

An invitation to attend the Ordinary General Assembly Meeting No.٦٦ (The first meeting) of the Arabian Cement Company via electronic communication means

Item	Clarification
Introduction	The Board of Directors of Arabian Cement Company is pleased to invite the honorable shareholders to participate and vote in the ٦٦th Ordinary General Assembly Meeting, via electronic communication means using Tadawulaty service, which will be held, at ١٠ pm (٢٢:٠٠) on Sunday ١٦/٠٩/١٤٤٣H corresponding to ١٧/٠٤/٢٠٢٢G,
The place and city of the General Assembly	Via electronic communication means at the company's headquarters in Jeddah.
Link of the meeting	www.tadawulaty.com.sa
Date of the Assembly	on Sunday ١٦/٠٩/١٤٤٣H corresponding to ١٧/٠٤/٢٠٢٢G,
Time of the Assembly	٢٢:٠٠
The right to attend	Each of the shareholders registered in the company's shareholder register at Edaa center at the end of the trading session preceding the general assembly meeting has the right to register electronic attendance and vote through the Tadawulaty website in attending the assembly meeting in accordance with the rules and regulations.
The quorum required for the assembly to convene	For this meeting to be held, in accordance with Article (٣٧) of the company Articles of Association, the Ordinary General Assembly meeting will be valid if it is attended by shareholders who represent at least a (٢٥%) of the capital. If the required quorum for holding this meeting is not fulfilled, the second meeting will be held one hour after the end of the period specified for the first one, and the second meeting will be valid regardless of the number of shares represented it.
Assembly Agenda	<p>١- Voting on the Board of Directors' report for the FY ending at December ٣١, ٢٠٢١.</p> <p>٢- Voting on the company's auditor's report for the FY ending at December ٣١, ٢٠٢١.</p> <p>٣- Voting on the company's financial statements for the FY ending at December ٣١, ٢٠٢١G.</p> <p>٤- Voting on appointing an auditor for the company from among the nominees based on the Audit Committee's recommendation; in order to examine, review, audit the financial statements for the second, third, fourth and annual quarters of the FY ٢٠٢٢G and the first quarter of the fiscal year ٢٠٢٢G, and to approve their fees of their work.</p> <p>٥- Voting on disbursing ٢,٩ million SAR as a remuneration to the Board of Directors for the FY ending at December ٣١, ٢٠٢١.</p> <p>٦- Voting on absolving the Board members from liabilities for their activities pertain to management of the Company for the FY ending at ٣١ December ٢٠٢١.</p> <p>٧- Voting on authorizing the Board of Directors to disburse interim dividends on a quarterly/semiannual basis for the FY ٢٠٢٢.</p> <p>٨- Voting on the Board of Directors recommendation to disburse dividends to shareholders for the second half of ٢٠٢١, in the amount of (SAR ١,٥٠) per share, with a total amount of SAR (١٥٠) million (equivalent to ١٥% of the par value) in addition to amount disbursed for the first half of the year ٢٠٢١ with a value of SAR (١٢٥) million. Accordingly,</p>

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	<p>the total dividends distributed and proposed to be distributed for the year ending on December 31st, 2021 shall be SAR (270) million (equivalent to 27.0% of the par value) in the amount of SAR (2.70) per share, "provided that the remuneration eligibility is prioritized for the actual shareholders on the end of the day of the Assembly and who are registered in the company's shareholders register at the Securities Depository Center Company ("Edaa") Center at the end of the second trading day following the due date"; The distribution date will be announced later.</p> <p>9- Voting on the contracts and transactions concluded between the company and the Ready-Mix Concrete and Construction Supplies Company (RMCC) in Jordan, in which two Board members, Mr. Saud Abdulaziz Abdullah Al-Suleiman (Non-Executive Director) and Eng. Mutaz Kusai Hassan Al-Azzawi (Non-Executive Director), have indirect interests therein, since they hold the post of RMCC Board members, It shall be noted that this transaction is in fact a cement procurement process conducted by RMCC through Qatrana Cement Company (i.e. subsidiary). The said transaction for the previous year, 2021 was valued at SAR 44.2 million, taking into consideration that no preferential terms are applicable to this type of contracts. (attached)</p> <p>10- Voting on authorize the Board of Directors with the Shareholders ordinary General Assembly authority with the rights mentioned in paragraph (1) of Article 91 of the Companies Law for one year from the date of approval of the Shareholders General Assembly or until the end of the session of the authorized the Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.</p>
Proxy Form	Attached
Electronic Voting	<p>The honorable shareholders should review and vote on the entire Articles of the Assembly remotely, noting that the automatic voting will start at 10 Am on Wednesday 12/09/1443H corresponding to 13/04/2022 Until the end of the Assembly period, as of the day of the Ordinary General Assembly, through (Tadawulaty) service available and free of charge to all shareholders provided by the Securities Depository Center Company (Depository Center) through visiting Tadawulaty website via the link https://www.tadawulaty.com.sa .</p>
The Right to register attendance and vote	<p>Note that the right to register attendance at the assembly meeting ends at the time of the assembly meeting, and the right to vote on the assembly's items for those present ends when the sorting committee finishes counting the votes.</p>
Contact information	<p>We would also like to draw the attention of the shareholders in case of any inquiries, to kindly contact Investor Relations at (0126948110) or via e-mail Investors.Relations@arabiancement.com.sa</p> <p>Or write to the following address: Arabian Cement Company (Investor Relations) National Address: 8600 King Abdulaziz Road - Al Nahda District - Jeddah 23023</p>

