



Arabian Cement Company
Board of Directors Annual Report
on
The Company Business for the Financial
Year (FY) Ending as of 31/12/2022.

To the 67th Annual Ordinary General Assembly Meeting
Held in Jeddah Province

ATT, Honorable shareholders of the Arabian Cement Company,

Greetings,

As the financial year of Arabian Cement Company (ACC) ends, it is with pleasure that the Board of Directors (BoD) presents its annual report on the performance of the company, and its finding for the financial year ending on 7th Jumada II, 1444 corresponding to 31st December , 2022, with the audited financial statements, along with the notes and report of the auditor for that period.

The latest statistics announced on the economic websites and information obtained from the Saudi National Committee for Cement Companies indicate that the total designed capacities in KSA amounted to approximately 72 million tons of clinker annually during 2022 without any additional expansion in production capacities, while the actual production during the year of 2022 reached 57.7 million tons of clinker, slightly higher than the previous year by about 4.6%. Regarding KSA production and demand for cement, the production and demand for cement in 2022 has slightly dropped by 2.3% compared to the previous year, reaching 50.8 million tons of cement, as a result of the slowdown in construction works on a number of vital and residential projects in the region, It is worth noting that the cement sector in KSA operate with equivalent utilization rate of 65% from the available design capacities, which leads continuously to pressure on the profit margins and the performance in general, also, the high production costs and the companies continued to export the cement to control the inventory levels from the continuous increase. Where more than 7 million tons of clinker and 1.8 million tons of cement were exported during the current year from KSA, due to the stability of domestic demand levels during the past three years (2020-2022) at the same level without any significant growth in the market size.

The number of companies operating in the cement industry doubled during the period between 2005 - 2015, reaching 17 companies compared to only 8 companies in 2005. Further, the increase in the number of competitors in the market and expansion of production capacities during the same period led to a surplus in production in several regions compared to the actual need, despite the market absorption of the quantities produced until 2015, the demand has witnessed a decline, which led to a significant reduction in average sales price. KSA cement market has been hit by recession in 2016. Consequently, signs of economic

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recovery have shown over the second half of 2019, and continued to date, due to the support provided by the government of HM the Custodian of the Two Holy Mosques through various programs that contributed by the provision of housing or appropriate financial aid to citizens and major infrastructure projects. The demand continued to recover during the first half of 2022 and moderately as result of the continued support for housing projects by the Ministry of Municipal and Rural Affairs and Housing. However, the real estate market activity witnessed a remarkable stagnation during the second half of the year 2022. It concentrated more in the residential sector, which was affected by the changes that occurred in several key factors, the most important of which is the decline in the growth rates of real estate loans granted to individuals, as the value of real estate loans granted to individuals decreased by 21% from the previous year to 120 billion riyals for the first time since 2016, as a result of high interest rates (mortgage cost) at an increase rate of about 500 basis points, reaching their highest level in the past 22 years. The continued high interest rate affected the volume of real estate developers work in expanding residential projects and selling off-plan "wafi". During the year 2022, the Company maintained its sales volume and its market share, despite the performance of the sector and the market performance in the western region, and we expect positive movement in vital projects of the Public Investment Fund (PIF), such as (The Central Jeddah Project & NEMO project) in the future.

Recent statistics on local deliveries of Saudi cement companies indicate that KSA western region's share of total deliveries amounted to 25.4% during 2022. It is expected that such share will increase upon commencing several announced strategic projects and Public Investment Fund (PIF) projects such as Jeddah Central project, in addition to the continued work on the Two Holy Mosques and Housing projects. Moreover, the presence of a few companies operating in the western region near the Red Sea provides a port for export to neighboring countries. ACC has exported its products to foreign markets during 2022, in addition to selling additional quantities of clinker locally to support the company's sales with more than eight hundred thousand tons of cement and clinker, which helped reduce the company's inventory and support its cash position.

Regarding the company's investments abroad, according to the information obtained from the Jordanian Cement Producers Association, the design capacities of the cement sector in the marginal Kingdom of Jordan amount to 8 million tons of cement annually during the year of 2022. The cement sector in the Hashemite Kingdom of Jordan also witnessed a decrease in

the demand, as the demand for cement decrease to about 3.25 million tons during the year of 2022, with a decrease from the previous year of 4.4%, where the market share of Qatrana Cement Company (subsidiary) reached 25% of the Jordanian market. The price stability in the market during 2022 helped QCC to improve its profitability during the year 2022, despite the significant increase in the selling energy costs globally due to the Russian – Ukrainian Crisis, which led to a decline in the company's profitability compared to the previous year.

The Board endeavors to achieve the maximum interest of the shareholders by following up the developments related to the successive organizational events and changes on the one hand, the developments in the market, in general, and the industrial market on the other hand, and its implications on ACC investments. In addition, the Board aims to develop programs, mechanisms, and plans, which in turn would surpass any challenges or risks with regards to the market and capital management.

In conclusion, the BoD extends its sincere thanks to you for the confidence you have placed, and calls on Allah, the Almighty to grant this country His blessings and gifts, and to preserve our journey leader, the Custodian of the Two Holy Mosques, HM King Salman bin Abdul Aziz Al-Saud, and HRH Crown Prince Mohammed bin Salman bin Abdul Aziz Al-Saud. We also extend our gratitude and appreciation to HRH Prince Khalid Al Faisal bin Abdul Aziz Al-Saud, Advisor to the Custodian of the Two Holy Mosques and Governor of Makkah Region for his support.

We would like to express a profound gratitude to the Ministry of Energy, Ministry of Industry and Mineral Resources, Ministry of Commerce, and Capital Market Authority for their cooperation, assistance, and continuous support, and to all our customers and suppliers for their ongoing collaboration. The BoD would also like to thank all the employees of the company for their sincere efforts, and their dedication to promote the company's progress and prosperity.

Company Overview:

1. **Incorporation:** Arabian Cement Company (ACC) is a Saudi joint-stock company incorporated in accordance with the Companies Law in force in the Kingdom of Saudi Arabia under Royal Decree No. 731 on Jumada I 12, 1374 H, corresponding to January 5, 1955, under C.R. No. 4030000148 issued in Jeddah on Ramadan 14, 1376 H corresponding to April 13, 1957. ACC is the first cement company in KSA and Gulf region. King Saud bin Abdul Aziz, may Allah have mercy on him, laid the foundation stone for the Jeddah plant in 1376H (1957) with a production capacity of 2000 tons of clinker per day in 1395H (1975). Due to the urban expansion, the business was relocated to the company's plant in Rabigh in 1404H (1984) with a production capacity of 4000 tons of clinker per day. Further, the Custodian of the Two Holy Mosques King Fahd bin Abdul Aziz, may Allah have mercy on him, opened it in 1406H (1986). The registered office of the company is in 8605 King Abdulaziz Road, Al-Nahda district, 23523 – 2113 Jeddah, P.O 275, 21411 Jeddah, Kingdom of Saudi Arabia.

2. **Activities:** ACC and its subsidiaries (the Company) activities shall include the following:

- a. Production of clinker, cement, building materials, related products, and derivatives inside and outside KSA.
- b. Trading in clinker, cement, building materials, related products, and derivatives inside and outside KSA.
- c. Utilization of quarries, as well as establishment of plants and warehouses required for the Company's purposes, namely manufacturing, storage, sale, purchase, import, export, and carrying out other complementary and supporting industries. To achieve such purposes, ACC may conclude all types of contracts for real estate and movable properties and enter into any type of other agreements pursuant to the applicable laws.

Further, following obtaining the necessary licenses, if any, from the competent authorities, ACC shall carry out its activities according to the adopted regulations.

ACC's plant located in Rabigh Governorate, north of Jeddah, and near the company's main markets, is the source of its main operations to produce cement and clinker. Owing to the increasing demand for cement, an expansion (line 5) was commissioned in 1417 H (1996) with a production capacity of 4000 tons of clinker per day, raising the designed capacity to 8000 tons of clinker per day.

In 1430 H (2009) a new expansion (line 6) has been commissioned with high technology and a production capacity of 7000 tons of clinker per day; in addition, the other four old lines have been shut down. The designed production capacity thus has been increased to 11000 tons of clinker per day. Further, ongoing improvements in operations resulted in achieving high

operating and functioning rates, whereby the production capacity of the company's plant reached 12200 tons of clinker per day, equivalent to 13000 tons of Ordinary Portland Cement (OPC) per day. ACC has cement grinding capacities exceeding 20000 tons per day.

In 1428 H (2007), ACC established the Qatrana Cement Company in the Hashemite Kingdom of Jordan (with ownership percentage 86.74%) with high technology and a production capacity of 5000 tons of clinker per day, equivalent to 5300 tons of Ordinary Portland Cement (OPC) per day. The company commenced commercial operation in 2011.

3. Productivity and Markets: The Company aims to sell its products in the local market, and the available export markets. The currently designed production capacity of ACC plant in Rabigh has reached 3.8 million tons of clinker per year; in addition, the cement grinding capacity amounting approximately to 6 million tons per year. ACC produces four main types of cement with high quality according to the approved local and international specifications (Ordinary Portland, Portland Pozzolana, Sulphate-Resistant, Finishing cement). The production capacity of the subsidiary company (Qatrana Cement Company) located in Jordan is 1.8 million tons of clinker annually; in addition, cement grinding capacity is about 2 million tons per year. The Company targets Jordanian markets, as well as exporting to a few neighboring countries.

I: Governance Regulations

ACC has paid attention to the implementation of corporate governance since the issuance of the Corporate Governance Regulations by the Saudi Capital Market Authority (CMA) on November 12, 2006, and the new Governance Regulations issued on February 13, 2017, whereby the company developed an effective corporate governance system, which it believes to be important on the long-term. Based on the company's keenness and strengthening its relationship with its shareholders and all its investors and stakeholders, and pursuant to the principle of disclosure and transparency, the Board approved the Governance Regulations for the Arabian Cement Company (Second version) on December 3, 2017, to maximize the value of shareholders' rights on the long-term; in addition to documentation of the company's corporate governance policies and procedures. ACC has submitted a copy of the Governance Regulations approved by the BoD to the Governance Department of CMA. The various departments of the company have also been keen to contribute to promote and strengthen the corporate governance system, ensuring that all departments have adopted the best work methods to preserve the interests of the company and its shareholders.

The company has implemented several indicative articles, including:

1. Formation of the Governance and Social Responsibility Committee. (Indicative Article according to Article 95 of Governance Regulations)
2. Formation of the Risk Management Committee (Indicative Article according to Articles 70, 71, and 72 of Governance Regulations)
3. Board evaluation (Indicative Article according to Article 41 of Governance Regulations)
4. Internal control system (Indicative Article according to Article 74, 76, 77, and 78 of Governance Regulations)
5. Organizing the relations with stakeholders (Indicative Article according to Article 83 of Governance Regulations)
6. Social Responsibility (Indicative Article according to Article 87 of Governance Regulations)
7. Social work initiatives (Indicative Article according to Article 88 of Governance Regulations)

The Corporate Governance is supervised by the Governance and Social Responsibility Committee stemming from the Board. Most of the Committee consists of independent members. Further, the Committee shall be responsible for developing plans, and programs for social responsibility activities and the development of related projects, following up their implementation. Corporate Social Responsibility Department shall follow up all the laws and regulations related to governance under the supervision of the Corporate Governance and Social Responsibility Committee. In addition, ACC voluntarily applied governance to its subsidiaries and associates.

