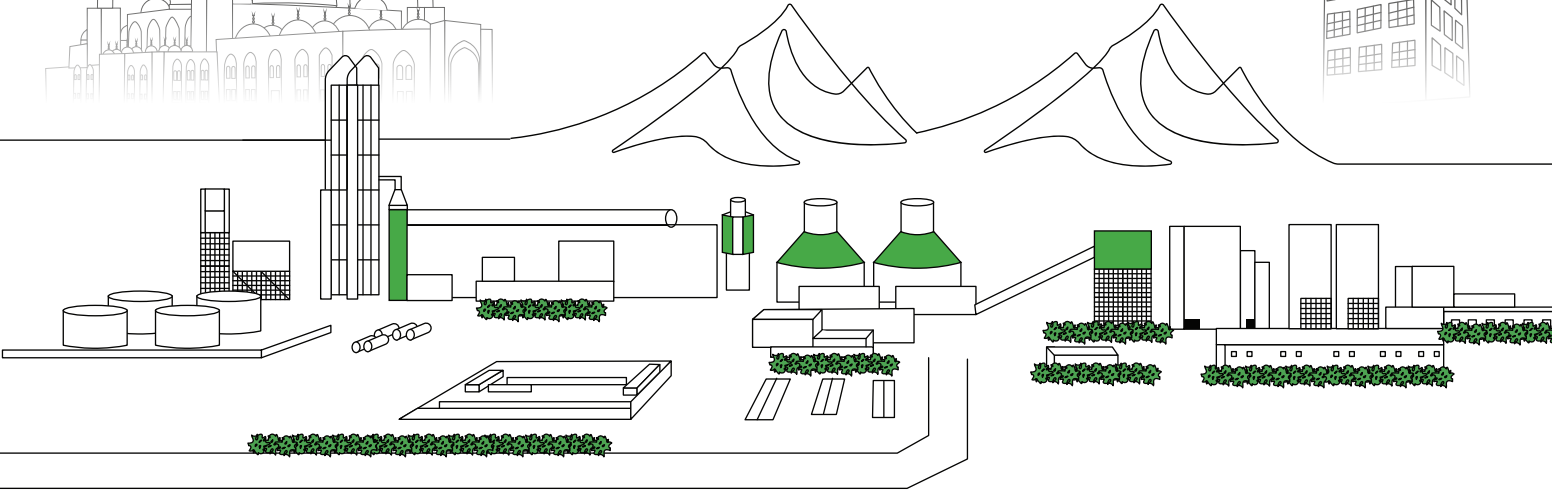
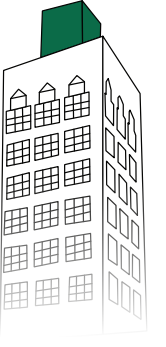
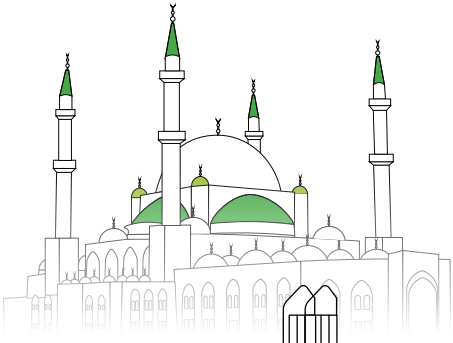




HCC

أسمنت حائل  
Hail Cement

# التقرير السنوي Annual Report 2023





## Board of Directors



Mr. Abdulmalik Khalid Al-Rajhi  
Chairman of Board of Directors  
Independent

### Qualifications

- Bachelor's degree in Financial Management – Insurance

### Current positions and memberships

- Chairman of the Board of Directors at Hail Cement Company.
- CEO of Al Arrab Construction Limited.
- CEO and Board Member of Saudi Arabian Construction Industries Holding Company.
- CEO of Jetco General Trading and Contracting Company.
- Board Member of Al-Rajhi Group Holding.
- Commercial Committee Member at Riyadh Chamber.
- Board Member of Fedavet Company.
- Board Member of Marami Company.
- Board Member of Brandship Company.

### Previous positions, memberships, and experiences

- Deputy Head of Budgeting and Cost Control at Al Arab Construction Company.
- Financial Analyst and Advisor at Al Rajhi Holding Group.
- Corporate Finance Officer at Al Bilad Financial Company.
- Financial Analyst at Blueprime Capital (UK).
- Board Member of Young Experts Council.



Mr. Abdulaziz Majed  
Al-Kassabi  
Vice Chairman of  
the Board of Directors  
Independent

### Qualifications

- Bachelor's degree in Engineering Management.
- Master's degree in Business Administration.

### Current positions and memberships

- Vice Chairman of the Board of Directors at Hail Cement.
- Chairman of the Nominations Committee at Hail Cement.
- Owner and CEO of Moshira Saudi Arabia Company.

### Previous positions, memberships, and experiences

- Vice Chairman of the Board of Directors and member of the Audit Committee at Petromin.
  - Chairman of the Board of Directors at Saudi Lime Industries Company.
  - Board Member at Ayan Investment Group.
- These roles involve setting strategies, executive management, and financial data analysis.



Mr. Abdulaziz Tariq Al-Bassam  
Board of Directors Member  
Independent

#### Qualifications

- Bachelor's degree in Economics
- Master's degree in Business Administration
- Diploma in Project Management

#### Current positions and memberships

- Member of the Board of Directors and Chairman of the Audit Committee at Hail Cement.
- Deputy Chairman of the Board of Directors and CEO of the General Company for Equipment.
- Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee, and member of the Audit Committee at Saudi Lime Industries Company.
- Member of the Board of Directors of Saudi Industrial Gases Company.



Mr. Abdullah Abdulmajeed  
Al-Jeriwi  
Board of Directors Member  
Independent

#### Previous positions, memberships, and experiences

- General Manager at Nasataa Development Company Limited.
- Deputy General Manager at Al Bassam International Company.
- Member of the Audit Committee at Saudi Lime Industries Company.

#### Qualifications

- Bachelor's degree in Financial Management with first-class honors

#### Current positions and memberships

- Member of the Board of Directors and the Nomination and Remuneration Committee at Hail Cement Company.
- CEO of Abyan Financial Company

#### Previous positions, memberships, and experiences

- Top executive positions and board/committee memberships in the following companies:
- The Brand Company.
- Financial Technology Committee at the Capital Market Authority.
- Manafea Financial Company.
- Digital Research Company.
- Alaan Advertising and Public Relations Company.



Eng. Khalid Abdulaziz  
Al-Ahmed  
Board of Directors Member  
Executive

#### Qualifications

- Bachelor's degree in Mechanical Engineering

#### Current positions and memberships

- Member of the Board of Directors and CEO of Hail Cement.
- Member of the Hail Chamber of Commerce.
- Member of the Board of Trustees of the Prince Abdulaziz bin Saad Al Saud Program.
- Member of the National Committee for Cement Companies.

#### Previous positions, memberships, and experiences

- Executive Director of Marketing and Sales at Hail Cement Company.
- Marketing and Sales Director in China at SABIC.
- Regional Marketing Manager at SABIC.
- Product Manager at SABIC.
- Sales Representative for the local and Middle East markets at SABIC.

#### Qualifications

- Bachelor's degree in Mechanical Engineering

#### Current positions and memberships

- Member of the Board of Directors and the Nomination and Remuneration Committee at Hail Cement Company.
- Chairman of the Board of Directors of Fahd Al-Moajil & Brothers Co.
- Member of the Board of Directors of Tay Trading and Services Limited Company.

#### Previous positions, memberships, and experiences

- Held multiple senior executive positions and served as chairpersons and members of boards and committees in the following companies:
- Hail Cement Company.
  - Fahd Al-Moajil & Brothers Co.
  - Tay Trading and Services Company.



Eng. Fahad Abdulkarim Al-Faraj  
Board of Directors Member  
Independent



Mr. Ahmed Saleem Alioua \*  
Board of Directors Member  
Independent

#### Qualifications

- Fellowship in Accounting and Auditing.
- Fellowship in the Egyptian Tax Association.
- Bachelor's degree in Accounting and Business Administration.
- Diploma in Accounting and Auditing.

#### Current positions and memberships

- CEO of Saudi Lime Industries Company.
- Chairman of the Audit Committee at Energy and Enthusiasm Limited Company.

#### Previous positions, memberships, and experiences

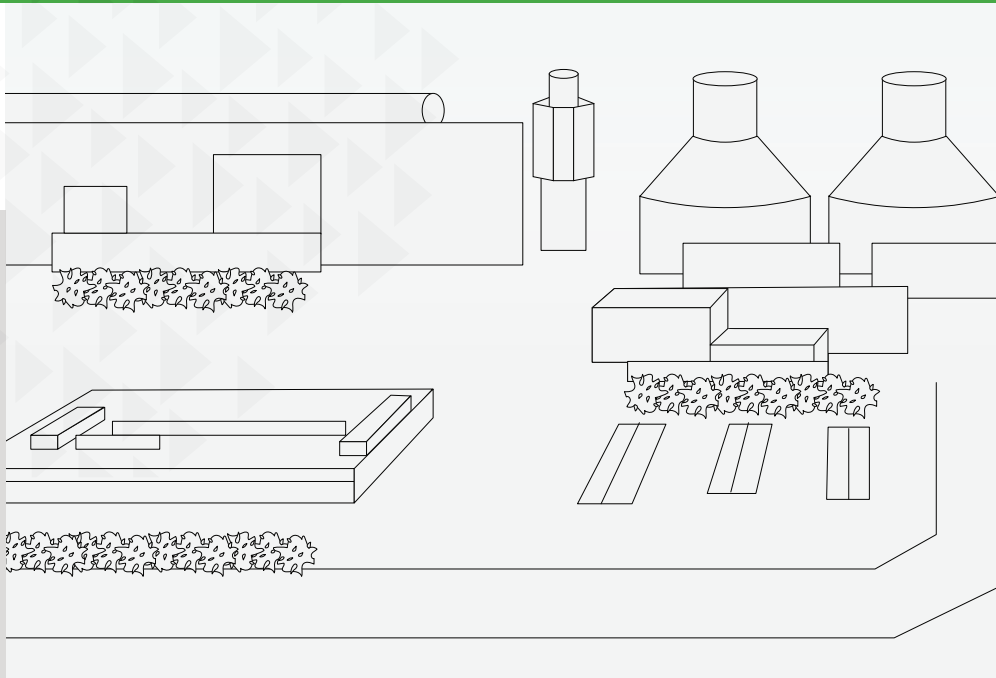
More than 20 years of experience in financial consulting, auditing, and executive management, with senior executive positions in major mining companies in Egypt and Saudi Arabia, including:

- Member of the Board of Directors and the Nomination and Remuneration Committee at Hail Cement Company.
- Head of Sector at Jeddah Fuel Supply Station Company.
- Senior Manager at Ernst & Young (E&Y) Company.

