

أسمنت القصيم
Qassim Cement



QASSIM CEMENT COMPANY **Annual Report** 2024



سنة التحول والإبداع

التقرير السنوي
Annual Report

02

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أسمنت القصيم
Qassim Cement



“ My primary goal is for our country to be a successful and leading model in the world on all levels, and I will work with you to achieve that ”



The Custodian of the Two Holy Mosques
Salman bin Abdulaziz Al Saud
The King of the Kingdom of Saudi Arabia, may Allah preserve him

“ We are not worried about the future of the Kingdom; rather, we look forward to a brighter future. We are capable of achieving this, by the will of Allah, through the natural, human, and acquired resources that He has blessed us with ”



His Royal Highness
Mohammed bin Salman bin Abdulaziz Al
Crown Prince and Prime Minister, may Allah preserve him

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The Chairman's Message



Dr. Muhammad bin Nasser Al-Dawood

In the name of Allah, Most Gracious, Most Merciful, and peace and prayers be upon our Prophet Muhammad, his family and all of his companions.

Ladies and Gentlemen, the Shareholders of QCC,

As we conclude another fiscal year, I am honoured to present the annual report for the period ending December 31, 2024. This year has been an extraordinary, marked by transformative achievements and significant milestones that have strengthened QCC's position as a market leader. With a spirit of optimism and pride, I am eager to share highlights of our performance, outline our ambitious vision for the future, and reaffirm our steadfast commitment to the goals of the Saudi 2030 Vision.

A Transformative Year for QCC

The year 2024 marked a pivotal chapter in QCC's journey, as we successfully completed the landmark acquisition of Hail Cement Company in a SAR 1.3 billion share swap deal. This historic transaction, the first of its kind in the Kingdom's cement industry, has significantly bolstered our production capacity, which now stands at 8.6 Mn tons. This strategic expansion positions us to meet the growing demand in the KSA's Central region, enhancing our market presence and profitability. With this acquisition, QCC's nationwide market share has risen to 12.7%, establishing us as the number one cement supplier in the Kingdom

Delivering Synergies and Operational Excellence

Our post-acquisition integration efforts have yielded exceptional results—by the grace of God - and the company aims to achieve significant annual savings peaking in 2027. QCC management has already exceeded expectations, achieving SAR 15 Mn in synergies in the few months following the acquisition. These achievements reflect our robust post-merger integration (PMI) strategy and our commitment to operational excellence. Overall, our M&A approach is geared towards successfully navigating challenges in an intensely competitive market while driving value for our stakeholders and strengthening our position within the broader building materials industry

Outlook for 2025

KSA's economic growth in 2025 requires navigating a dynamic global landscape. Geopolitical instability in the Middle East, such as regional conflicts, could pose challenges, yet the Kingdom's strategic role as a stabilizing force positions it as a vital player in fostering peace and attracting global partnerships. This resilience bolsters our ability to maintain investor confidence amidst uncertainty. While declining oil prices could pressure fiscal budgets, KSA's diversification under Vision 2030 ensures the economy is increasingly insulated from oil market volatility. Landmark initiatives like NEOM and green hydrogen projects reflect the Kingdom's forward-looking strategy to secure long-term economic growth and global leadership in sustainable energy. In this evolving environment, our company is well-prepared to embrace opportunities and tackle challenges. Under the wise leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and his trustworthy Crown Prince, Mohammed bin Salman, QCC remains steadfast in its commitment - upholding its long-standing tradition - to fulfilling its role in the Kingdom's growth and shaping its thriving future

Transformation Towards Vision 2030

QCC's strategic transformation program aligns with the goals of Vision 2030, focusing on innovation, diversification, and growth. A significant milestone in this journey has been the completion of our HR transformation project, which has helped to restructure our workforce for enhanced agility, talent development, and leadership excellence. This transformation equips QCC with the tools required to navigate future challenges while fostering a culture of collaboration and innovation.

As part of our next wave of transformation, we are embracing advanced digitalization initiatives, including business intelligence solutions, plant automation, and artificial intelligence. These efforts are set to revolutionize our operations, delivering improved efficiency and productivity starting for 2025 and beyond. Simultaneously, we are strengthening our relationships with the Ready-Mix and Distribution and other clients, creating synergies that enhance our service capabilities across the construction value chain.

A Commitment to Sustainability

At QCC, we recognize the importance of sustainability in achieving long-term success. Our sustainability journey started with the establishment of our 2030 strategy to integrate sustainability into our way of doing business, identifying opportunities for adapting to the energy transition and invest in reducing our environmental impact. This year, we introduced a comprehensive sustainability framework that integrates the principles of the Saudi Green Initiative, Middle East Green Initiative, the Paris Agreement, and the United Nations Sustainable Development Goals (UNSDGs). Additionally, we are dedicated to enhancing the quality of our sustainability reporting and engagement with ESG rating organizations. We aspire to implement the best practices in the field of ESG ratings in the Kingdom's cement industry, reinforcing our position as a leader in sustainable business practices. QCC is committed to setting an example by integrating responsible practices across all operations, ensuring that we meet the needs of today without compromising the well-being of future generations. A standout achievement is the launch of our ambitious Green Program, which has successfully planted 30,000 trees in our facilities in Qassim, Hail, and surrounding areas during 2024, with a target of 350,000 trees by 2030. This initiative is a testament to our commitment to environmental sustainability and directly supports the Saudi Green Initiative and Vision 2030.

Gratitude and Appreciation

As I bring this address to a close, I would like to convey my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz. Their visionary leadership and unwavering commitment to the Kingdom's progress have been the cornerstone of Qassim Cement Company's achievements and growth. I extend my heartfelt thanks to His Royal Highness Prince Dr. Faisal bin Mishaal bin Saud bin Abdulaziz, the Prince of Qassim region, and His Royal Highness Prince Fahad bin Turki bin Faisal bin Turki bin Abdulaziz, the Deputy Prince of Qassim region, for their enduring guidance and steadfast support. Their dedication to fostering development in the region has been invaluable to our success. Finally, I would like to express my sincere appreciation to my fellow Board Members for their strategic leadership in navigating the company during uncertain times. Thanks, and appreciations are also conveyed to our shareholders, employees, customers, and partners—your trust and commitment fuel our progress. I thank you all for your support and together, we will continue to build on our achievements and advance our mission with purpose and determination.

**The Chairman of the Board
Dr. Muhammad bin Nasser Al Dawood**

Introduction

Qassim Cement Company (QCC) was established as a Saudi joint-stock company headquartered in Buraydah on Sha'ban 28, 1398 AH (August 2, 1978), under Commercial Registration No. 1131001224. The company's foundation was authorized by the Royal Decree No. M/62, dated Sha'ban 15, 1396 AH (August 11, 1976). Since its inception, QCC has maintained its leadership in the cement industry and has actively contributed to the development of infrastructure and economic growth across the Kingdom. In a significant strategic move, on Dhul Hijjah 4, 1445 AH (June 10, 2024), the company announced the successful completion of its acquisition of Hail Cement Company, marking the first acquisition deal in Saudi Arabia's cement sector. The core activities of QCC revolve around the manufacturing and production of cement and its derivatives, as well as providing marketing, sales, and distribution services for these products. Additionally, the company engages in activities directly or indirectly related to its primary objectives, such as marketing, sales, investments, and other commercial activities that support its operations and contribute to market stability and the continuity of development projects. QCC relies heavily on the locally available natural resources and mineral wealth for its production processes. The company is also involved in complementary activities that align with its primary mission, ensuring consistent growth and adaptability to market demands. QCC is listed on the Saudi Stock Exchange (Tadawul) under the sign 3040. The company produces four main types of cement: Ordinary Portland Cement, Sulfate-Resistant Cement, and Finishing Cement, in addition to Pozzolana Portland Cement. Its high flexibility enables it to meet market demands by producing additional types of cement upon request.

Our Vision

To be the distinguished industry champion enabling the economic growth of Saudi Arabia.

Our Mission

Support the infrastructure ambition and de-carbonization effort of Saudi Arabia by providing advanced cement products and sophisticated building material solutions through sustainable growth and value for all stakeholders while ensuring a safe and engaging work environment.

Our Core Values



Committed to a sustainable world

as buildings represents 40% of global CO2 emissions, sustainable growth will require lower carbon cement and greener operations. We are committed to pioneer and drive the path to Net Zero Buildings in KSA



Client first

we are deeply committed to bring the best services and products to the ecosystem of clients we serve architects, contractors, developers, individual builders and communities and supporting them in overcoming future construction challenges in a trusted partner relationship



Excellence in operations

operations excellence drives the success of QCC, and we are committed to maintain best in class standards across our operations: quality, safety, CO2, cost and environment



Zero tolerance in safety

health and safety of our employees and stakeholders is a core element of QCC's mission, critical to our success, and we will enforce best in class safety standards



Employer of choice and Meritocracy

we strongly believe that our growth ambition will be enabled by our ability to attract the best talents and develop them so that they unlock their full potential



Our Activity

The manufacture and production of cement, its derivatives and components along with the marketing and sale of different types and specifications, to meet the needs of the market and to carry out all related works directly or indirectly to achieve this purpose. All products of the Company are certified as quality mark from the Saudi Standards, Metrology and Quality Organization. The products of QCC include the following

Portland Cement Resistant

this product is produced in accordance with Saudi Standard SASO-GSO 1914/2009 Type V, where this product is distinguished from other types of cement by its resistance to sulfate and salts



Pozzolana Portland Cement

it is one of the innovative products of QCC, which was designed to reduce the permeability of concrete making it denser, and it increases the resistance of salts, this product is produced in accordance with Saudi Standard SASO-ASTM-C595M. It can be used as an alternative to cement resistant to sulfate salts in underground concrete castings, salt water and marine installations



Ordinary Portland Cement

this product complies with Saudi Standard SASO-GSO 1914/2009 Type I, where it is characterized by quality that meets the different applications of concrete according to the needs and aspirations of our customers



Finishing Cement

it is one of QCC's most innovative products, which was produced after several studies and experiments that have proven to be the most suitable cement for finishing work (construction - tiles - floor casting). This product complies with Saudi Standard SASO-ASTM C91/2018



QCC has its ambitious plan to introduce new environmentally friendly products in accordance with the best international standards in line with the Saudi vision 2030 in reducing the carbon emitted from Cement products

Subsidiaries

No.	Name of Subsidiary	Capital	Ownership Percentage	Primary Activity	Country (Headquarters and Main Operations)
1	Hail Cement Company	SAR 979,000,000, representing 97,900,000 shares	%100	Basic Materials - Cement Manufacturing	Kingdom of Saudi Arabia





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Chapter 1

Board of Directors and Committees

التقرير السنوي
Annual Report

First: Board of Directors

2/ Current and Previous Board Members' Jobs, Qualifications and Experience:

1/ Board Composition and Classification

The company's Board of Directors consists of eleven (11) elected members¹. The table below outlines the classification of board members

No.	Name of Member	Executive	Non-Executive	Independent
1	Dr. Muhammad bin Nasser Al-Dawood		✓	
2	Eng. Muteb bin Mohammed Al-Shathri		✓	
3	Mr. Tariq bin Khaled Al-Marshoud		✓	
4	Mr. Osama bin Nasser Al-Saif		✓	
5	Mr. Abdulrahman bin Mohamed Al-Rawwaf			✓
6	Mr. Saad bin Ibrahim Al-Mushawah			✓
7	Eng. Ahmed bin Saleh Al-Sultan			✓
8	Dr. Ghazi bin Abdulrahim Al-Rawi			✓
9	Eng. Omar bin Abdullah Al-Omar (CEO)	✓		
10	Mr. Abdulmalik bin Khalid Al-Rajhi ²		✓	
11	Mr. Abdulaziz bin Majid Al-Kassabi ³		✓	



Bachelor's in Electrical Engineering – King Saud University	2005
Master's in Management Science and Engineering – Stanford University	2008
PhD in Management Science and Engineering – Stanford University	2013
Former research and advisory roles at Stanford University, Careem, and Monitor Group	

Name

Dr. Muhammad bin Nasser Al-Dawood

Chairman of the Board

Current Role

Chairman, Head of Industry and Mining Sector, Middle East and North Africa Investments – PIF

Previous Role

Consultant – Boston Consulting Group (BCG)

^{1/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445H (corresponding to 10/06/2024), the amendment to Article (19) of the Articles of Association, concerning the Management of the Company, was approved. The amendment will become effective from the completion of the acquisition transaction

^{2/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445H (corresponding to 10/06/2024) and in accordance with the implementation agreement, the appointment of Mr. Abdulmalik bin Khalid Al-Rajhi and Mr. Abdulaziz bin Majid Al-Kassabi, the nominees of Hail Cement, to the newly created seats on the Board of Directors of Qassim Cement Company, was approved

^{3/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445H (corresponding to 10/06/2024) and in accordance with the implementation agreement, the appointment of Mr. Abdulmalik bin Khalid Al-Rajhi and Mr. Abdulaziz bin Majid Al-Kassabi, the nominees of Hail Cement, to the newly created seats on the Board of Directors of Qassim Cement Company, was approved



Bachelor's in Accounting - King Saud University	2008
Master's in Project Management - De Montfort University, UK	2010
Experience in project management roles at GOSI and GPT Communications (National Guard).	