The Remuneration and Nominations Committee has also prepared a form for evaluating the performance of the Board and the committees stemming from it since 2016, where the members of the Board participated in the evaluation process by providing their opinions. Further, the results of the evaluation for 2021 were analyzed under the supervision of the Remuneration and Nominations Committee; results and recommendations for 2021 are communicated to the Board.

ACC shall apply the provisions contained in the Corporate Governance Regulations in conformity with the Company's Articles of Association (AoA) and the Companies Law issued by the Ministry of Commerce, particularly about shareholder rights, and adhere to procedures related to disclosure and transparency, ensuring the application of disclosure and transparency standards.

B- Arabian Cement Company (ACC) applies all the provisions of the Corporate Governance Regulation, except for some of the indicative articles as follows:

Article/Clause No.	Text of Article/Clause	Reason for non-application
Article 39, clause 2 Training	Set the necessary mechanisms in place for continuous access to programs and courses by all members of the board of directors and executive management; for developing their skills and knowledge in areas relevant to company activities.	The article is still indicative
Article 41, clause E Evaluation	The board of directors shall take the necessary actions to obtain evaluation of its performance quarterly by external competent entity.	The article is still indicative
Article 54, clause B Formation of audit committee	The chairman of audit committee shall be an independent member.	The article is still indicative
Article 85, clause 1 –Staff Motivation	Composition of committees or holding specialized workshops to listen to the opinions of company's staff and discuss with them the issues and topics that are the subject of important decisions.	The article is still indicative
Article 85, clause 2 –Staff Motivation	Programs to give employees shares in the company or share of profits, retirement programs and establishment of independent fund for disbursement on those programs	The article is still indicative
Article 85, clause 3 –staff motivation	Establish social institutions for company's staff.	The article is still indicative

C- Award for Excellence in Corporate Governance:

Arabian Cement Company received the Excellence in Governance Award three times in a row during the years of (2019, 2020 and 2021) granted by the Corporate Governance Center at Al – Faisal University for being one of the best companies that demonstrate excellence in the governance among the 200 companies listed on the Saudi stock exchange market (Tadawul).

D - 2022 Milestones:

	Milestone	2022
1	Arabian Cement Company announcement of financial results of the year ended as at 31/12/2021	28/02/2022
2	Arabian Cement Company announcement of distribution of cash dividends to shareholders for the second half of 2021	28/02/2022
3	Arabian Cement Company announcement of invitation of their shareholders to attend the sixty-six ordinary general assembly meeting (first meeting) through the modern technology means.	23/03/2022
4	Arabian Cement Company announcement of invitation of their shareholders to attend the sixty-six ordinary general assembly meeting (first meeting), reminder, the beginning of electronic voting.	11/04/2022
5	Arabian Cement Company announcement the meeting result of the sixty-six ordinary general assembly (second meeting).	18/04/2022
6	Arabian Cement Company announcement of preliminary financial results of the period ended as at 31/3/2022 (three months).	15/05/2022
7	Arabian Cement Company announcement the filing of a case before the Commercial Court against Emaar (Economic City).	12/06/2022
8	Arabian Cement Company announcement of preliminary financial results of the period ended as at 30/6/2021 (six months)	09/08/2022
9	Arabian Cement Company announcement of distribution of cash dividends to shareholders for the first half of 2022.	09/08/2022
10	Arabian Cement Company announcement the latest developments for the construction of new cement mills in the plant in Rabigh.	04/10/2022
11	Arabian Cement Company announcement the filing of a case before the Commercial Court against Emaar (Economic City).	24/10/2022
12	Arabian Cement Company announcement of preliminary financial results of the period ended as at 30/9/2020 (nine months)	27/10/2022

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences.

a. Board of Directors Members

S	Name	Current Position	Previous Positions	Qualifications	Experience
1	HE. Eng. Abdullah Muhammad Nour Rahimi	Chairman of the Board of Directors at Arabian Cement Company. Retired government employee.	Managing director and CEO of Savola Group. President of General Authority of Civil Aviation. Assistant General Manager of the Saudi Industrial Development Fund (SIDF).	Bachelor's degree of mechanical engineering	Wide experience in leadership, management, finance, strategic planning, and restructure. He occupied number of administrative positions in the public and private sector in addition to his membership in board of directors of several companies.
2	Mr. Saud Abdul Aziz Al-Suleiman	Vice chairman of Arabian Cement Company. Executive director of Abdul Aziz Abdullah Al Suleiman Group.	Vice chairman of Abdul Aziz Abdullah Al Sulaiman Group	Bachelor's degree of economy and finance	35 years in management, economy, and investment.
3	Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	Board member of Arabian Cement Company. Managing director of Al Khaleej Training and Education Co.	General Director of Al-Khaleej Computers and Electronic Systems	Bachelor's degree of electrical engineering	35 years in investment management, companies' establishment, training, and education.
4	Eng. Mutaz Kusai Al-Azzawi	Board member of Arabian Cement Company. Managing his own business (managing director).	None	Bachelor's degree of computer engineering	24 Experience in investment management and contracting and membership of board of directors
5	Mr. Turki Abdullah Al-Rajhi	Board member of Arabian Cement Company.	General Director of National Polyester Fibers Factory Co. General Director of Al-Rajhi Plastic Factory Co.	Bachelor's degree of industrial management	25 years in management and industry.



S	Name	Current Position	Previous Positions	Qualifications	Experience
6	Mr. Fahad Abdullah Al-Issa	Board member of Arabian Cement CEO of Amias Holding Company.	Executive director of investment of Amias Holding Company. Investment Banking Officer at Jadwa Investment Company. Financial analyst at JPMorgan Chase & Co.	Master's degree of Business Administration	15 years in investment, banking, and finance
7	Mr. Abdullatif Ali AlSaif	Board member of Arabian Cement Company. Managing Director and CEO of Sabeen Investment Company.	CEO of Al Ra'idah Investment Company. Executive Vice President the King Abdullah Humanitarian Foundation. Investment portfolio director of MASIC. Head of investment portfolio of Saudi Arabian Oil Company (Saudi Aramco).	Master's degree of economy –Master of Business Administration	21 years of credit, finance, and investment experience
8	Mr. Yousef Saleh Abalkhail	Board member of Arabian Cement Company.	31 years of experiences in public & private sector.	Master of Science and Information Systems University of Southern California 1987	Participation in the presidency and membership of joint stock companies and the committees emanating from them.
9	Eng. Mohammed Hamed Alklaiby	Board member of Arabian Cement Company. CEO of Ibdaa Watan Food Trading Company	Executive Vice President of United Sugar, Company, Senior Vice President of Savola Company, Chief Executive Officer of Savola Company, Adviser to HE the Ministry of Economy and Planning, and Adviser to HE the Minister of Hajj and Umrah.	Bachelor's degree in Industrial Engineering in 1994 and a Mini master's in business administration in 2005	Management and consulting experiences.

B- Committee Members

S	Name	Membership of Committees	Current Position	Previous Positions	Qualifications	Experience
1	Eng. Muraz Kusai Al-Azzawi	Chairman of Audit Committee. Chairman of risk management committee.	Board member of Arabian Cement Company. Managing his own business (managing director)	None	Bachelor's degree of computer engineering	24 years in investment management and contracting and membership of board of directors
2	Mr. Fahad Abdullah Al-Issa	Member of Audit Committee. Member of risk management committee.	Board member of Arabian Cement Company. CEO of Amias Holding Company	Executive director of investment of Amias Holding Company. Investment Banking Officer at Jadwa Investment Company. Financial analyst of JPMorgan Chase & Co.	Master's degree of Business Administration	15 years in investment, banking, and finance

S	Name	Membership of Committees	Current Position	Previous Positions	Qualifications	Experience
3	Mr. Abdul Latif /Ali /Al-Sief	Member of Audit Committee.	Board member of Arabian Cement Company. Managing Director and CEO of Sabeen Investment Company.	CEO of Al Ra'idah Investment Company. Executive Vice President the King Abdullah Humanitarian Foundation. Investment portfolio director of MASIC. Head of investment portfolio of Saudi Arabian Oil Company (Saudi Aramco).	Master's degree of economy –Master of Business Administration	21 years of credit, finance, and investment experience
4	Mr. Abdul Aziz Saleh /Aba /Al-Khail	Member of Audit Committee. (Member from outside the board)	General manager of internal audit in the Ministry of Defense.	General manager of internal audit in National Industrialization Company (Tasnee)	Master of Finance Management. Bachelor's degree of Industrial engineering	25 years in private and government sector in internal audit, compliance, and risk management.
5	Mr. Naif Musnad /Al-Musnad	Member of Risk Management Committee. (Member from outside the board)	CEO and Managing Director of Al Jazira Capital.	CEO of Wealth management in NCB Capital. Occupy number of leadership positions at Barclays Saudi Arabia, Capital Market Authority and Ernst & Young.	Master of Business administration	16 years in Strategy development, business and product development and governance
6	Eng. Al-Waleed Abdul-Razzaq /Al-Dryaan	Chairman of Remuneration and Nomination Committee. Chairman of Governance and social responsibility committee.	Board member of Arabian Cement Company. Managing director of Al Khaleej Training and Education Co.	General Director of Al-Khaleej Computers and Electronic Systems.	Master's degree of electrical engineering	35 years in management, establishment companies training, and education.

S	Name	Membership of Committees	Current Position	Previous Positions	Qualifications	Experience
7	Mr. Turki Abdullah Al-Rajhi	Member of Remuneration and Nomination Committee. Member of Governance and social responsibility committee.	Board member of Arabian Cement Company.	General Director of National Polyester Fibers Factory Co. General Director of Al-Rajhi Plastic Factory Co.	Bachelor's degree of industrial management	25 years in management and industry
8	Mr. Yousef Saleh Abalkhail	Member of Remuneration and Nomination Committee. Member of Governance and social responsibility committee.	Board member of the Arabian Cement Company.	31 years in the public and private sector	Master of Science and information system, university of Southern California 1987	Participation in the presidency and membership of joint stock companies and the committees emanating from them.

