021.

During the year, the company has implemented some projects and development initiatives to increase the efficiency of its plant and preserve the environment. One of our company's main objectives has been to activate the role of digital transformation in all of the company sectors. The plant management has adopted the latest advanced cement manufacturing technologies to achieve the highest levels of operation. YCC is looking forward to lead the way and be proactive in activating its role in supporting the digital transformation in the cement sector. It has proven this trend through applying artificial intelligence and the technology of the fourth industrial revolution in all its industrial assets. YCC intends to highlight its role in preserving the environment through reducing carbon effects by proceeding with the projects to reduce carbon emissions and its applying artificial intelligence to reduce wasted energy. The company has also focused on using the thermal surplus to generate electric power. The company's factory was classified as one of the most energy-efficient factories in the Kingdom of Saudi Arabia by the Saudi Energy Efficiency Center and Climate Group – as the company is part of the "Elite EP100 Group" initiative due to its achievements in energy management and reduction of carbon dioxide emissions, which highlights the efficiency of the company's energy programs and efforts to reduce carbon dioxide production and enhance community participation towards a green environment that uses renewable energy to improve the quality of environmental life.

Due to the importance of investing in the company's employees being the partners of success, Yanbu Cement Company has provided a safe and stimulating work environment and training and skills development programs that help its employees develop their talents, motivate them to succeed and excel, and prepare them to integrate into the company, which enhances the company's contribution towards increasing the rates of jobs localization and attracting and qualifying national cadres to achieve the goals of the national vision. The Cement Knowledge Center for Training (CKC) in partnership with the FLSmidth Danish company which Yanbu Cement Company has developed is considered one of the successes provided by Yanbu Cement Company in the field of advanced training for the cement industry. 60 engineers specializing in the cement sector have graduated within two and have years from this Center. The company has also achieved an increase in the recruitment of Saudi employees, as the localization rate reached 52% in 2022, compared to 49% in 2021 and 46% in 2020.

In conclusion, I extend my deepest thanks and appreciation to the Board of Directors and the specialized committees of the Board for their support to the company's executive management, and thanks is also extended to the employees of Yanbu Cement Company for their tireless efforts and distinguished professionalism that have contributed to the company's achievement of its goals. I would also like to thank our shareholders and investors for their continued trust and loyalty to Yanbu Cement Company.

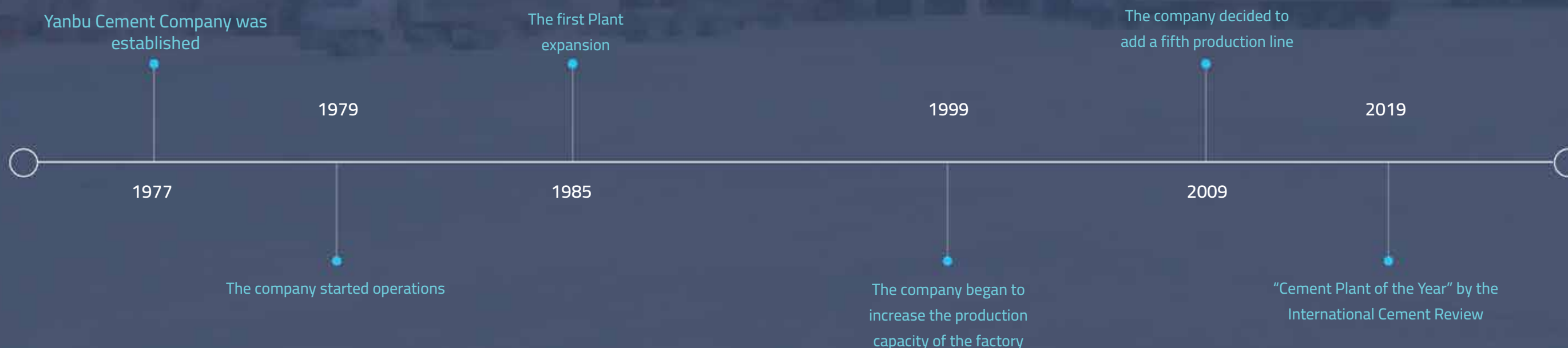
Chief Executive Officer's

Company Overview

Yanbu Cement Company is a Saudi joint stock company, with a paid-up capital of one billion five hundred and seventy-five million Saudi riyals and is ranked among the top 50 companies in the Kingdom of Saudi Arabia. It is one of the largest cement manufacturers in the Kingdom and the largest cement company in the western region with a total production capacity of seven million tons of clinker, and cement dispatch capacity reaching 10 million tons annually.

The company's head office is located in Jeddah, and its industrial unit is located in Yanbu Governorate, at Ras Baridi area on the Red Sea coast, between the cities of Yanbu and Umluj, 70 km north of Yanbu Seaport. The factory also includes a residential community featuring gardens, sport and service centers and a beach.

Yanbu Cement Company is achieving a high percentage of the goals of the Fourth Industrial Revolution initiatives, and the company seeks to develop the artificial intelligence program based on the latest automated technologies owned by the company. The company is committed to its leading role as an example in operating as environmentally friendly in line with reducing carbon dioxide emissions, which has been achieved through the optimal operating of operations, increasing the level of automation, energy-efficient solutions such as the recovery of wasted thermal energy and innovative products. In 2019, Yanbu Cement was named "**Cement Plant of the Year**" by the International Cement Review, in recognition of its excellence in the industrial field.



SINCE 1977G

Yanbu Cement Company was established in 1977 and started operations in 1979 with two dry kilns with a production capacity of (3,000) tons of clinker per day.

The first Plant expansion was carried out in 1985 with the establishment of the third dry kiln with a production capacity of (1,000) tons of clinker per day, bringing the full production capacity of the factory to (4,000) tons of clinker per day, equivalent to (1.3) million tons of clinker annually. These lines were finally stopped in 2016.

The company began to increase the production capacity of the factory in 1999 by establishing a fourth production line, which is the largest kiln of its kind in the Middle East at that time with a capacity of (7,000) tons of clinker per day, which is equivalent to (2.1) million tons per year. The company also succeeded within several years to increase the production capacity of the fourth line to 9,000 tons per day, equivalent to 2.7 million tons per year.

In 2009, the company decided to add a fifth production line with a design capacity of (10,000) tons of clinker per day. The actual operation of this line began in 2012, and thus the company's production increased to (7) million tons of clinker annually. The production capacity of the fifth kiln was increased in late 2016, to become (12,000) tons per day, to maintain the company's production capacity despite the suspension of the first three lines.



Our Products

Yanbu Cement Company offers a portfolio of diversified products characterized by high quality that exceeds their counterparts in the Saudi market at a competitive price that suits all customers. Those products cater the needs of many sectors and activities, which makes Yanbu Cement products strike the balance between high quality and competitive price, thus keeping Yanbu Cement Company as the first choice for the customer of cement sector in the western region.



Ordinary Portland Cement
– OPC type I (52.5 R equivalent)



Pozzolana Portland Cement – PPC type IP (32.5 N equivalent)



Multi-use finishing Portland cement -type GU (32.5 N equivalent)



Sulfate resistant Portland cement – SRC type V (42.5N equivalent)

Social and Environmental Responsibility

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Social and Environmental Responsibility

Yanbu Cement Company seeks to achieve environmental governance and sustainable development, and from this principle, we are committed to reducing the environmental impact within a set of regulatory procedures and mechanisms, to rationalize dealing with the environment in manufacturing processes and various activities through many initiatives aimed at reducing energy consumption, diversifying its sources and rationalizing the use of liquid fuels, adopting the highest standards and principles related to environmental responsibility, and this is embodied in a number of initiatives and projects, including:

Projects benefiting from thermal energy and alternative energy:

The company has a Waste Thermal Energy Recovery (WHR) system to produce electricity of up to 34 MWh as a step towards renewable/alternative energy sources and 25% of the energy requirements covered by the WHR system, reducing the plant's carbon emissions to more than 100,000 tons per year and is the largest of its kind in cement plants around the world.

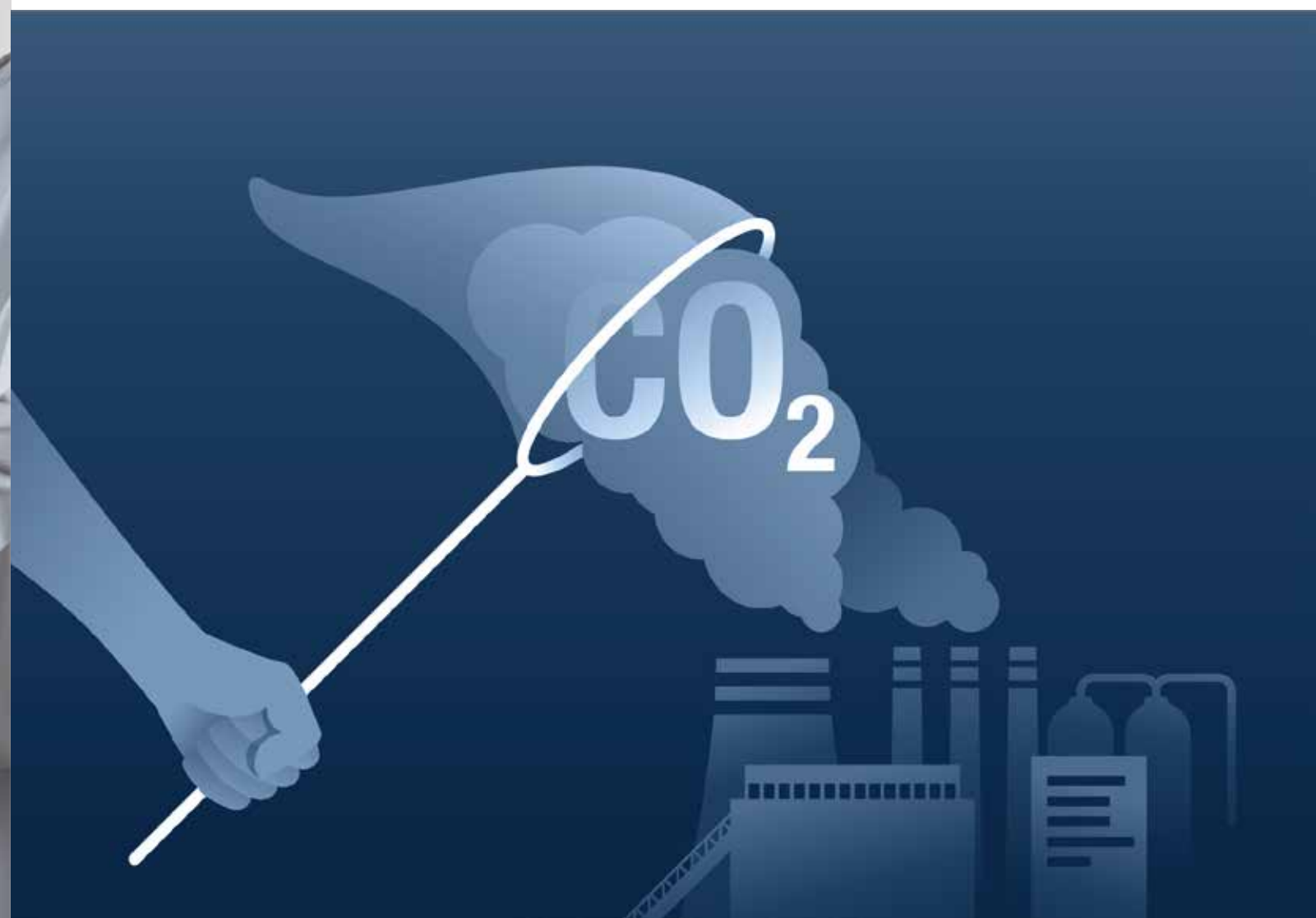
Elite EP100 Group:

The company's membership highlights the company's energy efficiency programs and efforts to reduce carbon dioxide production.