\* Resigned from the membership of the Board of Directors and the Nomination and Remuneration Committee on August 25, 2023

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# About HCC





## 1. About HCC

Hail Cement Company was established in 2010 with a capital of 979,000,000 Saudi Riyals, divided into 97,900,000 issued and fully paid shares of 10 riyals per share.

There are no subsidiaries of Hail Cement Company.

### 1.1 Activity

The purposes for which the company was established are the manufacture and production of cement, its accessories, derivatives and components, and trading in it inside and outside the Kingdom of Saudi Arabia, and the management and operation of all types of cement factories. For this purpose, it may practice mining and quarrying and everything that enables the company to obtain raw materials for the cement industry, such as limestone. Clay, gypsum, iron, kaolin, sand, silica sand ore, and other materials needed for the cement industry.

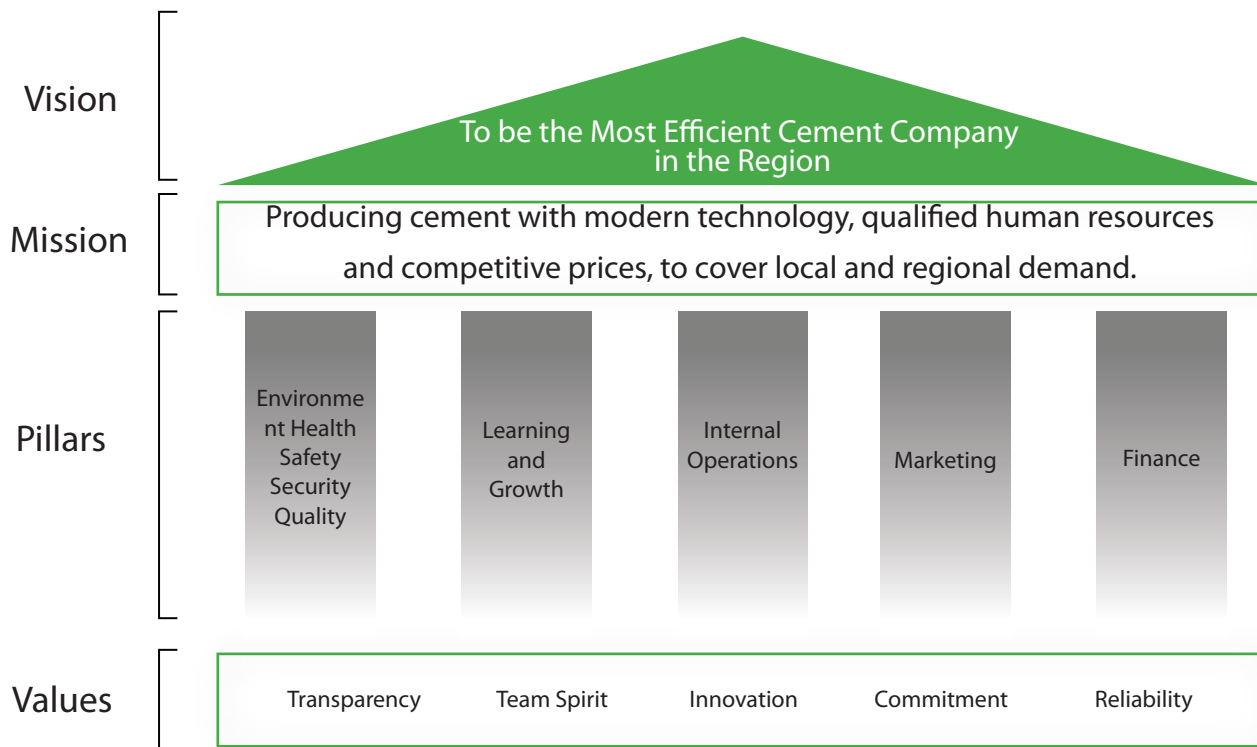
To achieve this purpose, it has the right to conclude all types of contracts, and to carry out all aspects of activities that achieve its purposes, such as transporting cement, raw materials, and all materials related to the cement industry. The company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

### 1.2 Company Policy

Hail Cement Company believes in basic principles that major industrial businesses cannot drop or achieve goals, growth and development without adhering to them. These principles include:

Occupational Health and Safety	Providing a healthy and safe work environment for employees, committing to effectively managing health and safety risks in the workplace, and preventing work-related accidents and illnesses.
Quality and continuous improvement	Pre-evaluate product quality and new production processes, and strive to improve product quality and the effectiveness of the integrated management system.
Environmental sustainability	Mitigating the impacts of operations on the environment and the local community, and applying the principles of continuous development to preserve air, water, and noise pollution.
Human capital	Applying a high level of investment in human resources, attracting qualified cadres, working to sustain development, training and motivation policy, and spreading the culture of working in a team spirit.
Regulatory compliance	Commitment to all legal and local requirements and regulations related to the company's activity, with a focus on ethical practices and social responsibility in all aspects of work.
Preserving the environment and natural resources	Minimize and recycle waste as much as possible, and optimize the use of water and energy in buildings, vehicles and operations to conserve natural resources.

### 1.3 Company Strategy



### 1.4 Expectations

The economy of the Kingdom of Saudi Arabia is witnessing a pivotal transformation phase, as the Kingdom is mainly moving towards expanding strategic spending across sectors and regions, and accelerating the implementation of projects. According to the general budget statement “2024”, the Kingdom of Saudi Arabia intends, through its financial policies, to expand the levels of mainly directed spending. To development programs and projects and regional and sectoral strategies to promote sustainable economic growth. Accordingly, it is expected that this will be reflected in an increase in local demand for cement by rates ranging between 2-3% in 2024.

## 1.5 Environment, Health, Safety, Security and Quality

Hail Cement Company seeks to apply the best standards in conducting all operations, stimulating this trend among everyone who works for or with it. In line with this ambition, it believes that businesses are responsible for achieving good practices for the environment, health, safety, security, and quality, and implementing all of their work in a sustainable manner.

Environment	Health	Safety	Security	Quality
<ul style="list-style-type: none"> <li>• Manage factory emissions at rates better than regulatory standards.</li> <li>• Improve vegetation and green spaces within and around the organization.</li> <li>• Implement 13 hygiene activities for factory and surrounding areas.</li> <li>• Preserve environment and wildlife through integrated environmental management.</li> <li>• Engage top environmental consultants to implement international and local practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting annual medical examination for employees</li> <li>• Seasonal influenza vaccination program</li> <li>• Precautionary screening programs</li> <li>• First aid training</li> <li>• Applying best practices in industrial hygiene</li> <li>• A quarterly analysis system for all treatment cases within the factory to provide a healthy work environment</li> </ul>	<ul style="list-style-type: none"> <li>• 1,059 internal audits completed.</li> <li>• 4,347 safety reports completed.</li> <li>• Over 800 oversight operations implemented in the STOP program for safety culture improvement.</li> <li>• Over 5 specialized safety workshops implemented to enhance the safety climate.</li> <li>• Safety motivation and rewards system implemented for all employees, fostering a safe work environment.</li> <li>• Utilizing top-notch systems for automating safety operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Firefighting training programs for all company employees</li> <li>• The evacuation period during fire incidents reaches an average of 2.5 minutes for rescue teams</li> <li>• Training on emergency response plans for a number of employees</li> <li>• Daily monitoring of complete sites through security cameras</li> <li>• Applying best practices by developing security teams and advanced systems</li> </ul>	<p>Hail Cement has obtained many certificates according to international standards and renews them annually, including:</p> <ul style="list-style-type: none"> <li>• ISO9001 the international standard that specifies requirements for a quality management system</li> <li>• ISO45001 the global international standard for health and safety</li> <li>• ISO14001 is the international standard that specifies the requirements for an effective environmental management system</li> <li>• RC14001 Standard of Responsible Care</li> </ul>

## 1.6 Social Responsibility

Hail Cement Company has adopted specific principles for social responsibility that guarantee the sustainable impact of serving the local community in line with its policy and strategy by applying the best standards and practices in conducting all operations, and this is supported by several basic principles that include:

- ◆ To be consistent with the company's strategy.
- ◆ The initiatives must have a direct societal impact
- ◆ To have a methodology that promotes sustainability
- ◆ Does not conflict with the values of society.