C- Executive Management

S	Name	Current Position	Previous Positions	Qualifications	Experience
1	Dr. Badr Osama Johar	Chief Executive Officer	CEO of Najran Cement Company from 2015 until March 31, 2018. He held several positions in Yanbu Cement Company until the position of Assistant to CEO for projects and planning in the company in the year of 2012.	PhD of Industrial Engineering. Mater of Engineering management Bachelor of Industrial Engineering.	More than 14 years of experience in project management and cement industry.
2	Mr. Moataz Mohammed Mortada	Chief Financial Officer,	The Board member and Finance Director of Duravit Sanitary Ware Company, Board member and Finance Director of the Arab Sanitary Ware Company, and the Executive Vice President for Financial Affairs of the Arabian Cement Company, General Manager, Financial Department, Halwani Brother Company, Director of Financial Operations, Bupa Arabia for Cooperative Insurance Company, Financial Controller, Unilever	Bachelor of commerce, accounting department, Certified Public Accountant (CPA)	23 years of varied experience in external and internal audit, finance, accounting, 11 years in Stock companies and its affiliates in KSA
4	Eng. Waleed Atef Obeidat	Acting Chief Operations Officer	Plant Manager of Qatrana Cement Company	Bachelor of Chemical Engineering	26 years of varied experience in the cement industry



III: Names of companies inside or outside the Kingdom where a Board member holds a post in its existing, former Board or one of its directors

Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside KSA	A Board member holds a post in its former Board or one of its directors	Inside /outside KSA
IE. Eng. Abdullah Muhammad Nour Rahimi	Savola Food Company (Closed Joint Stock Company) Membership of the Board of Directors of Savola World	Inside KSA Inside KSA	<ol style="list-style-type: none"> 1. Knowledge Economic City Company (Listed Joint Stock) 2. Almarai Company (Listed joint stock). 3. The National Cooperative Insurance Company (Listed joint stock). 4. Saudi Cable Company (Listed joint stock). 5. Alujain Company (Listed joint stock). 6. Eastern Province Cement Company (Listed joint stock). 7. Panda Retail Company (Closed joint stock). 8. Saudi Arabian Airlines (Government entity). 9. Saudi Turkish Investment Holding Company (Closed joint stock). 10. National commercial Bank (closed joint stock). 11. Saudi business development corporation (non-profit). 12. The social development bank (formerly credit and savings bank) is a governmental institution. 	Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA



Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside KSA	A Board member holds a post in its former Board or one of its directors	Inside /outside KSA
			<p>13. Saudi Turkish Investment Company (Closed joint stock).</p> <p>14. Bin Laden International Holding Group (Closed joint stock).</p> <p>15. JP Morgan Chase Bank Saudi Arabia</p>	<p>Outside KSA</p> <p>Inside KSA</p> <p>Inside KSA</p>
Mr. Saud Abdul Aziz Al-Suleiman	1. Gulf General Cooperative Insurance Company (Listed joint stock)	Inside KSA	Saudi Arabian Refineries Company (Listed joint stock)	Inside KSA
	2. Qatrana Cement Company (Closed Joint Stock)	Outside KSA		
	3. Ready Mix Concrete and Construction Supplies Company (Listed joint stock)	Outside KSA		
Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	1. Al Khaleej Training and Education Co.	Inside KSA		
	2. Allianz Saudi Cooperative Insurance Co.	Inside KSA		
	3. Inayah Co.	Outside KSA		
	4. Malaz Capital Company	Outside KSA		
	5. Fast Link Company UAE	Outside KSA		
	6. Al Khaleej Training and Technology Co. Egypt	Outside KSA		
	7. Online Trading Academy- UAE	Outside KSA		
	8. New Horizons computer Learning Co. USA	Outside KSA		
	9. Franklin Covey Co. UAE	Outside KSA		
	10. Linguaphone Group/ Direct English- United Kingdom	Outside KSA		
Eng. Mutaz Kusai Al-Azzawi	1. Riyadh Bank (Listed joint stock)	Inside KSA	Merle Lynch (closed joint stock)	Inside KSA
	2. Savola Group (Listed joint stock)	Inside KSA		
	3. Etihad Etisalat Company (Listed joint stock)	Inside KSA	ElFarrasha for Food Industries Company (Closed joint stock).	Outside KSA
	4. Herfy Food Services Company (Listed joint stock)	Inside KSA		
	5. Savola Foods Co. (closed joint stock)	Inside KSA		
			Kusai Al-Azzawi and sons Company	Inside KSA



Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside KSA	A Board member holds a post in its former Board or one of its directors	Inside /outside KSA
	6. United Sugar Company (closed joint stock)	Inside KSA		
	7. Afia International Company (closed joint stock)	Outside KSA		
	8. United Sugar Company of Egypt (closed joint stock)	Outside KSA		
	9. Alexandria Sugar Company (closed joint stock)	Outside KSA		
	10. Al Malikah for Food Manufacturing (closed joint stock)	Outside KSA		
	11. Qatrana Cement Company (Closed Joint Stock)	Inside KSA		
	12. Ready Mix Concrete and Construction Supplies Company (Listed joint stock)	Inside KSA		
	13. Saudi Technology and Trade Company (L.L.C)	Inside KSA		
	14. Saudi Industrial Construction & Engineering Projects (L.L.C)	Inside KSA		
	15. Brokers Development Company (L.L.C)	Inside KSA		
Mr. Turki Abdullah Al-Rajhi	1. Abdulaziz Al-Rajhi & Sons Holding Company	Inside KSA	AlRajhi Industrial Group	Inside KSA
	2. AlRajhi First Holding	Inside KSA		
	3. Al-Rajhi Charitable Foundation	Inside KSA		
	4. Qatrana Cement Company (Closed Joint Stock)	Inside KSA		
Mr. Fahad Abdullah Al-Issa	1. Amias Holding Company (L.C.C)	Inside KSA	1. Sukoon International Co. (Closed Joint Stock)	Inside KSA
	2. Assila Investment Company (Closed Joint Stock)	Inside KSA		
	3. Bio Food Company (L.C.C)	Inside KSA	2. National Medical Care Co. (Listed Joint Stock)	Inside KSA
	4. Qatrana Cement Company (Closed Joint Stock)	Inside KSA		
	5. Valcovinst Ltd (L.C.C)	Outside Kingdom		
	6. AlBorg Labs (Closed Joint Stock)	Inside KSA		
	7. Dur Hospitality Company (Joint Stock Company)	Inside KSA		
Mr. Abdul Latif Ali Al-Sief	1. Al Rajhi Bank (Listed joint stock)	Inside KSA	HSBC Saudi Arabia (Closed Joint Stock Company) Combined visions Company (L.C.C) Leading Investment company (Closed joint stock company)	Inside KSA Inside KSA Inside KSA Inside KSA
	2. Sabeen Investment Company (Closed Joint Stock)	Inside KSA		
	3. Wisayah Global investment Company (Limited liability)	Inside KSA		
	4. The Arab Company for Internet and Communications services (Solutions) (Listed joint stock company)	Inside KSA		
	5. Saudi Company for Agriculture Investment and Animal Production	Inside KSA		
Mr. Yousef Saleh Abalkhail	1. AXA Cooperative insurance Company (Listed joint stock)	Inside KSA	1. National Glass Industries Company (Glass) (Listed joint stock)	Inside KSA Outside KSA
	2. Arab Pipe Company (Listed joint stock)	Inside KSA		

Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside KSA	A Board member holds a post in its former Board or one of its directors	Inside /outside KSA
	3. Saudi Ceramic Company (Listed joint stock)	Inside KSA	2. Guardian Global Flat Glass Industry (Limited liability). 3. Saudi National Lighting and Electricity Company (Listed joint stock) 4. Qassim Cement Company (Listed joint stock) 5. Saudi Shuaa Capital Company (Limited liability). 6. Al Rajhi Steel Industries Company (Limited liability). 7. National Gypsum Company Ltd. (Limited liability).	Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA Inside KSA
Eng. Mohammed Hamed Alklaiby	Halawani Brothers Company (Listed joint stock) Ibdaa Watan Food Trading Company (Limited liability).	Inside KSA Inside KSA	-	-

IV: Composition and Classification of the Board of Directors

Member Name	Membership Classification (Executive/ Non-Executive/ Independent)
1- H.E Engineer Abdullah Mohammad Noor Rehaimi	Independent
2- Mr. Saud Abdul Aziz Al-Suleiman	Non-Executive
3- Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	Independent
4- Eng. Mutaz Kusai Al-Azzawi	Non-Executive
5- Mr. Turki Abdullah Al-Rajhi	Non-Executive
6- Mr. Fahad Abdullah Al-Issa	Non-Executive
7- Mr. Abdul Latif Ali Al-Sief	Independent
8- Mr. Yousef Saleh Abalkhail	Independent
9- Eng. Mohammed Hamed Alklaiby	Independent

V: Procedures taken by BOD to inform its members, - especially non-executives-, of shareholders' proposals and comments about the company and its performance

The BOD has not received any comments from the shareholders regarding the company and its performance. The BOD is keen to ensure that most of its members, especially non-executives, attend the General Assembly meetings, noting that all shareholders' inquiries and questions are answered and documented in the minutes of the assemblies.

VI: A brief description of competencies and functions of the main Board committees

1. **Audit Committee:** According to the governance regulation, the committee's tasks are briefed in monitoring, supervision, reviewing and studying the following:

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- The performance and activities of the internal audit in the company.
- Internal control system and controls.
- Accounting policies.
- Financial statements.
- Recommendation to BOD to nominate and dismiss auditors, determine their fees, evaluate their performance, and verify their independence.
- Contracts and proposed transactions that the company conduct with related parties, if any.
- Express the technical opinion - upon the request of BOD - on whether the report of BOD and the financial statements of the company are fair and understood and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategies.

Name	Nature of Membership	Number of meetings (4) meetings during the year 2022				Attendance %
		Feb 27	May 15	Aug 03	Oct 27	
Eng. Mutaz Kusai Al-Azzawi	Non-executive	☑	☑	☑	☑	100%
Mr. Fahad Abdullah Al-Issa	Non-executive	☑	☑	☑	☑	100%
Mr. Abdul Latif Ali Al-Sief	Independent	☑	☑	☑	☑	100%
Mr. Abdul Aziz Saleh Aba Al-Khail	Non-Board	☑	☑	☑	☑	100%

(Note: BOD decided to authorize the Audit Committee to approve the preliminary quarterly financial results at its meeting No. 533 on 27/02/2022).

2. **Risk Management Committee:** According to the Governance Regulations, the tasks of the Risk Management Committee are briefed as follows:

- Developing a comprehensive risk management strategy and policies that comply with the nature and size of the company's activities, verifying their implementation, reviewing, and updating them based on the internal and external variables of the company.
- Determining and maintaining an acceptable level of risk that the company may be exposed to and checking that the company has not exceeded it.
- Ensuring the viability of the company continuation and the successful continuation of its activity, preventing the identification of risks threatening its continuation over the next 12 months.
- Supervising the company's risk management system and assess the effectiveness of systems and mechanisms for identifying, measuring, and monitoring risks to which the company may be exposed; This is to identify shortcomings.
- Periodic reassessment of the company's tolerability of risks and exposure to it (e.g., during endurance tests).

