



شركة أسمنت المنطقة الجنوبية  
SOUTHERN PROVINCE CEMENT COMPANY

# 2022

للعام المالي

FOR FINANCIAL YEAR

# التقرير السنوي

ANNUAL REPORT



رؤية  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



[www.spcc.sa](http://www.spcc.sa)





شركة أسمنت المنطقة الجنوبية  
SOUTHERN PROVINCE CEMENT COMPANY

www.spcc.sa  
General Administration  
Abha - King Fahd Road  
Abha - P.O.Box 548 Tel: 0172271500  
Fax: 0172271003  
E-mail: spcc@spcc.com.sa

**In the Name of Allah, the Most Gracious, the Most Merciful**

**Saudi Shareholding company**

The declared capital is 1.400 million riyals paid in full

General Administration : ABHA 5850001443

**www.spcc.sa**

*Custodian of the Two Holy Mosques  
King Salman bin Abdulaziz Al Saud  
may God preserve him*



”  
My first object is to make our country  
a successful and pioneering model in  
the world at all levels, and we will join

“ our efforts to that end

*His Royal Highness  
Prince Mohammed bin Salman bin Abdul-Aziz Al Saud  
The Crown Prince,  
Prime Minister and Minister of Defence  
of Saudi Arabia  
may God preserve him*



”  
The future of the Kingdom is promising,  
and our beloved country deserves more  
than what has already been achieved.

We will double the role of our talents and  
increase their contribution to shaping  
“ this future



# Board of Directors

## Board of Directors



**Dr. Hamad bin Sulaiman Al-Bazai**  
Chairman of the Board



**Mr. Mohammed bin Nasser Al-Nabit**  
Deputy Chairman of the Board



**Eng. Ahmed Ali Al-Lohaidan**  
Board Member



**Mr. Mansour bin Abdulaziz Al-Saghayer**  
Board Member



**Dr. Abdullah bin Nasser AbuThnain**  
Board Member



**Mr. Jaser bin Abdullah Al-Jaser**  
Board Member



**Eng. Ahmed bin Saeed Al-Ghamdi**  
Board Member



**Eng. Thamer bin Mohammed Al-muhid**  
Board Member



**Mr. Saad bin Abdulaziz Al-Karoud**  
Board Member



**Honorable stakeholders**

**Peace, mercy, and blessings of Allah  
may be upon you**

**The company's Board of Directors is  
pleased to welcome you most warmly  
and to express our sincere thanks for  
taking up the invitation to attend the  
eighth meeting of the Extraordinary  
General Assembly and to present to  
you its annual report on the work and  
achievements for fiscal year ending  
on 31/12/2022 with the annual financial  
statements.**

## **Board of Directors Report**



## First - the company's activity

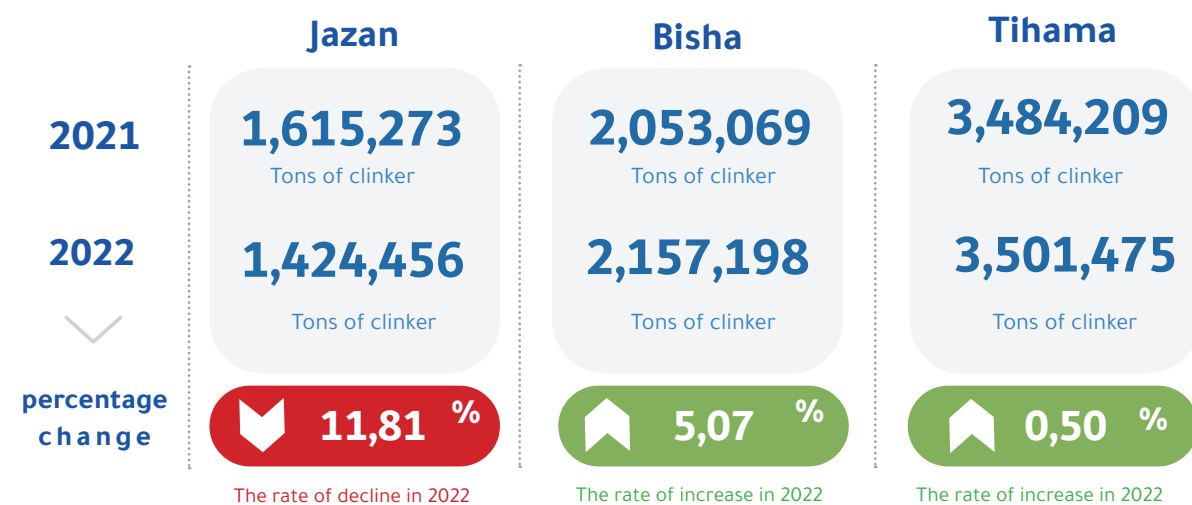
The main activity of the company is in the manufacture and production of cement and its derivatives and related products, and trading in these products. The company may have an interest or participate with the bodies or companies that carry out similar activities for its business or that may assist it in achieving its objectives, and it may acquire the shares or stakes, or both, in these companies, merge with them, or buy them. It also has the right to acquire a share from other companies, not exceeding twenty percent of its free reserves, and not exceeding ten percent of the capital of the company in which it participates, and the total of these shares does not exceed the value of these reserves, with a notification to the Ordinary General Assembly at its first meeting.

The company carries out its activities through its three plants : Jizan, Bisha and Tihama

### A - production - Production for the three plants



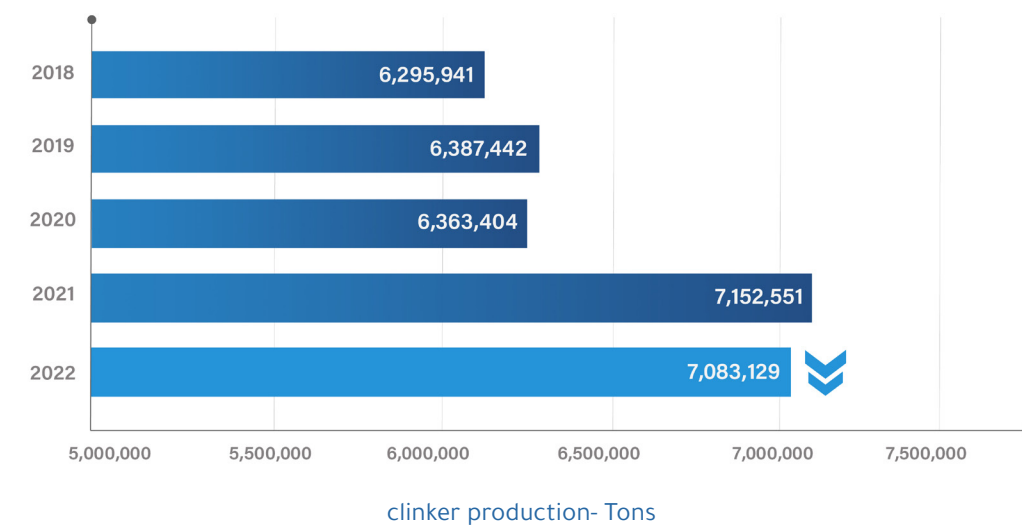
### Production per plant



- The actual production capacity of the Jizan plant in **2022** represents **94.96%** in relation to its design capacity of **(1,500,000)** tons of clinker, and production is supported in response to the demand for transportation from the Tihama plant.

- The actual production capacity of the Bisha plant in **2022** represents **79.90%** in relation to its design capacity of **(2,700,000)** tons of clinker to customize production with demand and inventory policy.
- The actual production capacity of the Tahama plant in **2022** represents **77.81%** in relation to its design capacity of **(4,500,000)** tons of clinker to match production demand, stock policy and support for the Jazan plant.