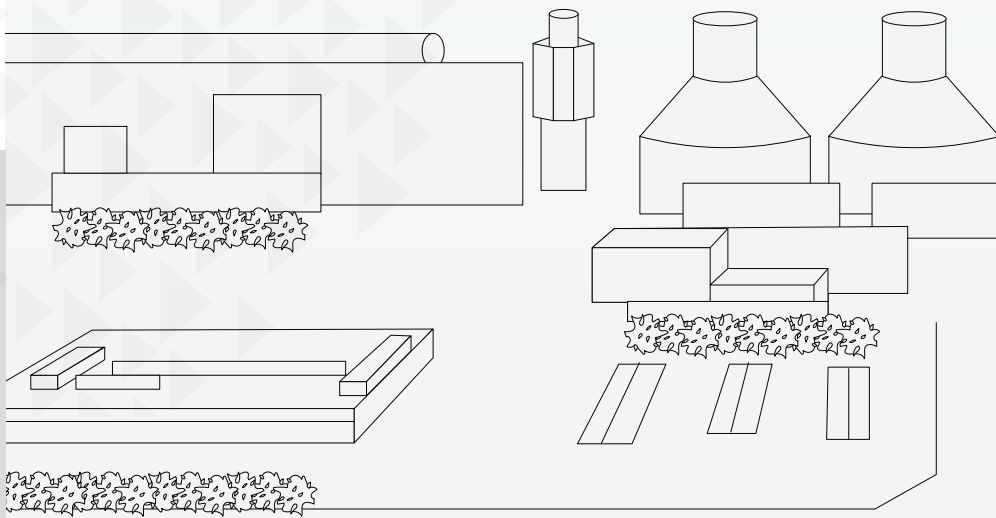
Hail Cement Company works to develop local community support through four main paths::



### 2023 Social responsibility initiatives

Initiative	Path	Partners
World Civil Defense Day in Hail region	Community awareness	Civil Defense in Hail Region
Al Khair Medical Clinic	Health and quality of life	Safana Health Association in Hail Region
Hail Championship for Purebred Arabia Horses	Health and quality of life	Emirate of Hail Region
Hail Cement training program for cement crafts	Creativity and innovation	Aja Women's Civil Society in Hail
Saudi and international volunteer day	Community awareness	Ministry of Human Resources and Social Development

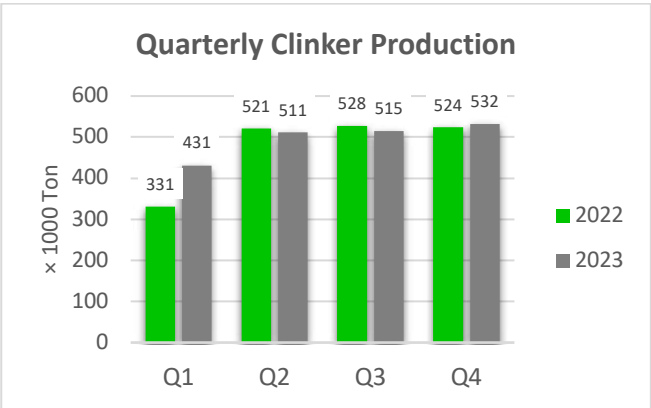
# Operational Performance Summary



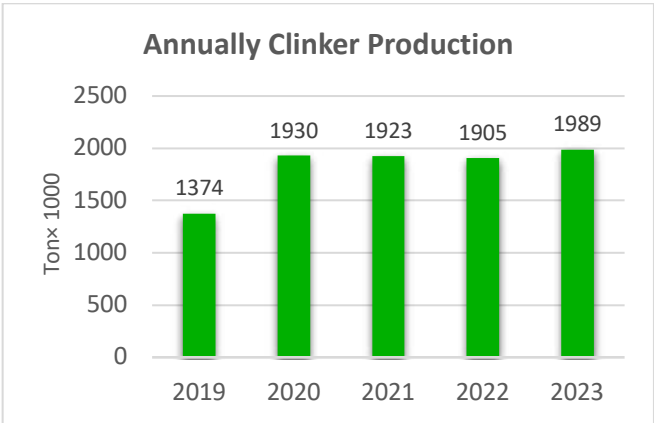
2. Operational Performance Summary

2.1 Clinker Production

Hail Cement’s clinker production reached 1,988,705 tons for the year 2023, compared to 1,904,823 tons for the year 2022. The following graph shows a comparison of clinker production for the years 2022 and 2023 on a quarterly basis.

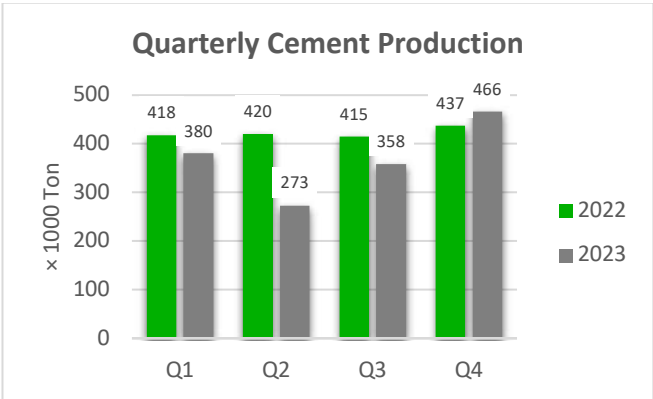


While the following chart shows a comparison of clinker production (on an annual basis) during the last five years

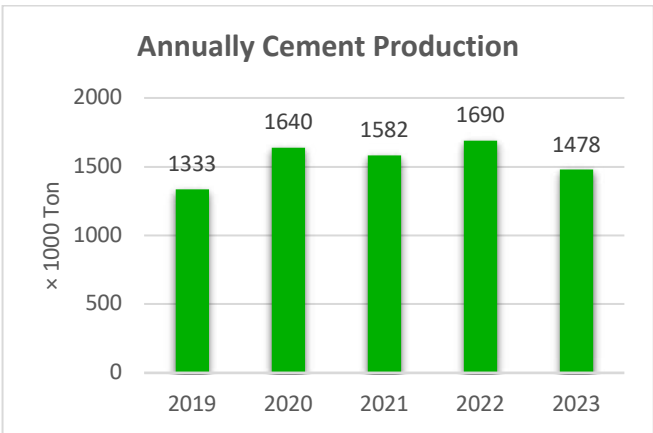


2.2 Cement Production

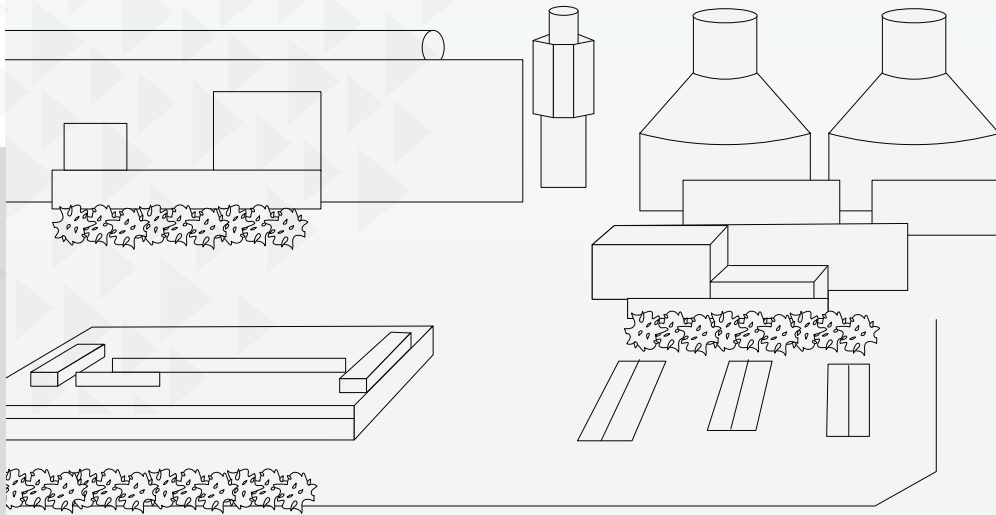
Hail Cement’s cement production reached 1,477,844 tons for the year 2023, compared to 1,690,306 tons for the year 2022. The following graph shows a comparison of cement production for the years 2022 and 2023 on a quarterly basis.



While the following chart shows a comparison of cement production on an annual basis during the last five years



# Financial Performance Summary

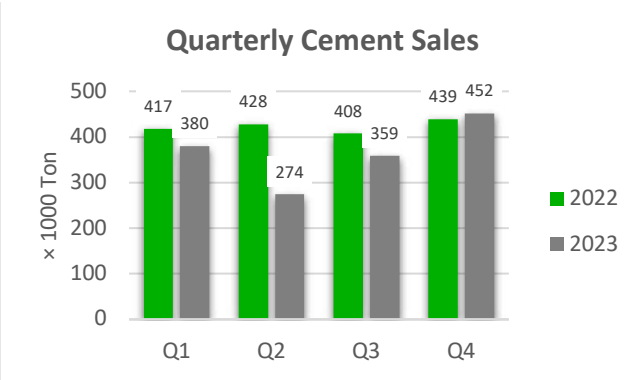


### 3. Financial Performance Summary

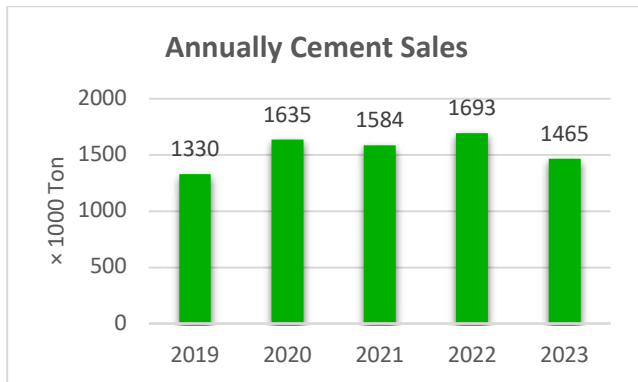
#### 3.1 Sales

##### Cement Sales

The company's cement sales for the year 2023 amounted to 1,465,216 tons, compared to 1,692,910 tons in 2022. The following chart illustrates the quarterly comparison of cement sales for the years 2023 and 2022.

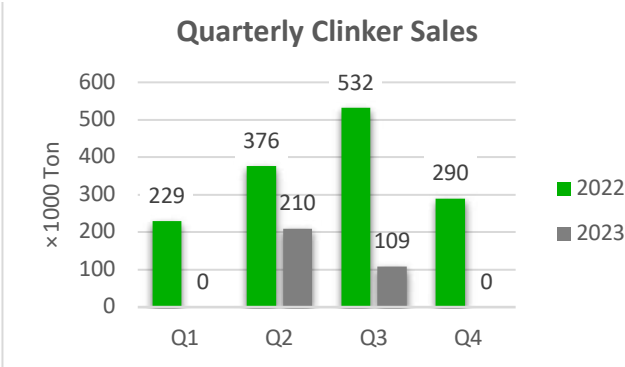


While the following chart shows a comparison of cement sales on an annual basis during the last five years



##### Clinker Sales

The company's clinker sales for the year 2023 amounted to 318,726 tons, compared to 1,427,530 tons in 2022. The following chart illustrates the comparison of clinker sales for the years 2023 and 2022.



