أسمنت القصيم
Qassim Cement
QCC

The Custodian of
the Two Holy Mosques
King Salman bin Abdulaziz Al Saud

His Royal
Highness Prince
Mohammed bin Salman bin Abdulaziz Al Saud
Crown Prince, Deputy Prime Minister - Minister of Defense

His Royal
Highness Prince
Dr. Faisal bin Mishaal bin Saud bin Abdulaziz
Governor of Al-Qassim Region

His Royal Highness Prince
Fahd bin Turki bin Faisal bin Turki bin Abdulaziz
Vice Governor of Al-Qassim Region

Content

Message from the Chairman

In the name of Allah, Most Gracious, Most Merciful,and peace and prayers be upon our Prophet, Muhammad, his family and all of his companions.

Ladies and Gentlemen, the shareholders of QCC,

I am pleased to greet you and welcome you on my own behalf and on behalf of the Board members.
I am honoured to invite you to explore the Annual Report presented by the Management and Board of Directors, which presents your company's performance for the year ended December 31, 2021.

The Past is in the Past

The last two years has been one of the most testing times in living memory. Humanity has however found ways to ride out the storm, albeit at the high cost of disruptions. As innovations in medical science is brought to every citizen, we hope that the pandemic will be a memory of the past.
We as a business had to adjust our practices, adopt new methodologies of operation, take advantage of advanced technologies and find new opportunities in situations that have become the 'new normal'. Our end customers continuously evaluate their investments and prioritize their spending and we as a company are adapting to these new scenarios.

Economic Revival

The Kingdom is witnessing a return of economic and social activity to its pre-pandemic levels. There is light at the end of the tunnel and there is more work to be done by each one of us. Our Government has successfully addressed the pandemic through balanced policies including strong support to the health sector and to the affected private enterprises, while maintaining fiscal sustainability for the medium-and long-term. These policies are bearing fruit and is reflected in the recovery of the domestic economy, especially the real estate and construction sector on which QCC's fortunes are dependent on.

Clear Strategy

A clear strategy and strong investor support has helped QCC's position as a cost leader in the cement industry and the resilience of our strategy was more apparent this year than it has ever been. QCC remains committed to its role in supporting Saudi Vision 2030 and its ambitions for the Infrastructure and Real Estate sector. We will continue to contribute towards the accomplishment of economic goals with a focus on efficient operations, sustainable energy goals and reduced environmental impact. The Company is further contributing to the 2030 Vision by nurturing young talent and increasing nationalization by attracting, training, and qualifying talented engineers, technicians and ancillary professionals. Our path for growth also presents a vast range of opportunities in the form of mergers and acquisitions, positioning the company ideally for both organic and inorganic growth in new products and regions.

Sustainable Profitability

QCC continues to focus on operational excellence, cost leadership and predictability in profits and dividends over the medium and long term. This is the commitment to our stakeholders and good governance is the foundation on which we have built this business model. We will continue to be conservative in our approach to the market, but will take advantage of growth opportunities that will proportionately increase shareholder value over the long term. The company has launched several initiatives in this direction and our shareholders will reap the benefits of the Board and Management's vision in the years to come.

Care of Environment

We are cognisant of the need to conserve and preserve the natural environment. We strive to reduce our environmental impact to the extent possible. We have made several investments this year and plan to make further more in the years to come towards a sustainable business model reflected in our emissions goal, energy conservation goal and the use of renewable resources in our operations. This is an integral part of the company's strategy.

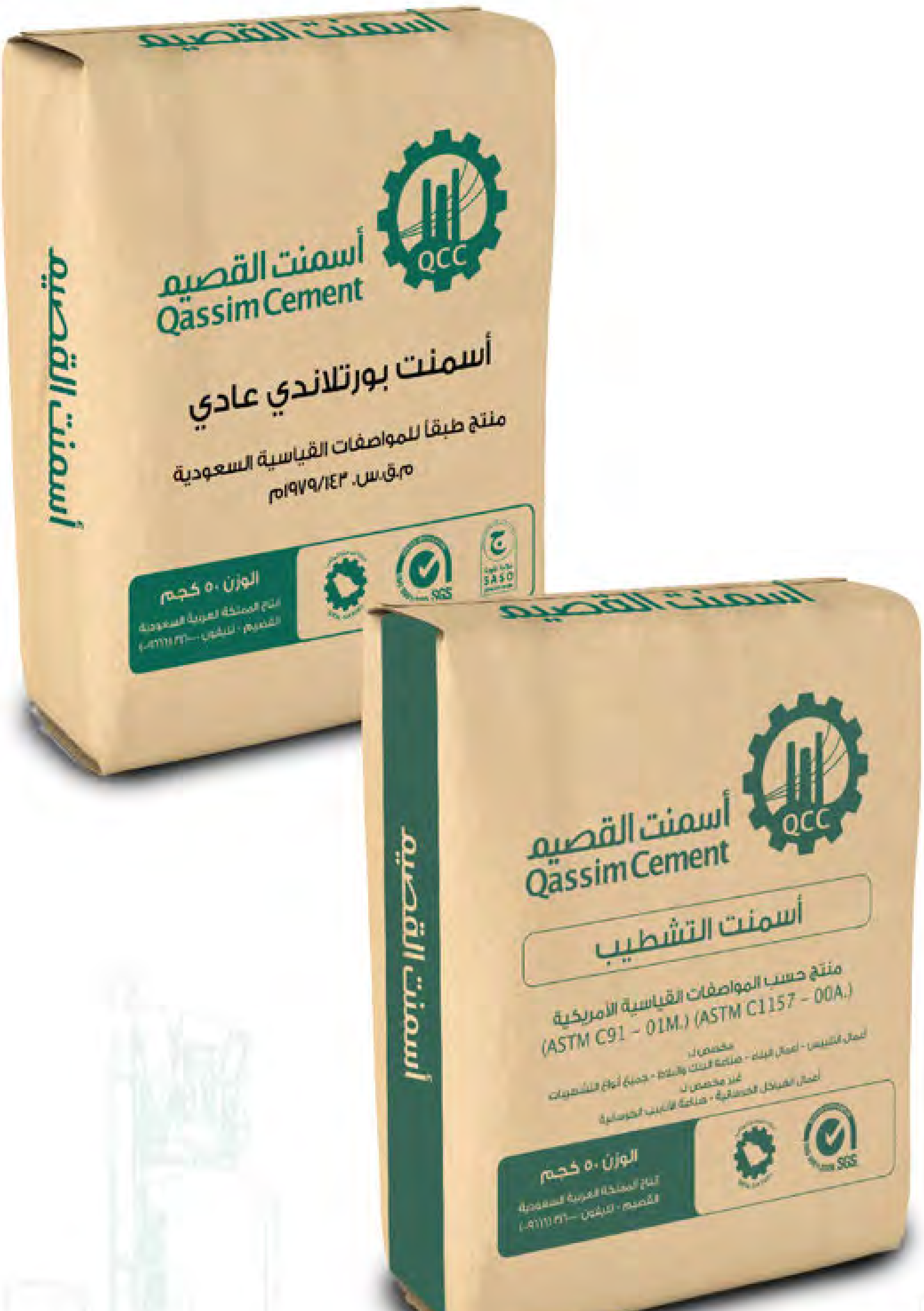
Gratitude

As I conclude, I would like to devote the highest signs of thankfulness and appreciation for the King, His Royal Highness Salman Bin Abdulaziz, "May God bless him", and the Crown Prince, His Royal Highness Prince Mohammed Bin Salman Bin Abdulaziz, "May God bless him", and the Prince of Qassim Region, His Highness Prince Faisal Bin Mashal Bin Saud Bin Abdulaziz and his deputy His Highness Prince Fahad Bin Turki Bin Faisal Bin Turki Bin Abdulaziz, the deputy Prince of Qassim Region. "May God bless them", for their great efforts and generous support, and I would like to thank my fellow Board members, whose insightful guidance has helped steer Qassim Cement from strength to strength, in a dynamic environment. I also express my gratitude towards all shareholders, employees, stakeholders, and customers whose continued support drives us forward. As we continue to deliver on our strategy and build a business with a strong legacy, I look forward to your continued patronage.

The Board remains confident that the Company's operational performance and strategic initiatives will drive its position as a cost leader in the cement industry.

Chairman

Tariq Bin Mutlaq Al Mutlaq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Qassim Cement
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منتج طبقاً للمواصفات القياسية السعودية
م.ق.س. ١٤٣/١٩٧٩م
الوزن ٥٠ كجم
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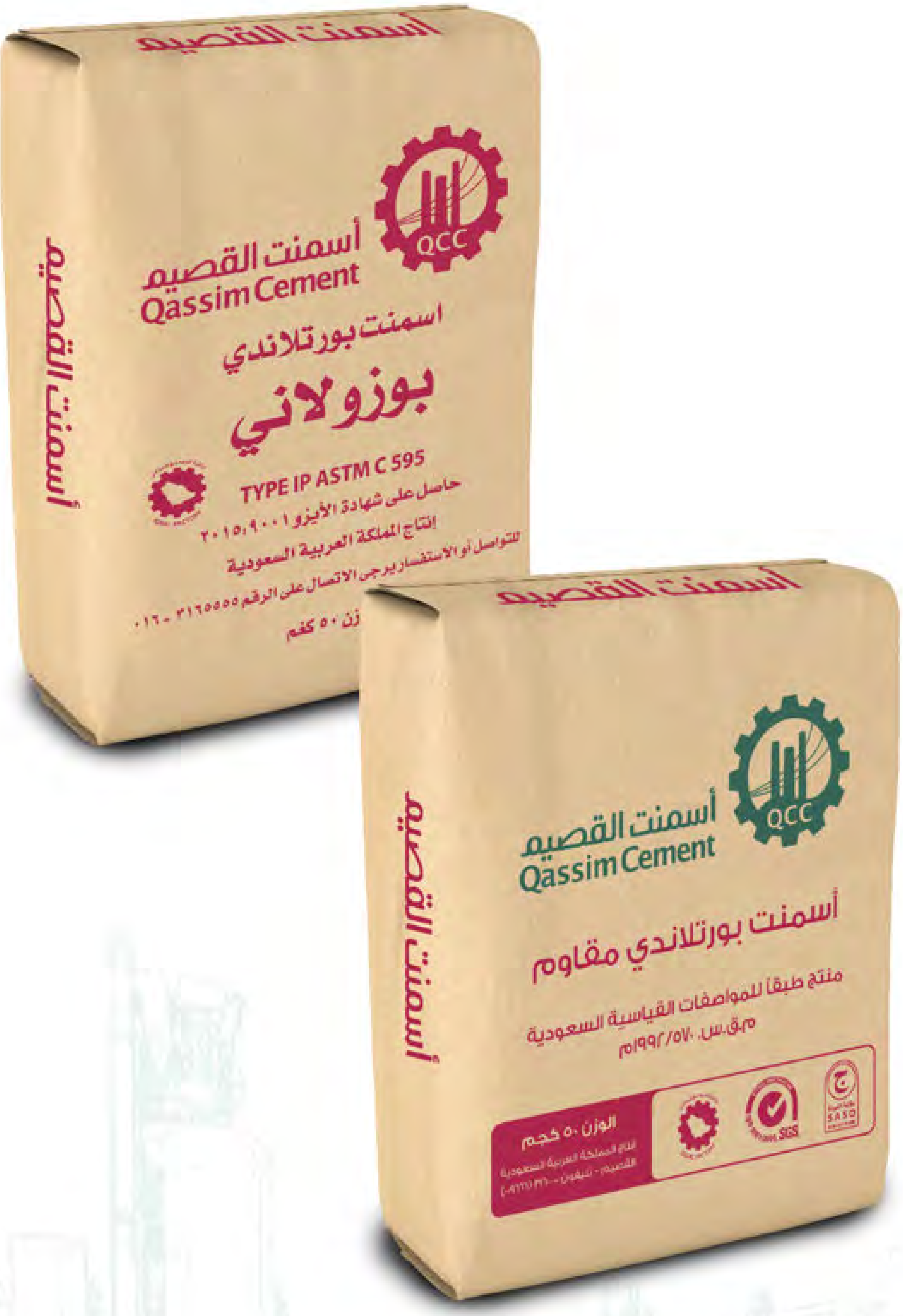
Qassim Cement
أسمنت التشطيب
منتج حسب المواصفات القياسية الأمريكية
(ASTM C91 – 01M.) (ASTM C1157 – 00A.)
الوزن ٥٠ كجم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Qassim Cement
أسمنت بورتلاندي مقاوم
منتج طبقا للمواصفات القياسية السعودية
الوزن ٥٠ كجم

Introduction

Founded on the 15th of Shaaban in 1396, 11 August 1976, Qassim Cement Company (QCC) is headquartered in Buraida, the capital of Al-Qassim region and the administrative center of the province. QCC has for decades ranked among the top 100 Saudi companies and as one of the national outstanding joint stock companies in the Kingdom. The company has made remarkable achievements over the past four decades and has contributed as part of the national industry to the construction and development of the economy.

