

Board of Directors' Report
For the financial Year ended on 31 December 2020

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**M/s Shareholders,
Eastern Province Cement Company**

Dear Sirs,

The Board of Directors is pleased to welcome and thank you for responding to its invitation to attend the forty-eighth Ordinary General Assembly meeting. We are also pleased to put before your kind consideration our annual report on your company's performance, achievements and results of its work for the fiscal year ended on December 31, 2020. This report has been prepared in terms of the provisions set forth in Companies Law issued by the Ministry of Commerce and the Corporate Governance Regulations and instructions issued by the Board of the Capital Market Authority.

The Board of Directors avails this opportunity to renew its commitment to make all efforts to fulfill its responsibilities and achieve the common interest of the company and the shareholders. We pray to our Almighty God to preserve to our country the beloved king, the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz and his trustworthy Crown Prince His Royal Highness Prince / Mohammed Bin Salman Bin Abdulaziz and all our wise government and to guide them to for the prosperity of the country and the citizens. We express our thank & appreciation to His Royal Highness Prince Saud Bin Nayef Bin Abdulaziz, the Governor of the Eastern Province, and His Royal Highness Prince / Ahmed Bin Fahd Bin Salman Bin Abdulaziz, Deputy Governor of the Eastern Province, for their effective and continuous support to the company.

Best Regards,

1) Main Activity

The main activity of the company is manufacturing and production of cement and its derivatives, trading and the establishment of factories branched and complementary related to cement industry such as building materials etc., and importation, exportation and trade of all building materials, cement, precast concrete, products and related materials.

2) Production & Stock

Particular	Thousands Tons		
	2020	2019	Change percentage
Clinker Production	2.027	2.082	(2.6%)
Cement Production	2.699	2.430	11.1%
Clinker stock	2.170	2.696	(19.5%)

3) Marketing & Sales

(A) Local Cement Market:

The cement demand in local domestic market in Saudi Arabia has been improved during the year 2020, during which the amount of domestic sales have reached 51 million tons approx. compared to 42 million tons approx. sold during the year 2019, with an increase of (21.4%).

(B) Cement Sales:

Particular	Thousands Tons		
	2020	2019	Change percentage
Cement Sales Qty.	2.681	2.438	10%

4) Description of the main activities of the company with a geographical analysis of the company's total revenue:

Year	Local cement sales ¹	Exported cement sales	Total Cement Sales	Exported clinker sales	Precast Concrete sales	Total Sales
2019	565,043	24,704	589,747	19,973	119,078	728,798
Cent	77,6%	3,4%	81,0.0%	2,7%	16,3%	100%

¹ Local cement sales are sold in all Eastern Province Markets.

2020	636,616	17,786	654,402	-	88,025	742,427
Cent	85,8%	2,4%	88,2%	-	11,8%	100%

5) Financial Statements

The financial statements for the fiscal year ended on 31/12/2020 were prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other financial reporting standards versions issued by the Saudi Organization for Certified Public Accountants (SOCPA). The company has started applying these standards as of 01/01/2017 in compliance with the decision of the SOCPA's Board of Directors.

Meanwhile, the company follows up the issuance of any new accounting standards or versions, but no standards or versions were issued during the current fiscal year that have a material impact on the financial statements.

6) Statement of Financial Positions

(a) Herein below is a statement showing the company's assets and liabilities (assets & liabilities) during the last five fiscal years:

(Thousands Saudi Riyals)

Particular	2020	2019	2018	2017	2016
Property, Plant & Eqpt.	821,127	868,611	946,818	1,025,778	1,104,786
Non-current assets, others	869,159	802,709	621,416	542,474	537,318
Current assets	1,179,742	1,093,614	945,965	866,721	1,051,477
Total assets	2, 870,028	2,764,934	2,514,199	2,434,973	2,693,581
Shareholders' equity	2, 533,488	2,411,736	2,2018,884	2,150,321	2,237,047
Non-current liabilities	114,808	103,094	91,826	93,765	105,214
Current liabilities	221,732	250.104	220,489	190,887	351,320
Total liabilities & Equity	2, 870,028	2,764,934	2,514,199	2,434,973	2,693,581

(b) Statement of Financial Position as on 31/12/2020 compared to previous year:

(Thousands Saudi Riyals)

Particular	2020	2019	Change Value	Change %
Property, Plant & Eqpt.	821,127	868,611	(47,484)	(5.47%)
Non-current assets, others	869,159	802,709	66,450	8,28%
Current assets	1,179,742	1,093,614	68,128	7,88.%

Total assets	2,870,028	2,764,934	105,094	3,80%
Shareholders' equity	2,533,488	2,411,736	121,752	5,05%
Non-current liabilities	114,808	103,094	11,714	11.36%
Current liabilities	221,732	250.104	(28,372)	(11.34%)
Total liabilities & Equity	2,870,028	2,764,934	105,094	3,80%

7) Statement of Income

(a) Herein below a statement showing the results of company performance during the last five years:

(Thousands Saudi Riyals)

Particular	2020	2019	2018	2017	2016
Revenue, net	742,427	728,798	565,744	640,607	856,590
Cost of income	(482,819)	(510,838)	(434,582)	(475,325)	(566,053)
Gross profit	259,608	217,960	131,162	165,282	290,537
General & admin expenses, selling & marketing	(52,357)	(56,494)	(62,303)	(65,968)	(72,384)
Operating profit	207,251	161,466	68,859	99,314	218,153
Net income (expenses), others	38,967	38,830	29,477	22,580	22,993
Zakat provision	(29,000)	(19,600)	(28,588)	(14,751)	(13,956)
Net profit for the year	217,218	180,696	69,748	107,143	227,190

(b) A explanation of material differences in the operating results compared to previous year:

(Thousands Saudi Riyals)

Particular	2020	2019	Change Value	Change %
Revenue, net	742,427	728,427	13,629	1.90%
Cost of income	(482,819)	(510,838)	28,019	5,48%
Gross profit	259,608	217,960	41,648	19.11%
General & admin expenses, selling & marketing	(52,357)	(56,494)	4,137	7,32%
Operating profit	207,251	161,466	45,785	28,40%
Net income (expenses), others	38,967	38,830	137	0.40%
Zakat provision	(29,000)	(19,600)	(9,400)	(48.00%)
Net profit for the year	217,218	180,696	36,522	20.20%

The increase in net profits is attributed to the following:

1. Increasing in the quantity and value of cement sales.
2. Low cost of sales.
3. Decrease in general and administrative expenses.

4. Increase of the company's share of the results of an associate company, and other revenues.

8) Quality mark

The company pays a great attention to the quality of its cement products so that it follows the best standards and uses advanced monitoring equipment in order to produce high-quality products satisfying the needs and requirements of its customers. As a result, the company has maintained its Quality Mark given by the Saudi Arabian Standards and Metrology Organization SASO to the companies whose production conforms to the approved Saudi specifications. In addition to obtaining, the company obtained the renewed version of the international quality certificate ISO 9001-2015 from the German Royal Cert Company.

9) Development of Human Resources (Training & Saudization)

The company continues its prepared plan aiming at providing an attractive work environment for national cadres, so the company paid great attention to Saudization of jobs. The company's human resources strategy focused mainly on recruiting and developing the capabilities of Saudi employees to enable them to occupy higher positions on the career ladder in the organizational structure of the company.

Since investing in human resources represents one of the company's strategies, the training center in the company, which was developed with the latest equipment and qualified trainers, continued to provide the best training and development services for Saudis.

In addition to that, the company continued to conduct many training courses inside and outside the company to enhance the capabilities of Saudi workers and develop their skills, which contributed effectively to improving job performance. The number of Saudi employees in the company by the end of 2020 has reached (434) workers out of the total number of (869) workers representing 50% of the total employees.

Sector	Saudis	Non-Saudis	Total	Saudization %
Cement	387	255	642	60,3%
Precast	47	180	227	20,7%
Total	434	435	869	50%

10) Social Responsibility

As we are committed to social responsibility towards society and its members, the company contributes in various fields by supporting educational and social charitable institutions. So, the company granted in-kind donation to Holy Quran Society in Jubail during the year 2020.

11) Environment, Security & Safety

The company follows the highest standards of safety at work in order to preserve of its human resources and properties through investment and continuous training to achieve the targeted safety standards. The company also fulfills all the obligations required to preserve the environment as all production lines are currently operating in accordance with the globally required levels of emissions.

The company pays great attention to security and safety at work sites, and in this regard it has maintained the following:

- (a) Increasing awareness-raising methods through continuous training of factory workers on safety methods and urging them to adhere to occupational safety and health instructions.

- (b) Providing personal protective equipment and obligate the factory workers to use personal protective equipment while on job.
- (c) Providing the latest fire-fighting equipment and training workers on how to extinguish fires.

12) Investment Activity

The company's investments during the year 2020 consist of the following:

A) Investment in Islamic Murabaha Transactions:

The company continued to invest its excess liquidity in Islamic Sharia Murabahah transactions.