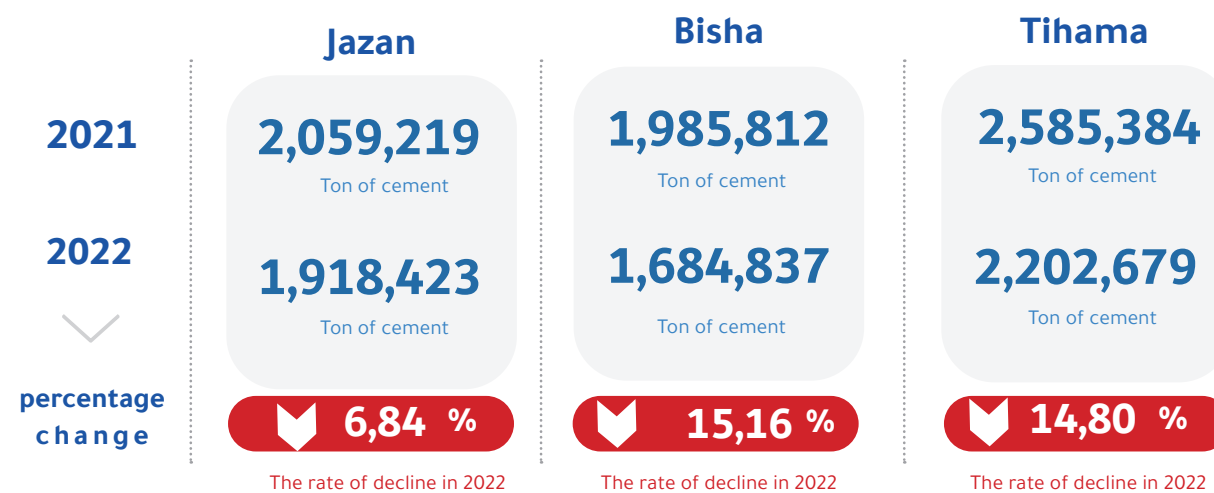
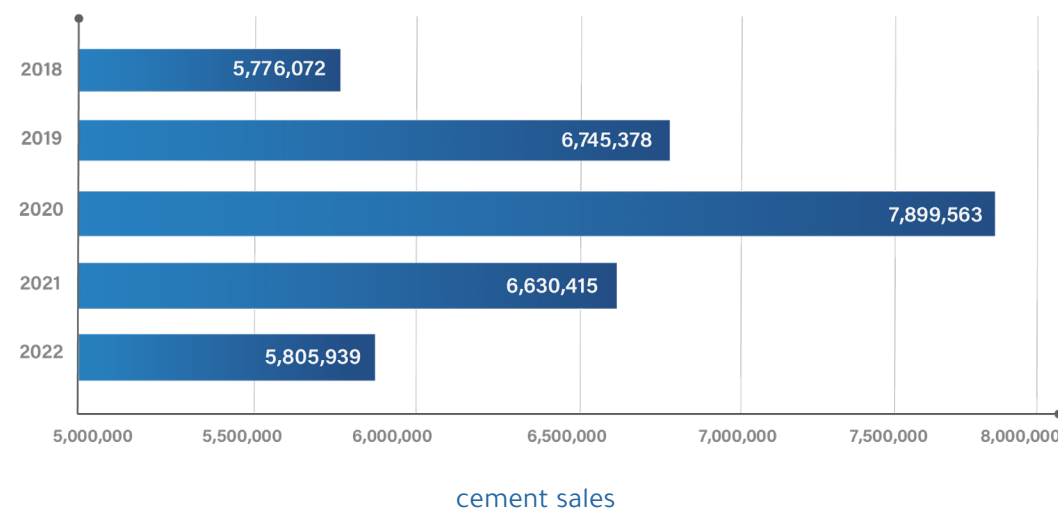
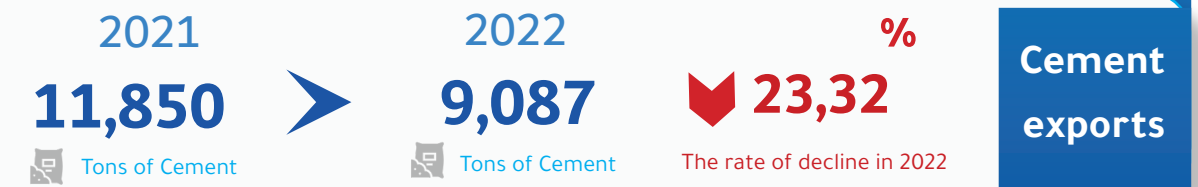
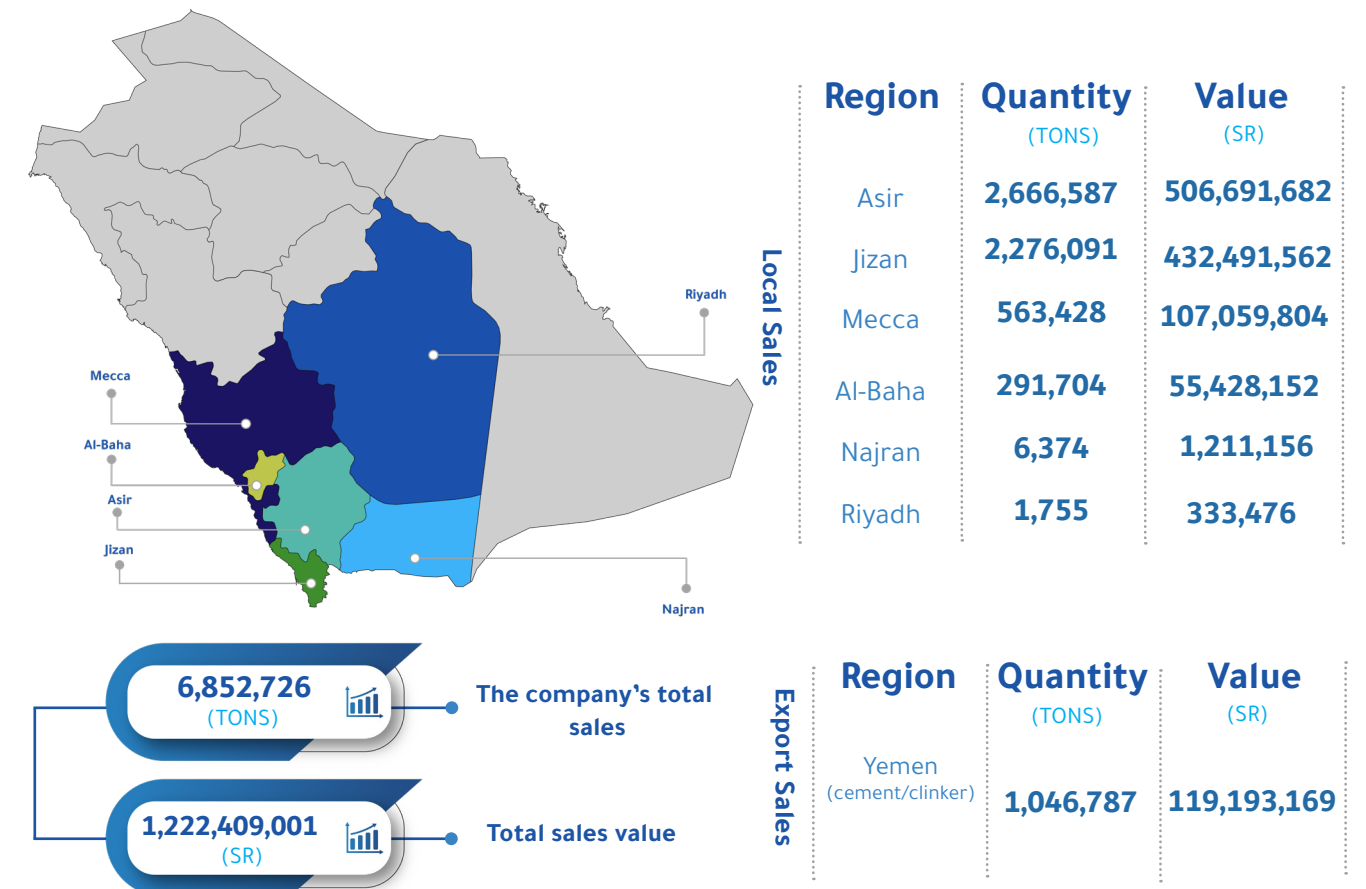
### Production comparison between 2018 - 2022



### B - inventory





C- SalesPlant salesSales comparison between 2018 - 2022Export sales in 2022Second - a geographical analysis of the company's total sales



### Third - Training



↑  
Saudization rate in 2022



↑  
Training this year was limited to training inside the Kingdom and training through websites

### Fourth - Company plans and decisions

The company's plans focus on (production - marketing - sales) in addition to updating existing projects and establishing new projects aimed at preserving and developing the company's assets.