Carbon emission reduction projects:

1. Project to upgrade and modernize the fourth line to raise efficiency by reducing fuel and electricity consumption.
2. Using alternative materials to improve combustion processes, reduce fuel consumption and raise product quality.
3. Increase the proportion of green substances in some types of cement produced.
4. Applying the latest artificial intelligence and digital technologies in automating the operation of raw material mills and cement mills, which had a clear impact on reducing electricity consumption and carbon emissions.
5. Yanbu Cement's participation in the voluntary market for carbon credit trading and the purchase of green bonds is part of the innovative solutions launched by the Public Investment Fund to transform ambitions into practical steps to reach the Kingdom's zero neutrality by hopefully 2060.
6. Yanbu Cement aims to diversify its energy mix to include solar and wind renewable energy sources.



Turtle Sanctuary Development Project (Turtle Protection Initiative):

The Red Sea coast is characterized as being one of the most important marine areas in terms of environmental diversity and formation of natural reserves. Five species of turtles, endemic on the shores of the Kingdom, including two endangered species for several reasons, including overfishing, exposure to predation and vulnerability to plastic waste. These species nest in the RasBaridy area on the banks of the Red Sea.

The initiative aims to:

- Preventing vehicles to cross the turtle nest;
- Education of the importance and seriousness of the extinction of turtles at the local and international levels;
- Creating experiences for visitors at the level of global reserves.

It was also proposed to develop the visitor experience at a level equivalent to the levels of other global reserves, where several proposals were reached:

- Visitor Center Development: Choosing Turtle-Inspired Architectural Designs, Eco-Friendly and Built from Local Materials.
- Development of baby turtle incubator: for keeping turtle eggs for an incubation period of six to seven weeks buried under half a meter of sand, and to ensure that young newly hatched turtles reach the sea away from threats to their safety such as mice, stray dogs or foxes, and away from artificial light that distracts the attention of turtle chicks, because they use moonlight to head towards the sea.
- Virtual Tours: Provides valuable information, and interactive and digital experiences about the turtle's life journey as well as children's activities.

Based on environmental awareness, community awareness and enabling sustainability, Yanbu Cement Company signed a cooperation agreement with the Ba'a Foundation to develop a visitor center within the reserve and provide possible logistical support for the Turtle Protection Initiative in Ras Baridy within the marine life conservation program. The impact of the Turtle Sanctuary lies in the conservation of endangered hawksbill and green turtle species, protecting their nesting places, increasing nesting rates, preserving them, protecting them from encroachment and hunting, and raising the survival rate of young turtles.

Turtles Safe Park



Social Responsibility and Community Services:

Based on the company's role of serving the community as being an integral part thereof which it influences and is affected therewith, it is committed to its social responsibility towards many segments of society. This responsibility constitutes an essential axis in its strategy and a basic part of its values. On this basis, the company continues to support financially and morally many charitable societies as well as many community contributions in several areas, for example:

1. AL-Madina Al-Monawwara

- Sponsorship of MADAC Academy
- The Charitable Association for the Memorization of the Noble Qur'an, Badr Governorate
- Association of Disabled Children in Al-Medina Al-Munawara
- Department of Education, Boys
- Cooperative Training
- Providing medical care to the families of employees
- Atman Center for Family Counseling

2. Yanbu

- Sponsor Conferences – Yanbu Chamber of Commerce and Industry.

3. Umluj

- Al-Birr Association and Social Services in Umluj
- Support for honoring outstanding students

4. Jeddah

- Family Protection Charity Association
- Al Bir Charity Association

5. Riyadh

- Sponsorship of the Mining Conference 2022



Financial performance

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Summary of financial performance

The company's assets, liabilities, and business results in the fiscal years from 2018G to 2022G

Comparison of business results (Thousands SAR)

Statement	2018	2019	2020	2021	2022
Revenues	767,133	975,736	939,988	934,026	981,168
Revenue costs	(624,272)	(640,936)	(598,206)	(710,419)	(696,445)
total profit	142,861	334,800	341,782	223,607	284,723
Net profit	91,185	257,823	281,022	159,557	215,407

Comparison of assets and liabilities (Thousands SAR)

Statement	2018	2019	2020	2021	2022
Current assets	845,949	928,283	994,122	*806,699	916,200
Non-current assets	2,888,383	2,762,244	2,635,324	2,586,113	2,433,087
Total assets	3,734,332	3,690,527	3,629,446	*3,392,812	3,349,287
Current liabilities	310,007	252,671	492,052	391,125	387,668
Non-current liabilities	183,388	135,895	108,726	169,522	192,929
Total liabilities	493,395	388,566	600,778	*565,647	580,597

(*) Reclassification

Significant differences in operating results from the results of the previous year (Thousands SAR)

Statement	2021	2022	Changes	% of Change
Revenues	934,026	981,168	47,142	5%
Cost of revenue	(710,419)	(696,445)	(13,974)	(2%)
Total profit	223,607	284,723	61,116	27%
Other operating expenses	(47,907)	(51,437)	3,530	7%
Operating profit (loss)	175,700	233,286	57,586	33%

Audit Committee Opinion

Audit Committee Opinion on the Adequacy of Financial and Administrative Systems

The Committee has not noticed any matters that make it believe there is a fundamental default which requires disclosure with regard to the soundness of the financial and administrative systems and what is related to the preparation of financial statements and reports. The Committee also confirms that the regulatory systems are working efficiently and effectively and that all observations and recommendations submitted to it have been taken accordingly.



Loans and a statement of the total indebtedness of the company and its subsidiaries

The table below shows a statement of the loans obtained by the company and the movement of repayments during the year 2022G

(SAR thousands)

Company	Lender's name	Loan Principal Amount	Loan term	Repayment during the year	Remaining amount of the loan	Total indebtedness of the company and its subsidiaries
Yanbu Cement Company	Saudi National Bank	250,000,000	5 years	25,944,445	0	0
Yanbu Cement Company	Al Bilad Bank	130,000,000	6 months	130,000,000	0	0
Yanbu Cement Company	Bank Aljazira	20,000,000	6 months	20,000,000	0	0
Yanbu Cement Company	Gulf International Bank	100,000,000	5 years	20,000,000	80,000,000	80,000,000
Yanbu Cement Company	Saudi British Bank (SABB)	35,000,000	5 years	-	35,000,000	35,000,000
Yanbu Cement Company	Banque Saudi Fransi	25,000,000	3 months	-	25,000,000	25,000,000
Yanbu Cement Company	Saudi National Bank	25,000,000	3 months	-	25,000,000	25,000,000

All bank facilities for the company's operations are compliant with the provisions of Islamic Sharia (Islamic commercial facilities)

1. During 2015, the company concluded new banking facilities contracts with the Saudi National Bank in the amount of SAR 250 million to cover the financing of the project to generate electricity from wasted thermal energy. The first installment was paid in April 2017, and the last installment was paid in April 2022.
2. During 2021, the company concluded new banking facilities contracts with Al Bilad Bank. An amount of SAR 130 million to finance the working capital, due to be repaid during 2022.
3. During 2021, the company concluded new banking facilities contracts with Bank Aljazira. An amount of SAR 100 million to finance the working capital. During the year 2021, an amount of SAR 20 million was used during the year 2021 and is due during 2022.
4. During 2021, the company concluded new banking facilities contracts with Gulf International Bank. An amount of SAR 200 million to finance fixed assets and working capital, an amount of SAR 100 million was used, payable over 5 years.
5. During 2022, the company concluded new banking facilities contracts with the Saudi British Bank (SABB) in the amount of SAR 70 million riyals to finance fixed assets and working capital. An amount of SAR35 million was used, and the first installment is due in July 2023 and the last installment in June 2028.
6. During 2022, the company concluded new banking facilities contracts with the Saudi National Bank and Banque Saudi Fransi, each worth SAR 25 million due to be paid during 2023. Saudi Fransi, each amounting to 25 million riyals due to be paid during the year 2023G.

Government Payments & Payables (Thousand SAR)

Description	2022			Brief Description
	Paid	Due	Total	
zakat	11,520	15,962	27,482	The company is subject to the regulations of the Zakat, Tax and Customs Authority, and the company has paid the Zakat due for the year 2021G.
Value Added Tax (VAT)	55,292	2,237	57,529	The company is subject to the value-added tax law issued by Council of Ministers Resolution No. 654 dated 1-11-1438AH, as the company prepares monthly returns from the beginning of implementing the decision and pays them monthly during the statutory period on the basis of the due from the previous month.
Customs fees	1,327	0	1,327	The company is subject to the regulations of the Zakat, Tax and Customs Authority regarding customs duties on goods and materials imported from abroad.
General Organization for Social Insurance	12,731	1,177	13,908	The company is subject to the regulations of the Ministry of Human Resources and Social Development (GOSI Law), whereby subscription fees for the insurance due on behalf of the company's employees are paid monthly.
Visa and passport costs	1,138	0	1,138	The company is subject to the regulations of the Ministry of Human Resources and Social Development, , regarding visa fees and work permits for its non-Saudi employees.
Fees for exploitation of raw materials quarries	7,721	104,121	111,842	The company is subject to the regulations of the Ministry of Industry and Mineral Resources (Mining Investment Law) and pays the fees due for the surface rent of the exploited quantities.
Total	89,729	123,497	213,226	

Dividends Distribution Policy

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

1. A percentage (10%) of the net profits shall be set aside to form the statutory reserve of the company. The Ordinary General Assembly may decide to stop this deduction when the aforementioned reserve reaches a percentage of (30%) of the paid-up capital.
2. The Ordinary General Assembly, upon the proposal of the Board of Directors, may set aside a percentage of (5%) of the net profits to form a consensual reserve to be allocated for what the Assembly decides.
3. The ordinary General Assembly may decide to create other reserves to the extent that protects the company interests or to ensure that fixed profits are distributed as much as possible over the shareholders. The mentioned Assembly may also deduct from the total of net profits to establish social institutions for the company's employees or to assist existed institutions.
4. From the balance, a percentage of not less than (5%) of the paid-up capital of the Company shall be distributed to the shareholders.