Name

Mr. Tariq bin Khaled Al-Marshoud

Board Member

Current Role

Director of Project Management Office - GOSI

Previous Role

Project Manager - GOSI



Bachelor's in Industrial Engineering and Management Sciences - Northwestern University	2008
MBA - Harvard Business School	2015
Leadership roles in Aramco's Strategic Transformation Office and multiple listed companies.	

Name

Eng. Muteb bin Mohammed Al-Shathri

Vice Chairman of the Board

Current Role

Vice Chairman, Senior Director, Middle East and North Africa Investments - PIF

Previous Role

Manager - Riyadh International Catering Company



Bachelor's in Business Administration - Arkansas State University 1993

Master's in Public Administration - University of Southern California 1995

Experience in financial analysis and investment management in social insurance and investment firms.

Name

Mr. Abdulrahman bin Mohamed Al-Rawwaf

Board Member

Current Role

Retired

Previous Role

General Manager of Deposits and Bonds - Hassana Investment Company



Bachelor's in Legal Systems - King Saud University 2004

Master's in Commercial Law - La Trobe University, Australia 2011

Experience as a legal researcher and consultant in public organizations.

Name

Mr. Osama bin Nasser Al-Saif

Board Member

Current Role

Director of Advisory and Drafting Department - GOSI

Previous Role

Legal Consultant - Public Pension Agency



Bachelor's in Industrial Management – King Fahd University of Petroleum and Minerals 1985

Specialized financial training from Chase Manhattan Bank and Harvard University

Former financial analyst and CEO roles in regional and international companies

Name

Mr. Saad bin Ibrahim Al-Mushawah

Board Member

Current Role

Retired

Previous Role

CEO - United Gulf Food Company



Bachelor's in Civil Engineering - King Fahd University of Petroleum and Minerals 1982

King Fahd University of Petroleum and Minerals 1998

Master's in Construction Engineering and Management

Leadership in municipal and water infrastructure projects

Name

Eng. Ahmed bin Saleh Al-Sultan

Board Member

Current Role

General Manager - Ahmed Al-Sultan Engineering Consultancy

Previous Role

Mayor of Qassim Region



Master's in Management Science and Engineering - Stanford University 2001

PhD in Electrical Engineering (Communications) - Stanford University 2002

Experience in consulting and academic roles, including McKinsey & Company and Saudi Capital Market Authority.

Name

Dr. Ghazi bin Abdulrahim Al-Rawi

Board Member

Current Role

Founder and President - Maabar Al-Qimma Investment and Real Estate Development

Previous Role

Founder and Executive Partner - Eastgate Capital



Bachelor's in Civil Engineering - Roger Williams University 1985

Master's in Industrial Engineering - University of New Haven 1988

Over three decades of leadership in industrial, financial, and operational roles

Name

Eng. Omar bin Abdullah Al-Omar

Chief Executive Officer and Board Member

Current Role

Chief Executive Officer and Board Member

Previous Role

Assistant GM - ((PepsiCo)); CFO - Al-Jomaih Group



Bachelor's in Financial Management - Al-Yamamah University 2013

Executive MBA - London Business School 2024

Leadership experience across construction, finance, and investments

Name

Mr. Abdulmalik bin Khalid Al-Rajhi

Board Member

Current Role

CEO - Saudi Construction Industries Holding Company

Previous Role

Chairman - Hail Cement Company



Bachelor's in Engineering Management - Missouri University of Science and Technology 2008

MBA in Financial Management - Drucker School of Management 2013

Experience in project management and executive leadership roles.

Name

Mr. Abdulaziz bin Majid Al-Kassabi

Board Member

Current Role

Owner and Chairman - Mushirah Saudi Arabia and Amad Arabia

Previous Role

Vice Chairman - Hail Cement Company

3.The Jobs, Qualifications and Experience of Current and Former Committees' Members (From outside the Board of Directors)

Name	Current Role	Previous Role	Qualifications and Experience
Mr. Fawzi bin Ibrahim Al-Hobayb	Member of the Audit Committee	Retired	<ul style="list-style-type: none"> -Bachelor's in Accounting - King Abdulaziz University -Passed the American CPA Fellowship -Over 3 years at Ernst & Young -9 years as Head of Internal Audit at Arab Bank -9 years as Head of Enforcement, then 3 years as Head of Internal Audit at CMA
Dr. Abdullah bin Abdulrahman Al-Beraidi	Member of the Audit Committee	Part-time University Professor	<ul style="list-style-type: none"> - PhD in Business Administration (2003) -University of Manchester, UK - 27 years of university teaching - Over 21 years of academic and research work - 15 years of administrative and organizational consulting - Holds a SOCPA professional accounting certificate.
Dr. Fahad bin Mousa Al-Zahrani	Member of the Nominations and Remuneration Committee	Retired	<ul style="list-style-type: none"> - PhD in Electrical and Computer Engineering (1996) - University of Colorado, USA - Over 7 years of academic and research work - 4 years as Localization Consultant for Ericsson - Senior VP of Human Resources at Mobily for 5 years - Consultant to CEO at Bank Albilad before retiring in 2017.

4.Current and Past Executive Management Jobs, Qualifications and Experience

Name	Current Role	Previous Role	Qualifications and Experience
Eng. Fawaz bin Saleh Al-Mutairi	VP - Strategy and Growth	Mayor of the Northern Borders Region	<ul style="list-style-type: none"> - Bachelor's in chemical engineering - King Fahd University of Petroleum and Minerals - Started his career at Qassim Cement in 2000 as a CCR operator, progressing to Plant Manager for two years - Held roles as Assistant CEO for Projects and Business Development and first CEO of Umm Al-Qura Cement until 2021 - Previously Deputy CEO at Saudi Mining Company - Asnad and Mayor of the Northern Borders Region.
Mr. Ghassan Abdulhalim Nofale	Chief of Staff	Chef Support Officer	<ul style="list-style-type: none"> - Bachelor's in business administration - Over three decades of experience in leading international consulting firms - Held senior executive roles at Towers Watson, overseeing operations across the Middle East and North Africa - Recognized for consulting and advisory excellence.
Eng. Chandrasekhar Jayaraman	Chief Operations Officer	Global Head of Operational Support, Holcim	<ul style="list-style-type: none"> - Bachelor's in chemical engineering - MBA from Duke University - Over 34 years of experience in the cement industry - Held leadership roles in multinational cement companies like Lafarge, Heidelberg, and Holcim, focusing on operations, project management, and regional/global leadership.

Name	Current Role	Previous Role	Qualifications and Experience
Mr. Alaa Abdulhamid Abu-Ameereh	Chief Financial Officer	Deputy CEO for Financial Affairs - Lafarge Jordan	<ul style="list-style-type: none"> - Bachelor's in accounting and economics - University of Jordan - Held leadership roles at Royal Jordanian Airlines, Astra Group (Saudi Arabia), Orange Telecommunications (Jordan), and Jordanian Aviation Systems - Worked at Lafarge Jordan for 13 years, culminating as Deputy CEO for Financial Affairs - Rejoined Qassim Cement in July 2024 after serving from 2019 to 2022.

5.The Names of Companies Inside or Outside the Kingdom where the Member of the Company's Board of Directors is a member of its current or Previous Board of Directors or Manager

Name	Current Affiliations	Location	Legal Entity Type	Previous Affiliations	Location	Legal Entity Type
Dr. Muhammad bin Nasser Al-Dawood (Chairman)	Saudi Arabian Mining Company (Ma'aden)	Inside Saudi Arabia	Listed Joint-Stock Company	Arabian Industrial Fibers Company (Ibn Rushd)	Inside Saudi Arabia	Limited Liability Company
	Saudi Arabian Industrial Investments Company	Inside Saudi Arabia	Closed Joint-Stock Company			
	ArcelorMittal Tubular Products Jubail	Inside Saudi Arabia	Closed Joint-Stock Company			
	Zamil Offshore Services Company	Inside Saudi Arabia	Closed Joint-Stock Company			
	Alkhorayef Petroleum	Inside Saudi Arabia	Closed Joint-Stock Company			
	Saudi Iron & Steel Company	Inside Saudi Arabia	Limited Liability Company			
	Manara Minerals Investment	Inside Saudi Arabia	Limited Liability Company			
	Albawani Holding Company	Inside Saudi Arabia	Limited Liability Company			
Saudi Global Ports Company	Inside Saudi Arabia	Limited Liability Company				

Name	Current Affiliations	Location	Legal Entity Type	Previous Affiliations	Location	Legal Entity Type
Eng. Muteb bin Mohammed Al-Shathri (Vice Chairman)	ADES Holding	Inside Saudi Arabia	Listed Joint-Stock Company	Innovative Energy Holding	Inside Saudi Arabia	Closed Joint-Stock Company
	Saudi Ceramics	Inside Saudi Arabia	Listed Joint-Stock Company	Tourism Development Company	Outside Saudi Arabia	---
	Saudi-Jordanian Investment Company	Outside Saudi Arabia	Closed Joint-Stock Company	---	---	---
	Saudi-Bahraini Investment Company	Outside Saudi Arabia	Closed Joint-Stock Company	---	---	---
	Saudi-Sudanese Investment Company	Outside Saudi Arabia	Closed Joint-Stock Company	---	---	---
	Saudi-Iraqi Investment Company	Outside Saudi Arabia	Closed Joint-Stock Company	---	---	---
	Depa PLC	Outside Saudi Arabia	Listed Joint-Stock Company	---	---	---
	Capital Bank	Outside Saudi Arabia	Listed Joint-Stock Company	---	---	---
Saudi-Egyptian Investment Company	Outside Saudi Arabia	Closed Joint-Stock Company	---	---	---	
Mr. Tariq bin Khaled Al-Marshoud	---	---	---	---	---	---
Mr. Osama bin Nasser Al-Saif	---	---	---	Reysan Real Estate	Inside Saudi Arabia	Closed Joint-Stock Company
Mr. Abdulrahman bin Mohamed Al-Rawwaf	Saudi Investment Bank	Inside Saudi Arabia	Listed Joint-Stock Company	---	---	---
	Mediterranean & Gulf Cooperative Insurance & Reinsurance (MedGulf)	Inside Saudi Arabia	Listed Joint-Stock Company	---	---	---

