

Board Report

Sahara International Petrochemical Company (Sipchem)

For the Fiscal Year 2024



Courage



Collaborations



Agility



Passion

**IN THE NAME OF ALLAH
THE MOST COMPASSIONATE, THE MOST MERCIFUL**

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Chairman's Message



Eng. Khalid A. Al-Zamil

Dear Shareholders,

The year 2024 marked a moment of pride and honor as "Sipchem" celebrated its silver jubilee. Over the past twenty-five years since its establishment in the 1990s, Sipchem has built an industrial edifice that has placed its name among the largest petrochemical companies in the Kingdom and the world.

Sipchem presence in global markets has strengthened its leading position as a reliable brand offering quality competitive products and services to its customers.

Despite the challenges of global growth slowdown, geopolitical, and economic conditions, Sipchem managed to achieve profits this year, confirming the company's operational efficiency.

We continue to implement our strategic plans with determination, expanding our partnerships and exploring new growth opportunities, focusing on digital transformation, research, and innovation as key tools for sustainability and enhancing our position in global markets.

We always strive to provide a stimulating and safe work environment for our human capital by offering quality training programs for our employees and attracting talented national competencies, which has enabled Sipchem, thanks to God and the performance of the team, to continue its excellence.

In conclusion, on behalf of the Board of Directors, I would like to extend my sincere thanks to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness the Crown Prince, Prime Minister, Prince Mohammed bin Salman bin Abdulaziz Al Saud – may God protect them – for their full and continuous support for the national industry.

I would also like to express our gratitude and appreciation to our esteemed shareholders for their continued trust, to all Sipchem employees for their dedication and loyalty, and to our partners for their continuous support.

Together, we move – with God's will – towards a promising future.

Khalid bin Abdullah Al-Zamil Chairman of the Board

1) Formation of the Board of Directors and Classification of Directors

Sipchem has the privilege of having a highly experienced Board of Directors with full relevant knowledge and efficiency in petrochemicals. The Board is composed of eleven members elected by the Ordinary General Assembly Meeting on 30/11/2022 for three years, extending to 09/12/2025. Members are classified as follows:

S.N.	Name	Membership Nature	Membership Status
1	Eng. Khaled Abdullah Al-Zamil	Chairman of the Board	Non-Executive
2	Mr. Fahad Sulaiman Al-Rajhi	Vice Chairman of the Board	Non-Executive
3	Dr. Abdulrahman A. Al-Zamil	Member	Non-Executive
4	Eng. Reyadh S. Ahmed	Member	Non-Executive
5	Eng. Saeed A. Basamah	Member	Non-Executive
6	Eng. Abdullah K. Al- Buainain	Member	Independent
7	Mr. Saeed O. Al-Esayi	Member	Independent
8	Mr. Ziad A. Al-Turki	Member	Independent
9	Eng. Mosaed S. AlOhali	Member	Independent
10	Mr. Feras M. Al-Abad	Member	Independent
11	Mr. Ahmad A. AL- Dakheel	Member	Independent

2) Description of Sipchem Activities

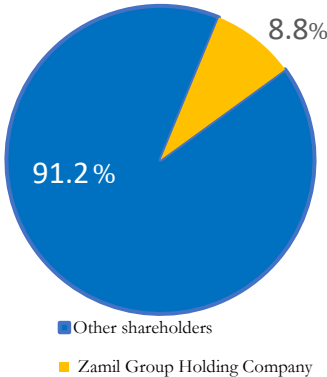
Sipchem is a Saudi public joint stock company listed on the Tadawul (Saudi Capital Market).

Sipchem is actively investing in basic and intermediary petrochemical and chemical materials that can be utilized as feedstock for manufacturing a vast array of products that provide prosperity and welfare for humans. Sipchem is committed to implementing its activities in compliance with the highest quality standards in production, environmental preservation, employee safety, and community development.

Sipchem selected Jubail Industrial City, located in the Eastern Province of Saudi Arabia, to

establish its industrial complex on an area of 1,766,959 square meters, because of the availability of all required basic infrastructure, the abundance of fuel and raw materials and necessary petrochemical products in the Eastern Province and the ease of export operations via King Fahd Industrial Port and Jubail Commercial Port.

In 2024 AD, Sipchem manufacturing facilities achieved a total production of 3,945 million metric tons, compared to 4,046 million metric tons in 2023 AD. The net income of 2024 AD amounted to SAR 426.1 million with a decline of 63.7% compared to SAR 1,175.0 million in 2023 AD. This decline in Sipchem profits for this year compared to the previous year is attributed to the decline in product prices, increase in feedstock prices (Natural Gas, Butane, Ethylene and propane prices) and decline in sales volumes resulting from scheduled maintenance activities at the International Acetyl Company, International Vinyl Acetate Company, Ethyl Acetate plant, Al WAHA Petrochemicals Company, Sahara and Ma’aden Petrochemicals Company and the International Gases Company. This decline occurred despite the reduction in Zakat and income tax expenses. Additionally, the decline in profit share from investments in a joint venture and associate companies has also contributed to the overall reduction in profits.



Year of establishment	1999
Company Type	Joint-stock Company
Sipchem Headquarters	Al-Khobar - KSA
Capital	SAR 7,333,333,320
Company Activity	Petrochemical & Chemical Industries, Basic and Intermediate
Number of shares	733,333,332 shares

3) Description of Sipchem's Plans and Strategies

Sipchem is committed to growth amidst a rapidly changing environment, and has strived to seize investment opportunities and implement a number of growth strategies through its new projects. Over the past three years, Sipchem has been preparing for its growth strategy by balancing debt reduction, maintaining shareholder dividends, and allocating a portion of its profits to reserves. These efforts demonstrate Sipchem commitment to sustainable growth. Furthermore, Sipchem seeks to strengthen its position in the sector through various initiatives, ensuring continuous progress and stability.

The Blue Ammonia Project is one of Sipchem initiatives that aims at developing world-class assets with an annual capacity of 1.2 million tons, aligning with KSA clean energy goals. This project also supports Sipchem goal of reducing carbon emissions by 15% by 2030 and achieving carbon neutrality by 2060. Blue Ammonia offers a spectrum of promising applications as that could substitute fossil fuels in power generation and energy storage, and serve as an ideal maritime vessel fuel and a hydrogen carrier. The project is advancing steadily towards its final stages and is currently in the engineering study stage. Sipchem has also established “Sipchem InnoVent”, its investment arm, which pursues developments that foster innovation in sustainability and manufacturing, thus supporting Sipchem growth toward a sustainable future. Sipchem is also striving to enhance profitability and penetrate new international markets through expanding its existing facilities. In this context, Sipchem has approved Ethylene Vinyl Acetate Plant Expansion Project aimed at increasing production capacity by 70,000 tons, bringing the total to approximately 290,000 tons per year. This expansion is expected to capture additional demand for ethylene-vinyl acetate product applications, such as packaging, cable insulation, solar cell encapsulation, and sports shoes.

Additionally, Sipchem has approved the expansion of Al Waha Plant in 2024, increasing its production capacity by 72,000 tons for propylene and 150,000 tons for polypropylene. The total production capacity after expansion will reach approximately 537,000 tons of propylene and 600,000 tons of polypropylene. This increase in production capacity is expected to meet the additional demand for polypropylene product applications in industries such as packaging, healthcare, pipe production, automotive, and power generation.

Moreover, Sipchem is dedicated to reducing manufacturing costs and boosting productivity to meet global demand by adopting advanced technologies and improving operational efficiency. Sipchem also strives to deliver high-quality products at competitive prices. Furthermore, Sipchem is committed to sustainable practices and innovation, ensuring that its operations are environmentally friendly and adaptable to changing market conditions. Through strategic partnerships and continuous improvement, Sipchem strives to expand its global presence and deliver exceptional value to its customers and shareholders.

4) Summary in form of a table regarding Sipchem' s assets, liabilities, and results of its operations during the last five fiscal years

The key financial indicators for the year 2024 compared to the previous year are as follows:

- Revenues decreased to SAR 7,061 million during the year 2024 compared to SAR 7,618 million for the previous year with a decrease of 7.3%.
- Gross profit decreased to SAR 1,439 million during the year 2024 compared to SAR 2,168 million for the previous year, with a decrease of 33.6%.
- Net operational profit decreased to SAR 683 million in 2024, compared to SAR 1,419 million in the previous year, with a decrease of 51.9%.
- Net profit decreased to SAR 426 million during the year 2024 compared to SAR 1,175 million for the previous year, with an decrease of 63.7%.
- Earnings per share reached SAR 0.59 during the year 2024 compared to SAR 1.62 for the previous year.

Assets, liabilities, and operating results for the last five financial years

Consolidated statement of financial position (Million Riyal)					
	2024	2023	2022	2021	2020
Non-current assets	17,188	17,701	18,052	18,548	18,792
Current assets	3,894	4,322	5,423	5,917	4,973
Total assets	21,082	22,024	23,475	24,465	23,765
Total Equity	15,970	16,422	16,737	15,722	13,836
Non-current liabilities	2,782	3,048	4,018	5,816	6,464
Current liabilities	2,330	2,554	2,721	2,927	3,465
Total liabilities and equity	21,082	22,024	23,475	24,465	23,765

A description of the impact of each activity on the size of Sipchem business and its contribution to the results:

Sectorial Analysis: The Company operates in the following sectors:

- **Basic chemicals:** They include Methanol, Butane products and Carbon Monoxide.
- **Intermediate chemicals:** They include Acetic Acid, Vinyl Acetate Monomer, Ethyl Acetate, Butyl Acetate, and utilities.
- **Polymers:** These include Low-density polyethylene, polyvinyl acetate, polyvinyl alcohol, PBT, polypropylene, EVA and electrical connecting wire products.
- **Marketing:** It includes trading revenues of Sipchem Marketing Company and its foreign subsidiaries.
- **Companies and others:** This include Sipchem, and Toll manufacturing plant. This segment also includes Sahara's enabling functions and support activities.

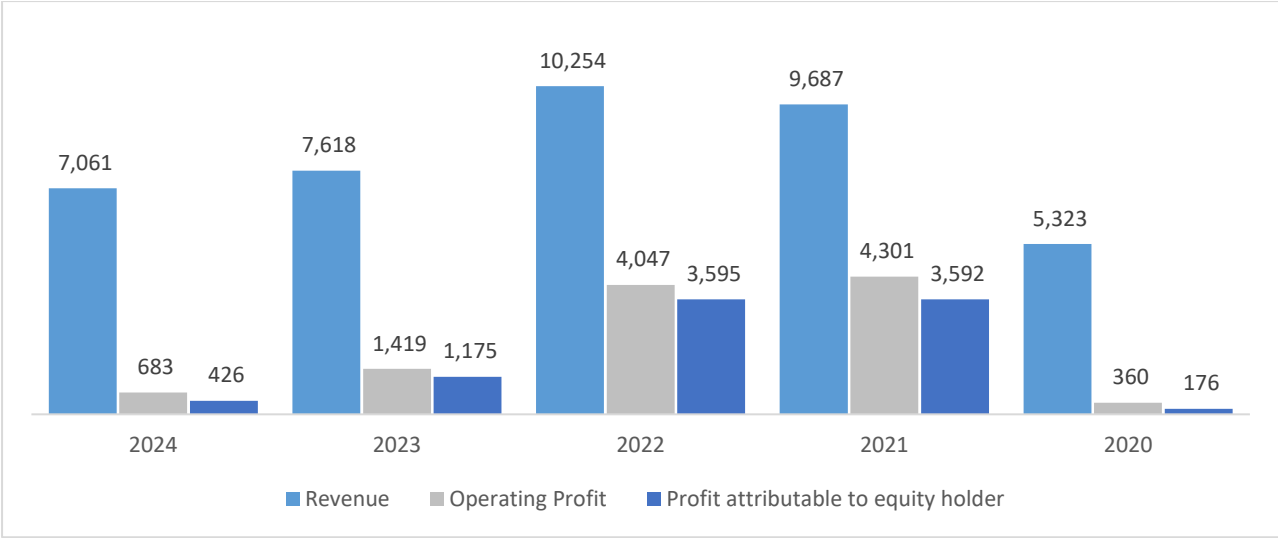
Million Riyals

	Basic chemicals	Intermediate chemicals	Polymers	Marketing	Companies and others	Inter segment transaction elimination	Total
For the year ended 31 Dec. 2024							
Revenues	2,220	2,148	2,261	4,851	434	(4,853)	7,061
Gross profit/(loss)	736	(79)	282	192	50	258	1,439
Operating profit/(loss)	585	(221)	121	109	23	66	683
Share of profit from equity accounted investees	-	41	-	-	(245)	53	(151)
Profit/loss before zakat and tax	541	(242)	36	109	(71)	75	448
Total assets	3,672	4,605	6,060	1,358	24,737	(19,350)	21,082
Total liabilities	1,484	1,932	1,913	901	3,230	(4,348)	5,112
Capital expenses	148	135	197	4	223	-	707
Depreciation and amortization	217	282	323	9	35	-	866
Finance cost	56	76	91	2	60	(134)	151
Finance income	7	9	6	-	33	-	55
For the year ended 31 Dec. 2023							
Revenues	2,103	2,678	2,742	5,222	133	(5,260)	7,618
Gross profit/(loss)	882	198	642	199	(17)	264	2,168
Operating profit/(loss)	754	84	477	110	(85)	80	1,419
Share of profit from equity accounted investees	-	-	-	-	52	-	52
Profit/loss before zakat and tax	716	69	368	110	122	(21)	1,364
Total assets	3,365	4,860	6,304	1,379	25,961	(19,845)	22,024
Total liabilities	1,116	1,293	2,504	882	3,463	(3,656)	5,601
Capital expenses	266	112	144	4	206	-	732
Depreciation and amortization	201	312	317	8	45	-	883
Finance cost	52	29	126	2	98	(96)	211
Finance income	7	17	19	0	46	-	89

Consolidated statement of profit or loss (Million Riyal)

	2024	2023	2022	2021	2020
Revenues	7,061	7,618	10,254	9,687	5,323
Cost of sales	(5,621)	(5,450)	(5,415)	(4,344)	(4,150)
Gross profit	1,439	2,168	4,839	5,342	1,173
Selling and distribution costs	(240)	(234)	(296)	(230)	(395)
General and administrative expenses	(570)	(515)	(496)	(651)	(419)
Impairment of non-financial assets	-	-	-	(160)	-
Other operating income	53	-	-	-	-
Operating profit	683	1,419	4,047	4,301	360
Share of profit from equity accounted investees	(151)	51	365	480	(34)
Finance Revenues	55	89	51	30	26
Finance costs	(151)	(211)	(245)	(315)	(293)
Other (Expenses)/ income, net	12	15	(34)	(38)	126
Profit before Zakat and income tax	448	1,364	4,184	4,457	185
Zakat and income tax expense	18	(8)	(231)	(449)	(128)
Profit for the year	466	1,356	3,953	4,008	57
Profit yields to:					
Equity	426	1,175	3,595	3,592	176
Non- controlling interests	40	181	358	417	(119)
Earnings per share from net profit yields to shareholders	0.59	1.62	4.96	4.94	0.24

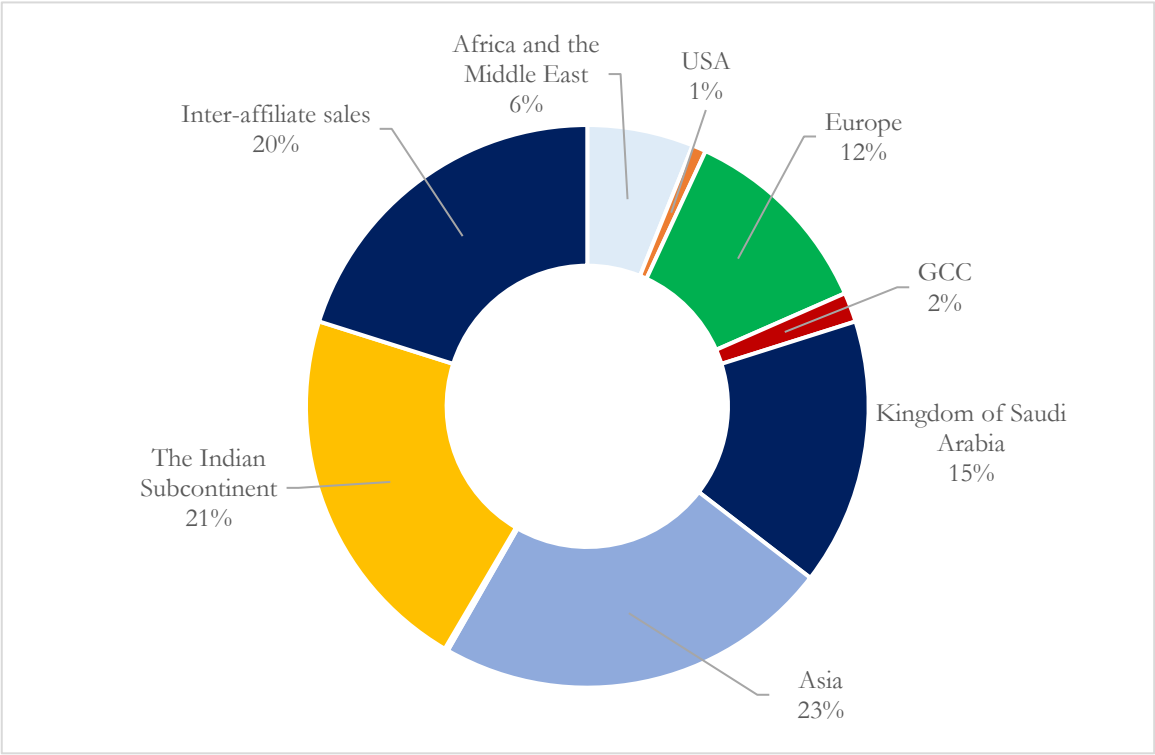
Evolution of sales, operating profit and net profit for the last five years (Million Riyals)



5) Geographical analysis of total revenues of Sipchem and its subsidiaries

Sipchem's products are marketed and sold in all local markets, Middle East markets and international markets. The following chart shows the geographical distribution of Sipchem's

sales during 2024:

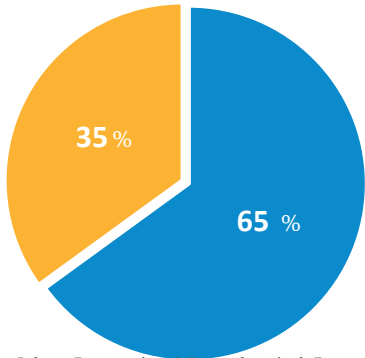


6) A description of the subsidiaries' activities and their impact on the size of Sipchem's business and its contribution to the results for 2024.