The remainder of the profits (or part thereof) may be distributed after the payment of the Board of Directors' remuneration as an additional share to the shareholders, or be carried forward or any part thereof, based on a proposal by the Board of Directors for the next fiscal year and in the manner decided by the Ordinary General Assembly.

The Board of Directors may distribute interim profits to the company's shareholders on a semi-annual or quarterly basis in accordance with the regulations issued by the Capital Market Authority, based on an (annually) authorization issued by the Ordinary General Assembly.

Dividends distribution for the year 2022G (SAR)

Statement	Profits distributed for the first half of 2022G	Profits proposed to be distributed for the second half of 2022G	
Disbursement date	June 30, 2022G	December 29, 2022G	Total
Dividend ratio to the nominal share value	7.5%	7.5%	15%
Total	SAR 118,125,000	SAR 118,125,000	SAR 236,250,000

Summary of Operational Performance

04



Summary of Operational Performance

Company's Strategy

Based on Yanbu Cement Company's continuous keenness for development and growth in addition to maximizing investors' returns, it has paid all attention to the future vision, develop strategic plans to face underlying challenges and risks and keep abreast of economic developments. The company is committed to achieve its vision **"to be always the first choice for our partners"**.

The company is fully aware of the need for flexibility in responding to market fluctuations, with a focus on providing products and services that observe the environmental and the human being in our surroundings. The confidence of shareholders and partners is increasing day by day, which prompts the company to assume more responsibility to meet their expectations by maintaining performance values, providing an ideal work environment, adhering to ethical standards, taking care of the society, respecting environmental values, and supporting innovation and initiative.

The company has doubled its efforts to improve the professional framework concerned with achieving the highest quality standards in production, enhancing confidence of supply partners, and being among the first to take care of nature and people in our surroundings.

In order to achieve its strategic plan, the company has enhanced its ability to manage risks and exploit asset to invest in its future. Also, the company developed numerous previous and recent initiatives, including:

- Reducing carbon dioxide emissions in line with the "Green Saudi Initiative".
- Increasing the exploitation of wasted thermal energy resulting from production lines (WHR), which will contribute significantly to reducing the costs of producing electric energy.
- Continuing development studies at all levels in the company.
- Continuing improvement of the effectiveness and efficiency of production processes and working to reduce operational costs, including fuel consumption.
- Enhancing the company's competitiveness and making all necessary preparations to ensure the ability to continue exporting in order to exploit the operational capacity.
- Supporting digital transformation projects and initiatives in order to develop and raise the efficiency of performance of all company's sectors.
- Paying attention to human resources, raising the rate of nationalization, and training, developing and empowering Saudi youths.
- Achieving the highest nationalization rate among the companies in the sector.
- Training and development of Saudi cadres through the Knowledge Center for Cement in cooperation with FLSMIDTH Company, which is located at the plant.

Risk Management

The company encounters operational risks represented by the high prices of raw materials, manufacturing tasks, energy and fuels and their impact on the increasing cost of operation. Likewise, our company faces market risks and macroeconomic fluctuations, which may result in a decline in the local demand for cement. Therefore, the company's policy is to open new markets outside the Kingdom. The company's policy in financing risk management depends on ensuring the availability of a sufficient amount of cash liquidity from operations to meet its obligations when they become due, by managing the company's activity and credit facility agreements, to meet any future obligations.

Sectorial risks are assessed, monitored and reported through the individual risk register for each segment, which consists of the risks identified by departments and divisions. Each risk in the risk register is having an officer who is responsible for ongoing risk assessments, as well as processing or delegating risk processing. Accountability must be at the appropriate level, informing the individual or the function and enabling them to take effective actions.

The risk management team maintains a consolidated risk register, which consists of risk information collected, analyzed and reported by the segments. The risk management team is also responsible for directing the development of risk management across all segments of the company, as well as the departments coordinating the implementation of risk processes and initiatives, identifying and assessing company risks, prioritizing risks for remediation, and monitoring and reporting results.

Governance, Compliance and Shareholders Relations Department

Based on Yanbu Cement Company's awareness of the importance of governance, as well as its keenness and interest to apply the highest standards of governance and compliance, following the corporate governance approach and keeping up with the best practices in this field, the principles of good governance (disclosure, transparency, responsibility and accountability) have always been the basic building block in all the company's dealings and one of the important pillars in its success and an intrinsic tool for stakeholder confidence in the company.

As the company believes that the stakeholders, whether on the external level represented by the shareholders, investors, customers and society, or on the internal level of the company's employees, are partners in success and a main reason for its growth and prosperity, the company has given them a high priority of care and attention to protect their rights and enable them to exercise such rights, by setting strategic plans and goals to achieve both sustainability and balance between corporate, social and environmental governance, and to develop programs to ensure this balance..

Quality Management



Yanbu Cement Company has obtained comprehensive and integrated quality systems from international and national quality certificates (ISO 9001, 14001, 45001 and 5001) and SASO accreditation. The company supports a continuous improvement approach to facilitate the efficiency of production processes and meet national and international requirements and quality standards for products.

All production units, laboratories and chemical and physical laboratories are equipped with the latest technology, where samples are automatically brought at real-time rates for quality control and analyzed in X-ray and active radiation machines and handled by automated robots.

Human Resources

Yanbu Cement Company aims to become the first choice for talents, and to this end, the human resources strategy during the year 2022G focused primarily on creating an attractive work environment and investing in developing and preparing leaders. For employees as partners in success, the company's strategy aims to enhance employee engagement and loyalty to the company through programs and initiatives that contribute to increasing employee engagement and enabling them to participate in decision-making.

The company has paid great attention to nationalization programs through taking care of local talents and qualification and training programs for fresh graduates. The percentage of Saudization in the company has increased from (49%) in 2021G to (52%) in 2021G.



Safety and Security

Yanbu Cement Company puts the employees safety and health at the top of its priorities and seeks to achieve this by enhancing security and safety policies and procedures and insuring compliance that aims to the following objectives:-

- Achieving the requirements and quality standards in safety and occupational health.
- Promoting awareness and spread culture of safety and security, regulations and instructions related to the work environment and safety and occupational health.
- Reducing work injury rates relating to professional safety and health.

During 2022G, the company has worked to improve the culture of safety and safe behavior and to raise awareness by focusing on a proactive safety approach. As a result, many achievements have been achieved.

- **Safety KPI Scale:** One of the main tools for these achievements was the creation of a safety key performance indicator scale that measures the performance of all departments and thus the overall plant performance is measured. The performance index was 37% in January of 2022G, and rose to 97% in December of the same year.
- **The number of safe working hours:** As an unprecedented achievement, the company reached 3,436,964 working hours as safe working hours.
- **Accidents:** In 2022G, accidents decreased by 43% compared to 2021G.
- **Safety training:** The total training sessions in 2022G increased by 46% compared to 2021G, including the Yanbu Cement Company plant and the company's contractors, in addition to the head office in Jeddah.
- **Incentive Program:** An incentive program has been introduced that motivates employees to adhere by distributing daily and weekly prizes to those who are committed to security and safety procedures.
- **Mock evacuation drills:** 12 drills were conducted in 2022G, covering all staff in the administration building and factory, to raise the level of training and staff readiness during emergencies.



Description of The Main Business Activities of The Company and Its Subsidiaries

1- Yanbu Cement Company

Manufacture and production of cement and its derivatives, components and accessories and trading in it, as well as carrying out all works related directly or indirectly to this purpose.

Geographical analysis of the company's total revenues in 2022 (Thousand SAR)

Foreign Market	External Market
852,767	282,908
Total 1,135,675	

Geographical analysis of local sales quantities (Thousand SAR)

Regions' total sales 852,767

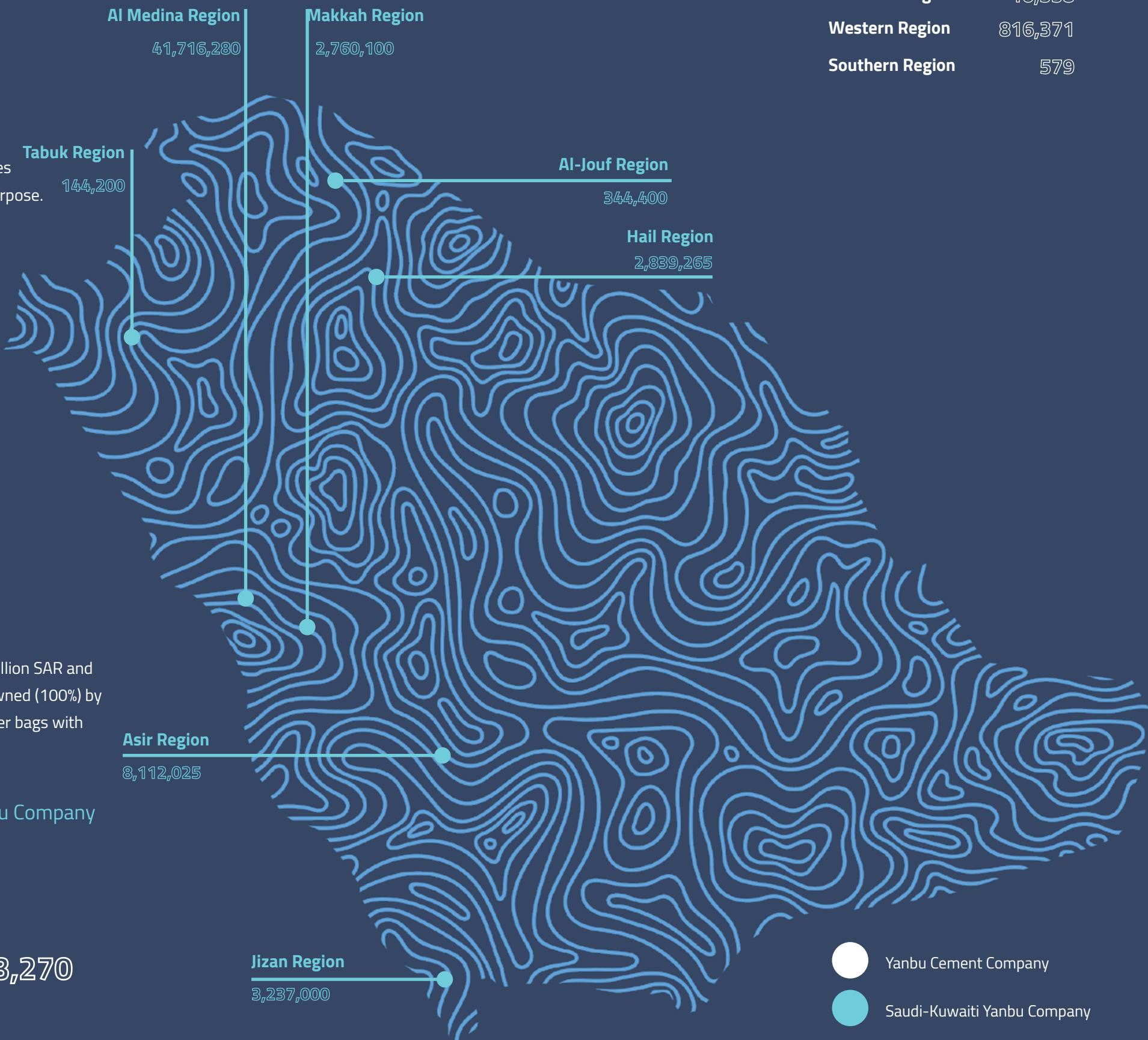
2- Saudi-Kuwaiti Yanbu Company for Paper Products

Manufacturing cement paper bags. It was established in 2005 with a capital of 12.5 million SAR and the capital was increased to 50 million Saudi riyals currently. The company is wholly owned (100%) by Yanbu Cement Company, and it annually produces approximately 200 million kraft paper bags with multiple layers annually.