Name	Current Affiliations	Location	Legal Entity Type	Previous Affiliations	Location	Legal Entity Type
Mr. Saad bin Ibrahim Al-Mushawah	Abdullah Al Othaim Markets	Inside Saudi Arabia	Listed Joint-Stock Company	Al Jazira Takaful	Inside Saudi Arabia	Listed Joint-Stock Company
	Al Jazira Bank	Inside Saudi Arabia	Listed Joint-Stock Company	Innovative Closets Company	Inside Saudi Arabia	Limited Liability Company
	Thobe Al Aseel	Inside Saudi Arabia	Listed Joint-Stock Company	—	—	—
	Methanol Chemicals Company	Inside Saudi Arabia	Listed Joint-Stock Company	—	—	—
	Durrat Al-Tanmia	Inside Saudi Arabia	Closed Joint-Stock Company	—	—	—
	Al-Watania Agriculture (One of Al-Rajhi Endowment Companies)	Inside Saudi Arabia	Limited Liability Company	—	—	—
	Seed Derivatives Company	Inside Saudi Arabia	Limited Liability Company	—	—	—
	King Abdullah Charitable Foundation	Inside Saudi Arabia	Charitable Foundation	—	—	—
Al-Watania Poultry	Inside Saudi Arabia	Limited Liability Company	—	—	—	
Eng. Ahmed bin Saleh Al-Sultan	Association for Roadside Mosque Care	Inside Saudi Arabia	Charitable Foundation	—	—	—
Dr. Ghazi bin Abdulrahim Al-Rawi	Banque Saudi Fransi	Inside Saudi Arabia	Listed Joint-Stock Company	BSF Capital	Inside Saudi Arabia	Unlisted Joint Stock
	Airports Holding Company	Inside Saudi Arabia	Closed Joint-Stock Company	Saudi Ports Authority	Inside Saudi Arabia	Government Entity
	Riyadh Airports Company	Inside Saudi Arabia	Limited Liability Company	National Medical Care	Inside Saudi Arabia	Listed Joint Stock
	Rou'a Al-Madina Holding Company	Inside Saudi Arabia	Closed Joint-Stock Company	Sanabil investment	Inside Saudi Arabia	Unlisted Joint Stock
	Maabar Al-Qima for Investment & Real Estate Development	Inside Saudi Arabia	Limited Liability Company	Eastgate Capital Group	Inside Saudi Arabia	Limited Liability

Name	Current Affiliations	Location	Legal Entity Type	Previous Affiliations	Location	Legal Entity Type
	Value Gate Real Estate UK Limited	Outside Saudi Arabia	Limited Liability Company (United Kingdom)	Adaptive Spectrum & Signal Alignment	Outside Saudi Arabia	Unlisted Joint Stock
	Ithmar Tayba Dates	Inside Saudi Arabia	Limited Liability Company	—	—	—
	Ithmar Tayba UK Limited	Outside Saudi Arabia	Limited Liability Company (United Kingdom)	—	—	—
	Al-Waha Al-Khadra Hotel	Inside Saudi Arabia	Sole Proprietorship	—	—	—
	Value Gate Investment International	Outside Saudi Arabia	Limited Liability Company (Cayman Islands)	—	—	—
	Value Gate Astro SPV 1	Outside Saudi Arabia	Limited Liability Company (Cayman Islands)	—	—	—
Eng. Omar bin Abdullah Al-Omar	-Watania Poultry	Inside Saudi Arabia	Closed Joint-Stock Company	Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)	Inside Saudi Arabia	Listed Joint-Stock Company
	Soybean Derivatives Company (Limited)	Inside Saudi Arabia	Limited Liability Company	Hail Agricultural Company (HADCO)	Inside Saudi Arabia	Listed Joint-Stock Company
	National Holding for Investment and Development	Outside Saudi Arabia	Closed Joint-Stock Company (Egypt)	Jadoud Poultry	Inside Saudi Arabia	Listed Joint-Stock Company
	Orphan Care Charity (Ekhaa)	Inside Saudi Arabia	Charitable Foundation	—	—	—
Mr. Abdulmalik bin Khalid Al-Rajhi	Al-Rajhi Holding Group	Inside Saudi Arabia	Closed Joint-Stock Company	Hail Cement Company	Inside Saudi Arabia	Listed ⁴ Joint-Stock Company
	Saudi Construction Industries Holding Company	Inside Saudi Arabia	Limited Liability Company	Brand Ship	Inside Saudi Arabia	—
	Al-Khuld Investment	Inside Saudi Arabia	Closed Joint-Stock Company	—	—	—
	Marami	Inside Saudi Arabia	Limited Liability Company	—	—	—
	Vida fit	Inside Saudi Arabia	Limited Liability Company	—	—	—

^{4/} On 10/06/2024, both Extraordinary General Assemblies of Qassim Cement Company and Hail Cement Company shareholders approved the completion of Qassim Cement's acquisition of 100% of Hail Cement's shares and the delisting of Hail Cement from the Saudi exchange market. Additionally, Hail Cement's Board of Directors was dissolved on 10/07/2024 following the completion of the acquisition and the necessary regulatory procedures to amend the Articles of Association and change Hail Cement's legal status

Name	Current Affiliations	Location	Legal Entity Type	Previous Affiliations	Location	Legal Entity Type
Mr. Abdulaziz bin Majid Al-Kassabi	Saudi Lime Industries Company	Inside Saudi Arabia	Listed Joint-Stock Company	Hail Cement Company	Inside Saudi Arabia	Listed Joint-Stocks Company ⁵
	Ayan Investment Company	Inside Saudi Arabia	Listed Joint-Stock Company	—	—	—
	Petromin	Inside Saudi Arabia	Closed Joint-Stock Company	—	—	—
	Energy & Enthusiasm Company	Inside Saudi Arabia	Closed Joint-Stock Company	—	—	—

6. The Actions Taken by the Board of Directors to inform its members, particularly non-executives, of the Shareholders' Suggestions and Observations about the Company and its Performance

The Chairman of the Board informs the members—particularly the non-executive members—of the shareholders' feedback regarding the company and its performance during board meetings.

^{5/} On 10/06/2024, both Extraordinary General Assemblies of Qassim Cement Company and Hail Cement Company shareholders approved the completion of Qassim Cement's acquisition of 100% of Hail Cement's shares and the delisting of Hail Cement from the Saudi exchange market. Additionally, Hail Cement's Board of Directors was dissolved on 10/07/2024 following the completion of the acquisition and the necessary regulatory procedures to amend the Articles of Association and change Hail Cement's legal status

Statement of Board of Directors Meetings for 2024

	Member's name	230-01-2024	231-02-2024	232-03-2024	233-04-2024	234-05-2024	235-06-2024
		21/02/2024 (Riyadh)	20/04/2024 (Online)	28/05/2024 (Online)	27/08/2024 (Riyadh)	19/11/2024 (Online)	25/12/2024 (Online)
1	Dr. Muhammad bin Nasser Al-Dawood	✓	✓	✓	✓	✓	✓
2	Eng. Muteb bin Mohammed Al-Shathri	✓	✓	✓	✓	✓	✓
3	Mr. Tariq bin Khaled Al-Marshoud	✓	✓	✓	✓	✓	✓
4	Mr. Osama bin Nasser Al-Saif	✓	✓	✓	✓	✓	✓
5	Mr. Abdulrahman bin Mohamed Al-Rawwaf	✓	✓	✓	✓	✓	✓
6	Mr. Saad bin Ibrahim Al-Mushawah	✓	✓	✓	✓	✓	✓
7	Eng. Ahmed bin Saleh Al-Sultan	✓	✓	✓	✓	✓	✓
8	Dr. Ghazi bin Abdulrahim Al-Rawi	✓	✓	✓	✓	✓	✓
9	Eng. Omar bin Abdullah Al-Omar	✓	✓	✓	✓	✓	✓
10	Mr. Abdulmalik bin Khalid Al-Rajhi ⁶	Not Applicable			✓	✓	✓
11	Mr. Abdulaziz bin Majid Al-Kassabi ⁷	Not Applicable			✓	✓	✓

Attended ✓ Absent X

7. The Means by Which the Board of Directors Has Relied to Evaluate its Performance and that of its Committees and Members, and the External Body that has Assessed and its Relationship with the Company, if any

The performance of the Board of Directors is evaluated in accordance with the Corporate Governance Regulations. The Nomination and Remuneration Committee oversees the evaluation of the Board and its committees internally as separate units. It identifies and assesses the strengths and weaknesses of the Board and its committees and proposes remedies in alignment with the company's best interests.

^{6/} Both Mr. Abdulmalik bin Khaled Al-Rajhi and Mr. Abdulaziz bin Majid Al-Kassabi have joined the Board of Directors of Qassim Cement Company effective from 10/06/2024, based on the approval of the Extraordinary General Assembly of shareholders, which included the approval to increase the company's capital and the terms and conditions of the acquisition agreement for Hail Cement Company

^{7/} Mr. Abdulaziz bin Majid Al-Kassabi joined the Board of Directors of Qassim Cement Company effective 10/06/2024, based on the approval of the Extraordinary General Assembly of shareholders, which included the approval to increase the company's capital and the terms and conditions of the acquisition agreement for Hail Cement Company

8. Disclosure of the Remuneration of Board Members and Executive Management as stipulated in Article 93 of the Corporate Governance Code.

Below is the Remuneration Policy for Board Members, Board Committees, and Executive Management:

Policy Objectives:

This policy aims to achieve the following:

1. Adhere to performance-based standards for Board members, Board committees, and executive management.
2. Ensure transparency by disclosing the policy and actual payments.
3. Establish mechanisms to verify policy implementation and uphold transparency principles.
4. Define methodologies for setting objectives and expectations for Board outcomes, member roles, and criteria for performance evaluation.
5. Review corrective actions taken by the Board to assess the effectiveness of executive management and address any identified weaknesses or failures.

Policy Scope:

The policy applies to:

- Board Members.
- Members of Board Committees.
- Executive Management, five of the highest-paid executives in the company, including the CEO and CFO

Remuneration Policy:

Board members, Board committees, and executive management are entitled to remuneration based on this policy and related criteria, contracts, and obligations. The Nomination and Remuneration Committee

- Reviews the relationship between granted remuneration and the approved policy.
- Identifies any material deviations in actual practices.
- Regularly evaluates the policy's effectiveness in achieving its objectives.
- Submits recommendations to the Board regarding remuneration for Board members, committees, and executive management

Remuneration may include fixed monetary amounts, meeting attendance fees, in-kind benefits, or a combination of these. Remuneration is tied to attendance rates at Board or committee meetings, allowing for one excused absence annually

Criteria for Remuneration

When determining remuneration for Board members, committees, and executive management, the following criteria are considered

1. Fairness and alignment with responsibilities, tasks, qualifications, and risks involved.
2. Recommendations from the Nomination and Remuneration Committee.
3. Incentivizing success and achieving the company's medium- and long-term goals.
4. The level of responsibility, qualifications, experience, and required skills.
5. Consistency with the company's size, nature, and level of risks.
6. Industry benchmarking to avoid unjustified increases in remuneration.
7. The Board may suspend or reclaim remuneration if it is found to have been based on inaccurate information provided by a member.

Remuneration for Board Members and Committees

1. Board Members: Annual remuneration of SAR 300,000 per member.
2. Chairman: An additional SAR 200,000 annually for Chairman duties.
3. Board Committee Members (excluding the Audit Committee): SAR 100,000 annually per committee membership.
4. Audit Committee Members: SAR 120,000 annually per member.
5. Attendance Fees: SAR 4,000 per meeting attended, applicable to Board and committee meetings.