- 1- In the production field , the company aims to optimize the use of available energy through continuous studies of production lines and to raise operating efficiency.
- 2- In the marketing field , study the market characterize and analyze information in order to obtain the largest possible share with the best possible profit return.
- 3- In the sales field, provide attention to relations with customers and opening to new local and foreign markets
- 4- The company also continuously develops and updates the company's assets and equipment and raises its efficiency.

### Fifth - The risks faced by the company and the policy of managing and controlling these risks

#### 1. Market and Operating Risks:

A- The risks that the company may face are the increase in competition between local cement companies in light of the decrease in demand.

B - Decrease in spending on projects, and thus less demand for cement. The company is working to strengthen its presence in the local and foreign markets by continuing to communicate with current and potential clients.

#### 2. Interest rate risk:

Interest rate risks (albeit of limited impact, given that the company has sufficient liquidity to operate and meet existing obligations) may arise from the impact of higher interest rates on future profitability. Whereas, exposure to interest rate risk is a result of the high costs of facilities and murabaha that are obtained to finance growth and operation requirements, and the management works to reduce interest rate risks by monitoring facilities costs and making adjustments to the financing portfolio and the multiplicity of its sources.

#### 3. Liquidity risk:

Liquidity risk is the inability to meet the liabilities of the financial liabilities, as they fall due. The liquidity needs are monitored on a monthly basis and the management works to ensure that sufficient funds are available to meet any obligations that arise, and to assess the extent of the need to obtain facilities. The Company's current financial liabilities that mature within a fiscal year consist of short-term Islamic financing, trade payables, dividends pending distribution, accrued expenses and other current liabilities. It is expected that all these financial liabilities will be paid within 12 months from the date of the balance sheet.

#### 4. Credit risk:

It is the inability of one party to fulfill its obligations, which leads to the other party incurring a financial loss. Balances of cash and cash equivalents outstanding with the company on the date of the financial position are distributed with local banks. Trade and other receivables are mainly due from customers and related parties. are concentrated the trade receivables owed to the company by 7 major local customers, The receivables are shown at their estimated value.

#### 5. currency risk

The value of a financial instrument as a result of fluctuations in foreign exchange rates. The Company is not exposed to fluctuations in foreign exchange rates during its normal business cycle, given that the



Company's substantial transactions during the year were in Saudi riyals and US dollars, and since the exchange rate of the US dollar is pegged against the riyal The condition they arise and assess the need for facilities. Monitor liquidity needs on a monthly basis and management ensures that sufficient funds are available to meet any commitments The company's current financial liabilities, which mature within a financial year, consist of short-term Islamic financing and yes It is expected that all of them will be paid off from close trade, distribution profits, accrued expenses and other current liabilities From meeting its obligations related to financial liabilities as they become due This means that there are no significant risks associated with transactions and balances in US dollars.

#### 6.The fair value of financial tools

The risks that the company may face are represented in the increase in competition between local cement companies in light of the decrease in demand, decrease in spending on projects, and then a decrease in demand for cement.

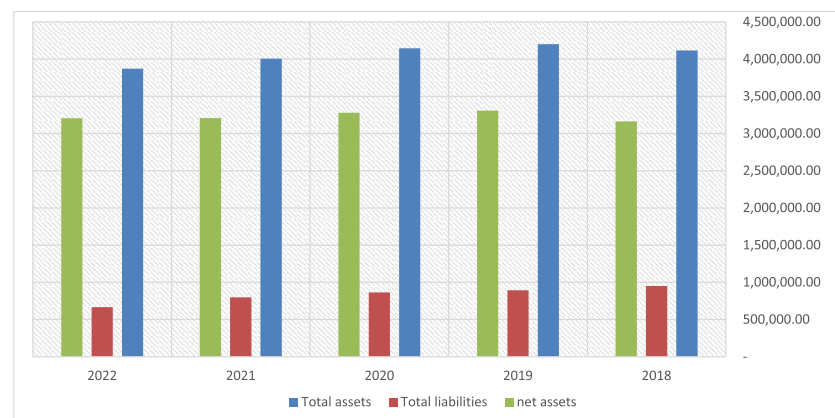
#### Sixth - The company's assets, liabilities, and business results over the past 5 years

The company's current assets consist of cash and cash equivalents, accounts receivable and other assets. The financial liabilities consist of short-term bank facilities, trade payables, profits under ./ distribution, accrued expenses and other liabilities.

The fair value of financial tools is not materially different from their carrying value.

#### Comparison of assets and liabilities (in thousands of S.R.)

Statement	2018	2019	2020	2021	2022
Current assets	863,449	1,096,819	1,173,636	1,178,407	1,110,134
Non-current assets	3,252,165	3,103,354	2,970,847	2,826,313	2,761,680
<b>Total assets</b>	<b>4,115,614</b>	<b>4,200,173</b>	<b>4,144,483</b>	<b>4,004,720</b>	<b>3,871,814</b>
Current liabilities	395,963	385,747	419,599	446,991	373,303
Non-current liabilities	555,643	507,962	445,170	371,261	292,917
<b>Total liabilities</b>	<b>951,606</b>	<b>893,709</b>	<b>864,769</b>	<b>818,252</b>	<b>666,220</b>



#### Comparing the company's business results (in thousands of S.R.)

Statement	2018	2019	2020	2021	2022
Revenue	887,724	1,300,286	1,653,108	1,339,350	1,222,409
Revenue costs	(626,032)	(762,748)	(974,256)	(833,946)	(865,060)
Gross profit	261,692	537,538	678,852	505,405	357,349
<b>Comprehensive income</b>	<b>201,954</b>	<b>457,457</b>	<b>603,248</b>	<b>431,755</b>	<b>299,126</b>

#### Seventh - The fundamental differences in the operating results from the results of the previous year

Statement	2021	2022	Changes	Change (%)
Revenue	1,339,350	1,222,409	(116,941)	(8,73)
Revenue cost	833,946	865,060	31,114	3,73
Gross profit	505,405	357,349	(148,057)	(29,29)
Other operating expenses	62,186	63,099	913	1,47
Operating profit	443,219	294,250	(148,969)	(33,61)

#### Eighth - Accounting standards adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA)



The financial statements have been prepared in accordance with International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, and other standards and publications issued by the Saudi organization for SOCPA.



**Ninth - Islamic Finance**

Statement	Funding source	Current portion of the loan SAR	Non-current portion of the loan SAR	Total SAR
Opening balance	Alahli Bank	75,000,000	253,397,000	328,397,000
Paid during the year		(75,000,000)	0	(75,000,000)
balance at the end of the period		80,000,000	173,397,000	253,397,000

The balance of Islamic financing from Saudi National Bank on **31/12/2022** amounted to **253,397,000** riyals represented in non-current bank facilities of **173,397,000** riyals due during the years from **2023** to **2025**, and current bank facilities amounting to **80,000,000** riyals due during the year **2022**, knowing that the payment started on **March 15, 2018** and shall end on **December 31, 2025 (quarterly installments)**.

The company also transfers the part payable during the year from the long-term liabilities account to the short-term liabilities account to show the current portion of the liabilities in an expressive way within the statement of financial position.