Geographical analysis of the total revenues of the Saudi-Kuwaiti Yanbu Company for Paper Products for the year 2022 (SAR)

Local Market	Foreign Market	Total
59,153,270	=	59,153,270

Central Region	25,479
Northern Region	10,338
Western Region	816,371
Southern Region	579



Geographical analysis of export sales revenues Yanbu Cement Company (clinker and cement) (SAR million)

Yemen	Burkina Faso
32,231	5,781
Ghana	USA - Florida
79,566	2,325
Mozambique	Senegal
6,314	12,009
Bangladesh	
60,496	

Mauritania	Togo and Lomo
8,569	4,952
Guinea	South Africa
8,497	7,186
Puerto Rico	Kenya
21,817	17,021
Tanzania	
16,144	



Port

- Customs of Yanbu commercial port
- Customs King Abdullah Port

3- Cement Knowledge Center

Yanbu Cement Company cooperated with the Danish engineering company FLSmidth to launch the Cement Knowledge Center for training in 2019 which is the first of its kind in the Middle East and North Africa. The center contributes to the preparation of local talents and expertise in the Kingdom of Saudi Arabia in line with the goals of the Kingdom's Vision 2030. The center has the capacity to accommodate 100 trainees during the year. It also provides a range of short, medium, and long-term training courses in the cement industry.

Company name	Capital	(%) of the company's ownership	Main activity	Country of main operations	Country of establishment
Cement Knowledge Center Company for Training	SAR500,000	49%	Providing technical and administrative courses	Saudi Arabia	Saudi Arabia

Geographical analysis of the total revenues of the Knowledge Center for Cement Training Company for the year 2022G (SAR)

Year	Geographical analysis of the company's total revenues		Total
	Local Market	External Market	
2022	2,548,298	-	2,548,298

Training Programs 2022G

#	Program	Program duration	Starting date	Local trainees		Program Value (In SAR)
				Yanbu Cement staff	Other trainees	
1	Engineers Professional Development Program	6 months	14/08/2022G	19	6	1,377,844
2	Statistical Process Control & Data Analysis	5 days	04/12/2022G	7	-	78,750
3	International Maintenance Seminar	5 days	04/12/2022G	6	15	77,625

Corporate Governance


05



Corporate Governance

Implemented and non-implemented provisions of these Regulations, and justifications

The company acknowledges the implementation of all the provisions of the Corporate Governance Regulation except the following:

Article and paragraph number in the Corporate Governance Regulations	Partially Implemented	Not Implemented	Reasons of non-implementation
Article 41:			
a. The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the executive management using key performance indicators linked to the extent to which the strategic objectives of the company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.	-		Guiding Article
b. The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.			
c. The performance assessment shall entail an assessment of the skills and expertises of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.			
d. The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees meetings and dedicating adequate time thereof.			
e. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.			
f. Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified, and a solution shall be proposed for the same in the best interests of the Company.			

Article and paragraph number in the Corporate Governance Regulations	Partially Implemented	Not Implemented	Reasons of non-implementation
Article 54:			
b. The chairman of the audit committee shall be an Independent Director.	-		Guiding Article
Article 70:			
The Company's Board shall, by resolution therefrom, form a committee to be named the (risk management committee). Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	-		Guiding Article

Article and paragraph number in the Corporate Governance Regulations	Partially Implemented	Not Implemented	Reasons of non-implementation
Article 71:			
The competences of the risk management committee shall include the following:			
<ol style="list-style-type: none"> 1. developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors; 2. determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level; 3. Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve months; 4. overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein; 5. Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example); 6. preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board; 7. providing recommendations to the Board on matters related to risk management; 8. ensuring the availability of adequate resources and systems for risk management; 9. reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board; 10. verifying the independence of the risk management employees from risks surrounding the company, and work to raise awareness of the culture of risk; 11. ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk; and 12. reviewing any issues raised by the audit committee that may affect the Company's risk management. 	✓	-	The competencies of the risk management committee were assigned to the Audit Committee
Article 72:			
The risk management committee shall convene periodically at least every (six months), and as may be necessary.			
	-	✓	Guiding Article

Article and paragraph number in the Corporate Governance Regulations	Partially Implemented	Not Implemented	Reasons of non-implementation
Article 83:			
<p>The Board shall establish clear and written policies and procedures regulating the relationship with stakeholders with the aim of protecting them and safeguard their rights, which shall include the following, in particular:</p> <ol style="list-style-type: none">1. Methods to compensate stakeholders when their rights established by laws or protected by contracts are infringed.2. Methods for resolving complaints or disputes that may arise between the Company and the stakeholders.3. Methods for building good relationships with customers and suppliers and maintaining the confidentiality of their information.4. Rules of professional conduct for Company managers and employees that are prepared in compliance with the proper professional and ethical standards and regulate their relationship with Stakeholders, provided that the Board shall establish mechanisms for supervising the implementation of, and compliance with such rules.5. The company's social contributions.6. Ensuring that the company's transactions with Board members and Related Parties are entered into on terms identical to the terms of transactions with Stakeholders without any discrimination or bias.7. Stakeholders obtaining of information relevant to their activities to enable them to perform their duties. Such information shall be correct and sufficient and shall be provided in timely manner and on a regular basis.8. Treating company employees pursuant to the principles of justice and equality and without discrimination.	<div>✓</div>	<div>-</div>	<div>Some policies have been prepared and approved by the Board</div>
Article 85:			
<p>The company shall establish programmes for developing and encouraging the participation and performance of the company's employees. The programmes shall particularly include the following:</p> <ol style="list-style-type: none">1. Forming committees or holding specialized workshops to hear the opinions of the company's employees and discuss the issues and topics that are subject to important decisions.2. Establishing a scheme for granting company shares or a percentage of the company profits and pension programmes for employees, and setting up an independent fund for such programme.3. Establishing social organizations for the benefit of the company's employees.	<div>-</div>	<div>✓</div>	<div>Guiding Article</div>

Article and paragraph number in the Corporate Governance Regulations	Partially Implemented	Not Implemented	Reasons of non-implementation
Article 87: The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	-	✓	Guiding Article
Article 95: If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	-	✓	Guiding Article



Members of the Board of Directors and committees, their current and previous positions, qualifications, and experience



Mr. Fahd bin Sulaiman Al Rajhi

Chairman of Board of Directors

Classification:

Non-Executive Member

Previous Position:

Deputy Chairman of the Board.

Academic Qualifications:

- Bachelor of Science in Industrial Management (King Fahd University of Petroleum and Minerals) 1983G.

Experiences:

- Founder and vice Chairman of the Board of Directors of Sahara International Petrochemical Company (Sipchem) (a public joint stock company);
- Chairman of the Board of Directors of Al Watania for Industries (a closed joint stock company);
- Founder and member of the Board of Directors of Al Rajhi Ekhwan Group Company (a closed joint stock company);
- Chairman of the Board of Directors of Sulaiman Al-Rajhi Company for Education and Development;
- Member of the Board of Directors of the International Methanol Company (IMC),
- Vice Chairman of the Board of Directors of Musharaka Financial Company;
- Founder and Chairman of the Board of the Saudi German Non-woven Products Company (SGN);
- Founder and Chairman of the Board of Directors of the Advanced Flexible Packaging Company (AdFlex);
- Former Board Member of the Saudi Industrial Investment Group (a Public Joint Stock Company);
- Former Board Member of the Saudi Cement Company (a Public Joint Stock Company) .



Mr. Mohamed bin Abdullah ElKhereiji

Vice Chairman of the Board

Classification:

Independent Member

Previous Position:

vice Chairman of the Board

Academic Qualifications:

- Law degree from Cairo University in 1973,
- Diploma in Marketing from the International Marketing Institute, Marketing Management Certificate from the International Marketing Institute, Cambridge (United States) 1976,
- Marketing Management Certificate from the International Marketing Institute, Cambridge (United States) 1976,
- Diploma in Change Management from Harvard University in 2000.

Experience:

- Membership in a number of joint stock companies and executive committees.



Mr. Fahd bin Saleh Al Ajlan

Director General of Financial Sustainability and Actuarial Risk Assessment in Social Insurance

Classification:

Non-Executive Member

Previous Position:

Director General of Planning and Development of Social Insurance.

Academic Qualifications:

- Bachelor of Mathematics, College of Science, King Saud University, Saudi Arabia in 2000G
- Higher Diploma in Actuarial Sciences from the Muhanna Foundation for Actuarial Sciences in cooperation with the British Government Actuarial Office in 2003G
- Master of Actuarial and Financial Sciences from Curtin University in Australia in 2011G.

Experience:

- Experience in financial analysis, statistical, actuarial and strategic planning. Project Management Office – Measuring Customer Satisfaction – Data Management and Governance. Former member of the Risk Management Committee and member of the Audit Committee of Yanbu Cement Company



Mr. Ibrahim bin Hamad Al Rashed

CEO of the Social Development Bank

Classification:

Independent Member

Previous Position:

Vice President, Takamol Holding.