The following chart shows the clinker inventory comparison at the end of each quarter for the years 2023 and 2022



### 3.2 Geographical analysis

	Sales	%
Central Region	139,061,692	60.7%
Northern Region	5,353,974	2.3%
Eastern Region	30,574,303	13.3%
Southern Region	-	-
Western Region	54,073,168	23.6%
Exportation	-	-
<b>Total</b>	<b>229,063,137</b>	<b>100%</b>

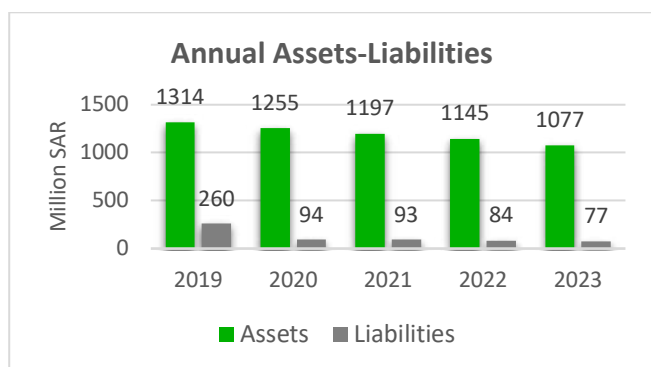
### 3.3 Net profit and earnings per share

Statement	2023	2022
Net Profit ( SAR)	24,613,173	16,414,481
Total income for the year	22,746,900	24,241,938
Shares Count	96,406,522	97,386,024
Share Profit	0.25	0.17

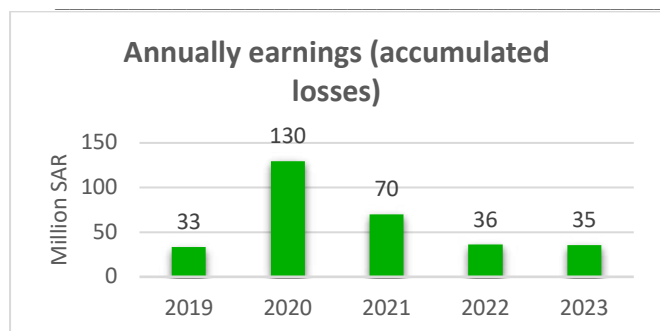
### 3.4 Financial Statement List for five years

Balance Sheet	2023	2022	2021	2020	2019
Million SAR					
Total current assets	469	493.5	486.9	484.7	484.3
Total non-current assets	608.1	651.8	711.0	770.3	830.4
<b>Total Assets</b>	<b>1,077.1</b>	<b>1,145.3</b>	<b>1,197.9</b>	<b>1,255.1</b>	<b>1,314.7</b>
Total current liabilities	47.1	56.6	59.0	62.9	88.0
Total non-current liabilities	30.1	27.7	34.3	30.6	172.0
<b>Total Liabilities</b>	<b>77.3</b>	<b>84.3</b>	<b>93.3</b>	<b>93.6</b>	<b>260.1</b>
Capital	979	979	979	979	979
Statutory Reserve	-	58.3	56.7	52.5	41.7
Retained earnings (accumulated losses)	35.2	36.1	69.8	129.6	33.2
treasury shares	(19.3)	(19.2)	0	0	0
Actuarial gains (losses) from other comprehensive income	4.9	6.8	(1.0)	0.42	0.63
<b>Total shareholder equity</b>	<b>999.9</b>	<b>1,061</b>	<b>1,104.5</b>	<b>1,161.5</b>	<b>1,054.6</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,077.1</b>	<b>1,145.3</b>	<b>1,197.9</b>	<b>1,255.1</b>	<b>1,314.7</b>

The following chart illustrates the comparison of assets and liabilities (on an annual basis) over the past five years.



The following chart illustrates the comparison of retained earnings (accumulated losses) on an annual basis over the past five years.



The following chart illustrates the comparison of total shareholders' equity (on an annual basis) over the past five years.

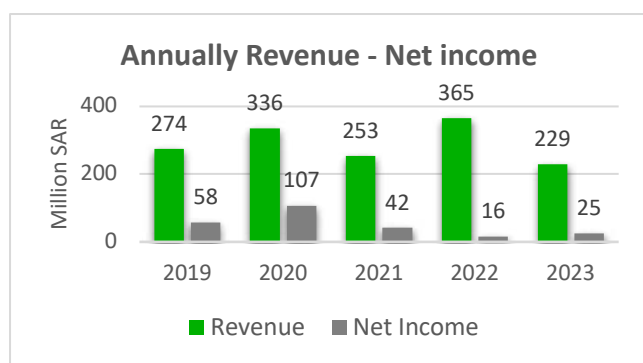


### 3.5 Income Statement for Five Years

Income Statement	2023	2022	2021	2020	2019
Million SAR					
Revenues	229	365.4	253.3	336.3	274.4
Revenue cost	(184.9)	(301.9)	(190.0)	(188.6)	(182.3)
Gross income	44.2	63.5	63.3	147.6	92.0
Sale and distribution	(3.8)	(4.0)	(3.1)	(2.8)	(2.3)
Administrative expenses	(21)	(27.1)	(19.3)	(17.4)	(18.8)
allowances	-	-	0.32	(1.4)	(2.8)
Operations income	19.4	32.3	41.2	126.0	68.0
financing expenses	(1.1)	(1.6)	(1.1)	(14.9)	(5.1)
Term deposit income	4.94	0.896	1.8	2.9	2.5
Other income	0.748	0.342	2.8	0.63	0.28
Gains from changes in the fair value of investments at fair value through profit or loss	10.3	(3.7)	8.6	3.04	4.02
Zakat and taxes	(9.63)	(11.9)	(10.9)	(10.6)	(10.05)
net income	24.6	16.4	42.4	107.0	59.6
Gain (Loss) from Remeasurement of Employee Benefit Obligations	(1.9)	7.8	(1.5)	(0.20)	(0.83)
total comprehensive income	22.7	24.2	40.9	106.8	58.8
Weighted average number of shares (million)	96.4	97.3	97.9	97.9	97.9
Earnings per share	0.25	0.17	0.43	1.09	0.60



The following chart illustrates the comparison of revenues - net income (on an annual basis) over the past five years.



The following chart illustrates the comparison of earnings per share (on an annual basis) over the past five years.



### 3.6 Explanation of Variations in Operating Results

2023 Operating Results	2022 Operating Results
SAR	
19,351,877	32,274,950

The reason for the decrease in operating profit during the current year compared to the previous year is attributed to the decline in sales revenues, in addition to the decrease in the average selling price.

### 3.7 Explanation of Deviation from Accounting Standards

The financial statements of Hail Cement Company have been prepared for the fiscal year ending on December 31, 2023, in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and the accounting standards issued by the Saudi Organization for Certified Public Accountants. There were no deviations in the application of these standards, and there were no material observations or reservations made by the auditors regarding the quarterly and annual financial statements of Hail Cement Company during the fiscal year 2023.

### 3.8 Long-term Loans

There are no long-term loans on Hail Cement Company.

### 3.9 Statutory Payments

The Entity	Paid during the year (SAR)	Due at the end of the year (SAR)	Causes statement
Zakat	11,106,172.09	9,969,282	Zakat is calculated based on either the zakat base or the average net profit whichever is greater
Customs fees	799,552.17	-	Hail Cement is subject to customs regulations, and the applicable customs duties must be paid in advance upon the entry of any equipment or materials imported by Hail Cement
Visa fees	42,700	-	A legal requirement in place for obtaining entry or exit permits for Hail Cement Company employees
Quarrying fees	12,864,640	4,467,166.75	The financial payment for land rent and the exploitation of raw material quarries is made at the end of each Gregorian year, according to the Mining Investment System in the Kingdom
Social insurance contributions	5,719,305.04	470,662.58	Hail Cement Company employees are subject to the Social Insurance System, and the contributions are paid based on entitlement.
Fees for renewal of residence permits and work licenses	122,550.00	-	Translation: Non-Saudi employees of Hail Cement Company are subject to the residence regulations in the Kingdom, and the issuance and renewal fees are paid when they become due.

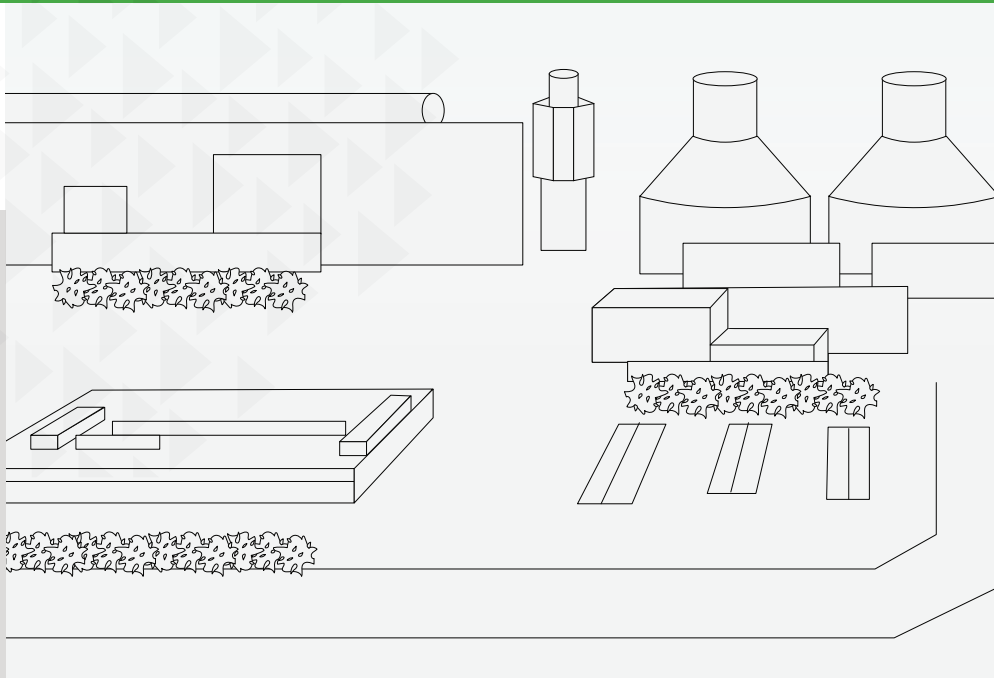
### **3.10 Value Added Tax (VAT)**

Hail Cement Company has paid the amounts owed to it according to the tax returns, amounting to 18,412,252.45 SAR.