Remuneration for Executive Management:

The Nomination and Remuneration Committee periodically reviews salary scales, incentive programs, and executive benefits, which include:

- Base Salary: Paid monthly.
- Allowances: Such as housing, transportation, and communication.
- Medical Insurance: Coverage for executives and their families.
- Annual Bonus: Linked to performance indicators and annual evaluations.
- Incentive Plans: Short-term incentives for exceptional performance and long-term incentives like stock options (if applicable).
- Other Benefits: Annual leave, travel tickets, end-of-service benefits, and additional benefits approved by relevant authorities

Suspension or Reclaim of Remuneration

The company may suspend or reclaim remuneration in the following cases:

1. If the remuneration was based on inaccurate information provided by a Board member or executive.
2. If suspicions arise before disbursing remuneration, indicating it was based on inaccurate information

9.The Relationship between the Remuneration Granted and the Applicable Remuneration policy, and the Statement of any Fundamental Deviation from the Policy:

The Nomination and Remuneration Committee reviews the relationship between the granted remuneration and the implemented remuneration policy. It also examines any deviations from the policy. The Committee has not identified any deviations from the policy

10.End of the Board Term on 31/12/2024 and Election of a New Board for a Four-Year Term Starting 01/01/2025 and Ending 31/12/2028:

The 52nd General Assembly Meeting of Qassim Cement Company shareholders, held in person in Buraydah and via technology on Wednesday, 24/06/1446H (25/12/2024), resolved to elect the company's Board of Directors for a new term starting from 01/01/2025 and lasting for four years until 31/12/2028. The elected members are as follows

- 1.Dr. Muhammad bin Nasser Al-Dawood (Chairman of the Board - Non-Executive)
- 2.Eng. Ahmed bin Abdulaziz Al-Sheikh (Vice Chairman of the Board - Non-Executive)
- 3.Mr. Bandar bin Nasser Al-Tamimi (Non-Executive)
- 4.Mr. Saad bin Ibrahim Al-Mushawah (Non-Executive)
- 5.Prince Dr. Badr bin Khalid Al-Saud (Independent)
- 6.Dr. Ghazi bin Abdulrahim Al-Rawi (Independent)
- 7.Mr. Abdulrahman bin Mohammed Al-Rawaf (Independent)
- 8.Eng. Ahmed bin Saleh Al-Sultan (Independent)
- 9.Mr. Abdulmalik bin Khalid AL-Rajhi (Independent)
- 10.Mr. Abdulaziz bin Majid Al-Kassabi (Independent)
- 11.Eng. Omar bin Abdullah Al-Omar (Executive)

•Second: Board Committees and Audit Committee

1.Executive Committee:

The Executive Committee is a sub-committee established by the Board of Directors. It operates in accordance with its roles and responsibilities outlined in the committee's charter and the company's approved delegation of authority manual. The committee currently consists of five (5) members appointed by the Board of Directors, with their membership term not exceeding their term on the Board of Directors.

•Committee Members:

1	Dr. Muhammad bin Nasser Al-Dawood	Committee Chairman	Non-Executive
2	Eng. Muteb bin Mohammed Al-Shathri	Member	Non-Executive
3	Mr. Saad bin Ibrahim Al-Mushawah	Member	Independent
4	Dr. Ghazi bin Abdulrahim Al-Rawi	Member	Independent
5	Eng. Omar bin Abdullah Al-Omar	Member	Executive

Committee's Scope of Work

- Conduct regular meetings to review emerging issues and obstacles, propose suitable solutions, and present matters requiring Board decisions.
- Perform field visits to the plant whenever operational requirements necessitate.
- Review studies, reports, and proposals submitted to the committee and provide suggestions and recommendations to company management and the Board of Directors to enhance and develop operations.
- Direct the activities of the commercial sector, set frameworks for sales incentives, and monitor sales activities.
- Guide the strategy for investing the company's cash surpluses and define the business model.
- Oversee the selection of portfolio managers and monitor the performance of investment portfolios.
- Supervise risk management and address challenges related to investments.
- Carry out tasks and responsibilities assigned to the committee by the Board of Directors.
- Exercise the powers delegated to it under the authority manual approved by the company's Board of Directors.

Statement of Executive Committee meetings for 2024

Member's name	321-01-2024 18/02/2024 Online	322-02-2024 21/05/2024 Online	323-03-2024 18/08/2024 Online	324-04-2024 11/11/2024 Online	325-05-2024 22/12/2024 Online
Dr. Muhammad bin Nasser Al-Dawood	✓	✓	✓	✓	✓
Eng. Muteb bin Mohammed Al-Shathri	✓	✓	✓	✓	✓
Mr. Saad bin Ibrahim Al-Mushawah	✓	✓	✓	✓	✓
Dr. Ghazi bin Abdulrahim Al-Rawi	✓	✓	✓	✓	✓
Eng. Omar bin Abdullah Al-Omar	✓	✓	✓	✓	✓

X Absent ✓ Attended

Tasks and responsibilities of the Committee

- Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with approved policies and standards, ensuring that no individual convicted of a dishonesty-related offense is nominated.
- Conducting an annual review of the required skills or expertise necessary for Board membership and executive management positions.
- Preparing a description of the capabilities and qualifications required for Board membership and executive management roles.
- Determining the time commitment required from members for Board duties.
- Reviewing the structure of the Board and executive management and providing recommendations regarding potential changes.
- Identifying strengths and weaknesses within the Board and proposing solutions to address them in alignment with the company's interests.
- Annually verifying the independence of independent members and ensuring no conflicts of interest exist if the member serves on another company's Board.
- Developing a clear policy for the remuneration of Board members, committees, and executive management, and submitting it to the Board for approval before presenting it to the General Assembly for adoption. This policy must adhere to performance-based standards, ensure transparency, and include mechanisms for its implementation.
- Clarifying the relationship between granted remuneration and the applicable remuneration policy, while highlighting any significant deviations from the policy.
- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving intended objectives.
- Recommending to the Board remuneration for its members, committee members, and senior executives in line with the approved policy.
- Proposing clear policies and standards for membership in the Board of Directors and executive management.
- Establishing job descriptions for executive, non-executive, independent members, and senior executives.
- Outlining procedures to address vacancies in Board or senior executive positions.
 - Ensuring that the committee chairperson or their delegate attends General Assemblies to address shareholder inquiries.
- Reviewing the compensation plan to ensure its alignment with labor market conditions and requirements and evaluating the succession plan for second-tier employees to ensure the company's continuity in the event of senior executive departures.
 - Examining the profiles of candidates proposed for senior executive roles within the company and approving their appointments.
 - Reviewing changes in human resources policies and annual rewards and providing necessary recommendations to the Board for approval.

Committee Members

1	Mr. Abdulrahman bin Mohamed Al-Rawwaf	Committee Chairman	Independent
2	Mr. Tariq bin Khaled Al-Marshoud	Member	Non-Executive
3	Dr. Fahad bin Mousa Al-Zahrani	Member	From outside the Board

Committee Charter

The committee performs its duties in accordance with the requirements of the Corporate Governance Regulations, the company's Delegation of Authority Manual, and based on its charter approved by the Extraordinary General Assembly (50th) held on 06/10/1445 (H), corresponding to 15/04/2024.

Statement of Executive Committee meetings for 2024

Member's name	51-01-2024 13/02/2024 Riyadh	52-02-2024 12/05/2024 Online	53-03-2024 14/08/2024 Online	54-04-2024 17/09/2024 Online	55-05-2024 24/09/2024 Online	55-05-2024 08/10/2024 Online	56-06-2024 12/11/2024 Online	57-07-2024 15/12/2024 Riyadh	58-08-2024 13/02/2024 Riyadh
Mr. Abdulrahman bin Mohamed Al-Rawwaf	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tariq bin Khaled Al-Marshoud	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Fahad bin Mousa Al-Zahrani	✓	✓	✓	✓	✓	✓	✓	✓	✓

Absent ✗ Attended ✓

3- Audit Committee:

The Audit Committee was established by the resolution of the 47th Ordinary General Assembly of the company's shareholders, held on 25/05/1443H (corresponding to 29/12/2021). The committee operates according to its duties and responsibilities outlined in the Audit Committee Charter, approved by the 50th Extraordinary General Assembly held on 06/10/1445H (corresponding to 15/04/2024), and the company's Delegation of Authority Manual. The number of committee members must not be less than three and not exceed five. The Audit Committee currently consists of four (4) members, including two (2) members from the Board of Directors and two (2) members from outside the Board.

1	Mr. Saad bin Ibrahim Al-Mushawah	Chairman	Independent
2	Mr. Tariq bin Khaled Al-Marshoud	Member	Non-Executive
3	Dr. Abdullah bin Abdulrahman Al-Beraidi	Member	From outside the Board
4	Mr. Fawzi bin Ibrahim Al-Hobayb.	Member	From outside the Board

Tasks and Responsibilities of the Committee

The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:

A. Financial Reports:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.⁸
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Analyzing any important or non-familiar issues contained in the financial reports.
- Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports; and
- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

B. Internal Audit:

- Reviewing and evaluating the company's internal control systems, financial controls, and risk management processes.
- Examining internal audit reports and monitoring the implementation of corrective actions for the observations mentioned.
- Overseeing and supervising the performance and activities of the Head of Internal Audit and the Internal Audit Department to ensure the availability of necessary resources and their effectiveness in performing their assigned duties.
- Recommending to the Board of Directors the appointment of the Head of Internal Audit and proposing their remuneration.
- Reviewing and approving the annual work plan of the Internal Audit Department and ensuring its effectiveness.
- Reviewing and approving the Internal Audit Charter

^{8/} Note: The Board of Directors has authorized the Audit Committee to approve and publish the quarterly financial reports

C.External Auditor:

- Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, considering the relevant rules and standards.
- Reviewing the plan of the Company's external auditor and its activities and ensuring that it does not provide any technical or administrative works that are beyond its scope of work and provides its opinion thereon.
- Responding to queries of the Company's external auditor.
- Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.

D.Ensuring Compliance:

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and
- Reporting to the Board any issues in connection with what it deems necessary to act on and providing recommendations as to the steps that should be taken.

Statement of Audit Committee meetings for 2024

Member's name	102-01-2024 12/02/2024 Online	103-02-2024 15/05/2024 Online	104-03-2024 08/08/2024 Online	105-04-2024 07/11/2024 Online
Mr. Saad bin Ibrahim Al-Mushawah	✓	✓	✓	✓
Mr. Tariq bin Khaled Al-Marshoud	✓	✓	✓	✓
Dr. Abdullah bin Abdulrahman Al-Beraidi	✓	✓	✓	✓
Mr. Fawzi bin Ibrahim Al-Hobayb.	✓	✓	✓	✓

•Third: Ownership of the Board of Directors and Senior Executives of the company's shares

Qassim Cement Board of Directors consists of natural members representing themselves, and legal members. The total shares of the Chairman, natural members and senior executives are as following:

1) Member's Ownership:

Member Name	Title	Remarks	Number of Shares		Change	Change as %
			Beginning of the year	End of the year		
Dr. Muhammad bin Nasser Al-Dawood	Chairman	PIF	21,019,080	21,019,080	-	%0
Eng. Muteb bin Mohammed Al-Shathri	Vice Chairman					
Mr. Tariq bin Khaled Al-Marshoud	Member	GOSI	4,455,000	4,455,000	-	%0
Mr. Osama bin Nasser Al-Saif	Member					
Mr. Abdulrahman bin Mohamed Al-Rawwaf	Member	Personal	100	100	-	%0
Mr. Saad bin Ibrahim Al-Mushawah	Member	-	-	-	-	%0
Eng. Ahmed bin Saleh Al-Sultan	Member	-	-	-	-	%0
Dr. Ghazi bin Abdulrahim Al-Rawi	Member	Personal	10	10	-	%0
Eng. Omar bin Abdullah Al-Omar	CEO & member	Personal	1,000	1,000	-	%0
Mr. Abdulmalik bin Khalid AL-Rajhi ⁹	Member	Personal	1,000	1,000	-	%0
		Shares of Al Rajhi Holding Group represented by the member	-	210	210	%100
Mr. Abdulaziz bin Majid Al-Qassabi ¹⁰	Member	Personal	-	138,072	138,072	%100
		Shares of Mushirah Saudi Limited Company in which the member holds a controlling stake	-	478,800	478,800	%100

•Important: The Company has no debt instruments

2) Ownership of Relatives of Board

Member Name	Title	Remarks	Number of Shares		Change	Change as %
			Beginning of the year	End of the year		
Mr. Abdulaziz bin Majid Al-Kassabi ¹¹	Member	Shares owned by Dr.. Majid bin Abdullah Othman Al-Kassabi, the father of the Board Member.	—	993,615	993,615	100%

•There is no ownership of relatives of board members, except for what is mentioned above

3) Ownership of Senior Executives, Their Wives and Their Children:

Member Name	Title	Remarks	Number of Shares		Change	Change as %
			Beginning of the year	End of the year		
Mr. Ghassan Abdulhalim Nofale ¹²	Chief of Staff	Personal	2,000	3,690	1,690	85%

•There is no ownership of relatives of board members, except for what is mentioned above

9/ The reason for the change in the ownership of Mr. Abdulmalik bin Khalid Al-Rajhi by the end of the year is due to his ownership of (1,000) shares in Hail Cement Company before the acquisition transaction, which were exchanged for (210) shares in Qassim Cement Company after the acquisition, based on the swap ratio of (0.21) shares in Qassim Cement for every share in Hail Cement Company. Additionally, there is an indirect interest through the ownership of Al-Rajhi Holding Group, represented by the member on the Board of Directors of Hail Cement Company, which owned (1,500,000) shares in Hail Cement before the acquisition. These were exchanged for (315,000) shares in Qassim Cement after the acquisition, based on the same swap ratio of (0.21) shares in Qassim Cement for each share in Hail Cement. For more information, please refer to the Board of Directors' circular published by Hail Cement Company on the Saudi Exchange (Tadawul) website on 12/11/1445H (20/05/2024).