Academic Qualifications:

- Bachelor of Computer Science (King Saud University)
- Master of Computer Science (Florida Institute of Technology)

Experience:

- Head of Information Technology at Al-Rajhi Bank.
- General Manager of the Electronic Transactions Center "Yasser".
- Consultant in the office of Al-Rashed, Certified Public Accountants and Auditors.
- Member of the Board of Directors of the Social Development Bank and a member of the Executive Committee and the Investment Committee.
- Member of the Board of Directors of the Small and Medium Enterprises Authority.
- Member of the Board of Directors and member of the Audit Committee at Yanbu Cement Company.
- Member of the Board of Directors and Chairman of the Executive Committee at Future Work Company.
- Chairman of the Board of Directors of the Saudi Fund for Small and Emerging Companies.
- Member of the Board of Directors and Chairman of the Executive Committee of the National Entrepreneurship Institute.
- Member of the National Savings Committee.
- Member of the Board of Directors of the National Gas and Industrialization Company (GASCO).



Mr. Ali Bin Abdullah Al Ayed

CEO of Yanbu Cement Company

Classification:

Executive Member

Previous Position:

CEO of the Saudi Company for Technical Development and Investment.

Academic Qualifications:

- Bachelor's degree in Industrial Management (King Fahd University of Petroleum and Minerals).

Experience:

- Former General Manager of the Saudi Industrial Development Fund
- Former CEO of the Saudi Company for Technical Development and Investment
- Former member of the Board of Directors of Marafiq Company
- Former member of the Board of Directors of Al Watania for Industries
- Former Chairman of the Board of Directors of the Saudi Egyptian Industrial Investments Company
- Former member of the management of Ibn Rushd Company
- Former member of the management of the Ceramic Company.



Eng. Riyadh bin Abdulrahman Aba Alkhail

Executive Director of Licensing and Registration at the Ministry of Investment

Classification:

Independent Member

Previous Position:

General Director of Licensing at the General Investment Authority

Academic Qualifications:

- Electrical Engineering (King Saud University)
- Higher Diploma (University of Cambridge, UK)

Practical experiences:

- Consultant in project management at the Saudi Industrial Development Fund
- Supervisor of the financial audit project for foreign entities licensed by the General Investment Authority
- Director of the Riyadh Center for Investors Services
- Member of the Licensing Committee of the General Investment Authority
- Representative of the General Investment Authority in the Customs Exemptions Committee.



Mr. Basel Bin Munea AlFraih

Senior Vice President, Corporate Affairs Department of the Public Investment Fund

Classification:

Non-Executive Member

Previous Position:

Vice President, Corporate Governance Department of the Public Investment Fund.

Academic Qualifications:

- Bachelor of Accounting (King Saud University)
- Certified Public Accountant (SOCPA) (Saudi Organization for Certified Public Accountants)
- Strategic Leadership Program (University of Oxford, UK).

Practical Experiences:

- Deputy CEO in the Corporate Governance Department of the Public Investment Fund
- Manager in the Zakat and Tax Department (Ernst & Young Company)
- Chief Accountant – Leham Trading and Contracting Company
- Account Analyst (Saudi Industrial Development Fund)
- Member of the Board of Directors of the Riyadh Downtown Development Company and a member of the review committee of the Riyadh Downtown Development Company
- Member of the audit committee in Tabadul Company
- Member of the Audit Committee of Boutique Hospitality Group.



Mr. Turki bin Musaed Al Mubarak

Businessman

Classification:

Independent Member

Previous Position:

Businessman.

Academic Qualifications:

- Bachelor's degree in Accounting (King Saud University).

Practical experiences:

- Samba Financial Group - Investment Department
- Mam Industrial Group.



Mr. Abdulaziz Bin Sulaiman Al-Rajhi

Businessman

Classification:

Non-Executive Member

Previous Position:

Businessman.

Academic Qualifications:

- Bachelor's degree in Financial Management (Prince Sultan University).

Practical experiences:

- Chairman of the Board of Directors of Al-Rajhi Investment Company and the Al-Watania - Agricultural Company
- CEO of Sulaiman Al-Rajhi Holding Company
- Secretary-General of Sulaiman Al-Rajhi Endowment.
- Member of the Boards of Directors in several companies, including Al-Rajhi International Company and Jabal Omar Company
- Founder and member of the Board of Directors of Etihad Al-Rajhi Investment Holding Company
- Founder and board member of Raj Real Estate Company, in addition to managing some private businesses.



Mr. Salah bin Abdulrahman Al Huzami

Participation in the membership of the boards of directors of companies and its affiliated committees

Classification:

Independent Member

Previous Position:

Chief Executive Officer (Arab Company for Paper Industry)

Academic Qualifications:

- Bachelor of Science in Industrial Management (King Fahd University of Petroleum and Minerals)
- Master's Brief Course in Business Administration in Oil and Gas (CWC Institute in London),
- Executive Strategy for Leaders (Harvard University), and Risk Management for Executive Leaders (Harvard University).

Practical experiences:

- CEO (Arab Paper Industry Company).
- General Manager (Dana Gas Company - Saudi Arabia)
- Deputy General Manager for Marketing (Saudi Cement Company)
- Assistant General Manager (Riyadh House, Jeraisy Group in the Eastern Province)
- Branch Manager of the Saudi Commercial Bank Al-Muttahid in Al-Khobar
- Head of the Branch Network Division at Banque Saudi Fransi in Al-Khobar.

Companies in 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 managers

Member's name	Names of companies in which a member of the Board of Directors is a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity	Names of companies in which a member of the Board of Directors was a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity
Mr. Fahd bin Suleiman Al-Rajhi	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	Saudi Cement	Inside the Kingdom	Listed joint stock
	Sipchem Company	Inside the Kingdom	Listed joint stock	-	-	-
	Al Rajhi Ekhwan Company	Inside the Kingdom	Closed joint stock	-	-	-
	AL-Watania Company for Industry	Inside the Kingdom	Closed joint stock	-	-	-
	Musharaka Financial Company	Inside the Kingdom	Closed joint stock	-	-	-
	The Saudi German Company for Non-Woven Products	Inside the Kingdom	Limited liability	-	-	-
	Advanced Flexible Packaging Company	Inside the Kingdom	Limited liability	-	-	-
	Suleiman Al-Rajhi Company for Education and Development	Inside the Kingdom	Closed joint stock	-	-	-
	International Methanol Company	Inside the Kingdom	Limited liability	-	-	-

Member's name	Names of companies in which a member of the Board of Directors is a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity	Names of companies in which a member of the Board of Directors was a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity
Mr. Mohamed bin Abdullah El-Khereiji	El Khereiji Holding Group	Inside the Kingdom	Limited liability	International Center for Trade and Contracting	Inside the Kingdom	Limited liability
	Abdullah El Khereiji Sons Real Estate Company	Inside the Kingdom	Limited liability	Makkah International Market	Inside the Kingdom	Limited liability
	Medical equipment and services company	Inside the Kingdom	Limited liability	Global Environmental Services Management Company Limited	Inside the Kingdom	Limited liability
	Al-Khereiji Company	Inside the Kingdom	Closed joint stock	Jeddah Holding Company	Inside the Kingdom	Limited liability
	World care International Company	Outside the Kingdom	Limited liability	Amen company	Inside the Kingdom	Limited liability
	Ithmaar Bank	Outside the Kingdom	Closed joint stock	Faisal Investment Bank	Outside the Kingdom	Limited liability
	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	Tehama Company	Outside the Kingdom	Joint stock
	Faisal Investment Bank of Egypt	Outside the Kingdom	Joint stock	Edera company	Inside the Kingdom	Listed joint stock
Mr. Fahd bin Saleh Al-Ajlan		-	-	Islamic money house	Outside the Kingdom	Limited liability
	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-
	Yanbu Saudi Kuwaiti Company for Paper Products	Inside the Kingdom	Limited liability	-	-	-

Member's name	Names of companies in which a member of the Board of Directors is a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity	Names of companies in which a member of the Board of Directors was a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity
Mr. Ibrahim bin Hamad Al-Rashed	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-
	Future work company	Inside the Kingdom	Closed joint stock	-	-	-
	Social Development Bank	Inside the Kingdom	A government agency, a government fund	-	-	-
	National Gas and Manufacturing Company (GASCO)	Inside the Kingdom	Listed joint stock	-	-	-
Mr. Ali Bin Abdullah Sulaiman Alayed	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	Saudi Ceramic Company	Inside the Kingdom	Listed joint stock
	Al Watania Company for Industry	Inside the Kingdom	Closed joint stock	Ibn Rushd Company	Inside the Kingdom	Non-listed joint stock
	Cement Knowledge Center	Inside the Kingdom	Mixed Limited liability	Saudi German Investment Company	Inside the Kingdom	Limited liability
	-	-	-	Saudi Egyptian Company for Industrial Investments	Outside the Kingdom	Joint stock
Eng. Riyad bin Abdulrahman Aba Al-khail	-	-	-	Marafiq company	Inside the Kingdom	Non-listed joint stock
	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-

Member's name	Names of companies in which a member of the Board of Directors is a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity	Names of companies in which a member of the Board of Directors was a member of its current boards of directors or one of its managers	Inside/Outside the Kingdom	Legal entity
Mr. Basel Bin Muneah Mohammed Al-Fraihi	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-
	Riyadh Downtown Development Company	Inside the Kingdom	Non-listed joint stock	-	-	-
Mr. Turki bin Musa'ed Al-Mubarak	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-
	Saudi Public Transport Company -SAPTCO	Inside the Kingdom	Listed joint stock	-	-	-
	Technical company for technology localization	Inside the Kingdom	Non-listed joint stock	-	-	-
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	Al Rajhi Union Holding	Inside the Kingdom	Closed joint stock	Sulaiman Al-Rajhi Holding	Inside the Kingdom	Limited liability
	Raj real estate	Inside the Kingdom	Limited liability	Al Rajhi International	Inside the Kingdom	Limited liability
	Alpha investment	Inside the Kingdom	Limited liability	Sulaiman Al Rajhi Real Estate Investments	Inside the Kingdom	Limited liability
	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	-	-	-
	National Agriculture	Inside the Kingdom	-	-	-	-
Mr. Salah bin Abdulrahman Al-Huzami	Yanbu Cement Company	Inside the Kingdom	Listed joint stock	Arbah Financial Company	Inside the Kingdom	Closed joint stock
	Gulf Cranes Company for financial leasing - Kanoo Group	Inside the Kingdom	Closed joint stock	Dana Gas Bahrain Company	Outside the Kingdom	Limited liability Bahrain
	Saeed Ali Ghadran & Sons Co	Inside the Kingdom	Closed joint stock	-	-	-
	Saudi Group Five Pipes Company	Inside the Kingdom	Listed joint stock	-	-	-
	Destinations Development Company (Owned By PIF)	Inside the Kingdom	Non-listed joint stock	-	-	-

Board Committees

First: Executive Committee

The Executive Committee consists of four Board members. The Committee held (4) meetings during 2022.