- Preparing detailed reports regarding exposure to risks and the proposed steps for managing these risks and submitting them to BOD.
- Submitting recommendations to BOD on issues related to risk management.
- Ensuring the availability of sufficient resources and systems for managing risks.
- Reviewing the organizational structure of risk management and making recommendations regarding it before being approved by BOD.
- Ensuring that the risk management personnel are independent from the activities that may result in exposing the company to risks.
- Ensuring that the risk management personnel understand the risks surrounding the company and working on increasing awareness of the risk culture.
- Reviewing issues raised by the Audit Committee that may affect the risk management in the company.

Name	Nature of Membership	Number of meetings (2) meeting during the year 2022		Attendance %
		6 June	7 Dec	
Eng. Mutaz Kusai Al-Azzawi	Non-executive	☑	☑	100%
Mr. Fahad Abdullah Al-Issa	Non-executive	☑	☑	100%
Mr. Naif Musnad Al-Musnad	Non- Board	☑	☑	100%

3. **Remuneration and Nomination Committee:** According to the Governance Regulations, the tasks of the Remuneration and Nominations Committee are briefed as follows:

- Preparing a clear policy for the remuneration of members of BOD and the sub-committees and the Executive Management and submitting them to the Board for consideration in preparation for approval by the General Assembly, considering in this policy that standards related to performance are followed, disclosed and their implementation verified.
- Recommending to BOD the remuneration of members of the Board, the sub-committees, and the senior executives of the company, in accordance with the approved policy.
- Studying the issues referred to it by BOD and taking decisions if the board delegates this to the committee.
- Proposing clear policies and standards for membership in BOD and the Executive Management.
- Recommending to BOD to nominate and re-nominate members in accordance with the approved policies and standards, considering not to nominate any person previously charged of a breach of trust.
- Annual review of the necessary needs of skills or appropriate experiences for board membership and Executive Management functions.

- Reviewing the structure of BOD and Executive Management and make recommendations regarding changes, which can be made.
- Annually verifying the independence of independent members and that there is no conflict of interest if the member occupies BOD membership of another company.
- The committee proposes to BOD the necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and Executive Management.
- Identifying weaknesses and strengths points of BOD and proposing solutions to address them in a way that comply with the company's interest.

Name	Nature of Membership	Number of meetings (5) meetings during the year 2022					Attendance %
		Feb 9	April 6	June 5	Sep 11	Dec 4	
Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	Independent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Turki Abdullah Al-Rajhi	Non-executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Yousef Saleh Abalkhail	Independent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%

4. **Governance and Social Responsibility Committee:** According to Governance Regulations, the tasks of the Governance and Social Responsibility Committee are briefed in the following:

- Set corporate governance rules (Governance Regulation), monitor their implementation, verify their effectiveness, amend them upon need, and approve them by BOD.
- Verify that the company commitment to corporate governance rules.
- Review and update the company's corporate governance rules according to regulatory requirements and best practices.
- Review and develop the rules of professional conduct that represent the company's values.
- Submit to BOD to keep informed of developments in the field of corporate governance and best practices, and to provide BOD at least annually with reports and recommendations reached.
- Review HR management issues, including HR policies and procedures, company structure, Saudization and nationalization of jobs in the company in accordance with the regulations of the Ministry of Human Resources and Social Development and Nitaqat program.
- Develop an induction program for new board members that includes all-important fields related to the nature of the company's business.
- Develop programs and determine the necessary means to launch the company's initiatives in the field of social work and follow up on their implementation in accordance with the authorization of BOD.
- Propose to BOD a policy that ensures a balance between the objectives of the company and the objectives that society aspires to achieve; with the purpose of

developing the social and economic conditions of society and submitting them to the General Assembly.

- Establish measurement indicators linking the company's performance with the initiatives it provides in social work and compare this with other companies of similar activity.
- Disclose the objectives of social responsibility adopted by the company to its employees, and their awareness and education.
- Disclose the plans to achieve social responsibility in the periodic reports related to the company's activities.
- Prepare the basis and standards of company social responsibility.
- Prepare an executive plan and an estimated budget for social responsibility programs.

Name	Nature of Membership	Number of meetings (4) meetings during the year 2022				Attendance %
		Feb 9	June 5	Sep 11	Dec 4	
Eng. AL-Waleed Abdul-Razzaq Al-Dryaan	Independent	☑	☑	☑	☑	100%
Mr. Turki Abdullah Al-Rajhi	Non-executive	☑	☑	☑	☑	100%
Mr. Yousef Saleh Abalkhail	Independent	☑	☑	☑	☑	100%

VII: Evaluation means adopted by BOD on its own performance and performance of its committees, members and third party that carried out the evaluation and its relationship to the company

The Remuneration and Nominations Committee has prepared and approved a form to evaluate the performance of BOD and just the internal sub-committees without the assistance of external authority, since 2016, whereas the board members participated in the evaluation process by providing their opinions, where the evaluation results are analyzed under the supervision of the Remuneration and Nominations Committee and then recommendations are submitted to BOD.

VIII: Disclose the remuneration of Board members, its committees, and executive management

The Company's Remuneration and Nominations Committee has prepared a policy for the remuneration of BOD members, sub-committees of the Board and senior executives, and it was approved by the Company's Ordinary General Assembly in its meeting held on December 3, 2017, Without prejudice to the provisions of the Companies Law, Capital Market Authority Law and their implementing regulations, and the Company's Articles of Association, the following shall be taken into account in the remuneration policy:

1. Alignment with the company's strategy and objectives, its consistency with the size, nature and class of risks of the company, and to provide remuneration for the purpose of inducing Board members and Executive Management to develop the company in the long term, and remunerations are determined according to the position level, tasks and responsibilities assigned to the occupant, academic qualifications, and practical experience, skills and level of performance, Taking into account the practices of other companies in determining remuneration, with avoiding the unjustified increase in remunerations and compensations that may result from that, aiming to attract, maintain and motivate professional competencies, with no exaggeration.
2. Accurate, transparent, and detailed disclosure in the report of BOD regarding the remunerations granted to its members, committees, and Executive Management, directly or indirectly, without concealment or misleading, whether they are sums, benefits, or advantages, whatever their nature and name.
3. The remuneration granted to members of BOD, committees and Executive Management shall be obliged to what is stated the applicable and approved remuneration policy in the company, so that there is no fundamental deviation in determining those remuneration from what was stated in that policy such as terms and conditions for entitlement of the annual remuneration.
4. Details of the remuneration and compensation of board members, committees, and five senior executives will be detailed in the following tables:

A. Remuneration of BOD Members during the year 2022

Name	Fixed Remunerations							Variable Remunerations						Leaving	Total	Expenses (Transportation - Accommodation)
	A certain amount (annual remuneration)	Attendance allowance	Total Attendance	Membership remuneration	Attendance allowance	Chairman of Board Remuneration	Total	Percentage of profits	Periodic Remunerations	Short-term incentive	Long-term	Value of shares	Total			
I: Independent Members																
HE Eng. Abdullah Mohammad Nur Rehaim	218,000	20,000	8,000	-	-	200,000	446,000	-	-	-	-	-	-	-	446,000	-
Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	300,000	20,000	36,000	-	-	-	356,000	-	-	-	-	-	-	-	356,000	20,000
Mr. Abdul Latif Ali Al-Sief	300,000	20,000	16,000	-	-	-	336,000	-	-	-	-	-	-	-	336,000	29,063
Mr. Yousef Saleh Abalkhail	300,000	20,000	36,000	-	-	-	356,000	-	-	-	-	-	-	-	356,000	23,109
Eng. Mohammed Hamed Alklaiby	300,000	20,000	4,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	-
Total	1,418,000	100,000	100,000	-	-	200,000	1,818,000	-	-	-	-	-	-	-	1,818,000	72,172

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I: Non-executive Members																
Mr. Saud Abdul Aziz Al-Suleiman	300,000	20,000	-	120,000	32,000	-	472,000	-	-	-	-	-	-	-	472,000	-
Eng. Mutaz Kusai Al-Azzawi	200,000	20,000	32,000	120,000	32,000	-	404,000	-	-	-	-	-	-	-	404,000	55,114
Mr. Turki Abdullah Al-Rajhi	170,000	20,000	40,000	60,000	32,000	-	322,000	-	-	-	-	-	-	-	322,000	25,000
Mr. Fahad Abdullah Al-Issa	272,000	20,000	32,000	60,000	36,000	-	420,000	-	-	-	-	-	-	-	420,000	35,796
Total	942,000	80,000	104,000	360,000	132,000	-	1,618,000	-	-	-	-	-	-	-	1,618,000	115,910

Note 1: 2022 Remuneration shall be disbursed after the General Assembly approves BOD recommendation regarding the remuneration of Board members.

Note 2: An internal Marketing/Investment task force has been formed from the BoD members and Executive Management. The member receives an attendance allowance of 4,000 riyals per session, and an annual bonus of 50,000 riyals.

Note 3: BOD Members shall not receive any benefits in kind or remuneration for any technical, administrative, or advisory work.

Note 4: BOD member who represents the company in the subsidiary and associate companies BOD shall receive an amount of SAR 60,000 annually.

Note 5: An Audit Committee member shall receive an amount of 100,000 SAR not included within the maximum remuneration ceiling of SAR 500,000 according to Law.

B. Senior Executive Remunerations

Five senior executives	Fixed Remunerations				Variable Remunerations						Leaving indemnity	Total remuneration	Total Gross
	Salaries	Allowances	Benefits in kind	Total	Periodic Remunerations	Profits	Short-term	Long-term	Shares granted	Total			
	3,703,428	1,448,452		5,151,880	1,035,986	-	-	-	-	1,035,986	-	-	6,187,866

Arabian Cement has disclosed the total compensation and remuneration of its executive management in a lump sum as per the regulations as per article (93) clause "4" item "B" of Corporate Governance Manual by CMA. However, and to protect the company's interest, its shareholders, and its employees and to avoid unnecessary harm because of detailed disclosure of the remunerations as per positions and job titles, we optioned not to disclose as per the appendix (1) of the top executive in the corporate governance manual.