10/ The change in the ownership of Mr. Abdulaziz bin Majid Al- Kassabi by the end of the year is attributed to his personal ownership of (657,488) shares in Hail Cement Company before the acquisition transaction, which were exchanged for (138,072) shares in Qassim Cement Company after the acquisition, based on the swap ratio of (0.21) shares in Qassim Cement for every share in Hail Cement. Additionally, there is an indirect interest through the ownership of Mushirah Saudi Limited Company, in which the member holds a controlling stake. This includes (2,280,000) shares in Hail Cement before the acquisition, which were exchanged for (478,800) shares in Qassim Cement after the acquisition, based on the same swap ratio of (0.21) shares in Qassim Cement for every share in Hail Cement. For more information, please refer to the Board of Directors' circular published by Hail Cement Company on the Saudi Exchange (Tadawul) website on 12/11/1445H (20/05/2024).

11/ The change in the ownership of the relatives of Mr. Abdulaziz bin Majid Al- Kassabi by the end of the year is due to his mother owning 4,731,500 shares in Hail Cement Company prior to the acquisition transaction. These shares were exchanged for 993,615 shares in Qassim Cement Company after the acquisition transaction, based on the exchange ratio of 0.21 shares in Qassim Cement Company for every share in Hail Cement Company. For more information, please refer to the Board of Directors' circular published by Hail Cement Company on the Saudi Tadawul website on 12/11/1445 AH, corresponding to 20/05/2024.

12/ The change in the ownership of Mr. Ghassan Nofal by the end of the year is due to his ownership of 8,050 shares in Hail Cement Company prior to the completion of the acquisition transaction. These shares were exchanged for 1,690 shares in Qassim Cement Company after the acquisition transaction, based on the exchange ratio of 0.21 shares in Qassim Cement Company for every share in Hail Cement Company. For more information, please refer to the shareholders' circular published by Qassim Cement Company on the Saudi Tadawul website on 12/11/1445 AH, corresponding to 20/05/2024



4) Remuneration of the Board of Directors members and Senior Executives:

The company pays Board members and committee members expenses, attendance allowances, and financial rewards in accordance with the regulations and the remuneration policy for Board members, committee members, and executive management. During the year 2024 (for entitlements from the fiscal year 2023), the company disbursed an amount of SAR 4,584,000. This amount consists of SAR 3,840,000 as remuneration for Board members for their membership in the Board and committees, SAR 240,000 as remuneration for Audit Committee members from outside the Board (two members), SAR 100,000 as remuneration for a Nomination and Remuneration Committee member from outside the Board, and SAR 404,000 as attendance allowances for Board and committee meetings during the year 2024.

Below is a summary of the total entitlements for Board members for the year 2024 and the payments made during 2024 to five senior executives (including the CEO and CFO).

Description	Fixed Remuneration						Total
	Annual remuneration	Allowance for attending Board Meetings	Allowances for attending Board Committees Meetings	In-kind Benefits	Rewards against technical, administrative and advisory work	Special Remuneration for the Chairman, or Managing Director or the Secretary, if he is a board member	
(A) Independent board of directors' members:							
	300,000	24,000	36,000	–	–	–	360,000
Eng. Ahmed bin Saleh Al-Sultan	300,000	24,000	–	–	–	–	324,000
Mr. Abdulrahman bin Mohamed Al-Rawwaf	300,000	24,000	32,000	–	–	–	356,000
Dr. Ghazi bin Abdulrahim Al-Rawi	300,000	24,000	20,000	–	–	–	344,000
Sub Total (A)	1,200,000	96,000	88,000	–	–	–	1,384,000
(B) Non-executive board of directors' members:							
Dr. Muhammad bin Nasser Al-Dawood	300,000	24,000	20,000	–	–	200,000	544,000
Eng. Muteb bin Mohammed Al-Shathri	300,000	24,000	20,000	–	–	–	344,000
Mr. Tariq bin Khaled Al-Marshoud	300,000	24,000	48,000	–	–	–	372,000
Mr. Osama bin Nasser Al-Saif	300,000	24,000	–	–	–	–	324,000
Mr. Abdulmalik bin Khalid AL-Rajhi ¹³	167,671	12,000	–	–	–	–	179,671
Mr. Abdulaziz bin Majid Al-Kassabi ¹⁴	167,671	12,000	–	–	–	–	179,671
Sub Total (B)	1,200,000	80,000	76,000	–	–	200,000	1,556,000
(C) Executive board of directors' members:							
Eng. Omar bin Abdullah Al-Omar	300,000	24,000	20,000	–	–	–	344,000
Sub Total (C)	300,000	20,000	20,000	–	–	–	344,000

Statement of Remuneration for Members of the Board Committees:

Description	Fixed bonuses (Except the allowance for attending the meetings)	allowance for attending the meetings	Total
Audit Committee Members:			
Mr. Saad bin Ibrahim Al-Mushawah	120,000	16,000	136,000
Mr. Tariq bin Khaled Al-Marshoud	120,000	16,000	136,000
Dr. Abdullah bin Abdul Rahman Al-Beraidi (from outside the board)	120,000	16,000	136,000
Mr. Fawzy bin Ibrahim Al-Hobayb (from outside the board)	120,000	16,000	136,000
Total	480,000	64,000	544,000
Members of the Nomination and Remuneration			
Mr. Abdulrahman bin Mohamed Al-Rawwaf	100,000	32,000	132,000
Mr. Tariq bin Khaled Al-Marshoud	100,000	32,000	132,000
Dr. Fahad bin Mosa Al-Zahrani	100,000	32,000	132,000
Total	300,000	96,000	396,000
Executive Committee Members:			
Dr. Muhammad bin Nasser Al-Dawood	100,000	20,000	120,000
Eng. Muteb bin Mohammed Al-Shathri	100,000	20,000	120,000
Eng. Omar bin Abdullah Al-Omar	100,000	20,000	120,000
Mr. Saad bin Ibrahim Al-Mushawah	100,000	20,000	120,000
Dr. Ghazi bin Abdulrahim Al-Rawi	100,000	20,000	120,000
Total	500,000	100,000	600,000

Payments to five senior executives including the CEO and CFO:

Description	The rewards of the five top executives who received the highest remuneration and compensation
Salaries and compensation	6,862,340
Allowances	2,322,418
Periodic and annual bonuses and incentive plans	3,918,007
Total	13,102,765

^{13/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445 AH (corresponding to 10/06/2024), the amendment to Article (19) of the Articles of Association related to the (Management of the Company) was approved, effective from the date of completing the acquisition transaction

^{14/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445 AH (corresponding to 10/06/2024), the amendment to Article (19) of the Articles of Association related to the (Management of the Company) was approved, effective from the date of completing the acquisition transaction

•Fourth: A statement of the dates of the shareholders' general assembly's held during the last fiscal year, and the names of the board of director members attending those general assemblies

Name	The 50th Extraordinary General Assembly held on 15/04/2024 (Online)	The 51st Extraordinary General Assembly held on 10/06/2024 (in-person in Buraidah and Online)	The 52nd Ordinary General Assembly held on 25/12/2024 (in-person in Buraidah and Online)
Dr. Muhammad bin Nasser Al-Dawood (Chairman)	X	✓	✓
Eng. Muteb bin Mohammed Al-Shathri (Vice Chairman)	✓	✓	✓
Mr. Tariq bin Khaled Al-Marshoud	✓	✓	✓
Mr. Osama bin Nasser Al-Saif	✓	✓	✓
Mr. Abdulrahman bin Mohamed Al-Rawwaf	✓	✓	✓
Mr. Saad bin Ibrahim Al-Moshaweh	✓	✓	✓
Eng. Ahmed bin Saleh Al-Sultan	✓	✓	✓
Dr. Ghazi bin Abdulrahim Al-Rawi	✓	✓	✓
Eng. Omar bin Abdullah Al-Omar (CEO)	✓	✓	✓
Mr. Abdulmalik bin Khalid AL-Rajhi ¹⁵	Not Applicable	Not Applicable	✓
Mr. Abdulaziz bin Majid Al-Kassabi ¹⁶	Not Applicable	Not Applicable	✓

X Absent

✓ Attended

•Fifth: the number of the company's requests for the shareholders' register, dates and reasons for those requests

The number of company requests for shareholder register	Date	Reason of request
1	14/01/2024	Other
2	25/01/2024	Other
3	13/02/2024	General Assembly
4	03/03/2024	Dividend File
5	31/03/2024	Other
6	15/04/2024	General Assembly
7	09/06/2024	General Assembly
8	23/06/2024	Corporate Actions
9	01/09/2024	Dividend File
10	02/12/2024	Dividend File
11	24/12/2024	General Assembly

•Sixth: Details about Treasury Shares

The total number of treasury shares owned by Qassim Cement as of 31/12/2024 amounted to 798,353 shares following the completion of the acquisition of Hail Cement Company.¹⁷

^{15/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445H, corresponding to 10/06/2024, the amendment to Article (19) of the Articles of Association related to the company's management was approved, to take effect as of the completion date of the acquisition transaction.

^{16/} Based on the resolution of the 51st Extraordinary General Assembly held on 04/12/1445H, corresponding to 10/06/2024, the amendment to Article (19) of the Articles of Association related to the company's management was approved, to take effect as of the completion date of the acquisition transaction.

•Seventh: Acknowledgement of the Board of Directors:

- 1.The accounting records were prepared correctly.
- 2.The internal control system was established on sound principles and implemented effectively.
- 3.There is no significant doubt regarding the company's ability to continue its operations.
- 4.In accordance with the law and based on the Rules on the Offering of Securities and Continuing Obligations issued by the Capital Market Authority Board, no penalties, sanctions, precautionary measures, or provisional restrictions have been imposed on the company by the Capital Market Authority or any other supervisory, regulatory, or judicial authority.
- 5.The company's financial statements were prepared in accordance with the accounting standards approved by the Saudi Organization for Certified Public Accountants.
- 6.There is no interest in voting rights shares attributable to individuals other than what has been disclosed about the Board of Directors, senior executives, and their relatives, who informed the company of these rights during 2024.
- 7.There are no interests, contractual securities, or subscription rights belonging to the Board of Directors, senior executives, or their relatives in the company's shares or debt instruments, except as mentioned in Item 3 above.
- 8.There are no categories or numbers of convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company during the fiscal year 2024.
- 9.There were no transactions between the company and any related party.
- 10.There are no transactions or contracts involving the company as a party where any Board member, the CEO, the CFO, or any related party has an interest.
- 11.There are no convertible debt instruments, subscription warrants, or similar rights issued or granted by the company.
- 12.The company has not redeemed, purchased, or canceled any redeemable debt instruments.