**Tenth - company's social contributions**

No.	Statement	(SAR)	No.	Statement	(SAR)
1	Ehsan	1,000,000	20	Quran association in assir	20,000
2	JAZAN CHAMBER( supporting Jazan winter activities )	500,000	21	Quran association in Khames Mushait	20,000
3	Blwaed social development committee	150,000	22	Quran association in Muhayil assir	20,000
4	Al-khansaa world for advertising	60,000	23	Alber association in Al- Qunfudhah	20,000
5	Federation of Saudi chambers (sponsorship of mining conference)	50,000	24	Quran association in Tanomah	20,000
6	Quran association in Ahad al masarha	48,000	25	Condolence association to honor the dead in assir	20,000
7	Shukraaseer association	36,000	26	Charitable organization in Alarin -Abha	16,560
8	Noor statement publicity and advertising (supporting events for persons with disabilities)	35,000	27	Health association in Beasha	15,000
9	Alber association in Abha	30,000	28	Sukraa association in Besha	15,000
10	National committee for the care of prisoners in assir	30,000	29	Alber association in Muhyil	15,000
11	Alber associations in Besha	30,000	30	Association for the protection of domestic violence	15,000
12	Charitable organization in Ahad almsarha	30,000	31	Zaned assoicotio for saving ALnaemah in Ahad almasrhah	15,000
13	Charity committee for orphans care in Besha	30,000	32	Alber association in Tanomah	15,000
14	Mushkah association for Quran in Besha	30,000	33	Alber association in Al Farshah	15,000
15	The south women's association	26,000	34	Alber association in Al Shaaf	15,000
16	Social development committee in balwaeed	25,000	35	Alber association in Al Harth	15,000
17	Charitable organization in balwaeed	25,000	36	Rhnom association for human services	15,000
18	Alber association in Al-ardiyat	25,000	37	Eradahwagaf for persons with disabilities	12,000
19	Alber association in Almajaridah	25,000	38	supporting soccer game in Jazan winter activities	10,000
<b>Total</b>				<b>2,493,560 SAR</b>	



**Eleventh - Composition and classification of members of the Governing Council**

Number	Member Name	membership classification
1	Dr. Hamad bin Sulaiman Al-Bazai	non-executive
2	Mr. Mohammed bin Nasser Al-Nabit	non-executive
3	Dr. Abdullah bin Nasser Abu Thanin	non-executive
4	Mr. Mansour bin Abdulaziz Al-Saghayer	non-executive
5	Eng. Ahmed Ali Al-Lohaidan	independent
6	Eng/Abdullah Bin Abdulaziz Al-Qaeda *	non-executive
7	Mr. Saad Bin Abdulaziz Al-Kroud *	non-executive
8	Eng / Thamer bin Mohammed Al Muhaid	independent
9	Mr. / Majid bin Khaled Al-Assaf *	non-executive
10	Eng. Ahmed Bin Saeed Al Ghamdi *	non-executive
11	Mr. / Jaser bin Abdullah Al-Jaser	independent

\* Mr. saad bin Abdulaziz alkrood and eng. Ahmad saeed alGamdi were pointed to representatives of the public investment fund instead of Eng. Abdullah bin abdulaziz alQaeed and Mr. Majeed bin kahleed alasaf from 01\06\2022

**Twelfth - Names of the members of the Board of Directors, members of the committees and the executive management, their current and previous posts, qualifications and experiences****First: Members of the Board of Directors****Dr. Hamad bin Sulaiman Al-Bazai**

Current post: Member of boards and committees

Pervious post: Deputy Minister of Finance

**Qualifications**

Bachelor's, Master's and PhD in Economics.

**Experiences**

He has been working for (40) years, gradually, in various positions, starting with a teaching assistant, then an assistant professor, then an associate professor, a vice dean, and an acting dean of the College of Economics and Administration, then the Undersecretary for Economic Affairs at the Ministry of Finance, then the Deputy Minister of Finance and served as a member of the boards of directors of several organizations and companies.

**Mr. Mohammed bin Nasser Al-Nabit**

Current post: Businessman

Pervious post: N/A

**Qualifications**

Bachelor of Science in Business Administration

**Experiences**

- He has been working for 24 years in the private sector.
- Member of the Board of Directors of the Saudi Arabian Refineries Company (SARCO) Arab Refineries Company formerly.
- Vice Chairman of the Board of Directors of Nasser Bin M. Al-Nabit & Sons LLC.
- Member of the Board of Directors of the Red Sea Markets Co.
- Member of the Board of Directors of the Arabian Education Group.
- Member of the Board of Directors of the Khamis Mushait Hotel Company.

**Dr. Abdullah bin Nasser AbuThnain**

Current post: Vice Minister of Human Resources and Social Development for Labor - KSA

Pervious post: Deputy Minister for Inspection and Development of Work Environment  
- Ministry of Human Resources and Social Development

**Qualifications**

Bachelor's, Master's and PhD in Economics.

**Experiences**

- He has been working for 26 years in several government posts.
- A faculty member at the Institute of Public Administration.
- Deputy Minister for Planning, Development and Information - Ministry of Labor and Social Development - Deputy Minister for Inspection and Development of Work Environment Ministry of Human Resources and Social Development.
- Vice Minister of Labor and Social Development



### Mr. Mansour bin Abdulaziz Al-Saghayer

Current post: CEO - National Bank of Bahrain

Pervious post: Head of Business Development Department - SABB Bank

#### Qualifications

Bachelor's degree in Accounting - MBA

#### Experiences

- Account Administrator for Commercial and Retail Banking Services (Western Region) Saudi Hollandi Bank.
- Customer Relationship Manager for Corporate Banking Services (Western Region) Saudi Hollandi Bank.
- Senior Customer Relations Manager for Corporate Banking Services (Western Region) Saudi Hollandi Bank.
- Senior Customer Relations Manager for Corporate Banking Services (Western Region) The Saudi Investment Bank.
- Assistant General Manager for Corporate Banking Services (Western Region) - Samba.
- Head of Corporate Banking Unit (Western Region) Banque Saudi Fransi.
- Head of Corporate Banking Services (Western Region) - National Commercial Bank.
- Regional Head of Corporate Banking (Central Region) - SABB Bank.
- Head of Business Development Department - SABB Bank.
- Chief Executive Officer - National Bank of Bahrain.

### Eng. Ahmed Ali Al-Lohaidan

Current post: CEO of the Arab Pipe Company.

Pervious post: Director of Administration Studies and Consultation Department at the Saudi Industrial Development Fund.

#### Qualifications

Bachelor of Mechanical Engineering - Higher Diploma in Design, Production and Management.

#### Experiences

- Worked for (32) years.
- He was included in several positions in the Saudi Industrial Development Fund until he became the Director of the Projects Studies and Consultations Department.
- Supervising the Department of Studies and Project Consultations at the Saudi Industrial Development Fund.
- CEO of the Arab Pipe Company.

### Mr. Saad Bin Abdulaziz Al-Kroud

Current post: Chief of Staff - Public Investment Fund

Pervious post: Head Of Stakeholder Management - Public Investment Fund

#### Qualifications

Bachelor of Finance - Master of Management and Leadership

#### Experiences

- Vice President in Mayaas Holding
- Head Of Stakeholder Management Public Investment Fund then Chief of Staff - Public Investment Fund



### Eng. / Thamer bin Mohammed Al Muhaid

Current post: CEO & Managing Director - Saudi Chemical Group Holding.

Pervious post: Deputy General Manager - Saudi Chemical Company Ltd.

#### Qualifications

Bachelor of Civil Engineering - Master of Business Administration with a specialization in purchasing and mergers of companies, and Master of Business Administration with a specialization in global management.

#### Experiences

- He worked for (30) years in several governmental and commercial agencies in administrative positions and is currently the CEO and Managing Director of the Saudi Chemical Holding Group.