Proxy Form

Dear Honorable Shareholders,

Kindly note that the Proxy Form is not available, as the Ordinary General Assembly will be held only remotely through virtual means

Hence, the Ordinary General Assembly meeting will be held, remotely via electronic and online communication means. Accordingly, we would like to invite all shareholders of the company to remotely vote via the Tadawulaty Service platform and website:

www.tadawulaty.com.sa

It shall be noted that registration and voting in Tadawulaty service are available free of charge to all shareholders.

A Report by the Audit Committee to Arabian Cement Company Shareholders on the Internal Control System. The Ordinary General Assembly Meeting No. 66 on April 17, 2022G

Messrs.: Honorable Shareholders of Arabian Cement Company
Greetings,

The Audit Committee is pleased to present to the company's shareholders its annual report for the financial year (FY) ending a December 31, 2021, including its opinion on the adequacy of the internal control system in the company, and actions made by the Committee within its scope of competence, in accordance with the Companies Law issued by the Ministry of Commerce and the Corporate Governance Regulations issued by the Capital Market Authority.

The Committee exercised its approved authorities according to the Governance Regulations, and the Board of Directors approved all its recommendations. The Committee held 4 meetings during the year 2021 AD, attended by all members of the Committee, and with the partial presence of the External Auditor, the Internal Auditor and the Zakat Advisor in some meetings. The Audit Committee periodically submits its reports to the Board of Directors and the Assembly general shareholders.

The functions and responsibilities of the Primary Audit Committee are as follows:

I: Financial Statements:

Policies, accounting procedures and the quarterly and annual financial reports reviewed, with the focus on the adequacy of the disclosures in the financial statements,

Study the recommendations of the auditors in relation to the audit findings, in a manner that provides for the report of the Board of Directors and the company's financial statements to be fair and understandable and includes information that allows shareholders and investors to evaluate the financial position of the company, taking into account all stakeholders interest.

II: Internal Audit:

Supervising and approving internal audit works, such as the charter, plans, activities, employment, and organizational structure, and ensuring that there are no restrictions or limits for its work and asserting its independence. Assessing the efficiency and effectiveness of the internal control system shall be incorporated within the scope of the internal audit work. Further, the reports that include weaknesses (if any) in the internal control system and the corrective measures shall be submitted to and followed up by the Executive Management and the Audit Committee. The committee shall ensure that the Internal Audit and the Executive Management are in cooperation. The committee also followed up on the internal audit reports that was carried out through external technical offices for the plant operations and information technology.



III: External Auditor:

Following up and considering the independency and objectivity of the external auditor, discussing the financial statements and management letter to address the observations, and conducting individual and periodic meeting with the external auditor, to assure their access to all information has been facilitated without exception, and that there are no improvement explanations that they see as needed to be add to the financial statements.

The details of the management letter regarding information technology were also discussed, as it was found not have an impact on the integrity of the financial statements, but rather it is an improvement in the control environment of the system used.

IV: Compliance:

Reviewing the efficiency of the system of monitoring compliance with the relevant laws and regulations such as accounting standards and instructions of the Capital Market Authority and other regulations that the company operates accordingly. Moreover, the committee also reviews the independent limited confirmation report and the Chairman of the Board of Directors report submitted to the General Assembly about Board members with interests who have contracts and transactions with the company (Transactions with related parties). Periodically reviewed the letters of the company's legal advisors.