(Million Riyals)			
	Activity	Revenues	Percentage
	International Methanol Company	354	5.0%
	International Diol Company	72	1.0%
	International Acetyl Company Limited	45	0.6%
	International Vinyl Acetate Company	135	1.9%
	International Gases Company	62	0.9%
	Sipchem Marketing Company	4,851	68.7%
	International Polymers Company	319	4.5%
	Sipchem Chemicals Company	55	0.8%
	Saudi Specialized Products Company	-	0.0%
	Sipchem Advanced Technologies Company	95	1.3%
	Sahara International Petrochemical Company	128	1.8%
	Sahara Marketing Company	-	0.0%
	Al WAHA Petrochemicals Company	945	13.4%
	Sipchem InnoVent	-	0.0%
	Total	7,061	100%

Description of subsidiaries activities

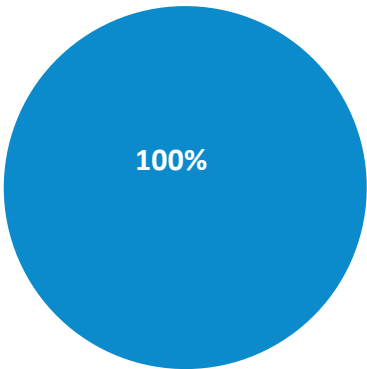
International Methanol Company



■ Sahara International Petrochemical Company - Sipchem
■ Japan-Arabia Methanol Company (JAMC)

Year of establishment	2002
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 360.97 million
Company Activity	Production of Methanol (methyl alcohol)
Productive capacity	970,000 mtpa

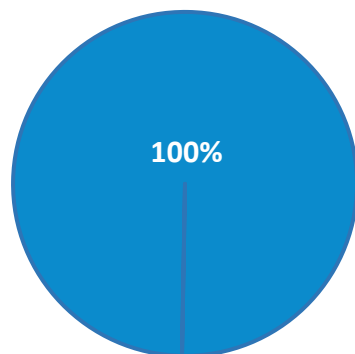
International Diol Company



■ Sahara International Petrochemical Company - Sipchem

Year of establishment	2002
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 431.25 million
Company Activity	Production of Butanediol (BDO) and its derivatives, including Maleic Anhydride (Man), Tetrahydrofuran (THF) and Gamma Butyrolactone (GBL)
Productive capacity	40,000 mtpa of Maleic Anhydride (Man) 5,000 mtpa of Gamma Butyrolactone (GBL) 7.65,000 mtpa of Tetrahydrofuran (THF) 50,000 mtpa of Butanediol (BDO)

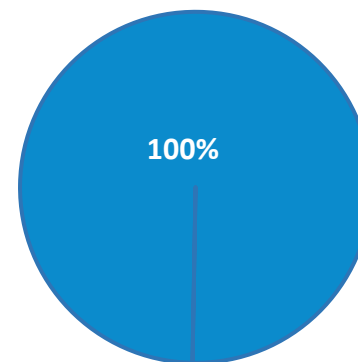
International Vinyl Acetate Company Ltd.



■ Sahara International Petrochemical Company – Sipchem

Year of establishment	2006
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 676 million
Company Activity	Production of Vinyl Acetate Monomer
Productive capacity	330.000 mtpa

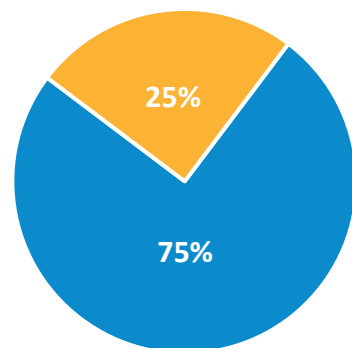
Sahara Petrochemical Company



■ Sahara International Petrochemical Company – Sipchem

Year of establishment	2004
Company Type	Closed Joint Stock
Sipchem Headquarters	Al-Khobar - KSA
Capital	SAR 2,388 million
Company Activity	Operates as a holding company whose main activity is focused on the petrochemical sector

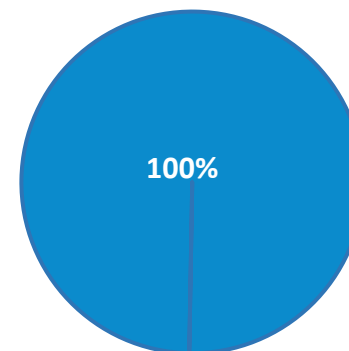
Al WAHA Petrochemical Company- AL WAHA



■ Sahara International Petrochemical Company
■ Basell Arabie Investissements S.A.S

Year of establishment	2006
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 1,660 million
Company Activity	Production of Propylene and Polypropylene
Productive capacity	450,000 mtpa of propylene 450,000 mtpa of polypropylene 1,080 mtpa of caustic soda 150 mtpa of mixed liquid hydrocarbons

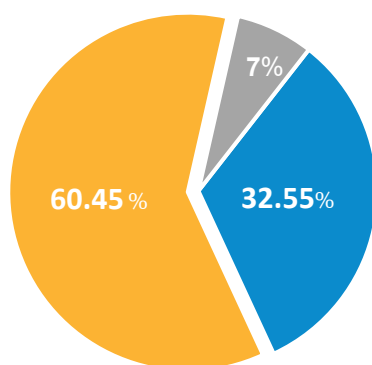
International Acetyl Company Limited



■ Sahara International Petrochemical Company - Sipchem

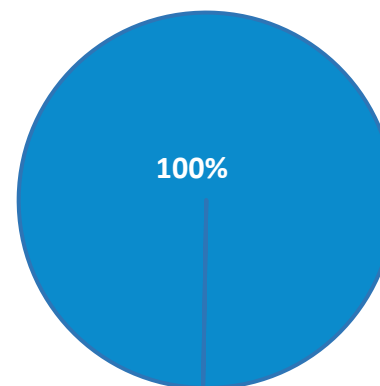
Year of establishment	2006
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 1,003 million
Company Activity	Production of Acetic Acid (AA) and Acetic Anhydride (AAn)
Productive capacity	460,000 mtpa of Acetic Acid 50,000 mtpa of Acetic Anhydride

Tasnee & Sahara Olefins Company (TSOC)



- Sahara Petrochemical Company - Sahara
- National Industrialization Company
- General Organization for Social Insurance

International Gases Company

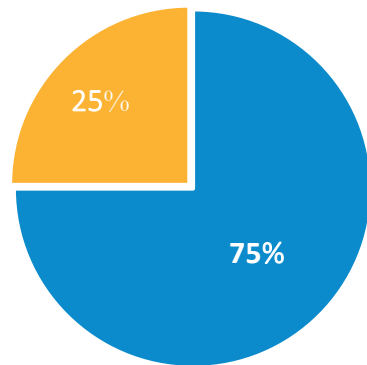


- Sahara International Petrochemical Company (Sipchem)

Year of establishment	2006
Company Type	Closed Joint Stock
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 2,830 million
Company Activity	Establishment, management, operation, ownership, and investment in industrial projects, particularly petrochemical and chemical industries, in addition to marketing their products and performing all related activities.

Year of establishment	2006
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 425.4 million
Company Activity	Production of Carbon Monoxide and Hydrogen
Productive capacity	345,000 mtpa of Carbon Monoxide 65,000 mtpa of Hydrogen

Saudi Ethylene and Polyethylene Company (SEPC)

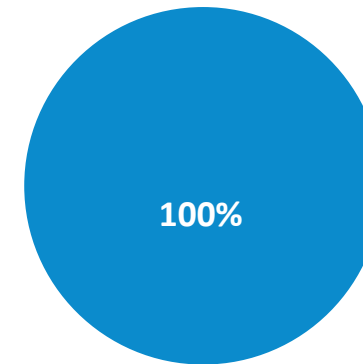


■ Tasnee & Sahara Olefins Company (TSOC)
 ■ BasellMoyen Orient Investissements SAS

Year of establishment	2006
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 2.737 millions
Company Activity	Production of propylene, ethylene, high density polyethylene, and low density polyethylene.
Productive capacity	285,000 mtpa of Propylene 1,000,000 mtpa of Ethylene 800,000 mtpa of Polyethylene

Sahara Petrochemicals Company indirectly owns 24.41% of Saudi Ethylene & Polyethylene Company.

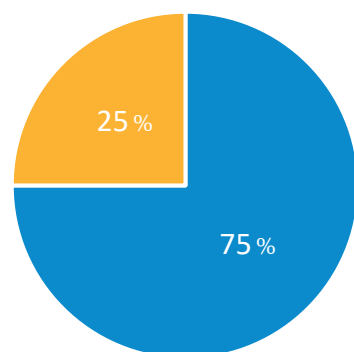
Sipchem Marketing Company



■ Sahara International Petrochemical Company - ...

Year of establishment	2007
Company Type	Limited Liability Company
Sipchem Headquarters	Al-Khobar - KSA
Capital	SAR 2 millions
Company Activity	Marketing and sales of petrochemicals and plastics.

International Polymers Company

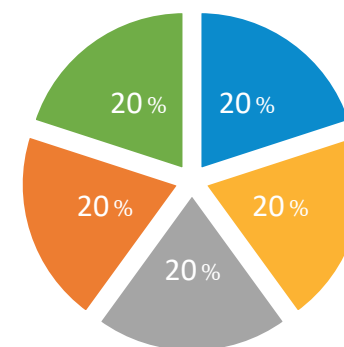


■ Sahara International Petrochemical Company - Sipchem
■ Korea's Hanwha Chemical Corp

Year of establishment	2009
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 703.2 million
Company Activity	Production of polyvinyl acetate, polyvinyl alcohol, polyethylene wax, low density polyethylene, and ethylene and vinyl acetate copolymers.
Productive capacity	200,000 mtpa of ethylene and vinyl acetate copolymers. 125,000 mtpa of Polyvinyl acetate 4,000 mtpa of Low Density Polyethylene 4,000 mtpa of Polyvinyl alcohol 200 mtpa of polyethylene wax

On July 2, 2024, Sipchem announced on Tadawul website the awarding of Engineering, Procurement, and Construction (EPC) Contracts for the expansion of its Ethylene Vinyl Acetate plant. The additional production capacity will be 70,000 tons of high-grade Ethylene Vinyl Acetate per year, bringing the total production capacity after the expansion to approximately 290,000 tons per year.

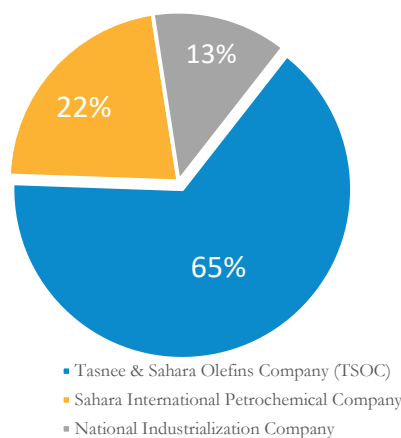
International Utility Company



■ International Methanol Company
■ International Acetyl Company
■ International Gases Company
■ International Dialysis Company
■ International Vinyl Acetate Company Ltd

Year of establishment	2009
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 2 millions
Company Activity	Management, operation, and maintenance of utilities, and facilities for Sipchem's subsidiaries.

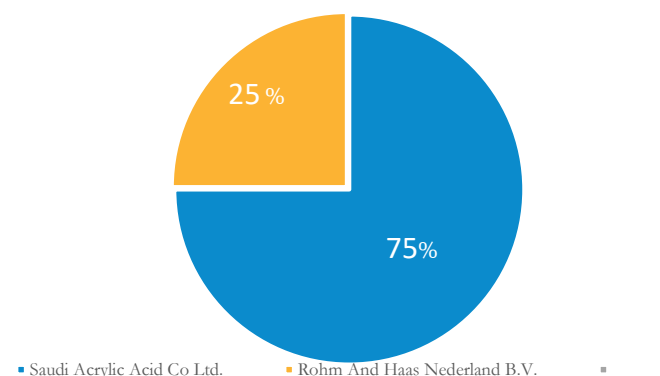
Saudi Acrylic Acid Company (SAAC)



Year of establishment	2009
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 1,777 million
Company Activity	Establishment, management, operation and ownership of acrylic acid and its derivatives production projects, and petrochemical and chemical industrial projects.

Based on Sahara Petrochemical Company's ownership percentage in Tasnee Sahara Olefins Co. (TSOC), which is 32.55%, Sahara holds an indirect additional ownership percentage of 21.16 in Saudi Acrylic Acid Company (SAAC), thus reflected in Sahara's total equity to be 43.16%.

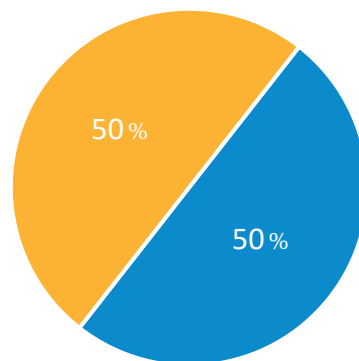
Saudi Acrylic Monomer Co. Ltd. (SAMCO)



Year of establishment	2009
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 1,084.5 million
Company Activity	Acrylic Acid, Butyl Acrylic, Diethylhexyl Acrylic, and Glacial Acrylic Acid
Productive capacity	180,000 mtpa of Butyl Acrylic 70,000 mtpa of Glacial Acrylic Acid

Based on Sahara Petrochemical Company's ownership percentage in Saudi Acrylic Acid Company (SAAC), which is 43.16 %, Sahara holds an indirect additional ownership percentage of 32.37%, in Saudi Acrylic Monomer Co. Ltd. (SAMCO).