### Eng. Ahmed Bin Saeed Al Ghamdi

Current post: Senior Vice President, MENA Investment Division - Public Investment Fund

Pervious post: Vice President, MENA Investment Division - Public Investment Fund

#### Qualifications

Bachelor of Chemical Engineering - Master Of Business Administration

#### Experiences

- Process Engineer then Strategic Transformation Office Then New Business Development at Saudi Aramco then Vice President, MENA Investment Division after that Senior Vice President, MENA Investment Division at Public Investment Fund



### Mr. / Jaser bin Abdullah Al-Jaser

Current post: General Manager of Strategy and Transformation - General Organization for Social Insurance.

Pervious post: General Manager of Institutional Excellence - General Organization for Social Insurance (formerly the Public Pension Agency).

#### Qualifications

- Bachelor of Operations Research - Master of Actuarial Science

#### Experiences

- He worked for (18) years in several government positions, gradually as Director of Planning, Development and Studies, then Director General of Institutional Excellence, after that he worked as Director General of Strategy and Transformation in the General Organization for Social Insurance, in addition to leading the Transformation Office in the institution. During his leaving period, he worked in various fields, including preparing actuarial and statistical studies and strategic plans and supervising their implementation.



## Twelfth - Names of the members of the Board of Directors, members of the committees and the executive management, their current and previous posts, qualifications and experiences

### Second: Members of committees from outside the Council



#### Dr. / Abdul Hamid bin Saleh Al-Khalifa

Current post: Director-General - OPEC Fund for International Development.

Pervious post: Deputy Secretary-General - General Investment Fund.

#### Qualifications

- Bachelor, Master and Doctor of Economics

#### Experiences

- 20 has worked for a year in both governmental and international positions.
- Alternate Executive Director of the World Bank.
- Economic Adviser - Public Investment Fund.
- Deputy Secretary-General - General Investment Fund.
- Director-General of the OPEC Fund for International Development.
- Deputy Secretary-General - General Investment Fund.
- Director-General of the OPEC Fund for International Development.



#### Mr./Adeeb bin Mohammed Aba Nami

Current post: Director, Audit and Advisory Services, Aba Nmi Office

Pervious post:Employee of the Financial Market Authority

#### Qualifications

- Bachelor of Accounting - Master of Professional Accounting

#### Experiences

- Worked 12 years in the Saudi Development Fund.
- He served 1 year as Vice Dean of Shaqraa College.
- 4 worked years at the FMA.
- Director, Audit and Advisory Services Department - Abba Neme Office

## Third: Executive management



#### Eng. Aqeel Bin Fotayees Kadasah

Current post: Chief Executive Officer.

Pervious post:Executive Vice President of Manufacturing.

#### Qualifications

Bachelor of Applied Chemical Engineering

#### Experiences

- Worked for 28 years:
- Yolk Cement Company production engineer.
- Chemical Engineer - Electric Company.
- Director, Production Department, Bisha Cement Plant - Southern Province Cement Company.
- Director of the Maintenance Department, Bisha Cement Plant - Southern Province Cement Company.
- Director of the Bisha cement Plant at the Southern Province Cement Company.
- Executive Vice President of Manufacturing - Southern Province Cement Company.



#### Eng. Saud bin Safar Al Burqan

Current post: E.V.P. of Operations.

Pervious post: Director of Procurement and Contracts Department.

#### Qualifications

Bachelor of Applied Bachelor of Applied Mechanical Engineering.

#### Experiences

- Worked for 22 years:
- Al-Burgan National Foundation.
- Several positions in the generation projects sector in the Saudi Electricity Company.
- Director of Marketing and Sales Department at Southern Province Cement Company.
- Director of the Planning and Business Development Department at the Southern Province Cement Company.
- Director of Engineering Services Department at Southern Province Cement Company.
- Director of Procurement and Contracts Department, Southern Province Cement Company.
- Secretary of the Board of Directors of the Southern Province Cement Company.



#### Mr./Mohammed Bin Ali Al Thoie

Current post: E.V.P. Of Finance

Pervious post: Financial Manager.

#### Qualifications

Bachelor of Accounting - Master of Professional Accounting

#### Experiences

- He worked for 26 years as an accountant at the Southern Province Cement Company, then as a bookkeeper thee Financial Manager.
- He has been the company's E.V.P Of Finance since 2.03.2022

### Thirteenth - Names of companies within or outside the Kingdom whose current and previous boards of directors or directors are members of the Board of Directors:

Member Name	Names of companies whose current and previous boards of directors or directors are members of the Board of Directors	Inside or outside	The legal entity of the company
Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	Alinma bank Islamic Development Bank Building Development Corporation	inside the kingdom	Included contribution Development Bank /Government Multilateral Limited contribution
Mr. Mohammed bin Nasser Al-Nabit	Arab Group for Education and Training Holding Company Mercure Khamis Mushait Hotels Company Nasser Bin Mohammed Al Nabit & Sons Co.	inside the kingdom	Non-included contribution Non-included contribution Non-included contribution
Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	Takamol Business Services Company Future Action Business Services Company	inside the kingdom	Locked Contribution Locked Contribution
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	Saudi Fish Company United Cooperative Insurance Company	inside the kingdom	Included contribution Included contribution
Eng. Ahmed Ali Al-Lohaidan	Arab Pipe Company	inside the kingdom	Included contribution
Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	AL BLALAD DEVELOPMENT company Alinma bank Diriyah Gate Co. Ltd. The Saudi Technology Development and Investment Company - TAQANIA	inside the kingdom	Locked Contribution Included contribution Limited liability Locked Contribution
Eng. / Thamer bin Mohammed Al Muhaid	Suez International Company Saudi Fish Company	outside / inside kingdom	Limited liability Listed Joint Stock Company
Eng. Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund	JASARA Program Management Company	inside the kingdom	Limited liability
Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute	Tawuniya Insurance United Insurance	inside the kingdom outside the kingdom	Included contribution

### fourteenth - Board meetings

Number	Name	M1	M2	M3	M4	M5	M6	Total
		02/03	11/05	29/05	07/09	16/11	29/12	
1	Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	✓	✓	✓	✓	✓	✓	6
2	Mr. Mohammed bin Nasser Al-Nabit	✓	✓	✓	✓	✓	✓	6
3	Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	✓	✓	✓	✓	✓	✓	6
4	Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	✓	✓	✓	✓	✓	✓	6
5	Eng. Ahmed Ali Al-Lohaidan	✓	✓	✓	✓	✓	✓	6
6	Eng. Abdullah Bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	✓	✓	✓	-	-	-	3
7	Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	-	-	-	✓	✓	✓	3
8	Eng. / Thamer bin Mohammed Al Muhaid	-	✓	✓	✓	✓	✓	5
9	Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund	✓	✓	✓	-	-	-	3
10	Eng. Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund	-	-	-	✓	✓	✓	3
11	Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute	✓	✓	✓	✓	✓	✓	6

### Fifteenth-Statement of the dates of the General Shareholders' Associations held during the last fiscal year and the names of the members of the Board of Directors attending these Associations

Number	Name	Attendance sheet	Total of Meetings
		First Meeting	
	The date of the assembly	12/04/2022	
1	Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	✓	1
2	Mr. Mohammed bin Nasser Al-Nabit	✓	1
3	Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	✓	1
4	Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	✓	1
5	Eng./ Ahmed Ali Al-Lohaidan	✓	1
6	Eng./Abdullah Bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	✓	1
7	Eng. / Thamer bin Mohammed Al Muhaid	✓	1
8	Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund	✓	1
9	Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute	✓	1



### Sixteenth-Any penalty, precautionary measure or reserve imposed on the company by the authority or any supervisory, regulatory or judicial authority

There is no penalty, precautionary measure or reserve imposed by the authority or any supervisory, regulatory or judicial authority.