The committee supports the Board of Directors by providing recommendations for strategic plans, in addition to following them up and ensuring their implementation as well as measuring their effectiveness in achieving the desired goals, reviewing and updating them from time to time.

Name	Position	Classification	Attendance record of the Executive Committee				Total attendees
			1st	2nd	3rd	4th	
			20/04/22 19/09/43	06/07/22 07/12/43	12/09/22 16/02/44	28/11/22 04/05/44	
Eng. Riyad bin Abdulrahman Aba Al-khail	Committee Chairman	Independent	✓	✓	✓	✓	4
Mr. Ali Bin Abdullah Alayed	Member	Executive	✓	✓	✓	✓	4
Mr. Basel Bin Muneah Mohammed Al-Fraihi	Member	Non-Executive	✓	✓	✓	✓	4
Mr. Salah bin Abdulrahman Al-Huzami	Member	Independent	✓	✓	✓	✓	4

Second: Audit Committee

The Audit Committee consists of three (3) non-executive members, The Committee held (8) meetings during 2022. The Audit Committee supports the Board of Directors by reviewing the effectiveness of risk management and internal audit, reviewing the financial statements, verifying the effectiveness of anti-fraud procedures, as well as establishing mechanisms that allow the company's employees to forward their observations regarding any irregularity in the financial or other reports confidentially.

Name	Position	Classification	Attendance record of the Audit Committee								Total attendees
			1st	2nd	3rd	4th	5th	6th	7th	8th	
			16/1/22	26/01/22	6/3/2022	24/04/22	20/07/22	26/07/22	25/10/22	26/12/22	
Mr. Fahd bin Saleh Al-Ajlan	Committee Chairman	Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Ibrahim bin Hamad Al-Rashed	Member	Independent	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mohammed Farhan bin Nader	Member	Outside member	✓	✓	✓	✓	✓	✓	✓	✓	8



Third: Nomination and Remunerations Committee

The Nominations and Remunerations Committee consists of three (3) members of the Board. This Committee held (3) meetings during 2022.

The Committee supports the Board of Directors in terms of nominations by proposing clear policies and criteria the membership of the Board of Directors and Executive Management verifying the independence of independent members, and absence of any conflict of interests. In addition, identifying the weaknesses and strengths of the Board of Directors and proposing solutions to address them with regard to remuneration through the preparation of a clear policy for remuneration of the members of the Board of Directors, Board committees and the executive management to enhance the motivation of the management team and retaining distinguished cadres.

Name	Position	Classification	Attendance record of the Nomination and Remunerations Committee			Total attendees
			1st	2nd	3rd	
			23/02/22 22/07/43	17/05/22 16/10/43	03/11/22 09/04/44	
Mr. Mohammed bin Abdullah Al-Khereiji	Committee Chairman	Independent	✓	✓	✓	3
Mr. Turki bin Musaed Al-Mubarak	Member	Independent	✓	✓	✓	3
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	Member	Non-Executive	✓	✓	✓	3

Members of the Executive Management, their current and previous positions, qualifications, and experience

Member's name	Current Position	Previous Position	Academic qualifications and practical experience
Mr. Ali bin Abdullah Alayed	CEO of Yanbu Cement Company	CEO of the Saudi Company for Technical Development and Investment	Academic Qualifications: <ul style="list-style-type: none"> Bachelor's degree in industrial management (King Fahd University of Petroleum and Minerals). Experiences: <ul style="list-style-type: none"> Former General Manager of the Saudi Industrial Development Fund. Former CEO of the Saudi Company for Technical Development and Investment. Former member of the Board of Directors of Marafiq Company Former member of the Board of Directors of the National Company for Industry Former Chairman of the Board of Directors of the Saudi Egyptian Industrial Investments Company Former member of the management of Ibn Rushd Company Former member of the management of the Ceramic Company.
Mr. Waleed bin Mohammed bin Mayouf	VP to CEO for Finance	Director of Enterprise Risk Department and Secretary of the Board of Directors - National Shipping Company of Saudi Arabia (Bahri)	Academic Qualifications: <ul style="list-style-type: none"> Bachelor of Accounting - College of Administrative Sciences - King Saud University (1990). Diploma in English and Accounting from the Institute of Economics - USA (1994-1995). Experiences: <ul style="list-style-type: none"> Manager of Enterprise Risk Management and Board Secretary - National Shipping Company of Saudi Arabia (Bahri) (September 2016 to May 2020) CFO - National Chemical Carriers Company (Bahri Chemicals) (July 2001 to September 2016) Manager of Documentary Credits - Saudi Basic Industries Corporation (SABIC) (July 1991 to June 2001)

Member's name	Current Position	Previous Position	Academic qualifications and practical experience
Mr. Waleed bin Muhammad Baghdadi	VP to CEO for Human Resources and Support Services	Manager of Contracts Department (King Abdullah Economic City)	Academic qualifications: <ul style="list-style-type: none"> Master of Library and Information. Experiences: <ul style="list-style-type: none"> long experience in the cement industry and real estate development (business development - corporate management - project management - contracting - consulting - contract management - sales and marketing - procurement - human resources and support services). Supervising the implementation of contracts, which covers (commercial tenders - negotiations - contract management and awarding - reducing the level of risk in relation to contracts and obligations of the company).
Dr. Adeeb bin Ahmed Al-jafari Al-Tayyar	VP to CEO for Sales and Marketing	Manager of Sales and Marketing, Petro Rabigh Company	Academic Qualifications: <ul style="list-style-type: none"> Higher Diploma in Programming in 1986 from the United Kingdom Master's degree in business administration from the University of Hull, UK, 1998 Ph.D. in Marketing Experiences: <ul style="list-style-type: none"> 29 years of experience in marketing and sales in the field of petrochemicals inside and outside the Kingdom in SABIC and Aramco companies. 7 years of experience in marketing and sales in the field of food packaging and managing Obeikan Industrial Company projects.
Eng. Ali bin Yahya al-Zailaie	VP to CEO for Manufacture	Manager of the Eastern Province Cement Company Plant	Academic Qualifications: <ul style="list-style-type: none"> Bachelor's degree in Applied Chemical Engineering - King Fahd University of Petroleum and Minerals. Master of Business Administration - Arab Academy for Science, Technology and Maritime Transport. Experiences: <ul style="list-style-type: none"> Laboratory specialist in the Saudi Organization for Standardization, Metrology and Quality. Manager of Production and Facilities at the Arabian Cement Company. Manager of the Eastern Region Cement Factory. Member of the Board of Directors of the Knowledge Center for Cement.
Mr. Nabeel Mohammed Baghdadi	Advisor to the Chief Executive Officer for Legal Affairs Governance	Assistant CEO for Legal and Administrative Affairs	Academic Qualifications: <ul style="list-style-type: none"> Master of Regulations (Law) from King Abdulaziz University 2002. Bachelor of Regulations from King Abdulaziz University 1992. Experiences: <ul style="list-style-type: none"> Long experience in legal, administrative, governance and compliance fields (adviser to the CEO for legal affairs - assistant general manager for administrative affairs - senior manager for legal affairs).

Ownership of Board members, relatives, senior executives and their wives and the minor children in the shares or debt instruments of the company and any of its subsidiaries

(The fifteenth Term from 01/01/2022 to 31/12/2022) in Yanbu Cement Company

Members of the Board of Directors	No. of shares and their percentage as at 01/01/2022G		Net change during 2022G		Total No. of shares and ownership percentage ass at 31/12/2022G	
	No. of shares	%	No. of shares	%	No. of shares	%
Mr. Fahd bin Sulaiman Al-Rajhi	68,500	0.0435%	-	-	68,500	0.0435%
Mr. Mohammed bin Abdullah Al-Khereiji	9,138	0.0058%	-	-	9,138	0.0058%
Mr. Ali Bin Abdullah Alayed	12,000	0.0076%	-	-	12,000	0.0076%
Eng. Riyadh bin Abdulrahman Aba Al-khail	10,370	0.0066%	-	-	10,370	0.0066%
Mr. Turki bin Musa'ed Al-Mubarak	100	0.0001%	-	-	100	0.0001%
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	90,000	0.0571%	75,020	0.0476	165,020	0.1048%
Mr. Salah bin Abdulrahman Al-Huzami	94	0.0001%	(94)	(0.0001) %	-	-
General Organization for Social Insurance	11,696,021	7.4260%	(3,899,771)	(2.48) %	7,796,250	4.95%
Public Investment Fund	15,750,000	10%	-	-	15,750,000	10%
Social Development Bank	700,000	0.44%	-	-	700,000	0.44%

Ownership of Directors' relatives wives and their minor children in the shares and debt instruments of the company and its subsidiaries

Name	No. of shares	Percentage
Abdulaziz Fahd Sulaiman Al Rajhi	97,154	0.062%
Najla Fahd Sulaiman Al Rajhi	46,484	0.030%
Aljawhara Fahd Sulaiman Al Rajhi	42,675	0.027%

Ownership of senior executives, and their wives and minor children

Name	N. of shares 01/01/2022	percentage 01/01/2022	Net change 2022	(%) of change 2022	Total No. of shares 31/12/2022	Total ownership Percentage 31/12/2022
Mr. Ali Bin Abdullah Al Ayed	12,000	0.0076%	-	-	12,000	0.0076%
Mr. Nabeel Mohammed Baghdadi	1,200	0.0008%	-	-	1,200	0.0008%



Remuneration Mechanism

The following must be considered in determining remuneration:

- Fair and commensurate with the activities and responsibilities of the members of the board of directors, committees and executive management,
- Supportive to achieve the strategic objectives of the Board of Directors.
- Based on the recommendation of the Nominations and Remuneration Committee.
- Commensurate with the company's activity and the skills needed to manage it.
- Considering the sector in which the company operates, its size and complexity, and the experience of the members of the Board of Directors, committees and executive management.
- Reasonably sufficient to retain the members of the Board of Directors, its committees, the executive management, and the ability to attract qualified and experienced persons.
- Directors remunerations shall be commensurate with the number of meetings they attend.
- In all cases, the sum of what a member of the Board of Directors receives in terms of remunerations and financial or in-kind benefits shall not exceed the stipulations of the regulations.
- When forming the membership of the committee, the number of committees that a board member may serve at must be considered, as the total amount paid for the Director's membership in the board of directors and committees shall not exceed the limit decided by the regulations.

The Board of Directors believes that the remunerations during the fiscal year 2022G were distributed and in accordance with the approved policy, and there are no material deviations from it.

Remunerations of the members of the Board of Directors, its committees and the executive management

The annual remunerations for the members of the Board of Directors, its committees, and the executive management are determined based on the approved policy, and in accordance with the company's Articles of Association, the decisions of Shareholders General Assembly and the relevant regulations in this regard, as follows:

First: Remunerations of the board members

The remuneration of the members of the Board of Directors consists of the following:

- A certain amount;
- Allowance for attending Board meetings;
- In-kind benefits;
- A certain percentage of net profits; or
- A combination of two or more of these benefits.