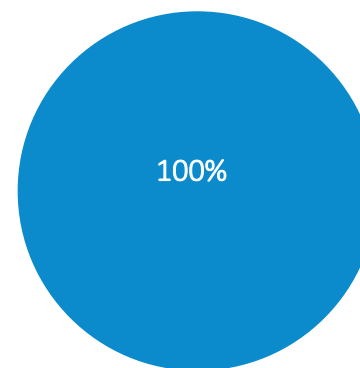
Sahara and Ma'aden Petrochemicals Company (SAMAPCO)



■ Sahara Petrochemical Company - Sahara
■ Saudi Arabian Mining Company - MA'ADEN

Year of establishment	2011
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 900 million
Company Activity	Production of Caustic Soda, Chlorine, and Ethylene Dichloride
Productive capacity	300,000 mtpa of Ethylene Dichloride 250,000 mtpa of Caustic Soda 220,000 mtpa of Liquid Chlorine 25,000 mtpa of Hydrochloric Acid

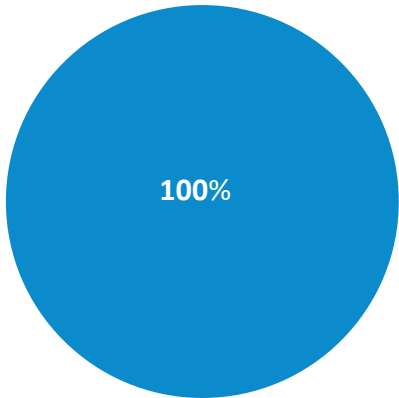
Sipchem Chemicals Company



■ Sahara International Petrochemical Company - Sipchem

Year of establishment	2011
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 266 million
Company Activity	Production of ethyl acetate, butylacetate, polybutylene terephthalate, and tetrahydrofuran
Productive capacity	100,000 mtpa of Ethyl Acetate 50,000 mtpa of n-Butyl acetate 68,000 mtpa of n-Butyl acetate 3568 mtpa of tetrahydrofuran

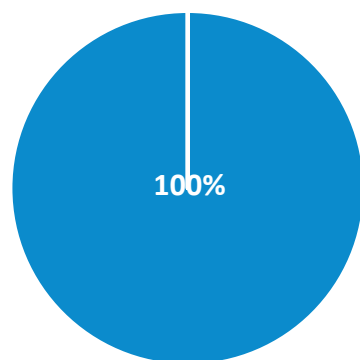
Sipchem Europe Cooperative UA and its Subsidiaries



■ Sahara International Petrochemical Company - Sipchem

Year of establishment	2011
Company Type	Limited Liability Company
Sipchem Headquarters	Lotre, Switzerland
Capital	CHF 1,000,000
Company Activity	Providing administrative support in marketing and logistics activities

Saudi Acrylic Polymer Company (SAPCO)

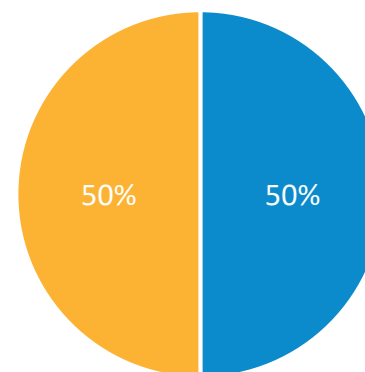


■ Saudi Acrylic Acid Co Ltd.

Year of establishment	2012
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 416.4 million
Company Activity	Ownership, management, and operation of super absorbent polymers plant within the integrated acrylics complex project
Productive capacity	80, 000 mtpa of super absorbent polymers

Sahara Petrochemical Company holds a 43.16% share of Saudi Acrylic Polymers Co.

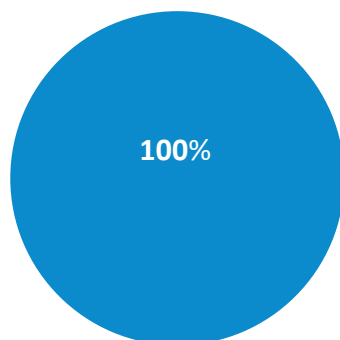
Gulf Advanced Cable Insulation Company



■ Sipchem ■ Korea's Hanhwa Chemical Corp

Year of establishment	2012
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 57.24 million
Company Activity	Cable insulation polymers products
Productive capacity	25,000 mtpa of polyethylene granules

Saudi Specialized Products Company

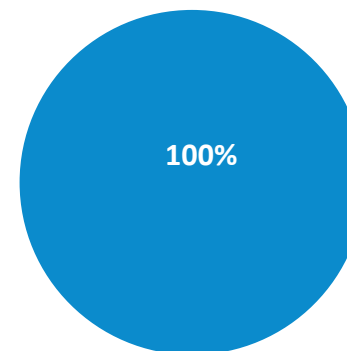


■ Sahara International Petrochemical Company - Sipchem

Year of establishment	2013
Company Type	Limited Liability Company
Sipchem Headquarters	Hail - KSA
Capital	SAR 56.320 million
Company Activity	Ethylene Vinyl Acetate Films
Productive capacity	4,000 mtpa of solar cell films

on June 30, 2024, Sipchem announced on Tadawul website the full and final settlement of the insurance action against Chubb Arabia Cooperative Insurance Company. This settlement covered all damages resulting from Sipchem plant fire, which occurred on August 29, 2022. The total settlement amount reached SAR 53 million.

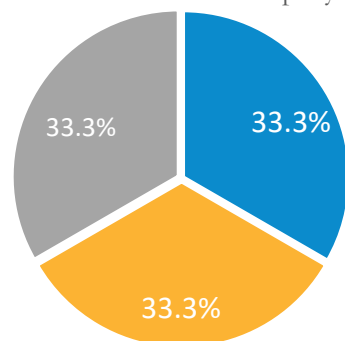
Sipchem Asia Pte Ltd



■ Sahara International Petrochemical Company - ...

Year of establishment	2013
Company Type	Limited Liability Company
Sipchem Headquarters	Singapore
Capital	SAR 752,970
Company Activity	Marketing Sipchem's products in Asia

Saudi Butanol Company (SABUCO)

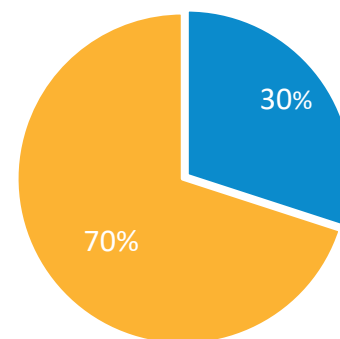


■ Sadara Chemicals Company ■ Saudi Acrylic Acid Company (SAAC)
■ Saudi Kayan Petrochemical Company

Year of establishment	2013
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 486 million
Company Activity	Production of n-butanol and isobutanol
Productive capacity	330,000 mtpa of n-butanol 10,400 mtpa off iso-butanol

By virtue of Sahara's aggregate 43.16% equity stake in SAAC, Sahara owns an indirect equity stake of 14.38% in SABUCO.

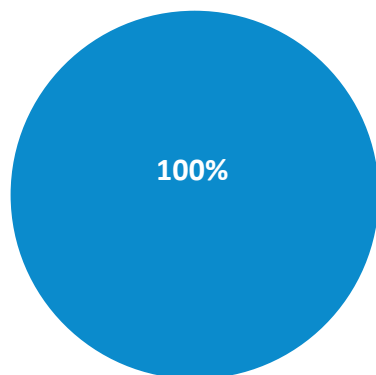
Khair Inorganic Chemical Industries (InoChem)



■ Sahara International Petrochemical Company ■ Other shareholders

Year of establishment	2016
Company Type	Closed Joint Stock
Sipchem Headquarters	Ras Al-Khair – Saudi Arabia
Capital	SAR 800 million
Company Activity	Production of soda and sodium chloride
Productive capacity	300,000 mtpa of Soda Ash 384,000 mtpa of sodium chloride

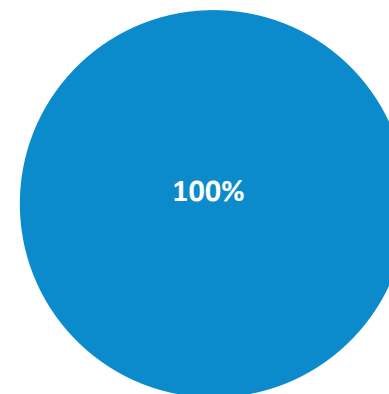
Sahara Marketing Company



■ Sahara Petrochemical Company - Sahara

Year of establishment	2016
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 500,000
Company Activity	Marketing and sales of petrochemicals and plastics.

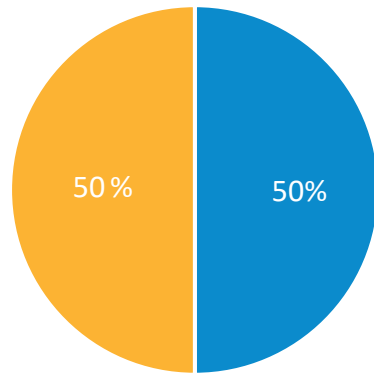
Saudi Advanced Technologies Company (Wahaj)



■ Sahara International Petrochemical Company - ...

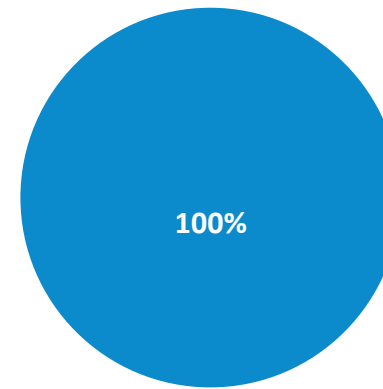
Year of establishment	2018
Company Type	Limited Liability Company
Sipchem Headquarters	Riyadh - KSA
Capital	SAR 105.950 million
Company Activity	Metal formation by hammering, pistons, casting, rolling, making structures for motor vehicles, making parts, accessories and engines for motor vehicles.

Linde Sipchem Industrial Gases Co.



- Sahara International Petrochemical Company - Sipchem
- Linde Holding Netherlands

Sipchem Innovent SA



- Sahara International Petrochemical Company - Sipchem

Year of establishment	2022
Company Type	Limited Liability Company
Sipchem Headquarters	Jubail Industrial City - Kingdom of Saudi Arabia
Capital	SAR 5 million
Company Activity	Production of primary gases and industrial gases

Year of establishment	2023
Company Type	Limited Liability Company
Sipchem Headquarters	Lotre, Switzerland
Capital	USD 300 thousand
Company Activity	Innovation, research, development, venture capital, and investment in general

7) Provisions of Corporate Governance Regulations applied and provisions not applied.

In implementation of the Corporate Governance Regulations issued by the Saudi Capital Market Authority, Sahara International Petrochemical Company "Sipchem" has adopted all regulations, policies, and procedures that fall within the powers of the Board of Directors and the General Assembly, as follows:

S.N.	Regulations / Policy
1	Audit Committee Regulations (Assembly)
2	Sipchem Main Plans, Policies, Strategies and Goals (Board of Directors)
3	Remuneration and Compensation Committee Regulations (Assembly)
4	Executive Committee Regulations (Board of Directors).
5	Governance Committee Regulations (Board of Directors).
6	Policies and standards of membership procedures in the Board (Assembly).
7	The remuneration policy of Board members, the committees emanating from it, and the executive management (Assembly).
8	Corporate Governance Rules (Board of Directors)
9	Dividend Policy (Board of Directors).
10	Risk Management Policies and Procedures (Board of Directors)
11	Conflict of Interest Management Policy for Members of the Board of Directors, Executive Management and Shareholders (Board of Directors)
12	Stakeholder Relationship Regulation Policy (Board of Directors).
13	Sipchem Administrative and Financial Policies and Powers Delegated to the Executive Management (Board of Directors)
14	Investment and Financing Policies and Mechanisms (Board of Directors)
15	Employee Remuneration Policy (Board of Directors).
16	Work Procedure Policies in the Board of Directors (Board of Directors)
17	Professional Conduct and Ethical Values Policy (Board of Directors).
18	Policies and Procedures to ensure Sipchem's compliance with the rules, regulations and disclosure to shareholders and stakeholders (Board of Directors)
19	Policies of Competitive Business Standards (Assembly)
20	Whistleblowing Policy and Procedure Manual (Board of Directors).

Sipchem applies all provisions mentioned in Corporate Governance Regulations issued by CMA, except for the below provisions:

Article No.	Article	Notes
39	Evaluation	Guiding Article
67	Formulation of Risk Management Committee (indicative article)	The Board of Directors has assigned the responsibilities for the Risk Management processes and regulations to the Board's Audit Committee, which shall be responsible for developing and implementing risk management processes and regulations, to serve as a framework for Sipchem. The CEO shall chair the Risk Management's Internal Executive Committee. The key roles of the Senior Management shall be assigned to the members of the Committee and Sipchem's Risk Management Department shall submit its reports to the Audit Committee.
68	Terms of Reference of the Risk Management Committee (Guiding Article)	
69	Meetings of the Risk Management Committee (Guiding Article)	
84	Social Responsibility (Guiding Article)	Sipchem implements programs aimed at highlighting and sustaining the role of social responsibility, which cover areas that focus on the society. Sipchem is working according to a specific strategy in social responsibility.
85	Social Activity Initiatives	Guiding Article and Sipchem shall work on developing KPIs for social responsibility.
90	Disclosure of Remunerations	Sipchem is committed to the disclosure of the remunerations of Board and Committee Members in details. Sipchem has also committed to disclosing the remuneration of senior executives in total in accordance with the statutory requirements contained in subparagraph (b) of Paragraph No. (4) of Article (90) of the Corporate Governance Regulations, in order to protect the interests of Sipchem, its shareholders, and its employees, and to avoid causing any harm that may result from disclosure. The details were not presented as contained in Annex No. (1) concerning the remuneration of senior executives from the Corporate Governance Regulations.

8) Names, current and previous positions, qualifications, and experience of Board members, committee members, and executive management.

a) Board Members:

S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Eng. Khalid A. Al-Zamil	<p>Chairman of Sipchem Board of Directors</p> <p>Chairman Sipchem Board of Directors (Closed Joint Stock Company)</p> <p>Board Chairman of Al-Waha Petrochemical Company</p> <p>Board Chairman of International Methanol Company</p> <p>Board Chairman of Zamil Group Holding Company</p> <p>Board Chairman of Middle East Battery Company</p>	<p>CEO - Zamil Group Holding Company</p> <p>Board Chairman of Zamil Industrial Investment Company</p> <p>Board Chairman of Zamil Steel Company</p>	<p>Bachelor's degree in Civil Engineering</p>	<p>CEO - Zamil Group Holding Company</p> <p>Board Chairman of Zamil Industrial Investment Company</p> <p>Board Chairman of Zamil Steel Company</p>
2	Mr. Fahad Sulaiman Al-Rajhi	<p>Board Chairman of Yanbu Cement Company</p> <p>Vice Chairman of Sahara International Petrochemical Company (Sipchem) and Chairman of the Executive Committee</p> <p>Founder and Chairman of Saudi German Co. for Nonwoven Products (SGN).</p> <p>Founder and Chairman of Advanced Flexible Packaging Co. (Ad Flex)</p> <p>Board Member of King Abdullah International Foundation for Humanitarian Activities and Member of its Executive Committee.</p> <p>Board Member of International Methanol Company</p> <p>Founder and Board Member of Al Rajhi Ekhwan Group</p> <p>Vice Chairman of Musharaka Capital Company</p>	-	<p>Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals</p>	<p>More than 41 years of diverse experience in corporate board management, holding executive and leadership roles, company establishment, and investment management across various sectors.</p>

3	Eng. Reyadh S. Ahmed	Board Member of Sipchem Board Chairman of Meezan Bank Vice Chairman of Privatization Holding Company Board Chairman of Noor Financial Investment Chairman and CEO of Ikarus Petroleum Industries Chairman of Middle East Complex for Engineering, Electronics & Heavy Industries PLC (MEC) Board Member of National Combined Industries Holding Co for Energy (KSCC) Chairman and CEO of Gas & Oil Field Services Company (GOFSCO) Board Member of Durrah Real Estate Company Board Chairman of Proclad Group Limited	Vice Chairman of Airport International Group Company Board Member of Karachi Electric Supply Corp. Board Member of Saja'a Gas Private Ltd, (SajGas) Board Member of United Gas Derivatives Company Board Member of Kuwait Rocks Company Vice Chairman of Eastern United Petroleum Services (EUPS)	B.Sc. Chemical Engineering MA Chemical Engineering	Businessman
		Board Member of Sipchem Vice Chairman of Saudia Dairy & Foodstuff Co. (SADAFCO) Chairman of Khair Inorganic Chemical Industries Co. (InoChem) Board Member of International Medical Center Company Board Member of Basamh Group Co. Board Member of Al-Samah Trading Company Limited Board Member of Madr Investment Company Board Chairman of Samhaa Investment Company Board Member of Hala Supply Chain Services Co. Board Chairman of Istidama Al-Athar Holding Company	-	Bachelor's of Business Administration Marketing and Logistics Specialization The Ohio State University 1991 - USA	