The company's vision, mission and values focuses on building local and regional partnerships to create long-term relationships with customers, investors, suppliers and employees and to take care of the environment in accordance with established foundations and standards through fair competition to be the best choice in the construction sector and the industrial sector in general. Further, QCC contributes to the building of the future of the cement industry as a model by keeping pace with the development agenda so that it maintains its leadership in the region and contributes to building a promising, more diversified and developed infrastructure economy while safeguarding and sustaining the environment.

The company's activity is focused on the manufacture and production of cement of different types, derivatives, components, accessories and trade in accordance with the highest Saudi and international standards and work to provide the needs of the markets, namely: (Ordinary Portland Cement, Sulphur Resistant Portland Cement, Finishing Portland Cement) which relies mainly on locally available natural resources and mineral resources as well as the company's direct and indirect activities such as marketing, sales, investment and other business activities that support the company's activity in the domestic market and contributing to development projects.

Our Vision

To be a leading company in cement and building materials production, with its customer focus, production quality and best operating methods.

Our Mission

To consistently produce the highest varieties of cement and building materials, in the most efficient and environmentally friendly way, and maximizing value to stakeholders.

Our Values

Employee: Providing a safe and competitive work environment that is highly professional, and contributes to attracting, developing and maintaining competencies.
Customer: Focus on customer service and achieve the highest benefit, by providing a high quality product at competitive prices and providing technical support.
Suppliers: Creating a long-term business relationship between the Company and the supplier, based on trust and balance of interests.
Investor: Protecting shareholders' rights and maximizing return on investments.
Environment: Working within the highest environmental standards, and developing work systems that contribute to the continued preservation of the environment.
Community: Enriching the social standing of the Company, by developing the national workforce and contributing to the service and development of the community.

Our Activity

The manufacture and production of cement, its derivatives and components along with the marketing and sale of different types and specifications, to meet the needs of the market and to carry out all related works directly or indirectly to achieve this purpose. All products of the Company are certified as quality mark from the Saudi Standards, Metrology and Quality Organization. The products of QCC include the following:

1. Ordinary Portland Cement:

This product complies with Saudi Standard SASO-GSO 1914/2009 Type I, where it is characterized by quality that meets the different applications of concrete according to the needs and aspirations of our customers.

2. Portland Cement Resistant:

This product is produced in accordance with Saudi Standard SASO-GSO 1914/2009 Type V, where this product is distinguished from other types of cement by its resistance to sulfate and salts

3. Finishing Cement:

It is one of QCC's most innovative product, which was produced after several studies and experiments that have proven to be the most suitable cement for finishing work (construction - liasa - tiles - floor casting). This product complies with Saudi Standard SASO-ASTM C91/2018.

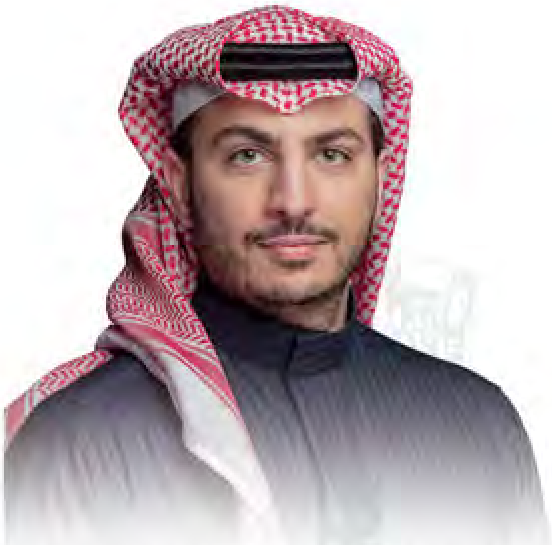
4. Pozzolana Portland Cement:

It is one of the innovative products of QCC, which was designed to reduces the permeability of concrete making it denser, and it increases the resistance of salts, this product is produced in accordance with Saudi Standard SASO 2536/2005. It can be used as an alternative to cement resistant to sulfate salts in underground concrete castings, salt water and marine installations.

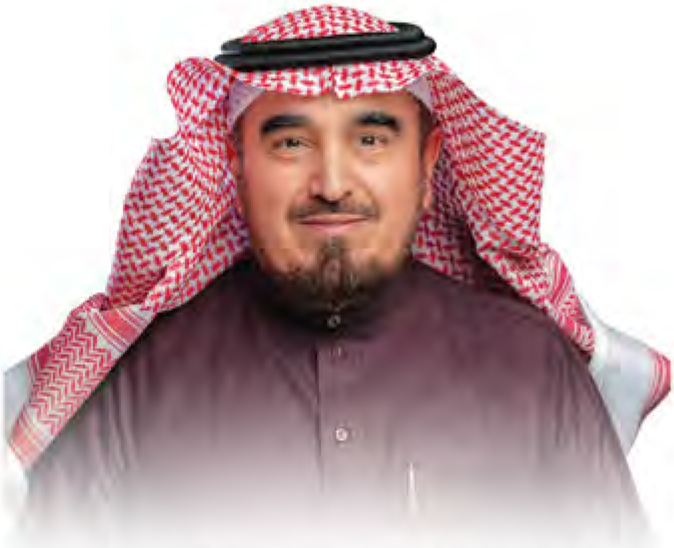

ما نتهاون
نتعاون

Chapter 1: Board of Directors and Committees

Mr. Tariq Bin Mutlaq Al Mutlaq
(Chairman)



Eng. Muteb Bin Mohammed
Al Shathri
(Vice Chairman)



Eng. Omar Bin Abdullah
Al Omar
(CEO & Board Member)

Mr. Saad Bin Ibrahim Al Moshaweh
(Board Member)

Eng. Ahmed Bin Saleh Al Sultan
(Board Member)

Mr. Tariq Bin Khaled Al Marshoud
(Board Member)

Mr. Osama Bin Nasser Al Saif
(Board Member)

Mr. Mohamed Bin Abdul Rahman
Al Angari
(Board Member)

Eng. Saad Bin Abdullah Bin Alyan
(Board Member)

First: Board of Directors

A. The Composition and Classification of the Board of Directors:

The company's elected Board of Directors consists of nine (9) members. The following table shows the classification of board members:

S	Member's name	Membership Classification		
		Executive	Non-Executive	Independent
1	Mr. Tariq Bin Mutlaq Al Mutlaq (Chairman)		√	
2	Eng. Muteb Bin Mohammed Al Shathri (Vice Chairman)		√	
3	Mr. Tariq Bin Khaled Al Marshoud		√	
4	Mr. Osama Bin Nasser Al Saif		√	
5	Eng. Omar Bin Abdullah Al Omar (CEO)	√		
6	Mr.Saad Bin Ibrahim Al Moshaweh			√
7	Eng. Ahmed Bin Saleh Al Sultan			√
8	Eng. Saad Bin Abdullah Bin Alyan			√
9	Mr. Mohamed Bin Abdul Rahman Al Angari			√

B. Current and Past Board Members' Jobs, Qualifications and Experience:

Member's Name	Current Job	Past Job	Qualifications & Experiences
Mr. Tariq Bin Mutlaq Al Mutlaq **Chairman**	Vice Chairman and Managing Director - Al-Mutlaq Group Company	Vice President for Investment and Business Development - Al-Mutlaq Group Company	B.A. Business Administration 1986 from American University, Washington. He held several positions as follows: 1986: 1996 General Manager of Al Mutlaq Furniture Company. 1996: 2006 Regional General Manager at Nabco. 1996: 2007 Vice President of Investment - Al-Mutlaq Group Company. 2007: 2012 Chairman of Shuaa Capital Saudi Arabia. 2006: 2012 Member of the Board of Directors of the Arab Insurance Company / National Finance House Company / National Installment Company. 2007: 2014 Member of the Board of Directors of Sahara Petrochemicals. 2008: 2014 Board member of Oryx Leasing Finance. 2008: 2019 Aqua Power Board Member 2009: 2012 Chairman of Al-Waha Petrochemical Company. 2009: until now Chairman of Al-Mutlaq Real Estate Investment. 2014: 2019 Member of the Board of Directors of Riyadh Cable Group Company.

Member's Name	Current Job	Past Job	Qualifications & Experiences
Eng. Muteb Bin Mohammed Al Shathri **Vice Chairman**	Senior Assistant - Public Investment Fund	Director - Riyadh International Catering Company	Bachelor's degree in Industrial Engineering and Management Sciences, Northwestern University, 2008. MBA- Harvard Business School - 2015. 2009: 2013 Strategic Transformation Office - Aramco 2015: 2018 Director of Riyadh International Catering Company 2018: Until now Senior Assistant - Public Investment Fund
Mr. Tariq Bin Khaled Al Marshoud **Board Member**	Director of the Office of Project Management – General Organisation for Social Insurance	Project Manager - General Organisation for Social Insurance	Master of Project Management 2010 from De Montfort University, UK. B.A. Accounting 2008 from King Saud University. His practical experiences are as follows: 2011: 2012 Project Manager at GBT National Guard Communications. 2012: 2015 Project Manager at the General Organisation for Social Insurance. 2015 - Present Director of the Office of Project Management at the General Organisation for Social Insurance.
Mr. Osama Bin Nasser Al Saif **Board Member**	Director of Consultancy and Contracts - Public Pension Agency	Legal Counsel - Public Pension Agency	Bachelor's degree in Law 2004 King Saud University Master of Commercial Law 2011 Latrobe University, Australia 2005: 2007 Legal Researcher Human Resources Fund 2007: 2013 Legal Researcher Public Pension Agency 2013: 2019 Legal Advisor - Public Pension Agency 2019: Until now Director of The Department of Consultancy and Contracts at the General Organisation for Social Insurance.
Eng. Omar Bin Abdullah Al-Omar **CEO & Board Member**	CEO - Qassim Cement	Assistant General Manager of Pepsi Factories and Chief Financial Officer at Al-Jomaih Group	Master of Industrial Engineering 1988, B.A. Civil Engineering 1985. He holds a specialized course in financial management and investment in 1990 from Chase Manhattan Bank, USA, and held several positions as follows: 1988: 2001 Head of Lending Team - Saudi Industrial Development Fund. 2001: 2006 Assistant General Manager of Pepsi Cola Factories in the Kingdom. Chief Financial Officer of Al-Jomaih Group for the Packaging and Manufacture of Metal Cans. 2006: Until now CEO of Qassim Cement. In addition to membership of boards of directors and committees of listed and closed joint stock companies
Mr.Saad Bin Ibrahim Al-Moshaweh **Board Member**	Retired	Chief Executive Officer - Gulf Food Union Co.	B.A. Industrial Management 1985 from King Fahd University of Petroleum and Minerals. He holds several specialized financial courses, including a course from Chase Manhattan Bank in Financial Management and Investment in 1987 and from Harvard University in 1993. Financial Analyst and Head of Lending Team for 18 years at the Saudi Industrial Development Fund. CEO of Gulf Food Union and Glory Rivers/ Jordan and Qafco /Dubai for 17 years. Membership of committees and boards of directors of several closed joint stock companies.