### **3.11 Sanctions and penalties imposed on Hail Cement Company**

On 8/6/2023, the company was fined by a government entity an amount of one hundred thousand Saudi Riyals due to a violation related to mining activities in the company's quarries. The fine amount was fully paid.

# Risk Management



## 4. Risk Management

### 4.1 The concept of risk management

Effective risk management enables Hail Cement Company to better adapt to the changing business environment. Hail Cement actively manages risks to ensure the long-term sustainability of its operations. The risk management strategy of Hail Cement ensures the integration of the company's strategy and objectives, alongside corporate governance, policies, reporting and communication with stakeholders, and performance measurement across all company operations.

### 4.2 The nature of risks

Hail Cement Company faces various types of risks within its business context. Understanding and effectively managing these risks is a critical part of the company's strategy to ensure the continuity and success of its operations. Some of these risks include:

#### Strategic Risks, including:

Company goals and strategy Acquisitions Business continuity planning Brand reputation	Market structure Stakeholder management Commercial portfolio management Internal control and corporate governance
--	--

#### Operational risks, including:

Quality control Supply chain management Inventory and asset management Licenses and Permits	Availability/Use of essential resources
--	---

#### Human Resources risks, including:

Succession planning Saudization Availability of competent and skilled employees Employee retention	Employee performance
---	----------------------

#### Information Technology risks, including:

Information technology infrastructure System Availability Data cybersecurity	System integrity
--	------------------

#### Regulatory and compliance risks, including:

Contractual compliance Legal and regulatory compliance Code of conduct and reporting violations
---

#### Financial risks, including:

Liquidity Accounting and financial reports Budget	Default credit
---	----------------

#### External contextual risks, Including:

Competitors Geopolitical risks Innovations and modern technology	Disasters and crises
--	----------------------

#### Safety, Health and Environment risks, including:

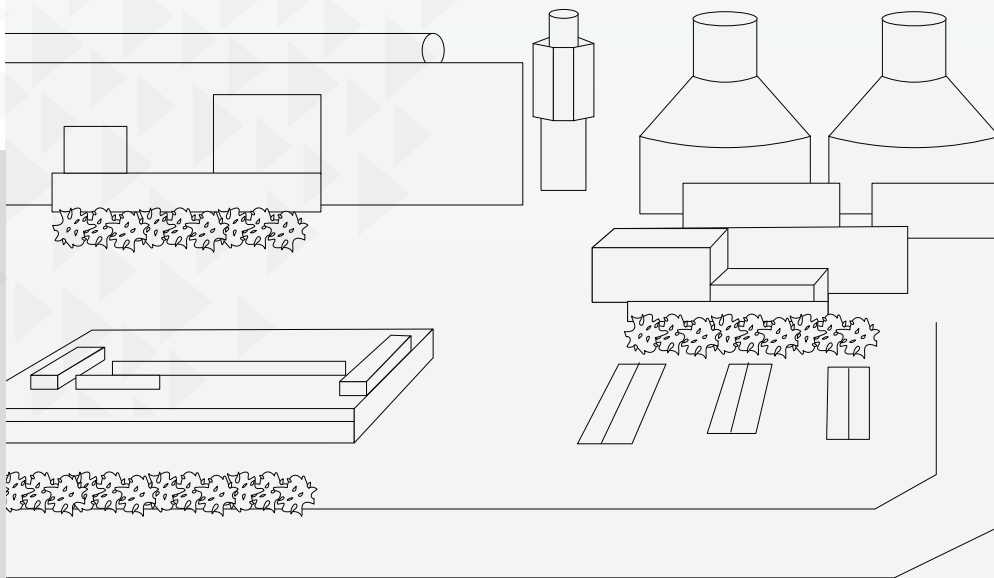
The environment Protection	Occupational Health and Safety
-------------------------------	--------------------------------

### 4.3 Hail Cement's risk management policy

Hail Cement Company relies on six main pillars in dealing with risks, which are:

- Identification and categorization of risks faced by the company, whether internal or external.
- Assessment and analysis of risks to determine their impact on the company.
- Nature of response to risks and development of strategies to deal with them.
- Control of risks and development of plans to mitigate their impact.
- Collection of information and identification of internal and external communication channels.
- Monitoring and reviewing of risk mitigation plans and providing periodic reports on key risk indicators.

# Ownership Notification and Capital



## 5. Ownership Notification and Capital

### 5.1 Capital

The following table shows Hail Cement's capital information and the number of its shares as of December 31, 2023

Statement	Value
Authorized Capital (SAR)	979,000,000
Paid Capital (SAR)	979,000,000
Number of issued shares *	97,900,000
Par value per share (SAR)	10
Value paid per share (SAR)	10
The financial market in which the stock trades	The Saudi Stock Exchange (Tadawul)
Share symbol	3001
International symbol	SA12S051ESH9

\*All issued Hail Cement Company shares are ordinary shares, and do not have any preference shares

### 5.2 Investment limits

There are no investment limits on the company shares as per the amended Rules for Qualified Foreign Financial Institutions investment in Listed Securities and Instructions for the Foreign Strategic Investors Ownership in Listed Companies based on company bylaw and the issued instructions by the related regulators and supervisory authorities.

### 5.3 Disclosure of details regarding treasury shares held by Hail Cement

Number of treasury shares	Explanations
1,493,478	Where the Board of Directors believes that the share price in the market is less than its fair value, and the company will keep the purchased shares for a period of (10) years as a maximum from the date of approval of the Extraordinary General Assembly, and after the expiration of this period, the company will follow the procedures and controls stipulated in the relevant laws and regulations.

### 5.4 A comparative analytical chart of stock performance with sector performance and market index



Share price 31/12/2023	Share price before 1 year	Share price before 3 years	Highest price in 52 weeks	Lowest price in 52 weeks	The percentage of change between 2023 and 2022
12.14	12.1	16.62	13.10	11.02	+0.33%

### 5.5 Shares owned by board of directors members and their families

#### Board of directors' shares

Member name	Authority he represents	Shares at the beginning of the year		Shares at the end of the year		Change within the year	
		Shares	Percentage	Shares	Percentage	Shares	Percentage
Mr. Abdulmalik Al-Rajhi	Al-Rajhi Holding Group Company	1,500,000	1.5%	1,500,000	1.5%	0	0
	Directly	1000	0.001%	1000	0.001%	0	0
Mr. Abdulaziz Al-Kassabi	Saudi Mushira Company	2,280,000	2.3%	2,280,000	2.3%	0	0
	Directly	657,488	0.67%	657,488	0.67%	0	0
Mr. Abdulaziz Al-Bassam	Directly	295,000	0.3%	295,000	0.3%	0	0
Eng. Khalid Al-Ahmed	Directly	100	0.0001%	100	0.0001%	0	0
* Mr. Ahmed Alioua	Directly	1000	0.001%	1000	0.001%	0	0
Eng. Fahad Al-Faraj	Fahad Al Mojil & Brothers Company	613,637	0.62%	407,938	0.42%	205,699	33.5%
	Directly	0	0	0	0	0	0
Mr. Abdullah Al-Jeriwi	Directly	0	0	0	0	0	0

\* Resigned from the board membership on August 25, 2023.

## Shares of the Audit Committee members

Member name	Shares at the beginning of the year		Shares at the end of the year		Change within the year	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
Mr. Abdulaziz Tariq Al-Bassam	295,000	0.3%	295,000	0.3%	0	0
Eng. Mansour Saleh Al-Kharboush	300,000	0.306%	300,000	0.306%	0	0
Eng. Othman Mohammed Bafaqih	0	0	0	0	0	0

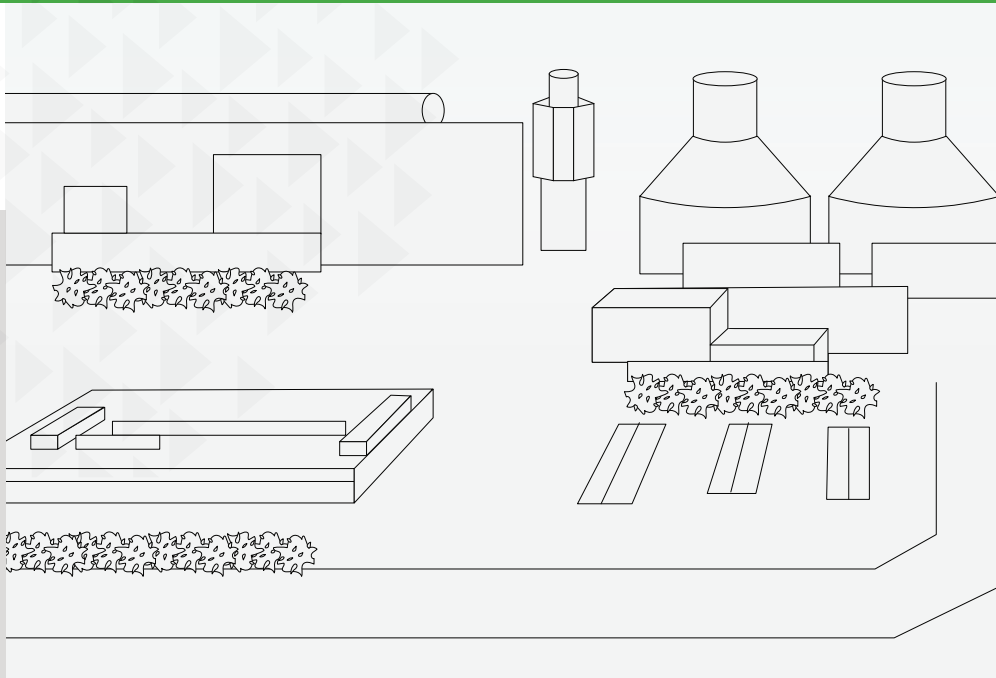
## Executives shares

Executive name	Shares at the beginning of the year		Shares at the end of the year		Change within the year	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
Eng. Khalid Abdulaziz Al-Ahmed	100	0.0001%	100	0.0001%	0	0
* Eng. Fahad Musaad Al-Rashidi	20,000	0.02%	20,000	0.02%	0	0
Mr. Atef Mohammed Elgohari	0	0	0	0	0	0
Mr. Amer Abdulrahman Al-Amer	250	0.00026%	250	0.00026%	0	0
Eng. Abdulrahman Fahad Al-Hazmi	0	0	0	0	0	0
** Eng. Saeed Ali Al-Omari	0	0	0	0	0	0

\* Resigned from the Chief Operating Officer position on December 01, 2023.