		Board Member of Future Resources Company			
5	Dr. Abdul Rahman Abdullah Al-Zamil	Board Member of Sipchem Board Member of Zamil Group Holding Company	Board Chairman of Zamil Group Holding Company Board Chairman of Zamil Industrial Investment Company Board Member of Sahara International Petrochemical Company Board Chairman of National Energy Company Board Chairman of Saudi Advanced Technologies Company (Wahaj)	Bachelor of laws PhD in International Relations	He worked as Deputy Governor of the General Electricity Corporation, then as Deputy Minister of Commerce, then as Member of Saudi Shura Council for three sessions.
6	Mr. Saeed O. Al-Esayi	Board Member of Sipchem Chairman of Omar K. Alesayi & Co. LTD. Chairman of Omar Kassem Alesayi Marketing Co. LTD. Board Chairman of Alesayi Motors. Board Member of Omar Kassem Alesayi Group Board Member of United Carton Industries Company (UCIC) Chairman of Motor Vehicle Periodic Inspection Company (MVPI)	Board Member of Yanbu Cement Company Board Member of Al Rajhi Bank Board Member of Sahara International Petrochemical Company	Bachelor's degree in Industrial Engineering	General Manager and then Chairman of the Board of Directors of Alesayi Motors Company and Omar K. Alesayi & Co. LTD.
7	Mr. Ziad A. Al-Turki	Board Member of Sipchem Chairman of A. A. Turki Co. for Trading & Contracting Chairman of Abdulrahman Ali Alturki Sons for Trading & Contracting Company Chairman of ATCO Marine Services Co. Ltd. Chairman of Tamam Integrated Trading Company Limited	Vice Chairman of A. A. Turki Co. for Trading & Contracting Board Member of Samina Capital Limited, Dubai Vice Chairman of Redland Industrial Services Arabia Ltd. Board Chairman of KELLER TURKI CO LTD	Diploma in Social Sciences	Vice Chairman of A. A. Turki Group (ATCO), KSA Board Member of Dhahran International Exhibitions Company "Dhahran Expo", KSA Member of the Strategic Partners Group, Investcorp, Bahrain

		<p>Board Chairman of Al-Marjan Integrated Investment Company</p> <p>Vice Chairman of Honeywell Turki Arabia Ltd</p> <p>Vice Chairman of Rockwell Automation Saudi Arabia Limited</p> <p>Board Member of Dhahran International Exhibitions Company</p> <p>Board Member of Ramky Al Turki Environmental Services Co. Ltd.</p> <p>Member of the Senior Partners Group of Investcorp Holdings</p>		<p>Board Member of Samina Capital Limited, Dubai</p> <p>Vice Chairman of Redland Industrial Services Arabia Ltd.</p> <p>Board Chairman of KELLER TURKI CO LTD</p>
8	Eng. Abdullah K. Al-Buainain	Board Member of Sipchem	<p>CEO of Marafiq</p> <p>Board Chairman of Marafiq subsidiaries</p> <p>Several positions in SABIC and Al-Razi Company</p>	<p>Bachelor's degree in Mechanical Engineering</p> <p>directors of subsidiaries - Chairman of AlRazi Company - Vice President for</p> <p>Manufacturing Affairs</p> <p>CEO of Marafiq Company and Chairman of the Board of its subsidiaries.</p>
9	Eng. Musaed Suleiman Al-Ohali	<p>Board Member of Sipchem</p> <p>Board Chairman of Al Watania for Industries</p> <p>Board Member of Qudurati Day Care Center</p> <p>Board Member of Alwasail Industrial Company (since December 2024)</p> <p>Board Member of Binladin International Holding Group (since December 2024)</p>	<p>CEO Ma'aden</p> <p>SABIC Senior Executive Advisor</p> <p>Member of many corporate boards, including the Saudi Arabian Military Industries (SAMI) Board of Directors (until February 2024).</p>	<p>MA of Chemical Engineering</p> <p>Graduating in several positions in Sadaf, SABIC, and Ma'aden.</p>

10	Mr. Firas Mazen AlAbad	Board Member of Sipchem Portfolio Manage, Hassana Investment Company	Financial Analyst, Hassana Investment Company Director of Public Investment Fund Portfolios	Master in Finance BSc in Finance	Portfolio Manage, Hassana Investment Company Director of Public Investment Fund Portfolios Analyst, Hassana Investment Company
11	Mr. Ahmed Ali AlDakhil	Board Member of Sipchem Board Member and Executive Committee Member of Arabian Mills Company Board Member of MEMF Electrical Industries Co. Board Chairman of Istidama AFQ Holding Company Chairman of the Saudi Business Council for the Central Asian Region, Azerbaijan, and Georgia (Council of Saudi Chambers) Chairman of the Nominations and Remuneration Committee of Sahara International Petrochemical Company (Sipchem)	Leadership positions in several listed and unlisted joint stock companies in the Kingdom	BsC in Industrial Management, King Fahd University of Petroleum and Minerals	Leadership positions in several listed and unlisted joint stock companies in the Kingdom

b) Committees' members:
Executive Committee

S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Mr. Fahad Sulaiman Al-Rajhi	As mentioned above in Item (A) of Board Members			
2	Eng. Reyadh S. Ahmed				
3	Mr. Saeed O. Al-Esayi				
4	Eng. Abdullah Khalifa Al Buainain				
5	Eng. Musaed Suleiman Al-Ohali				

Audit Committee:

S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Eng. Abdullah Khalifa Al Buainain	As mentioned above in Item (A) of Board Members			
2	Mr. Mohamed Farhan AlNader	<ul style="list-style-type: none"> - CEO of RSM Allied Accountants for Professional Services - Member of RSM International Group - Audit Committee Member – Sipchem - Board Member of Princess Noura bint Abdul Rahman University Endowments Company - Audit Committee member at Sulaiman Al Rajhi Holding Company - Audit Committee member at eXtra - Chairman of the Audit Committee at Al Rajhi Ekhwan Group - Audit Committee member at Al Bilad Bank - Audit Committee member at Dan - Audit Committee member at Al Madinah Heritage Company - Audit Committee member at Adira 	<ul style="list-style-type: none"> - Audit Committee Chairman at National Company for Learning and Education - Board Member of Tuwaiq Academy 	<ul style="list-style-type: none"> - Bachelor's degree in Accounting. - Master of Business Administration and Finance - American Fellowship of Certified Public Accountants (CPA) - Saudi Fellowship of Certified Public Accountants (SOCPA) 	20 years of experience in the field of accounting and finance

3	Dr. Muhammad Faraj AlKinani	<ul style="list-style-type: none"> - Founder and CEO of Development Allies Foundation. - General Supervisor of Investment in the Research and Educational Programs Support Fund at King Fahd University of Petroleum and Minerals (KFUPM). - Board Member and Chairman of Audit Committee at Dhahran Techno Valley Holding Co. - Chairman of Dhahran Valley Business Services Company (BSC) - Board Member and Chairman of the Credit and Risk Committee at the Saudi Real Estate Refinance Company (SRC) - Board Member and Chairman of the Nomination Committee at Arab National Bank (anb) - Member of the Board of Trustees, Audit Committee, Programs and Competencies Committee - Financial Academy - Board Member and Member of the Investment Committee - Environment Fund - Board Member and Audit Committee Member at Business Park Complex Company - Member of the Audit Committee - Sahara 	<ul style="list-style-type: none"> - Dean of the Faculty of Industrial Management at King Fahd University of Petroleum and Minerals. - Head of the Finance and Economics Department at King Fahd University of Petroleum and Minerals. 	<p>Bachelor's degree in Financial Management from King Fahd University of Petroleum and Minerals.</p> <p>Masters in Financial Management from the University of Colorado Denver, USA</p> <p>PhD in Financial Management from the University of Oklahoma, USA</p> <p>Chartered Financial Analyst since 2010.</p>	<p>Chairman of Dhahran Valley Business Services Company (BSC)</p> <p>Member of Board and Committees: (Arab National Bank, Dhahran Techno Valley Holding Company (DTVC), Saudi Real Estate Refinance Company (SRC), Al-Ahly Takaful Company, Leejam Sports Company, Environment Fund, Waha Business Company, Financial Academy, Air Lease Corporation, and Agricultural Development Fund)</p>

- International Petrochemical Company (Sipchem)
- Audit Committee member at AviLease
- Member of the Investment Committee - Agriculture Development Fund (NDF)
- Audit Committee member at Leejam Sports Company
- Board Member of Al Maqam Al Thabet Investment Company

Nomination and Remuneration Committee

S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Mr. Ziad A. Al-Turki				
2	Eng. Saeed A. Basamah				
3	Mr. Ahmed Ali AlDakhil				
4	Mr. Firas Mazen AlAbad				

As mentioned above in Item (A) of Board Members

Governance Committee					
S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Mr. Abdulaziz A. bin Dayel	<ul style="list-style-type: none"> - CEO Advisor at the Saudi Authority for Industrial Cities and Technology Zones (MODON) - Board Member of Al-Mujtama Al-Raida Medical Company - Audit Committee Member – Sipchem 	<ul style="list-style-type: none"> - Executive Director - Munajem Group - Executive Director of Sales & Marketing in Mawaridh Holding Group - Managing Director – Tihama Advertising, Public Relations and Marketing Co. - General Secretary of the Board of Directors of GOSI - Counselor/ General Organization for Social Insurance - Board Member of AlGharbia Farms - Chairman of the Nominations and Remunerations Committee - Chairman of Sipchem Board of Directors - Chairman of the Nominations and Remuneration Committee – Sahara International Petrochemical Company (Sipchem) - Board Member – Tabuk Agricultural Development Company (TADCO) (until June 2024) - Nominations Committee Chairman - Tabuk Agricultural Development Company (TADCO) (until June 2024) - Audit Committee Member- Tabuk Agricultural Development Company (TADCO) (until June 2024) 	Bachelor's of Business Administration	He worked in Samba Financial Group, where he held several positions. Then, he moved to Riyadh Bank as Director of the Central Region, then Managing Director of Tihama Company, then the Executive Director of Mawaridh Holding Group, then CEO of Munajem Group, then an advisor at the General Organization for Social Insurance.
2	Mr. Turki M. Al Marzouq	<ul style="list-style-type: none"> - Board Chairman of Resan Developments - Member of the Governance, Risk 	<ul style="list-style-type: none"> - Governance and Board Affairs Advisor - The General Organization for Social Insurance (GOSI) 	Bachelor's degree of Accounting	He has more than 20 years of practical experience in management, finance, investment, and governance, as well as in boards

		<p>and Compliance Committee - The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz International Foundation for Humanitarian Works</p> <ul style="list-style-type: none"> - Audit Committee Member – Sipchem - Member of the Governance Committee and the Nominations and Remunerations Committee - Baja Food Industries Co. 	<ul style="list-style-type: none"> - Local Investment Support Director - Hassana Investment Company - Board Member and Member of the Nominations and Remuneration Committee - Al Safwa Cement Company (ASCC) - Board Member of Arab Saudi Company for Poultry Production - Director of Corporate Governance at the Public Pension Agency 	<p>Corporate Governance Diploma</p>	<p>of directors and their committees in industrial, real estate and agricultural sectors.</p>
3	Mr. Faisal M. Al-Modlij	<ul style="list-style-type: none"> - Audit Committee Member – Sipchem 	<ul style="list-style-type: none"> - CEO of Governance, Risk and Compliance Secretary General of the Board of Directors - Al Balad Development Company (BDC) - General Manager of Corporate Affairs and Governance - Sahara International Petrochemical Company (Sipchem) - Secretary General of the Board of Directors and Subsidiaries - Sahara International Petrochemical Company (Sipchem) 	<p>Bachelor of Management Systems</p>	<p>Over 25 years of practical experience in legal affairs, investor relations, governance, corporate affairs, boards of directors, and board committees.</p>

Executive Management

S.N.	Name	Current positions	Previous Positions	Qualification	Expertise
1	Eng. Abdullah S. Al-Saadoon	CEO	COO	Bachelor's degree in chemical Engineering	He held several positions in SABIC in the petrochemical industry. He moved to Sahara International Petrochemical Company (Sipchem) and progressed until he became Sipchem's COO after merger with Sahara Petrochemicals Company. He then was appointed as CEO of Sipchem in 2021.
2	Mr. Rushdi K. Al-Dulijan	VP Finance	Executive Vice-President of Finance and Information Technology at Sahara Petrochemicals Company	Bachelor's degree of Accounting	After joining Sahara International Petrochemical Company (Sipchem) as CFO in 2011, he was in charge of Finance and IT sections until he was progressed through various position until he became the Vice President of Finance in Sipchem. Before joining Sipchem, he worked at the Saudi Electricity Company, where he held several positions in auditing and financial control.
3	Eng. Ibrahim Abdulaziz Al Rashood	VP Manufacturing	VP Operations	Bachelor of Electrical Engineering	After he joined Sipchem in 2004, he progressed through several senior leadership positions and is currently responsible for managing and leading 14 Sipchem subsidiaries. He was also appointed Vice President of Operations after the 2019 merger. Before joining Sipchem, he

					worked at Saudi Aramco for over 10 years in consulting services and project management.
4	Eng. Matar Atshan Al Dhefiri	VP Commercial	Vice President of Marketing and Sales	Bachelor's degree in chemical Engineering - MA of Natural Gas Engineering and Management	After joining Sipchem, he held several senior leading positions, including Sales, Marketing, Strategy, Business Development, and supply chains. Before joining Sipchem, he worked for Saudi Aramco for more than 10 years, where he held a number of technical positions, including Senior Operations Engineer, Operations and production Engineer, and construction engineer.
5	Eng. Omar Salem Bahobail	VP, shared services	VP, Integration Management Office	Bachelor's degree in chemical Engineering	Upon joining Sipchem in 2004 as the General Director of Al-Waha, he progressed to the position of Director and CEO of Al-Wah, and then to Vice President of Shared Services. Prior to joining Sipchem, he worked at SABIC for more than 10 years, holding various positions.
6	Mr. Fahad Mansour Al-Ohaly	General Manager of Corporate Communication and Corporate Affairs Secretary General of the Board of Directors and affiliated committees	Manager, Corporate Communication	B.S in Business Administration	After joining Sipchem in 2008, he held several positions, including in financial management, sales and marketing management, and corporate communication management. He is currently the General Manager of Corporate Communication and Corporate Affairs and the Secretary General of the Board of Directors and affiliated committees.

9) Any affiliations of Board members with other companies, both within and outside Kingdom, as board members or managers.