Member's Name	Current Job	Past Job	Qualifications & Experiences
Eng. Ahmed Bin Saleh Al Sultan **Board Member**	General Manager of Ahmed Al Sultan's Office of Engineering Consultancy	Qassim Region Mayor	Master of Engineering and Construction Management 1998 from King Fahd University of Petroleum and Minerals. B.A. Civil Engineering 1982 King Fahd University of Petroleum and Minerals. His practical experiences are as follows: 1990: 1995 Project Manager at the Water Department. 1995: 2005 Mayor of Buraida. 2002: 2005 Director General of Municipal and Rural Affairs of Qassim Region. 2005: 2013 Mayor of Qassim Region. 2013: Until now General Manager of Ahmed Al-Sultan's Office of Engineering Consultancy.
Eng. Saad Bin Abdullah Bin Alyan **Board Member**	Vice President of Supply Chain, Advanced Electronics Company	Head of Supply and Planning Operations at Advanced Electronics	MBA 2018 from Northampton University, UK and B.A. Industrial Engineering 2002 from King Saud University. His practical experiences are as follows: 2016: 2018 Member of the Board of Directors of Arsal Metal Teupler Products Jubail. 2002: 2017 Head of Supply and Planning Operations at Advanced Electronics Company, one of the economic balance companies. 2017: Until now Vice President of Supply Chain at Advanced Electronics, one of the economic balance companies.
Mr. Mohamed Bin Abdul Rahman Al Angari **Board Member**	Manager - Human Resources Development Fund	Investment - Human Resources Development Fund	University. His practical experiences are as follows: 1991: 2001 Operations, Support and Treasury - Arab National Bank. 2001: 2017 General Manager of Investment - Human Resources Development Fund. 2017: Until now, the Treasury General General-Human Resources Development Fund.

C. The Jobs, Qualifications and Experience of Current and Former Committees' Members (From outside the Board of Directors):

Member's Name	Current Job	Past Job	Qualifications & Experiences
Mr. Fawzi Bin Ibrahim Al Habib **(Member of the Audit Committee - Outside the Board)**	Retired	Head of Internal Audit at the Capital Market Authority	Holds a bachelor's degree in accounting - King Abdulaziz University. Passed the American Association of Chartered Accountants (CPA) Fellowship He has worked at the accounting firm Ernst & Young for more than three years. Chief Internal Auditor at Arab Bank for 9 years. Worked at the Capital Market Authority as the Head of Enforcement Department for 9 years, then Chief Internal Auditor for 3 years.
Dr. Abdullah Bin Abdulrahman Al Buraidi **(Member of the Audit Committee - Outside the Board)**	University Visiting Professor	Professor of Management and Organizational Behavior / Section of Business Administration / Faculty of Economics and Management / Qassim University	He holds a PhD in Business Administration 2003 (University of Manchester, UK) University teaching for 26 years, in addition to academic and research work for more than 20 years Management and organizational consultancy for 15 years. SOCPA Professional Accounting Certificate.
Dr. Fahad Bin Musa Al Zahrani **(Member of the Nomination and Remuneration Committee)**	Retired	Senior Vice President of Human Resources at Etihad Etisalat (Mobily)	He holds a Ph.D. in Electrical Engineering and Computers in 1996 (University of Colorado, USA) An academic and research work for more than seven years, after which he moved to the private sector as a Nationalization Consultant for Ericsson Global Communications Group for four years, and then moved to work at Mobily to be included in several positions to reach the position of Senior Vice President of Human Resources for five years, and then moved to work as a Consultant for CEO at Al-Bilad Bank, before retiring in 2017 Currently serves as a member of a number of nomination and remuneration Committees in several companies.
Mr. Ahmed Bin Nasr Al Homoud	Head of Human Resources United Electronics Co. - Extra	Head of Human Resources - Emaar Economic City Co.	He holds a Bachelor degree of Mechanical Engineering from King Fahd University of Petroleum and Minerals

D. Current and Previous Executive Management Jobs, Qualifications and Experience :

Member's Name	Current Job	Past Job	Qualifications & Experiences
Mr. Ghassan Abdul Halim Nofale	Chief Support Officer	Organizational Capability Advisor	He holds a Bachelor degree in Business Administration, an advisor and lecturer accredited by several international organizations, worked as senior executive of the Middle East and North Africa Region of Towers Watson Consulting. Incorporated into a number of leading international consulting houses around the world, with more than 25 years of experience.
Mr. Alaa Abdul Hamid Abu Amira	Director, Finance	Executive Vice President, Finance/ Lafarge Jordan	He holds a Bachelor's degree in accounting and economics from the University of Jordan. involved in leadership positions between Royal Jordanian Airlines, Saudi Astra Group, Orange Group- Jordan Telecom, Jordan Aviation Systems Company, until he moved to Lafarge Jordan, where he worked for 13 years, during which he held several positions, most recently as Executive Vice President of Finance, and then joined QCC in 2019.
Eng. Saad AbdulRahman Albalhi	Technical Advisor	General Manager of the Agricultural Sector / Awqaf Al-Rajhi	He holds a Bachelor degree in chemical engineering, and was one of the first to join the Graduate Development Program at QCC, he worked in the Production Department, after which he was involved in a number of supervisory and leadership positions, all the way to the Plant Director, then he worked for Al-Rajhi Endowment for three years, and rejoined QCC again recently bringing nearly 25 years of experience.
Mr. Ibrahim Saeed Al Qahtani	HR Manager	HR Services Chief	Holds a Bachelor of Science in Geology, worked for Saudi Oger Company, then moved to QCC in 2006 as a supervisor for the Human Resources Services Section, then joined the Leadership Development Program, and in 2016 he was promoted to the position of Human Resources Manager, with more than twenty years of practical experience.

E. The Names of Companies Inside or Outside the Kingdom where the Member of the Company's Board of Directors is a member of its current or Previous Board of Directors or Manager:

Member's Name	Companies in which a Board member is a member of their current Board or manager	Inside/Outside KSA	Legal Entity	Companies in which a Board member is a member of their previous Board or manager	Inside/Outside KSA	Legal Entity
Mr. Tariq Bin Mutlaq Al Mutlaq (Chairman)	Al-Mutlaq Group	Inside KSA	Closed Joint Stock	Chairman of Shuaa Capital.	Inside KSA	Public Joint Stock
	Water and Energy International Business Corporation (Aqua Power).	Inside KSA	Closed Joint Stock	Chairman of Al-Waha Petrochemical Company.	Inside KSA	Public Joint Stock
	Riyadh Cable Group Company.	Inside KSA	Closed Joint Stock	Arab Insurance Company.	Inside KSA	Public Joint Stock
	Middle East Paper Manufacturing and Production Company.	Inside KSA	Public Joint Stock	National Finance House Company.	Outside KSA	Closed Joint Stock
	National Wealth Management Company.	Inside KSA	Public Joint Stock	National Installment Company.	Inside KSA	Closed Joint Stock
	-	-	-	Sahara Petrochemical Company.	Inside KSA	Public Joint Stock
	-	-	-	Oryx Leasing Co.	Inside KSA	Closed Joint Stock
Eng. Muteb Bin Mohammed Al-Shathri Vice Chairman	Saudi Ceramic Co.	Inside KSA	Public Joint Stock	-	-	-
Mr. Tariq Bin Khaled Al Marshoud Board Member	-	-	-	-	-	-
Mr. Osama Bin Nasser Al-Saif Board Member	Resan Real Estate	Inside KSA	Closed Joint Stock	-	-	-
Eng. Omar Bin Abdullah Al Omar CEO & Board Member	Al Watania Poultry	Inside KSA	Closed Joint Stock	The Saudi Pharmaceutical Industries and Medical supplies Appliances Corporation (SPIMACO)	Inside KSA	Public Joint Stock
				Hail Agriculture Development Co. (HADCO)	Inside KSA	Public Joint Stock
Mr.Saad Bin Ibrahim Al Moshaweh Board Member	Maan Al Jasser & Co.	Inside KSA	Limited Liability	AlJazira Takaful	Inside KSA	Public Joint Stock
Eng. Saad Bin Abdullah Bin Alyan Board Member	-	-	-	2016: 2018 Member of the Board of Directors of The Company Of Arsal Metal Teupler Products Jubail.	Inside KSA	Limited Liability
Mr. Mohamed Bin Abdul Rahman Al Angari Board Member	Bessel Real Estate Co.	Inside KSA	Limited Liability	-	-	-

F. The Actions Taken by the Board of Directors to Inform its Members, particularly non-executives, of the Shareholders' Suggestions and Observations about the Company and its Performance.

At the first meeting of the Board of Directors, the Chairman informs the members of the Board of Directors, especially the non-executive members, of the shareholders' suggestions and observations about the company and its performance.

G. Formation of the new board of directors for the period from 01/01/2022 to 31/12/2024.

Qassim Cement Company held the forty-seventh Ordinary General Assembly meeting on Wednesday 25-05-1443 corresponding to 29-12-2021 in presence at the headquarters of the Radisson Blu Hotel in Buraidah and through modern technology, headed by Eng. Omar bin Abdullah Al-Omar, CEO and Member of the Board of Directors.

The Assembly approved the following agenda item:

Voting on the election of members of the Board of Directors from among the candidates for the next session, which begins on 01-01-2022 and has a duration of three years and ends on 31-12-2024, where the following members were elected:

1. Dr. Muhammad bin Nasser Abdullah Al Dawood (Chairman of the Board) (Representative of PIF)
2. Eng. Muteb bin Mohammed Saad Al Shathri (Vice Chairman of the Board) (Representative of PIF)
3. Eng. Omar bin Abdullah Brahim Al-Omar
4. Mr. Saad bin Ibrahim Saad Al-Mashouh
5. Mr. Abdulrahman bin Mohamed Abdulrahman Al Rawwaf
6. Eng. Ahmed bin Saleh Abdullah Al Sultan
7. Mr. Tariq bin Khalid Mohammed Al Marshoud (Representative of GOSI)
8. Mr. Osama bin Nasser Abdulaziz Al Saif (Representative of GOSI)
9. Dr. Ghazi bin Abdulrahim Mohmmed Al Rawi

Statement of Board of Directors Meetings for 2021

	Member's name	Meeting (214) Buraydah And Video Conference 03/02/2021	Meeting (215) Video Conference 18/08/2021	Meeting (216) Riyadh And Video Conference 23/11/2021	Meeting (217) Riyadh And Video Conference 26/12/2021
1	**Mr. Tariq Bin Mutlaq Al Mutlaq** (Chairman)	√	√	√	√
2	**Eng. Muteb Bin Mohammed Al Shathri** (Vice Chairman)	√	√	√	√
3	**Mr. Tariq Bin khaled Al Marshoud** (Board Member)	√	√	√	√
4	**Mr. Osama Bin Nasser Al Saif** (Board Member)	√	√	√	√
5	**Eng. Omar Bin Abdullah Al Omar** (CEO & Board Member)	√	√	√	√
6	**Mr. Saad Bin Ibrahim Al Moshaweh** (Board Member)	√	√	√	√
7	**Eng. Ahmed Bin Saleh Al Sultan** (Board Member)	√	√	√	√
8	**Eng. Saad Bin Abdullah Bin Alyan** (Board Member)	√	√	√	√
9	**Mr. Mohamed Bin Abdul Rahman Al Angari** (Board Member)	√	√	√	√

Attended √ Absent X

H. The Means by Which the Board of Directors Has Relied to Evaluate its Performance and that of its Committees and Members, and the External Body that has Assessed and its Relationship with the Company, if any.

The performance of the Board of Directors is assessed in accordance with the Corporate Governance Code. The Nominations and Remuneration Committee determines and evaluates the weaknesses and strengths of the Board of Directors, and proposes to address them in accordance with the company's interest.

I. Disclosure of the Remuneration of Board Members and Executive Management as stipulated in Article 93 of the Corporate Governance Code.

The following is the text of the Remuneration Policy for the members of the board, the members of its committees and executive management

1. Policy objectives

This policy aims to:

A. Establish the criteria related to the performance of board members, board committees and executive management.
B. Disclosure of the policy, and the actual payments.
C. Establish a mechanism to verify the implementation of the policy to ensure the principle of transparency in dealing.
D. Identify the methodology for setting goals and expectations for the results of the Board's work and the roles assigned to the members, and then identify the criteria used to evaluate performance.
E. Review the corrective procedures applied by the Board of Directors, to review the effectiveness of the performance of executive management and how to address any failures or weaknesses that are detected.

2. Scope of policy implementation

The policy applies to:

A. Members of the Board of Directors.
B. Members of the Board committees.
C. External board members.
D. Executive Management, five of the highest-paid executives in the company, including the CEO and CFO.

3. Board of Directors, Board Committees, and Senior Executives Remuneration Policy

Members of the Board of Directors, committees of the Board and executive management are entitled to awards on the basis of this policy and in accordance with the standards and controls of remuneration of board, its committees and executive management, and the related contracts and obligations. The Nominations and Remuneration Committee reviews the relationship between the awards granted and the applicable remuneration policy. The Committee shall indicate any fundamental deviation in actual practices from this policy and related contracts. The Board of Directors rewards its board members, its committees and senior executives in accordance with the policy adopted. Such remuneration may be a certain amount of money or attendance allowance for meetings or in-kind benefits, and two or more of these benefits may be combined.