\*\* Appointed as the Plant Manager on December 01, 2023.

# Dividend and Bonuses Policy





## 6. Dividend and Bonuses Policy

### 6.1 Profits distribution policy

According to the Articles of Association of Hail Cement, the annual net profits shall be distributed as follows:

- (10%) of the net profits shall be set aside to form a statutory reserve. The ordinary General Assembly may cease this deduction whenever the mentioned reserve reaches 30% of the capital.
- Based on the proposal of the Board of Directors, the Ordinary General Assembly may set aside a percentage of the annual net profits to form a mutual reserve allocated for a specific purpose (s) decided by the General Assembly.
- The Ordinary General Assembly may decide to form other reserves to the extent of Hail Cement's interest or guarantees the distribution of fixed profits as possible to the shareholders.

### 6.2 Profits Distribution

Statement	Total distribution	Share's portion	Announcement date	Due date	Distribution date
Cash dividend distribution to shareholders for the first quarter of 2023	24,101,630.5	0.25	17/05/2023	06/06/2023	22/06/2023
Cash dividend distribution to shareholders for the second quarter of 2023	35,670,413.14	0.37	23/08/2023	10/09/2023	26/09/2023
Cash dividend distribution to shareholders for the third quarter of 2023	24,101,630.5	0.25	15/11/2023	21/11/2023	11/12/2023

### 6.3 Board of Directors, Committees, and Executive Management Compensation Policy

- The objective of the compensation policy for the members of the Board of Directors and its committees is to regulate rewards in order to attract qualified members with sufficient knowledge, technical, managerial expertise, and relevant experience, motivating them to professionally and effectively perform their duties and responsibilities.
- Annual compensations for the members of the Board of Directors and its committees are determined based on the policy set by the Board in accordance with Hail Cement's Articles of Association, General Assembly resolutions, and relevant regulations.

- Therefore, a percentage of the remainder not less than (5%) of Hail Cement paid-up capital shall be distributed to the shareholders.
- Subject to the provisions stipulated in Article No. (21) of the Articles of Association and Article No. (76) of the Companies Law; therefore, a percentage not exceeding (10%) of the remainder shall be allocated to the remuneration of the Board of Directors, provided that the entitlement of this remuneration shall be proportional to the number of the attended sessions.
- The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, in accordance with the regulations issued by the Capital Market Authority.

Cement's strategic objectives, serving as a motivator for the Board members and its committees to achieve these objectives and enhance the capabilities, development, and sustainability of Hail Cement's operations.

- The compensation policy also aims to attract experienced and qualified individuals to the Board of Directors, enhancing Hail Cement's ability to achieve its goals.
- The compensation should be fair and commensurate with the member's expertise, duties, and responsibilities assumed by the members of the Board of Directors, in addition to the specific objectives set by the Board to be achieved during the fiscal year.

- The annual compensations aim to encourage the Board members to contribute to the long-term success and development of Hail Cement, as well as the achievement of strategic goals by monitoring the implementation of the business plans by the executive management.
- Annual incentives are linked to the results of the annual performance evaluation of the Board of Directors.
- Executive positions within Hail Cement are granted incentive and motivational rewards that align with their roles, responsibilities, and Hail Cement's annual performance.

Hail Cement confirms that the distribution of compensations during the fiscal year 2022 was in accordance with the approved policy, and there were no significant deviations from it.

## 6.4 Rights and compensations of the Board of Directors members

		Independent members						Executive members	
		Abdulmalik Al-Rajhi	Abdulaziz Al-Kassabi	Abdulaziz Al-Bassam	Abdullah Al-Jeriwi	*Ahmed Alioua	Fahad Al-Faraj	Total	Khalid Al-Ahmed
Fixed remuneration	Specific amount								
	Board sessions attendance allowance	21,000	21,000	21,000	18,000	12,000	21,000	114,000	21,000
	Total allowance for attending committee sessions		9,000	21,000	12,000	3,000	9,000	54,000	
	In-kind benefits								
	Compensation for artistic, managerial, and consulting services								
	Compensation for the Chairman of the Board, Managing Director, or Secretary if they are members								
	<b>Total</b>	21,000	30,000	42,000	30,000	15,000	30,000	168,000	21,000
Variable remuneration	Profits percentage								
	Periodic bonuses	250,000	250,000	250,000	250,000	142,857	250,000	1,392,857	250,000
	Short-term incentive plans								
	Long-term incentive plans								
	Granted shares								
	<b>Total</b>	250,000	250,000	250,000	250,000	142,857	250,000	1,392,857	250,000
End-of-service benefits									
<b>Total sum</b>		271,000	280,000	292,000	280,000	157,857	280,000	1,560,857	271,000
Expense allowance									

\* Resigned from the membership on August 25, 2023

## 6.5 The entitled rewards and compensations for five executives

	Fixed remuneration	Variable Remuneration	End-of-service benefits
<b>Total</b>	4,765,786.17	1,221,156.72	1,149,161.92

## 6.6 Committee members' bonuses

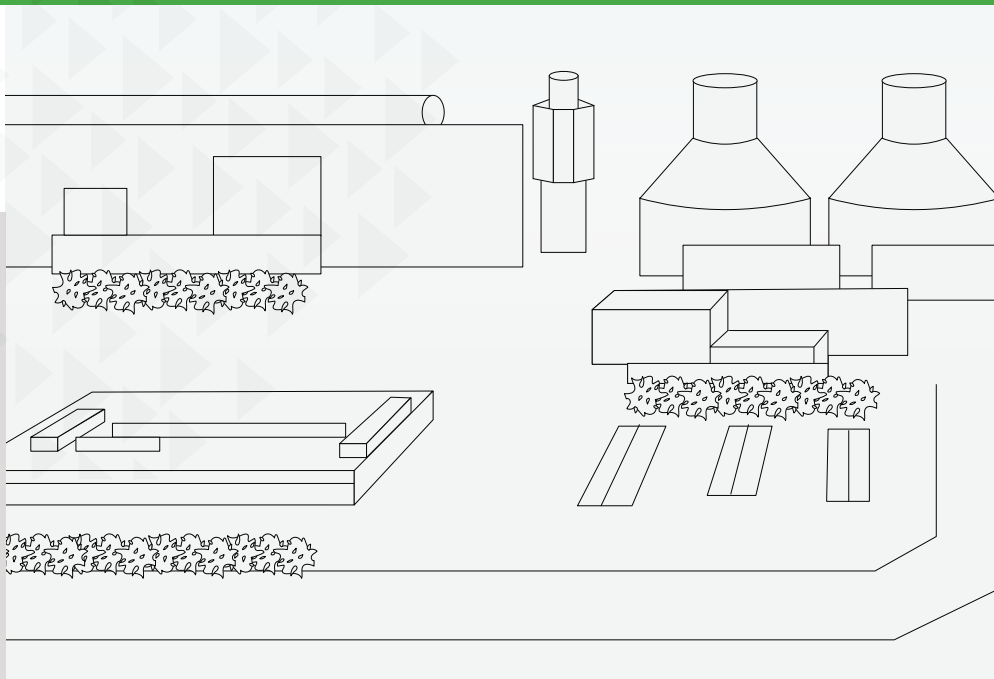
	Member name	Fixed remuneration	Sessions attendance allowance	Total	Notes
Audit Committee members	Mr. Abdulaziz Tariq Al-Bassam	100,000	21,000	121,000	
	Eng. Mansour Saleh Al-Kharboush	100,000	21,000	121,000	
	Eng. Othman Mohammed Bafaqih	100,000	21,000	121,000	
	<b>Total</b>	300,000	63,000	363,000	
Compensation and Nominations Committee members	Mr. Abdulaziz Majed Al-Kassabi	100,000	9,000	109,000	
	Mr. Abdullah Abdulmajeed Al-Jeriwi	100,000	12,000	112,000	
	Mr. Ahmed Saleem Alioua	40,000	3,000	43,000	Resigned from the committee membership on 25/08/2023
	Eng. Fahad Abdulkarim Al-Faraj	60,000	9,000	69,000	Started his committee membership on 29/08/2023
	<b>Total</b>	300,000	33,000	333,000	

## 6.7 Incentive programs for Hail Cement employees

Hail Cement acknowledges that there are no specific investments or reserves allocated for employee incentives or dues, except for the provision of end-of-service benefits. However, Hail Cement carries out several programs to incentivize employees, which include:

- Rewards for employees who propose improvement suggestions in Hail Cement's productivity or in reducing waste in products or fuel consumption during operations.
- Suitable accommodation for employees at the factory site, equipped with all necessary comforts for the employee and their family, along with round-the-clock medical care in the residential area.
- Annual incentive bonuses determined by the Board of Directors based on Hail Cement's profitability, calculated according to the annual employee evaluation.
- Bonuses for all employees upon completing every million work hours without any recordable injuries.
- Bonuses for employees who complete 3, 5, 8, 10, or 15 years of service with Hail Cement.
- Career development programs to enhance the working environment.