B) Investments in other companies is as follows:

No.	Company name	Capital	Owned Shares	%	Company activity	Country	Received cash Profit
1-	Saudi Aramco (Listed Stock Co)	SR 60,000,000,000 200,000,000,000 Non par value shares	1,774,064	-	Engaging in all activities related to energy, including manufacturing of hydrocarbons, chemicals and other industries related to and complementary to them or any other activity inside or outside the Kingdom according to its bylaws.	KSA	SAR 2,003,273
2-	Industrialization & Energy Services Company (TAQA)	SR 5,000,000,000 500,000,000 shares. Face value at SR10 per share	27,187,495	5,437%	Carrying out industries and services related to the petroleum, mineral, petrochemical, and electrical industries, water desalination, geophysics, surveying, oil and gas wells drilling, and the related activity necessary for the exploration of hydrocarbon resources.	KSA	None
3-	Saudi Group for Industrial Investment	SR 4,500,000,000 450,000,000 shares Face value at SR0 per share	2,300,000	0,511%	Developing industrial base in the Kingdom, especially the petrochemical industries, opening up the areas for their export to foreign markets, opening chances to the private sector to use the products of the petrochemical industry for the development of transformational industries.	KSA	SAR 2,875,000
4-	Arabian Yemen Cement Company Ltd.	US\$ 142,500,000 USD 1,425,000 Shares Face value is US \$ 100	450,000	31,58%	Clinker production, manufacture and marketing of ordinary & sulfate-resistant Portland cement, in general all types of cement.	Yemen	US\$ 2,477,189.21

13) Information on any loans due from the company (whether they are payable on demand or otherwise) and a statement of the total debt of the company and its subsidiaries, any amounts paid by the company in repayment of loans during the year, the principal amount of the loan, the lender's name, loan's term & balance amount.

- None.

14) Regular Payments, paid & Due

The following is a statement of the value of the regular payments paid and due for payment of Zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, with a brief description of them and their reasons:

Regular payments paid during the year 2020 and due and government fees not paid until the end of 2020 (thousands Saudi Riyals):

Description	Paid	Due / Not aid	Brief description	Reasons
Zakat	29,214	22,200	The paid amount represents Zakat for Year 2019 and settlement of zakat differences for the years 2017 and 2018.	As per General Zakat & Income Authority Regulations
Value Added Tax	44,747	4,680	The paid amounts represent VAT for the period from Dec. 2019 to Nov. 2020,, however, the due unpaid amount represents VAT December 2020, which will be in January 2021	As per General Zakat & Income Authority Regulations
Withholding tax	613	49	The paid amounts represent withholding tax for the period from Dec. 2019 to Nov. 2020, however, the due unpaid amount represents withholding tax December 2020, which will be in January 2021.	As per General Zakat & Income Authority Regulations
Mineral Resources Agency	15,932	16,434	The paid amount represents limestone fees for the year 2019, while what unpaid due amount is the limestone fees for the year 2020, which will be paid in 2021	As per Mineral Resources Agency Rules
Social Insurance	9,534	824	Represents the company employee's premiums to GOSI for the year 2020 which will be paid in 2021.	As per GOSI Regulations
Visas & Residence Permits	357	-	Costs of visas and residence permits of non-Saudi employees.	As per Ministry of Interior Regulations
Labor Office fees	1,649	-	Fees of the work permits for non-Saudi employees of the company.	As per Ministry of labor Regulations
Customs Duties	865	-	Customs duties	As per Saudi Customs Regulations
Total	102,911	44,187		

15) Company's Strategies

The company's strategy is based on the following elements:

- Continuous improvement of quality of the product through research, development processes and application of the best international standards.
- Reducing costs to enhance the competitiveness of the company.

- (c) Long-term investment in the workforce, especially the Saudi citizens, a matter which will positively affect the performance of the company.
- (d) Maintaining the share of the company in the market and continuous striving to increase its share by taking advantage of the company's competitive factors represented in developing product quality, close and developed relationship with customers, geographical location and proximity to the market.
- (e) Focusing on the maximum utilization of production capacity to increase profitability.
- (f) Increasing the profitability by producing and marketing different products.
- (g) Developing long-term relationships with suppliers to reduce operating costs.
- (h) Expansion and diversification of the company's products by investing in vertical and horizontal expansion projects for the cement industry and other projects related to the industry.

16) Description of the Most Important Plans and Decisions of the Company

A description of the company's significant plans and decisions (including structural changes to the company, expansion of its business or cessation of its operations) and future expectations of the company's business:

a) Future projects:

- 1- Efforts are still continuing to establish a new production line in Najibiya with a production capacity of (10,000) ten thousand tons of clinker, with continuous monitoring of the current and future conditions of cement demand.
- 2- The company works to reduce the cost of production and to adhere to the standards of the Saudi Energy Efficiency Center by implementing several projects that would reduce energy consumption.

b) Prospects for 2021:

There are some positive signs expected as a result of an improvement in domestic demand in the fourth quarter of 2020 and an expectation of continuing this pace as a result of spending on housing projects that would support the company's revenues in 2021.

There are several factors that may negatively affect the profitability of the company during the year 2021 which include the entry of new capacities that will increase the volume of supplied cement and the intensity of competition for market shares, which leads to a decrease in cement prices locally, and the increase in the volume of stocks of clinker, as well as increase energy prices.

The company's management strives to mitigate the effects of these negative factors by continuing to implement a cost-rationalization program and a rapid response to market changes.

17) Risks

Information related to any risks that the company faces (whether it is operational risks, financing risks, or market risks) and the policy for managing and monitoring these risks:

1- Competition:

Increasing competition in the local cement market following the expansion of the production capacity of some existing local cement companies and the entry of new competitors, if this is not accompanied by a growth in local demand, which will negatively pressure the quantities and prices of selling the company's share in the market, which negatively affects the margin and level of profitability of the company.

2- Fluctuations of demand in the cement market:

Reduced demand in the cement market adversely affects the company's profitability and cash flow.

3- Inventory size:

The high volume of clinker stock adversely affects the liquidity of the company.

4- Fuel Supply:

The fuel is supplied by one source which is, Saudi Aramco.

5- Governmental Regulations and Decisions:

The results of the company and its financial position are negatively affected by the new government regulations and decisions, including the increase in energy prices and the increase in fees for work licenses.

6- Investment in the Arabian Yemen Cement Company Ltd:

The current political and security conditions in the Republic of Yemen have their negative effects on the Yemen economy, and such conditions may have negative repercussions on the future results of the Arabian Yemen Company. The Arab Yemen Cement Company Ltd. has achieved net profits of 33 million US dollars (20 million US dollars during the year 2019) during the year 2020, and production and sales operations continued regularly until the date of this report.

7- Outbreak of Corona Virus (Covid-19):

The world is still facing a challenge of continued spread of new Corona virus (Covid-19), but, the Kingdom of Saudi Arabia seeks to take necessary precautionary and preventive measures to control the spread of this virus and mitigate its effects. Among those precautionary measures is to control contact and close gatherings between people to the maximum degree, including suspension of meetings and mixing in the workplace and shopping. These measures, in some cases, may reach to the imposition of a complete curfew.

8- Cyber Threats:

Cyber security risks are rising in conjunction with the rapid development in the technology, and the company's management seeks to protect its computer systems, networks and programs from cyber threats.

9- Financial Risks:

Market Risk

The market risks represent in the potential impact of changes in market prices, such as foreign exchange rates and commission rates. The objective of market risk management is to manage and control market risk exposure within acceptable limits while achieving the highest possible return.

Foreign Exchange Rate Risk

Foreign exchange rate risk arises from changes and fluctuations in the value of financial instruments as a result of changes in foreign exchange rates. The company did not carry out any transactions of relative importance in currencies except for the Saudi Riyal, the US dollar and the Euro. The Company's management monitors the foreign exchange rates and believes that foreign exchange rate risk is not material.

Commission Rate Risk

The commission risk arises from possible changes and fluctuations in commission rates that affect future profit or fair values of financial instruments. The Company's management monitors commission rate fluctuations and believes that the impact of commission rate risk is not material.

Credit Risk

The credit risk represent in failure of one party in a financial instrument to fulfill an obligation and cause the company to incur a financial loss. The Company's financial instruments that are subject to credit risk include mainly, the bank cash and customer receivables. The company deposits its funds in reliable financial banks with high credit capacity. The company also has a policy regarding the volume of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this. The management also does not expect to be exposed to significant credit risk from clients' accounts, given that it has a broad base of clients that work in different activities and multiple locations. It also monitors outstanding receivables periodically in addition to having guarantees provided by most clients to cover any expected undisclosed debts.

Liquidity Risk

Liquidity risk is the inability of the company to meet its liabilities related to financial liabilities as they fall due. Liquidity needs are monitored on a monthly basis and management works to ensure that sufficient funds are available to meet any commitments when they are due. The company's financial liabilities consist of accounts payable, accruals and other credit balances. The company works to reduce liquidity risk by ensuring the availability of bank facilities, in addition to making a harmonization between the periods of collecting clients' balances and the periods of repayment of suppliers' balances and other credit balances. All payables and accruals do not bear any finance charges and are expected to be paid within 12 months from the date of the financial statements.

18) Description of the Company's Policy for Distributing Dividends

The company's policy in distributing profits depends on what is stated in the company's articles of association, the amount of net distributable profits, the availability of funds, and the company's need for capital to implement its expansion plans and future investments. The dividend policy aims to continuously improve the investment value of the shareholders of the company.

Since its establishment, the company has distributed dividends to shareholders in accordance with a decision issued by the company's general assembly based on the recommendation of the board of directors.

According to provisions of article (48) of the company's Articles of Association, and the Profit Distribution Policy, the annual net profits of the company is distributed as follows:

- 1- (10%) of the net profits are set aside to form a statutory reserve for the company, and the Ordinary General Assembly may stop this deduction whenever the said reserve reaches 30% of the paid capital.
- 2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may allocate a certain percentage of the net profits to form a consensual reserve and allocate it to one or more specific purposes.
- 3- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforementioned association may also deduct from the net profits sums to establish social institutions for the company's employees or to assist those existing from these institutions.
- 4- Out of the balance, an amount representing 5% of the paid-up capital shall be distributed as dividends to the shareholders.
- 5- The remuneration of the Board of Directors shall be paid according to the provisions stipulated in Article (23) of Articles of Association of the company and Article (76) of the Companies Law.
- 6- The balance may be distributed as an additional profit to the shareholders.