### seventeenth- Actions taken by the Governing Council to inform its members, in particular non-executives, of shareholders' proposals and observations about the company and its performance:

To brief the members of the Governing Council on the contributors' proposals, the Board:

1. Ensure that members of the Governing Council have timely access to full, clear, correct and non-misleading information.
2. Ensure that the Governing Council discusses all key issues effectively and in a timely manner.
3. Encourage board members to exercise their functions effectively and in the interest of the company.
4. Ensure that there are channels for effective communication with contributors and that their views are communicated to the Governing Council.
5. Promote constructive relations and active participation between the Governing Council and executive management, and create a culture of constructive criticism.
6. Prepare the agenda for the meetings of the Governing Council taking into account any matter raised by a member of the Governing Council or by the Auditor, and consult with the members of the Board and the Executive Chairman when preparing the agenda of the Board.

### Eighteen- Disclosure of remuneration of members of the Board of Directors and Executive Directors in accordance with Article 93 of the Corporate Governance Regulations:

On the basis of article 23 of the Basic Regulations of the Corporation, the remuneration of the Board of Directors shall be 10% of the net profit after deducting expenses and reserves established by the General Assembly and after the distribution of a profit to the shareholders of at least 5% of the Company's capital and in accordance with the text of the article. The report of the Governing Council to the regular General Assembly must include a comprehensive statement of all remuneration, expense allowance and other benefits received by members of the Governing Council during the financial year, as well as a statement of what has been received by members of the Board as employees or administrators or as received for professional, administrative or consulting work, as well as a statement of what has been received by them.

### Board members remuneration:

Statement	A certain amount for the membership of the council and committees	Allowance for attending council sessions	Total allowance for attending council sessions	In-kind benefits	Remunerations of the chairman of the board, the managing director, or the secretary, if he is a member	Total	percentage of profits	Regular bonuses	short term incentive plans	long term incentive plans	Granted Shares	Total	total summation	total summation	expense allowance
<b>Independent members</b>															
Eng. Ahmed Ali Al-Lohaidan	450,000	18,000	18,000	-	-	486,000	-	-	-	-	-	-	486,000	-	-
Eng. / Thamer bin Mohammed Al Muhaid	450,000	15,000	21,000	-	-	486,000	-	-	-	-	-	-	486,000	-	-
Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute	450,000	18,000	21,000	-	-	489,000	-	-	-	-	-	-	489,000	-	-
<b>Non-executive members</b>															
Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	450,000	18,000	21,000	-	244,500	733,500	-	-	-	-	-	-	733,500	-	-
Mr. Mohammed bin Nasser Al-Nabit	450,000	18,000	21,000	-	-	489,000	-	-	-	-	-	-	489,000	-	-
Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	450,000	18,000	18,000	-	-	486,000	-	-	-	-	-	-	486,000	-	-
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	450,000	18,000	18,000	-	-	486,000	-	-	-	-	-	-	486,000	-	-
Engineer/Abdullah Bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	225,000	9,000	9,000	-	-	243,000	-	-	-	-	-	-	243,000	-	-
Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund	225,000	9,000	12,000	-	-	246,000	-	-	-	-	-	-	246,000	-	-
Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	225,000	9,000	6,000	-	-	240,000	-	-	-	-	-	-	240,000	-	-
Eng. Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund	225,000	9,000	3,000	-	-	237,000	-	-	-	-	-	-	237,000	-	-

### Six executives of those who received the highest rewards.

Statement	Salaries	Allowances	In-kind benefits	Total	Regular bonuses	Earnings	short term motivational plans	long term motivational plans	Granted shares	Total	End-of-service bonus	production bonus	Total executive remuneration for the board	Total summation
Six of those who received the highest rewards.	4,395,036	1,277,511	-	5,672,547	369,934	-	-	-	-	6,042,481	-	1,880,000	-	7,922,481

**Board members remuneration:**

Member Name	Fixed Rewards	Allowance for attending sessions	Total
<b>Executive Committee members</b>			
Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	250,000	12,000	262,000
Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	250,000	12,000	262,000
Mr. Mohammed bin Nasser Al-Nabit	250,000	12,000	262,000
Eng./Abdullah Bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	125,000	3,000	128,000
Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	125,000	6,000	131,000
Eng. / Thamer bin Mohammed Al Muhaid	250,000	12,000	262,000
<b>Investment Committee Members</b>			
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	250,000	6,000	256,000
Eng. Ahmed Ali Al-Lohaidan	250,000	6,000	256,000
Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance Institute	Among the Executive Committee	6,000	6,000
Eng. /Abdullah Bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	Among the Executive Committee	6,000	6,000
Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund		6,000	131,000
Eng. / Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund		-	125,000
<b>Audit Committee Members</b>			
Eng. Ahmed Ali Al-Lohaidan	Among the investment committee	12,000	12,000
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	Among the investment committee	12,000	12,000
Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute		12,000	262,000
Dr. / Abdul Hamid bin Saleh Al-Khalifa Audit Committee Member (External Member)		12,000	162,000
Mr./Adeeb bin Mohammed Aba Nami Audit Committee Member (External Member)		12,000	162,000
<b>Nominations and Remunerations Committee</b>			
Eng. / Thamer bin Mohammed Al Muhaid	Among the Executive Committee	9,000	9,000
Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	Among the Executive Committee	9,000	9,000
Mr. Mohammed bin Nasser Al-Nabit	Among the Executive Committee	9,000	9,000
Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund	Among the investment committee	6,000	6,000
Eng. Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund	Among the investment committee	3,000	3,000
Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance Institute	Among the Audit Committee	9,000	9,000

**nineteenth - Shares of the members of the board of directors, senior executives, their wives and their minor children**

Name	Shares number in the beginning of the year (Share)	Shares number in the Ending of the year (Share)	Changes (Share)
Dr. Hamad bin Sulaiman Al-Bazai Representative of the State Social Insurance Institute	5,750	5,750	-
Mr. Mohammed bin Nasser Al-Nabit	212,500	212,500	-
Dr. Abdullah bin Nasser AbuThnain Representative of the State Social Insurance	-	-	-
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment	-	-	-
Eng. Ahmed Ali Al-Lohaidan	1,000	1,000	-
Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	-	-	-
Eng. / Thamer bin Mohammed Al Muhaid	10	10	-
Eng. Ahmed Bin Saeed Al-Ghamdi Representative of the Public Investment Fund	-	-	-
Mr. / Jaser bin Abdullah Al-Jaser Representative of the State Social Insurance	-	-	-
General investment fund	52,408,200	52,408,200	-
General Organization for Social Insurance	19,841,961	26,894,486	7,052,525
Eng. Aqeel Bin Fotayees Kadasah	-	-	-
Eng. Saud bin Safar Al Burqan	-	-	-
Mr./Mohammed Bin Ali Al Thoeie	-	-	-
<b>Total</b>	<b>72.469.421</b>	<b>79.521.946</b>	<b>7,052,525</b>



## Twenty - a brief description of the functions of the committees

### A- Executive Committee

1. Holding periodic meetings to study the latest work and obstacles and to suggest appropriate solutions to them. It shall present to the Board of Directors matters that require a decision by the Board.
2. Studying the plans and proposals submitted by the CEO to achieve the company's objectives and making recommendations to the Board of Directors.
3. Studying the proposals submitted by the CEO related to production goals in plants and taking appropriate decisions and recommendations to improve and develop work.
4. Studying the reports received by the committee from the CEO and taking appropriate decisions and recommendations to improve and develop the work.
5. Carry out the tasks and functions that the Board of Directors deems to be assigned to it.
6. Exercising the powers vested in it according the permissions Gide approved by the board of directors. The number of the committee's meetings in 2021 amounted to (4) meetings, and its statement is as follows:

#### Statement of Executive Committee meetings

Name	Nature of the membership	Meeting 1 10/05	Meeting 2 06/09	Meeting 3 15/11	Meeting 4 21/12	Total meetings
Dr. Hamad bin Sulaiman Al-Bazai Representative of the General Organization for Social Insurance	President	✓	✓	✓	✓	4
Dr. Abdullah bin Nasser AbuThnain Representative of the General Organization for Social Insurance	Member	✓	✓	✓	✓	4
Mr. Mohammed bin Nasser Al-Nabit	Member	✓	✓	✓	✓	4
Eng./ Abdullah bin Abdulaziz Al-Qaed Representative of the Public Investment Fund	Member	✓	-	-	-	1
Mr. Saad Bin Abdulaziz Al-Kroud Representative of the Public Investment Fund	Member	-	✓	✓	-	2
Eng. / Thamer bin Mohammed Al Muhaid	Member	✓	✓	✓	✓	4