# Governance



## 7. Governance

### 7.1 Governance at Hail Cement Company

Hail Cement complies with effective governance systems and adheres to standards of management efficiency and the preparation of financial and non-financial reports. It considers these standards as necessary protective measures, with a clear mechanism for separating responsibilities between the Board of Directors and the executive management. This facilitates the smooth operation of the company and expedites the decision-making process. Hail Cement is committed to implementing high standards of corporate governance, viewing sound corporate governance as an essential tool for business sustainability and maximizing long-term shareholder value. This commitment aligns with its dedication to quality in all its operations and products.

### 7.2 Compliance with corporate governance regulations

Hail Cement adheres to a corporate governance policy guide, which includes regulations and systems related to shareholder rights, the Board of Directors and its committees, disclosure and transparency, conflicts of interest, as well as internal regulations and policies in accordance with the regulations of the Capital Market Authority, the Companies Law, and the Articles of Association.

### 7.3 Related party Transactions

Hail Cement Company confirms that during the year 2023, it did not enter into any contracts, deals, or transactions in which Hail Cement was a party and that would benefit any members of the Board of Directors, the CEO, the CFO, or any senior executives of Hail Cement, or any person related to them.

### 7.4 Important events

Hail Cement Company announced the signing of a binding implementation agreement with Qassim Cement Company on 08/06/1445H, corresponding to

21/12/2023. According to the agreement, Qassim Cement Company will make an offer to Hail Cement Company shareholders to acquire all the shares of Hail Cement in exchange for the issuance of new shares in Qassim Cement Company, in accordance with Article (26) of the Merger and Acquisition Regulations and the rules of the Securities Offering and Continuous Obligations issued by the Capital Market Authority. The agreement also includes several conditions and provisions outlined in the implementation agreement.

### 7.5 General assemblies of shareholders

The general assembly of shareholders is considered the highest authority in Hail Cement, with exclusive powers that include appointing and dismissing members of the Board of Directors, approving the consolidated financial statements, appointing the audit committee and external auditor, determining their fees, and approving the regulations related to the audit committee, nominations and remuneration committee, which should include their procedures, duties, rules for selecting members, nomination process, duration of their membership, and remuneration. The general assembly also approves the distribution of dividends based on the recommendation of the Board of Directors, as well as increasing or decreasing Hail Cement's capital and amending the Articles of Association.

Hail Cement strives to select the appropriate time and place to hold the general assembly, allowing the largest number of shareholders to attend. Hail Cement has also adopted remote electronic voting to facilitate shareholders' exercise of their voting rights if they are unable to attend in person. The Articles of Association and the governance system of Hail Cement include provisions regarding the general assembly of shareholders, ensuring that all shareholders can exercise their legal rights.

The following table illustrates the general assembly meetings  
And the attendance record of members at these meetings

Board of Directors members	General assemblies of shareholders meetings	
	05/04/2023	31/07/2023
Mr. Abdulmalik Khalid Al-Rajhi	✓	✓
Mr. Abdulaziz Majed Al-Kassabi	✓	✓
Mr. Abdulaziz Tariq Al-Bassam	✓	✓
Mr. Abdullah Abdulmajeed Al-Jeriwi	✓	✓
Eng. Khalid Abdulaziz Al-Ahmed	✓	✓
Mr. Ahmed Saleem Alioua	✓	✓
Eng. Fahad Abdulkarim Al-Faraj	✓	✓

✓ Attend      X Didn't attend

### 7.6 Board of Directors

The following table shows the classification of Board of Directors members, the number of their attendance at board meetings

Name	Classification	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	Notes
		14/02/2023	06/04/2023	10/04/2023	16/05/2023	19/09/2023	14/11/2023	19/12/2023	
Mr. Abdulmalik Al-Rajhi	Independent	✓	✓	✓	✓	✓	✓	✓	
Mr. Abdulaziz Al-Kassabi	Independent	✓	✓	✓	✓	✓	✓	✓	
Mr. Abdulaziz Al-Bassam	Independent	✓	✓	✓	✓	✓	✓	✓	
Mr. Abdullah Al-Jeriwi	Independent	X	✓	✓	✓	✓	✓	✓	
Eng. Khalid Al-Ahmed	Executive	✓	✓	✓	✓	✓	✓	✓	
Mr. Ahmed Alioua	Independent	✓	✓	✓	✓	-	-	-	Resigned from the membership on 25/08/2023
Eng. Fahad Al-Faraj	Independent	✓	✓	✓	✓	✓	✓	✓	

✓ Attend      X Didn't attend      - Not a member

The positions of committee members and the executive management (outside the Board of Directors), their current and previous roles, qualifications, and experiences

Name	Committee members		Executive management				
	Eng. Mansour Saleh Al-Kharboush	Eng. Othman Mohammed Bafaqih	* Eng. Fahad Musaad Al-Rashidi	Mr. Atef Mohammed Elgohari	Mr. Amer Abdulrahman Al-Amer	** Eng. Abdulrahman Fahad Al-Hazmi	*** Eng. Saeed Ali Al-Omari
Current position	Administrative Advisor	Administrative Advisor	---	Finance Manager	Human Resources and Administrative Affairs Manager	- Marketing and Sales Manager - Secretary of the Board of Directors at Hail Cement Company.	Plant Manager
Previous position	Executive Advisor to the CEO at National Water Company.	- The CEO at Al Marjan Maintenance and Operation Company - Owners Advisor at Al Marjan Investments Company.	- Chief Operating Officer at Hail Cement Company. - Secretary of the Board of Directors at Hail Cement Company.	Financial Manager at Umm Al-Qura Cement Company.	Human Resources Head at Hail Cement Company.	Marketing and Sales Head at Hail Cement Company.	Production Senior Manager at Hail Cement Company
Qualifications	- Bachelor's degree in Electrical Engineering - Master's degree in Electrical Engineering	Bachelor's degree in Mechanical Engineering	Executive Master of Business Administration (EMBA).	- Bachelor's degree in Accounting from Helwan University, Egypt. - Certified Financial Manager (CFM) from GAQM.	Master's degree in Project Management.	Bachelor's degree in Industrial Engineering.	- Executive Master of Business Administration (EMBA). - Bachelor's degree in Chemical Engineering
				- International Standards Certification from ACCA.			
Experiences	- Held various managerial and leadership positions at a chemical company from 1993 to 1998. - Held various managerial and leadership positions at SABIC from 1998 to 2010.	- Held several positions at Alahli Commercial Bank and Saudi American Bank. - Senior executive positions at Abdulrahman Bin Mahfouz Foundation. - Senior executive positions at Al Marjan Maintenance and Operation Company. - Membership in audit committees and boards of several companies.	- Plant Manager at Hail Cement Company. - General Manager at Cementix Company. - Plant Manager at Qassim Cement Company. - Deputy General Manager for Technical Affairs and Projects at Qassim Cement Company.	- Financial Manager at ISIS, a subsidiary company of SICOM Holding Group in Egypt. - Chief Financial Officer of Royal Minya Cement Company in Egypt. - Accounts Manager at SICOM Holding Group in Egypt.	- Head of Human Resources. - Human Resources Supervisor at Hail Cement Company. - Trainer at Injus Company. - Recruitment Consultant at Deloitte. - Investment Officer at Rakeza Company.	- Safety Engineer and Production Engineer at multiple companies. - Planning Supervisor and Engineer at Hail Cement Company.	- Production Planning Manager at Ma'aden (Wa'ad Al-Shamal). - Production Manager at Qassim Cement Company. - Chemical Engineer at the Ministry of Foreign Affairs.

\* Resigned from the position of Chief Operating Officer and Secretary of the Board of Directors on December 01, 2023.

\*\* Appointed as Secretary of the Board of Directors on December 01, 2023.

\*\*\* Appointed as the Plant Manager on December 01, 2023.

## 7.7 Board of Directors Committees

### Audit Committee

The Audit Committee consists of a minimum of three members and a maximum of five members. The committee is responsible for monitoring the activities of Hail Cement, ensuring the integrity and reliability of reports, financial statements, and internal control systems. The scope of the committee includes the following:

- Recommending the appointment, removal, determination of fees, and performance evaluation of auditors, ensuring their independence, reviewing their scope of work, and contractual terms.
- Reviewing the audit plan and activities of the audit firm, ensuring they do not exceed the scope of the audit, and providing feedback on that.
- Examining the auditor's report and its observations on the financial statements, and following up on actions taken in response.
- Reviewing the preliminary and annual financial statements of Hail Cement before presentation

The Audit Committee held a total of seven meetings from January 1, 2023, to December 31, 2023. The following is a statement of the committee members' names and their attendance:

No.	Name	Capacity	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Notes
			02/02/2023	11/09/2023	17/09/2023	31/10/2023	
1.	Mr. Abdulaziz Majed Al-Kassabi	Chairman	✓	✓	X	✓	
2.	Mr. Abdullah Abdulmajeed Al-Jeriwi	Member	✓	✓	✓	✓	
3.	Mr. Ahmed Saleem Alioua	Member	✓	-	-	-	Resigned from the committee on August 25, 2023
4.	Eng. Fahad Abdulkarim Al-Faraj	Member	-	✓	✓	✓	Membership in the committee began on August 29, 2023

✓ Attend    X Didn't attend    - Not a member

to the Board of Directors, expressing opinions, and making recommendations to ensure their integrity, fairness, and transparency.

- Examining any significant or unusual issues contained in the financial reports.
- Studying and reviewing the internal control, financial, and risk management systems in Hail Cement.
- Reviewing internal audit reports and following up on the implementation of corrective measures for the noted observations.
- Reviewing the results of regulatory reports and verifying that Hail Cement has taken the necessary actions in response.
- Verifying the company's compliance with relevant regulations, laws, policies, and instructions.
- Reviewing contracts and proposed transactions with related parties and providing feedback to the Board of Directors.
- Raising any issues that require action to the Board of Directors and making recommendations on the necessary measures.