Member Name	Names of companies in which the member of the Board of Directors is a member of their current boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies in which the member of the Board of Directors is a member of their previous boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Eng. Khalid A. Al-Zamil	Sahara International Petrochemical Company. (Sipchem)	Within the Kingdom	Listed Joint Stock Company	Zamil Industrial Investment Co. Zamil Steel Company	Within the Kingdom	A Listed Joint Stock Company Limited Liability Company
	Sahara Petrochemical Company		Closed Joint Stock Limited Liability Company			
	International Methanol Company		Limited Liability Company			
	Waha Petrochemical Company		Closed Joint Stock Limited Liability Company			
	Zamil Group Holding Company		Limited Liability Company			
Mr. Fahad Sulaiman Al-Rajhi	Middle East Battery Company (MEBCO)	Within the Kingdom		Saudi Cement Company Saudi Industrial Investment Group (SIIG) Al Watania for Industries Company	Within the Kingdom	A Listed Joint Stock Company A Listed Joint Stock Company Closed Joint Stock
	Sahara International Petrochemical Company.		A Listed Joint Stock Company			
	Yanbu Cement Company		A Listed Joint Stock Company			
	Al Rajhi Ekhwan Group		Closed Joint Stock Limited Liability Company			
	Advanced Flexible Packaging Co. (Ad Flex)		Limited Liability Company			
	Musharaka Capital Company		Closed Joint Stock Limited Liability Company			
	Saudi German Company for Nonwoven Products		Limited Liability Company			
	International Methanol Company		Limited Liability Company			
	King Abdullah International Foundation for Humanitarian Activities		Public Interest			

**Eng. Saeed A.
Basamah**

Sahara International
Petrochemical Company.
Saudi Dairy Company
(SADAFCO):
Khair Inorganic Chemical
Industries (InoChem)
International Medical Center
Company
Basamh Group
Madr Investment Company
Al Samah Trading Company
Ltd.
Samha Investment Company
Hala Supply Chain Services Co.
Invest In Impact Holding
Future Resources Company

Within the
Kingdom

A Listed Joint Stock
Company
A Listed Joint Stock
Company
Closed Joint Stock
Closed Joint Stock
Closed Joint Stock
Closed Joint Stock
Limited Liability
Company
Limited Liability
Company
Limited Liability
Company
Limited Liability /
Holding
Limited Liability
Company

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Member Name	Names of companies in which the member of the Board of Directors is a member of their current boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies in which the member of the Board of Directors is a member of their previous boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Eng. Reyadh S. Ahmed	Sahara International Petrochemical Company.	Within the Kingdom	A Listed Joint Stock Company	- Karachi Electric Supply Corp.	Outside the Kingdom	A Listed Joint Stock Company
	Meezan Bank Privatization Holding Company	Outside the Kingdom	A Listed Joint Stock Company	- Gas & Oil Field Services Company (GOFSCO)		
	Noor Financial Investment Company (Noor)	Outside the Kingdom	A Listed Joint Stock Company	- Sajaa Gas Private Ltd Co.	Outside the Kingdom	Closed Joint Stock
	Ikarus Petroleum Industries (IKAR)	Outside the Kingdom	A Listed Joint Stock Company	- United Gas Supply Company		
	Middle East Complex for Engineering, Electronics & Heavy Industries PLC (MEC)	Outside the Kingdom	Closed Joint Stock Listed Joint Stock Company	- Kuwait Rocks Company	Outside the Kingdom	Closed Joint Stock
	Ikarus Heavy Industries	Outside the Kingdom	Closed Joint Stock	- Eastern United Petroleum Services		
Dr. Abdul Rahman Abdullah Al-Zamil	Sahara International Petrochemical Company.	Within the Kingdom	A Listed Joint Stock Company	- Zamil Group Holding Company	Within the Kingdom	Closed Joint Stock
				- Zamil Industrial Investment Co.		
				- Sahara International Petrochemical Company		Closed Joint Stock
				- National Power Company		

				- National Chemical Transport Company		
				- Saudi Advanced Technologies Company (Wahaj)		
Mr. Saeed O. Al-Esayi	Sahara International Petrochemical Company.		A Listed Joint Stock Company			Listed Joint Stock Company
	Omar Qasem Al-Essayi & Partners Marketing Company Limited		Closed Joint Stock Company	- Sahara International Petrochemical Company	Within the Kingdom	A Listed Joint Stock Company
	Alesayi Motors	Within the Kingdom	Closed Joint Stock Company	- Yanbu Cement Company		A Listed Joint Stock Company
	Omar Kassem Alesayi & Partners Co. Ltd.		Closed Joint Stock Company	- Al-Rajhi Bank		
	Omar Kassem Alesayi group		Closed Joint Stock Company			
	United Carton Industry Co.		Closed Joint Stock Company			
	Vehicle Periodic Inspection Company (MVPI)					
Mr. Ziad A. Al-Turki	A. A. Turki Co. for Trading & Contracting	Within the Kingdom	Limited Liability Company			
	Ali Alturki Sons for Trading & Contracting Company	Within the Kingdom	Limited Liability Company			
	ATCO Marine Services Co. Ltd.	Outside the Kingdom	Limited Liability Company	- Samena Capital Company		
	Tamam Integrated Trading Co. Ltd.	Within the Kingdom	Limited Liability Company	- United Constructors Contracting Co. LTD (UCCL)	Outside the Kingdom	Limited Liability Company
	Al-Murjan Integrated Investment Company	Within the Kingdom	Limited Liability Company		Within the Kingdom	Limited Liability Company
	Honeywell Turki Arabia Ltd	Within the Kingdom	Limited Liability Company		Within the Kingdom	Limited Liability Company
	Rockwell Saudi Arabia Limited	Within the Kingdom	Limited Liability Company	- Redland Industrial Services -Arabia-Ltd.	Within the Kingdom	Limited Liability Company
	Sahara International Petrochemical Company "Sipchem"	Within the Kingdom	A Listed Joint Stock Company	- Turkish Killer Company Ltd		
	Dhahran International Exhibitions Company	Within the Kingdom	Closed Joint Stock Company			
	"Dhahran Expo"		Limited Liability Company			

	Ramki Al Turki Environmental Services Co. Ltd Member of the Senior Partners Group of Investcorp Holdings	Within the Kingdom Outside the Kingdom	Holding Company			
Member Name	Names of companies in which the member of the Board of Directors is a member of their current boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)	Names of companies in which the member of the Board of Directors is a member of their previous boards of directors or of their directors	Inside/outside KSA	Legal entity (joint stock company/ listed joint stock company/ unlisted joint stock company/ limited liability company)
Eng. Abdullah Khalifa Al Buainain	Sahara International Petrochemical Company.	Within the Kingdom	A Listed Joint Stock Company	-	-	-
Eng. Musaed Suleiman Al-Ohali	Sahara International Petrochemical Company. Al Watania for Industries Company Qudurati Company for Day Care Industrial Ways Co. Binladin International Holding Group	Within the Kingdom Within the Kingdom Within the Kingdom Within the Kingdom Within the Kingdom	A Listed Joint Stock Company Closed Joint Stock Company A Listed Joint Stock Company A Listed Joint Stock Company Limited Liability Company	- SAFCO Company	Within the Kingdom	Public contribution Limited Liability Company
				- Marafiq Company	Within the Kingdom	Limited Liability Company
				- Sadaf Company and Petrokima Company	Within the Kingdom	Limited Liability Company
				- AlRaeda Company	Within the Kingdom	Limited Liability Company
				- Saudi European Petrochemical Company (IBN ZAHRA)	Within the Kingdom	Limited Liability Company
				- SABIC Innovative Plastics Company	Outside the Kingdom	Limited Liability Company
				- Ibn Sina Company	Within the Kingdom	Limited Liability Company
				- The Saudi Arabian Industrial Investments Company (Dussur)	Within the Kingdom	Limited Liability Company
				- Samak Company	Within the Kingdom	Limited Liability Company
				- Ibn Rushd Company	Within the Kingdom	Closed Joint Stock Company
				- Arab Company for Agricultural	Within the Kingdom	Limited Liability Company

				Services (ARASCO) - Saudi Arabian Military Industries (SAMI)	Within the Kingdom	
Mr. Firas Mazen AlAbad	Sahara International Petrochemical Company.	Within the Kingdom	A Listed Joint Stock Company	-	-	-
Mr. Ahmed Ali AlDakhil	Sahara International Petrochemical Company. Arabian Mills Company Middle East Company for Electrical Industries Horizon Holding Company	Within the Kingdom	A Listed Joint Stock Company A Listed Joint Stock Company Closed Joint Stock Limited Liability Company	Al Watania for Industries Company Al Rajhi International for Investment Al-Rajhi International Investment Company (RAII) (Egypt Branch) until April 2024	Within the Kingdom	Closed Joint Stock Limited Liability Company Closed Joint Stock

10) Measures taken by Board, especially non-executive members, to inform them about shareholders proposals and feedback regarding Company and its performance.

Except for the queries received during the Extraordinary 17th General Assembly held on May 21, 2024, Sipchem has not received any other inquiries or comments regarding its operations and performance. The Investor Relations Department meets with shareholders and investors according to a scheduled timeline throughout the year to review the latest business developments. The Chairman of the Board of Directors informs the Board members of shareholder and investor proposals, comments, and opinions through periodic board meeting, which are held without the presence of any executive member if necessary. Article (36) of Sipchem Articles of Association outlines procedures that ensure that all shareholders have the right to discuss topics, request information, and direct questions to the Board members and auditors. The Chairman and Board members shall respond to all inquiries related to Sipchem business.

11) Brief Description of Committees' Terms of Reference.

a. Audit Committee:

The main purpose of the Audit Committee is to assist the Board in regulatory supervising for the financial reporting processes, monitoring the sufficiency and efficiency of internal control system, overseeing internal audit activities and achieving its effectiveness in implementing the works and tasks entrusted to it.

The members have experience and competence that qualify them to actively participate in the work of the Audit Committee. Terms of reference of the Committee include, in particular:

First: Reports and Financial Statements:

- Analyzing Sipchem quarterly and annual financial statements before submitting the same to the Board and provide opinions and recommendations on their integrity, clarity and transparency.
- Providing its technical opinion at the Board's request regarding whether the Board's report and financial statements are fair, balanced and understandable and contain information that allows shareholders and investors to evaluate the financial position, performance, business model and strategy of the Sipchem Group.
- Analyzing any important or unusual matters contained in the reports and financial statements.
- Carefully investigate any issue raised by Sipchem's CFO, whoever assumes his duties, Sipchem's external auditor.
- Examining accounting estimates in relation to important matters stated in financial reports and statements.
- Considering Company accounting policies and submitting its opinion and recommendations to the Board.

Second: Internal Audit:

- Examine and review Sipchem's internal and financial control methods and systems and risk management systems.
- Analyzing and examining internal audit reports and following up on implementation of corrective actions regarding observations contained in such reports.
- Supervising and monitoring the performance and activities of the Internal Audit Department of Sipchem, to verify the availability of human and material resources necessary for its effectiveness
- Providing recommendation to the Board regarding appointment or dismissal of the Group's Internal Audit Head and suggest the due remuneration.

Third: Auditor:

- Recommending to the Board to nominate and dismiss the external auditors, determine their remuneration, evaluate their performance after verifying their independence and review the scope of their work and their contract terms.
- Verifying independence, understanding and fairness of the external auditor and effectiveness of external audit works and activities, considering the relevant rules and standards.
- Reviewing Sipchem's external auditor plan and the plan's activities and ensure that the external auditor does not provide any technical or administrative work that goes beyond the scope of external audit duties.

- Responding to all inquiries of Company external auditor.
- Examining and reviewing external auditors reports and their comments on the financial statements and reports as well as follow-up actions taken in this regard.

Fourth: Compliance Verification:

- Reviewing results of reports by supervisory or regulatory authorities (if any) and ensure that Sipchem has taken all necessary measures in this regard.
- Ensuring that Sipchem complies to the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions to be concluded by Sipchem with the related parties and submit relevant recommendations to the Board of Directors.
- Informing the Board of any important matters that it deems necessary to take action and make recommendations on the steps / actions that may be taken.

❖ **Members of the Audit Committee and Attendance Record of Audit Committee Meetings:**

S.N.	Name	Membership Nature	Number of Meetings during 2024: six meetings						Total Attendance
			First 03/03/2024 AD	Second 25/04/2024 AD	Third 10/07/2024	Fourth 18/07/2024	Fifth 17/10/2024	Sixth 06/11/2024	
1	Eng. Abdullah Khalifa Al Buainain	Committee Chairman:	Attended	Attended	Attended	Attended	Attended	Attended	6
2	Dr. Muhammad Faraj AlKinani	Committee Member	Attended	Attended	Attended	Attended	Attended	Attended	6
3	Mr. Mohamed Farhan AlNader	Committee Member	Attended	Attended	Attended	Attended	Attended	Attended	6

b. Nomination and Remuneration Committee:

❖ **Terms of reference of Nomination and Remuneration Committee**

First: In terms of Remuneration:

- Prepare a clear policy for remunerations of the Board members, its committees and Executive Management, and present such policy to the Board to review it in preparation for approval by the General Assembly. Such policy shall follow performance related standards, disclose and ensure implementation thereof, including:
- Clarify the relation between the paid remunerations and applicable remuneration policy and highlight any material deviation from that policy.
- Periodically review remuneration policy and assess its effectiveness in achieving objectives thereof.
- Provide recommendations to Board in respect of remunerations of its members, committees members and senior executives, in accordance with approved policy.
- Supervise performance assessment of senior executives against Company annual objectives and goals related to business units and sectors and within the framework of assessment and remuneration system approved by Company and provide recommendation to Board on due incentives and remunerations.

- Assess HR programs, including talent acquisition and retention programs, performance management programs, succession plans, comprehensive incentive and reward programs and diversity recruitment programs to enrich cumulative expertise, so that Sipchem can improve the overall institutional performance culture.

Second: In terms of nominations:

- Proposing clear policies and standards for membership of the Board of Directors and Executive Management.
- Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking into account the non-nomination of any person who has already been convicted of breach of trust.
- Preparing description of capabilities and qualifications required for Board membership and Executive Management positions.
- Determine time to be allocated by member for Board business.
- Annual review of required skills or appropriate expertise for Board membership and Executive Management positions.
- Reviewing the structure of the Board and the Executive Management and make recommendations on changes that can be made.
- Annual check to ensure independence of independent members and that there is no conflict of interest if a member serves on the board of another company.
- Developing job descriptions for executive, non-executive and independent members and senior executives.
- Developing special procedures when the position of a Board Member or a Senior Executive becomes vacant.
- Identifying weaknesses and strengths of the Board and the subordinate committees and proposing solutions to address them in line with the Sipchem's interest.
- The Committee shall examine the topics of its competence or those referred to it by the Board and shall submit its recommendations to the Board for decision-making.
- Ensuring Sipchem's compliance with the procedures of nomination for Board membership stipulated in the Corporate Governance Regulations and the requirements set by CMA, taking into account that, the number of nominees to the Board whose names are presented to the General Assembly may exceed the number of available seats to give a chance to the General Assembly to select the Board members from among those nominees
- Providing an appropriate level of training and onboarding to new board members on Sipchem functions and achievements so that they can perform their work with the required efficiency.
- Considering and recommending on conflicts of interest for those wishing to nominate for Board membership.

❖ **Members of the Nomination and Remuneration Committee and Attendance Record of Committee Meetings:**

S.N.	Name	Membership Nature	Number of Meetings during 2024: Five meetings					Total Attendance
			First 13/03/2024	Second 26/03/2024	Third 05/06/2024	Fourth 11/09/2024	Fifth 24/11/2024	
1	Mr. Ahmad A. AL-Dakheel	Committee Chairman:	Attended	Attended	Attended	Attended	Attended	5
2	Eng. Saeed A. Basmah	Committee Member	Attended	Attended	Did not attend	Attended	Attended	4
3	Mr. Feras M. Al-Abad	Committee Member	Attended	Attended	Attended	Attended	Attended	5
4	Mr. Ziad A. Al-Turki	Committee Member	Attended	Attended	Attended	Attended	Attended	5

c. Executive Committee:

❖ **Terms of reference, Tasks and Responsibility of the Committee:**

- Study the issues referred to the Committee by the Board of Directors and take appropriate decisions regarding them as delegated by the board.
- Supervise the development of Sipchem's short, medium and long-term strategic plans and submit them to the Board for approval.
- Follow-up on and ensure implementation of Sipchem's overall strategy and its effectiveness in achieving the desired objectives, as well as review and update the same from time to time.
- Supervise the annual budgeting of Sipchem, review the proposals submitted by the Executive Management and submit recommendations to the Board for approval.
- Follow up on actual performance of Sipchem and submit the necessary recommendations to the Board
- Study investment opportunities, whether in the area of buying shares or stakes in existing companies, or the acquisition of companies operating in the same field as Sipchem, and provide the necessary recommendations thereon to the Board.
- Provide the Board with periodic reports on the Committee's work results
- The Committee periodically reviews and reassesses the suitability of these regulations, makes the proposed amendments and submits them to the Board.