C. Remuneration of Committees Members

Name	Fixed Remunerations (Except for the allowance for attending the sessions)	Sessions Attendance Allowance	Total
Audit Committee Members (Remuneration of the Audit Committee members was determined by the 7 th Extraordinary General Assembly held on April 18, 2017)			
Eng. Mutaz Kusai Al-Azzawi	100,000	16,000	116,000
Mr. Fahad Abdullah Al-Issa	100,000	16,000	116,000
Mr. Abdul Latif Ali Al-Sief	100,000	16,000	116,000
Mr. Abdul Aziz Saleh Aba Al-Khail	100,000	16,000	116,000
Total	400,000	64,000	464,000
Members of the Risk Management Committee			
Eng. Mutaz Kusai Al-Azzawi	50,000	8,000	58,000
Mr. Fahad Abdullah Al-Issa	50,000	8,000	58,000
Mr. Naif Musnad Al-Musnad	60,000	8,000	68,000
Total	160,000	24,000	184,000
Members of the Remuneration and Nomination Committee			
Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	50,000	20,000	70,000
Mr. Turki Abdullah Al-Rajhi	50,000	20,000	70,000
Mr. Yousef Saleh Abalkhail	50,000	20,000	70,000
Total	150,000	60,000	210,000
Members of the Governance and Social Responsibility Committee			
Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	50,000	16,000	66,000
Mr. Turki Abdullah Al-Rajhi	50,000	16,000	66,000
Mr. Yousef Saleh Abalkhail	50,000	16,000	66,000
Total	150,000	48,000	198,000

Name	Fixed Remunerations (Except for the allowance for attending the sessions)	Sessions Attendance Allowance	Total
Members of the Marketing Task Force			
Eng. Mohammed Hamed Alklaiby	50,000	4,000	54,000
Mr. Turki Abdullah Al-Rajhi	50,000	4,000	54,000
Dr. Badr Osama Johar	50,000	8,000	58,000
Total	150,000	16,000	166,000
Members of the Investment Task Force			
HE Eng. Abdullah Mohammad Nur Rehaimi	50,000	8,000	58,000
Eng. Mutaz Kusai Al-Azzawi	50,000	8,000	58,000
Mr. Fahad Abdullah Al-Issa	50,000	8,000	58,000
Dr. Badr Osama Johar	50,000	8,000	58,000
Total:	200,000	32,000	232,000

IX: Any penalty, sanction, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory, or judicial authority.

There is no penalty, or precautionary restriction imposed on the Company by the Capital Market Authority or by any regulatory, judicial authority.

X: Results of the Annual Review of The Company's Internal Control Procedures Effectiveness

1. Results reached by BOD through its annual review of internal control procedures effectiveness in the company:

The existence of an effective internal control system is one of the main responsibilities assigned to BOD, and the main task of the Audit Committee is to verify the adequacy of the internal control system and to implement it effectively, and to submit any recommendations to BOD that would develop the system in a way that achieves the company's objectives and protects the interests of shareholders and investors with high efficiency and a reasonable cost. The Audit Committee shall have unrestricted access to all information, statements, reports, records, correspondence, or other matters that

the committee deems important to review, and BOD shall take all measures to ensure that the committee performs its duties.

The internal control system aims to ensure that the company's objectives are effectively and efficiently achieved, and one of the most important elements that the company has in order to support the internal control system is the policies approved by BOD, financial and administrative authority schedules and an administrative structure that clarify the administrative hierarchy and facilitate communications, an accounting system and remuneration for results according to PI and approved budgets, a guide to work ethics and behavior, a delegating powers system, qualified human resources, a system for maintaining records and company assets, separation of tasks, and a program for compliance with regulations and laws.

2. Opinion reached by the audit committee on the adequacy of the company's internal control system.

Within the limits of its functions, The Committee shall examine the periodic reports prepared by the company's internal audit department, as well as review the results of the external auditor work to assess the company's control environment, and the committee shall also follow up on the recommendations reached by other supervisory authorities to address the observations and follow up on their correction. The Executive Management of the company shall sign the letter of representation periodically, which confirms its responsibility to adhere to the regulations, laws, approved policies, and control procedures, considering that any internal control system, regardless of its degree of efficiency and effectiveness, cannot provide absolute confirmation regarding the effectiveness of internal applicable control systems. Accordingly, the committee has not received any evidence of any fundamental weakness in the company's internal control systems.

XI: Audit Committee recommendations on the need to appoint an internal auditor in the company.

No such recommendation from the Audit Committee as there is already an existing internal auditor in the company.

XII: Audit Committee recommendations conflicting with board of directors' decisions or rejected by the board in relation to appointing, dismissing, setting fees, and evaluating the performance of the company's auditor or appointing an internal auditor.

No such conflict or rejection between Audit Committee recommendations and Board of directors' decisions.

XIII: Details of the company's social contributions during 2022.

ACC's is keen to achieve its strategy related to social responsibility, as it has taken upon itself, in terms on social responsibility, to play the leading role in achieving strategic partnership and

providing qualitative support to civil society institutions by supporting social program, as it sponsors many programs aimed at serving the community and the company's employees through cooperation with government agencies, awareness and charitable societies, which is a responsibility and commitment that the company is pleased to present in confirmation of its mission towards society. And the belief of ACC in the importance of its social and humanitarian responsibilities and that it goes beyond its activities in manufacturing, business and making profits to carrying out its social duties according to modern concepts, as the ACC doubled its efforts to support the community and employees in a proactive and effective manner, and the company has also worked on studying programs through which it can contribute to the support the community and increase employee job satisfaction.

ACC has been developing its strategy in the field of social responsibility to make its programs more effective and in depth. During the year 2022, ACC contributed to the implementation of many different social and humanitarian activities for the community and the company's employees, in confirmation of its role in the community for total of (40) as follows:

#	Event or program name	The beneficiary	The goal from the event or program
1	Celebration of the Saudi Founding Day of the KSA	Company employees	Participation in national events
2	General aptitude test strategies and skills	High school students	Improve skills
3	Participation in the International Day of Civil Defense	Community	Awareness and precaution
4	Awareness campaign on kidney disease	Community	Awareness and precaution
5	Training course for university students to learn about the industry	University students	Improve skills
6	Free educational session on (Corporate Governance)	Community	Developing skills and knowledge
7	Annual Ramadan Iftar for employees	Company employees	Communications
8	Ramadan competitions for employees	Company employees	Support
9	Donate to kidney dialysis private center	Bassem Khayat Charitable dialysis center	Medical support
10	Honoring the Distinguished Security Man	Security Man	Support
11	Assistance of 1,000 baskets of foodstuffs	Community	Supporting families most in need
12	Participate and contribute to the second meeting of social responsibility	Community	Share Knowledge
13	Supporting the Holy Quran memorization association	Community	Support
14	Supporting general education students with tablets	Community – Ministry of Education	Supporting families most in need
15	Registering an autistic child in the Learning Academy	Community	Support education



16	Swimming courses for employees and children of employees	Company employees	Support
17	Team leadership course	Company employees	Support
18	(Educate me) initiative to train male and female volunteers	Alfaisaliah Charity Association	Develop Volunteer skills
19	Supervisory and management skills development course	Company employees	Developing skills
20	A community course entitled The Art of Hospitality and Management	Community	Developing skills
21	(Where is my place) initiative to support people with disabilities	Community	Integrating people with disabilities into society
22	An initiative to restore the homes of needy families in the city of Jeddah	Jeddah Eyes Association	Supporting families most in need
23	Recreational trip for employees	Company employees	Entertaining
24	Job simulation in cooperation with the Misk Foundation	Job seekers	Developing skills
25	Celebration of the National Day of the Kingdom of Saudi Arabia 92	Company employees	Participation in national events
26	Organizing an Umrah program for the company's employees	Company employees	Religious program
27	An awareness program for the company's female employees about Breast Cancer	Female employees	Awareness and precaution
28	Participation in the Saudi Green Initiative	Environment	Increase the green area
29	Bullying awareness	Community	Awareness and precaution
30	Organizing a program to visit Medina for the company's employees	Company employees	Religious program
31	Breast cancer early detection campaign	Community	Awareness and precaution
32	First aid development course	Company employees	Development
33	Seasonal influenza vaccination campaign	Company employees	precaution
34	School bag for children of prisoners' families	Community though (Tarahom) committee	Support prisoners' families
35	The developmental course to manage meetings	Company employees	Development
36	The Saudi national team supported the 2022- world cup	Company employees	Provide screens to display matches
37	Marthon support (we are just like the others)	Badghish Day Care Center	Support for people with autism
38	Providing a medical device for a Saudi patient	Community	Medical assistance
39	Honoring employees who have spent 25 years serving the company	Company employees	Honor and motivate
40	The annual meeting of employees and their families	Company employees and their families	Encouragement and communication



XIV: Below table outlines dates of shareholders' general assemblies that were held during the last FY and the names of board members present at these assemblies:

Sr.	Name	Attendance Record
		66 th meeting of the Regular General Assembly dated 17/4/2022
1	H.E. Eng. Abdullah Mohammad Nour Rehaimi	<input checked="" type="checkbox"/>
2	Mr. Saud Abdulaziz Abdullah Al-Suleiman	<input checked="" type="checkbox"/>
3	Eng. Al Waleed Abdul Razzaq Al Dryaan	<input checked="" type="checkbox"/>
4	Eng. Mutaz Kusai Hassan Al-Azzawi	<input checked="" type="checkbox"/>
5	Mr. Turki Abdullah Abdulaziz Al-Rajhi	<input checked="" type="checkbox"/>
6	Mr. Fahad bin Abdullah Al-Issa	<input checked="" type="checkbox"/>
7	Mr. Abdul Latif Ali Al-Sief	<input checked="" type="checkbox"/>
8	Mr. Yousef Saleh Abalkhail	<input checked="" type="checkbox"/>
9	Eng. Mohammed Hamed Alklaiby	<input checked="" type="checkbox"/>

XV: Description of the type of main activities in the company, its subsidiaries, and associates.

Activities in ACC and its subsidiaries (The Company) revolves around producing clinker, cement, construction material, related products, derivatives, and trading in them. To achieve its objective, the company should enter all types of contracts, in real estate and movables, and to enter into any other agreements to the extent determined by applicable laws and Statute.

1- Arabian Cement Company (Company's operations in the KSA):

In 2022, the total production achieved by the company reached 3.46 million ton of cement, compared to an amount of 3.40 million ton in 2021, which accounts for an increase by 0.06 million ton with an increase of 1.9%. On the other hand, Clinker production for 2022 reached 3.75 million ton, compared to 3.60 million ton achieved in 2021, which accounts for an increase by 0.15 million ton and an increase of 4.19%. Company's total sales of clinker and cement amounted to SAR 665.4 million by the end of December 2022, compared to SAR 693.5 million in 2021, which account for a decrease by 28.1 million riyals or of 4.05%. This is a result of the decrease in sales of cement and clinker, as well as export sales compared with the previous year 2021.

2- Arabian Cement Bahrain Holding Company (Kingdom of Bahrain) – Subsidiary:

On November 5th, 2007, Arabian Cement Bahrain Holding Company was established in the Kingdom of Bahrain for the purpose of managing the company's subsidiaries and investing its money in shares, bonds, and securities, in addition to owing real estates and movables, to initiate its activities and provide loans, guarantees and funding to its subsidiaries. ACC owns a 100% of the Arabian Cement Bahrain Holding, whereas the latter owns 86.74% of Qatrana Cement Company & 36.67% of Ready Mix Concrete & Construction Supply Company.