The reward is paid based on the percentage of the board member or committee attendance of the meetings scheduled during the fiscal year, accepting the absence of one meeting per year for the member of the Board meetings as well as one meeting of the committees per year.

4. Remuneration criteria for board members, its committees and executive management.

The following criteria are taken into account when approving the remuneration of board members, board committees and executive management:

A. The rewards should be fair and proportionate to the members' competences, executive management actions and responsibilities, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
B. The rewards should be based on the recommendation of the Nominations and Remuneration Committee.
C. The Nomination and Remuneration Committee may find a mechanism to link part of the variable remunerations to the company's overall and partial performance in the medium and long term, and to use this as a tool to attract, maintain and motivate professional competencies.
D. The remunerations should be determined based on the level of the job, the tasks and responsibilities of the incumbent, the scientific qualifications, the practical experience, and the skills needed to perform the tasks.
E. The rewards should be consistent with the size, nature and degree of risk of the company.
F. Taking into account the practices of other companies in determining remuneration, while avoiding the resulting unjustified increase in rewards and compensation.
G. The Board of Directors may stop the disbursement or recovery of the bonus, if it is found to have been decided on the basis of inaccurate information provided by a member of the Board of Directors or executive management, in order to ensure that the employment status is not exploited to obtain undue rewards.

5. Board of Directors and its Committees Remuneration Controls

In any case, the total amount of bonuses and financial or in-kind benefits received by the board member does not exceed 500,000 riyals per year, in accordance with the regulations issued by the competent authority, except for the executives.

6. Members of The Board of directors and its Committees are entitled to the following Remunerations

1. The board member is entitled to an annual bonus of SAR 200,000, in accordance with the company's rules for the disbursement of bonuses.
2. The Chairman of the Board of Directors deserves a special reward for his duties as Chairman of the Board of Directors amounting to 200,000 riyals per year.
3. A member of any of the committees of the Board of Directors (Executive Committee, Nominations and Remuneration Committee, Audit Committee or any other committee formed by the Board) is entitled to a sum of 100,000 riyals per year for its membership in each individual committee.
4. In lieu of attending the board meeting, the board member is entitled to SR 3,000 for each session.
5. In lieu of attending a meeting, the committee member is entitled to a sum of 4,000 riyals for each meeting of the Audit Committee and the Nominations and Remuneration Committee.
6. In lieu of attending a meeting, the member of the Executive Committee is entitled to 5,000 riyals for each meeting of the Committee.

7. Executive Management Bonus

For executive management, the Nomination and Remuneration Committee reviews the salary scale of all employees and senior executives, and the incentive programs and plans are continuously approved, on the recommendation of the Executive Management, in addition to any contractual obligations, and the executive management rewards include:

- Base salary (paid at the end of each calendar month on a monthly basis).
- Allowances that include, but are not limited to, housing allowance, transportation allowance, telephone allowance or any other allowances that are contractually approved or approved by the Committee.
- Medical insurance benefits for executives and their families.
- An annual reward linked to performance indicators, in accordance with the annual assessment and the approval of the holder of the authority.
- Short-term incentive plans associated with exceptional performance, and long-term incentive plans such as equity options programs (where any).
- Other benefits include, but are not limited to, annual leave, annual travel tickets, end-of-service benefits according to the Labor Law and human resources policy approved by the company, and any other benefits adopted by the holder of the authority.
- General plans, programs and guidelines for senior executive awards are approved by the Nomination and Remuneration Committee.
- The CEO implements the remuneration policy for employees and senior executives in the light of the general plans, programs and guidelines approved by the Nomination and Remuneration Committee.

8. Stop or recover the reward:

This is done according to the following situations:

1. The company will recover the reward, if it is found that the award was determined on the basis of inaccurate information provided by a member of the Board of Directors or executive management.
2. The company ceases the payment of the remuneration, if there is a doubt before the remuneration is paid, that the reward was determined on the basis of inaccurate information provided by a member of the Board of Directors, Board Committee Members and/or Executive Management.

J. The Relationship between the Remuneration Granted and the Applicable Remuneration policy, and the Statement of any Fundamental Deviation from the Policy:

The Nomination and Remuneration Committee examined the relationship between the remunerations awarded and the applicable remuneration policy, and also examined deviations from this policy. The Committee did not find any deviation from the policy.

Second: Board Committees and Audit Committee:

1. Executive Committee

It is a subsidiary committee of the Board of Directors, acting in accordance with its authorities included in the committee's regulation and the directory of the company's approved authority matrix. The Executive Committee currently consists of The Committee is currently composed of (5) five members appointed by the Board of Directors, and the term of their membership is determined so that this period does not exceed the term of membership in the Board of Directors.

1	Mr. Tariq Bin Mutlaq Al Mutlaq	Chairman	Non-Executive
2	Eng. Muteb Bin Mohammed Al Shathri	Member	Non-Executive
3	Eng. Omar Bin Abdullah Al Omar	Member	Executive
4	Eng. Saad Bin Abdullah Bin Alyan	Member	Independent
5	Mr. Saad Bin Ibrahim Al Moshaweh(*)	Member (From 05/10/2021)	Independent

(*) Mr. Saad Bin Ibrahim Al Moshaweh joined the committee from 05/10/2021.

Scope of the Committee's work

- The Committee exercises its powers contained in the company's approved authority matrix.
- Hold periodic meetings to study the new work and constraints, and propose appropriate solutions to them. The Committee shall raise to the Board of Directors issues that require a decision by the Board of Directors.
- Field visits to the factory whenever required.
- Review the studies, reports and presentations submitted to the Committee, and make recommendations to the management of the company and the Board of Directors to improve and develop the business.
- Guide the commercial sector, identify sales incentive frameworks and follow up sales activity.
- Carry out the tasks and competences that the Board considers to be mandated by the Committee.

Statement of Board of Directors Meetings for 2021

	Member's name	Meeting (300) Video Conference 31/01/2021	Meeting (301) Video Conference 07/06/2021	Meeting (302) Video Conference 21/06/2021	Meeting (303) Video Conference 17/07/2021	Meeting (304) Video Conference 09/08/2021	Meeting (305) Video Conference 02/09/2021	Meeting (306) Video Conference 03/09/2021	Meeting (307) Video Conference 04/11/2021	Meeting (308) Video Conference 17/11/2021	Meeting (309) Video Conference 20/12/2021
1	**Mr. Tariq Bin Mutlaq Al Mutlaq**	√	√	√	√	√	√	√	√	√	√
2	**Eng. Muteb Bin Mohammed Al-Shathri**	√	√	√	√	√	√	√	√	√	√
3	**Eng. Omar Bin Abdullah Al Omar**	√	√	√	√	√	√	√	√	√	√
4	**Eng. Saad Bin Abdullah Mohamed Bin Alyan**	√	√	√	√	√	√	√	√	√	√
5	**Mr.Saad Bin Ibrahim Al Moshaweh**	Wasn't a member	Wasn't a member	Wasn't a member	Wasn't a member	Wasn't a member	Wasn't a member	Wasn't a member	√	√	√

Attended √ Absent X

2. Nomination and Remuneration Committee:

It is a subsidiary committee of the Board of Directors, acting in accordance with its authorities included in the committee's regulation and the company's approved authority matrix, with no less than three members and no more than five members. The Committee currently consists of (4) four members appointed by the Board of Directors who determines the duration of their membership so that this period does not exceed the term of the Board of Directors.

Members of the Committee:

1	Mr. Saad Bin Ibrahim Al Moshaweh	Chairman	Independent
2	Eng. Ahmed Bin Saleh Al-Sultan	Member	Independent
3	Dr. Fahad Bin Mousa Al-Zahrani	Member	From outside the Board
4	Mr. Ahmed Bin Nasr Al-Homoud	Member	From outside the Board

Scope of the Committee's work

The Committee exercises its authorities in accordance with the requirements of the Corporate Governance Code and the company's approved Authority Matrix.

Tasks and responsibilities of the Committee

The competences of the Nomination and Remuneration are:

- Propose clear policies and criteria for membership in the Board of Directors and executive management.
- Recommend to the Board of Directors to nominate and re-nominate its members in accordance with the policies and standards adopted, taking into account that no one who has been convicted of a crime against the secretariat has been nominated.
- Prepare a description of the capabilities and qualifications required for board membership and executive management positions.
- Determine the time a member must allocate to the work of the Board of Directors.
- Annual review of the needs for appropriate skills or expertise for board membership and executive management functions.
- Review the board structure and executive management and make recommendations on changes that can be made.
- Annual verification of the independence of independent members, and no conflict of interest if the member is a member of the Board of Directors of another company.
- Develop a job description of executive board members, non-executives, independents and executive management.
- Develop special procedures in the event that the position of a board member or senior executive is vacant.
- Identify weaknesses and strengths in the board of directors or senior executives.
- Propose performance evaluation standards and mechanism for the board, its members, company committees and executive management
- Review and evaluate the performance of its functions and responsibilities at least once a year, with the results of the evaluation being sent with suggestions to improve its effectiveness to the Board.
- Prepare a clear policy for the remuneration of board members, its committees and executive management, and submit them to the Board for consideration for adoption by the General Assembly, with performance-related standards, disclosure and verification of performance.
- Clarify the relationship between the bonuses awarded and the applicable remuneration policy, and indicate any fundamental deviation from this policy.
- Periodic review of the remuneration policy and assess its effectiveness in achieving its objectives.
- Recommend to the Board of Directors the rewards of board members, committees and senior executives of the company in accordance with the policy adopted.
- Supervising the management succession plans of the executive management at the company level.
- Other additional tasks assigned by the Board.

Statement of Nomination & Remuneration Committee meetings for 2021

	Member's name	Meeting (37) Video Conference 26/01/2021	Meeting (38) Video Conference 04/05/2021	Meeting (39) Video Conference 09/09/2021	Meeting (40) Video Conference 16/11/2021	Meeting (41) Video Conference 16/12/2021
1	**Mr.Saad Bin Ibrahim Al Moshaweh**	√	√	√	√	√
2	**Eng. Ahmed Bin Saleh Al Sultan**	√	√	√	√	√
3	**Dr. Fahad Bin Mousa Al Zahrani**	√	√	√	√	√
4	**Mr. Ahmed Bin Nasr Al Homoud**	√	√	√	√	√

Attended √ Absent X

3. Audit Committee:

It is a committee formed by a resolution of the General Assembly of shareholders of the Company, which operates in accordance with its authorities included in the Committee's regulation and the approved authority matrix, with a minimum number of members of the three and not more than five.

The Audit Committee consists of (4) four members, (2) two of them are members of the Board of Directors, and the other two members are from outside the Board i.e. Mr. Fawzi Bin Ibrahim al-Habib, and Dr. Abdullah bin Abdulrahman Al-Buraidi.

1	Mr. Saad Bin Ibrahim Al Moshaweh	Chairman	Independent
2	Mr. Tariq Bin Khaled Al Marshoud (*)	Member	Non-Executive
3	Dr. Abdullah Bin Abdulrahman Al Buraidi	Member	From outside the Board
4	Mr. Fawzi Bin Ibrahim Al Habib.	Member	From outside the Board

(*) Mr. Tariq Bin Khaled Al Marshoud was appointed as a member of the Audit Committee by the Board of Directors' circular resolution dated 21/10/2020, knowing that this appointment was approved at the forty-sixth Ordinary General Assembly meeting held on 17/03/2021.

Scope of the Committee's work

Without any restrictions, the audit committee may:

- Review the Company's records and documents.
- Request any clarification or statement from the Board members or the Executive Management.
- Request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.

Tasks and Responsibilities of the Committee

The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:

A. Financial Reports:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.

- Analyzing any important or non-familiar issues contained in the financial reports.
- Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports; and
- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

B. Internal Audit:

- Examining and reviewing the Company's internal and financial control systems and risk management system; Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the
- remarks made in such reports; and
- Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.
- Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.

C. External Auditor:

- Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
- Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon.
- Responding to queries of the Company's external auditor.
- Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.