❖ **Members of the Executive Committee and Attendance Record of Committee Meetings:**

S.N.	Name	Membership Nature	Number of Meetings during 2024 AD: four meetings				Total Attendance
			First 05/03/2024	Second 03/06/2024	Third 18/09/2024	Fourth 20/11/2024	
1	Mr. Fahad Sulaiman Al-Rajhi	Committee Chairman:	Attended	Attended	Attended	Attended	4
2	Eng. Reyadh S. Ahmed	Committee Member	Attended	Attended	Attended	Attended	4
3	Mr. Saeed O. Al-Esayi	Committee Member	Attended	Attended	Attended	Attended	4
4	Eng. Abdullah Khalifa Al Buainain	Committee Member	Attended	Attended	Attended	Attended	4
5	Eng. Musaed Suleiman Al-Ohali	Committee Member	Attended	Attended	Attended	Attended	4

d. Governance Committee:

❖ Terms of reference, Tasks and Responsibility of the Committee:

- Reviewing and updating Sipchem's Governance Regulations and its annexes in accordance with the regulatory requirements and best practices.
- Reviewing and developing codes of professional conduct representing Sipchem values, and other internal policies and procedures in accordance with applicable best practices.
- Keeping the Board members informed of developments of Corporate Governance and best practices.
- Annually reviewing the Board report to ensure that Sipchem's obligations are in accordance with the relevant laws and regulations and submit a recommendation to the Board for approval to be presented to the Ordinary General Assembly for approval.
- Recommending to the Board everything that would enhance Sipchem's corporate governance practices

❖ Members of the Governance Committee and Attendance Record of Governance Committee Meetings:

❖ Number of Meetings during 2024: Three meetings						
S.N.	Name	Membership Nature	First 07/03/2024	Second 06/06/2023	Third 07/11/2024	Total Attendance
1	Mr. Abdulaziz A. bin Dayel	Committee Chairman:	Attended	Attended	Attended	3
2	Mr. Turki M. Al Marzouq	Committee Member	Attended	Attended	Attended	3
3	Mr. Faisal M. Al Mudlij	Committee Member	Attended	Attended	Attended	3

12) Means that the Board relied upon in evaluating board members.

In September 2024, the Board of Directors, in collaboration with a certified firm specialized in board governance and operations, will take the appropriate action regarding the evaluation of the Board's practices for the year 2023. This evaluation would cover a diverse aspect including the Board's efficiency, the capabilities of Board members, their accountability, and their teamwork in achieving company objectives. The scope of the evaluation was limited to the Board's principal operational practices, including:

- 1) Leadership role of the Board
- 2) Role of Board of Directors in Strategic Guidance.
- 3) The role of the Board in risk management
- 4) Board Procedures
- 5) Enhancing Organizational Culture and Trust Values

13) Disclose the remuneration of the Board members and Executive Management

Controls on Remuneration of Board and Committees Members:

Nomination and Remuneration Committee shall recommend to Board the remuneration of Board members and Committee members, as follows:

- ❖ Sipchem shall take into account the consistency of remuneration with Sipchem's strategy and objectives.
- ❖ Sipchem shall take into consideration practices of other companies and prevailing trends in labor market in determining remuneration, while avoiding the resulting unjustified increase in remuneration and compensation, under the provisions of Companies Law and Implementing Regulations thereof.
- ❖ Remuneration shall be reasonably sufficient to attract board members with appropriate competence and experience.
- ❖ Remuneration shall be fair and proportional to competencies, duties and responsibilities carried out by members of Board or committees, and shall be in line with Board objectives to be realized during a fiscal year.
- ❖ Remuneration of Board members may vary based on different responsibilities assigned to each member in addition to other considerations.
- ❖ Board members may not vote on Board members remuneration item at General Assembly Meeting of shareholders.

Sipchem shall disclose remuneration of Board, committees' members and Senior Executives in Board Annual Report in accordance with the relevant regulations. Board Report submitted to Ordinary General Assembly shall include a comprehensive statement of all remuneration, allowances and other benefits granted to Board members during a fiscal year. Report shall include a statement of all amounts received by Board members in their capacity as employees or managers, or in return for technical or administrative duties or consultations. It shall also include a statement of the number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

Remuneration of Board and Committees Members Mechanism

- ❖ Sipchem's articles of association and the remuneration and compensation policy of the Board of Directors and executive management determine the annual remuneration of members of the Board of Directors, and the committee regulations determine the remuneration and allowances of their members in proportion to the nature of Sipchem's business, provided that what each member obtains does not exceed the limits stipulated in the Companies Law and its regulations.
- ❖ Remuneration shall be based on recommendations of Sipchem's Nomination and Remuneration Committee.
- ❖ Remuneration of Board and committees members shall be granted based on their participation in meetings and number of meetings they attend.
- ❖ Attendance allowance and other benefits related to Board meetings and relevant committee shall be paid immediately after each meeting.
- ❖ Annual remuneration for members of Board and committees is paid in full after the Board's approval.
- ❖ 6. Remuneration of independent board members shall not be a percentage of profit realized by Company or be based directly or indirectly on Company profitability.

Details of Remuneration of Board Chairman and Board Members, and Committees Members

- ❖ [Board Members' Remuneration](#)
- ❖ 1. Board shall determine, based on recommendations of Nomination and Remuneration Committee, annual remuneration of Board and committees members.
- ❖ Board members remuneration shall be a certain amount, meeting attendance allowance, in-kind benefits, or a certain percentage of net profits, noting that two or more of such benefits may be combined pursuant to Companies Law provisions and Regulations thereof. In case remuneration of Board members is a percentage of profits, such percentage shall not exceed 10%.
- ❖ Board and committee members residing outside Sipchem headquarters, whether inside or outside Kingdom, are entitled to compensation for travel costs to attend Board meetings. These costs include a round trip ticket from the place of residence to meeting venue as well as costs associated with accommodation, transportation and attendance allowance.
- ❖ Upon Nomination and Remuneration Committee recommendation and after Board approval, the Board Member shall be entitled to an annual remuneration of not more than SAR 300.000 in return for his membership in Board in accordance with eligibility mechanism set forth in remuneration policy.

- ❖ 5. Upon Nomination and Remuneration Committee recommendation and after Board approval, Board member participating in Board committees shall be entitled to an annual remuneration not exceeding SAR 100,000 in return for his membership in Board committees whether the member is a participant in one or more committees,
- ❖ 6. Upon Nomination and Remuneration Committee recommendation and after approval of Board, a member of the Audit Committee, whether from within or outside Board, shall be entitled to the remuneration of the Committee membership, amounting to SAR 150,000.
- ❖ 7. If a Board member or a member from outside Board has a membership in the Audit Committee and one of the other committees, only the Audit Committee membership remuneration will be paid thereto.
- ❖ Upon Nomination and Remuneration Committee recommendation, Board shall determine the remuneration of membership in the committees in which the member is appointed from outside Board for his membership in each committee, in an amount of SAR 100,000.
- ❖ 9. Board may, Upon Nomination and Remuneration Committee recommendation, from time to time, review annual remuneration of Board member referred to above in light of the variables related to performance.

Board Members' Remuneration:

	Fixed Remuneration							Variable Remuneration								
	Specific amount	Allowance for attending Board sessions	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial, and consultative work	Reward for Board Chairman or Managing Director or Secretary if he was one of the members	Total:	Percentage of Profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Shares awarded	Total:	End of service gratuity	Aggregate amount	Expenses allowances (transportation, accommodation)
Khaled Abdullah ZAMIL	-	12,000	-	-	-	-	12,000	-	600,000	-	-	-	612,000	-	-	-
Fahad Sulaiman Al-Rajhi	-	12,000	12,000	-	-	-	24,000	-	800,000	-	-	-	824,000	-	-	8,302
Dr. Abdulrahman A. Al-Zamil	-	12,000	-	-	-	-	12,000	-	600,000	-	-	-	612,000	-	-	3,400
Mr. Saeed O. Al-Esayi	-	12,000	12,000	-	-	-	24,000	-	800,000	-	-	-	824,000	-	-	-
Eng. Reyadh S. Ahmed	-	12,000	12,000	-	-	-	24,000	-	800,000	-	-	-	824,000	-	-	5,400
Eng. Saeed A. Basamh	-	12,000	12,000	-	-	-	24,000	-	780,000	-	-	-	804,000	-	-	3,330
Mr. Ziad A. Al-Turki	-	12,000	15,000	-	-	-	27,000	-	725,000	-	-	-	752,000	-	-	-
Eng. Abdullah K. Al-Buainain	-	12,000	30,000	-	-	-	42,000	-	850,000	-	-	-	892,000	-	-	2,900

Eng. Mosaed Suliman AlOhali	-	12,000	12,000	-	-	-	24,000	-	800,000	-	-	-	824,000	-	-	16,984
Mr. Feras Mazin Al-Abad	-	12,000	15,000	-	-	-	27,000	-	800,000	-	-	-	827,000	-	-	1,000
Mr. Ahmed Ali Al-Dakheel	-	12,000	15,000	-	-	-	27,000	-	800,000	-	-	-	827,000	-	-	6,600
Total:	-	132,000	135,000	-	-	-	267,000	-	8,355,000	-	-	-	8,622,000	-	-	47,916

The above table outlines Remuneration of Board members for 2023, as approved by General Assembly on May 21, 2024, alongside Board remuneration for 2024, which was approved by the Board of Directors in compliance with Board of Directors and Executive Management Remuneration Policy, as approved by General Assembly on May 21, 2024.

Committee Members' Remunerations:

Committee Members' Remunerations: ⁽¹⁾

	Fixed Remuneration	Session attendance allowance	Total:
AUDIT COMMITTEE MEMBERS ⁽²⁾			
Eng. Abdullah K. Al-Buainain	250,000	18,000	268,000
Mr. Mohammed F. Al-Kanani	250,000	18,000	268,000
Mr. Mohammad F. Al-Nader	250,000	18,000	268,000
Eng. Mahmoud S. Al-Theeb ⁽³⁾ - (His Membership Period: December 22, 2022, to December 11, 2023)	100,000	-	-
Total:	850,000	54,000	904,000
Executive Committee members			
Fahad Sulaiman Al-Rajhi	200,000	12,000	212,000
Eng. Reyadh S. Ahmed	200,000	12,000	212,000
Mr. Saeed O. Al-Esayi	200,000	12,000	212,000
Eng. Abdullah K. Al-Buainain	N/A ⁽⁴⁾	12,000	12,000
Eng. Mosaed Suliman AlOhali	200,000	12,000	212,000
Total:	800,000	60,000	860,000

NOMINATION AND REMUNERATION COMMITTEE MEMBERS

Mr. Ahmed Ali Al-Dakheel	200,000	15,000	215,000
Mr. Ziad A. Al-Turki	200,000	15,000	215,000
Eng. Saeed A. Basamh	180,000	12,000	92,000
Mr. Feras Mazin Al-Abad	200,000	15,000	215,000
Total:	780,000	57,000	837,000

Governance Committee Members

Mr. Abdulaziz A. bin Dayel	200,000	9,000	209,000
Mr. Turki M. Al-Marzouq	200,000	9,000	209,000
Faisal Mohammed Al-Mudlaj	200,000	9,000	209,000
Total:	600,000	27,000	627,000

- (1) The above table outlines Remuneration of Committees Members for 2023, as approved by General Assembly on May 21, 2024, alongside remuneration of committees members for 2024, which was approved by the Board of Directors in compliance with Board of Directors and Executive Management Remuneration Policy, as approved by General Assembly on May 21, 2024.
- (2) As approved by the General Assembly on May 21, 2024, remuneration of Audit Committee members was amended to be SAR 150,000, in lieu of SAR 100,000.
- (3) As approved by the General Assembly on May 21, 2024, Remuneration of Eng. Mahmoud S. Al-Theeb for his Audit Committee membership for the year 2023.
- (4) Board and Executive Management Remuneration Policy If a Board member or a member from outside Board has a membership in the Audit Committee and one of the other committees, only the Audit Committee membership remuneration will be paid thereto.

Senior Executives Remunerations mechanism

- Board shall determine types of remuneration granted to Sipchem senior executives based on recommendations of Nomination and Remuneration Committee - such as fixed remuneration, performance-based remuneration, and incentives.
- Remuneration is intended to promote competitiveness required to attract and retain qualified and competent employees and to maintain the highest level of skills that Sipchem needs.

Remunerations of Senior Executives - Five of Senior Executives who have received the highest remunerations from Sipchem, including CEO and CFO as detailed in the below table:

	Fixed Remuneration				Variable Remuneration						End of service gratuity	Total Executives Remuneration for the Board if available	Aggregate amount
	Salaries	Allowances	In-kind benefits	Total:	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (Insert the number)	Total:			
Senior Executives Remunerations including CEO and CFO	9,171,946	3,058,730		12,230,676	1,628,502			8,848,220		10,476,722	2,400,046		25,107,445

14) Any Penalties, Sanctions, or Precautionary Measures

There are no penalties, sanctions, precautionary measures or precautionary attachment imposed on Sipchem by CMA or any other supervisory, regulatory or judicial authority.

15) Results of the annual review of the effectiveness of Sipchem's internal control procedures

The Internal Audit Department of Sipchem provides assurance and consulting services independently and objectively in order to add value, improve operations and achieve the strategic goals of Sipchem.

The Internal Audit Department assists Sipchem in achieving its goals through evaluating and improving the effectiveness of the internal control system, risk management and governance processes

The Internal Audit Department follows the risk-based audit methodology, through which the audit work is directed towards the most impactful and risky for Sipchem and important activities and works of Sipchem. In accordance with the best professional practices, Sipchem annual audit plan is prepared on the basis of risks

The scope of work of the Internal Audit Department in Sipchem includes the review of activities, operations, risk management procedures, internal control systems, information systems, governance processes, and assistance in discovery and protection against fraud, deceit, and embezzlement. All activities, functions, departments and branches of Sipchem and subsidiaries fall within the scope of the Internal Audit Department.

During 2024, the Internal Audit Department carried out several periodic and special audits according to the annual audit plan approved by the Audit Committee with the aim of giving the necessary assurances regarding the effectiveness and efficiency of internal control and risk management in Sipchem, with a focus on activities and functions with high risks. The Internal Audit Department also provides consulting services for the purpose of contributing with the Executive Management to improving the efficiency and effectiveness of Sipchem's various operations, in addition to contributing to the audit of the interim and annual financial statements..

Audit Committee's opinion on the adequacy of Sipchem's internal control system

The internal audit activities and processes referred to above did not show the existence of substantial observations during 2024, and the internal audit activities and processes demonstrated the adequacy and effectiveness of the internal control system, and ensured the existence of good risk management and the efficiency of governance processes.

16) Recommendation made by the Audit Committee on the need for the appointment of an internal auditor in Sipchem.

There was no recommendation made by the Committee as Sipchem already has an Internal Audit Department performing internal auditor functions.

17) Recommendations of the Audit Committee that conflicted with Board decisions, or were not adopted by the Board regarding the appointment or dismissal of the external auditor, fee determination, performance evaluation, or appointment of the internal auditor, including justifications and reasons for the disagreement.

There is no contradiction between the Audit Committee's recommendations and the Board's decisions.

18) Details of Social Contributions

Since its inception, Sipchem has been aware of the concept and importance of social responsibility in achieving sustainable development. Therefore, we have launched “Sipchem Cares” program, reflecting our deep commitment to positively dealing with society and to increase the values of charity and volunteering. This program's objective is to pursue effective and strategic initiatives that have a tangible impact on individuals and communities. It also includes investing in skill development and adopting effective and sustainable development initiatives that enhance community values and open up ambitious opportunities for all. At Sipchem, we consistently strive to enhance and develop our strategies to ensure maximum social and economic benefits.

Sipchem’s corporate social responsibility strategy (Sipchem Cares) is based on four main pillars, which are:

- Community Development: Enhancing social equality and supporting charitable, kindness, and community-driven initiatives
- Health and Environment Executing initiatives designed to enhance the quality of life and safeguard the environment
- Educational Development and Cultural Programs Facilitating educational and cultural opportunities to foster a bright future.
- Youth and Entrepreneurship: Launching and sponsoring Youth Entrepreneurship and Empowerment initiatives, and enhancing economic development

After we accomplished many significant achievements over the past years, Sipchem is committed to giving back to the community, by executing development programs that contribute to improving the quality of life.

In 2024, Sipchem succeeded in carrying out the defined and various projects and social programs, which covered over 78% of the Kingdom's cities and provinces. Since 2007, We have also reached about 4 million beneficiaries, highlighting our significant social influence. In 2024, Sipchem launched +100 community initiatives, through which our employees contributed to activating volunteer work and achieving + 23,000 volunteer hours, directly or indirectly.

2024 was a year full of events in which "Sipchem" dedicated all its efforts to accomplish great achievements that grew and flourished in various fields and levels. These efforts have yielded continuous and impactful results, leaving a lasting positive mark on the community. Sipchem proudly and confidently fulfilled its social responsibility on the ground.