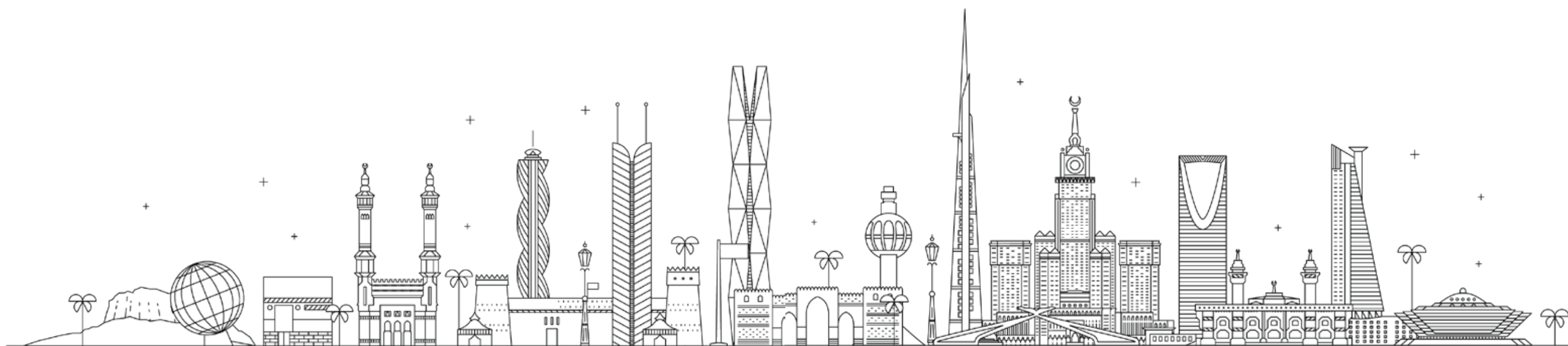


Table of annual remuneration and compensation for members of the Board of Directors

Member's Name	Fixed Remuneration							Variable Remuneration						Severance pay	Grand Total	Expense allowance
	Specific amount	Board session attendance allowance	Total allowance for attending committee sessions	In-Kind Benefits	Remuneration for technical work	Remuneration of the chairman, managing director or secretary if he is a member	Total	Percentage of profits	Periodic remuneration	Short-term incentive plan	Long-term incentive plans	granted shares	Total			
Firstly: Independent Members																
Mr. Mohammed bin Abdullah Al-Khereiji	200,000	18,000	9,000	-	-	-	227,000	-	-	-	-	--	-	-	227,000	-
Mr. Ibrahim bin Hamad Al Rashed (Represents Social Development Bank)	200,000	18,000	24,000	-	-	-	242,000	-	-	-	-	-	-	-	242,000	-
Eng. Riyad bin Abdulrahman Aba Alkhail	200,000	18,000	12,000	-	-	-	230,000	-	-	-	-	-	-	-	230,000	-
Mr. Turki bin Musa'ed Al Mubarak	200,000	18,000	9,000	-	-	-	227,000	-	-	-	-	-	-	-	227,000	-
Mr. Salah bin Abdulrahman Al Huzami	200,000	18,000	12,000	-	-	-	230,000	-	-	-	-	-	-	-	230,000	-
Total	1,000,000	90,000	66,000	-	-	-	1,156,000	-	-	-	-	-	-	-	1,156,000	

Member's Name	Fixed Remuneration							Variable Remuneration						Severance pay	Grand Total	Expense allowance
	Specific amount	Board session attendance allowance	Total allowance for attending committee sessions	In-Kind Benefits	Remuneration for technical work	Remuneration of the chairman, managing director or secretary if he is a member	Total	Percentage of profits	Periodic remuneration	Short-term incentive plan	Long-term incentive plans	granted shares	Total			
Secondly: Non-Executive Members																
Mr. Fahd bin Sulaiman Al-Rajhi	200,000	18,000	0	-	-	-	218,000	-	-	-	-	--	-	-	218,000	-
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	200,000	15,000	9,000	-	-	-	224,000	-	-	-	-	-	-	-	224,000	-
Mr. Fahd bin Saleh Al-Ajlan (Represents General Organization for Social Insurance)	200,000	18,000	24,000	-	-	-	242,000	-	-	-	-	-	-	-	242,000	-
Mr. Basel Bin Munea Al-Fraihi (Represents Public Investment Fund)	200,000	18,000	12,000	-	-	-	230,000	-	-	-	-	-	-	-	230,000	-
Total	800,000	69,000	45,000	-	-	-	914,000	-	-	-	-	-	-	-	914,000	
Thirdly: Executive Members																
Mr. Ali Bin Abdullah Alayed	200,000	18,000	12,000	-	-	-	230,000	-	-	-	-	--	-	-	230,000	-
Total	200,000	18,000	12,000	-	-	-	230,000	-	-	-	-	-	-	-	230,000	-

Secondly: Remunerations of the Committee members

Remunerations and allowances for committees and allowances for attending committee meetings from 01/01/2022G to 31/12/2022G:

Member's Name Audit Committee	Remuneration 06/2021G to 06/2022G	Allowance for attending committee sessions 01/01/2022G to 31/12/2022G	Total
Mr. Fahd bin Saleh Al Ajlan (Represents General Organization for Social Insurance)	120,000	24,000	144,000
Mr. Ibrahim bin Hamad Al Rashed (Represents Social Development Bank)	120,000	24,000	144,000
Mr. Mohammed Farhan bin Nader	120,000	24,000	144,000
Total	360,000	72,000	432,000

Member's Name Nomination and Remuneration Committee	Remuneration 06/2021G to 06/2022G	Allowance for attending committee sessions 01/01/2022G to 31/12/2022G	Total
Mr. Mohammed bin Abdullah Al- Khereiji	100,000	9,000	109,000
Mr. Turki bin Musa'ed Al-Mubarak	100,000	9,000	109,000
Mr. Abdulaziz bin Sulaiman Al-Rajhi	100,000	9,000	109,000
Total	300,000	27,000	327,000

Member's Name Executive Committee	Remuneration 06/2021G to 06/2022G	Allowance for attending committee sessions 01/01/2022G to 31/12/2022G	Total
Eng. Riyadh bin Abdulrahman Aba Al-khail	100,000	12,000	112,000
Mr. Ali bin Abdullah Sulaiman Alayed	100,000	12,000	112,000
Mr. Basel bin Mune'a Al-Fraih (Represents Public Investment Fund)	100,000	12,000	112,000
Mr. Salah bin Abdulrahman Al-Huzami	100,000	12,000	112,000
Total	400,000	48,000	448,000



Thirdly: Remunerations of the Executive Management

The Executive management is responsible for managing the day-to-day operations of the company and proposing and implementing strategic decisions including the Chief Executive Officer, Chief Financial Officer, and Vice Chief Executive Officers. The following provisions apply to their remuneration:

- The Nomination and Remunerations Committee submits its recommendations to the Board of Directors for approval regarding the remunerations and increments of the executive management.
- The Board of Directors sets indicators for evaluating the performance of the executive management based on the recommendation of the Nominations and Remuneration Committee.
- The Nomination and Remunerations Committee submits its recommendations to the Board of Directors for approval regarding the key performance indicators for the executive management for approval, and they shall be linked with the remunerations.
- The Nomination and Remunerations Committee submits its recommendation to the Board of Directors for approval, based on the CEO's suggestion of the annual remunerations for the executive management and the company's employees.

Remunerations and compensation paid to five senior executives during the year 2022

Positions of Senior Executives	Fixed Remunerations					Variable Remunerations					Severance pay	Total executive remuneration for the board	Grand total
	Salaries	Allowances	Benefits	Total	Bonuses	Profits	Short-term incentive plan	Long-term incentive plan	Value of granted shares	Total			
Chief Executive Officer	1,800,000	600,000	330,000	2,730,000	568,400	-	-	-	-	-	113,750	230,000	3,642,150
VP to CEO for Finance	1,056,000	352,000	193,600	1,601,600	240,000	-	-	-	-	-	66,733	0	1,908,333
VP to CEO for Human Resources and Support Services	763,200	254,400	139,920	1,157,520	90,000	-	-	-	-	-	96,459	0	1,343,979
VP to CEO for Sales and Marketing	792,000	264,000	145,200	1,201,200	180,000	-	-	-	-	-	50,049	0	1,431,249
VP to CEO for Manufacturing	858,000	85,800	157,300	1,101,100	195,000	-	-	-	-	-	54,816	0	1,350,916
Advisor to CEO for Legal Affairs and Governance	648,000	216,000	86,400	950,400	100,000	-	-	-	-	-	79,200	0	1,129,600
Total	5,917,200	1,772,200	1,052,420	8,741,820	1,373,400	-	-	-	-	-	461,007	230,000	10,806,227

General Assemblies Meetings During 2022& Present Members of the Board

General Assembly

Name	Position	Classification	Attendance record of Extraordinary General Assembly No. (9) 02/11/1443H 01/06/2022G	Total attendance
Mr. Fahd bin Sulaiman Al-Rajhi	Chairman of the Board	Non-Executive	✓	1
Mr. Mohammed bin Abdullah Al-Khereiji	Vice Chairman	Independent	✓	1
Mr. Fahd bin Saleh Al-Ajlan (Represents General Organization for Social Insurance)	Member	Non-Executive	✓	1
Mr. Ibrahim bin Hamad Al-Rashed (Represents Social Development Bank)	Member	Independent	✓	1
Eng. Riyadh bin Abdulrahman Aba Alkhail	Member	Independent	✓	1
Mr. Turki bin Musa'ed Al-Mubarak	Member	Independent	✓	1
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	Member	Non-Executive	✓	1
Mr. Ali Bin Abdullah Alayed	CEO & Member	Executive	✓	1
Mr. Basel Bin Mune'a Al-Fraih	Member	Non-Executive	✓	1
Mr. Salah bin Abdulrahman Al-Huzami	Member	Independent	✓	1