D. Ensuring Compliance:

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

Statement of Audit Committee meetings for 2021

	Member's name	Meeting (88) Video Conference 27/01/2021	Meeting (89) Video Conference 25/04/2021	Meeting (90) Video Conference 10/08/2021	Meeting (91) Video Conference 03/11/2021	Meeting (92) Video Conference 07/11/2021	Meeting (93) Video Conference 07/12/2021
1	**Mr.Saad Bin Ibrahim Al Moshaweh**	√	√	√	√	√	√
2	**Mr. Tariq Bin Khaled Al Marshoud**	√	√	√	√	√	√
3	**Dr. Abdullah Bin Abdulrahman Al Buraidi**	√	√	√	√	√	√
4	**Mr. Fawzi Bin Ibrahim al-Habib**	√	√	√	√	√	√

Attended √ Absent X

Third: Ownership of the Board of Directors and Senior Executives of the company's shares

Qassim Cement Board of Directors consists of natural members representing themselves, and legal members. The total shares of the Chairman, natural members and senior executives are as following:

1. Member's Ownership:

Member's name	Title	Remarks	Number of Shares		Change	Change as %
			Beginning of the year	End of the year		
Mr. Tariq Bin Mutlaq Al Mutlaq	Chairman	PIF	21,019,080	21,019,080	-	0%
Eng. Muteb Bin Mohammed Al-Shathri	Vice Chairman					
Mr. Tariq Bin Khaled Al Marshoud	Member	GOSI(*)	12,237,913	12,237,913	-	0%
Mr. Osama Bin Nasser Al Saif	Member					
Eng. Omar Bin Abdullah Al Omar	CEO & member	Personal	1,000	1,000	-	0%
Mr.Saad Bin Ibrahim Al Moshaweh	Member	-	-	-	-	0%
Eng. Ahmed Bin Saleh Al Sultan	Member	-	-	-	-	0%
Eng. Saad Bin Abdullah Bin Alyan	Member	-	-	-	-	0%
Mr. Mohamed Bin Abdul Rahman Al Angari	Member	Personal	600,000	600,000	-	0%

Important: The Company has no debt instruments.

(*) The Public Pension Agency was merged with the General Organization for Social Insurance as of 22/12/1442 corresponding to 01/08/2021, by Cabinet Resolution No. (657) dated 05/11/1442, and what it included is that the General Organization for Social Insurance replaces the Public Pension Agency, in all its responsibilities, powers, rights, obligations, and the like, and all the assets of the Public Pension Agency of all kinds are transferred to it.

2. Ownership of relatives of board members:

There is no ownership of relatives of board members, except for what is mentioned above.

3. Ownership of senior executives, their wives and their children:

Member's name	Title	Remarks	Number of Shares		Change	Change as %
			Beginning of the year	End of the year		
Mr. Ghassan Abdul Halim Nofale	CSO	Personal	2,000	2,000	-	0%

4. Remuneration of the Board of Directors members and Senior Executives:

The company pays to members of the Board of Directors expenses for attending meetings and annual remuneration in compliance with the bylaw and remuneration policy, the company paid during the year 2021 (for the fiscal year 2020 dues) an amount of 3,654,918 SAR, represents the following:

- SAR 2,783,562 as annual remuneration for BOD membership in the Board and the board committees;
- SAR 200,000 as audit committee members from outside the board;
- SAR 258,356 as nominations and remuneration committee member from outside the board; and
- SAR 514,356 as allowances for attending the board and committees' meetings during the year 2020.

The following is the total dues of the Board of Director's members for the year 2021 and the actual payments made during the year 2020 for five of the senior executives (including the CEO and CFO).

4-1. Due remuneration for the board of director members:

Description	Fixed Remuneration						
	Annual remuneration	Allowance for attending Board Meetings	Allowance for attending Board Committee Meeting	In-Kind Benefits	Rewards against technical administrative and advisory work	Special Remuneration for the Chairman, or Managing Director or the Secretary, if he is a board member	Total
(A) Independent board of directors members:							
Mr. Saad Bin Ibrahim Al Moshaweh	200,000	12,000	54,000	-	-	-	266,000
Eng. Ahmed Bin Saleh Al Sultan	200,000	12,000	20,000	-	-	-	232,000
Eng. Saad Bin Abdullah Bin Alyan	200,000	12,000	50,000	-	-	-	262,000
Mr. Mohamed Bin Abdul Rahman Al Angari	200,000	12,000	-	-	-	-	212,000
Sub Total (A)	**800,000**	**48,000**	**124,000**	**-**	**-**	**-**	**972,000**
(B) Non-executive board of directors members:							
Mr. Tariq Bin Mutlaq Al Mutlaq	200,000	12,000	45,000	-	-	200,000	457,000
Eng. Muteb Bin Mohammed Al Shathri	200,000	12,000	50,000	-	-	-	262,000
Mr. Tariq Bin Khaled Al Marshoud	200,000	12,000	24,000	-	-	-	236,000
Mr. Osama Bin Nasser Al Saif	200,000	12,000	-	-	-	-	212,260
Sub Total (B)	**800,000**	**48,000**	**119,000**	**-**	**-**	**200,000**	**1,167,000**
(C) Executive board of directors members:							
Omar Bin Abdullah Al Omar	200,000	12,000	50,000	-	-	-	262,000
Sub Total (C)	**200,000**	**12,000**	**50,000**	**-**	**-**	**-**	**262,000**

4-2. Statement of remuneration for members of the board committees:

Description	Fixed bonuses (Except the allowance for attending the meetings)	allowance for attending the meetings	Total
Audit Committee Members:			
Mr.Saad Bin Ibrahim Al Moshaweh	100,000	24,000	124,000
Mr. Tariq Bin Khaled Al Marshoud (i)	100,000	24,000	124,000
Dr. Abdullah Bin Abdul Rahman Al Buraidi (from outside the board)	100,000	24,000	124,000
Mr. Fawzy Bin Ibrahim Al Habib (from outside the board)	100,000	24,000	124,000
Total	**400,000**	**96,000**	**496,000**
Members of the Nomination and Remuneration Committee:			
Mr. Saad Bin Ibrahim Almoshaweh	100,000	20,000	120,000
Eng. Ahmed Bin Saleh Al Sultan	100,000	20,000	120,000
Dr. Fahad Bin Mosa Al Zahrani	100,000	20,000	120,000
Mr. Ahmed Nasr Al Homod	100,000	20,000	120,000
Total	400,000	80,000	480,000
Executive Committee Members:			
Mr. Tariq Bin Mutlaq Al Mutlaq	100,000	45,000	145,000
Eng. Muteb Bin Mohammed Al Shathri	100,000	50,000	150,000
Eng. Omar Bin Abdullah Al Omar	100,000	50,000	150,000
Eng. Saad Bin Abdullah Bin Alyan	100,000	50,000	150,000
Mr.Saad Bin Ibrahim Al Moshaweh (ii)	24,110	10,000	34,110
Total	424,110	205,000	629,110

(i) Mr. Tariq Bin Khaled Al Marshoud was appointed as a member of the Audit Committee by the Board of Directors' circular resolution dated 21/10/2020, knowing that this appointment was approved at the forty-sixth Ordinary General Assembly meeting held on 17/03/2021.
(ii) Mr. Saad bin Ibrahim Al-Mushawah was appointed as a member of the Executive Committee by a decision of the Board of Directors as of 05/10/2021.

4-3. Payments to five senior executives including the CEO and Finance Director:

Description	The rewards of the five top executives who received the highest remuneration and compensation
Salaries and compensation	7,804,063
Allowances	1,903,816
Periodic and annual bonuses and incentive plans	3,661,658
Total	**13,369,537**

Fourth: A statement of the dates of the shareholders' general assembly's held during the last fiscal year, and the names of the board of director members attending those general assemblies:

Total	Name	The forty-sixth Ordinary General Assembly on 17/03/2021	The forty-seventh Ordinary General Assembly on 29/12/2021
1	**Mr. Tariq Bin Mutlaq Al Mutlaq (Chairman, PIF)**	√	X
2	**Eng. Muteb Bin Mohammed Al Shathri (Vice Chairman, PIF)**	√	√
3	**Mr. Tariq Bin Khaled Al Marshoud (GOSI)**	√	√
4	**Mr. Osama Bin Nasser Al Saif (GOSI)**	√	√
5	**Eng. Omar Bin Abdullah Al Omar (CEO)**	√	√
6	**Mr.Saad Bin Ibrahim Al Moshaweh**	√	√
7	**Eng. Ahmed Bin Saleh Al Sultan**	√	√
8	**Eng. Saad Bin Abdullah Bin Alyan**	√	√
9	**Mr. Mohamed Bin Abdul Rahman Al Angari (HRDF)**	√	X

Attended √ Absent X

Fifth: the number of the company's requests for the shareholder's register, dates and reasons for those requests:

The number of company requests for shareholder register	Date	Reason of request
1	11/01/2021	Other
2	07/02/2021	Dividends file
3	15/03/2021	General Assembly
4	02/05/2021	Dividends file
5	24/08/2021	Dividends file
6	30/11/2021	Dividends file
7	28/12/2021	General Assembly

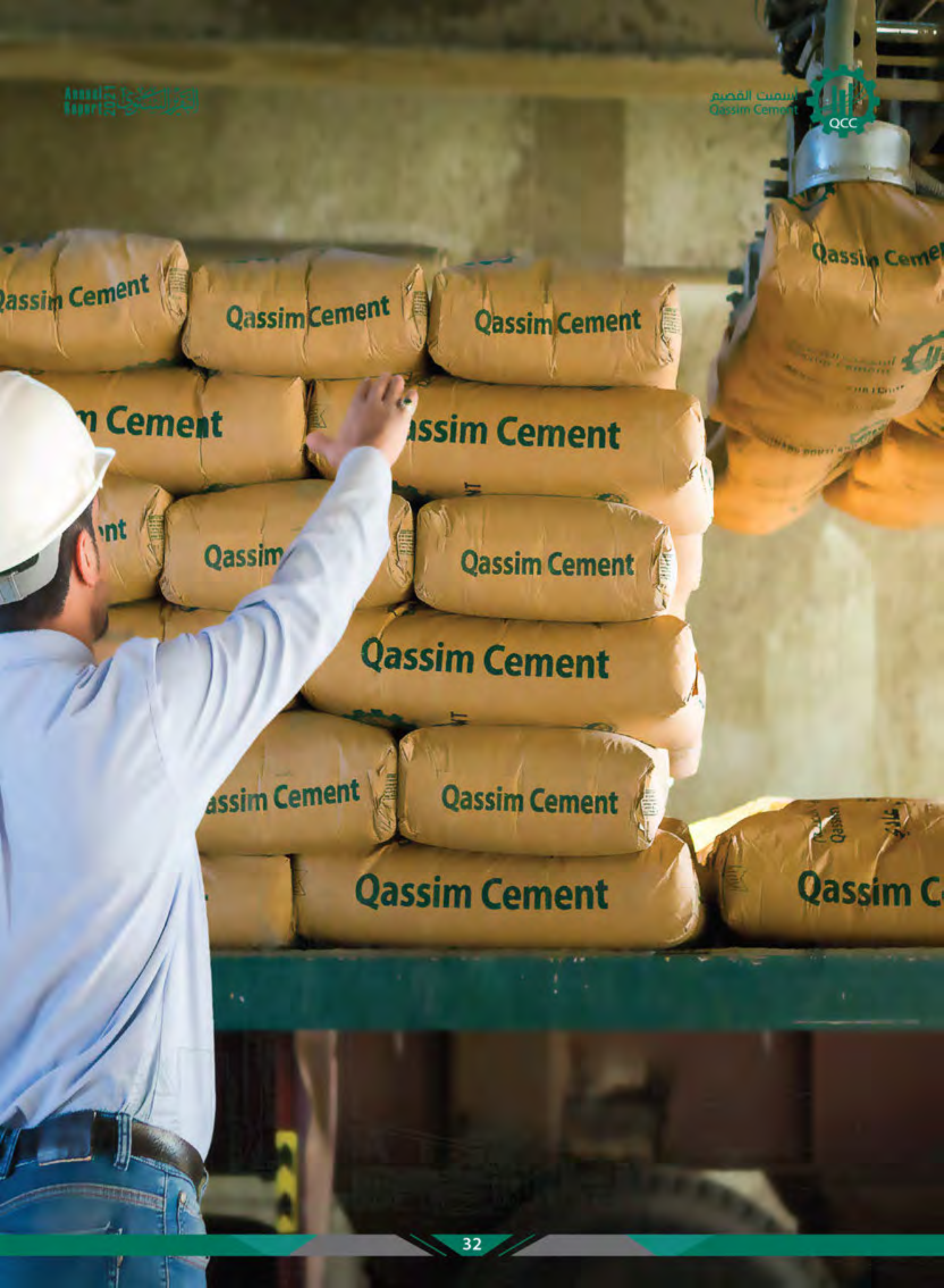
Sixth: Acknowledgement of the Board of Directors:

The Board of Directors of Qassim Cement, in accordance with the information available to it and based on the company's auditor's report and current market data, as well as future indicators, recognizes the following:

1. The account records are properly prepared.
2. The internal control system was well-founded and effectively implemented.
3. There is little doubt about the company's ability to continue its activity.
4. In compliance with the law and Rules on the Offers of Securities and Continuing Obligations, there are no sanctions, precautionary measure or reserve restrictions with materiality, imposed on the company by the CMA or any other supervisory, regulatory or judicial body.
5. The company's financial statements were prepared in accordance with the accounting standards approved by the Saudi Authority of Chartered Accountants.
6. Mr. Tariq Bin Mutlaq Abdullah Al Mutlaq is the Chairman of NBK Wealth Management Company, and at the same time he was the chairman of the Board of Directors of Qassim Cement Company, and on 04 December 2019, Qassim Cement invested part of its cash flow of US$8,542,200 in a number of Islamic leasing and financing funds managed by NBK Wealth Management, These businesses and contracts were approved and licensed by the forty-sixth Ordinary General Assembly held on Wednesday March 17, 2021.
7. There is no interest in the category of shares with the right to vote belonging to persons (except for the disclosure of board members, senior executives and their relatives) who have informed the company of these rights during the year 2021.
8. There is no interest, contractual securities and underwriting rights belonging to members of the Board of Directors, senior executives and their relatives, in the shares or instruments of the company's debt, except as stated in paragraph (6) above, and paragraph (3) of item III.
9. There are no categories and numbers of any convertible debt instruments and any contractual securities, right-to-subscription notes or similar rights issued or granted by the Company during fiscal year 2021.
10. There are no businesses or contracts to which the Company is a party, or in which it is in the interest of a member of the Board of Directors, the CEO, the CFO or any person associated with any of them, except as stated in paragraph (6) above.
11. There are no transfer rights or underwriting under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the Company.
12. There is no refund, purchase or cancellation by the Company, for any refundable debt instruments.
13. There are no arrangements or agreements, under which a board member or a senior company executive waives any salary or compensation.
14. There are no arrangements or agreement, under which a shareholder waives any rights to profits.
15. There are no other investments or reserves created for the benefit of the company's employees.
16. There are no shares or debt instruments issued to a subsidiary, as the company does not own a subsidiary.
17. The company has no loans.
18. The company does not have retained treasury shares.

Seventh: Conflict between the Audit Committee and the Board, or Rejected Recommendations Related to Appointment or Dismissal of the Company's Auditor, Determination of its fees, Evaluation of its Performance or Appointment of the Internal Auditor, and Justifications for Such Conflicts If Any.

There are no recommendations from the Audit Committee that conflict with board decisions, or which the Board has rejected to consider in relation to the appointment or dismissal of the company's auditor, determination of its fees, evaluation of its performance or the appointment of the internal auditor.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Chapter 2:
Planning and Performance.

First: Strategy and Action Plan

QCC strategy remains committed to growth and sustainability by driving value creation and revenue generation programs aiming to build new capabilities and ensure sustainable growth amidst a rapidly changing environment, while leveraging SaudiVision 2030 objectives of creating a thriving industrial sector.

In response to this dynamic environment, QCC's strategy has a relentless focus on building and developing its own strategy to deal with the changes, enabling cost-efficient technological enhancements, as well as on the sustainability of operations. QCC has adopted a mix of initiatives and projects to strike the balance between maintaining stability and promoting growth, starting from programs articulation to reinforce QCC organizational pillars navigating through our integrated system of planning to deal with the new developments, while putting our performance measurement systems in place to monitor indicators and initial results, in order to immediately interfere wherever necessary to reform and correct the course in the event of deviations, while maintaining full commitment to the main guidelines and goals of institutional performance.

QCC will continue the efforts next year to be focused on continuing to deliver superior returns, enhanced customer and employee engagement while accelerating digital execution, and commitment to remain the employer of choice in the industry.

Second: Production

Clinker production:

All kilns were operated during 2021, and with the growth in level of demand, the clinker stock decreased to approximately 2 million tons.

Cement production:

Cement production continued during 2021 at the maximum level as the previous year, with a growth in level of demand compared to the year 2020.

Third: Financial performance

By reviewing the company's financial statements for the year ending 12/31/2021, which were reviewed and audited by KPMG Al-Fozan & Partners, Accountants and Legal Auditors, its represent the following:

1. Assets and liabilities during the last five years (in thousand SAR):

Serial	Description	2021	2020	2019	2018	2017
1	Current Assets	1,207,529	1,261,397	1,145,735	1,076,736	1,108,165
2	Current Liabilities	228,862	252,107	225,961	219,709	205,350
3	Working Capital	978,667	1,009,290	919,774	857,027	902,815
4	Other Long Term Assets	206,532	185,803	183,730	50,014	57,032
5	Fixed Assets	605,902	668,069	727,206	771,937	823,687
6	Total Assets	2,019,963	2,115,268	2,056,671	1,898,688	1,988,884
7	Other Liabilities	55,528	54,073	46,562	41,542	39,328
8	Total Liabilities	284,390	306,180	272,523	261,251	244,678
9	Paid-Up Capital	900,000	900,000	900,000	900,000	900,000
10	Reserves and Retained Earnings	835,573	909,088	884,148	737,436	844,205
11	Shareholders' Equity (No Minority Interests)	1,735,573	1,809,088	1,784,148	1,637,436	1,744,205
12	Total Liabilities and Shareholders' Equity	2,019,963	2,115,268	2,056,671	1,898,688	1,988,884

2. Business results for the last five years (in thousand SAR):

Serial	Description	2021	2020	2019	2018	2017
1	Revenue	722,798	898,422	791,793	425,729	625,946
2	Cost of Goods Sold	433,457	425,191	365,350	285,377	352,267
3	Gross Profits	289,341	473,231	426,443	140,352	273,679
4	G&A and S&D Total Expenses	29,546	50,953	46,454	28,468	29,045
5	Other income and expenses (net)	65,583	27,248	5,346	23,164	16,657
6	Zakat	30,112	29,691	24,600	14,250	9,500
7	Net Income (No Minority Interests)	295,266	419,835	360,735	120,798	251,791

3. Operational results for year 2021 compared with year 2020 (in thousand SAR):

Serial	Description	2021	2020	Change	%
1	Revenue	722,798	898,422	(175,624)	(19.5%)
2	Cost of Goods Sold	433,457	425,191	(8,266)	(1.9%)
3	Gross Profits	289,341	473,231	(183,890)	(38.9%)
4	G&A and S&D Total Expenses	29,546	50,953	21,407	42.0%
5	Operational Income	259,795	422,278	(162,483)	(38.5%)
6	Other income and expenses (net)	65,583	27,248	38,335	140.7%
7	Zakat	30,112	29,691	(421)	(1.4%)
8	Net Income (No Minority Interests)	295,266	419,835	(124,569)	(29.7%)

4. By reviewing the differences in the operational results compared with the previous year results, the following is evident:

Qassim Cement Company achieved revenues amounted of 722.8 million SAR in the fiscal year 2021 compared to 898.4 million SAR for the fiscal year 2020, with a decrease percentage of (19.5%), On the other hand the company closed the fiscal year 2021 with an increase in the cost of goods sold with percentage of 1.9 % compared with the year 2020 Due to increase of some inputs. The net income after Zakat for the year 2021 decreased to (295.3) million SAR, compared with (419.8) million SAR for the year 2020, with a decrease percentage of (29.7%) due to the decrease in sales value and volume, despite the decrease in selling and distribution expenses, the decerase in general and administrative expenses, the increase in investment return, and the increase in other income.

The profits from operations for the year 2021 amounted of (259.8) million SAR compared with amount of (422.3) million SAR for the year 2020, with a decrease percentage of (38.5%). Thus, earnings per share for the year 2021 amounted of (3.28) SAR compared to (4.66) SAR for the year 2020, with a decerase percentage of (29.7%).

	Amount In SAR	%
Bulk cement	454,391,532	63%
Bagged cement	268,406,857	37%

	Amount In SAR	%
Central Region	572,573,683	79%
Northern Region	82,875,934	11%
Western Region	51,847,554	7%
Eastern Region	15,501,217	2%

Due regular payments:

Quarries fees

The company is subject to the mining investment law issued by Royal Decree No. M/47 dated 20/08/1425H, whereby an annual accrual is recorded to be paid to the Ministry of Industry and Mineral Resources in the following year.

Zakat

The company is subject to the regulations of the General Authority for Zakat and Income Tax (GAZT) in the KSA, whereby the amount of Zakat is recorded on accrual basis. The company has paid the due zakat for year 2019, and has obtained a certificate from (GAZT) valid until 30-04-2021.

Value-Added Tax

The company is subject to the value-added tax (VAT) law issued by council of ministers' resolution no. 654 dated 01/11/1438H, the company filling its monthly VAT returns since the beginning of year 2018, and pays it on a monthly basis during the statutory period.

GOSI Subscriptions

The company is subject to the social insurance system, the contributions of the General Organization for Social Insurance (GOSI) are recorded on accrual basis and pays it as per GOSI rules during the statutory period.

The following table shows the amounts of the regular payments paid during the year 2021 and the due amounts;

Description	Year 2021	
	Paid During the Year	Due by end of the year
Quarries fees	26,733,843	27,705,534
Zakat	30,045,341	30,122,406
Value Added Tax	75,428,117	1,704,208
GOSI Subscriptions	6,133,173	522,573

Fourth: Environment Sustainability, Occupational Health and Safety:

QCC is committed to the concept of sustainability towards its incubating environment, all its employees, customers, suppliers, the local community, shareholders and all those directly and indirectly related to its business; as it places occupational health, safety, environment and sustainability axes at the top of its priorities to ensure continuity of development and growth in a manner that respects and cares for the environment for future generations. Main axes of environmental sustainability are as follows:

- Making the concept of environmental sustainability a major requirement when selecting raw materials.
- Preventing the use of any materials harmful to the environment in production processes and providing a more sustainable product.
- Preserving the biological diversity of natural resources.
- Launching the initiative of rationalizing energy consumption to the optimum level, whereby all the traditional lighting system has been replaced with modern energy-saving types in all the company's facilities.
- Preserving non-renewable resources such as water and working on reuse and recycling, as QCC treats sewage using the latest global technologies, and this water is used to irrigate trees and landscape.
- Contracting with companies licensed by the National Center for Monitoring Environmental Compliance to dispose of waste resulting from industrial processes by reusing or recycling waste through these companies.
- Reducing the use of dangerous chemicals and limiting their negative effects.
- Using the latest environmental technologies to reduce emissions of sulfur, nitrogen and carbon oxides.
- QCC invested, in the previous years, tens of millions in order to provide the latest environmental systems and equipment. For example: the system of monitoring and control of emissions from production processes was developed.
- QCC obtained the certificate of the new version of ISO 14001-2015 (Environmental Management System), which is an important achievement in enhancing the importance and prestige of environmental sustainability.
- QCC has been keen on periodic review of the used methods and continuous improvement of environmental performance on a regular basis in cooperation with the best advisory bodies and environmental laboratories.
- QCC is keen on advanced procedures in accordance with the highest international standards with regard to occupational safety and health to protect its employees and visitors from any harm.
- QCC has paid great attention to spreading awareness of occupational safety and health among its employees and all those involved in the company. It is also intense to develop and qualify its cadres to ensure the optimal application of safety procedures.

Fifth: Social Responsibility:

QCC realizes the role of the corporate social responsibility as part of its social duty and sense of citizenship, as well as the importance that our government has placed on community development in the Kingdom of Saudi Arabia, Qassim Cement takes community service as one of its main objectives through various "Corporate Social Responsibility" activities and charitable contributions as a religious, patriotic and ethical duty, thus supporting the government initiatives for community development.

Qassim Cement continues to support and adopt projects and events that serve the community. The most important achieved this year are as below;

- Donating to Islamic Call & Guidance Foundations, advocacy societies and communities in the region.
- Ensuring the dissemination of culture at the local and regional levels by sponsoring cultural and scientific events, and providing support and sponsorship to local magazines and publications.
- Ensuring that community awareness is raised and the safety of individuals is preserved by supporting civil defense initiatives in the region.
- Maintaining support for the economically weaker target groups in society by donating and providing support to charities in the region.
- Sponsoring national events and participating in providing the required support from the competent authorities.