3- Qatrana Cement Company (Hashemite Kingdom of Jordan) – Subsidiary:

The Company's total production of clinker for the year 2022 with total of SAR 0.78 million ton, while the amount of cement production for the previous year is 0.79 million tons, and the company's total sales of clinker and cement by the end of December 2022 total of 305.5 million riyals compared to 339.7 million riyals in 2021, which is a decrease by 34.2 million riyals or of 10%. The company share in the profit of Qatrana Cement Company total of 22.6 million riyals by end of the year 2022. Qatrana Cement Company achieved net profits with total of 26.2 million riyals during 2022 compared to a net profit of 63.8 million riyals for the year 2021, a decrease of 37.6 million riyals or a percent of 59% due to a decrease in sales compared to the previous year 2021.

4- Ready Mix Concrete & Construction Supplies Company (Hashemite Kingdom of Jordan) – Associate:

The company achieved profits despite the difficult operating conditions and the intensity of competition that the Jordanian market is going through. The total value of the company's sales amounted to 208.9 million riyals by the end of December 2022, and net profits for the same period were 9.6 million riyals. Consequently, the ACC share of the associate company's net profit amounted to SR 3.5 million riyals.

5- Cement Products Industry Company Limited (Kingdom of Saudi Arabia) – Associate:

Arabian Cement Company shares with Yamama Cement Company and the Saudi Cement Company ownership in the Cement industry Products Company Ltd (CPI) and representation in the BoD equally. The company owns one plant to produce cement packing bags, in addition to bags for packing petrochemical products such as fertilizers. The plant is located in the Industrial Valley at King Abdullah Economic City, with all its production lines installed and operational. In addition to moving warehousing facility to the new location and canceling our storage leases in Jeddah which had a positive impact on operating and logistical expenses.

The company's sales amounted to 200.5 million riyals at the end of 2022 compared to 112 million riyals in 2021. ACC share in the company's net profits for the same period 27 million riyals amounted to 9.1 million riyals compared to 4.7 million riyals in 2021, an increase of 4.4 million riyals and percentage of 93.3%.

The effect of these main activities on the company's volume of work and their contribution in the results is as follows: (1000 Saudi Riyal)

	Activity Revenue	Percentage
Activity (producing and selling cement)	970,949	100%
Total	970,949	100%

Description of the main activities in subsidiaries and associates:

Activity (1): QCC – Hashemite Kingdom of Jordan

Activity (2): RMCC – Hashemite Kingdom of Jordan

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Activity (3): CPI – Kingdom of Saudi Arabia

The effect of main activities in subsidiaries and associates on the company's volume of work and their contribution in the results is as follows: (1000 Saudi Riyal)

	Activity Revenue	Percentage
Activity (1): producing and selling cement	305,519	42.73%
Activity (2): producing and selling ready-mix concrete	208,947	22.29%
Activity (3): producing and selling cement bags products	200,527	28.05%
Total	714,992	100%

XVI: Description of the main plans and decisions made by the company (including structural changes in the company, expanding, or suspending its works) along with the future expectations of the works.

The company is currently studying the variables in the working environment that surrounds cement-manufacturing sector to be able to quickly interact with any chances that could contribute to the development of the company on the long term or any risks that could negatively affect the work, as well as limiting or preventing its effects on the works. ACC's management works on applying whatever could enforce the company's leading position in the local market and its growth through creating a competitive advantage in the Saudi market. The future shall generally include the following:

- Completing a project for constructing two cement mills with a total capacity of 700 ton/ hour. Completion rate in the project reached 99.53% as of 31 December 2022.
- Building strategic relationships with clients aiming to achieve growth in the field of manufacturing and marketing both clinker and cement.
- Marketing different type of cement and raising awareness on suitable usages for each type.
- Working on whatever can raise the operational efficiency and market share in subsidiaries and achieving sustainable profit.
- Working on whatever can raise the operational efficiency and market share in the parent company and achieving sustainable profit.
- Continue exerting efforts to raise the production capacity of lines of production to new standard levels while maintaining the safety and reliability of equipment to achieve energy-efficiency targets.
- Expanding foreign export markets to sell clinker and cement products in the available markets.

XVII: Information related to the risks facing the company (weather operational risks, financial risks, or market risks) and risks management and control policy.

Risks facing the company are focused in the following area:

1- Financial Risks

A-Market Risks

Market risks are fair value or cash flow risks of financial instruments. It could fluctuate due to the changes in market prices. Market risks consist of three types of risks; they are interest rate risks; currency risks and other prices risks.

B-Foreign Currency Risks

Currency risks lie in the fluctuation of financial instruments value due to the volatility of foreign currency exchange rates. The group is not fundamentally exposed to volatility of foreign currency exchange rates during its regular work sessions; given that the group is fundamental transactions throughout the year are conducted in SAR, USD, and JOD. Whereas SAR and JOD exchange rate against USD is fixed, there are no major risks related to transactions and balances valued in USD.

C-Credit Risks

Credit risks involves the inability of one of the financial instrument parties to fulfill its obligations, which results in financial loss incurred by the other party. Concentration risks arise when there are several parties with similar activities, practicing their activities in the same geographical areas or have similar economic features that prevent them from fulfilling the contractual obligations. To limit credit risks, the group have applied procedures of regulatory approval of credit limits granted to clients, which depend on the overall assessment of clients and previous reimbursement rates.

Moreover, the management continues to monitor credit risks related to their clients, along with allocating a provision for doubtful balances. Clients' current balances are continuously being monitored. Cash and cash equivalent are deposited at local banks with high credit rating. Trade and other receivables are mainly due by clients in the local market. Most clients' balances have letters of bank guarantee that are effective at local banks with high credit rating. Trade and other receivables are disclosed with their estimated refundable value.

D-Liquidity Risks

Liquidity risks are represented in the difficulties a facility is facing when saving money to fulfill obligations related to financial instruments. Liquidity risks can be a result of the inability to sell certain financial assets quickly and with an amount, which approximates its fair value. Liquidity risks are managed through constant monitor of liquidity and ensuring adequate

financial resources. Concentration of liquidity risks could arise from payment terms of financial obligations, fund, and loan resources, or depending on a specific market to get liquid assets.

2- Risks of availability of operational resources:

The company constantly works on ensuring the availability of required raw material and power resources needed to achieve operational outcomes according to the set plans.

3- Competition Risks:

The possibility that company's revenues would be affected by the introduction of new production capacities to the market, particularly in the western region, in addition to fluctuation in the level of supply and demand and the intensity of competition.

4- Risks Related to Energy Products Sale Prices:

Cement manufacturing activity consumes large quantities of energy products, which represent a great part of production costs. Thus, any potential increase in the prices of energy products, represented in heavy fuel oil, shall have a negative effect on operational outcomes of the company.

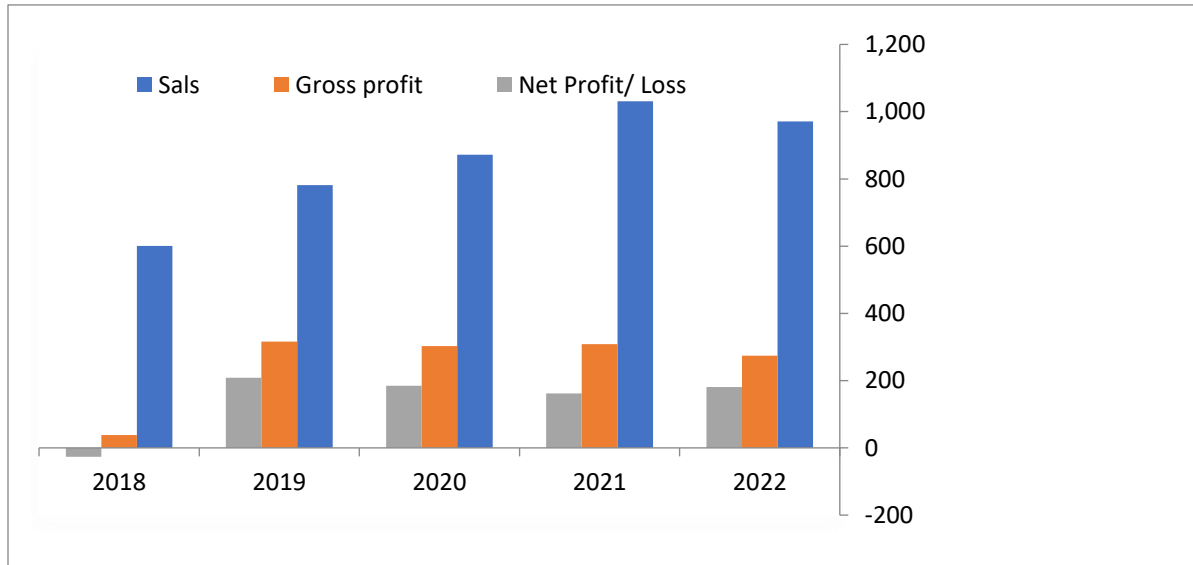
5- Risks that may face Qatrana Cement in Jordan. The most important of these risks are:

- Raw material risks
- Energy product risks
- Employment risks
- Fluctuation of supply and demand, as well as sales prices
- Risks of importing clinker and cement from neighboring countries
- Risks of fluctuation in the local currency exchange rate in the Jordanian dinar against the Saudi riyal and the effect of the value of ACC investment in Qatrana Cement

6- Risks of penetration of information systems and applications:

The company is always working to increase information and technical security continuously and progressively. Further, it focuses on making continuous updates to protect its data from technical crimes that use new methods. The company is constantly reviewing and updating technical security systems, including all firewalls, splitters, and anti-virus programs to ensure adequate protection and information security.