19) Proposed Dividends to be Distributed

Based on the financial results achieved during the year 2020 and the balance of distributable profits, taking into account the availability of liquidity factor, the Board of Directors proposes to your esteemed general assembly to distribute cash dividends in the amount of (SR215,000,000) to the shareholders for the fiscal year ending on 31/12/2020 at a rate of (SR2.50) per share, at a rate of 25% of the capital, and the number of shares due for profits is (86,000,000) shares, provided that the shareholders who own the shares are eligible at the end of trading on the day of meeting of the General Assembly and are registered in the company's shareholders' register at the Securities Depository Center Company (Depository Center) at the end of the second trading day following the eligibility date, provided that the distribution of profits begins on Wednesday 16/09/1442H corresponding to 28/04/2021, noting that the General Assembly held on 08/21/1441H corresponding to 14/04/2020 has approved Board of Directors' recommendation for distribution of (SR129,000,000) as dividends to shareholders for the fiscal year ended on 31/12/2019) at the rate of (SR1.50) per share representing (15%) of the capital, and the number of shares eligible for profits is (86,000,000) shares. The eligibility was for the shareholders registered in the company's shareholders register at the Depository Center at the end of the second trading day following the eligibility date, and the dividends were distributed on 09/04/1441 H corresponding to 27/04/2020 .

20) Corporate Governance

The provisions contained in the Corporate Governance Regulations are among the important principles that must be activated in order to protect the rights of shareholders and stakeholders and achieve fairness, competitiveness and transparency in the market and the business environment.

On 27/05/2013, the Company's Board of Directors issued its decision No. 25/151/2013 approving the Corporate Governance Regulations of the company in accordance with the requirements of the Capital Market Authority. The Corporate Governance Regulations of the company was updated according to the decision of the Ordinary General Assembly meeting No (45) held on 22/08/1439H. Corresponding to 08/05/2018 in order to have it complied with the modifications set forth in in CMA Board's decision No. 3-45-2018 dated 07/08/1439H corresponding to 23/04/2018.

The company applies all the provisions mentioned in the Corporate Governance Regulations issued by the Board of the Capital Market Authority, with the exception of the provisions listed below:

Article	Para	Text	Reasons for not applying
20	C	The following is incompatible with the independence required for an independent member of the board of directors - for example, but not limited to - the following: 10- He has spent more than nine continuous or separate years as a member of the company's board of directors.	According to the Capital Market Authority Board Decision No. 1-35-2018 dated 07/09/1439H corresponding to 26/03/2018 this paragraph should be mandatory starting from the term of board of directors of the listed stock company falling after 01/01/2019, i.e. after the election of the Board of Directors in the Ordinary General Assembly held on 24/03/1439H corresponding to 12/12/2017 for the current term starting on 29/01/2018 to 28/01/2021.
39		Training: The company must give sufficient attention to training and qualifying members of the Board of Directors and the executive management, and develop the necessary programs for that.	Guiding Article
41		Evaluation	Guiding Article
54	B	The Chairman of the Review Committee must be an independent member	Guiding Article
70		Formation of the Risk Management Committee	Guiding Article
71		Terms of reference of the Risk Management Committee	Guiding Article
72		Meetings of the Risk Management Committee	Guiding Article
74	A	The company establishes - in order to implement the approved internal control system - units or departments for risk assessment and management, and internal audit.	The company has an internal audit department, and work is underway to establish a unit or department for assessing and management of risks
85		Motivate employees	Guiding Article
87		Social Responsibility	Guiding Article
Z		Social work initiatives	Guiding Article
95		Formation of the Corporate Governance Committee	Guiding Article

21) Names of members of: Board of Directors, Board Committees, Executive Management with Details of their Current & Previous Positions, Qualifications and Experiences

According to Article (19) of the Company's Articles of Association, the company shall be managed by a Board of Directors consisting of nine members elected by the Ordinary General Assembly for a period not exceeding three fiscal years. The Board members of the current term of board of directors which started from 29/01/2018 and ended on 28/01/2021, were elected by the Ordinary General Assembly held on 24/03/1439H, corresponding to 12/12/2017.

The Board of Directors, its subordinate committees and the executive management, as on 31/12/2020, are as follows:

Board of Directors	Audit Committee	Remuneration & Nomination Committee	Executive Committee	Senior Management
Mr. Mohammad Saad F. Al-Subaie	Mr. Ibrahim Salem Al-Ruwais	Mr. Waleed Mohd. Al-Jaafari	Mr. Mohd Saad F. Al-Subaie	Eng. Fahd Rashed Al-Otaibi
Mr. Ibrahim Salem Al-Ruwais	Mr. Waleed Mohd. Al-Jaafari	Mr. Ibrahim Salem Al-Ruwais	Eng. Mohammed W. Al-Harbi	Mr. Elsir Osman M. Elhassan
Eng. Saad Ibrahim Al-Mojil	Mr. Abdulaziz A. Al-Khanin	Eng. Saad Ibrahim Al-Mojil	Eng. Fahd Rashed Al-Otaibi	Mr. Alfadl Abas Al-Oumi
Dr. Zamil A. Al-Mokrin	Mr. Mohammed A. Al-Blaihed			Mr. Yasser Khalil Al Eissa
Eng. Mohammed W. Al-Harbi	Dr. Jassem S. Al Rumaihi			Eng. Ali Yahya Al-Zaylae
Mr. Waleed Mohammad al-Jaafari				
Mr. Abdulaziz A. Al-Khanin				
Mr. Mohammed A. Al-Blaihed				
Eng. Fahd Rashed Al-Otaibi				

Herein below are the details of their complete information:

(1) Mr. Mohammed Saad Al-Faraj Al Subaiee

Chairman of the Board & Head of Executive Committee

Current Positions	1- Eastern Province Cement Company: 2- Al-Dawaa Medical Services Company Ltd.: 3- Dhahran International Exhibitions Company: 4- National Laboratories Company Ltd. (Labs): 5- Specialized Technologies Company (STESCO): 6- Smart Technology Development Company:	Board Chairman, Executive Committee Chairman Chief Executive Officer (CEO) Board of Directors Member. Board of Directors Member. Board of Directors Member Board of Directors Member
Previous Positions	1- Saudi Marketing Company (Farm Markets):	Board of Directors Member
Education	Master of Business Administration (MBA), American University of Beirut, 2008 Bachelor of Science in Finance Management - King Fahd University of Petroleum and Minerals	
Experience	Finance, economic, industrial management.	

(2) Mr. Ibrahim Salem Al Ruwais:

Vice Chairman, Audit Committee Chairman, Remunerations & Nominations Committee Member

Current Positions	1- Eastern Province Cement Company: Vice Chairman, Audit Committee Chairman, Remunerations & Nomi. Committee Member
	2- Arabian Yemen Cement Company Limited: Board Member, Audit Committee Chairman
	3- Dur Hospitality Company: Audit Committee Member
Previous Positions	1- Public Pension Agency: Financial Advisor, Internal Auditor
	2- Ministry of Finance: Accountant and Financial Analyst
	3- Eastern Province Cement Company: Board, Audit & Executive Committees Member
	4- Cooperative Insurance Company: Audit Committee Member
	5- Gulf Tourist Areas Company Ltd.: Board of Directors Member
Education	Bachelor of Accounting.
Experience	Administrative, financial, economic, internal audit and governance

(3) Eng. Saad Ibrahim Al Mojel:

Board Member & Remunerations & Nominations Committee Member

Current Positions	1- Eastern Province Cement Company: Member of Board of Directors, Remunerations & Nominations Committee
	2- Al-Mojil Trading and Contracting Company: Board of Directors Chairman
	3- Arab Pipes Company: Board member, Remunerations and Nominations Committee Member.
	4- Al Yamamah Reinforcement Steel Company: Board of Directors Chairman
	5- Ceramic Pipes Company: Member of the Board of Directors
	6- Al Yamamah Steel Industries Company: Board of Directors Chairman
Previous Positions	1- Industrialization and Energy Services Company: Member of the Board of Directors
	2- Al Yamamah Marble and Granite Company: Chairman of the Board of Directors
	3- United Steel Industries Company: Chairman of the Board of Directors
	4- Technical Investment Company: Member of the Board of Directors
	5- Dhahran International Exhibitions Company: Member of the Board of Directors
	6- Food Industries Company (Dima): Member of the Board of Directors
	7- Board of Directors of the Chamber of Commerce and Industry in Riyadh: Board of Directors member
	8- Council of Saudi Chambers: a representative of the Riyadh Chamber
	9- The National Industrial Committee of the Council of Chambers: Chairman of the Committee
	10- The Board of Trustees of the Riyadh Economic Forum: Chairman of the Council
	11- Riyadh Chamber's Industrial Committee: Chairman of the committee
	12- The High Preparatory Committee for the Local Industrialization of the Armed Forces: Committee Member
	13- Board of Directors of the Riyadh Chamber of Commerce: Vice Chairman
	14- The Coordinating Council of National Committees in the Council of Saudi Chambers: Council Chairman
	15- The Board of Trustees of the Riyadh Economic Forum: Riyadh Chamber: Chairman of the Board of Trustees
Education	Master of Chemical Engineering Bachelor of Chemical Engineering
Experience	Administrative, financial, economic, engineering, industrial, and technical.