19) Statement of dates of general assemblies of shareholders held during 2024 and names of Board members present.

The Extraordinary General Assembly was held on May 21, 2024. The Attendance Record of Board Members is as follows:

S.N.	Name	Attendees
1	Eng. Khaled Abdullah Al-Zamil	Attended
2	Mr. Fahad Sulaiman Al-Rajhi	Attended
3	Dr. Abdulrahman A. Al-Zamil	Attended
4	Eng. Reyadh S. Ahmed	Attended
5	Eng. Saeed A. Basamah	Attended
6	Eng. Abdullah Khalifa Al Buainain	Did not attend
7	Eng. Saeed O. Al-Esayi	Attended
8	Mr. Ziad A. Al-Turki	Attended
9	Eng. Mosaed S. AlOhali	Attended
10	Mr. Feras M. Al-Abad	Attended
11	Mr. Ahmad A. AL- Dakheel	Attended

20) Information on Any Risks Faced by Sipchem

Risk Management

Risk management is an integral part of Sipchem's strategy in order to achieve long- and short-term objectives. The objective of risk management is to ensure that Sipchem can effectively implement its strategies and realize its objectives, identify risks that limit Sipchem's ability to reach its objectives, and determine whether these risks are at a low and manageable level.

The Board, as part of its role in providing strategic oversight and supervision of Sipchem, is responsible for protecting investors' interests by maintaining an effective risk management and internal control system. The Executive Risk Management Committee is fostering a culture of risk management using leading standards through risk management. Accordingly, the concerned department shall implement, identify, evaluate and develop appropriate procedures for dealing with risk management practices in related activities or risks that may affect the organizational strategies.

Based on the leading practices and regulations of CMA, Sipchem's governance structure of the risk management system is as follow:

Executive Risk Management Committee Role

- Monitor implementation of Sipchem Risk Management Policy.
- Give governance of RM culture.
- Provides oversight on the RM Framework to ensure appropriate compliance with international standards.
- Review and endorse key strategic risk.
- Align & prioritise key risk actions.

Governance



Sipchem Risk Management Governance with Clear Reporting Lines – Ensure Active Monitoring of Risk Management practices at all key levels across the organization

Layers of Risk Reporting

1. Functions Report Risk & Treatment Strategies
2. Executive Risk Management Committee (ERMC) validation
3. Report Key Risks to AC
4. Report final Key Risk to the Board

Implementation of the Risk Management System and Organizational Structure:

Sipchem's Board of Directors has assigned the responsibility of Sipchem's risk management systems and processes to the Audit Committee. The Audit Committee is responsible for leadership, direction, and oversight with respect to Sipchem's risk appetite, risk tolerance, risk framework, and risk strategy as well as governance of strategic, financial, operational, and environmental, social and governance (ESG) related risks. The Executive Risk Management Committee (ERMC) is responsible for developing and implementing risk management systems and processes as a framework for Sipchem. Sipchem's risk management functionally reports to the Executive Risk Management Committee.

Sipchem's Risk Management Policies and Practices:

Sipchem developed a risk management policy to govern the risk management activities within Sipchem & its affiliates. Furthermore, the policy was approved by the Board to establish the tone within the organization for promoting risk culture and formalizing consistent risk management processes and practices.

Sipchem Risk Management Framework:

Sipchem implemented a comprehensive risk management framework through a system based on ISO 31000 principles and guidelines (accompanied by ISO 22301 Business Continuity Management), consistently informing the Board about critical strategic, financial, operational and compliance risks and align with strategic objectives to ensure safety of its people and assets, and continuity of products or services delivery in the event of crisis/disaster.

Risk Factors for Sipchem

Sipchem is exposed to several risks that limit its ability to achieve its strategic, operational, and financial objectives. There is no certainty that risk management activities will prevent occurrence of such risks. However, the management shall closely monitor such risks while taking preventive measures and controls to address the same. The following risks, which are identified as material, do not necessarily comprise all the risks affecting Sipchem.

- **Geopolitical Environment**
Regional geopolitical instability may result from sanctions or unexpected political conflicts, which may lead to a decline of revenues and shareholder value.
- **Cybersecurity Incidents**
Cybersecurity incidents, Information Technology (IT) / Operational Technology (OT) may cause disruptions in manufacturing processes, ERP transactions, data losses and reputational damages further cause sustained disruption to critical physical and digital infrastructure.
- **On-Site Major Accidents /HSSE (Health, Safety, Security, and Environment)**
This scenario considers the potential occurrence of major accidents that could result in risks to health, safety, security, and environment, along with compliance requirements. Such Accidents may cause prolonged plant output loss, potential loss of lives or casualties, significant financial losses and Sipchem's reputation.
- **Sustainability**
Significant delay in acknowledging required changes to existing assets, business volume and business model adaptation for sustainability is impacting organizational change (globally) and scrutiny on operational resilience, products and services.
- **Ability to attract and retain the best talent: Succession Challenges**
This challenge is the ability to attract and retain the best talent and address the challenges of employee succession and competencies in new areas such as digitalization and sustainability
- **Evolving Technologies**
Sipchem's framework is characterized by a strategic response to evolving technologies (e.g., nonfossil plastics strategy) as well as market trends (circular economy) that may jeopardize the supply and demand fundamentals of the key value chain.
- **Supply/ Distribution Chain Failure:**
Disruptions in the flow of materials and services from suppliers can hinder timely product delivery and disrupt business continuity, leading to delays, increased costs, and potential reputation damage.
- **Increasing Feedstock Prices in KSA**
Strategic Response in the Sipchem Business Model to Feedstock Price Increase in the Kingdom of Saudi Arabia.
- **Capital Investment Growth Projects / Value Creation from M&A Deals**
In pursuing capital investment for growth projects and Merger and Acquisition deals, Sipchem may face risks from market volatility, regulatory uncertainties, integration challenges, and the potential for strategic misalignment.
- **Liquidity Crunch**
Liquidity crisis in the Saudi Capital Market may cause an increase in base rates/profit margins, a focus on the exposure of local bank financing, which may lead to high loan cost/excessive lending.

21) Significant differences in operating results from previous year results:

STATEMENTS	2024	2023	Change +/-	% of change
Sales/ Revenue	7,060.59	7,617.94	(557.3)	-7.3%
Gross profit	1,439.50	2,168.47	(729.0)	-33.6%
Operating profit	682.92	1,418.97	(736.1)	-51.9%
Net profit yields to shareholders	426.14	1,174.99	(748.9)	-63.7%

During 2024, the net profit decreased by 63.7% compared to 2023. This is attributed mainly to:

- Decrease in Revenue resulting mainly from decline in selling prices for company's products
- Increase in feedstock prices resulting mainly from increase in prices of Natural Gas, Butane, Propane and Ethylene.
- decline in profit share from investments in a joint venture and associate companies contributing to the overall reduction in profits.
- Decrease in sales volumes due to the periodic turnaround maintenance activities at the International Acetyl Company, International Vinyl Acetate Company, Ethyl Acetate plant, Al WAHA Petrochemicals Company, Sahara and Ma'aden Petrochemicals Company and the International Gases Company.

22) Clarification of any difference for the accounting standards approved by the Saudi Authority for Auditors and Accountants.

- There is no difference from the approved accounting standards.

23) Each subsidiary's name, share capital, percentage of Sipchem's shareholding therein, main activity, country of operations, and country of incorporation.

Subsidiary's name	Capital SAR 1 million	Percentage of the company's ownership	Main Activity	Country of operations	Country of incorporation
International Methanol Company	360.97	65%	Production of Methanol (methyl alcohol)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

International Diol Company	431.25	100%	Production of Butanediol (BDO), Maleic Anhydride (MAN), Tetrahydrofuran (THF) and gamma-Butyrolactone (GBL)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sahara Petrochemicals Company	2,388	100%	It operates as a holding company whose main activity is concentrated in the petrochemical sector	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Vinyl Acetate Company Ltd.	676	100%	Production of Vinyl Acetate Monomer	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Al WAHA Petrochemicals Company	1,660	75%	Production of propylene and polypropylene	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Acetyl Company Limited (IAC)	1,003	100%	Production of Acetic Acid (AA) and Acetic Anhydride (AAn)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Tasnee & Sahara Olefins Company (TSOC)	2,830	32.55%	Establishment, management, operation, ownership and investment in industrial projects, particularly petrochemical and chemical industries in addition to marketing their products and performing all related activities.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Gases Company	425.4	100%	Production of carbon monoxide and hydrogen	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Ethylene and Polyethylene Company (SEPC)	2,737.5	24.41%	Production of propylene, ethylene, high-density polyethylene and low-density polyethylene.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Marketing Company	2	100%	Marketing and sales of petrochemicals and plastics	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Saudi Acrylic Acid Company (SAAC)	1,777	43.16%	Establishment, management, operation and ownership of acrylic acid and its derivatives production projects, and petrochemical and chemical industrial projects.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Acrylic Monomer Co. Ltd. (SAMCO)	1,084.5	32.37%	Production of acrylic acid derivatives: Acrylic Acid Butyl Acrylic Diethylhexyl Acrylic Glacial Acrylic Acid	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Utilities Company (IUC)	2	91.20%	Management, operation and maintenance of utilities and facilities for Sipchem's subsidiaries.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
International Polymers Company	703	75%	Production of Polyvinyl acetate, Polyvinyl alcohol, polyethylene wax, Low-Density Polyethylene and ethylene and vinyl acetate copolymers.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Acrylic Polymer Company (SAPCO)	416.4	43.16%	Ownership, management and operation of super absorbent polymers plant within the integrated acrylics complex project	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sahara & Ma'aden Petrochemicals Company (SAMAPCO)	900	50%	Design, construction, ownership and operation of an integrated plant for the production of chlorine, caustic soda, and ethylene dichloride	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Chemicals Company	266	100%	Production of Ethyl Acetate, Butyl Acetate, Polybutylene Terephthalate, and Tetrahydrofuran	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Butanol Company (SABUCO)	486	14.38%	Production of n-butanol and isobutanol	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

* Sahara Marketing Company	0.5	100%	Marketing and wholesale of petrochemical products	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Gulf Advanced Cable Insulation Company	57	50%	Cable Insulation Polymers products	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Khair Inorganic Chemical Industries (INOCHEM)	800	30%	Production of sodium carbonate, dense vs light soda ash, calcium chloride and calcium carbonate	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Specialized Products Company (Wahaj)	56	100%	Production of metal molds used for plastics industries and maintenance of metal molds in addition to producing transparent films.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Asia Pte Ltd	0.752	100%	Marketing Sipchem's products in Asia	Singapore	Singapore
Saudi Advanced Technologies Company	5	100%	Metal formation by hammering, pistons, casting, rolling, making structures for motor vehicles, making parts, accessories and engines for motor vehicles.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Linde Sipchem Industrial Gas Company	5	50%	Production of Raw Gases and Industrial Gases	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Sipchem Europe Cooperative U.A and its subsidiaries	Million CHF	100%	Provide administrative support to the logistic and marketing aspects	Switzerland	Switzerland
Sipchem Innovent S.A	\$ 300	100%	Innovation, research and development, venture capital, and investment in general	Switzerland	Switzerland

24) Details of shares and debt instruments issued for each subsidiary

There are no debt instruments convertible into **shares** or any subscription notes or similar rights issued or granted by the Company during 2024. There are also no rights of transfer or subscription under debt instruments convertible into shares, option rights, warrants or similar rights issued or granted by the Company during the year 2024.

25) A description of Sipchem's dividend policy.

The annual net profits of Sipchem are distributed according to Article (48) of Sipchem's articles of association, after deducting all general expenses and other costs as follows:

- The Ordinary General Assembly may, based on a proposal by the Board, set aside a percentage of the annual net profits to be as a consensual reserve allocated for specific purpose(s) for the benefit of Sipchem.
- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of Sipchem or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned General Assembly may also allocate amounts from the net profits to establish social institutions for Sipchem's employees or to support existing institutions.
- After that, a percentage of no less than (5%) of Sipchem's paid-up capital shall be distributed to the shareholders.

Sipchem may also distribute profits to its shareholders periodically, quarterly or semi-annually, if its financial capabilities permit, provided that Sipchem, when doing so, adheres to the conditions, controls and instructions issued about the same by the competent authorities.

Dividends scheduled to be distributed to shareholders subject to Article (44) of Sipchem Bylaws shall be paid at the designated place and within the timeframe determined by the Board in accordance with instructions issued by the Ministry of Commerce and CMA.

Sipchem's Board of Directors has made its Recommendations on the First half and the Second half of the financial year 2024 as follows:

	Profit ratios distributed during the year		Proposed year-end dividend profit ratios	Gross Profit
	July 11, 2024	December 16, 2024		
Ratio	5%	5%	10%	-
Total	362,560,996	362,560,996	-	725,121,992

26) Description of any interest in a class of voting shares held by persons (other than Sipchem Directors, Senior Executives and their relatives) who have notified Sipchem of their holdings pursuant to Article 85 of Registration and Listing Rules, and any change to such rights during the financial year 2024.

Sipchem did not receive notice of any interests belonging to persons in the voting shares or a change in such rights.

27) A description of any interest, contractually based securities, and subscription rights of Sipchem Board Members, Senior Executives and their Relatives in the shares or debt instruments of Sipchem or any of its Affiliates, together with any change to such interest or rights during 2024

A description of any interests held by the Board Members, their wives and adolescent children in the shares or debt instruments of the Issuer:

S.N.	Name:	Shares as in January 1, 2024		Shares as in December 31, 2024		Net Change	Change ratio	Ownership and Ownership Change of First-Degree Relatives
		Numbers	Ownership percentage:	Numbers	Ownership percentage:			
1	Eng. Khalid A. Al-Zamil	334,240	0.04558%	334,240	0.04558%	0	0	-
2	Dr. Abdulrahman A. Al-Zamil	692,533	0,094%	692,533	0,094%	0	0	-
3	Mr. Fahad Sulaiman Al-Rajhi	7,121,201	%0,971	7,121,201	%0,971	0	0	-
4	Mr. Saeed O. Al-Esayi	7,077,885	0.9651%	7,077,885	0.9651%	0	0	-
5	Eng. Reyadh S. Ahmed	0	*0	0	*0	0	0	-
6	Eng. Mosaed S. AlOhali	0	0%	0	0%	0	0	-
7	Eng. Saeed A. Basamah	0	*0	0	*0	0	0	-
8	Mr. Ziad A. Al-Turki	995, 000	0.1356%	995, 000	0.1356%	0	0	-
9	Mr. Feras M. Al-Abad	0	*0	0	*0	0	0	-
10	Mr. Ahmed bin Ali Al-Dakhil	168	0.00002%	168	0.00002%	0	0	-
11	Eng. Abdullah K. Al- Buainain	49, 000	0.00668%	49, 000	0.00668%	0	0	-

A description of any interests held by the Senior Executives, their wives and adolescent children in the shares or debt instruments of the Issuer:

S.N.	Name:	Shares as in January 1, 2024		Shares as in December 31, 2024		Net Change	Change ratio	Ownership and Ownership Change of First- Degree Relatives
		Numbers	Ownership percentage:	Numbers	Ownership percentage:			
1	Eng. Abdullah Saif Al-Saadoon	60,000	0.0082	70,000	0.0095	10,000	16.60	-
2	Eng. Ibrahim Abdul Aziz Al Rashood	51,222	0.0069	51,222	0.0069	0	0	-
3	Eng. Mater A Al-Dhafeeri	50,000	0.0068	50,000	0.0068	0	0	-
4	Mr. Rushdi Khalid Al-Dulijan	0	0%	0	0%	0	0	-
5	Eng. Omar Salem Bajubail	21,000	0.00286	21,000	0.00286	0	0	-
6	Mr. Fahad M. Al- Ohaly	87,000	0.0118	87,000	0.0118	0	0	-

There is no interest in contractual securities and subscription rights belonging to the Board members, senior executives, and their relatives in the shares or debt instruments of subsidiary companies.