### B-Investment Committee

The tasks of the committee are limited to:

1. Studying the liquidity available in the company and ways to invest it according to the company's system, in the best way to guarantee the capital
2. Studying the market and available investment opportunities
3. Searching for new investment opportunities
4. Studying the issues referred to it regarding investment
5. Studying the proposals submitted by the CEO regarding future plans for investment
6. Carry out the tasks and functions that the Board of Directors deems to be assigned to it
7. Exercising the powers transferred to it according to the powers manual from the board of directors

#### Statement of the investment committee meetings

Name	Membership nature	Meeting 1 22/03	Meeting 2 05/09	Total meetings
Mr. Mansour bin Abdulaziz Al-Saghayer representative of the Public Investment Fund	Head	✓	✓	2
Eng. Ahmed Ali Al-Lohaidan	Member	✓	✓	2
Dr. Abdullah bin Nasser AbuThnain Representative of the General Organization for Social Insurance	Member	✓	✓	2
Mr. Abdullah Bin Abdulaziz Al-Qaed, representative of the Public Investment Fund	Member	✓	✓	2
Mr. / Majid bin Khaled Al-Assaf representative of the Public Investment Fund	Member	✓	✓	2
Eng. Ahmed Bin Saeed Al Ghamdi representative of the Public Investment Fund	Member	-	-	0

**C- Audit Committee**

The tasks of the committee are to:

- 1- Supervising the internal audit department in the company to achieve the independence of the auditors and the extent of effectiveness in carrying out the work and tasks assigned to it by the board of directors, as well as studying the work plan, reports and notes of the internal audit department and following up on their implementation.
- 2- Studying the company's internal control system, verifying the adequacy, flexibility and effectiveness of the design of the control activities, identifying the strengths and weaknesses in them, and recommending in writing to the naturalized management to take the necessary action.
- 3- Verify that the company has an effective way to identify the important risks that it may be exposed to, including the risks that may arise from any violations of the regulations and instructions taken into account and the preventive steps taken by the company's management.
- 4- Studying the accounting policy following by the company or any changes before following and expressing an opinions and recommendations to the Board of Directors.
- 5- Developing a work program for the committee organizing and documenting it's meetings and reporting the results of its work to the Board of Directors.
- 6- Recommending the nomination of the appropriate person to fill the position of Director of Internal Audit and achieving his independence.
- 7- Recommending the board of directors to appoint the chartered accountant after ensuring his qualification and independence, determining his fees, renewing him and terminating his contract.
- 8- Follow-up the work of chartered accountants, and approve any work outside the scope of the audit work they are assigned to do while they are performing the audit work.
- 9- Studying the audit plan of the chartered accountant and expressing its comments thereon.
- 10- Studying (management letter) submitted by the chartered accountant and follow up on his observations and recommendations.
- 11- Studying the interim quarterly and annual financial statements for the purpose of informing the Board of Directors of what appears to the Committee that the financial statements do not include any unfair statements or statements of relative importance.

12- Studying the reports and observations of the General Auditing Bureau on the company's performance and following up on the implementation of its recommendations.

13- Taking what is necessary to ensure that the company does not violate the laws and regulations in force in the Kingdom.

14- Submitting a report at the end of the fiscal year or whenever necessary for your permission to the Board of Directors, including the results of its views, observations and recommendations to improve the level of performance.

15-Following-up the work of the accountants among legal professionals, and approve any work outside the scope of the audit they are assigned to while they are performing the audit work.

16- Studying the audit plan with the chartered accountant by the committee for approval.

**Statement of audit committee meetings**

Name	Membership Nature	Meeting 1 28/02	Meeting 2 09/05	Meeting 3 04/08	Meeting 4 30/10	Total of meeting
Eng. Ahmed Ali Al-Lohaidan	Head	✓	✓	✓	✓	4
Mr. Mansour bin Abdulaziz Al-Saghayer Representative of the Public Investment Fund	Member	✓	✓	✓	✓	4
Mr. / Jaser bin Abdullah Al-Jaser Representative of the General Organization for Social Insurance	Member	✓	✓	✓	✓	4
Dr. / Abdul Hamid bin Saleh Al-Khalifa Audit Committee Member (External Member)	External Member	✓	✓	✓	✓	4
Mr./Adeeb bin Mohammed Aba Nami Audit Committee Member (External Member)	External Member	✓	✓	✓	✓	4

**D - Nominations and Remunerations Committee**

The tasks of the committee are to:

1. Recommend to the Board of Directors the nomination for membership of the Board in accordance with the approved policies and standards.
2. Passive review of the required skills required for the membership of the Board of Directors and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time that the member must allocate for the work of the Board of Directors.



3. Reviewing the structure of the Board of Directors and making recommendations regarding changes that can be made.
4. Determining the weaknesses and strengths of the Board of Directors and suggesting them to be addressed in the interest of the company.
5. Taking into account not to nominate any person previously convicted of a crime against honor and honesty.
6. Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.
7. Develop clear policies for compensation and rewards for members of the Board of Directors and senior executives, taking into account when developing these policies the use of standards related to performance.
8. Periodic review of the delivery of salaries and other benefits to the company and recommendation to the Board.
9. Suggesting the total production remuneration for the company's employees, as well as the annual remuneration proposals for the CEO, and submitting them to the Board.
10. Perform any other tasks assigned by the Board of Directors.

#### Statement of the Nomination and Remuneration Committee Meetings

Name	Membership Nature	Meeting 1 02/03	Meeting 2 18/05	Meeting 3 29/12	Total of meeting
Eng. / Thamer bin Mohammed Al Muhaid	Head	✓	✓	✓	3
Dr. Hamad bin Sulaiman Al-Bazai Representative of the General Organization for Social Insurance	Member	✓	✓	✓	3
Mr. Mohammed bin Nasser Al-Nabit	Member	✓	✓	✓	3
Mr. / Majid bin Khaled Al-Assaf Representative of the Public Investment Fund	Member	✓	✓	-	2
Eng. Ahmed Bin Saeed Al Ghamdi Representative of the Public Investment Fund	Member	-	-	✓	1
Mr. / Jaser bin Abdullah Al-Jaser Representative of the General Organization for Social Insurance	Member	✓	✓	✓	3

#### Twenty one- The results of the annual review of the effectiveness of the company's internal control procedures and the audit committee's opinion on the adequacy of the company's internal control system.

The company's audit committee studies and evaluates the internal audit reports, which were carried out by reviewing and evaluating the procedures and internal control systems applied in the company, which aim to protect the company's assets by taking random samples that are subject to examination and evaluation according to an annual plan established by the audit committee in order to obtain reasonable assurances about The effectiveness and efficiency of the applied control procedures, and the company's external auditor evaluates the system of internal procedures and reviews the internal audit reports as well as the audit committee's minutes, and not all audits showed any substantial observations about the internal control procedures.

#### Twenty two- Dividend Distribution

According to Article 50 of the articles of association, the company's annual net profits are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the paid-up capital.
2. The Ordinary General Assembly, based on a vote by the Board of Directors, may set aside a certain percentage of the net profits to form a consensual reserve allocated for a specific purpose or purposes.
3. The Ordinary General Assembly may decide to form other reserves, to the extent that it achieves the interest of the company or makes it possible to distribute fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing ones of these institutions.
4. After that, a percentage representing (5%) of the company's paid-in capital shall be distributed to the shareholders.

5. Subject to the provisions stipulated in Article (Twenty-Three) of this Bylaw and Article Seventy-six of the Companies Law, after the above, (10%) of the remainder shall be allocated to remunerate the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.