Board meetings

Name	Position	Classification	Attendance record of Board meetings							Total Attendees
			1st	2nd	3rd	4th	5th	6th	7th	
			06/01/22 03/06/43	24/01/22 21/06/43	06/03/22 03/08/43	01/06/22 02/11/43	21/09/22 25/02/44	10/12/22 16/05/44	27/12/22 03/06/44	
Mr. Fahd bin Sulaiman Al-Rajhi	Chairman of the Board	Non-Executive	✓	✓	✓	✓	✓	✓	✓	7
Mr. Mohammed bin Abdullah Al-Khereiji	Vice Chairman	Independent	✓	✓	✓	✓	✓	✓	✓	7
Mr. Fahd bin Saleh Al-Ajlan (Represents General Organization for Social Insurance)	Member	Non-Executive	✓	✓	✓	✓	✓	✓	✓	7
Mr. Ali Bin Abdullah Sulaiman Alayed	Board Member and CEO	Executive	✓	✓	✓	✓	✓	✓	✓	7
Mr. Ibrahim bin Hamad Al-Rashed (Represents Social Development Bank)	Member	Independent	✓	✓	✓	✓	✓	✓	✓	7
Eng. Riyadh bin Abdulrahman Aba Al-khail	Member	Independent	✓	✓	✓	✓	✓	✓	✓	7
Mr. Basel Bin Mune'a Al-Fraih (Represents Public Investment Fund)	Member	Non-Executive	✓	✓	✓	✓	✓	✓	✓	7

Name	Position	Classification	Attendance record of Board meetings							Total Attendees
			1st	2nd	3rd	4th	5th	6th	7th	
			06/01/22 03/06/43	24/01/22 21/06/43	06/03/22 03/08/43	01/06/22 02/11/43	21/09/22 25/02/44	10/12/22 16/05/44	27/12/22 03/06/44	
Mr. Turki bin Musaed Al- Mubarak	Member	Independent	✓	✓	✓	✓	✓	✓	✓	7
Mr. Abdulaziz Bin Sulaiman Al-Rajhi	Member	Non-Executive	✓	✓	✓	✓	-	✓	✓	6
Mr. Salah bin Abdulrahman Al-Huzami	Member	Independent	✓	✓	✓	✓	✓	✓	✓	7

Number of the company’s requests for the shareholders register, and dates and reasons of such requests

Number of the company’s requests for the shareholders register	Date of Request	Reasons of request
1	08/02/2022	Company procedures
2	29/05/2022	General Assembly
3	01/06/2022	General Assembly
4	14/06/2022	Profit records
5	14/06/2022	Profit records
6	19/10/2022	Company procedures
7	19/10/2022	Company procedures
8	14/12/2022	Profit records

Company Announcements on Tadawul Website

Announcement Title	Announcement Date
Announcement regarding the distribution of profits for the second half of 2021.	06/01/2022
Announcement of Annual Financial Results for the Period Ending on 2021-12-31	06/03/2022
Announcing the invitation of the company's shareholders to attend the extraordinary general assembly meeting (the first meeting) through modern technology.	20/04/2022
Announcement of purchasing the whole shares owned by Shuaiba Industrial Company on the capital of Yanbu Saudi Kuwaiti Paper Products Company.	21/04/2022
Announcement of the interim financial results for the period ending on 31-03-2022 (three months)	25/04/2022
Addendum announcement regarding invitation of company's shareholders to attend the Extraordinary General Assembly Meeting, (1st meeting) by means of modern technology.	25/04/2022
Announcement of the scheduled periodic maintenance work for the fourth production line.	22/05/2022
Announcement of the starting date of electronic voting on the Extraordinary General Assembly meeting agenda, the first meeting (reminder announcement)	26/05/2022
Reminder announcement to attend the Extraordinary General Assembly of Yanbu Cement Company.	30/05/2022
Announcing the Results of the Extraordinary General Assembly Meeting, (First Meeting)	02/06/2022
Announcement of distributing cash dividends to shareholders for the first half of 2022.	02/06/2022
Announcement of the latest updates of scheduled maintenance for the fourth production line.	19/06/2022
Announcement of the condensed consolidated interim financial results for the Period Ending on 30-06-2022 (Six months)	26/07/2022
Correction announcement regarding the condensed consolidated interim financial results for the Period Ending on 30-06-2022 (Six months)	27/07/2022
Announcement of carrying out scheduled periodic maintenance work for the fifth production line.	29/08/2022
Announcing the latest developments of Yanbu Cement Company's announcement of scheduled periodic maintenance work for the fifth production line.	24/10/2022
Announcement of the interim condensed consolidated financial results for the period ending on 30/09/2022 (nine months).	26/10/2022
Announcing the distribution of cash dividends to shareholders for the second half of 2022.	11/12/2022

Any Penalty, Sanction, Precautionary Measure or Precautionary Restriction imposed on the Company by The Authority or any Supervisory, Regulatory or Judicial Authority:

#	The party imposing the penalty or fine	Reason	The Penalty	Action taken by the company
1	General Authority for Competition	Violation of Competition Law	1. SAR 10,000,000 2. Publishing the penalty on the company's account after the decision becomes final.	A decision was issued by the Administrative Appeal Court validating the imposition of a fine on Yanbu Cement Company. Therefore, the company appealed to the Supreme Court, and a decision has not been made yet.

Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures

The Audit Committee's Opinion on the Adequacy of the Company's Internal Control System:

Due to the importance of internal control, which is one of the most important principles in protecting the company's assets and supporting the company in achieving its goals, the Board of Directors verifies the effectiveness of internal control procedures through annual review, since the control procedures of financial, operational, and administrative are bound to reduce the risks of mis-exploitation of the company's assets and influence its business. Hence the importance of the annual reviews of the procedures in order to verify their effectiveness, efficiency and making the necessary modifications, if required.

Fully aware of the importance of the internal control, the Board paid all attention to the internal control procedures by assigning the Audit Committee to supervise the Internal Audit Department in order to ensure the proper implementation of the approved risk-based internal audit plan for the fiscal year ending on 31/12/2022.

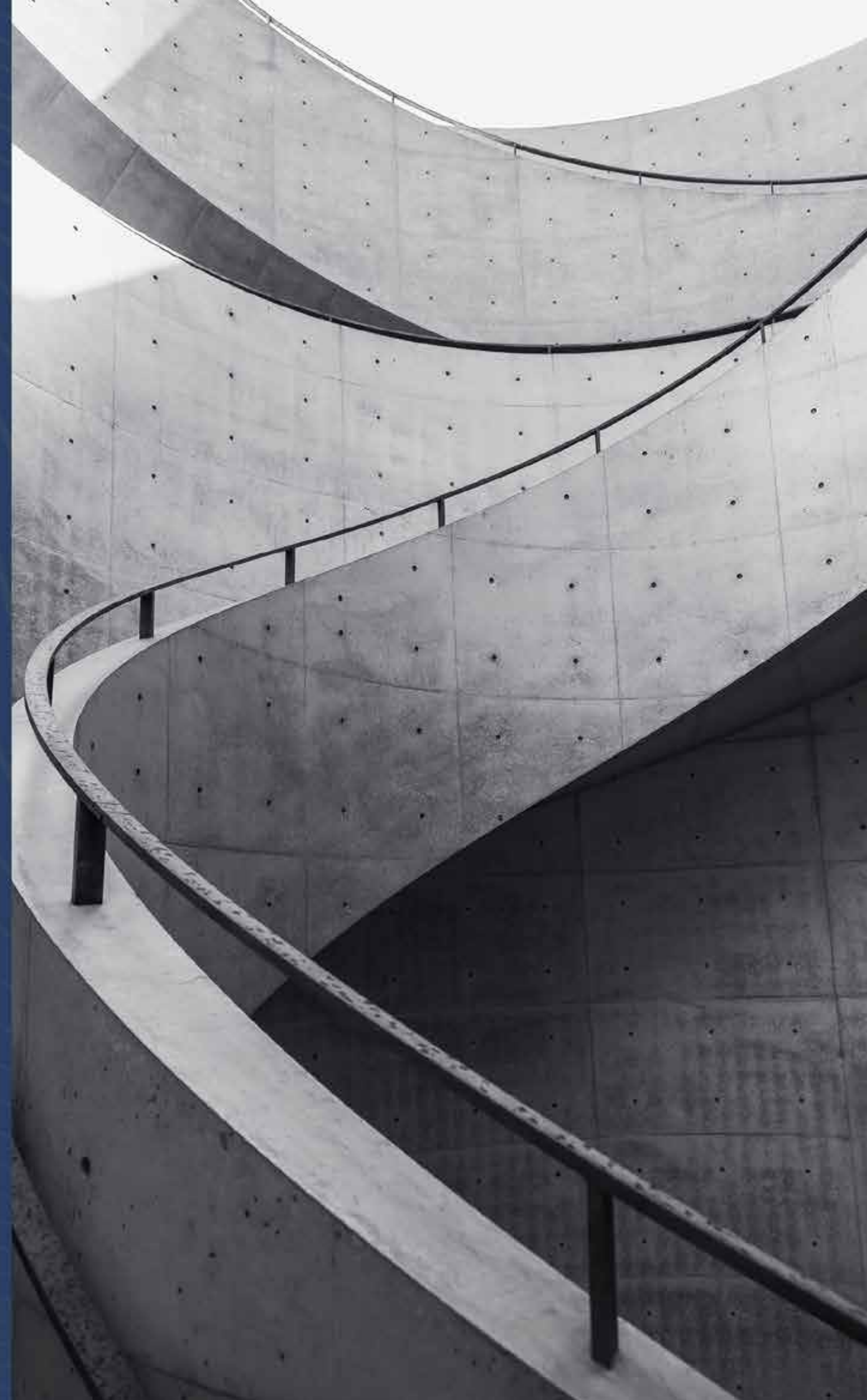
Procedures taken by the Board to inform its members, Non-Executive Directors in particular, of shareholders' suggestions and remarks on the Company and its performance

In its meetings, the Board reviews the shareholders' remarks, questions, and inquiries, if any, through the Department of Shareholders' Relations in the company, as well as through shareholders' questions at the general assemblies.



**Board
Declaration and
conclusion**

06



Board of Directors' Declaration

Declaration

In accordance with the available information and in light of the report developed by the external auditor, current market information, as well as future indicators, the Board of Directors of YCC does hereby acknowledge the following:

- The accounting records have been properly prepared according to accounting standards issued by the Saudi Organization for Certified Public Accountants.
- The internal control system was set up on a proper basis and has been effectively implemented.
- The financial position and results of the company business/operations confirm its ability to continue its business/operations.
- There are no business or contracts wherein the company is a party nor an interest for any of the members of the Board of Directors, senior executives, or any person related to them.

Conclusion

In conclusion, the Board of Directors of Yanbu Cement Company would like to extend its sincere thanks to the investors for their precious trust in them to manage their company. We invoke God, the Almighty, with the sincere supplication, to save and protect the Custodian of the Two Holy Mosques King Salman bin Abdulaziz and his trustworthy Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, and help them for the good of this country and its citizens.

We also ask God, the Almighty, to preserve this country and spare it all harm and perpetuate the blessing of security, safety and peace.

The Board of Directors also extends its thanks and appreciation to all employees of the company for their hard work and dedication to maintain the continued prosperity and progress of the company

God grants success.

May the peace, blessings, and mercy of God be upon you

Board of Directors



اسمنت ينبع
Yanbu Cement