- 13.There are no arrangements or agreements whereby any Board member or senior executive in the company has waived any salary or compensation.
- 14.There are no competitive activities conducted by any Board member or relating to the company's branches or operations.
- 15.There are no arrangements or agreements whereby any shareholder has waived any rights to dividends.
- 16.There are no investments or other reserves established for the benefit of the company's employees.
- 17.No shares or debt instruments have been issued to any subsidiary.
- 18.The company has no loans

•Eighth: Conflict between the Audit Committee and the Board, or Rejected Recommendations Related to Appointment or Dismissal of the Company's Auditor, Determination of its fees, Evaluation of its Performance or Appointment of the Internal Auditor, and Justifications for Such Conflicts If Any:

There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors or that the Board has refused to adopt regarding the appointment, dismissal, fee determination, and performance evaluation of the company's external auditor or the appointment of the internal auditor.

17/ The above-mentioned treasury shares are comprised as follows:

A) Treasury shares owned by Hail Cement Company, totaling 1,493,478 shares, representing 1.53% of Hail Cement Company's capital before the acquisition. Following the acquisition process and according to the exchange ratio of 0.21 shares in Qassim Cement for each share in Hail Cement, these shares were converted into 313,630 shares in Qassim Cement, representing 0.284% of Qassim Cement's capital.

B) The ownership represents compensation shares issued in exchange for Hail Cement shares owned by the investment fund, totaling 2,308,206 shares, representing 2.36% of Hail Cement Company's capital before the acquisition. Following the acquisition process and according to the exchange ratio of 0.21 shares in Qassim Cement for each share in Hail Cement, these shares were converted into 484,723 shares in Qassim Cement, representing 0.438% of Qassim Cement's capital. Subsequently, the fund manager finalized the procedures to transfer these shares to become treasury shares directly owned by Qassim Cement, and the shareholder register is currently being updated to reflect this.

02



02

Chapter 2

Planning and Performance

First: Strategy and Action Plan

Leading the way in consolidating KSA's cement industry, QCC's successful acquisition of Hail Cement Company (HCC) serves as a defining achievement that strengthens our market position and enhances our capacity for groundbreaking innovation. We, at QCC take immense pride in setting new industry benchmarks through our bold initiatives, visionary solutions, exceptional customer focus, and operational excellence. Our transformation journey has already delivered significant capability enhancements, allowing us to pursue organic expansion, embrace advanced technology, and diversify into new product offerings, ensuring adaptability in a highly competitive market.

Rooted in the twin pillars of Growth and Sustainability, QCC's 2030 strategy reflects our commitment to innovation and alignment with Saudi Vision 2030's objectives. Through a robust transformation program, we are not only capitalizing on emerging opportunities but also addressing cost optimization and building resilience against market volatility. Our focus on environmental stewardship includes advancing Green Cement, de-carbonization initiatives, and energy-efficient technologies, which directly align with the Kingdom's Giga Projects and broader social development goals.

To strengthen our competitive edge, we are actively driving organic growth initiatives by expanding our operational footprint, optimizing channel management, and reaching untapped geographic markets. Complementing these efforts is our strategic focus on inorganic growth, exemplified by the HCC deal, which has not only unlocked significant synergies but has also laid a strong foundation to meet the growing market demands, paving the way for further opportunities. Additionally, through continued investments in talent, processes, and innovation, QCC is cultivating a culture of accountability and excellence. Overall, these efforts not only reinforce our leadership position within the industry but also solidify our reputation as an employer of choice. Looking forward, QCC remains focused on delivering exceptional shareholder value, enhancing customer experiences, and empowering employees. By maintaining a relentless drive for strategy execution, we are shaping a sustainable and resilient future for the KSA cement sector.

Second: Production:

Clinker production -Qassim and Hail plants-:

All kilns continued to operate during 2024 for both plants in Qassim and Hail with an increase of clinker production by 2.13% compared to 2023, noting that the clinker stock increased to approximately 5.65 million tons (Following the completion of the acquisition of Hail Cement Company)

Cement production -Qassim and Hail plants-:

Cement production for both plants in Qassim and Hail increased by 14.25% compared to the year 2023, in response to higher sales volumes in the markets.

Energy Consumption -Qassim and Hail Plants:

The year 2024 witnessed a decrease in energy consumption - fuel and power - by 1.26% and 1.39% respectively, compared to 2023 in both plants.

Third: Financial performance:

Upon reviewing the consolidated financial statements of the group for the year ended 31/12/2024, which were audited by "KPMG Professional Consulting," its represent the following:

1- Assets and liabilities during the last five years (in thousand SAR):

Seria	Description	2024	2023	2022	2021	2020
1	Current Assets	1,538,104	963,323	1,133,528	1,207,529	1,261,397
2	Current Liabilities	279,972	166,835	204,972	232,256	252,107
3	Working Capital	1,258,132	796,488	928,556	978,667	1,009,290
4	Other Long Term Assets	351,754	146,366	245,058	206,532	185,803
5	Fixed Assets	1,247,166	695,117	547,842	605,902	668,069
6	Total Assets	3,137,024	1,804,806	1,926,428	2,019,963	2,115,268
7	Other Liabilities	93,048	58,670	56,679	55,528	54,073
8	Total Liabilities	373,020	225,505	261,651	287,784	306,180
9	Paid-Up Capital	1,105,590	900,000	900,000	900,000	900,000
10	Reserves and Retained Earnings	997,112	-	-	-	-
11	Additional Share Capital	(47,618)	-	-	-	-
12	Treasury Shares	708,921	679,301	764,777	832,179	909,088
13	Shareholders' Equity (No Minority Interests)	2,764,004	1,579,301	1,664,777	1,732,179	1,809,089
14	Total Liabilities and Shareholders' Equity	3,137,024	1,804,806	1,926,428	2,019,963	2,115,268

2- Business results for the last five years (in thousand SAR):

Seria	Description	2024	2023	2022	2021	2020
1	Revenue	967,578	583,560	678,456	722,798	898,422
2	Cost of Goods Sold	634,220	432,459	489,971	436,851	425,191
3	Gross Profits	333,358	151,101	188,486	285,947	473,231
4	G&A and S&D Total Expenses	92,457	39,137	46,593	29,546	50,953
5	Other income and expenses (net)	88,429	46,612	13,161	65,583	27,248
6	Zakat	27,981	16,605	24,541	30,112	29,691
7	Net Income (No Minority Interests)	301,349	141,971	130,513	295,266	419,835

3- Operational results for year 2024 compared with year 2023 (in thousand SAR):

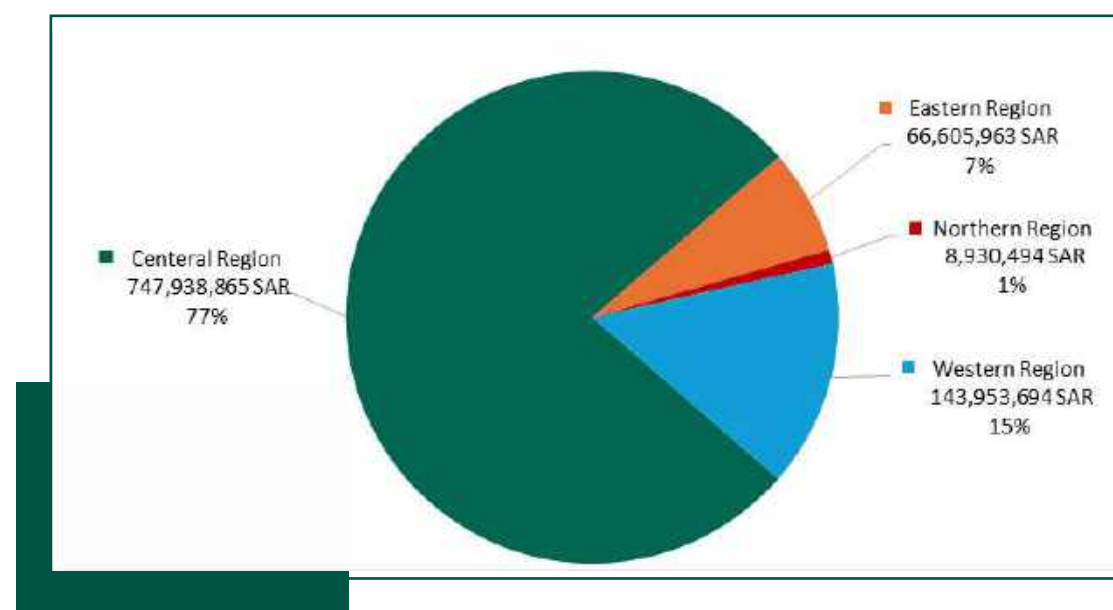
Seria		2024	2023	Change	%
1	Revenue	967,578	583,560	384,018	66%
2	Cost of Goods Sold	634,220	432,459	203,054	47%
3	Gross Profits	333,358	151,101	180,964	119%
4	G&A and S&D Total Expenses	92,456	39,137	53,824	139%
5	Operational Income	240,902	111,964	127,140	112%
6	Other income and expenses (net)	88,429	46,612	43,615	97%
7	Zakat	27,981	16,605	11,376	69%
8	Net Income (No Minority Interests)	301,349	141,971	159,379	112%

4- By reviewing the differences in the operational results compared with the previous year results, the following is evident:

Qassim Cement Company achieved sales of 968 million Saudi Riyals in the fiscal year 2024, compared to 584 million Saudi Riyals in the fiscal year 2023, reflecting an increase of (66%). The company also concluded the fiscal year 2024 with a rise in the cost of goods sold by (47%) compared to 2023.

Meanwhile, net profit after Zakat for 2024 increased to 301 million Saudi Riyals, compared to (142) million Saudi Riyals in 2023, marking a growth of 112%, driven by higher sales volume and value, increased other income, and the consolidation of the subsidiary's operations from the acquisition date. This comes despite the rise in the cost of goods sold and the increase in operating expenses associated with the acquisition process, Operating profit from operations in 2024 amounted to 333 million Saudi Riyals compared to 152 million Saudi Riyals in 2023, reflecting an increase of (119%). As a result, earnings per share for 2024 stood at 2.98 Saudi Riyals, compared to 1.58 Saudi Riyals in 2023, an increase of 89%.

5- Geographic Analysis of Total Revenue for the Company and its Subsidiaries:



6- Due regular payments:

- Quarries fees -

The company is subject to the mining investment law issued by Royal Decree No. M/47 dated 20/08/1425H, whereby an annual accrual is recorded to be paid to the Ministry of Industry and Mineral Resources in the following year.

- Zakat -

The company is subject to the regulations of Zakat, Tax and Customs Authority (ZATCA) in the KSA, whereby the amount of Zakat is recorded on accrual basis. The company has paid the due zakat for year 2022, and has obtained a certificate from (ZATCA) valid until 30-04-2024.

- Value-Added Tax -

The company is subject to the value-added tax (VAT) law issued by council of ministers' resolution no. 654 dated 01/11/1438H, the company filling its monthly VAT returns since the beginning of year 2018, and pays it on a monthly basis during the statutory period.

- GOSI Subscriptions -

The company is subject to the social insurance system, the contributions of the General Organization for Social Insurance (GOSI) are recorded on accrual basis and pays it as per GOSI rules during the statutory period.