Opinion on the Adequacy of Internal Control Systems:

Within the limits of its functions, the committee study the reports prepared by the Internal Audit Department , and review the results of the external auditors reports to assess the control environment of the company represented in the (organizational structure, Examination of risks, policies and procedures, the authority matrix, segregation of duties, protection of information systems, code of conducts). The committee shall monitor the recommendations by the Internal Audit Department, the external auditor and other regulators to address the observations and follow up on their correction. In addition, the Executive Management sign the letter of representation periodically, which confirms its responsibility to comply with the regulations, laws, approved policies and control procedures. Nonetheless, it shall take into account that any internal control system, regardless of its efficiency degree and effectiveness, cannot provide absolute assurance about the effectiveness of the applicable internal control systems., Accordingly, the committee has not found any fundamental weakness in the company's internal control systems.

(Signed)

On behalf of the Audit Committee, Eng. Mutaz Kusai Al-Azzawi , April 17, 2022



A Report by Chairman to the Ordinary General Assembly Meeting No. (66) Dated Ramadan 16, 1443 H, corresponding to April 17, 2022 G.

Messrs, Honorable Shareholders

Greetings,

With reference to the requirements of Article (71) of Companies Law, provides for “A board member may not have any direct or indirect interest in transactions or contracts made for the company, except with a prior authorization from the ordinary general assembly...

The chairman of the board shall inform the general assembly, when it convenes, of transactions and contracts in which a board member has a direct or indirect interest, providing a special report from the company’s external auditor.”

Therefore, we hereby, would like to inform you about the Board members who have interests (i.e. indirect parties) in the company’s transactions or contracts in 2021. Therefore, we would like to request the following:

Voting on the transactions and contracts entered between the Company and Ready Mix Concrete & Construction Supply (RMCC) in Jordon, in which two Board members, Mr. Saud Abdulaziz Abdullah Al-Suleiman (Non-Executive Director) and Eng. Mutaz Kusai Hassan Al-Azzawi (Non-Executive Director), have indirect interests therein, since they hold the post of RMCC Board members, licensed for the next year. It shall be noted that this transaction is in fact a cement procurement process conducted by RMCC through Qatrana Cement Company (i.e. subsidiary). The said transaction for the previous year, 2021 was valued at SAR 44.2 million, taking into consideration that no preferential terms is applicable to this type of contracts.

Signed

Eng. Abdullah Mohammad Noor Rehami

Chairman





KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

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المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

Independent Limited Assurance Report

To the Shareholders of Arabian Cement Company
A Saudi Joint Stock Company

Upon request of the management of **Arabian Cement Company** (the "Company"), we have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Regulations for Companies and presented by the Chairman of **Arabian Cement Company** (the "Company"). The declaration consists of the transactions will be carried out by the Company during the year ending 31 December 2021, in which any of the members of the Company's Board of Directors had a personal interest, either directly or indirectly.

Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Saudi Arabian Regulations for Companies issued by MOCI (1437H -2015).

Management Responsibility

The management and the BOD of the Company is responsible for the preparation and appropriate presentation of the Subject Matter in accordance with the Applicable Criteria. Further, the Company's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our limited assurance engagement conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgment including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.



Independent Limited Assurance Report

To the Shareholders Arabian Cement Company(continued)
A Saudi Joint Stock Company (continued)

Independence and quality controls

We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Procedures

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject matter, nor of the underlying records or other sources from which the Subject matter was extracted. Accordingly, we do not express such an opinion.

Our procedures included, but are not limited to:

- Obtaining the BOD chairman's list that includes all kind of business and contracts performed by any of the BOD members of the Company either directly or indirectly in the favor of the Company during the year; (Appendix 1);
- Reviewing of the BOD's minutes of meetings that indicate member notification to the BOD on the business and contracts performed / will be performed by the BOD member; and further that the concerned Board Member did not vote on the resolution issued in this regard at the meetings of the BOD and the general assemblies of shareholders;
- Obtaining the required approvals on the transactions included in the Chairman's declaration (Appendix 1);
- Obtaining confirmation from the concerned BOD member on the business and contracts will be perform by the member during the year; and
- Ensured the total transactions amounts included in the list prepared by the BOD chairman agrees to the total transactions amounts included in the note (34) to the audited financial statements.

Limited Assurance Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Independent Limited Assurance Report

To the Shareholders Arabian Cement Company (continued)
A Saudi Joint Stock Company (continued)

Restriction of Use of Our Report

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their General Assembly Meeting in accordance with the requirements of Article (71) of the Saudi Regulations for Companies and should not be used for any other purpose.

KPMG Professional Services



Ebrahim Oboud Baeshen
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Jeddah, 10 March 2022
Corresponding to 7 Sha'ban 1443H