(4) Dr. Zamil A. Al-Mokrin

Member of Board of Directors

Current Positions	1- Eastern Province Cement Company: Member of the Board of Directors 2- Arabian Yemen Cement Company Ltd.: Member of the Board of Directors
Previous Positions	1- King Fahd University of Petroleum and Minerals: Academic career grading from Assistant Professor to Dean of the College of Environmental Designs 2- Gulf Alloy Metals Company: General Manager 3- Eastern Province Cement Company: General Manager, Member of the Executive Committee, Member of the Audit Committee 4- Industrialization and Energy Services Company: Member of the Board of Directors 5- National Committee for Cement Companies: Chairman of the Committee 6- Dhahran Construction Company: Member of the Board of Directors
Education	1- PhD in Civil Engineering 2- Master of Civil Engineering 3- Bachelor of Architectural Engineering
Experience	Administrative, economic, engineering, industrial, technical

(5) Eng. Mohammed Waslallah Al-Harbi

Member of Board of Directors

Current Positions	1- Eastern Province Cement Company: Member of the Board of Directors, Executive Committee Member
Previous Positions	1- Saudi Pakistani Industrial and Agricultural Investment Company Ltd.: Chairman of the Board of Directors 2- The Saudi Egyptian Construction Company: Member of the Board of Directors 3- The Saudi Egyptian Construction Company (SEPCO): Chairman of the Board of Directors 4- Real Estate Development Fund: General Manager, member of the Board of Directors 5- Agricultural Bank: General Manager, member of the Board of Directors
Education	Bachelor of Civil Engineering.
Experience	Administrative, financial, engineering.

(6) Mr. Waleed Mohammed Al Ja'fari

Member of Board of Directors, Head of Remunerations & Nominations Committee, Audit Committee Member

Current Positions	1-Eastern Province Cement Company: Member of Board of Directors, Head of Remunerations & Nominations Committee, Audit Committee Member 2- Al-Dawaa Medical Services Company Ltd.: Chairman of the Board of Directors 3- Wala Cooperative Insurance Company: Member of the Board of Directors 4- Advanced Petrochemical Company: Member of the Board of Directors 5- Industrialization and Energy Services Company: Member of the Board of Directors 6- International Tourism Company: Member of the Board of Directors 7- Gulf Real Estate Development Company: Member of the Board of Directors 8- Smart Technology Development Company: Member of the Board of Directors 9- Specialized Technologies Company (STESCO), member of the Board of Directors 10- Luxury Food Company: Member of the Board of Directors 11- Musharraf Real Estate Development Company: Member of the Board of Directors
Previous Positions	Gulf Stevedoring Contracting Company Ltd.: General Manager, Member of the Board of Directors
Education	Bachelor of Economics, King Saud University
Experience	Administrative, financial, economic and industrial.

(7) Mr. Abdulaziz A. Al-Khanin

Member of Board of Directors, Audit Committee Member

Current Positions	Eastern Province Cement Company: Member of Board of Directors, Audit Committee Member.
Previous Positions	1- Ministry of Civil Service: Undersecretary, Adviser, General Director 2- Al Ra'idah Investments Company: Member of the Board of Directors, Member of the Audit Committee
Education	BA in Journalism, Imam Muhammad Ibn Saud Islamic University.
Experience	Administrative, media management experience.

(8) Mr. Mohammed Abdulrahman Al Bilaihed (Representative of Public Investments Fund)

Member of Board of Directors, Audit Committee Member

Current Positions	1- Eastern Province Cement Company: Member, Board of Directors, Audit Committee Member 2- Saudi Electricity Company, member of the Executive Committee 3- Fund of Funds Company: Member of the Board of Directors, member of the Executive Committee. 4- Saudi Investment in Recycling Company: Member of the Board of Directors. 5- The Saudi Jordanian Investment Fund: Member of the Board of Directors. 6- Public Investment Fund: Investment Officer. 7- Energy Company: Member of the Board of Directors.
Previous Positions	1- Sanabel Investment: Investment Officer 2- Virgin Mobile Saudi Arabia: Member of the Board of Directors 3- Industrial Development Fund: Financial Analyst
Education	1-Master of Management, London Business School 2- Bachelor of Finance, Prince Sultan University
Experience	Administrative, financial, and economic.

(9) Eng. Fahad Rashed Al-Otaibi

Member of Board of Directors, Executive Committee Member, CEO

Current Positions	1- Eastern Province Cement Company: Members, Board of Directors, Executive Committee, CEO. 2- Arabian Yemen Cement Company Ltd.: Member, Board of Directors.
Previous Positions	1- Arab Petrochemical Company (Petrokemia): General Manager, Department Manager, Engineer. 2- Saudi Kayan Petrochemical Company (Kayan): General Manager 3- Saudi Arabian Fertilizer Company (SAFCO): CEO 4- The National Company for Chemical Fertilizers (Ibn Bitar): Vice Chairman of the Board of Directors. 5- Nama Chemicals Company: Member of the Board of Directors and CEO 6- Jubail Chemical Industries Company (Jana): Chairman of the Board of Directors. 7- The Arab Alkali Company (Soda): Chairman of the Board of Directors. 8- Namaa Industrial Investment Company: Member of the Board of Directors.
Education	Bachelor of Chemical Engineering, King Fahad University for Minerals & Petroleum.
Experience	Administrative, financial, economic, engineering, industrial, and technical.

(10) Dr. Jassem Shaheen Al Rumaihi

Member, Audit Committee

Current Positions	<ul style="list-style-type: none"> 1- Eastern Province Cement Company: Member of the Audit Committee 2- Knowledge City Company: Member, Board of Directors, Chairman of Audit Committee 3- Eastern Development Company: Member of the Audit Committee 4- Alujain Company: Member of the Audit Committee 5- United Electronics Company: Member of the Audit Committee 6- Mawtun Company: Member of the Audit Committee 7- Al-Rajhi Brothers Company: Member of the Audit Committee 8- Musharaka IPO Fund: Member of the Board of Directors 9- RET Participation Fund: Member of the Board of Directors 10- Panda Company: Member of the Audit Committee 11- Al-Ahssa Health Complex: Member of the Audit Committee
Previous Positions	<ul style="list-style-type: none"> 1- Zamil Industrial Investment Company: Member of the Audit Committee 2- ESAD Company: Member of the Audit Committee 3- Saudi Contractors Authority: Member of the Audit Committee 4- Nama Petrochemical Company: Member of the Audit Committee 5- First Finance Company: Member of the Board of Directors, Member of the Audit Committee 6- ACE Arabia Insurance Company: Member of the Audit Committee 7- King Saud University: Assistant Professor 8- King Fahd University of Petroleum and Minerals: Head of the Accounting and Management Information Systems Department 9- Faisal Muhammad Al Qahtani Sons Company: Vice President for Financial and Administrative Affairs 10- Saudi Contracting Union Company: CEO 11- Al-Shalawi International Company: Vice President for Administrative Affairs and Organizational Development 12- Razen Knowledge Company: CEO 13- The Arab Open University: Director of the Dammam Branch, Vice President for Administrative and Financial Affairs
Education	<ul style="list-style-type: none"> PhD in Accounting Master of Accounting Bachelor of Accounting
Experience	Finance management.

(11) Elsir Osman M. Elhassan

Senior Executives

Current Positions	Eastern Cement Company: Finance Manager.
Previous Positions	<ul style="list-style-type: none"> 1- Saudi Group for Accounting and Auditing: Audit manager 2- The Arab Investment Company: Accountant 3- Al-Meshal Company: Finance Manager 4- Batouk Gum Factory Company: Finance Manager
Education	<ul style="list-style-type: none"> Fellowship of the American CPA Bachelor of Accounting
Experience	Finance, management.

(12) Al Fadl Abas Al-Oumi

Senior Executives

Current Positions	Eastern Cement Company: Sales Manager
Previous Positions	None
Education	Bachelor of Arts - Media
Experience	Administrative.

(13) Yasser Khalil Al-Eissa

Senior Executives

Current Positions	Eastern Cement Company: HR & Support Services Manager.
Previous Positions	1- Amiantit Group: Administrative Manager 2- Guardian International Group: General Manager of Administration and Relationships 3- Almajdouie Group of Companies: General Manager, Administrative Operations and Development
Education	Master of Human Resources Bachelor of Information Systems
Experience	Administration, technical.

(14) Eng. Ali Yahya Al-Zailaee

Senior Executives

Current Positions	Eastern Cement Company: Plant Manager
Previous Positions	1- Eastern Province Cement Company: Production Manager 2- Yanbu Cement Company: Shift Engineer, Cement Mills Supervisor 3- Arabian Cement Company: Shift Engineer, Kiln Dept. Supervisor, Production Manager, Utilities Manager
Education	Master of Business Administration. Bachelor of Chemical Engineering.
Experience	Administration, Finance, Economic, Engineering, Industrial, technical.

22) Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current or previous boards of directors or one of its directors

Member	Names of companies in which a board member is a member of their current boards of directors or of their managers	Country	Type	Names of companies in which a board member was a member of their boards of directors or of their managers	Country	Type
Mr. Mohd Saad Al-F. Al-Subaie	Al-Dawaa Medical Services Company Ltd.	In KSA	Unlisted Stock Co	Saudi Marketing Company (Farm)	In KSA	Unlisted Stock Co
	National Laboratories Company Ltd. (Labs)	In KSA	Unlisted Stock Co			
	Dhahran International Exhibitions Company	In KSA	Unlisted Stock Co			
	Specialized Technology Company (STESCO)	In KSA	Unlisted Stock Co			
	Smart Technology Development Company	In KSA	Unlisted Stock Co			
Mr. Ibrahim Salem Al-Ruwais	Arabian Yemen Cement Company Ltd.	Abroad	Unlisted Stock co	Gulf Tourist Areas Company Ltd.	In KSA	Unlisted Stock Co
Eng. Saad Ibrahim Al Mojel	Al Mojel Trading & Contracting Co	In KSA	Unlisted Stock Co	Industrialization & Energy Services Co	In KSA	Unlisted Stock Co
	Arabian Pipes Company	In KSA	listed Stock	Al Yamamah Marble & Granite Co	In KSA	Unlisted Stock Co
	Al Yamamah Rebar Co	In KSA	Unlisted Stock Co	United Company for Mining Industries	In KSA	Unlisted Stock Co
	Al Yamamah Steel Industries Co	In KSA	listed Stock	Technical investment Co	In KSA	Unlisted Stock Co
	Porcelain Pipe Co	In KSA	Unlisted Stock Co	Dhahran International Exhibitions Co	In KSA	Unlisted Stock Co
		In KSA	Unlisted Stock Co	Food Industries Co (Dima)	In KSA	Unlisted Stock Co
Dr. Zamil A. Al Mokrin	Arabian Yemen Cement Company Ltd.	Abroad	Unlisted Stock Co	Gulf Alloy Metals Co	In KSA	Unlisted Stock Co
				Manufacturing and Energy Services Co	In KSA	Unlisted Stock Co
				Dhahran Construction Co	In KSA	Unlisted Stock Co
Eng. Mod. Waslallah Al-Harbi				Saudi Pakistani Industrial & Agricultural Investment Ltd.	Abroad	Unlisted Stock Co
				Saudi Egyptian Construction Co.	Abroad	Unlisted Stock Co
				Saudi Egyptian Building Co.	Abroad	Unlisted Stock Co
Mr. Waleed M. Al-Ja'fari	Al-Dawaa Medical Services Ltd.	In KSA	Unlisted Stock Co	Gulf Stevedoring Contracting Ltd.	In KSA	Limited liability
	Wala Cooperative Insurance Co.	In KSA	Listed Stock			
	Advanced Petrochemical Co.	In KSA	Unlisted Stock Co			
	Global tourism company	In KSA	Unlisted Stock Co			
	Gulf Real Estate Development Co.	In KSA	Limited Co			
	Smart Technology Develp. Co.	In KSA	Limited Co			
	Specialized Technology Co.	In KSA	Limited Co			
	Fancy Food Co.	In KSA	Limited Co			
	Mushrif Real Estate Develo. Co.	In KSA	Limited Co			
Indust. & Energy Services Co	In KSA	Unlisted Stock Co				
Mr. Abdulaziz A. Al-khanin				Al Ra'idah Investment Co.	In KSA	Closed Company
Mr. Mohd. A. Al-Bilaidh	Fund of Funds Co.	In KSA	Unlisted Stock Co			
	Saudi Recycling Investment Co.	In KSA	Unlisted Stock Co			
	Saudi Jordanian Investment Fund	In KSA	Unlisted Stock Co			
	Utilities Co	In KSA	Unlisted Stock Co			

Member	Names of companies in which a board member is a member of their current boards of directors or of their managers	Country	Type	Names of companies in which a board member was a member of their boards of directors or of their managers	Country	Type
Eng. Fahad Rashed Al-Otaibi	Arabian Yemen Cement Company Ltd.	Abroad	Unlisted Stock Co	Arab Petrochemical Co (Petrokemia)	In KSA	Unlisted Stock Co
				Saudi Kayan Petrochemical Co (Kayan)	In KSA	Listed Stock Co
				Saudi Arabian Fertilizer Co (SAFCO)	In KSA	Listed Stock Co
				National Chemical Fertilizers Co (Ibn Bitar)	In KSA	Unlisted Stock Co
				Nama Chemicals Co	In KSA	Listed Stock Co
				Jubail Chemical Industries Co (Jana)	In KSA	Unlisted Stock Co
				The Arab Alkali Co. (Soda)	In KSA	Unlisted Stock Co
				Namaa Industrial Investment Co.	In KSA	Unlisted Stock Co

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

No.	Name of Board Member	Category (Executive/Non-Executive/Independent)
1-	Mr. Muhammad Saad Al Faraj	Independent
2-	Mr. Ibrahim Salem Al Ruwais	Non-executive
3-	Eng. Saad Ibrahim Al Mojel	Independent
4-	Dr. Zamil Abdulrahman Al Mokrin	Non-executive
5-	Eng. Mohammed Wasl Allah Al-Harbi	Independent
6-	Mr. Walid Muhammad Al-Ja'fari	Independent
7-	Mr. Abdulaziz Abdulrahman Al Khanin	Non-executive
8-	Mr. Mohammed Abdulrahman Al Bilaihed	Non-executive
9-	Eng. Fahd Rashid Al Otaibi	Executive

24) Description of any interest in the voting-eligible shares category 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 and any change in those rights during the last fiscal year (2020)

25) Description of any interest, contractual securities and subscription rights belonging to the company's board members, 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 those rights during the last fiscal year (2020)

No.	Name	Title	Shares at Year start	Shares at End Year	Net Change	Change percentage
1-	Mr. Muhammad Saad Al Faraj	Chairman	-	-	-	-
2-	Mr. Ibrahim Salem Al Ruwais	Vice Chairman	22,000	22,000	-	-
3-	Eng. Saad Ibrahim Al Mojel	Board Member	-	-	-	-
4-	Dr. Zamil Abdulrahman Al Mokrin	Board Member	2,000	2,000	-	-
5-	Eng. Mohammed Wasl Allah Al-Harbi	Board Member	2,000	2,000	-	-
6-	Mr. Walid Muhammad Al-Ja'fari	Board Member	-	-	-	-
7-	Mr. Abdulaziz Abdulrahman Al Khanin	Board Member	-	-	-	-
8-	Mr. Mohammed Abdulrahman Al Bilaihed	Board Member	-	-	-	-
9-	Eng. Fahd Rashid Al Otaibi	Board Member	-	-	-	-
10-	Mr. Al Fadl Abas Al Oumi	Sales Manager	-	-	-	-
11-	Mr. Elsir Osman M. Elhassan	Finance Manager	-	-	-	-
12-	Eng. Ali Yahya Al-Zaylaie	Plant Manager	-	-	-	-
13-	Mr. Yasser Khalil Al Eissa	HR, SS Manager	-	-	-	-

Note: The Company has no debt instruments:

26) A statement showing the dates of the shareholders' general assembly meetings held during the last fiscal year and the names of the members of the board of directors attending these general assembly meetings

No.	Name	First Meeting	Second Meeting
		The 9 th Extra-Ordinary General Assembly Meeting 14/04/2020	47 th Ordinary General Assembly Meeting 15/12/2020
1-	Mr. Muhammad Saad Al Faraj	✓	✓
2-	Mr. Ibrahim Salem Al Ruwais	✓	✓
3-	Eng. Saad Ibrahim Al Mojel	✓	✓
4-	Dr. Zamil Abdulrahman Al Mokrin	✓	✓
5-	Eng. Mohammed Wasl Allah Al-Harbi	✓	✓
6-	Mr. Walid Muhammad Al-Ja'fari	✓	✓
7-	Mr. Abdulaziz Abdulrahman Al Khanin	✓	✓
8-	Mr. Mohammed Abdulrahman Al Bilaihed	x	✓
9-	Eng. Fahd Rashid Al Otaibi	✓	✓

27) The number of board meetings held during the last fiscal year. Herein below details their dates, and attendance record of each meeting including the names of present board member

No.	Name	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Total
		17/03/2020	14/04/2020	29/09/2020	15/12/2020	
1-	Mr. Muhammad Saad Al Faraj	✓	✓	✓	✓	4
2-	Mr. Ibrahim Salem Al Ruwais	✓	✓	✓	✓	4
3-	Eng. Saad Ibrahim Al Mojel	✓	✓	✓	✓	4
4-	Dr. Zamil Abdulrahman Al Mokrin	✓	✓	✓	✓	4
5-	Eng. Mohammed Wasl Allah Al-Harbi	✓	✓	✓	✓	4
6-	Mr. Waleed Muhammad Al-Ja'fari	✓	✓	✓	✓	4
7-	Mr. Abdulaziz Abdulrahman Al Khanin	✓	✓	✓	✓	4
8-	Mr. Mohammed Abdulrahman Al Bilaihed	✓	✓	✓	✓	4
9-	Eng. Fahd Rashid Al Otaibi	✓	✓	✓	✓	4

28) Actions taken by the Board of Directors to inform its members, especially non-executives, of the shareholders' proposals and comments about the company and its performance

- 1- In accordance with the Company's Articles of Association and the approved Company Governance Regulations, the shareholders have the right to actively participate and discuss board members in the general assembly meetings.
- 2- The Chairman and CEO shall inform all members of the Board of Directors, especially non-executives members, of the shareholders' proposals and their comments about the company and its performance at the nearest meeting of the Board.

29) The tools adopted by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external firms that carried out the evaluation and its relation with the company

Through implementation of its tasks, the Remuneration and Nominations Committee develops and implements necessary standards to evaluate the performance of members of the Board of Directors and its various subordinate committees according to specific performance indicators. The committee also identifies the strengths and weaknesses points of the Board and its committees, and no external firm was involved in evaluation during the year 2020.

30) Explaining the relationship between awarded remuneration and the applicable remuneration policy, and indicate any material deviation from this policy

The remuneration of the Board of Directors, its committees and the executive management were determined based on the recommendation of the Remuneration and Nominations Committee. Meanwhile, there is no fundamental deviation from the remuneration policy, and the remuneration of the Board is given after the approval of the General Assembly.