The following table shows the amounts of the regular payments paid during the year 2024 and the due amounts;

Description	2024	
	Paid During the Year	Due by end of the year
Quarries fees	46,109,053	11,465,927
Zakat	30,122,551	33,847,827
Value Added Tax	83,271,664	8,634,601
GOSI Subscriptions	14,401,799	1,062,791

Fourth: Environmental Sustainability, Occupational Health and Safety:

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01 - Biodiversity and Preservation of Natural Resources

•Optimizing Water and Raw Material Usage:
QCC is committed to optimizing the use of water and raw materials by implementing efficient consumption and recycling practice to enhance sustainability.

•Energy Conservation:
Qassim Cement is committed to promoting sustainable energy sources and planning for alternative fuel usage, reducing dependence on fossil fuels, and minimizing its carbon footprint.

02 - Environmental Risks Management

•Chemicals Management:
The company implements recycling and reuse systems and adopts precautionary measures to prevent negative environmental impacts.

•Environmental Rehabilitation of Quarries:
Qassim Cement rehabilitates areas used for quarrying by planting drought-resistant trees like Sidr, Talh, and Ghaf, contributing to biodiversity restoration and combating desertification.

03 - Afforestation and Air Quality Improvement

•Extensive Tree Planting Initiatives:

•In 2024, the company launched an ambitious afforestation program in collaboration with the National Center for Vegetation Cover Development and Combating Desertification, successfully planting 30,000 trees around its facilities and surrounding areas. It aims to plant 350,000 trees by 2030.

•Enhancing Air Quality:

The planted trees absorb CO2 and filter pollutants like carbon monoxide and sulfur dioxide, reducing the effects of global warming. The company has also established an ambitious air quality management program using advanced sensors for real-time monitoring and rapid response. Specialized filtration systems ensure emissions remain well below regulatory limits, reflecting its environmental responsibility.

04 - Recycling Water for Irrigation

•Wastewater Treatment Plant:

Qassim Cement has established a modern wastewater treatment facility using Moving Bed Bio-film Reactor (MBBR) and biological treatment technologies. Treated water is reused for irrigating trees and green spaces, with ongoing efforts to enhance the plant's capacity.

05

Investment in Modern Technologies

•Advanced Technologies for Environmental Efficiency:

The company invests in cutting-edge technologies to increase energy efficiency and reduce emissions, contributing to its net-zero carbon goals.

06

Periodic Review and Continuous

•Environmental Performance Enhancement:

Qassim Cement is dedicated to regularly reviewing and improving its environmental practices to ensure optimal results and minimize environmental impact.

07

Compliance with Environmental Standards

•ISO 14001-2015 Certification:

The company has achieved certification under the latest ISO 14001-2015 standard for integrating environmental management, further solidifying its leadership in environmental sustainability.

•Renewal of Operational Environmental License:

The National Center for Environmental Compliance has renewed the company's operational environmental license in recognition of its full adherence to environmental protection regulations and license conditions.

08

Occupational Health and Safety

•Advanced Safety Measures:

Qassim Cement applies cutting-edge occupational health and safety procedures aligned with global standards to protect employees and visitors from harm.

•Promoting Safety Awareness:

The company prioritizes raising awareness of occupational health and safety among its employees and stakeholders. It regularly organizes training programs to foster a strong safety culture, enhance awareness of environmental and safety issues, and ensure optimal implementation of safety measures.

QCC remains committed to advancing sustainable development through environmental innovation, partnerships with government entities, and active contributions to afforestation and environmental protection projects.

-For more information about our sustainability journey, kindly download our corporate sustainability report. -

Fifth: Social Responsibility:

QCC places great importance on its social responsibilities, making them a core priority. The company is dedicated to fostering economic development, enhancing community prosperity, and optimizing natural resource utilization while preserving the environment. This commitment is reflected in the company's fulfillment of its duties through various programs that benefit local communities, enhance quality of life, and support cultural, scientific, and charitable events. These activities reaffirm QCC's pledge to social responsibility and its continuous pursuit of sustainable development in alignment with Saudi Vision 2030. Below is an overview of the most prominent activities during 2024:





- Quality of Life Initiatives



• HCC Park: In alignment with Saudi Vision 2030 and the commitment to improving the quality of life in local communities, "HCC Park" is one of our key social responsibility initiatives, launched in collaboration with the Hail Municipality. Covering an area of 30,000 m², the park exemplifies a harmonious blend of urban beautification and environmental sustainability. Designed to be inclusive and cater to the needs of various community segments, the park provides an environment suitable for everyone. It promotes healthy and active lifestyles through dedicated

spaces for old people and children, walking and cycling paths, and green areas with thoughtfully designed seating for families and individuals. Additionally, the park features designated areas for dining, cafés that enhance its social and entertainment appeal. The park significantly contributes to the Quality of Life Program under Saudi Vision 2030 by fostering sustainable urban design, creating community spaces that support environmental preservation, and encouraging positive community interactions. Hail Cement Park reflects our firm belief in the vital role of companies as active contributors to community development and quality of life enhancement, serving as a legacy of our commitment to social responsibility and





- Environmental Initiatives

- **Vegetation Development and Desertification Control:** The company signed a memorandum of understanding with the National Center for Vegetation Development and Combating Desertification to contribute to the "Saudi Green Initiative." This collaboration focuses on integrated efforts to preserve ecosystems and support afforestation, fostering sustainable development and maintaining ecological balance. This initiative is active year-round at QCC's facilities in the Qassim and Hail regions.
- **International Forum and Exhibition on Afforestation Technologies:** QCC participated in this distinguished international exhibition in collaboration with the National Center for Vegetation Development and Combating Desertification, held in Riyadh, to promote afforestation technologies and environmental preservation.
- **Environmental Cleanup Campaign:** The company participates in the environmental cleanup campaign in collaboration with King Salman Royal Reserve Development Authority at Wadi Al-Silf in Hail. This initiative aimed to preserve the



- Safety Initiatives

- **World Civil Defense Day:** The company participated in World Civil Defense Day activities in collaboration with the Civil Defense in Qassim and Hail Regions. These events aimed to promote safety awareness and improve community skills in dealing with emergencies and disasters.



- Public Awareness Initiatives

- **Saudi International Volunteer Day Forum:** The company supported this forum in collaboration with the Qassim Governorate, held at the King Khalid Cultural Center in Buraidah, to promote volunteerism and charitable work.
- **Sponsorship of the Zubaida Trail Caravan to Mark Founding Day:** The company sponsored this event in collaboration with the Hail Governorate, held in Fayd, to enhance cultural and tourism awareness of the historic Zubaida Trail.



- Health Initiatives

- **Qassim International Conference on Surgical Technology Advancements:** The company supported this conference, organized by the Qassim Health Cluster at the King Khalid Cultural Center in Buraidah, to promote innovation and technology in surgery.
- **Blood Donation Campaign ("My Blood for the Guests of Allah"):** QCC organized a blood donation campaign in collaboration with the "Dami" Charitable Blood Banks Association at its factory in Buraidah, supporting blood donation efforts for the Guests of Allah.
- **Hail International Conference on Lifestyle Medicine:** The company supported this conference organized by the Hail Health Authority at Al-Roshan Center in Hail, to raise awareness of healthy lifestyles and health education.
- **Al-Khair Medical Clinic:** QCC continues to support this initiative in collaboration with Sufana Health Charity in Hail, offering year-round healthcare services to the charity's beneficiaries in Hail and its surrounding regions.



- Educational Initiatives

- **Support for the Student Center:** The company supported the Student Center in collaboration with the General Directorate of Education in Qassim. This initiative, implemented in Buraidah, aimed to support education and enhance the learning environment.



- Charitable Donations Initiatives

- **Financial Support for Charity Organizations:** QCC provided financial support to the Al-Bir Charity in Mughuib Al-Sir to assist with charitable and community activities.



Sixth: Human Resources:

Given that human capital is one of the most important pillars for the success and continuity of organizations, QCC has placed high importance on human resources throughout its journey of success since its beginning. This is clearly reflected in the company's development, enhanced performance level, and increased competitiveness in the labor market. Consequently, developing and maintaining human capital is one of the company's main objectives. This is achieved through the continuous improvement of the team's skills and capabilities, refining and developing them through well-planned education and development programs. The company also focuses on attracting talented and professional talents to ensure the achievement of its objectives and the continuation of its success journey. QCC is considered one of the attractive work environments, continuously striving to create a safe and motivating work environment that enhances the efficiency of the team and enables them to face challenges and overcome obstacles. This is reflected in the outstanding performance of the employees and their ability to achieve the desired goals. Additionally, QCC is keen on providing its employees with the opportunity to participate in business development across various fields through development and innovation plans aimed at encouraging them to present ideas and initiatives that contribute to improving operational and productivity processes. Furthermore, QCC pays special attention to developing technological systems that support employees in performing their tasks more efficiently, such as SAP "Success Factor & S4/Hana", "Knowledge Manager", and others, to achieve the best results and enhance the competitive work environment. QCC's diligent efforts to achieve Saudization goals manifest its commitment to exceeding the required Saudization rates, enabling it to maintain its constant classification within the platinum range. This commitment is a fundamental part of the company's support for the goals of "Saudi Vision 2030," which has become one of QCC's main strategic objectives. To enhance the attractiveness of the work environment and ensure the retention of national talents, the company regularly reviews and develops its human capital management programs and plans. It also utilizes the expertise of the best global consulting firms specializing in human resources to ensure adherence to the latest international standards and practices, to meet the requirements of attraction and retention programs, and completed some of its projects in this regard in 2024.



03

Chapter Three

Governance



03

First: Governance Code

Qassim Cement Company adheres to the Corporate Governance Regulations issued by Capital Market Authority (CMA) in order to implement best governance practices that ensure the protection of rights for shareholders and stakeholders. QCC has adopted a corporate governance framework based on the CMA's Corporate Governance code. As an extension, the Board of Directors adopted all policies arising from the Corporate Governance code. The following is a table explaining the company's position on the application of the corporate governance code issued by the Capital Market Authority.

The Company applies all the provisions in the CMA's Corporate Governance Code, except for the guidelines provisions below:

Article Number /Paragraph	Provision	Reason
37/2	Training and preparation of the Board members and committee members	A Guiding Article
39/ (A, E, F)	Assess the performance of the Board, its members and committees	A Guiding Article
67	Composition of the Risk Management Committee	A Guiding Article
69	Meetings of the Risk Management Committee	A Guiding Article
82	Employee Incentives	A Guiding Article
84	Social Responsibility	A Guiding Article
85/(1-4)	Social Initiatives	A Guiding Article
92	Formation of a Corporate Governance Committee	A Guiding Article

Second: Risk Management

The risk management process is considered one of the most important lines of Defense and an integral part of the internal control system and the company's strategy to achieve long-and short-term goals while ensuring the company's ability to implement its strategies and achieve its goals effectively. Therefore, QCC is committed to the systematic and organized process of assessing the risks of operations and activities in a transparent manner. The risk is hedged through close cooperation between the company's departments, assessing the likelihood of its occurrence and assessing the implications of it, classifying risks that affect the company's objectives, and identifying necessary measures to manage those risks. This may involve the use of insurance, implementing safety and protection measures, diversifying supply sources, improving resource utilization efficiency, enhancing cost management, implementing customer evaluation mechanisms, establishing appropriate credit limits, expanding the customer base to mitigate the impact of price competition, and implementing an effective internal control system to mitigate the risks much as possible to avoid any damage that may occur. The company monitors risks and updates its register annually based on the prevailing risks. Some of the key risks that the company faces and may have a negative impact on achieving its future plans include:

Change or uncertainty in Geo-political circumstances, Trade Policies impacting the supply chain of regionally /globally procured material. This may potentially lead to disruption in supply chain, availability of material.