28) Information Related to Any Loans owed by the Company (Million Riyals)

Sahara International Petrochemical Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	5-7	5,475	1,288	-	-	410	878
Commercial banks Short-term loans	6 months	-	-	-	-	-	-

International Diol Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	unspecified	740	461	-	50	-	511

International Gases Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	4	300	92	-	-	46	46

Information Related to Any Loans owed by the Company (Million Riyals)

International Polymers Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	5	700	595	-	-	84	511

Sipchem Chemicals Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	834	834	-	-	51	783

Gulf Advanced Cable Insulation Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	3	1.8	-	-	0.2	1.6

Saudi Specialized Products Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Long-term loans from Partners	Unspecified	-	-	-	-	-	-

Saudi Advanced Technologies							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Short-term loans from Partners	Unspecified	206	389	(312)	87	-	164
Long-term loans from Partners	Unspecified	312	-	312	-	-	312
Commercial loan from SIDF	10	27	11	-	12	1	22

Information Related to Any Loans owed by the Company (Million Riyals)

Sahara and Ma'aden Petrochemicals Company SAMAPCO							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	11.6	2,250	1,525	-	-	20	1,505
Commercial banks Short-term loans	6 months	50	-	-	50	-	50

Al Waha Petrochemical Company							
Loan lender	Loan Tenor	Principal amount of loan	Beginning of the year balance	Reclassification	Withdrawals made during the year	Payments made during the year	End of the year balance
Commercial banks Long-term loans	12	1,964	490	-	263	128	625
Saudi Exim Bank	1	262.5	-	-	84	262.5	84

29) Description of the categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by Sipchem during the financial year, together with an explanation of Any compensation received by Sipchem in return.

N/A

30) A description of any conversion or subscription rights under convertible debt instruments, contractual securities, subscription rights, or similar instruments issued or granted by Sipchem.

N/A

31) A description of any redemption, purchase, or cancellation by Sipchem of redeemable debt instruments, including the value of remaining securities, distinguishing between securities purchased by Sipchem and those purchased by its subsidiaries.

N/A

32) The number and dates of Board meetings held during the financial year 2024 and the attendance record of each meeting listing names of the attendees.

The Board of Directors of Sahara Global Petrochemicals Company held four meetings during the year 2024, and the following table shows the attendance and date of each meeting:

S.N.	Name	20/03/2024	12/06/2024	25/09/2024	26/11/2024	Total Attendance
1)	Eng. Khaled Abdullah Al-Zamil	Attended	Attended	Attended	Attended	4
2)	Mr. Fahad Sulaiman Al-Rajhi	Attended	Attended	Attended	Attended	4
3)	Dr. Abdulrahman A. Al-Zamil	Attended	Attended	Attended	Attended	4
4)	Eng. Reyadh S. Ahmed	Attended	Attended	Attended	Attended	4
5)	Eng. Saeed A. Basamah	Attended	Attended	Attended	Attended	4
6)	Eng. Abdullah Khalifa Al Buainain	Attended	Attended	Attended	Attended	4
7)	Mr. Saeed O. Al-Esayi	Attended	Attended	Attended	Attended	4
8)	Mr. Ziad A. Al-Turki	Attended	Attended	Attended	Attended	4
9)	Eng. Mosaed S. AlOhali	Attended	Attended	Attended	Attended	4
10)	Mr. Feras M. Al-Abad	Attended	Attended	Attended	Attended	4
11)	Mr. Ahmad A. AL- Dakheel	Attended	Attended	Attended	Attended	4

33) The number of requests made by Sipchem for the shareholders' register, along with the dates and reasons for those requests.

S.N.	Request Date	Request reasons
1	January 02, 2024	Company needs
2	January 31, 2024	Company needs
3	March 03, 2024	Company needs
4	April 01, 2024	Company needs
5	April 03, 2024	Company needs
6	May 02, 2024	Company needs
7	May 08, 2024	Company needs
8	May 20, 2024	General Assembly
9	June 03, 2024	Company needs
10	July 03, 2024	Company needs
11	August 05, 2024	Company needs
12	September 02, 2024	Company needs
13	October 02, 2024	Company needs
14	November 04, 2024	Company needs
15	December 03, 2024	Company needs

34) Description of any Transactions between Sipchem and Related Parties

Transactions with the related parties represent transactions with the shareholders, the sister companies, associate companies, partners, the Board of Directors and the entities wholly or jointly controlled or materially influenced by the related parties. The Group conducted the following transactions with the related parties during 2024:

Name	Nature of the transaction	Relationship
Japan- Arabia Methanol Company Limited (“JAMC”)	Sales	shareholder in a subsidiary
Hanwha Chemical Malaysia Sdn Bhd (“Hanwha”)	Sales	shareholder in a subsidiary
Sahara and Ma’aden Petrochemicals Company (“SAMAPCO”)	Joint Services Cost, Employee Unit Ownership Program Cost, transfer of property, plant and equipment	A joint-venture of a subsidiary
National Manufacturing Company (“Tasnee”)	Acquisition of Feedstock supplies rights and marketing arrangements	Shareholder in an associate company
Basell Arabia Investments Limited and its associates (“Lyondell Basell”)	Sales, Joint Services Cost, Employee Unit Ownership Program Cost, transfer of property, plant and equipment	Shareholder in joint operations of a subsidiary
Saudi Ethylene & Polyethylene Company (“SEPC”)	Acquisition of Feedstock supplies	Associate Company
Linde Sipchem Industrial Gases Company (“LSIG”)	Finance cost on shareholder loan, Expense paid on behalf of joint-venture	A joint-venture
Gulf Advanced Cable Insulation Company (“GACI”)	Finance cost on shareholder loan, Joint Services Cost, Expense paid on behalf of joint-venture	A joint-venture

The Company and non-controlling equity shareholders have provided loans to group companies to support their operations and comply with debt requirements. Long-term loans carry financing charges at market rates and have specified maturity dates according to agreed upon repayment schedules.

The prices and terms of the above transactions are approved by the Board of Directors of Group’s subsidiaries. The above transactions resulted in the following balances with the related parties as at December 31, 2024 and 2023:

- **Trade receivables:**

Million Riyals

Names	2024	2023
LyondellBasell Industries NV and an associate company	312	201
Hanwa Chemical Malaysia SDN. BHD.	50	70
Japan- Arabia Methanol Company Limited	16	72
Total	378	343

- **Prepayments and other current assets**

(Million Riyals)

Name	2024	2023
SAMAPCO	52	41
LyondellBasell Industries NV	7	9
Linde Sipchem Industrial Gases Company	13	1
Gulf Advanced Cable Insulation Company	2	1
Total	74	52

- **Accrued Expenses and Other Current Liabilities**

Million Riyals

Name	2024	2023
SAMAPCO	81	91
LyondellBasell Industries NV	49	53
Hanwa Chemical Malaysia SDN. BHD.	6	6
Gulf Advanced Cable Insulation Company	0	0
Total	136	150

35) Information related to any business or contracts which Sipchem is a party thereto, or a director of Sipchem Board of Directors, its senior executives or any person related to any of them has an interest therein, including names of those involved in the business or contracts and the nature, conditions, duration and amount of these businesses or contracts. If there are no such businesses or contracts, Sipchem shall submit a declaration of the same.

Not applicable.

36) A description of any arrangement or agreement under which a Director or a Senior Executive of has waived any salary or compensation;

There are no arrangements or agreement made under which a Board Member or a Senior Executive waived any remuneration.

37) Statement of any arrangement or agreement under which a shareholder of Sipchem waived their rights to dividends.

There is no arrangement or agreement whereupon a Company's shareholder waived any rights to profits.

38) Statement of Regular Paid and Payable Payments of Any Zakat, Taxes, Fees or Any Other Payables that Were Not Paid Until the End of the Annual Fiscal Period with a Brief Description of the Same and Description of the Reasons.

Regulatory due payments:

Million Riyals				
STATEMENT	Payments made during the year 2024	Outstanding and unpaid up to the end of annual fiscal year	Brief description	Reasons
ZATCA	114.9	62.3	Zakat	Obligatory
ZATCA	19.8	2	Tax	Obligatory
GOSI	85.2	6.1	Subscriptions	Obligatory
Labor Office Fees	-	-	Fees	Obligatory

39) Statement of any investments or reserves established for the benefit of Sipchem employees.

Sipchem's success is mainly attributed to its distinguished ability and constant endeavors to attract qualified personnel. Sipchem has been successful in creating an environment in which employees are proud to work; a very professional transparent one, which encourages high performance and effective engagement at all levels of management in all of Sipchem's subsidiaries. Sipchem cares about ensuring its personnel's job satisfaction to help them achieve their career ambition. Sipchem pays attention to the job development and training programs, both technical and administrative, to raise levels of efficiency, and loyalty and create a fair and competitive environment inside Sipchem. The table below shows the number and percentage of employees in Sipchem and its subsidiaries as of the end of 2024 compared to 2023:

Workforce	2023		2024	
	Numbers	Ratio	Numbers	Ratio
Saudis	1,233	84.50%	1,258	84.60%
Non-Saudis	226	15.45%	229	15.40%
0	1,459		1,487	

The following are some of the achievements of the Human Resources Department during 2024:

1. Talent Management and Development:

a. E-learning program:

Sipchem implemented an online training system, which included more than 5,000 training courses in management, leadership, work skills, security and safety, and computer programs. Approximately 1,800 employees attended these courses. It is worth mentioning that the content of these training materials was prepared by global universities and educational institutions. In 2024, Sipchem achieved more than 17,682 training hours.

b. Internal Training Courses Program:

The Talent Management Department Organized over (90) training courses in various fields such as: Safety, security, and personal skills in collaboration with some departments, attended by more than 2,779 participants from most departments of Sipchem. In 2024, Sipchem achieved more than 12,809 training hours.

c. Talent Assessment:

Sipchem has completed two talent assessment campaigns. The results helped Sipchem identify leadership potential and support employees in developing their professional lives.

d. Succession Planning:

Based on its efforts in talent assessment, Sipchem has enhanced succession planning and conducted talent reviews with different levels of leadership throughout Sipchem to develop them using various development solutions such as training, coaching, and leadership skill development, as 17 employees were promoted to leadership positions during 2024.

e. Sipchem Leadership Development Program:

Sipchem's Leadership Development Program is designed to enhance Sipchem's mission to stay at the forefront of the industry by developing strong, visionary leaders. This program focuses on strengthening leadership qualities that drive collaboration, excellence, and growth within the organization. Through targeted initiatives, it equips participants with the skills needed to overcome challenges, inspire teams, and lead with a strategic vision. The program emphasizes Sipchem's commitment to developing leadership talent that will guide Sipchem towards sustainable success and innovation, with (80) individuals trained in 2024.

f. Advanced Training Courses (Leader as Coach):

Sipchem has also enhanced advanced training courses for high-potential employees, providing training that contributes to enhancing the skills and knowledge of individuals who already have a basic understanding of coaching and wish to elevate their skills to a higher level. It focuses on improving techniques, strategies, and tools to help coaches achieve exceptional results with clients, with (55) individuals trained in 2024.

g. Counseling Qualification Program:

Sipchem's Guidance and Counseling Program is an initiative launched by Sipchem's management to enhance guidance and counseling skills and promote professional growth within the organization. This program is designed to foster collaboration by connecting experienced leaders with emerging talent, creating opportunities for knowledge sharing, guidance, and support. By strengthening guidance and counseling capabilities, the program aims to promote a culture of continuous learning, personal development, and teamwork, ultimately contributing to the overall success and growth of both individuals and Sipchem as a whole, with (47) individuals qualified in 2024.

h. Career Progression Program:

Sipchem has recruited more than thirty (30) Saudi employees who graduated during 2024 from Sipchem's development program to determine the career path for universities' fresh graduates.

i. Qualification Program for Technicians and Technical Staff:

Sipchem provides training and development opportunities for employees in the field of manufacturing and operation, including training courses and on-the-job training. Sipchem issues certificates and grants rewards related to the successful completion of each stage of the program.

Cooperative Training Program:

The Human Resources team, in collaboration with several departments at Sipchem, has trained 100 trainees during 2024 from various universities and colleges in the Kingdom. The trainees have successfully completed the cooperative training programs.

2. Employees' Incentive Programs

a. Home Ownership Program for Saudi Employees:

The program aims to give a chance to Sipchem's Saudi employees, who meet the program conditions, to own housing units in light of Sipchem policy of assuring comfort and stability for its employees and motivating them to continue their services with Sipchem.

b. Housing Loan Program through the Bank for Saudi Employees:

Sipchem aims through this system to provide financial solutions through approved banks for its Saudi employees who meet the conditions, whereby Sipchem bears the interest on a monthly basis according to the repayment period and based on agreed criteria with the bank. This program included 41 beneficiaries in 2024, aiming to ensure stability and comfort for employees and their families and to encourage them to continue working in its service as they are a cornerstone of Sipchem's strategic pillars.

c. Employees Share Ownership Incentive Program:

Sipchem implemented an Employee Incentive Program aimed at encouraging Sipchem's and subsidiaries' employees to maintain and improve their work performance and put up their utmost efforts to serve Sipchem's interests and achieve its objectives. The program also contributes to attracting highly qualified personnel in the field of petrochemicals.

The program is currently managed by Al Bilad Securities and Investment Co., through a special portfolio opened for the program in 2010. In 2024, a total of 349701 shares were transferred to eligible employees.

Sipchem initiated an Islamic Shariah-compliant savings program to motivate its employees and enhance their loyalty to Sipchem hence improving the work performance, attracting well-qualified Saudi employees and motivating them to continue their services. The program aimed at helping Saudi employees accumulate their savings to be utilized upon retirement or the end of services. Sipchem takes a part of the subscribed employee's salary and may invest these savings according to his desire. Sipchem has the right to manage this investment in the way that it believes to be beneficial for the program subscriber in accordance with the best available Islamic Shariah-compliant investment portfolio. Also, Sipchem has the right to invest the subscriber's savings in investment activities in cooperation with specialized companies and banks in accordance with the criteria of Islamic investment in a manner that can attain benefits for the subscribers provided that such investments are in low-risk Islamic portfolios. The saving program was activated in 2011. It is managed by Bank AlJazira and it was reviewed, audited and approved by the Sharia Committee of Bank AlJazira.

40) Board Resolutions:

The Board of Directors is keen to ensure the professional performance of Sipchem during the year 2024. Accordingly, the Board of Directors confirms the following:

- 1) Proper books of accounts have been maintained;
- 2) The internal control system is properly developed and effectively implemented.
- 3) There is no significant doubt regarding Sipchem's ability to continue its activity.
- 4) The consolidated financial statements have been prepared in accordance with the accounting standards and regulations issued by the Saudi Organization for Certified Public Accountants and in accordance with the relevant requirements of the Companies Law and Sipchem's Articles of Association regarding the preparation and publication of financial statements.
- 5) There is no contract to which Sipchem is a party and where there is or there was a fundamental interest of a member of the Board of Directors, CEO or CFO or any person related to any of them.
- 6) There is no arrangement or agreement under which a member of Sipchem's board of directors or a senior executive, waived any salary or compensation
- 7) There is no arrangement or agreement whereupon a Sipchem's shareholder waived any rights to profits.
- 8) No member of the board shall engage in any competitive activities with Sipchem's business.

41) If the Auditor's Report Includes Reservations on the Annual Financial Statements, the Board Report Must Clarify Those Reservations, Their Reasons, and Any Information Related Thereto.

Auditor's report does not include any reservations on the annual financial statements.

42) If the Board Recommends Changing the Auditor Before the End of the Auditor's Term of Service, the Report Must Contain this Matter, Along With the Recommendation for the Change.

The Board did not recommend to change the auditor.

43) Disclosure of details of Treasury shares held by the Company and details of the uses of these shares:

Number of treasury shares held by the Company	Value (SAR per share)	Date of retention	Use details
8,211,341	SAR 301,766,781	20 October 2022	Sipchem's shares were bought back as treasury shares, because the Board considers that the share price in the market is less than its fair value.

Conclusion

At the end of our report, the Board of Directors would like to express its gratitude and thanks to the Custodian of the Two Holy Mosques and HRH Crown Prince, for their care and support for the petrochemical sector in Saudi Arabia. Also, the Board appreciates the sincere efforts of the governmental bodies for their continuous support. The Board also extends its appreciation and thanks to the shareholders and all Company staff members for their sincere efforts and dedication to support Sipchem's efforts to attain its goals, promote its competitiveness and preserve its gains and interests. We pray to God to bless our efforts, as we are filled with hope to continue to develop the performance and enhance the capabilities of Sipchem in order to support the economic and social development system of the Kingdom.



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