XVIII: A summary in the form of a graph and table on company's assets, liabilities, and business results in the last five financial years



1. Business Results Comparison:

(SAR 1000)

Description	2022	2021	2020	2019	2018
Sales	970,949	1,033,205	871,916	781,970	600,725
Cost of Sales	(696,323)	(724,266)	(569,375)	(466,260)	(562,886)
Total Profit	274,626	308,939	302,541	315,710	37,839
Net Profit / (Loss)	181,006	161,520	184,943	208,716	(26,268)

2. Assets and Liabilities Comparison:

(SAR 1000)

Description	2022	2021	2020	2019	2018
Current Assets	959,105	983,699	1,025,957	965,110	887,460
Non-current Assets	2,321,244	2,449,411	2,611,443	2,681,814	2,698,619
Total Assets	3,280,349	3,433,110	3,637,400	3,646,924	3,586,079
Current Liabilities	248,181	236,364	256,239	301,220	240,114
Non-current Liabilities	309,806	363,420	433,213	387,976	483,749
Equity	2,722,362	2,833,326	2,947,948	2,957,728	2,862,216
Total Liabilities and Equity	3,280,349	3,433,110	3,637,400	3,646,924	3,586,079

XIX: Geographical analysis of the overall revenues of Arabian Cement, its subsidiaries, and associates (SAR 1000)

1. Geographical Analysis of the Overall Revenues of Arabian Cement (Saudi Operations)

Year	Geographical Analysis of the Company's Overall Revenues			
	Overall Revenues	Geographical Region (1)	Geographical Region (2)	Total
2022	665,430	KSA	-	665,430

2. Geographical Analysis of the Overall Revenues of Qatrana Cement (Subsidiary)

Year	Geographical Analysis of the Subsidiary's Overall Revenues			
	Overall Revenues	Geographical Region (1)	Geographical Region (2)	Total
2022	305,519	Jordan	-	305,519

3. Geographical Analysis of the Overall Revenues of Ready-Mix Concrete & Construction Supplies Company (Associate)

Year	Geographical Analysis of RMCC Overall Revenues			
	Overall Revenues	Geographical Region (1)	Geographical Region (2)	Total
2022	208,947	Jordan	-	208,947

4. Geographical Analysis of the Overall Revenues of Cement Product Industry Co. LTD. (Associate)

Year	Geographical Analysis of CPI Overall Revenues			
	Overall Revenues	Geographical Region (1)	Geographical Region (2)	Total
2022	200,527	KSA (99%)	Export (1%)	200,527

XX: A note on any material differences in the operating results of the current year compared to the financial year 2022

(SAR 1000)

Description	2022	2021	Changes	Change Rate
Sales/ Revenues	970,949	1,033,205	(62,256)	(6,03)
Cost of Sales/ Revenues	(696,323)	(724,266)	27,943	(3,86)
Total Profit	274,626	308,939	(34,313)	(11,11)
Operating Revenues – other	-	-	-	-
Operating Expenses – other	(81,180)	(113,727)	(32,547)	(28,62)
Operating Profit (Loss)	193,446	195,212	(1,766)	(0,9)

The reason for the increase in the net profit for the year 2022 by 12.1% compared to the previous year is the increase in share of profit of associates companies, increase in other income, decrease in finance costs, decrease in zakat and income tax provision, despite the decrease in sales volume and value for the parent company due to lower export sales volume in addition to the decrease in sales volume and value for the subsidiary in Jordan.

XXI: Note on any differences from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA)

There are no differences from the applied accounting standards issued by SOCPA that require disclosure, as the company's records have been properly prepared according to the Saudi Organization for Certified Public Accounts that require disclosure, as the company's records have been properly prepared according to the accounting standards issued by the Saudi organization for Certified Public Accountants.

XXII: A detailed statement of the names of the subsidiaries and associates, their capital, percentage of ownership, its main activity, country of operations, and country of incorporation

						(SAR 1000)
Name of Subsidiaries/ Associates	Capital	Ownership %	Main Activity	Country of Operations	Country of Incorporation	
Qatrana Cement Company	480,300	86.74%	Cement Production	Jordan	Jordan	
Cement Products Industry Company	18,000	33.33%	Cement bags production	KSA	KSA	
Ready Mix Concrete and Construction Supplies Company	132,500	36.67%	Ready mix concrete production	Jordan	Jordan	
Bahrain Cement Holding Company	5,000	100%	Holding Company	Bahrain	Bahrain	

XXIII: Details of shares, and debt instruments issued for each subsidiary and associate
(1000)

Company Name	Number of Shares/ Issued Shares	Number of Shares/ Owned Shares	Company Type
Qatrana Cement Company	90,624 share	78,607 share	Private closed joint-stock company
Cement Products Industry Company Limited	18,000 share	6,000 share	Limited liability company
Ready Mix Concrete and Construction Supplies Company	25,000 share	9,168 share	Public incorporated joint-stock company
Bahrain Cement Holding Company	Do not apply	Full ownership	Holding company

XXIV: A description of the Company's Policy for Dividends Distribution

During the year 2022, the company achieved an operating profit estimated at 193.4 million riyals against an operating profit of 195.2 million riyals in 2021, a decrease of 1.8 million riyals and percentage of 0.9% The net profit after deducting the legal zakat amounted to 181 million riyals compared to a net profit of 161.5 million riyals in 2021, with an increase of 19.5 million riyals and percentage of 12.1%.

Distribution of the annual net profits of the company after deducting all general expenses and other costs, including zakat that is legally imposed in accordance with Article (51) of the company's articles of association, as follows:

1. 10% of the net profits are set aside to create the statutory reserve of the company. The Ordinary General Assembly may decide to cease such retention whenever the mentioned reserve reaches (30%) of the paid capital.
2. Based on the proposal of the Board, the Ordinary General Assembly may set aside a certain percentage of the net profits for a consensual reserve to be allocated for the purposes determined by the Assembly.
3. The Ordinary General Assembly may decide to create other reserves enough to serve the interest of the company or ensure that fixed profits are distributed as much as possible to the shareholders. The Assembly may also deduct amounts from the net profits to establish social institutions for the company's employees, or to assist the existing institutions.
4. Subsequently, profits from the remaining amount shall be distributed to the shareholders. Further, the Ordinary General Assembly may decide to distribute profits to the shareholders from the balance of the retained profits.

(SAR 1000)

Percentage of profits distributed during the year	Proposed profit percentages to be distributed at the end of the year		Total Profit
	17/04/2022	31/08/2022	
%	15	11	37
Total (SAR 1000)	150,000	110,000	370,000

XXV: A description of any interest in the voting shares category belonging to individuals (other than members of the company's board of directors, their relatives, senior executives, and their relatives) informed the company of such rights under Article 45 of the Registration and Listing Rules, and any change to such rights during the last financial year

There is no interest in voting shares category belonging to individuals, other than the company's board of directors, their relatives, senior executives, and their relatives, informed the company of such rights or any change to such rights during the last financial year.



XXVI: A description of any interest, contractual securities, and rights issues belonging to the company's board of directors, senior executives, and their relatives regarding the shares, debt instruments of the company, or any of its subsidiaries, and any change to such interest or rights during the last financial year.

A description of any interest, contractual securities, and rights issues belonging to the company's board of directors, and their relatives regarding the shares, debt instruments of the company							
SN	Name	Beginning of 2022		End of 2022		Net change during the year	Change rate
		Number of shares	Debt instruments	Number of shares	Debt instruments		
1	H.E. Eng. Abdullah Mohammad N. Rehaimi	3,000	-	3,000	-	-	-
2	Mr. Saud Abdulaziz Al-Suleiman	674,767	-	674,767	-	-	-
3	Eng. Al Waleed Abdul Razzaq Al Dryaan	8,500	-	8,500	-	-	-
4	Eng. Mutaz Kusai Al-Azzawi	1,000	-	1,000	-	-	-
5	Mr. Turki Abdullah Al-Rajhi	87,796	-	-	-	(87,796)	(100%)
6	Mr. Fahad Abdullah Al-Issa	1,000	-	1,000	-	-	-
7	Mr. Abdul Latif Ali Al-Sief	-	-	-	-	-	-
8	Mr. Yousef Saleh Abalkhail	220,000	-	220,000	-	-	-
9	Eng. Mohammed Hamed Alklaiby	12,009	-	12,009	-	-	-

A description of any interest, contractual securities, and rights issues belonging to senior executives, and their relatives with regard to the shares, debt instruments of the company							
SN	Name	Beginning of 2022		End of 2022		Net change during the year	Change rate
		Number of shares	Debt instruments	Number of shares	Debt instruments		
	None						-

A description of any interest, contractual securities, and rights issues belonging to the company's board of directors, senior executives, and their relatives with regard to the shares, debt instruments of the subsidiaries							
SN	Name	Beginning of 2022G		End of 2022G		Net change during the year	Change rate
		Number of shares	Debt instruments	Number of shares	Debt instruments		
None							

XXVII: Information about Company loans

(SAR 1000)

Providing entity	Principal amount	Loan term	Amounts paid for loan repayment during the year	Remaining amount of the loan	Total indebtedness of the company and its subsidiaries
Arab Bank – Jordan	528,914	9	33,057	215,617	215,617
Arab Bank – Jordan	15,867	3	7,934	-	-
Arab Bank – Jordan	11,107	3	370	10,737	10,737
Arab Bank – Jordan	51,569	1	46,280	5,289	5,289
Total loans at the end of the year	607,457	-	87,641	231,643	231,643

XXVIII: Description of categories and numbers of any transferable debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the financial year, with an explanation of any compensation obtained by the company in return for that.

There are no transferable debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by the company during the financial year 2022, and there is no compensation obtained by the company.

XXIX: Description of any transfer or subscription rights under transferable debt instruments or contractual securities or subscription right notes, or similar rights issued or granted by the company.

There is no description of any transfer or subscription rights under transferable debt instruments or contractual securities or subscription right notes, or similar rights issued or granted by the company.

XXX: A description of any recovery, purchase, or cancellation by the Company of any transferable debt instruments, and the value of remaining securities with a distinction between the listed securities purchased by the Company and those purchases by its affiliates.

There is no recovery, purchase, or cancellation by the Company of any transferable debt instruments, and the value of remaining securities with a distinction between the listed securities purchased by the Company and those purchases by its affiliates.

XXXI: The number of board meetings held during the last financial year (2022)

The board of directors held (5) meetings during 2022 as follows:

S	Member name	Meetings number (5)					Total	Attendance Percent
		1	2	3	4	5		
		Feb 27	April 17	June 19	Sep 25	Dec 18		
1	HE. Eng. Abdullah Mohammed Noor Rehaimi	√	√	√	√	√	5 out of 5	100%
2	Mr. Saud Abdul Aziz Al- Suleiman	√	√	√	√	√	5 out of 5	100%
3	Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	√	√	√	√	√	5 out of 5	100%
4	Eng. Mutaz Kusai Al-Azzawi	√	√	√	√	√	5 out of 5	100%
5	Mr. Turki Abdullah Al-Rajhi	√	√	√	√	√	5 out of 5	100%
6	Mr. Fahad Abdullah Al-Issa	√	√	√	√	√	5 out of 5	100%
7	Mr. Abdul Latif Ali Al-Sief	√	√	√	√	√	5 out of 5	100%
8	Mr. Yousef Saleh Abalkhail	√	√	√	√	√	5 out of 5	100%
9	Eng. Mohammed Hamed Alklaiby	√	√	√	√	√	5 out of 5	100%

XXXII: Number of company requests for shareholders' register and dates and reasons for such requests during 2022.

Number of company requests for shareholders' register	Request Date	Request Reason
1	01/03/2022	Company actions
2	17/04/2022	General Assembly
3	17/04/2022	Profit's file
4	24/08/2022	Profit's file
5	29/08/2022	Profit's file

XXXIII: Description of any transaction between company and related party

During the year 2022, the Company issued a request for Proposal (RFP) for the purchase of machinery and equipment for the plant, the related internal committee studied the technical and commercial offers received from the vendors and awarded the purchase order to Rolaco Machinery and Heavy Equipment Company for the purchase of the equipment (forklift), which the Vice Chairman of the Board of Directors, Mr. Saud Abdulaziz Al -Suleiman has an indirect interest in it, as he is a member of the Board of Directors of Rolaco Machinery and Heavy Equipment Company, with a value of 290 thousand riyals, as it is the lowest financial offer and without any preferential conditions or benefits.