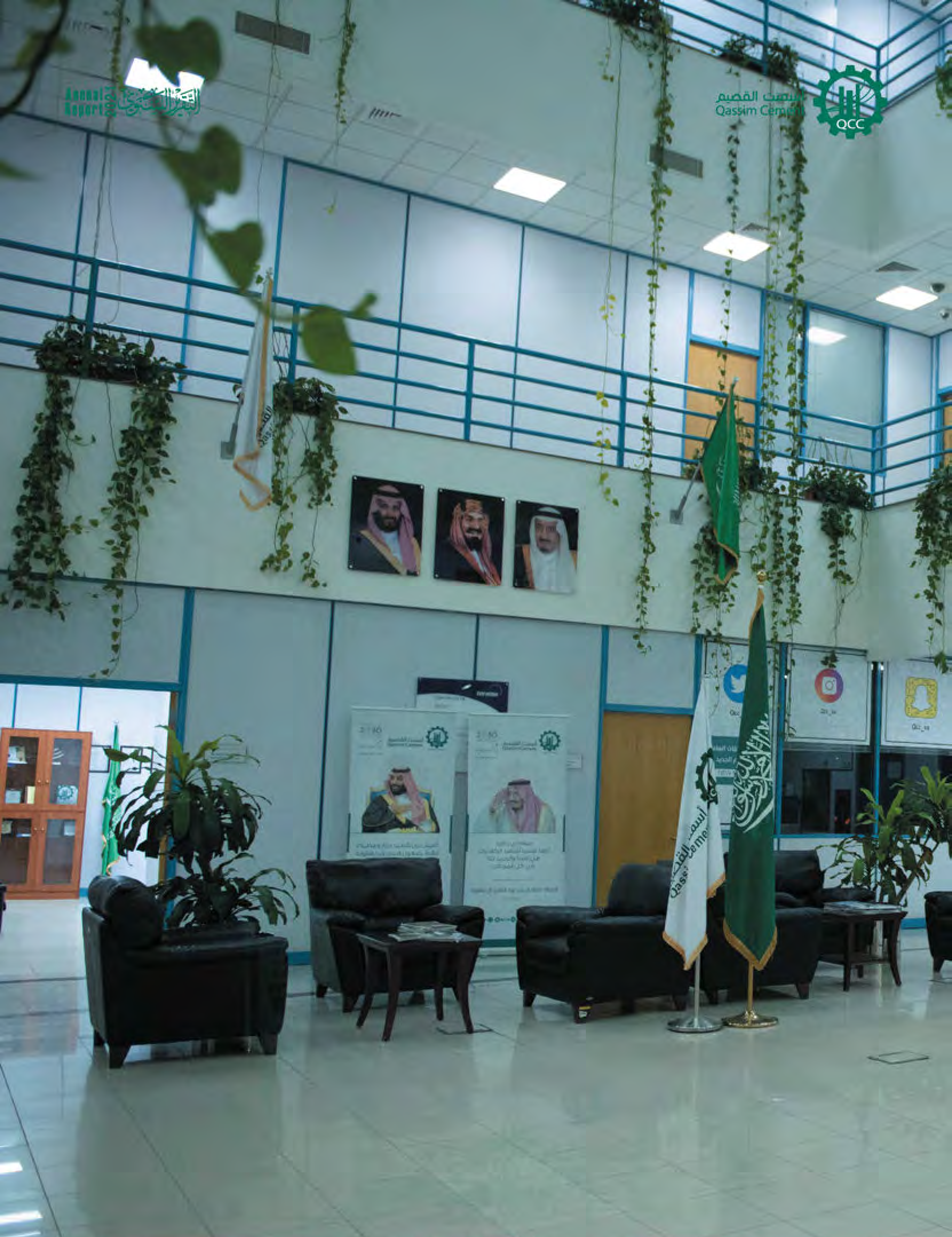
Sixth: Human Resources:

Human Capital is the core engine of growth in any organization. With the help of Allah - QCC continues on its path to achieve the established objectives and brings those big dreams much closer to reality. We have made great progress in achieving the nationalization of jobs and it remains one of our top goals. QCC intends to stay in the platinum category without any deviation "despite the recent adjustment of NETAQAT ratios" which proves its determination to meet its promised objectives.

QCC aspires to achieve the "Vision 2030" which has been set as a national goal and a prerequisite for improving and developing the cement industry sector to achieve this blessed vision. This goal will be achieved by raising the level of efficiency and performance of the national cadres by refining their capabilities and developing their skills through continuous learning and training programs and providing them with the necessary tools to upgrade and develop their scientific and technical capabilities and enrich their knowledge.

Despite the conditions brought about by the "Corona Pandemic" (Covid-19), whose effects on the market still continue until this year and despite the intense competition in the work market faced by the company which was largely caused by the impact of the Pandemic, Qassim Cement continued its extraordinary support to the work force and took all measures required to facilitate their tasks and ensrured they were well rewarded and incentivized. This had a great impact in raising the loyalty and feeling of belonging amongst the employees and it helped attract qualified cadres to join this industrial success story.

It is worth mentioning that QCC continues to exceed all the required Nationalization metrics from the competent authorities especially the Ministry of Human Resources and Social Development, and will continuing to do so in the future.



Chapter 3: Governance

First: Governance Code

QCC adheres to the Corporate Governance Regulations to protect the rights of shareholders and stakeholders. At its 32nd meeting, the General Assembly adopted the Governance Framework of QCC based on the Corporate Governance Code, and as an extension, the Board of Directors adopted all policies arising from the Corporate Governance Code. The following is a table explaining the company's position on the application of the Corporate Governance Code issued by the Capital Market Authority.

QCC applies all the provisions in the CMA's Corporate Governance Code, except for the indicative provisions below:

Article number	Provision	Partially Applied	Not applied	Reasons & Details
Article 39: Training	2) developing the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programmes and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	√		A number of executive management members undergo training courses from time to time, but the provision is still guiding and will be applied by the company as soon as it is mandatory.
Article 41: The Assessment	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.	√		Evaluation is done without setting performance indicators.
Article 41: The Assessment	e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.		√	The provision is still guiding. When it is mandatory, the Company will apply it.
Article 41: The Assessment	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.		√	The Nomination and Remuneration Committee evaluates the Chairman of the Board periodically. The Company will apply this provision when it is mandatory.

Article number	Provision	Partially Applied	Not applied	Reasons & Details
Article 70: Composition of the Risk Management Committee	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.	√		A number of executive management members undergo training courses from time to time, but the provision is still guiding and will be applied by the company as soon as it is mandatory.
Article 78: Internal Audit Report	b) The internal audit unit or department shall prepare a general written report to be submitted to the Board and the audit committee on the audit activities it carried during the fiscal year compared to the approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year;		√	The internal audit framework requires that the report be submitted to the Audit Committee only.
Article 85: Employee Incentives	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;		√	When it is mandatory it will be implemented by the Company.
Article 85: Employee Incentives	2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme; 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;		√	When it is mandatory it will be implemented by the Company.
Article 85: Employee Incentives	3) establishing social organizations for the benefit of the Company's employees.		√	When it is mandatory it will be implemented by the Company.
Article 87: Social Responsibility1	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.	√		The Company has a social contribution policy approved by the Board of Directors, which will be adopted by the General Assembly when it is mandatory.

Article number	Provision	Partially Applied	Not applied	Reasons & Details
Article 88: Social Initiatives	1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;		√	When it is mandatory it will be implemented by the Company.
Article 88: Social Initiatives	4) establishing awareness programmes to the community to familiarize them with the Company's social responsibility.		√	When it is mandatory it will be implemented by the Company.
Article 95: Formation of a Corporate Governance Committee	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.	√		Governance monitoring and updating its requirements are within the authorities of the Audit Committee. The Company does not have a governance committee, and. When the provision becomes mandatory it will be implemented by the Company.

Second: Risk Management

The Board of Directors adopted the results of the risk assessment study as one of the internal audit activity in QCC, the scope of the study contained the formulation of a risk policy, risk identification, the work of a detailed risk record, proposals to address or mitigate the impact of risks, and the work of a strategic action plan for internal review for three years based on risk, our internal review oversees the continuous updating of the risk assessment under the direct supervision of the Audit Committee, and the Board, to ensure efficient management of risk in compliance with the approved policies. The risk is hedged through close cooperation between the company's departments, assessing the likelihood of its occurrence and assessing the implications of it, and then taking the necessary measures to mitigate the riskas much as possible to avoid any damage that may occur. QCC updates its risk record according to the actual situation of these risks on an annual basis, and and prioritize risks facing the company that may adversely affect the realization of its future plans:

- Change or uncertainty in Geo-political circumstances, Trade Policies impacting the supply chain of regionally /globally procured material. This may potentially lead to disruption in supply chain, availability of material.
- Increase in the royalty for extraction of limestone and clay due to change in KSA regulations. This may potentially lead to reduced profit margin of QCC due to high raw material cost.
- Reduction of government subsidy in the fuel price and power tariff due to change in government policies. This may potentially lead to reduced profit margin of QCC due to high operational costs.
- Heavy dependence on single source procurement rather than identifying alternative vendors. This may potentially lead to irrational purchases and disruption in supply chain due to failure of a single vendor.
- Risk of emergence of new market players / competitors due to industry attractiveness and growth opportunity. This may potentially lead to: 1.) QCC unable to sustain its position of market leader in the central region; and 2.) Contraction of QCC market share
- Risk of price war among existing players in industry. This may potentially lead to erosion of market share or profit margin of QCC.
- Risk of absence of documented strategy to optimize the outbound logistics cost (i.e. from dispatch area to customer/ distributor's location). This may potentially result in decline in profits to the company because of un-optimized logistics cost
- Risk of absence of entity level credit risk appetite that cascades into customer/ distributor level credit limits. This may potentially lead to bad debts significant at company level.
- Third-party risks arising from the organization's reliance on outsourcing and strategic sourcing arrangements, IT vendor contracts, and other partnerships/Joint Ventures. This may potentially lead to operational disruptions.

The risks that are mentioned in the chartered accountants disclosures, they are only to clarify the company's position on those risks, and they are as follows: -

Financial risk management:

The Company has exposure to the following risks from its use of financial instruments:

1- Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's trade receivables and cash and cash equivalents.
The carrying amount of financial assets represents the maximum credit exposure.

2- Liquidity Risk

Liquidity risk is the difficulties that an entity will encounter in raising funds to meet commitments related to financial instruments.