31) Disclosure of the remuneration policy and how the remuneration of board members and executive management in the company is determined, details of the policies related to remuneration and the method for determining them, the amounts, financial and in-kind benefits paid to each member of the Board of Directors in exchange for any executive, technical, administrative or advisory assignment or positions

The Remuneration and Nominations Committee is concerned with recommending to the Board of Directors the remuneration of the members of the Board and members of the committees and the remuneration of the executive management. The committee meets for the purpose of determining the remuneration due to each member of the Board, its committees and executive management and the remuneration is determined in light of the company's Articles of Association and the approved Remuneration Policy.

Article (1): General Standards for Remuneration:

The Remuneration and Nominations Committee is concerned with recommending to the Board of Directors the remuneration of members of the Board and members of the committees emerging from it and the remuneration of the Executive Management, and it shall observe the following criteria:

- 1- The remuneration shall be in proportion to the company's activity and the skills needed to manage it.
- 2- The remuneration shall be consistent with the company's strategy and objectives, and the size, nature and degree of risks associated with it.
- 3- The company takes into account the practices of other companies and what is prevalent in the job market in determining remuneration while avoiding any unjustified increase in remuneration and compensation that may result from that.
- 4- The remuneration must be fair and proportional to the functions of the member or senior executives and the works and responsibilities that he undertakes and bears in addition to the goals set by the board of directors to be achieved during the fiscal year.
- 5- The remuneration shall be reasonably sufficient to attract board members and executives with appropriate competence and experience and that are capable of motivating and maintaining them.
- 6- The remuneration of the members of the Board of Directors and the committees may be of varying amounts to reflect the extent of the member's experience, competencies, and tasks assigned to him, the quality of his performance, the number of sessions he attends, and other considerations.
- 7- The company shall bear travel expenses including flight tickets and accommodation for members of the Board of Directors and its committees in the event that the meeting is held outside the city of residence of the member.
- 8- A member is entitled to the remuneration as of the date of joining the council or committee, and its amount must be proportional to his actual membership period.

Article (2) Remuneration of Board Members:

- 1- The Board members 'remuneration consists of a certain amount, attendance allowance for the meetings, in-kind benefits, or a certain percentage of net profits. It is permissible to come two or more of these benefits.
- 2- The total remuneration, financial or in-kind benefits and rewards that a member of the Board of Directors gets may not exceed an amount of five hundred thousand Saudi Riyals per year.
- 3- The eligibility for the remuneration of a board member must be proportional to the number of sessions he attends.
- 4- A member of the Board of Directors is entitled to an annual remuneration that is determined upon the recommendation of the Remuneration and Nominations Committee.
- 5- A member of the Board of Directors is entitled to an attendance allowance for every meeting he attends.
- 6- The annual bonus is disbursed within 15 days from the date it was approved by the general assembly of shareholders.
- 7- Allowance for attending meetings is disbursed within 15 days from the date of the meeting.

Article (3) Remuneration of Members of Committees:

- 1- The Board of Directors determines and approves the membership remuneration of its committees with the exception of the Audit Committee – as well as the attendance allowances based on the recommendation of the Remuneration and Nominations Committee.
- 2- Remuneration for membership of the Audit Committee shall be approved by the General Assembly of shareholders based on the recommendation of the Board of Directors.
- 3- The committee's membership remuneration consists of annual remuneration, attendance allowances, or both.
- 4- The Board of Directors determines and approves the remuneration of the members of the temporary committees that are formed for a specific purpose, as well as the remuneration of their secretary and the Chief Executive Officer.

Article (4) Remuneration for the Executive Management:

The annual remuneration for the executive management shall be determined and approved by the Board of Directors upon the recommendation of the Remuneration and Nominations Committee.

Article (5) Details of the remuneration of the members of the Board of Directors and its committees:

Without prejudice to the provisions stated in this policy, the standard value of remuneration and attendance allowances is determined as follows:

No.	Description	Amount
1-	Annual remuneration for the Board of Directors members	SAR 200,000
2-	Annual remuneration for the Audit Committee member	SAR 70,000
3-	Annual remuneration for Remuneration & Nomination Committee members	SAR 50,000
4-	Annual remuneration for the Executive Committee members	SAR 70,000
5-	Attendance Allowance for board or its committee meetings	SAR 2,000

32) Disclosure of the remuneration of members of the Board of Directors, its committees, and the executive management, in accordance with provisions set forth in the Company Governance Regulations

1) Board members' Remuneration Paid During year 2020

(Thousand Saudi Riyals)

Names	Fixed Remuneration						Changing Remuneration						End of service indemnity	Total	Pocket Expenses allowance	
	Approved Remuneration ²	Meeting attendance allowance	Total attendance allowance of meetings of all committees	Benefits in-kind	Statement of amounts received by board members in their capacities as employees or administrators or for technical, administrative or advisory assignment	Remuneration of the chairman, managing director, secretary of the board if he is a member.	Total	Percentage from the profit	Regular increment	Short-term encouragement plans	Long term encouragement plans	Share granted to board members				total
Independent Members:																
Mr. Muhammad Saad Al Faraj	200	8	-	-	-	-	208	-	-	-	-	-	-	-	208	-
Eng. Saad Ibrahim Al Mojel	150	8	4	-	-	-	162	-	-	-	-	-	-	-	162	-
Eng. Mohammed Wasil Allah Al-Harbi	200	8	-	-	-	-	208	-	-	-	-	-	-	-	208	-
Mr. Waleed Muhammad Al-Ja'fari	50	8	16	-	-	-	74	-	-	-	-	-	-	-	74	-
Total	600	32	20	-	-	-	652	-	-	-	-	-	-	-	652	-
Non-Executive Members																-
Mr. Ibrahim Salem Al Ruwais	200	8	16	-	-	-	224	-	-	-	-	-	-	-	224	-
Dr. Zamil Abdulrahman Al Mokrin	200	8	-	-	-	-	208	-	-	-	-	-	-	-	208	-
Mr. Abdulaziz A. Al Khanin	200	8	12	-	-	-	220	-	-	-	-	-	-	-	220	-
Mr. Mohammed A. Al Bilaihed	200	8	12	-	-	-	220	-	-	-	-	-	-	-	220	-
Total	800	32	40	-	-	-	872	-	-	-	-	-	-	-	872	-
Executive Members																-
Eng. Fahd Rashid Al Otaibi	200	8	-	-	-	-	208	-	-	-	-	-	-	-	208	-
Total	200	8	-	-	-	-	208	-	-	-	-	-	-	-	208	-
Grand Total	1600	72	60	-	-	-	1.732	-	-	-	-	-	-	-	1.732	-

² **Approved Remuneration means:** The prescribed annual remuneration for the membership of the Board of Directors for the year 2019 which was paid after the approval of the General Assembly held on April 14, 2020, and the annual remuneration for the membership of the Board of Directors for the year 2020 will be paid after the approval of the General Assembly that will be held on April 11, 2021.

2) Remuneration for Senior Executives for the year 2020:

(Thousand Saudi Riyals)

Description	Fixed Remuneration				Changing Remuneration						Service Indemnity
	Salaries	Allowances	In kind	total	Regular	Profit	Short incentive	Long incentive	Granted Shares	Total	
Five senior executives who received the highest remuneration, including the CEO & Finance Manager	4,094	1,356	330	5,780	1,242	-	-	-	-	1,242	4,780
TOTAL	4,094	1,356	330	5,780	1,242	-	-	-	--	1,242	4,780

3) Remuneration of Board Committees Members for the year 2020

A) Remuneration of the members of the audit committee paid during the year 2020:

(Thousand Saudi Riyals)

Member	Fixed Remuneration ³ (Except Attendance Allowance)	Attending Allowance	Total
Mr. Ibrahim Salem Al Ruwais	70	12	82
Mr. Waleed Muhammad al Ja'fari	14	12	26
Mr. Abdulaziz Abdulrahman Al Khanin	70	12	82
Mr. Mohammed Abdulrahman Al Bilaihed	56	12	68
Dr. Jassim Shaheen Al Rumaihi	70	12	82
Total	280	60	340

³ Fixed remuneration for 2019 membership was paid during 2020.

A) Remuneration of the members of the Remuneration & Nominations Committee paid ⁴ during the year 2020:

(Thousand Saudi Riyals)

Member	Fixed Remuneration (Except Attendance Allowance)	Attending Allowance	Total
Mr. Mohammed Saad F. Al-Subaie	50	-	50
Mr. Waleed Muhammad al Ja'fari	-	4	4
Mr. Ibrahim Salem Al Ruwais	50	4	54
Eng. Saad Ibrahim Al-Mojel	50	4	29
Total	125	12	137

B) Remuneration of the members of the Executive Committee paid ⁵ during the year 2020:

(Thousand Saudi Riyals)

Member	Fixed Remuneration (Except Attendance Allowance)	Attending Allowance	Total
Mr. Mohammed Saad F. Al-Subaie	70	-	70
Eng. Mohammed Wasl Allah Al-Harbi	70	-	70
Eng. Fahad Rashed Al-Otaibi	70	-	70
Total	210	-	210

33) The number of the company's requests for the shareholders' Register, the dates and reasons for those requests

No.	Request Date	Ownership File Date	Reasons for Request
1-	02/01/2020	31/12/2019	Following up the movement of depositing shares certificates
2-	16/03/2020	17/03/2020	Following up the movement of depositing shares certificates
3-	08/04/2020	16/04/2020	Dividend distribution for the year 2019
4-	14/04/2020	14/04/2020	The ninth extraordinary general assembly
5-	23/07/2020	23/07/2020	Following up the movement of depositing shares certificates
6-	20/06/2020	17/09/2020	Following up the movement of depositing stock certificates
7-	26/11/2020	09/12/2020	General Assembly
8-	29/11/2020	29/11/2020	Following up the movement of depositing stock certificates
9-	07/12/2020	15/12/2020	Forty-seventh Ordinary General Assembly
10-	09/12/2020	09/12/2020	Follow up the movement of depositing stock certificates

⁴ Fixed remuneration for committee membership for the year 2019 were paid during the year 2020.