### The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of a minimum of three members. The committee carries out its assigned tasks in accordance with the approved regulations and authorities. The scope of the committee's work includes the following:

- Supervising the rewards and incentives plan for Hail Cement employees and monitoring its implementation.
- Overseeing the nomination process for board membership and its related committees, ensuring a connection to performance.

- Supervising succession plans for senior leadership positions within Hail Cement Company.
- Managing the performance evaluation process for board members and its related committees.
- Supervising and ensuring the implementation of the employee grievance policy.
- Developing fair and effective policies for the remuneration of the board of directors and executive management, aimed at attracting proactive board members and high-performing executive management.



The Nomination and Remuneration Committee held a total of four meetings from January 1, 2023, to December 31, 2023. The following is a statement of the committee members' names and their attendance:

No.	Name	Capacity	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Notes
			02/02/2023	11/09/2023	17/09/2023	31/10/2023	
1.	Mr. Abdulaziz Majed Al-Kassabi	Chairman	✓	✓	X	✓	
2.	Mr. Abdullah Abdulmajeed Al-Jeriwi	Member	✓	✓	✓	✓	
3.	Mr. Ahmed Saleem Alioua	Member	✓	-	-	-	Resigned from the committee on August 25, 2023
4.	Eng. Fahad Abdulkarim Al-Faraj	Member	-	✓	✓	✓	Membership in the committee began on August 29, 2023

✓ Attend X Didn't attend - Not a member

## 7.8 Internal audit and the results of the Audit Committee

The Internal Audit Management at Hail Cement Company adheres to the International Professional Practices Framework for Internal Auditing issued by the Institute of Internal Auditors (IIA). This framework includes the International Standards for the Professional Practice of Internal Auditing, as well as the fundamental principles of internal auditing, the definition of internal auditing, and other related guidance and supplements.

The Internal Audit Management at Hail Cement Company follows a risk-based audit approach, which aims to focus on areas and activities that may pose a higher risk to the company's performance if identified. Accordingly, the Internal Audit Management has conducted reviews to assess the adequacy and effectiveness of the internal control system based on an annual plan approved by the Audit Committee. They have also reported the results of operational, administrative, and financial audits to reasonably verify the efficiency and effectiveness of the internal control measures in safeguarding the company's assets, accuracy of financial records, and compliance with the management's adopted systems and policies to achieve the company's objectives.

Based on the external auditor's reports and the internal auditors' findings, which did not indicate any significant weaknesses in the company's internal control systems, the Audit Committee believes that the executive management of the company has maintained an effective internal control system. The scope and volume of audit operations and the discussions held during the regular meetings of the Audit Committee have provided a reasonable basis for this opinion. However, it should be noted that no internal control system, regardless of its design soundness and implementation effectiveness, can provide absolute assurance regarding the effectiveness of the implemented internal control system.

## 7.9 Hail Cement Company Account Auditor Report

El-Sayed El-Ayouty's office, the external auditors for Hail Cement Company, has submitted their report on the year ending on December 31, 2023. The report from the certified accountant for Hail Cement Company did not include any reservations on the annual financial statements for the fiscal year 2023.

## 7.10 Board of Directors' Declarations/Ratifications

Based on the Hail Cement Company system and the audit report, the Board of Directors acknowledges the following:

- The accounting records have been prepared correctly.
- The internal control system has been established on sound foundations and effectively implemented.
- There is no significant doubt regarding Hail Cement's ability to continue its operations.
- No board member engages in any competitive activities that conflict with the company's operations.



### 7.11 Board of Directors' affirmations/confirmations

In accordance with the Governance Regulation issued by the Saudi Arabian Capital Market Authority and the Governance Regulation of Hail Cement, the Board of Directors affirms the following:

- Hail Cement is committed to protecting the rights of shareholders and to treating all shareholders of the same class of shares equally, without discrimination or denying any rights, ensuring fair treatment for all shareholders.
- Hail Cement did not receive any requests from shareholders owning 10% or more to convene the General Assembly during the last fiscal year, and no such meeting was held.
- Hail Cement did not receive any requests from shareholders owning 10% or more to add any item(s) to the agenda of the General Assembly when it was being prepared.
- Hail Cement has not implemented any procedures that would impede shareholders from exercising their voting rights.
- Hail Cement has not provided any cash loans of any kind to any members of its Board of Directors, nor has it guaranteed any loans entered into by any members of its Board of Directors with third parties.
- Loans that exceeded a term of three years have not been granted, and no properties owned by Hail Cement have been sold or mortgaged. No debtors of Hail Cement have been released from any obligations towards the company during the year 2023, except as disclosed in this report.
- The external auditor of Hail Cement did not provide any consultancy services to Hail Cement during the fiscal year 2023, nor did they receive any fees in this regard.
- The audit report did not include any material reservations or significant observations on Hail Cement's annual financial statements for the fiscal year 2023.
- Hail Cement did not receive any requests from the auditors to convene the General Assembly during the fiscal year ending on December 31, 2023, and no such meeting was held.

### 7.12 The measures taken by the Board of Directors to inform its members, especially non-executive directors, about shareholders' proposals and their comments regarding Hail Cement and its performance

The Articles of Association and Governance Regulation of Hail Cement ensure that shareholders are granted all rights related to their shares. Therefore, the Board of Directors has taken several measures to inform its members, especially non-executive directors, about shareholders' proposals and their comments regarding Hail Cement and its performance, as follows:

1. Receiving Shareholders' Inquiries: The Board of Directors receives inquiries, comments, or complaints from shareholders through available communication channels such as telephone, fax, or email.
2. Examination and Classification: These inquiries are examined and classified, and they are brought to the attention of the Board of Directors during their regular meetings.
3. Encouraging Board Members' Attendance: All members of the Board of Directors are encouraged to attend general assembly meetings to address shareholders' questions and consider their opinions and comments. The regulations governing the work of board committees require the chairpersons of these committees or their delegated members to attend general assembly meetings to address shareholders' inquiries.
4. Recording Shareholders' Questions: Shareholders' questions and inquiries are recorded in the minutes of general assembly meetings and kept at Hail Cement's headquarters. Any shareholder can access these records upon request.

### 7.13 The methods adopted by the Board to assess its performance, the performance of its committees and members, and the external entity that conducted the evaluation

In its continuous pursuit of enhancing its performance to align with the evolving regulatory systems and standards governing corporate operations, Hail Cement Company has been committed to adhering to practices that improve the level of corporate governance. This includes adopting appropriate measures to evaluate the performance of the Board of Directors, its committees, and the executive management, as part of the responsibilities of the Nomination and Remuneration Committee, according to widely accepted criteria in this regard.

### 7.14 Shareholder relations

With Hail Cement's commitment to safeguarding the rights of its shareholders and the Board of Directors' recognition of its responsibilities towards shareholders, aiming to establish effective communication built on a shared understanding of the company's strategic goals and interests, all shareholder rights have been included in Hail Cement's Articles of Association, Governance Regulation, and related internal regulations. Hail Cement always strives to provide transparent and impartial information to all shareholders, enabling them to exercise their rights fully. This is achieved through general assembly meetings and by keeping them informed of any updates through the company's website and the Saudi Stock Exchange (Tadawul) website.

### 7.15 Hail Cement's requests for the shareholders' register during the year 2023

The following table illustrates the dates of Hail Cement's requests for the shareholders' register during the year 2023 and provides a statement of their reasons:

No.	File type	Request Date	File Date	Reason of Request
1.	Shareholder ownership at the individual level	03/01/2023	01/01/2022	Company procedures
2.	Shareholder ownership at the individual level	03/01/2023	31/12/2022	Company procedures
3.	Shareholder ownership at the individual level	11/06/2023	06/06/2023	Company procedures
4.	Shareholder ownership at the individual level	08/10/2023	07/10/2023	Company procedures

### 7.16 Hail Cement's disclosed announcements during the fiscal year 2023

No.	Announcement title	Announcement date
1.	Hail Cement Co. announces its Annual Financial Results for the Period Ending on 2022-12-31	05/03/2023
2.	Hail Cement Co. announces to Invites its Shareholders to Attend the ( First Meeting ) Ordinary General Assembly Meeting	14/03/2023
3.	Hail Cement Co. Announces the Results of the Ordinary General Assembly Meeting, ( Second Meeting )	06/04/2023
4.	Hail Cement Co. announces its Interim Financial Results for the Period Ending on 2023-03-31 ( Three Months )	14/05/2023
5.	Hail Cement Co. announces the distribution of cash dividend for The first quarter of the year 2023	17/05/2023
6.	Hail Cement Co. announces to Invites its Shareholders to Attend the ( First Meeting ) Extraordinary General Assembly Meeting	06/07/2023
7.	Hail Cement Co. Announces the Results of the Extraordinary General Assembly Meeting, ( Second Meeting )	01/08/2023
8.	Correction announcement from Hail Cement Co. in regards to its announcement of the Extraordinary General Assembly Meeting.	02/08/2023
9.	Hail Cement Co. announces its Interim Financial Results for the Period Ending on 2023-06-30 ( Six Months )	06/08/2023
10.	Hail Cement Co. announces the distribution of cash dividend for second quarter of the year 2023	23/08/2023
11.	Hail Cement Co. Announces Resignation of a Board Member	27/08/2023
12.	Hail Cement Co. announces its Interim Financial Results for the Period Ending on 2023-09-30 ( Nine Months )	05/11/2023
13.	Hail Cement Co. announces the distribution of cash dividend for the third quarter of the year 2023	15/11/2023
14.	Hail Cement Company ("HCC") announces its entry into a binding implementation agreement with Qassim Cement Company ("QCC") to acquire all of HCC's shares through a securities exchange transaction	24/12/2023

### 7.17 Shareholder Relations Officer

During each of its meetings, the Board of Directors receives a detailed report on all questions and inquiries from shareholders, presented by the Shareholder Relations Officer, and reviews the responses to them.

**Name: Abdulrahman Fahad Alhazmi**

E-mail: [abdulrahman.alhazmi@hailcement.com](mailto:abdulrahman.alhazmi@hailcement.com)

Tel. : 00966165344444 Fax: 00966165337744



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