6. The rest is then distributed to the shareholders as an additional share of the profits.

7. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, and the assembly may authorize the Board of Directors to do so by virtue of a resolution to be renewed annually.



Description	S.R
net profit after comprehensive income	299,126,278
Deduction: <b>5%</b> of the first share of the shareholders on the paid-up capital	70,000,000
Add: Profits from the previous year	862,491,974
Deduction: <b>7.5%</b> additional share for the shareholders on the paid-in capital	105,000,000
Balance in the next year	986,618,252

Description	Dividends distributed for the first half of 2022	Dividends distributed for the first half of 2022	Total
Amount	105,000,000	70,000,000	175,000,000
Percentage	7.5%	5%	12.5%

#### Twenty third- the numbers of the companys request for the register of shareholder and the dates and reasons for the request

No	Date	Reason
1	31/01/2022	Comonay procedures
2	14/04/2022	General Assembly
3	12/04/2022	General Assembly
4	12/04/2022	General Assembly
5	10/08/2022	Other
6	18/09/2022	Profite file
7	14/04/2022	Profite file

#### Twenty fourth- Related parties contracts with company by the end 2022

The contracts for related parties that were concluded during the year 2022 are as follows:

Name Of Member Of Board Of Director	The nature and conditions of work	Contract duration and amount
Eng. Thamer Bin Moahmmmed Al-Muhaid	Saudi Chemical Company Ltd. supply of civil explosives	(36) months, starting on 02/07/2022 until 06/02/2025, automatically renewed for a similar period. The value of annual transactions during 2023 is estimated at about (13 million) riyals, according to the actual quantities transferred and delivered to the buyer
Mr. Jasser Bin Abdullah Aljasser	Cooperative Insurance Company medical insurance for the company's employees	9.5 million for one Year



**Twenty-fifth-- Outstanding liabilities due to governmental institutions by the end of 2022**

Statement	2022		Brief description	Cause
	Paid	Due until the end of the fiscal period and still outstanding		
Zakat, Tax and Customs Authority	16,929,009	16,742,896	Zakat due	Payment due in 2023G
General Organization for Social Insurance	18,113,853	2,429,349	Social Security	Settlement next month
Ministry of Industry and Mineral Resources	51,113,526	14,041,435	Exploitation costs for 2022G	Payment due in 2023G
<b>Total</b>	<b>86,156,388</b>	<b>33,213,680</b>		

**Twenty-six - Applicable provisions**

Corporate Governance Regulations and the provisions that were not applied and the reasons.

In conformity with article 87 of the Corporate Governance Regulations issued by the Capital Market Authority, which requires that the report of the Board of Directors include a report on the provisions of the regulation that have been applied, and the provisions that were not applied and the reasons.

Accordingly, the company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority.

**Twenty-seventh - Acknowledgments**

The company's management acknowledges that the accounting records have been properly prepared.

- The company's management acknowledges that the internal control system has been prepared on sound basis and has been effectively implemented.
- The company's management acknowledges that there are no doubts about the company's ability to continue to be active.
- The company's management acknowledges that there is no difference from the international accounting standards issued by the Saudi Capital Market Authority.
- The company acknowledged that there are no competing businesses that any member of board of directors is engaged in or was engaged in

**Twenty-eighth - Disclosure in the Board's Report**

The Board of Directors acknowledges that the Company has disclosed in the Board of Directors' report the requirements that apply to it. And that the following items do not apply to the company, and he is obliged to disclose them, if necessary:

- 1- The name of the subsidiaries and their main activity.
- 2- Details of the shares and debt instruments issued for each subsidiary company.
- 3- A description of any interest in the class of voting shares.

4- A description of any interest, option rights and subscription rights belonging to the members of the Board of Directors.

5- Describe the classes and prepare any instruments convertible into shares.

6- A description of any conversion or subscription rights under debt instruments convertible into shares.

7- A description of any refund, purchase or cancellation of any redeemable debt instruments.

8- A statement of any arrangement or agreement that a member of the Board of Directors or a senior executive has waived any salary or compensation.

9- A statement of any arrangements or agreement under which a shareholder has waived any rights to profits.

10- Reserves or investments for the benefit of employees.

11- There are no reservations from the chartered accountant on the financial statements.

12 - Replacing the chartered accountant before the end of three consecutive years.

13- No written request was submitted to hold meetings, and the agenda was not objected to.

**Twenty-ninth - Board of Directors' proposals**

**First** - Review and discuss the Board of Directors' report for the fiscal year ended 31 December 2022

**Second** - Review and discuss the financial statements for the year ended 31 December 2022

**Third** - Voting on the auditor report on the Company's accounts for the fiscal year ending on 31/12/2022.

**Fourth** - Voting on the decision of the Board of Directors regarding the cash dividends distributed to shareholders for the first half of 2021, by (0.75) riyals and (7.5%) of the capital and a total amount of (105 million) riyals.

**Fifth** - Voting on the Board of Director's recommendation to distribute dividends amounting to (0.5) riyals per share to the shareholders for the second half of the fiscal year ending on 31/12/2022, with a percentage of (5%) of the capital and a total amount of (70 million) riyals, Provided that the 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 registry held with the Securities Depository Center Company (Edaa) at the end of the second trading day following the entitlement date.

**Sixth** - Voting on appointing 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 and third quarter and annual financial statements, of the fiscal year 2023., and the first quarter of the fiscal year 2024., and the determination of the auditor's remuneration.

**Seventh** - Voting on delegating the Board of Directors to distribute interim dividends on a biannual / quarterly basis for the fiscal year 2023.

**Eighth** - Voting on the Board of Director's decision to appoint Mr. Saad Bin Abdulaziz Al-Krouud - Non-executive Board Member - as a member in the Board of Directors from the appointment date 01/06/2022 to complete the session of the Board until the end of the current session on 31/12/2023 to succeed former member Eng. Abdullah Bin Abdulaziz Al Qaed (Non-executive member).

**Ninth** - Voting on the Board of Director's decision to appoint Eng. Ahmed Bin Saeed Al Ghamdi - Non-executive Board Member - as a member in the Board of Directors from the appointment date 01/06/2022 to complete the session of the Board until the end of the current session on 31/12/2023 to succeed former member Mr. Majid Khalid Al-Assaf (Non-executive member).

**Tenth** - Voting on the business and contracts that will be concluded Between the Southern province Cement Company and the Saudi Chemical Company Ltd., which is owned by the Saudi Chemical Holding Company in which the board member Engineer / Thamer bin Muhammed bin Muqham al-Muhaid, has an indirect interest in it as the CEO of the group. These businesses and contracts will be from 07/02/2022 until 06/02/2025, automatically renewed for a similar period and annual transaction value in 2022 is estimated at about (13 million) riyals according to the actual quantities transferred and delivered to the buyer according to the prices without preferential terms.

**Eleventh** - Voting on the business and contracts that will be concluded Between the Southern province Cement Company and the Cooperative Insurance Company, in which the board member Mr. Jasser bin Abdullah Al-Jasser, has an indirect interest in his as a member of the Board of Directors. It is a medical insurance for the company's employees, which started on 30/09/2022 for a period of one year and the value of annual transactions is estimated at about (9.5 million) riyals without preferential conditions.

**Twelfth** - Voting on concluding an Islamic financing contract from a local bank in the amount of 1,400 million riyals to finance a project to establish a production line with a capacity of 5,000 tons / day with the infrastructure of another line with the same capacity in Jazan Cement plant, with a term of more than three -years, in accordance with Article 22 of the company's articles of association.

**Thirteenth** - Voting on amendment of the company's bylaws to be consistent with the new updated Companies Bylaw.

**Fourteenth** - Voting to amend the Remuneration and Nominations Committee charter .

**Fifteenth** - Voting to amend the audit committee charter .

**Sixteenth** - Voting to amend the Remuneration and Nominations Committee charter .

**Seventeenth** - Voting to amend the Remuneration policy for members of the Board of Directors, sub-committees and senior executives .