⁵ Fixed remuneration for committee membership for the year 2019 were paid during the year 2020.

34) Any penalty or precautionary measure, or restriction imposed on the company by the Capital Market Authority or from any supervisory, regulatory or judicial authority, with an explanation of the causes of the violation, the party to which it is signed, and the means to remedy it and avoid its occurrence in the future

- None

35) Board Committees

A brief description of the committees' scope of duties and tasks, as well as the names of the committees, their chairpersons and members, the number of their meetings, dates of their meetings, and attendance data for members for each meeting

A - Audit Committee:

The Audit Committee held (6) meetings during the year 2020, as detailed herein below:

No.	Committee Member	Title	Meeting (1)	Meeting (2)	Meeting (3)	Meeting (4)	Meeting (5)	Meeting (6)
			21/01/2020	17/03/2020	28/04/2020	07/07/2020	28/07/2020	27/10/2020
1-	Mr. Ibrahim Salem Al Ruwais	Chairman	✓	✓	✓	✓	✓	✓
2-	Mr. Waleed M. Al Ja'fari	Member	✓	✓	✓	✓	✓	✓
3-	Mr. Abdulaziz A. Al Khanin	Member	✓	✓	✓	✓	✓	✓
4-	Mr. Mohammed A. Al Bilaihed	Member	✓	✓	✓	✓	✓	✓
5-	Dr. Jassim Sh. Al Rumaihi	Member	✓	✓	✓	✓	✓	✓

Formation of the Audit Committee:

The audit committee was formed by a decision of the forty-fifth general assembly held on 05/08/2018 for a new term of three years, upon a recommendation of the Board of Directors as follows:

- 1- Mr. Ibrahim Salem Al-Ruwais (Non-Executive board member).
- 2- Mr. Abdulaziz Abdulrahman Al-Khanin (Non-executive board member).
- 3- Mr. Mohammed Abdulrahman Al-Blaihed (Non-executive board member).
- 4- Dr. Jassim Shaheen Al-Rumaihi (independent member from outside the council, specializing in financial and accounting affairs).

The committee appointed Mr. Ibrahim Salem Al-Ruwais as its Chairman.

On 09/17/2019, Mr. Waleed Mohammad Al-Jaafari (Independent Board Member) was appointed as a member of the Audit Committee.

Objectives and jurisdiction of the audit committee:

The audit committee aims to verify the adequacy of the internal control system and its effective implementation, to provide any recommendations to the board of directors that would activate and develop the system in order to achieve the company's objectives and protect the interests of shareholders and investors with high efficiency and reasonable cost, assists the Board of Directors in implementing its responsibilities related to internal control, accounting policies and reports, supports the independence and objectivity of internal and external auditing process. In general, the audit committee is responsible for monitoring the company's work and verifying the integrity of the reports, financial statements, and internal control systems therein. In order to perform its duties, the committee has the right to review the company's records and documents.

The duties and Responsibilities of the Audit Committee:

The Audit Committee performs its duties according to the scope of work stipulated in the Companies Law issued by the Ministry of Commerce and the Company's Governance Policy which was prepared in accordance with the Saudi Corporate Governance Regulations issued by the Board of the Capital Market Authority.

In particular, the duties of the committee include the following:

First: Financial Reports:

- 1- Study the initial and annual financial statements, as well as the company's financial statements and announcements related to its financial performance, and express its opinion before submitting it to the Board of Directors, to ensure its integrity, fairness and transparency and that it includes information that allows shareholders and investors to assess the company's financial position, performance, business model and strategy. To this end, it studied the preliminary and annual financial statements, financial statements and announcements related to the company's financial performance for the year 2020 and submitted its recommendations to the Board of Directors.
- 2- Study any important or unfamiliar issues included in the financial reports and accounts, and carefully research any issues raised by the company's financial director, whoever assumes his duties, or the auditor.
- 3- Verifying the accounting estimates in the fundamental issues mentioned in the financial reports.
- 4- Study the accounting policies followed in the company and give opinion and recommendation to the Board of Directors regarding them. To this end, it reviewed the accounting policies submitted to it by the executive management when applying IFRS No. (16) "Lease contracts" to verify its suitability to the company's conditions and its compatibility with international accounting policies, and recommended that it be presented to the Board of Directors for approval.

Second: Internal Control System:

The Audit Committee verifies the efficiency and effectiveness of the company's internal control system by monitoring and supervising the performance and activities of the Internal Audit Department and verifying its independence from the executive management. For this purpose, the Audit Committee held (6) meetings during the year 2020, during which it discussed the effectiveness of internal control procedures in protecting the company's property, assessing business risks and measuring the efficiency and effectiveness of performance through the approved annual internal audit department work plan, where the internal audit department submitted its reports. Until the end of the year 2020, the audit committee studied and discussed it and directed the internal audit department in coordination with the executive management to follow up the implementation of corrective measures for the observations and improvements contained in its reports, in addition to discussing what the external auditor of the company does to assess the efficiency and effectiveness of the internal control system through reviewing of the company's accounts, as the committee recommended the company's management to examine and analyze the notes and suggestions submitted by the company's external auditor, and to activate the recommendations that help improve the company's internal control system.

Third: Internal Auditing Work:

- 1- Control and supervise the performance of the activities and the internal audit department, to verify the availability of the necessary resources, their effectiveness in performing the tasks and tasks assigned to them, and their independence from the executive management.
- 2- Study the internal audit reports and follow up the implementation of corrective measures for the observations contained therein.
- 3- Study and approve the work plan of the Internal Audit Department for the year 2020.

Fifth: Ensuring Compliance:

- 1- Reviewing the results of the reports received from supervisory and supervisory authorities and verifying that the company has taken the necessary measures in this regard. For this end, the committee has reviewed the report of the General Court of Audit and the company's management reply letter. The

committee made the necessary recommendations that it deemed appropriate to be included in the company's management reply letter.

- 2- Verifying the company's compliance with the relevant laws, regulations, policies and instructions.
- 3- Providing the Board of Directors what it deems necessary to take appropriate action in their regard, and to make recommendations thereon.

Sixth: Corona Virus Pandemic (Covid-19):

The committee directed the management to study the effects of the Corona virus on the company's activity by evaluating the impact of the spread of this virus on the company's activity and operations. According to the study prepared by the company, it was clear to the committee that the management has taken many precautionary and preventive measures to mitigate the effects of this pandemic and there were no material impact on the company's business results until the end of 2020.

B - Executive Committee:

The Executive Committee held one meeting during the year 2020 as follows:

No.	Member	Title	Meeting (1) 14/12/2020
1-	Mr. Mohammed Saad Al Faraj Al-Subaiee	Chairman	✓
2-	Eng. Mohd. Wasl Allah Al-Harbi	Member	✓
3-	Eng. Fahad Rashed Al- Otaibi	Member	✓

Duties & Responsibilities:

The duties and responsibilities of the committee are summarized as follows:

- 1- Following up the implementation of the company's financial and administrative policies and proposing the required amendments to the Board of Directors.
- 2- Following up the company's long, medium and short term strategic plans, updating them and reviewing them from time to time.
- 3- Follow up the implementation of the company's budgets, analyzing the causes of deviations, if any, and make necessary recommendations regarding the same.
- 4- Recommending new investment and industrial projects, including the development of existing activities both vertically and horizontally.
- 5- Following-up and review of all important issues related to cases filed before the judiciary, emergency cases and claims that require them to appear in the accounting statements.
- 6- Nomination of the company's senior executives.
- 7- Selecting and assigning the necessary work to competent consultant according to what they see in the interest of the work.
- 8- Determine the goals of the company's unified media and advertising campaigns.
- 9- Any other duties assigned to the executive committee by the board of directors

C - Remunerations and Nominations Committee:

The Remunerations and Nominations Committee held two meetings during the year 2020, as follows:

No.	Member	Title	Meeting (1) 11/02/2020	Meeting (2) 27/09/2020
1-	Mr. Waleed Mohammed Al Ja'fari	Chairman	✓	✓
2-	Mr. Ibrahim Salem Al-Ruwais	Member	✓	✓
3-	Eng. Saad Ibrahim Al Mojel	Member	✓	✓

Duties and responsibilities of Remunerations and Nominations Committee:

The duties and responsibilities of Remunerations and Nominations Committee are summarized as follows:

- 1- Recommending to the Board of Directors the nomination for membership of the Board in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime involving breach of honor and trust.
- 2- The annual review of the required needs of appropriate skills for membership of the Board of Directors and the preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that the member should dedicate to the work of the Board of Directors.
- 3- Reviewing the structure of the Board of Directors and making the necessary recommendations regarding the changes that can be made.
- 4- Determining the strengths and weaknesses of the board of directors and proposing remedies according to the interest of the company.
- 5- Ensuring, on an annual basis, that the independent members are truly independent and that there is no conflict of interest if the member is a member of the board of directors of another company.
- 6- Setting clear policies for compensation and bonuses for members of the Board of Directors and senior executives, and taking into account when setting these policies the use of performance-related criteria.

36) Internal Audit Department

It is an independent and objective activity providing an ensured and advisory services with the aim of adding value to and improving the company's operations, by following a systematic, structured approach to evaluate and improve the effectiveness of governance processes and processes involved in control performance. To the international internal auditing standards, principles and ethics of the profession, and to provide recommendations aimed at helping the company's management to carry out its responsibilities effectively and in a manner that ultimately helps it to achieve the company's goals.