Increase in the royalty for extraction of limestone and clay due to change in KSA regulations. This may potentially lead to reduced profit margin of QCC due to high raw material cost

Reduction of government subsidy in the fuel price and power tariff due to change in government policies. This may potentially lead to reduced profit margin of QCC due to high operational costs

Reduction of government subsidy in the fuel price and power tariff due to change in government policies. This may potentially lead to reduced profit margin of QCC due to high operational costs

Heavy dependence on single source procurement rather than identifying alternative vendors. This may potentially lead to irrational purchases and disruption in supply chain due to failure of a single vendor

Risk of emergence of new market players / competitors due to industry attractiveness and growth opportunity. This may potentially lead to: 1.) QCC unable to sustain its position of market leader in the central region; and 2.) Contraction of QCC market share

Risk of price war among existing players in industry. This may potentially lead to erosion of market share or profit margin of QCC

Risk of absence of documented strategy to optimize the outbound logistics cost (i.e. from dispatch area to customer/ distributor's location). This may potentially result in decline in profits to the company because of un-optimized logistics cost

Risk of absence of entity level credit risk appetite that cascades into customer/ distributor level credit limits. This may potentially lead to bad debts significant at company level

Third-party risks arising from the organization's reliance on outsourcing and strategic sourcing arrangements, IT vendor contracts, and other partnerships/Joint Ventures. This may potentially lead to operational disruptions.

The risks that are mentioned in the external auditors disclosures, they are only to clarify the company's position on those risks, and they are as follows: -

Financial Risk Management:

The Company has exposure to the following risks from its use of financial instruments:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's trade receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk refers to the difficulties that an entity may encounter in providing funds to meet obligations arising from financial instruments. Liquidity risk can arise from the inability to sell a financial asset quickly and at an amount close to its fair value. Liquidity risk is managed through continuous monitoring of liquidity and ensuring the availability of adequate financial resources. Concentration of liquidity risk may arise from terms of settlement of financial liabilities, sources of financing or reliance on a specific market for obtaining liquid assets. Below are the contractual maturities of financial liabilities at the end of the year, which have been presented based on gross undiscounted amounts.

Market Risk

Market risk is the risk of possible impact of changes in market prices, such as foreign exchange rates and commission rates.

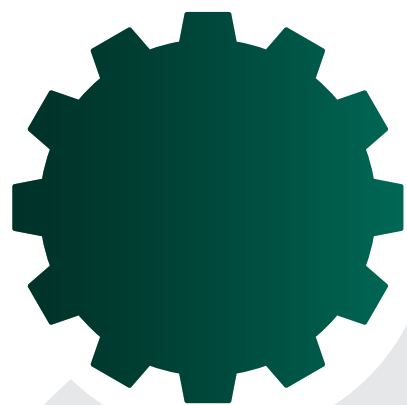
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Third: The Results of the Annual Review of the Effectiveness of the Internal Control Procedures, in addition to the Opinion of the Audit Committee on the Adequacy of the Internal Control system:

The Audit Committee is continuously develops and supports internal control and monitoring systems, where the internal audit section conducts tasks based on annual risk-based audit plan, which is approved and monitored by the Audit Committee. The audit processes aim to evaluate the internal control systems. The audit processes carried out by our internal audit section did not present any fundamental weakness in the company's internal control system.

Accordingly, the Audit Committee has a reasonable basis to report that the Company's internal control system is effective and adequate.

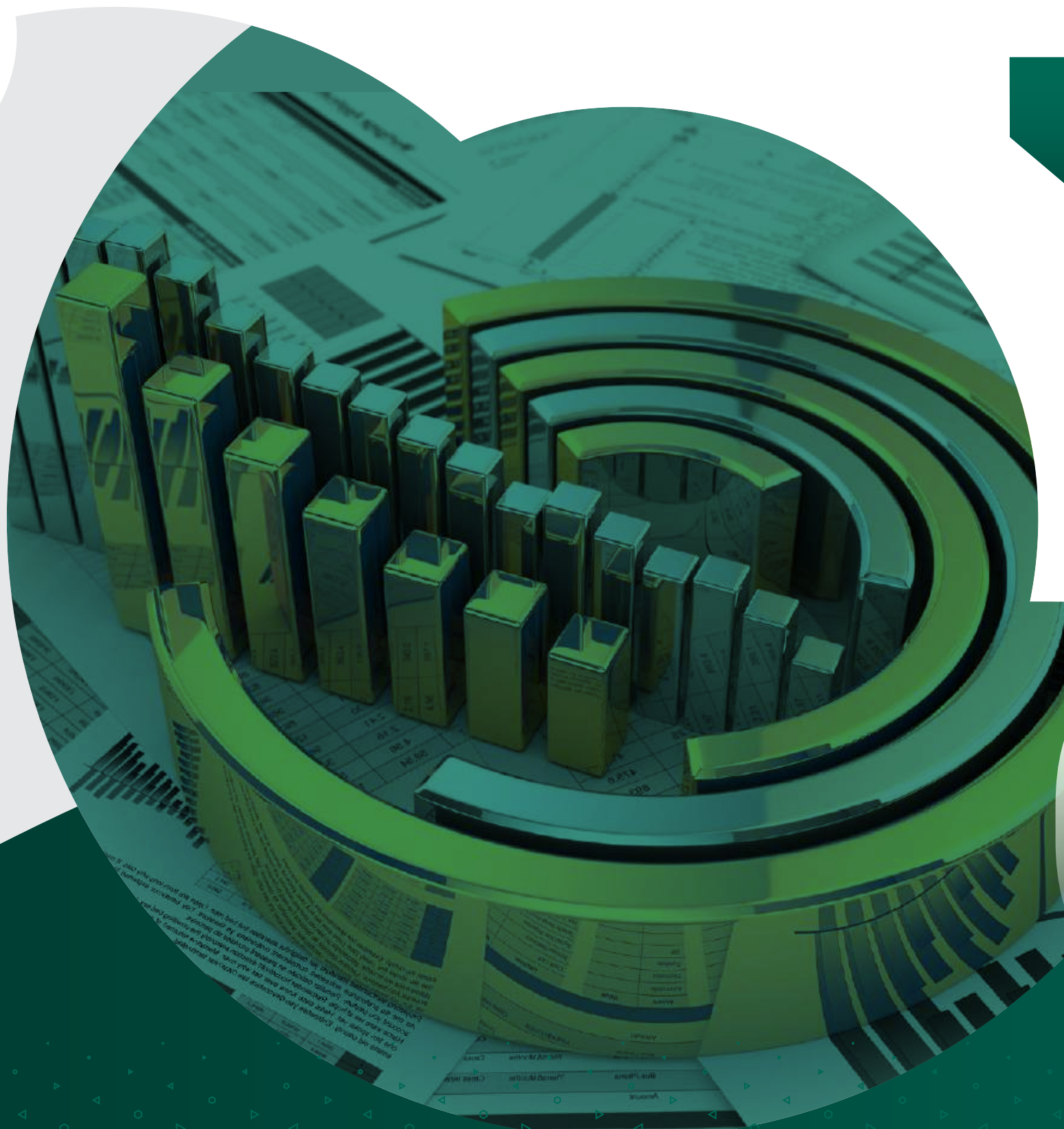




04

Chapter Four

Dividend and Board Recommendations



04

التقرير السنوي
Annual Report

أسمنت القصيم
Qassim Cement



First: Dividend Policy:

The company distributes profits to the shareholders who are registered in the shareholders' register maintained by Securities Depository Center Co., (Edaa) at the end of second business day following the eligibility date, which is determined and announced in compliance with the settlement mechanism (T+2).

The distribution of profits depends on several factors, including the company's profits, its financial position, the market situation, the general economic climate, and other factors, including an analysis of investment opportunities, the company's needs for reinvestment, monetary and capital requirements, in addition to other legal and regulatory considerations, including any restrictions on distribution according to any financing loans the company intends to enter into or it has entered, the company may also take into consideration the rules for dividends that are generally applied in the Saudi companies, companies operating in the Gulf countries, and international companies operating in the cement field

Based on the Board of Directors recommendation, the shareholders' general assembly decides to distribute profits to the shareholders, and it is announced in Tadawul and the local newspapers

The company's management execute the dividends approved by the general assembly to the shareholders according to the appropriate method, within a maximum of 15 business days from the eligibility date

Second: Dividend procedures:

01 The company implements a series of measures to ensure that dividends are paid to shareholders smoothly and easily. These include:

- The company announces the dividend amount, the bank responsible for distribution, the record date, and the payment date through Tadawul (Saudi stock exchange).
- Shareholders are encouraged to update their information by completing a shareholder data form.
- Regular reminders are sent to shareholders with unpaid dividends through Tadawul and the company's website.

02 Dividends are paid to shareholders through banks by depositing them into their investment portfolios on dates determined by the board of directors

03 The company's annual net profit, after deducting all general expenses and other costs, is distributed as follows

- The general assembly may decide to form reserves to secure the company's interests or to ensure the distribution of stable dividends to shareholders.
- The general assembly determines the percentage of net profit to be distributed to shareholders after deducting reserves, if any.
- The company may distribute interim dividends semi-annually or quarterly based on a decision by the board of directors, subject to annual authorization by the general assembly, in accordance with the regulatory procedures issued by the Capital Market Authority.
- The general assembly may use retained earnings and distributable reserves to reduce the share capital, provided that this does not violate the principle of fairness among shareholders in accordance with the regulations.

Third: Interim dividends distributed during the year 2024

The company distributed 2.60 Riyals per share for the year 2023, amounting to a total of 234,000,000 Riyals, representing 26% of the capital. Additionally, the company distributed 1.95 Riyals per share for the first, second, and third quarters of 2024, totaling 215,071,121 Riyals, which is equivalent to 19.5% of the capital.

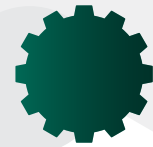
Fourth: Proposed dividends for the year 2024

In accordance with Articles 47 and 48 of the company's bylaws, and based on the authorization granted by the ordinary general assembly to the board, the board of directors has approved the distribution of dividends as follows:

Description	Amount in SAR
Net income after zakat	301,349,338
Less: Quarterly distributions to shareholders at a rate of 19.5% of capital (for the first, second, and third quarters of 2024)	(215,071,121)
Balance	86,278,217
Plus: Carried forward profits from the previous year	352,525,579
Balance carried forward to the next year	438,803,796
Deduct quarterly distributions to shareholders at a rate of 8% of capital (for the fourth quarter of 2024, approved by the board of directors on 18/03/2025)	(87,808,518)
Balance	350,995,278

Fifth: Recommendations of the Board of Directors to the 53rd Extraordinary General Assembly:

In accordance with Articles 46 and 47 of the company's bylaws, and after reviewing the company's achievements during the year ended on 31/12/2024, as well as the financial statements, the board of directors proposes the following:



Review and discussion of the board of directors' report for the fiscal year ended on 31-12-2024.



Voting on the report of the company's auditor for the fiscal year ended on 31-12-2024



Voting on the appointment of the company's auditor from among the candidates recommended by the audit committee, to examine, review, and audit the financial statements for the second, third, and fourth quarters of the fiscal year 2025 and the first quarter of the fiscal year 2026, and to determine their fees



Voting to discharge the members of the board of directors from liability for the year ended on 31-12-2024.



Voting to pay an amount of (4,515,342) Riyals as a bonus to the members of the board of directors and committees for the fiscal year ended on 31-12-2024



Voting to authorize the board of directors to distribute interim dividends quarterly for the fiscal year 2025



Voting to authorize the board of directors to distribute interim dividends quarterly for the fiscal year 2025



Voting to update the audit committee's charter



Voting on retaining the treasury shares resulting from the acquisition of Hail Cement Company, totalling 798,353 shares, for a period of 10 years.



Voting on establishing an Employee Stock Program and authorizing the Board of Directors to determine the terms of this program, including the allocation price for each share offered to employees if it is not granted free of charge.



Authorizing the Board of Directors to utilize the treasury shares, in whole or in part, for share swaps in acquisitions of companies or assets, or to allocate them under the Employee Stock Program if the previous item is approved.



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