XXXIV: Transactions or contracts in which company is a party, or involves an interest for any of board members, executives or for any person related to any of them.
(1000 SAR).

S	Name of interested member	Nature of work or contract	Work or contract term	Value of work or contract	Terms of work or contract
1	<p>Ready Mix Concrete and Construction Supplies (RMCC):</p> <p>(Indirect interest) of representatives of Arabian Cement Company with Ready Mix Concrete and Construction Supplies:</p> <p>Board member- Mr. Saud Abdul Aziz Al-Suleiman</p> <p>Board member: Eng. Mutaz Kusai Al-Azzawi</p>	Purchase of cement	One year, unless otherwise agreed by parties.	58,218	Regular business without any preferential terms or benefits
2	<p>Cement Products Industry Company Limited (CPI)</p> <p>(Indirect interest) of representatives of Arabian Cement Company with Cement Product Industry Co.</p> <p>CEO: Dr. Badr Osama Johar</p> <p>(Member of board of directors)</p>	Sale of cement bags	One year, unless otherwise agreed by parties.	18,271	Regular business without any preferential terms or benefits
3	<p>Qatrana Cement Company (QCC) (Subsidiary Company)</p> <p>(Indirect interest)</p> <p>Board member- Mr. Saud Abdul Aziz Al-Suleiman</p> <p>Board member: Eng. Mutaz Kusai Al-Azzawi</p>	Sale and export of iron ore (low concentration)	One year, unless otherwise agreed by parties.	4,508	Regular business without any preferential terms or benefits

	Board member – Mr. Turki Abdullah Al Rajhi				
	Board member – Mr. Fahad Abdullah Al-Issa				
	Board member – Dr. Badr Osama Johar (Arabian Cement CEO)				

*According to the authorization of the General Assembly and the Board of Directors to license contained in paragraph (1) of Article 71 of the Companies Law. For a period of one year from the date of approval by the General Assembly of shareholders or until the end of the delegated Board of Directors session, whichever is earlier, in accordance with the conditions set forth in the issued regulations and procedures in implementation of the Companies Law for Listed Joint Stock Companies.

XXXV: Any arrangement or agreement under which a board member or executives assign any remuneration.

There is no arrangement or agreement under which board member or executives assign any remuneration.

XXXVI: Any arrangement or agreement under which one of shareholders of company assign any rights to profits

There is no arrangement or agreement under which one of shareholders assign any right to profit.

XXXVII: Statement of the value of regular paid and payable payments to pay any zakat, taxes, fees, or other receivables and not paid until the end of the annual financial period with a brief description and state its reasons:

1. **Zakat:** The Company is subject to the regulations of the General Authority for Zakat and Tax in Kingdom of Saudi Arabia. Zakat is calculated on an accrual basis, and the affiliates and companies operating outside Kingdom of Saudi Arabia shall be subjected to the Taxes Regulations of the countries by which they operate.
2. **Tax:** The Company and its affiliates shall comply with the applicable tax laws and regulations.
3. **Social Insurance:** The Company shall be subjected to the social insurance law, and the social insurance fees shall be recognized on an accrual basis and social insurance shall be paid monthly on an accrual basis of previous month

Statement	2022 (Thousand Saudi Riyal)	
	Paid	Due until the end of the financial period and has not been paid
Zakat	17,718	16,466
Tax	52,416	1,575
General Organization of Social Insurance	7,346	623
Miscellaneous government fees (Ministry of Interior, Ministry of Human Resources and Social Development)	241	-
Raw Material Fees (Ministry of Industry and Mineral Resources)	79,283	13,157
Total	157,004	31,821

XXXVIII: Statement of value of any investments or reserves established for the benefit of the company's employees

There are no investments or reserves established for the benefit of the company's employees.

XXXI: The Board of Directors acknowledge the following:

1. That the account records have been prepared correctly.
2. The internal control system was properly set and effectively implemented.
3. There is no doubt about the ability of the company to continue its activity.

XL: A statement of the reservations contained in the auditor's report on the annual financial statements, their reasons, and any information related to it

The auditor's report does not include any reservations or material notes on the annual financial statements for the financial year 2022.

XL: The Recommendation of the Board of Directors to change the auditor before the end of the period for which he was appointed, indicating the reasons for recommending the change.

There is no recommendation to the Board of Directors to change the auditor before the end of the period for which the appointment is made.

XLII: Details of treasury shares held by the company and details about the uses of these shares

There are no treasury shares held by the company.

To the 67th Annual Ordinary General Assembly Meeting
Held in Jeddah Province

XLIII: The Board of Directors confirms the following:

1. No request was made by the auditor to the Board of director to convene the General Assembly of the company during the ended financial year 2022.
2. The chairman did not receive any written request to convene emergency meetings of two members or more during the ended financial year 2022.
3. The Company did not receive any request from the shareholders who own at least 5% to convene the general assembly during the ended financial year 2022.
4. The Company did not receive any request from the shareholders who own at least 5% to add one or more topics to the assembly's agenda when it was prepared during the ended financial year 2022.
5. The Board of Directors has not discharged any of company debtors from their obligations towards the company during the ended financial year 2022.
6. The company did not place any procedures or restrictions that may impede the shareholder's use of his rights guaranteed by the laws and regulations.
7. The auditor did not provide any consulting services to the company and no fees were paid in this regard during the ended financial year 2022.
8. The company did not have any preference share or voting shares- whether for the shareholders or members of board of director or its employees, and all company shares are ordinary shares of equal par value and voting and other rights as per regulation.
9. The company did not provide any cash loan of any kind to members of its board of directors, nor did it include any loans concluded by any of them with others.
10. There are no fundamental obstacles that may affect the company's ability to prepare its financial statements as per international standards.

XLIV: Environment Protection

Arabian Cement Company believes in the necessity of a strong contribution to maintain and sustain the lifestyle. Thus, company has made a quantum leap in the field of environment protection and made it an integral part of its policy and that is through the commitment to preserve environment and protect it from pollution, apply all local and international applicable regulations and laws. The unlimited support of the company's board through the executives in the company has the clear and tangible effect of reducing harmful pollutants.

Where the company maintained the outstanding and effective performance of Fabric filters that have been replaced in the project implementation plan in the previous years by applying the parodic and preventive maintenance programs. All the readings of emission monitoring were much less than the limits of General Authority of Meteorology and Environmental Protection (150 mg/m3).

As the first cement company to obtain the Environmental Management System Certificate (ISO 14001), the company continued its success in obtaining the Integrated management system (IMS) along with (ISO 14001), after the external review of Environment Management

System Certificate (ISO). The company sought to develop regulations and programs that would be compatible and conformity with limits and standards of authority, including the installation of optical monitoring devices to monitor emissions, that can monitor and save emissions readings and for a continuous period of seven years.

XLV: Quality Control

Since its foundation in 1955, ACC has identified product quality and safety as a fundamental pillar of all its works and throughout stages of manufacturing and production; out of its belief that it is achieving excellence, leadership, sustainability and enhancing competitiveness locally and globally. ACC developed regulatory policies and procedures to implement a quality approach and run the business by the relevant departments. In addition to keeping up with technological developments by adopting the latest approved methods and techniques that aim for continuous improvement. It also works on increasing trust of their clients by providing cement products that fulfill their requirements and needs and confirm with the best local and global standards and specifications. ACC has equipped its labs with the best and latest technology as it automated lines and controls, realizing a distinguished achievement that introduced a new dimension for quality assurance and control, through adopting the concept of quality with all its vital and strategic dimensions in both theory and application in all stages of manufacturing and production operations. It is still challenging to achieve continuous development in all areas.

As a result of these efforts, the company managed to obtain local and global certificates, about 850,000 tons of clinker and cement were exported this year, the company owned locally and regionally certificates such as quality mark from the Saudi Standards, Metrology and Quality Organization (SASO) for all its products. This certificate is given to companies that fully conform to quality standards and metrology. It helps in enhancing the company's reputation locally, regionally, and globally. In addition to constant development and improvement of products and reinforcing its competitive capabilities in the global market. The company also obtained quality management certificate (ISO 9001) in 2002, which is subject to regular internal and external audit from an accredited body to ensure the company complies with the requirements. Finally, The Company was awarded IMS certificate, along with (ISO 14001).

XLVI: Human Resources

The Human Resources Department is concerned with the Human capital as they are the company significant asset, as all efforts is giving to improve their performance and raise their productivity by various means. The establishment and participation in the development wheel of the Kingdom of Saudi Arabia, as its efforts are not to recruit only, but rather it has set its plans and devoted its efforts to developing and preserving its human competencies, as it has implemented training plans in cooperation with the best specialized training companies in the

Arab world with a training rate of not less than 22% and participation in the most important and latest conferences specialized in the various fields. From this point, the Human Resources developed a career succession plan, which was one of the department objectives of the for the year 2022, to prepare employees to take more supervisory and leadership positions.

The percentage of occupational nationalization occupied a large part of the attention of the Ministry of Human Resources and Social Development within the objectives of Vision 2030, and the participation of the Human Resources Department in achieving this goal within the company was represented by adhering to the percentage of nationalization of the established professional groups, in addition to that, Arabian Cement Company maintained the achievement of the platinum zone in Saudization within Nitaqat program, at a rate of not less than 55% of the total employees of the company, with total number of (467) employees.

The Human Resource Department emphasis on motivating its employees to increase their loyalty, so it was keen to measure the percentage of job satisfaction on a semi-annual basis to limit everything that constitutes an obstacle for employees to achieve their goals and measure the extent of satisfaction with the services provided to them, as the job satisfaction rate exceeded 87% during the year, in addition to that developing the policy of incentives and rewards for the employees of ACC by introducing the excellency program, which aims to motivate creative and distinguished employees wherever they are at any position.

XLVII: Shareholder Rights and Communication Mechanisms

In an effort from ACC to ensure the rights of its shareholders, the company gave great significance to its shareholders by informing them about the company's performance and its expectations through the board of directors' annual report. It also continues to inform them about any major developments that could affect the company's financial position and its works, using The Saudi Stock Exchange (Tadawul) and publishing company related information, including preliminary findings and annual financial results, on the company's website, daily newspapers, and other means of disclosure. The said procedures shall be in accordance with disclosure policies closely followed by the company, implementing the instructions of Capital Market Authority (CMA), and complying with applicable laws in the KSA. The company updated the lists of shareholders eligible for outstanding undistributed profits, whose data were not updated nor followed up by the shareholders, to help them receive all their dues. In addition, the company allocated an officer to handle investor relations with the responsibility of providing information and answering queries of financial market, shareholders, and investors. According to CMA's guidelines, electronic connectivity has been established with investor complaints handling system project, which aims to automate investor complaints procedures at CMA.