



**Board of Directors' Report to Shareholders of
Northern Region Cement Company
For the Financial Year Ending on December 31, 2022**

A Word Delivered BY Chairman of the Board of Directors

Gentlemen / shareholders of the Northern Region Cement Company:

On behalf of the Northern Region Cement Company Board of Directors, I am pleased to submit to you the yearly report on the works, achievement and performance of the Northern Region Cement Company and its subsidiaries and the business results for the year ending on December 31, 2022.

This year's report includes several aspects and is in line with the requirements of the Corporate Governance Regulations, the Companies Law, and the regulatory controls and procedures, which confirms the continuation of the commitment entrusted to the Board of Directors to protect the rights of shareholders and stakeholders and achieve maximum returns for investors.

We concluded the year 2022 with good financial results and a remarkable growth in the amount of sales that will contribute to advancing the national development achieving the requirements of the Kingdom's Vision 2030.

The year 2022 also witnessed the launch of many initiatives aimed at continuing excellence and achieving operational efficiency and good governance. At the same time, the company continued initiatives for rationalization and cost reduction. In terms of governance, the company adopted all the regulations and requirements subject to the Capital Market Authority requirements, to achieve maximum transparency and protect the interests of the investors.

In conclusion, I take this opportunity to express on my own behalf and on behalf of the Board of Directors our deep thanks and gratitude to all shareholders for their trust and support for the company's activities. We also do not miss to extend our heartfelt thanks to all the company's employees for growth despite all challenges, hoping from the Almighty God to reach more achievements in light of the unlimited support of the government of the Custodian of the Two Holy Mosques and His Highness the Crown Prince - may God protect them.

Chairman of the Board of Directors

Suleiman bin Salim Al-Harbi

First: The Activity of the Company:

The main activity of the Company is the manufacture of ordinary cement (Portland), the manufacture of white cement, the manufacture of agglomerated cement (clinker).

The annual design capacity for production in kilns is currently (2.7) million tons of clinker annually, equivalent to (3.1) million tons of cement annually.

Second: Subsidiaries and Associates:

1. Northern Cement - Jordan:

Northern Region Cement Company owns (99.382%) of the shares of Northern Jordan Cement Company (Public Joint Stock) with a capital of (55 million Jordanian dinars) divided into (55 million shares), whose production design capacity of cement is (1,000,000) tons / year. Its activities include cement manufacturing, clinker grinding and implementation of industrial projects. The main place of business is located in Jordan.

2. Cement Experts Company for Development and Investment:

Northern Region Cement Company owns (50%) of the shares of Cement Experts Company for Development and Investment (a Jordanian Exempted Limited Liability Company) with a capital of (1000 Jordanian Dinars) divided into (1000 shares). Its current activity is only to own shares in the International Cement Industry Company. The main place of business is located in Jordan.

3. Subsidiaries in the UAE:

Name of the Subsidiary Company	Capital (AED)	Rate of the Company's ownership in it	Its main activity	The Main Place of Business of its Operations	Country of Incorporation
Sama Al Yamama Company Ltd.	1000	100%	It owns shares in Northern Cement Company (Jordan)	UAE	UAE
Deyaar Najd Company for Contracting and Trading Ltd.	1000	100%	It owns shares in Northern Cement Company (Jordan)	UAE	UAE
North Gulf for Cement and Construction Materials Trading Company Ltd.	1000	100%	It owns shares in Northern Cement Company (Jordan)	UAE	UAE
Pan North Cement Derivatives and Building Materials Co Ltd.	1000	100%	It owns shares in Northern Cement Company (Jordan)	UAE	UAE
Al Hazm Cement and Derivatives Trading Company Ltd.	1000	100%	It owns shares in Northern Cement Company (Jordan)	UAE	UAE
Umm Qasr Northern Cement Ltd.	10000	100%	It owns shares in Umm Qasr Cement Company (Iraq)	UAE	UAE

Third: The Results of the Company's Business:

(1) Production:

1- Northern Region Cement - Saudi Arabia:

With the grace of Allah Almighty, the Company's production of clinker of both types (normal / resistant) amounted to (1,543,611) tons (one million five hundred forty-three thousand and six hundred and eleven) during the year 2022 AD, compared to the quantity of (1,683,474) tons (one million six hundred eighty-three thousand four hundred and seventy-four) during the year 2021 AD, with a decrease of 8.3%.

The Company's production of white clinker reached a quantity of (450,644 tons) (four hundred and fifty thousand and six hundred and forty-four) during the year 2022 compared to a quantity of (220,696 tons) (Two hundred Twenty thousand six hundred ninety-six tons) during the year 2021 with an increase of 104.2%.

The production of cement resulting from grinding clinker reached a quantity of (740,508 tons) (seven hundred forty thousand and five hundred and eight) during the year 2022 AD, compared to the quantity of (1,006,037 tons) (one million six thousand and thirty-seven tons) during the year 2021 with a decrease of 26.4%.

The production of white cement resulting from grinding clinker reached (324,515 tons) (three hundred and twenty-four thousand and five hundred and fifteen) during the year 2022 AD, compared to the quantity of (251,409 tons) (two hundred and fifty-one thousand and four hundred and nine tons) during the year 2021 AD with an increase of (29.1%).

2- Northern Cement - Jordan:

As the Northern Cement Company - Jordan grinds clinker and turns it into cement, its production of cement and other additives for the year 2022 (546,000 tons) reached compared to (482,976 tons) during the year 2021 with a decrease of (13.1%).

The production of white cement resulting from grinding clinker reached (98,000 tons) during the year 2022 AD, compared to the quantity of (42,493 tons) during the year 2021 AD, with an increase of (130.63%).

3- Um-Qasr Northern Cement Co. Ltd. - Iraq

Whereas, Um-Qasr Northern Cement Co. Ltd. - Iraq grinds clinker and turns it to cement, its production of cement and other additives for the year 2022 reached (581,743), compared to the quantity of (539,941 tons) during the year 2021 AD, with an increase of (7.7%).

The graph shows the production of clinker of both types (normal / resistant) for the Northern Region Cement Company from 2018 AD to 2022 AD:



The graph shows the production of cement of two types (normal / resistant) for the Northern Region Cement Company from 2018 AD to 2022 AD:

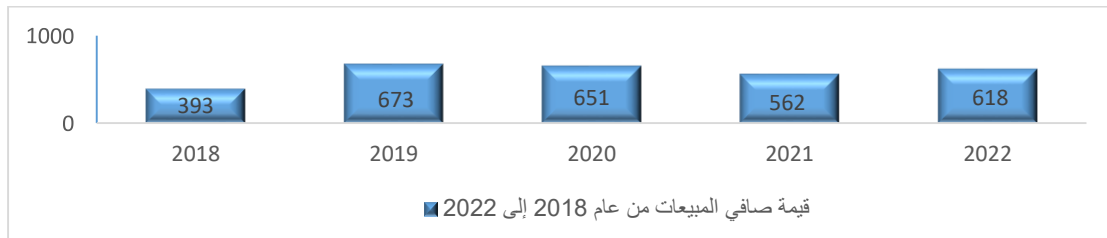


(2) Marketing and Sales:

The Company's sales (Saudi Arabia, Jordan and Iraq) of cement reached during the year 2022 AD (2,347,823 tons) (two millions and three hundred and forty-seven thousand and eight hundred and twenty-three), compared to the quantity of (2,713,120 tons) (two million and seven hundred and thirteen thousand and one hundred and twenty) during the year 2021 AD, with a decrease of (13.46%).

Total gross profit in 2022 were (215,494,875) riyals compared to (199,851,422) riyals in 2021.

The graph shows the net sales of the Northern Region Cement Company from 2018 to 2022:



(3) Geographical analysis of the total revenues of the Company and its subsidiaries:

(Value in thousands of riyals)

Year	Geographical analysis of the Company's total revenue						
	Total revenue	Central	Eastern	Northern	Western	Export	Total
2022 AD	245,043	30,143	36,190	89,124	63,534	26,052	254,043

(Value in thousands of riyals)

Year	Geographical analysis of the total revenues of Northern Cement – Jordan			
	Total revenue	Inside Jordan	Outside Jordan	Total
2022 AD	243,781	199,856	43,925	243,781

(Value in thousands of riyals)

Year	Geographical analysis of the total revenues of Um-Qasr Northern Cement Co. Ltd. – Iraq			
	Total revenue	Inside Iraq	Outside Iraq	Total
2022 AD	129,134	129,134	0	129,134

Fourth: Future plans and projects:

- We strive to achieve continuous development in product quality through research and development processes and the application of the best international standards.
- We strive to reduce costs to enhance the competitiveness of the company.
- We seek long-term investment in the workforce, especially Saudi Arabia, which will reflect positively on the Company's performance.
- We strive to maintain the company's market share and strive to increase it by taking advantage of the Company's competitive advantages represented in developing product quality.
- We strive to use the Company's long experience in the field of marketing and export outside the Kingdom to facilitate the process of acquiring the target share in foreign markets.
- We strive to focus on making the most of the production capacity to increase profitability.
- We strive to increase profitability by producing and marketing different products.
- We seek expansion and diversification in the Company's products by investing in vertical and horizontal expansion projects for the cement industry and other projects related to the industry.
- We strive to maintain and renew the international quality certificates obtained by the company, such as: European Standards Certificate and American Petroleum Institute (API) certification.
- We will concentrate to accompany green rules and terms by producing green cement.
- Continuing in partnering in green Saudi project.

Fifth: Outlook for 2023:

It is expected that demand on cement shall continue to decrease within the first half of 2022 and to start to improve within the second half of 2023 with the increase of the petrol price. The company's management seeks to mitigate the effects of this decline by continuing to implement a cost rationalization program and a rapid response to market changes.

Sixth: Risks:

1- Production and Marketing

The Company, like other companies operating in the cement sector, faces some risks related to operational costs represented by the possibility of fluctuating raw material prices and manufacturing costs, as well as marketing risks represented by the challenges of fierce competition in the white cement market in light of external competitors within the local market. However, given the prospects for continued good growth in the Saudi economy, God willing, we rule out the occurrence of these risks on the ground.

2- Competition

The Company operates in one sector that is characterized by intense competition in the domestic and foreign spheres, due to the difference between competitors' production capabilities and consumption, which may affect competitive prices. Therefore, the Company began to reduce risks by diversifying products, which reduces risks.

3- Change of Economic Decisions Issued by the Country

The issuance of any sovereign decisions by the country will definitely affect input prices and selling prices, and it will have an economic impact on the Company's future profits.

To face these risks, your Company works on the following:

- Maintaining product quality and diversity in the production of new materials;
- Maintaining its customer base in the domestic and foreign markets and striving to expand its customer base;
- Continuing with the Company's plan to rationalize costs and expenses to enhance its competitiveness;

4- Risk Management

The Company, like other companies operating in the Kingdom, faces risks as follows:

Special Commission Rate Risk

Special commission rate risk relates to the risk during which the value of a financial instrument will fluctuate as a result of changes in commission rates prevailing in the market. The Company is subject to special commission rate risk on its commission-related assets, such as murabaha deposits and credit facilities.

Credit risk

Credit risk is the inability of one party to fulfill its obligations which results in the other party incurring a financial loss. The Group is exposed to credit risk on treasury cash and at banks, receivables, due from related parties and trade receivables.

The company manages the credit risk related to customers by dealing with customers with reliable credit histories, obtaining high quality collateral when required, and by monitoring outstanding balances, and those related to banks by dealing only with reputable banks.

- **Liquidity Risk**

Liquidity risk arises when the Group encounters difficulty in raising funds to meet its financial obligations associated with financial instruments.

Liquidity risk may arise from the inability to quickly sell financial assets at an amount close to their fair value. The Group manages liquidity risk by regularly monitoring working capital requirements and cash flows and ensuring that bank facilities are available when needed. The Group's contract terms necessitate 30-90 days from the invoicing date, and commercial due accounts are usually payable within 30-45 days from the invoicing date.

- **Increased Concentration of Risk**

Concentration of risk arises when a number of other parties engage in similar business activities or activities in the same geographical area or when they have economic characteristics that lead to their ability to fulfill contractual obligations be affected similarly by changes in economic, political or other circumstances. Concentration of risk refers to the relative sensitivity of the Group's performance to developments affecting a particular industry.

- **Fair Values of Financial Instruments**

As at December 31, 2022 and 2021, the financial instruments were carried at amortized cost. However, management has assessed that the fair values of notes receivable, debit trade current account and other credit trade accounts and other credit accounts approximate their book values.

Seventh: Loans as of December 31, 2022:
Northern Region Cement Company Loans:

S.	Name of the Grantor of the Loan	Principal Amount of the Loan	Term of the loan as of today	Loan balance at the beginning of the year	Recipient of the loan during the year	Amounts paid in advance of the loan during the year	Loan balance at the end of the year
1	Arab	30,000,000	360	-	30,000,000	-	30,000,000
2	Arab	30,000,000	360	-	30,000,000	-	30,000,000
3	Alinma	20,000,000	360	-	20,000,000	-	20,000,000
4	Alinma	30,000,000	360	-	30,000,000	-	30,000,000
5	EXIM	45,000,000	360	-	45,000,000	-	45,000,000
6	EXIM	45,000,000	360	-	45,000,000	-	45,000,000
7	Alinma	20,000,000	360	-	20,000,000	-	20,000,000
8	Alinma	55,000,000	360	-	55,000,000	-	55,000,000
9	Al Rajhi	40,000,000	180	-	40,000,000	-	40,000,000
10	Al Rajhi	30,000,000	180	-	30,000,000	-	30,000,000
11	Riyad Bank	40,000,000	90	-	30,000,000		30,000,000
12	Al Arabi	30,000,000	90	-	30,000,000	-	30,000,000
13	Al Arabi	100,000,000	1800				100,000,000
14	Al Rajhi	200,000,000	1800	-	30,000,000	-	30,000,000
15	Al Rajhi	300,000,000	2160	190,909,092		54,545,455	136,363,367
16	SIDF	28,500,000	1800	-		4,000,000	24,500,000

In addition, the remaining subsidiaries do not have any loans.

Total outstanding loans as of December 31, 2022	875,836,637
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Eighth: Social Responsibility and Community Service:

Since the Company believes in the social duty and permanent partnership in the development of society, it has made a number of cash and in-kind contributions to a number of charitable societies and non-profit organizations such as:


- Hawks festival in the north region
- Ministry of Labour and social development programs.
- Traif info.
- Ihsan platform.
- Civil Defense
- Association for taking care of prisoners (Tarahom).

Ninth: Human Resources:

In pursuit of the company to achieve its goals with regard to the development and training of human resources, it has for several years implemented several programs specialized in training and developing national competencies and planning their career paths in order to enable them to occupy leadership positions with our distinguished national competencies in order to create a suitable work environment and now, thanks to God, we reach the results of this work by 55% are Saudi employees with a platinum level in the Ministry of Human Resources and Social Development .

Tenth: Safety, Health and Environment:

The Northern Province Cement Company applies all Saudi and international standards and criteria in order to preserve the safety of the environment under the supervision and follow-up of the General Authority of Meteorology and Environmental Protection in the Kingdom, with full care to maintain the quality of its products. The company has obtained many international certificates:

	1. QUALITY MANAGMENT SYSTEM ISO 9001:2015
	2. SASO QUALITY MARK
	3. EUROPEAN QUALITY MARK (CE – MARK)

Eleventh: Governance:

The Company has implemented all the articles mentioned in the Governance Regulations except for the following:

Article / Paragraph number	The Text of the Article / Paragraph	Reasons for NA
Article 39, paragraph 2	The necessary mechanisms should be put in place for members of the Board of Directors and the Executive Management to have continuous training programs and courses.	A guiding article that will be applied in the future
Article 41, paragraph E	The Board of Directors makes the necessary arrangements to obtain an evaluation by a competent external body of its performance every three years.	A guiding article that will be applied in the future
Article 41, paragraph F	Non-executive members of the Board of Directors conduct periodic evaluations of the performance of the board of directors	A guiding article that will be applied in the future
Article 70	Formation of the Risk Management Committee	Risk control falls within the terms of reference of the audit committee and the company was satisfied with that, knowing that the company implements a complete risk control system, it has a risk policy and prepares the internal audit plan on the basis of risks
Article 72	The Risk Committee meets periodically every (six months) at least and whenever the need arises.	A guiding article
Article 88, paragraph 1	Measurement indicators should be developed that link the Company's performance with the progress of its initiatives in social work and compare that with other companies of similar activity	A guiding article
Article 95	In the event that the Board of Directors form an actual committee devoted to Corporate Governance, to delegate to it the powers established under Article 94 of these regulations, and this committee shall follow up any issues regarding governance applications and provide the Board of Directors at least annually with the reports and recommendations it arrives at	A guiding article

Twelfth: Penalties and Sanctions Imposed on the Company:

There are no penalties or other sanctions imposed on the Company during the year 2022.

Thirteenth: Procedures taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments about the Company and its performance:

In its meetings, the Board reviews shareholders' comments, questions and inquiries, if any, through the Company's Shareholder Relationship Department. There are no suggestions or remarks about the Company and its performance during the year 2022AD.

Fourteenth: Methods adopted by the Board of Directors in evaluating its performance and the performance of its committees and members and the External Body that carried out the evaluation and its relationship to the Company:

The Nomination and Remuneration Committee determines the strengths and weaknesses of the Board of Directors and proposes ways to address them in accordance with the interest of the Company.

Fifteenth: Recommendation of the Audit Committee Regarding the Need to Appoint an Internal Auditor in the Company:

There is an internal auditor.

Sixteenth: The recommendations of the Audit Committee that contradict the decisions of the Board of Directors or which the Board refused to consider when appointing and dismissing the Company's auditor, determining his fees, evaluating his performance or appointing the internal auditor, along with mentioning the reasons of those recommendations and why they are not considered:

There are no recommendations from the Audit Committee that contradict the decisions of the Board of Directors.

Seventeenth: The number of the Company's requests for the shareholders' register, the dates and reasons for those requests:

Number of Company's Requests for Shareholders' Register	Date of Application	Reasons for the Request
1	31/12/2021	Other
2	12/04/2022	Profit File
3	31/05/2022	Assembly
4	07/06/2022	Assembly
5	28/06/2022	Assembly
6	11/10/2022	Profit File
7	31/12/2022	Other

Eighteenth: Names of Board members, committee members, and executive management, their current and previous positions, qualifications and experiences:

1- Board of Directors:

1. Mr. Suleiman Bin Sulayem Al-Harbi			
Current Jobs	Previous Jobs	Qualifications	Experience
Chairman of the Board of Directors of Pan Kingdom Contracting Company LTD Chairman of the Board of Directors of Saudi Snaf Company Chairman of the Board of Directors of Pan Kingdom Investment Company Chairman of the Board of Directors of Pan Kingdom Development Holding Company Chairman of the Board of Directors of Pan Kingdom National Development Company Chairman of the Board of Directors of Pan Kingdom Energy Company Chairman of the Board of Directors of Pan Kingdom Water Company Chairman of the Board of Directors of Pan Kingdom Holding Company Chairman of the Board of Directors of Solb Steel Company Chairman of the Board of Directors of Northern Cement Company - Saudi Arabia Chairman of the Board of Directors of Global Specialized Transportation Company Chairman of the Board of Directors of Northern Cement Company - Jordan Member of the Board of Directors of Saudi Contractors Authority Member of the Board of Directors of Home Real Estate Company Member of the Board of Directors of Droob Urban Development Company Chairman of the Board of Directors of Darb Al Mashaer Company Chairman of the Board of Directors of Pan Kingdom Real Estate	Former member of the Board of Directors of Makkah Region	Certificate in English language Multiple courses in business administration	

2. Eng / Raed bin Ibrahim Al-Modaiim			
Current Jobs	Previous Jobs	Qualifications	Experience
Managing Director and CEO of Masdar Building Materials Company. Vice Chairman of the Board of Directors of Al Yamama Steel Industries Company. Vice Chairman of the Board of Directors of Northern Region Cement Company. Chairman of the Board of Directors of United Mining Industries Company Member of the Board of Directors of Bawan Company. Riyadh Cables Group Company Vice Chairman of the Board of Directors of Al Badia Cement Company - Syria. Vice-Chairman of the Board of Directors of Saudi Airlines Catering Company. Member of the Board of Directors of Northern Cement Company - Jordan.	Member of the Board of Directors of Arabian Pipes Company from 2006 AD until the end of May 2015. Member of the Board of Directors of Suez Cement Company - Egypt.	BA in Electrical Engineering Master's degree in electrical engineering	Various engineering and management experiences spanning more than thirty years in the public and private sectors.

3. Eng. Saud bin Saad Al-Arifi			
Current Jobs	Previous Jobs	Qualifications	Experience
<p>Managing Director of Northern Region Cement Company.</p> <p>Chairman of Saad Saud Al Arifi Trading Group</p> <p>Member of the Board of Directors of Northern Cement - Jordan.</p> <p>Member of the Board of Directors of Solb Steel Company.</p> <p>Member of the Board of Directors of Al-Dar Consulting.</p> <p>Executive Director and partner in Pan Kingdom Investment Company.</p> <p>Member of the Board of Directors of International Industries Company.</p> <p>Member of the Board of Directors of Iron Shaping and Coating Company.</p> <p>Member of the Board of Directors of Tabuk Steel Company.</p> <p>Member of the Board of Directors of Steel Industries Company.</p> <p>Member of the Board of Directors of the Kingdom of Real Estate Development Company.</p> <p>Member of the Board of Directors of Kaden Logistics Company.</p> <p>Member of the Board of Directors of Kaden Investment Company.</p> <p>Member of the Board of Directors of Kingdom Development Company for Investment.</p>	<p>Engineer in the Ministry of Defense and Aviation</p>	<p>BA in Architectural Engineering</p>	<p>Ministry of Defense 9 years & the Private Sector</p>

4. Eng. Muhammad bin Fayez Al-Darjam			
Current Jobs	Previous Jobs	Qualifications	Experience
<p>Member of the Board of Directors of the Northern Region Cement Company.</p> <p>Vice Chairman of the Board of Directors of Solb Steel Company.</p> <p>Member of the Board of Directors of Northern Cement - Jordan.</p> <p>Member of the Board of Directors of Global Specialized Transportation Company</p> <p>Member of the Board of Directors of Al-Dar Consulting.</p> <p>Partner and General Manager of Pan Kingdom Investment Company.</p> <p>Partner in Saudi Arabia for Construction and Contracting.</p> <p>Member of the Board of Directors of International Industries Company.</p> <p>Member of the Board of Directors of Iron Shaping and Coating Company.</p> <p>Member of the Board of Directors of Tabuk Steel Company.</p> <p>Member of the Board of Directors of Steel Industries Company.</p> <p>Member of the Board of Directors of Kingdom of Real Estate Development Company.</p> <p>Member of the Board of Directors of Kaden Logistics Company.</p> <p>Member of the Board of Directors of Kaden Investment Company.</p> <p>Member of the Board of Directors of the Kingdom Development Company for Investment</p>	<p>Engineer in the Ministry of Defense and Aviation</p>	<p>BA Architecture Engineering and Sciences</p>	<p>15 year experience in Ministry of Defense & the private sector</p>

5. Mr. Muhammad Bin Salim Al-Sa'edi*			
Current Jobs	Previous Jobs	Qualifications	Experience

Member of the Board of Directors of Northern Region Cement Company. Member of the Board of Directors for Alpha Transport Ltd. Chairman of the Board of Directors of JAL Development Company Member of the Board of Directors of Saudi Hepco Company General Manager of Saudi Al-Tarees Company ⁵			Private sector
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* The independent member of the Board of Directors, Mr. Muhammad bin Salim Al-Sa'edi, submitted his resignation on Monday 31-1- 2022 AD due to his private circumstances, and the Board of Directors approved this resignation by circulation on 31-1--2022 AD, and the resignation is considered effective on 31-1- 2022 AD. The announcement was made on the Tadawul website.

6. Dr. Faisal bin Hamad Al-Suqair			
Current Jobs	Previous Jobs	Qualifications	Experience
Member of the Board of Directors of the Northern Region Cement Company -	CEO of Saudi Center for International Strategic Partnerships (SCISP). Vice President of Civil Aviation Authority. Chairman of the Board of Directors of Saudi Civil Aviation Holding Company. CEO of Integrated Transport Company.	PHD degree In Civil / Structural Engineering	

7. Dr. Abdul Rahman Bin Saleh Al Obaid**			
Current Jobs	Previous Jobs	Qualifications	Experience
Chief Executive Officer - Saudi Group for Development and Innovation	Faculty staff member at King Saud University. Leadership Centers - SABIC	PhD in chemical engineering Master's degree in chemical engineering BA in Chemical Engineering	34 years of experience in the industrial sector, technology, strategies, investment and industrial development.

** Independent Board Member, Dr. Abdul Rahman bin Saleh Al Obaid submitted his resignation on Tuesday 03-01-2023 AD due to his personal circumstances. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective on 03-01-2023 AD. The announcement was made on the Tadawul website.

1. Eng/ Ahmed bin Abdul Rahman Al Obaid***			
Current Jobs	Previous Jobs	Qualifications	Experience
Chief Executive Officer - Sadiq Industries Company	Saudi Aramco Petrokemya Company SABIC SABIC Specialized Plastics Company	Master's degree in Business Administration Master's degree in financial management Bachelor's degree in chemical engineering,	20 years of experience in industry, technology, strategies, investment and industrial development

*** Member of the Independent Board of Directors M/ Ahmed bin Abdul Rahman Al Obaid was appointed to succeed the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 9-1-2023 AD, and it was announced on the Tadawul website. On February 15, 2023, the General Assembly approved the appointment decision.

2- Committee members from outside the Board:

	Name	Current jobs	Previous jobs	Qualifications	Experience
1	Iyad Tariq Al Yahya	Member of the Audit Committee of the Northern Region Cement Company.	Director of Investment Department at Aseer Company. Member of the Executive Management of Al Khozama Management Company Director of Trade and Finance Department at Al-Rajhi Banking Corporation Assistant Director for Financial Affairs at National Company for Cooperative Insurance.	Bachelor of Commerce - Accounting in 1980 from the State of Kuwait.	Saudi Industrial Development Fund.
2	Mr. / Khalid bin Abdul Aziz Al-Arifi*	Member of the Audit Committee of the Northern Region Cement Company.	Member of the Board of Directors of Northern Region Cement Company - Member of the Board of Directors of NATIONAL COMPANY FOR GLASS INDUSTRIES "Zoujaj", Riyadh. Member of the Board of Directors of Nama Chemicals Company "Nama", Jubail. Member of the Board of Directors of Arab Company for Axes and Foundries, Jubail. Member of the Board of National Environmental Preservation Co. (Bee'ah), Jubail. Member of the Board of Directors of Technical Investment Company, Riyadh. Member of the Board of Directors of Mediterranean Major Hotels SAL, Beirut. General Manager of Vacances Gmbh Tours Company, Stuttgart, Germany. General Manager of Saudi Tunisian Investment Company, Tunisia. General Manager of Investment Department at Al Anwa Holding Company, Riyadh. Head of the Public Transport Sector of the Saudi Maritime Transport Company "Bahri"	Bachelor's degree In Public Administration	

*Mr. Khalid bin Abdulaziz Al-Arifi submitted his resignation from the membership of the Audit Committee as of 30-01-2022 AD, and Dr. Faisal bin Hamad Al-Sugair (independent member) was appointed as a member of the Audit Committee as of 30-01-2022 AD, until the end of the term the current council on 15/03/2023 AD. On February 15, 2023, the General Assembly approved the appointment decision. Dr. Faisal bin Hamad Al-Sugair, member of the Audit Committee and independent member of the Board of Directors, has been appointed as Chairman of the Audit Committee based on the nomination of the members of the Committee.

It should be noted that the Ordinary General Assembly held on 15-02-2023 AD appointed the members of the Audit Committee for a period of three years, starting on 16-03-2023 AD and ending on 15-03-2026 AD, and they are as follows:

Dr. Faisal bin Hamad Al Sugair - Chairman

Mr. Khalid bin Abdul Aziz Al-Arifi - member from outside the council

Mr. Iyad bin Tariq Al-Yahya - member from outside the council

3- Executive Management:

	Name	Current jobs	Previous jobs	Qualifications	Experience
1	Dr. / Obaid bin Saad Al-Subaie	General Manager	Executive Manager - Northern Region Cement	PhD in Civil Engineering	
2	M / Ayed bin Nasser Al-Dossary	Deputy General Manager	Project Manager - Northern Region Cement	Bachelor of Civil Engineering	
3	Mr. Haitham Afifi	CFO	Finance Manager in Cement Multi-National Companies (Cemex & Lafarge)	Master of Financial Management (MBA)	

Nineteenth: Names of companies inside or outside the Kingdom of which the Company's member of the Board of Directors is a member of its current and previous boards of directors or of their managers:

1. Mr. Suleiman Bin Sulayem Al-Harbi					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Chairman of the Board of Directors of Pan Kingdom of Saudi Contracting Company	Inside the Kingdom	Closed joint stock company			
Chairman of the Board of Directors of Saudi Snaf Company	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Pan Kingdom Investment Company	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Pan Kingdom Development Holding Company	Inside the Kingdom	Closed joint stock company			
Chairman of the Board of Directors of Pan Kingdom National Development Company	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Pan Kingdom Energy Company	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Pan Kingdom Water Company	Inside the Kingdom	Closed joint stock company			
Chairman of the Board of Directors of Pan Kingdom Holding Company	Inside the Kingdom	Closed joint stock company			
Chairman of the Board of Directors of Solb Steel Company	Inside the Kingdom	Listed joint stock company			
Chairman of the Board of Directors of Northern Cement Company - Saudi Arabia	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Global Specialized Transportation Company	Inside the Kingdom	Listed joint stock company			
Chairman of the Board of Directors of Northern Cement Company - Jordan	Inside the Kingdom	Closed joint stock company			
Member of the Board of Directors of Home Real Estate Company	Inside the Kingdom	Limited liability company			
Member of the Board of Directors of Droob Urban Development Company	Inside the Kingdom	Limited liability company			
Chairman of the Board of Directors of Darb Al Mashaer Company	Outside the Kingdom				
Chairman of the Board of Directors of Pan Kingdom Real Estate	Inside the Kingdom				

2. Eng / Raed bin Ibrahim Al-Modaiim					
Names of companies in which a member of the Board of Directors	Inside / outside	Legal Entity	Names of companies in which a member of the board of directors is a	Inside / outside the Kingdom	Legal Entity

is a member of their current board of directors or of their managers	the Kingdom		member of their previous board of directors or of their managers		
Masdar Building Materials United Company for Mining Industries Northern Region Cement Company Northern Cement Company - Jordan Al Badia Cement Company - Syria Bawan Company Riyadh Cables Group Company Saudi Airlines Catering Company Al Yamamah Steel Industries Company Thabat Construction Company Ltd. (previously known as Al-Muhaidib Contracting Company)	Inside the Kingdom Inside the Kingdom Inside the Kingdom Outside the kingdom Outside the kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Closed joint stock company Closed joint stock company Listed joint stock company Listed joint stock company Closed joint stock company Listed joint stock company Closed joint stock company Listed joint stock company Listed joint stock company Listed joint stock company Limited liability company	Arabian Pipes Company Suez Cement Company - Egypt	Inside the Kingdom Outside the kingdom	Listed joint stock company Listed joint stock company

3. Eng. Saud bin Saad Al-Arifi					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Northern Region Cement Company Solb Steel Company Global Specialized Transportation Company Pan Kingdom Investment Company Global Industries Company Tabuk Steel Company Kingdom Company for Real Estate Development Kingdom Development Company for Investment Northern Cement Company - Jordan ALDAR Consulting Engineers Iron Shaping and Coating Company Steel Industries Company Kaden Logistics Company Kaden Investment Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Outside the kingdom Inside the Kingdom Inside the Kingdom	Listed joint stock company Closed joint stock company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company			

	Inside the Kingdom Inside the Kingdom Inside the Kingdom				
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4. Eng. Muhammad bin Fayez Al-Darjam					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Northern Region Cement Company Solb Steel Company Global Specialized Transportation Company Pan Kingdom Investment Company Global Industries Corporation Tabuk Steel Company Kingdom Company for Real Estate Development Kingdom Development Company for Investment Northern Cement Company - Jordan Al-Dar Engineering Consulting Company Iron Shaping and Coating company Steel Industries Company Kaden Logistics Company Kaden Investment Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Outside the kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Listed joint stock company Closed joint stock company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Limited liability company Listed joint stock company Solidarity company Limited liability company Limited liability company Limited liability company Limited liability company			

5. Mr. Muhammad Bin Salim Al-Sa'edi*					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Alpha Transport Jal Development Company Saudi Hepco Company	Inside the Kingdom Inside the Kingdom	Limited liability company Limited liability company Limited liability company			

	Inside the Kingdom				
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* Independent member of the Board of Directors, Mr. Muhammad bin Sulayem Al-Saedi, submitted his resignation on Monday 31-01-2022 AD due to his special circumstances, and the Board of Directors approved this resignation by circulation on 31-01-2022 AD, and the resignation is considered effective on 31-01-2022 AD. The announcement was made on the Tadawul website

6. Dr. Faisal bin Hamad Al-Suqair					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Thakher Development Company Ltd.	Inside the Kingdom	Closed joint stock company	Advanced Electronics Company	Inside the Kingdom	Inside the Kingdom

7. Dr. Abdul Rahman Bin Saleh Al Obaid**					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
CEO and Founder of the Saudi Group for Development and Innovation	Inside the Kingdom	Limited liability company	Member of the SABIC Executive Committee for Management	Inside the Kingdom	Closed joint stock company
Member of the Board of Directors of the Executive Committee for Research and Technology of Sipchem Co.	Inside the Kingdom	Joint stock company (Sipchem Co)	Chairman of the Board of Directors of SABIC America, in Houston, USA	Outside the Kingdom	Joint stock company (SABIC)
Member of the Board of Directors of Al-Bilad Catalyst Ltd.	Inside the Kingdom		Head of Scientific Design, in the state of New Jersey, USA.	Outside the Kingdom	SABIC
Member of the Board of Directors of the United Lubricating Oil Company	Inside the Kingdom		Chairman of the Board of Directors of Ibn Zahr Company	Inside the Kingdom	
Member of the Board of Directors of the Standards and Metrology Department	Inside the Kingdom		Chairman of the Board of Directors of Ibn Sina Company	Inside the Kingdom	
Member of the Board of Directors of the Local Content and Governmental Procurement Authority	Inside the Kingdom		Chairman of the Board of Directors of Al-Razi Company	Inside the Kingdom	
			Chairman of the Board of Directors of SABIC Technology Company	Outside the Kingdom	SABIC

			Head of Strategic Polymers Unit (SABIC)	Inside the Kingdom	
			Head of Strategic Intermediaries Unit (SABIC)	Inside the Kingdom	
			Member of the Board of Directors of SABIC Europe	Outside the Kingdom	SABIC
			Member of the Board of Directors of SABIC Innovative Plastics Company	Inside the Kingdom	SABIC
			Member of the Advisory Committee for King Abdulaziz City for Science and Technology	Inside the Kingdom	
			Member of the National Statistics Committee	Inside the Kingdom	
			Member of the Board of Directors of the Saudi Paper Manufacturing Company	Inside the Kingdom	Closed joint stock company
			Chairman of the Board of Directors of Saudi Paper Company	Inside the Kingdom	Closed joint stock company
			Member of the Board of Directors of Savola Plastic Company	Inside the Kingdom	
			Head of the economic balance team at the Riyadh Chamber of Commerce and Industry	Inside the Kingdom	One of Savola's companies
			Member of the National Committee for Consulting Offices	Inside the Kingdom	
			Chairman of the Industrial Committee, Riyadh Chamber of Commerce and Industry	Inside the Kingdom	
			Chairman of the National Industrial Committee of the Council of Saudi Chambers	Inside the Kingdom	

** Independent Board Member, Dr. Abdul Rahman bin Saleh Al Obaid submitted his resignation on Tuesday 03-01-2023 AD due to his personal circumstances. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective 03-01-2023 AD. The announcement was made on the Tadawul website.

8. Eng/ Ahmed bin Abdul Rahman Al Obaid***					
Names of companies in which a member of the Board of Directors is a member of their current board of directors or of their managers	Inside / outside the Kingdom	Legal Entity	Names of companies in which a member of the board of directors is a member of their previous board of directors or of their managers	Inside / outside the Kingdom	Legal Entity
Member of the Board of Directors, Sadiq Specialized Chemicals Company Member of the Board of Directors of Saudi Foss Company Member of the Mining Committee - Riyadh Chamber Member of the Board of Directors of Northern Region Cement	Inside Inside Inside Inside	Closed joint stock company			

***Board of Directors Eng/ Ahmed bin Abdul Rahman Al Obaid was appointed to succeed the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 09-01-2023 AD, and it was announced on the Tadawul website. On February 15, 2023, the General Assembly approved the appointment decision.

Twenty: Formation of the Board of Directors and the classification of its members as follows: Executive Board Member - Non-executive Board Member - Independent Board Member:

Member name	Membership Classification (Executive / Non-Executive / Independent)
Mr. Suleiman Bin Sulayem Al-Harbi	Non-executive
ENG / Raed bin Ibrahim Al-Modaiim	Non-executive
ENG / Saud bin Saad Al-Arifi	Executive
ENG / Mohammed bin Fayez Al-Darjam	Non-executive
Dr. Faisal bin Hamad Al-Suqair	Independent
Dr. Abdul Rahman bin Saleh Al Obaid*	Independent
Eng/ Ahmed bin Abdul Rahman Al Obaid**	Independent
Mr. Mohammed bin Sulayem Al-Saedi***	Independent

*** Independent Board Member, Dr. Abdul Rahman bin Saleh Al Obaid submitted his resignation on Tuesday 03-01-2023 AD due to his personal reasons. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective on 03-01-2023 AD. The announcement was made on the Tadawul website.

** Member of the Independent Board of Directors, Eng./ Ahmed bin Abdul Rahman Al Obaid was appointed to succeed the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 09-01-2023 AD, and it was announced on the Tadawul website. On February 15, 2023, the General Assembly approved the appointment decision.

*** Independent member of the Board of Directors, Mr. Muhammad bin Sulayem Al-Saedi, submitted his resignation on Monday 31-01-2022 AD due to his private reasons, and the Board of Directors approved this resignation by passing on 31-01-2022 AD, and the resignation is considered effective on 31-01- 2022 AD. The announcement was made on the Tadawul website.

Twenty-first: Statement of the dates of the shareholders' General Assemblies held during the last financial year and the names of the members of the Board of Directors attending these assemblies:

	Name		
		Ordinary General Assembly 07/06/2022	Extraordinary Assembly Meeting 28/06/2022
1	Mr. Suleiman Bin Sulayem Al-Harbi	✓	✓
2	ENG / Raed bin Ibrahim Al-Modaiim	✓	✓
3	ENG / Saud bin Saad Al-Arifi	✓	X
4	ENG / Mohammed bin Fayez Al-Darjam	X	✓
5	Dr. Faisal bin Hamad Al-Suqair	✓	✓
6	Dr. Abdul Rahman bin Saleh Al Obaid *	✓	✓
6	Eng/ Ahmed bin Abdul Rahman Al Obaid**	X	X

* Independent Board Member, Dr. Abdul Rahman bin Saleh Al Obaid submitted his resignation on Tuesday 03-01-2023 AD due to his personal circumstances. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective on 03-01-2023 AD. The announcement was made on the Tadawul website.

** Member of the Independent Board of Directors, Eng/ Ahmed bin Abdul Rahman Al Obaid was appointed to succeed the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 09-01- 2023 AD, and it was announced on the Tadawul website. On February 15, 2023, the General Assembly approved the appointment decision

Twenty-second: The number of Board meetings held during the last financial year, their dates, and the attendance record of each meeting mentioning the names of the attendees:

Member name	Number of meetings (5)					
	The first meeting	The second meeting	The third meeting	Fourth meeting	Fifth Meeting	Total

	31/01/2022	28/03/2022	04/08/2022	26/06/2022	03/11/2022	
Mr. Suleiman Bin Sulayem Al-Harbi	✓	✓	✓	✓	✓	5
ENG / Raed bin Ibrahim Al-Modaiim	✓	✓	✓	✓	✓	5
ENG / Saud bin Saad Al-Arifi	✓	✓	✓	✓	✓	5
ENG / Mohammed bin Fayez Al-Darjam	✓	✓	✓	✓	✓	5
Mr. / Mohammed bin Salim Al-Sa'edi	✓	✓	✓	✓	✓	5
Dr. Faisal bin Hamad Al-Suqair	✓	✓	✓	✓	✓	5
Dr. Abdul Rahman bin Saleh Al Obaid*	✓	✓	✓	✓	✓	5
Eng/ Ahmed bin Abdul Rahman Al Obaid**	X	X	X	X	X	0
Mr. Muhammad Bin Salim Al-Sa'edi***	X	X	X	X	X	0

* Independent Board Member, Dr. Abdul Rahman bin Saleh Al Obaid submitted his resignation on Tuesday 03-01-2023 AD due to his personal circumstances. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective on 03-01-2023 AD. The announcement was made on the Tadawul website.

** Member of the Independent Board of Directors, M/ Ahmed bin Abdul Rahman Al Obaid was appointed to succeed the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 09-01-2023 AD, and it was announced on the Tadawul website. On February 15, 2023, the General Assembly approved the appointment decision.

*** Independent member of the Board of Directors, Mr. Muhammad bin Sulayem Al-Saedi, submitted his resignation on Monday 31-01 approved this resignation by passing on 31-01-2022 AD, and the resignation is considered effective on 31-01- 2022 AD. The announcement was made on the Tadawul website.

Twenty-third: Board Committees:

The Company's Board of Directors has formed two committees: the Audit Committee and the Nomination and Remuneration Committee.

(1) Audit Committee:

The Audit Committee consists of a vice-chairman of the Board of Directors and one independent board member and one member from outside the Board (independent). It is entrusted with working with the management to ensure the application of the accounting system in the Company with the accounting and financial standards, auditing the initial and annual financial statements, and recommending the selection of auditors. The role of internal audit has been activated after the suitable staff has been appointed.

The number of Audit Committee meetings during the year 2022 AD reached (4) meetings. The Audit Committee consists of three members:

	Name	Nature of the membership	Number of meetings 4)			
			The first meeting 28/03/2022	The second meeting 24/07/2022	The third meeting 03/08/2022	The fourth meeting 02/11/2022
1	Dr. Faisal bin Hamad Al-Suqair	Head of the Committee	✓	✓	✓	✓
2	ENG / Raed bin Ibrahim Al-Modaiim	Member	✓	✓	✓	✓
3	Mr. Iyad bin Tariq Al Yahya	Member	✓	✓	✓	✓

(2) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee audits the structure of the Board of Directors and the effectiveness of the members' performance, and submits recommendations to make any changes it may see. It further identifies weaknesses and

strengths as well as makes sure that there is no conflict of members' interests and recommends the member's nomination as required. It also audits the remuneration and compensation of the Board committees, Managing Director, Senior Management Salaries and Saudization ratios. The number of Nomination and Remuneration Committee meetings during the year 2021AD reached (2) meetings.

The Nomination and Remuneration Committee consists of:

	Name	Nature of the membership	The first meeting	The second meeting	The Third meeting
			30/01/2022	21/03/2022	19/07/2022
1	Dr. Abdul Rahman bin Saleh Al Obaid	Committee Head	✓	✓	✓
2	ENG / Mohammed bin Fayeze Al-Darjam	Member	✓	✓	✓
3	ENG / Raed bin Ibrahim Al-Modaiim	Member	✓	✓	✓

* On 30/1/2022 AD, Dr. Abdulrahman bin Saleh Al Obaid was appointed as Chairman of the Nomination and Remuneration Committee, instead of Mr. Raed bin Ibrahim Al-Mudaihim, due to the absence of the condition of the independence of the Chairman of the Committee, according to the work regulations of the Nomination and Remuneration Committee approved by the company.

The independent board member, Dr. Abdul Rahman bin Saleh Al Obaid, also resigned. On Tuesday 03-01-2023 AD due to his special circumstances. The Board of Directors approved this resignation by circulation on 03-01-2023 AD, and the resignation is considered effective on 03-01-2023 AD. An independent board member, M/ Ahmed bin Abdulrahman Al Obaid, was appointed. In succession to the resigned member, Dr. Abdul Rahman bin Saleh Al Obaid, on 09-01

Twenty-fourth: The interest and rights of members of the Board of Directors and the Executive Management in the shares or debt instruments of the Company or any of its companies, as well as their relatives:

A description of any interest, contractual securities, and rights issue that belong to the members of the Company's Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or rights during the last financial year.

A description of any interest, contractual securities and subscription rights of the members of the Company's board of directors and their relatives in the shares or debt instruments of the Company							
S.	Name	Start of the year		End of the year		Net change	Change rate
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Mr. Suleiman Bin Sulayem Al-Harbi	3,734,896	-	3,734,896	-	-	-%
2	ENG / Raed bin Ibrahim Al-Modaiim	30,000	-	30,000	-	-	-%
3	ENG / Saud bin Saad Al-Arifi	2,783,904	-	2,783,904	-	-	-%
4	ENG / Mohammed bin Fayez Al-Darjam	2,783,904	-	2,783,904	-	-	-%
5	Mr. / Mohammed bin Salim Al-Sa'edi	0	-	0	-	0	-%
6	Dr. Faisal bin Hamad Al-Suqair	100,000	-	100,000	-	-	-%
7	Dr. Abdul Rahman bin Saleh Al Obaid	2,000	-	2,000	-	0	-0%

Description of any interest, contractual securities, and rights issue relating to senior executives and their relatives in the shares or debt instruments of the Company							
S.	Name	Start of the year		End of the year		Net change	Change rate
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
NA							

A description of any interest, contractual securities, and subscription rights of the members of the Company's Board of Directors and their relatives in the shares or debt instruments of the subsidiary							
S.	Name	Start of the year		End of the year		Net change	Change rate
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
NA							

A description of any interest, contractual securities, and rights issue of the senior executives and their relatives in the shares or debt instruments of the subsidiary							
S.	Name	Start of the year		End of the year		Net change	Change rate
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
NA							

Twenty-fifth: A description of any interest in voting-eligible shares belonging to persons (other than members of the Company's Board of Directors, senior executives and their relatives) who informed the Company of those rights under Article (45) of the Registration and Listing Rules, and any change in these rights during the last financial year:

NA

Twenty-sixth: A description of the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the Company during the financial year, along with showing any compensation obtained by the Company for that:

NA

Twenty-seventh: A description of any transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the Company:

NA

Twenty-Eight: A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities, along with distinguishing between the listed securities purchased by the Company, and those purchased by its subsidiaries:

NA

Twenty-ninth: Salaries, compensation and remunerations of executive, non-executive and independent Board members and senior executives:

Remuneration of Board Members:

The remuneration of the members of the Board of Directors according to the remuneration policy and the remuneration policy of the members of the Board of Directors includes the following:

- The Board of Directors determines an annual remuneration that does not exceed 500,000 Saudi riyals according to the Companies Law and the Company's Articles of Association.
- A lump sum is disbursed as compensation for the expenses of housing, food, transportation, etc. when attending a Board meeting outside the city of Riyadh (the Company's office in Riyadh) of 3,000 Saudi riyals for each member attending the meeting in addition to a business class travel ticket (round-trip) from Riyadh to the city in which the meeting will be held or equivalent to such value.
- A lump sum is paid as compensation for housing, food, transportation, etc. expenses for each member while attending the Board meeting outside the Kingdom of \$ 3000, in addition to a business class travel ticket (round trip) from Riyadh to the city in which the meeting will be held or equivalent to such value.
- If the Chairman of the Board of Directors requests any of the committees to hold a committee meeting outside the city of Riyadh or the participation of any or all of the committee members in the Board meeting, the attending members will be compensated for the expenses similar to the members of the Board of Directors.
- If more than one meeting coincides with the same day and place, the compensation for the above-mentioned expenses is disbursed only once for each member.
- Annual fixed remunerations are disbursed on the basis of the member's attendance rate at meetings and the allowances for attending the meetings are disbursed after the meeting.

The following table shows the remuneration of the members of the Board of Directors, noting that the Board recommends to the Assembly to pay the remuneration of the members of the Board of Directors at a rate of (200) thousand riyals for each member for the financial year ending on 31/12/2022 AD. In addition, there is no fundamental deviation.

(Value in thousands of riyals)

Expense allowance	Total	End of Service Indemnity	Variable remunerations					Fixed remunerations									
			Total	Granted shares	Long-term incentive plans	Short-term incentive plans	Periodic remunerations	Percentage of profits	Total	Remuneration for the Chairman of the Board, the Managing Director or the	An indication of what Board members receive as workers or administrators	In-kind benefits		Allowance for attending committee sessions	Allowance for attending Board sessions	Certain amount	
													First: the independent members				
-	286	-	-	-	-	-	-	-	-	286	-	-	-	21	15	250	ENG / Raed bin Ibrahim Al-Modaiim
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Mr. / Mohammed bin Salim Al-Sa'edi
-	277	-	-	-	-	-	-	-	-	277	-	-	-	12	15	250	Dr. Faisal bin Hamad Al-Suqair
-	224	-	-	-	-	-	-	-	-	224	-	-	-	9	15	200	Dr. Abdul Rahman bin Saleh Al Obaid
-	787	-	-	-	-	-	-	-	-	787	-	-	-	42	45	700	Total
													Second: Non-executive members				
-	215	-	-	-	-	-	-	-	-	215	-	-	-	-	15	200	Mr. Suleiman bin Salim Al-Harbi
-	224	-	-	-	-	-	-	-	-	224	-	-	-	9	15	200	ENG / Mohammed bin Fayez Al-Darjam
-	439	-	-	-	-	-	-	-	-	439	-	-	-	9	30	400	Total
													Third: Executive members				
-	995	-	-	-	-	-	-	-	-	995	-	780	-	-	15	200	ENG. Saud bin Saad Al-Arifi
-	995	-	-	-	-	-	-	-	-	995	-	780	-	-	15	200	Total

(Value in thousands of riyals)

Remuneration of non-Board members

	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Members of the Audit Committee			
Mr. Iyad Tariq Al Yahya	50	12	62
Total	50	12	62

These are the salaries and compensation for (5) senior executives who are:

- CEO
- VP
- CFO
- Plant Manager
- Manager of Administrative Affairs

(Value in thousands of riyals)

	Fixed remunerations				Variable remunerations						End of Service Indemnity	Total remuneration for Board executives	Total
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			
Five senior executives who received the highest remuneration, including the CEO and CFO	3,563	1,295	-	4,857	1,316	-	-	-	-	1,316	-	-	6,173
Total	3,563	1,295	-	4,857	1,316	-	-	-	-	1,316	-	-	6,173

Thirty: Company Declarations:

The Company declares that:

- 1- Account records were prepared correctly.
- 2- The internal control system was prepared on a sound basis and was effectively implemented.
- 3- There is no doubt about the ability of the Company to continue its activity.
- 4- There is no arrangement or agreement under which a member of the Board of Directors or a senior executive waived any remuneration.
- 5- There is no arrangement or agreement under which a shareholder of the Company waived any rights to profits.
- 6- There are no treasury shares held.
- 7- There are no investments or reserves set for the benefit of the Company's employees.

Thirty-first: Related Parties:

Transactions with related parties authorized by the General Assembly:

Related Party	Type of relationship with the Company	Type of Transaction	Its term	Its value
Saudi Pan Kingdom Company (SAPAC) in which the Chairman, Suleiman bin Salim Al-Harbi, has a direct interest	Having a direct interest in it	Bulk cement sale contract	One year	6,000,000 Saudi riyals

Thirty-second: Information related to contracts to which the Company is a party, or in which there is an interest for a member of the Company's Board of Directors, for its senior executives or for any person related to any of them:

	Nature of the Contract	Contract value	Contract term	Contract Condition	Member name
3	Bulk cement sale contract	6,000,000 Saudi riyals	One year	There are no preferential conditions	Suleiman bin Salim Al-Harbi

Thirty-third: Results of the annual audit of the effectiveness of internal control system procedures:

The Internal Audit Department submits periodic reports to the Audit Committee on all auditing processes, whether operational, administrative or financial, which it undertakes on a periodic basis to ensure the effectiveness of the internal control system to protect the Company's assets, assess business risks and measure the efficiency of performance.

The aforesaid audit processes did not show any fundamental weakness in the Company's internal control system, and that most of the observations focus on improving performance, raising efficiency, coordinating relationships between all agencies, and documenting procedures to give more strength to the Company's internal control system and make the best use of all available resources.

The external auditor evaluates the internal control system within the framework of the work he performs to audit all the final financial statements of the Company and enables him to audit the minutes of the audit committees and the reports of the Internal Audit Department for the financial period under examination.

Opinion of the Audit Committee:

The committee reviewed the audited financial statements for the year 2022 AD, audited the periodic reports submitted by the Internal Audit Department, supervised the work of the chartered accountant, and followed up the implementation of all tasks according to best practices in the field of audit committees. The committee does not have any observations in this regard.

The committee also reviewed the Company's internal control systems and proved their adequacy.

Thirty-fourth: Consolidated Financial Results:

A summary in the form of a table of the Company's assets, liabilities, and results of its operations in the last five financial years:

Comparison of business results in table form:

(Value in thousands of riyals)

Statement	2022	2021	2020	2019	2018
Revenues	617,958	561,913	651,481	673,371	392,548
Revenue costs	-402,463	-362,061	-455,355	-457,049	-244,952
Gross profit	215,495	199,851	196,127	216,322	147,596
Net profit	112,451	106,677	108,225	92,753	13,087

Thirty-fifth: Statement of any material differences in the operating results compared to the results of the previous year or any expectations announced by the Company:

Comparison of assets and liabilities in table form:

(Value in thousands of riyals)

Statement	2022	2021	2020	2019	2018
Assets	778,299	684,737	695,802	836,978	805,658
Non-current assets	2,633,320	2,579,730	2,514,955	2,381,810	2,384,332
Total assets	3,411,619	3,264,467	3,210,757	3,218,788	3,189,990
Current Liabilities	816,946	762,495	527,904	523,585	994,217
Non-current liabilities	361,593	288,362	472,124	544,643	137,538
Total liabilities	1,178,539	1,050,857	1,000,028	1,068,228	1,131,755

(Value in thousands of riyals)

Statement	2021	2020	Changes (+) or (-)	Change rate
Sales / Revenue	617,958	561,913	56,045	10%
Cost of sales / revenue	-402,463	-362,061	-40,402	11%
Gross profit	215,495	199,851	15,644	8%
Profit from operations	131,949	120,102	11,547	10%

Thirty-sixth: Statement of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants:

Operating profits for the year 2022 were (131,949,144) Saudi Riyals (One hundred and thirty-one million and nine hundred and forty-nine thousand and one hundred and forty-four) compared to operating profits of (120,101,845) Saudi Riyals (one hundred twenty million and One hundred and one thousand and eight hundred and forty-five) in 2021, with an increase of (10%).

The net profits for the year 2022 AD amounted to (112,451,270) (One hundred and twelve million and four hundred and fifty-one thousand and two hundred and seventy) compared to (106,676,796) Saudi Riyals (one hundred six million and six hundred seventy-six thousand and seven hundred ninety-six in 2021 AD, with increase of (5.41%).

Thirty-seventh: Report of the External Auditor:

No comments were received on the Company's external auditor's report on the initial financial statements as on December 31, 2022.

Thirty-eighth: Statutory Payments:

The statutory payments for social insurance during the year 2022 amounted to a total of (5,108,977.96 Saudi Riyals), and the balance due on the Company as on December 31, 2022 was a total of (415,153.96 Saudi riyals) paid during the month of January of 2023.

A statement of the value of the statutory payments paid and due to pay any zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, along with a brief description thereof and a statement of their reasons:

Statement	2021 AD		Brief description thereof	Statement of reasons
	Paid	Due until the end of the annual financial period and has not been paid		
Zakat	12,097,393	29,675,772	Allocation	Payment will be made upon submission of the declaration
Tax	8,996,326	6,254,482	Allocation	Payment will be made upon submission of the declaration
General Organization for Social Insurance	5,108,978	415,154	December balance	Paid in January 2022
Costs of visas, passports and labor office fees	664,373	-	Expenses	Paid

Thirty Ninth: Approval of the plan for implementing international accounting standards

The Board of Directors of the Company approved a plan to apply international accounting standards.

Forty: The Company's Policy for the Distribution of Profits:

The Company's policy in distributing its annual net profits depends on what is stated in the Company's Articles of Association and the availability of liquidity necessary to meet the payment of investments and strategic projects of the Company, where profits are distributed as follows:

- 1- (10%) of the net profit shall be set aside to form a statutory reserve (and it may be suspended when the reserve reaches half of the capital).
- 2- (5%) of the capital shall be distributed as a first payment to the shareholders.
- 3- An additional share of the remainder may be distributed to the shareholders based on the recommendation of the Board of Directors and approval of the General Assembly.
- 4- Based on the recommendation of the Board of Directors, the General Assembly may form additional reserves or other reserves to the appropriate extent that preserves the Company's financial position and guarantees appropriate and stable profit distribution to its shareholders.

Percentage of profits distributed during the year		Proposed profit percentages to be distributed at the end of the year	Total profits
First half of 2022AD			
Percentage	2.5%	-	2.5%
Total	45,000,000 Saudi riyals	-	45,000,000 Saudi riyals

CONCLUSION

In conclusion, we hope that the presentation on Northern Region Cement and its business developments has met your satisfaction, and we also stress that we will continue to make all efforts to chart a bright future and maximize investment returns for its shareholders. In this regard, the members of the Board of Directors extend their thanks to the shareholders for their confidence and thanks are extended to all employees of Northern Region Cement, its suppliers, customers, financing agencies and relevant governmental and non-governmental agencies, for their continuous support and cooperation, and Northern Region Cement will continue, with God's help and guidance, to achieve its goals and plans for expansion and growth.

Board of Directors