The company's Internal Audit Department carried out several internal auditing jobs through its work plan approved by the audit committee with a focus on activities and functions of high risk to work on raising the effectiveness, efficiency and profitability of the company's operations and submits its periodic reports on the company's activities to the audit committee for discussion. And take appropriate recommendations about them and follow up their implementation.

37) The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system

The audit committee discussed the reports submitted by the Internal Audit Department related to examining the internal control system for the year 2020. The committee presented its recommendations to the company's management in order to address these observations. The audit results neither noticed any

fundamental weakness in the internal control system and procedures, nor received any negative comments in this regard. Observations, whether from employees or stakeholders of the company, regarding any excess in financial reports or others, and based on the data received by the audit committee from both the financial department, the internal audit department and the external auditor, and this matter supported the audit committee's conviction of the adequacy and effectiveness of the internal and financial control systems and procedures applied in the company. We have to confirm here that no internal control system, regardless of the extent of its sound design or its effective application, can provide an absolute assurance.

38) The audit committee's recommendation to the extent of the company's need to appoint an internal auditor for not

Not applicable since the company has an internal audit department.

39) Recommendations of the audit committee conflicting with the decisions of the board of directors, or which the board refused to take into account regarding the appointment and dismissal of the company's auditor, determining its fees and evaluating his performance or appointing the internal auditor, the justifications for those recommendations, and the reasons for not taking them into account.

Not available.

40) Explaining any deviation against the accounting standards approved by the Saudi Organization for Certified Public Accountants

Not available

41) Information related to any works or contracts in which the company is a party, and in which there was an interest for a member of the company's board of directors or senior executives or for any person related to any of them, including the names of those involved in works and contracts, explaining the nature of these works and contracts, and their terms, duration and amount, If there are no such actions or contracts, the company must submit a declaration of this

- a. The transactions and contracts that will be concluded between the company and the Arab Yemen Cement Company Limited (an associate company) in which the members of the Board of Directors mentioned below have an indirect interest without any preferential terms, where the Eastern Province Cement Company is represented in the Board of Directors of the Arab Yemen Cement Company Limited by three members of its Board of Directors and they are: (1) Dr. Zamil Abdulrahman Al Mokren (Non-Executive). (2) Mr. Ibrahim Salem Al Ruwais (Non-executive). (3) Eng. Fahd Rashed Al Otaibi (Executive). The nature of these transactions and contracts is represented in cash sums that the Eastern Province Cement Company will receive from the associate company in order to transfer them to some of the associate's suppliers, as the associate company faces some difficulties finalizing its bank transfers to and from the Republic of Yemen, noting that the balance of these transactions and contracts has reached SAR (7) million as on 31/12/2020G compared with (SAR 63 million as on 31/12/2019G). Such transactions and contracts will continue until the difficulties facing the associate are over.
- b. The transactions and contracts concluded between the company and Al-Dawaa Medical Services Company Ltd., where the Chairman of the Board of Directors of the Eastern Province Cement Company Mr. Mohammad Saad Al Faraj Al Subaie is the CEO of Al-Dawaa Medical Services Company Ltd., and the member of the Board of Directors of the Eastern Province Cement Company, Mr. Waleed Mohammad Al-Jaafari is the Chairman of Al-Dawaa Medical Services Company Ltd., and the nature of these transactions and contracts is to rent administrative offices to Al-Dawaa Medical Services Company Ltd. in the Eastern Province Cement Company tower for a period of five Hijri years at an amount of (SAR 1,649,830) per annum, although its an indirect interest without any preferential terms.

- 42) 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 fiscal year with an explanation of any compensation obtained by the company in return for that.
Not available.
- 43) Description of any transfer or subscription rights under convertible debt instruments or contractual securities, subscription right notes, or similar rights issued or granted by the company
None.
- 44) Description of any refunding, purchase or cancellation of any transactions made by the company of any redeemable debt instruments, and the value of the remaining securities, and differentiation between the listed securities purchased by the company and those purchased by its subsidiaries
None
- 45) Description of any transaction between the company and a related party.
No transactions of this nature occurred during this year.
- 46) Description of any arrangements or agreement under which a member of the company's board of directors or a senior executive waived any remuneration
None.
- 47) Description of any arrangements or agreement under which a shareholder of the company waived any rights to profits
None.
- 48) Description of value of any investments or reserves established for the benefit of the company's employees
None
- 49) Disclosure of details of treasury shares held by the company and details of the use of these shares
None.
- 50) The name of each subsidiary company, its capital, the percentage of the company's ownership, its main activity, the country that is the main place of its operations, and the country of its incorporation
Not applicable, as there are no subsidiaries.
- 51) Details of shares and debt instruments issued for each subsidiary
Not applicable, as there are no subsidiaries.
- 52) **Declarations of the Board of Directors**
Based on the directions of the company's board of directors to achieve the highest levels of transparency and disclosure, the company's board of directors acknowledges the following points for the year 2020:
1- That the account records were properly prepared.

- 2- The internal control system was prepared on sound foundations and was effectively implemented.
- 3- That there is no doubt about the ability of the company to continue its activity (going concern).
- 4- That the auditor's report does not contain any observation about the financial statements for the fiscal year ended on 31/12/2020.
- 5- The board of directors did not recommend changing the auditor before the end of its expiry term.
- 6- There are no loans due from the company as on 31/12/2020.

53) Board of Directors' Suggestions

The Board of Directors proposes to general assembly of the company the following:

- 1- Voting on the Board of Directors' report for the fiscal year ended on 31/12/2020G.
- 2- Voting on the auditor's report of the company accounts for the fiscal year ended on 31/12/2020G.
- 3- Voting on the financial statements for the fiscal year ended on 31/12/2020G.
- 4- Voting on the Board's recommendations to distribute dividends to the shareholders with a total amount of (SAR 215,000,000) for the fiscal year ended on 31/12/2021G the dividend per share is (SAR 2.50) representing 25% of the share Par value. Number of shares eligible for dividends is 86,000,000 shares, entitlement to dividends is for shareholders holding the shares by the end of the trading day of the assembly date, and who are registered in the company's shareholders register held with the Securities Depository Center Company (Depository Center) at the end of the second trading day following the eligibility date. The distribution of dividends begins on Wednesday 28/04/2021G (Attached).
- 5- Voting on discharging the members of the Board of Directors from liability for the fiscal year ended on 31/12/2020G.
- 6- Voting on payment of (SAR 1,800,000) as remuneration to the Board members for the fiscal year ended on 31/12/2020G.
- 7- Voting on appointing the auditor for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the second, third, and annual financial statements, of the fiscal year 2021G., and the first quarter of the fiscal year 2022G., and the determination of the auditor's remuneration.
- 8- Voting on delegating the Board of Directors to distribute interim dividends on biannual or quarterly basis for the fiscal year 2021G.
- 9- Voting on the transactions and contracts that will be concluded between the company and the Arab Yemen Cement Company Limited (an associate company) in which the members of the Board of Directors mentioned below have an indirect interest without any preferential terms, where the Eastern Province Cement Company is represented in the Board of Directors of the Arab Yemen Cement Company Limited by three members of its Board of Directors and they are: (1) Dr. Zamil Abdulrahman Al Mokren

(Non-Executive). (2) Mr. Ibrahim Salem Al Ruwais (Non-executive). (3) Eng. Fahd Rashed Al Otaibi (Executive). The nature of these transactions and contracts is represented in cash sums that the Eastern Province Cement Company will receive from the associate company in order to transfer them to some of the associate's suppliers, as the associate company faces some difficulties finalizing its bank transfers to and from the Republic of Yemen, noting that the balance of these transactions and contracts has reached SAR (7) million as on 31/12/2020G compared with (SAR 63 million as on 31/12/2019G). Such transactions and contracts will continue until the difficulties facing the associate are over (Attached).

- 10- Voting on the transactions and contracts concluded between the company and Al-Dawaa Medical Services Company Ltd., where the Chairman of the Board of Directors of the Eastern Province Cement Company Mr. Mohammad Saad Al Faraj Al Subaie is the CEO of Al-Dawaa Medical Services Company Ltd., and the member of the Board of Directors of the Eastern Province Cement Company, Mr. Waleed Mohammad Al-Jaafari is the Chairman of Al-Dawaa Medical Services Company Ltd., and the nature of these transactions and contracts is to rent administrative offices to Al-Dawaa Medical Services Company Ltd. in the Eastern Province Cement Company tower for a period of five Hijri years at an amount of (SAR 1,649,830) per annum, although its an indirect interest without any preferential terms (Attached).
- 11- Voting on the formation of the audit committee, defining its tasks, work controls, and remuneration of committee members for the new term, starting from the date of the assembly on 11/04/2021G until the end of the board term on 28/01/2024G. The (CVs enclosed) are: (1) Mr. Ibrahim Salem Al Ruwais (Non-Executive). (2) Mr. Waleed Mohammad Al-Jaafari (Independent). (3) Mr. Abdulaziz Abdulrahman Al Khanin (Independent). (4) Mr. Majed Saleh Al Rajhi (Independent). (5) Dr. Jasem Shaheen Al Rumaihi (non-board member as an independent candidate whose is specializing in financial and accounting fields).
- 12- Voting on amending the Regulations of Nominations and Remuneration Committee (Attached).
- 13- Voting on amending the Policy of Remuneration of board of directors, board of committees and executive management (Attached).

As the Board of Directors concludes reading and presenting its annual report and put it before the Forty-Eighth Ordinary General Assembly meeting, we express our thanks to all shareholders for accepting its invitation and attending the meeting and thank them for confidence they have placed on our shoulder. The Board also thanks all employees of the company for their hard work and sincere effort in achieving the progress and prosperity of the company.

Best Regards,