3- Market Risk

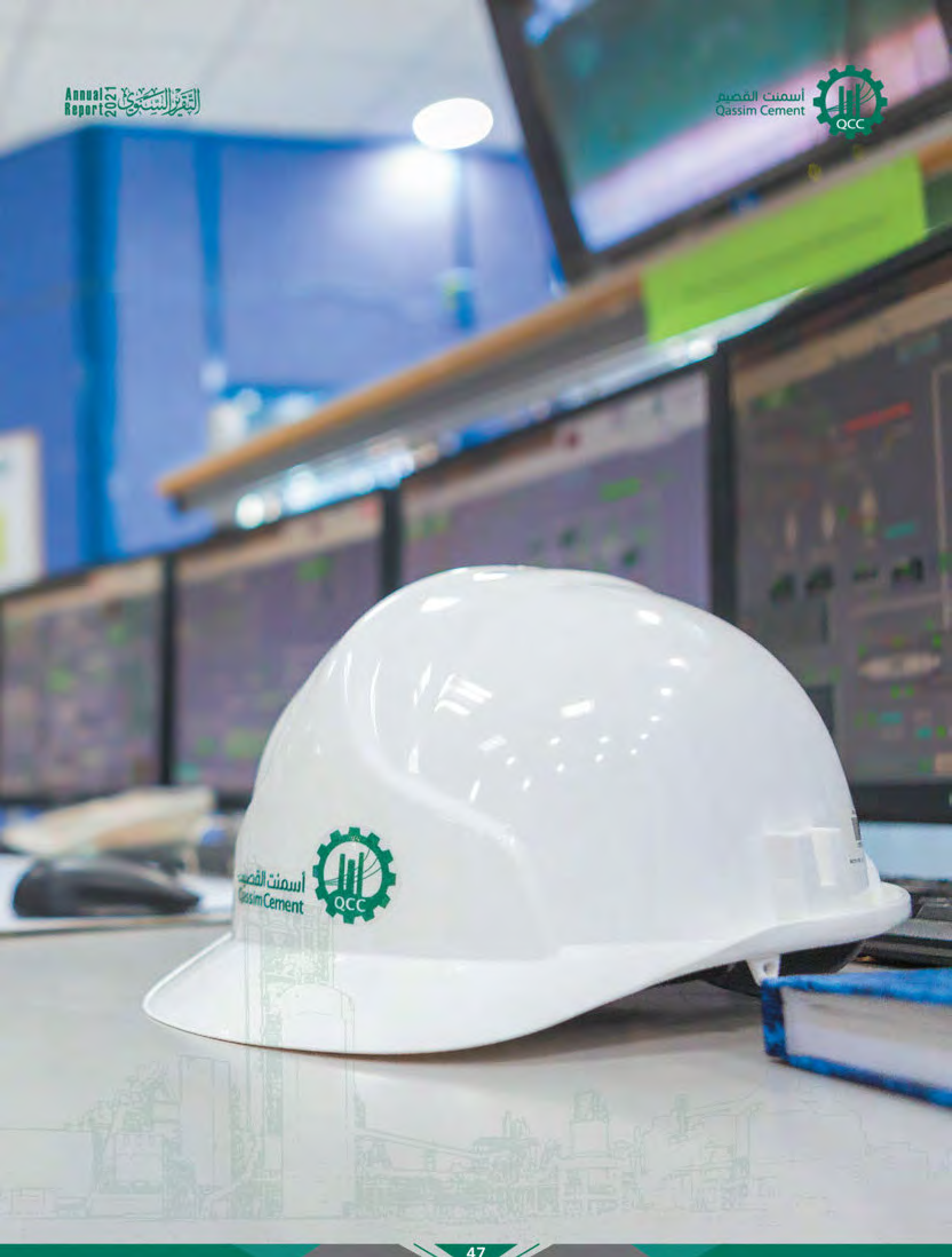
Market risk is the risk of possible impact of changes in market prices, such as foreign exchange rates and commission rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Third: The Results of the Annual Review of the Effectiveness of the Internal Control Procedures, in addition to the Opinion of the Audit Committee on the Adequacy of the Internal Control system:

The Audit Committee continuously develops and supports internal control and monitoring systems, where the internal audit section conducts risk-based audit plan, which is constantly adopted and monitored by the Audit Committee. The audit processes aim to evaluate the internal control systems. The audit processes carried out by our internal audit section and the external auditors show the adequacy of the company's internal control system, and did not present any fundamental weakness in the company's internal control system.

Accordingly, the Audit Committee believes that the internal control system is effective amd adequate.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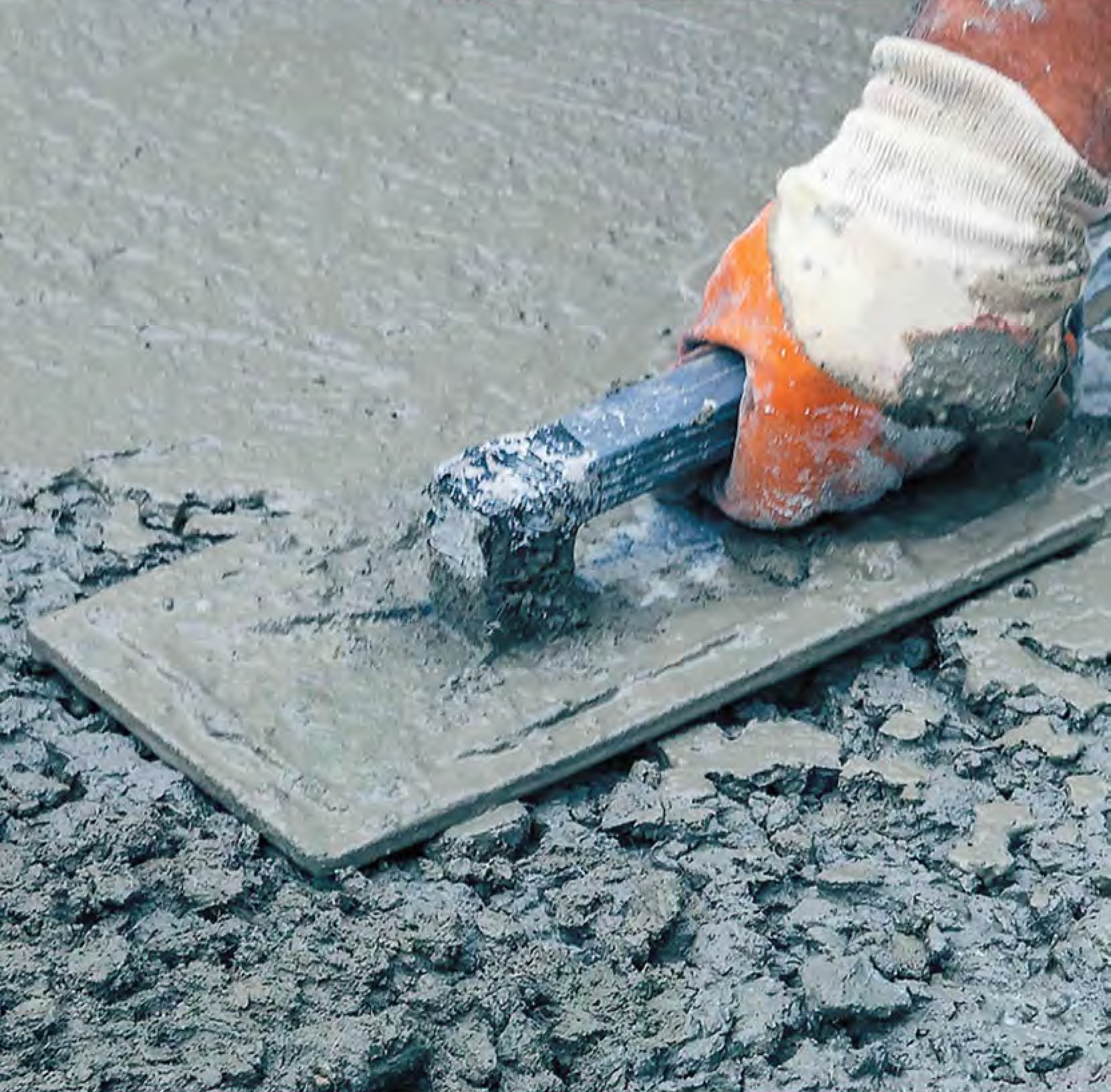
Chapter 4: Four: Dividend and Board Recommendations:



First: Dividend Policy:

1. The company distributes profits to the shareholders who are registered in the shareholders' register maintained by Securities Depository Center Co., (Edaa) at the end of second business day following the eligibility date, which is determined and announced in compliance with the settlement mechanism (T+ 2).
2. The distribution of profits depends on several factors, including the company's profits, its financial position, the market situation, the general economic climate, and other factors, including an analysis of investment opportunities, the company's needs for reinvestment, monetary and capital requirements, in addition to other legal and regulatory considerations, including any restrictions on distribution according to any financing loans the company intends to enter into or it has entered, the company may also take into consideration the rules for dividends that are generally applied in the Saudi companies, companies operating in the Gulf countries, and international companies operating in the cement field.
3. Based on the Board of Directors recommendation, the shareholders' general assembly decides to distribute profits to the shareholders and it is announced in Tadawul and the local newspapers.
4. The company's management execute the dividends approved by the general assembly to the shareholders according to the appropriate method, within a maximum of 15 business days from the eligibility date.

Second: Dividend procedures:

1. The company carries out certain procedures to ensure the Dividend paid to those who deserve it in a smooth and easy way, the most important procedures are as following:
   - Announcing to shareholders in Tadawul the amount of dividend that will be distributed, the name of the bank that will distribute the profits, the eligibility date and the date of distribution.
   - Inviting shareholders to update their information by filling out the shareholder data form.
   - Motivating shareholders periodically to receive their un-paid dividends, by publishing in Tadawul website, in addition to publishing the names on the company's website.
2. Dividend to shareholders are paid through banks, by depositing in their investment portfolios on the dates determined by the Board of Directors.
3. The company's net profits after deducting Zakat are distributed, according to the following procedures:
   - 10% of the net profits are set aside annually, to form the statutory reserve for the company. The Ordinary General Assembly may decide to stop this deduction when the mentioned reserve has reached (30%) of the paid-up capital and the reserve has reached this percentage, and a certain percentage of the net profits may be set aside to form a consensual reserve to be allocated for specific purposes, as determined by the Ordinary General Assembly of shareholders.
   - The Ordinary General Assembly, when determining the dividend per shares from the net profits, may decide to create other reserves, to the extent that it serves the interest of the company or ensures the distribution of fixed profits as possible to the shareholders. The aforementioned General Assembly may also deduct amounts from the net profits to establish a social institution for the company's employees or to support what may exist from these institutions.
   - The statutory reserve is used to cover the company's losses or increase the capital. If this reserve exceeds (30%) of the paid-up capital, the Ordinary General Assembly may decide to distribute the excess to shareholders in the years in which the company does not achieve sufficient net profits to cover the dividend per share determined in the company's by-law.
   - The agreement reserve cannot be used except by a decision by the extraordinary general assembly. If this reserve was not determined for a specific purpose, the Ordinary General Assembly may (upon a recommendation from the Board of Directors) decide to disburse it for the benefit of the company or the shareholders.
   - The Ordinary General Assembly may use the retained earnings and distributable agreement reserves to pay the full or partial remaining amount of the share value, without prejudice the equality between the shareholders.

1. The company's annual net profits are distributed to the shareholders after setting aside the statutory reserve and other reserves as follows: -
   - From the remaining, a first payment equal to five percent (5%) of the paid-up capital shall be distributed to the shareholders. If the remaining profit amount is less than the mentioned percentage, it may not be claimed from the profits of the following years.
   - From the remaining, ten percent (10%) shall be allocated to the remuneration of the Board of Directors as mentioned in the first paragraph of Article (76) of the Companies Law. Then the remaining is distributed to the shareholders as a dividend.

Third: Interim dividends distributed during the year 2021

The company distributed 4.45 SAR per share for the year 2020, with a total amount of 400.5 million SAR, which represents 44.5% of the paid-up capital. The company also distributed 2.90 SAR per share for the first, second and third quarters of 2021, with a total amount of 261 million SAR, and which represents 29% of the paid-up capital.

Fourth: Proposed dividends for the year 2021

In accordance with Articles (47) and (48) of the Company's bylaw, and based on the delegation from the Ordinary General Assembly of the Board of directors, the Board of Directors approved the distribution of profits as follows:

Description	Amount in SAR
Net income after zakat	295,266,297
Less: Quarterly dividends to shareholders at 29% of the share capital (For first, second and third quarters of 2021)	(261,000,000)
Balance	**34,266,297**
Less: Board of directors remuneration	(2,783,562)
Balance	31,482,735
Plus: Carried forward balance of the retained Earnings	537,953,620
Balance Carried forward to next year	**569,436,355**
Deduct quarterly dividends to shareholders at 6% of the paid-up capital (For fourth quarter of 2021, as recommended by the Board of Directors dated 08/02/2021	(54,000,000)
Balance	515,436,355

Fifth: Recommendations from the Board of Directors to the Forty-eighth Ordinary General Assembly: -

In accordance with Articles (46) and (47) of the Company's bylaw, and after reviewing the Company's achievements during the year ending 31/12/2021, as well as the financial statements, the Board of Directors recommended the following:

1. Voting on the Board of Directors annual report for the year ended 31-12-2021.
2. Voting on the company's auditor's report for the year ended 31-12-2021.
3. Voting on the financial statements for the year ended on 31-12-2021.
4. Voting on appointing the company's auditor from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second & third quarters, annual of the year 2022 and the first quarter of the year 2023, and determining their fees.
5. Voting on the decision of the Board of Directors regarding the dividends that have been distributed to shareholders amounted of 315 million SAR, represents (3.50) SAR per share for the first, second, third and fourth quarters of year 2021.
6. Voting on absolving the members of the Board of Directors from liability for the year ending 31-12-2021.
7. Voting on disbursing an amount of (2,824,110 SAR), as remuneration to the members of the Board of Directors for the year ended on 31-12-2021.
8. Voting on delegating the Board of Directors to declare interim dividends on a quarterly basis for the year 2022.

Chapter 5: Auditors' Report and the Financial Statements for the Year 2021 and its Disclosures: