





The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

Prime Minister





His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz

Crown Prince, Deputy Prime Minister, and Minister of Defense



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Chairman's Message

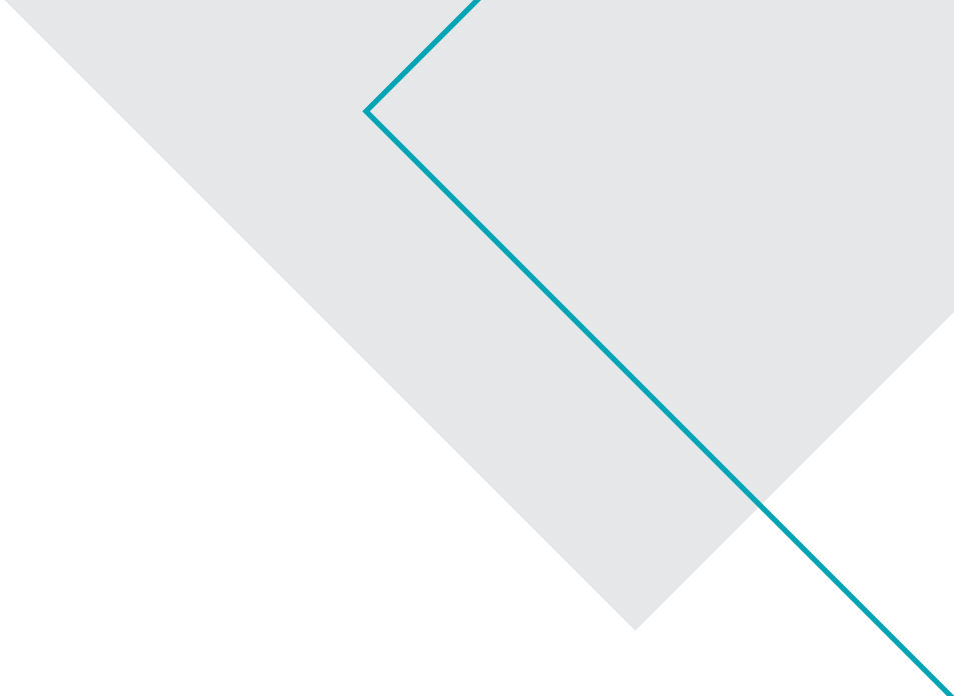
In the name of God, Most Gracious, Most Merciful

Honorable Shareholders of Saudi Industrial Investment Group Company,

Peace be upon you and God's mercy and blessings be upon you, and here after:

On my behalf, and on behalf of my fellow board members, I am pleased to present to you the annual report on the performance of the Saudi Industrial Investment Group Company and its subsidiaries, as well as the business outcomes for the fiscal year ending on 31/12/2022 AD.

The year 2021 witnessed record profits of 1,136 million riyals, compared to profits of 92 million riyals for the year 2020. This is due to an increase in product prices for jointly managed companies and the National Petrochemical Company (Petrochem) project, as a result of the improvement in the global economy, which affected most of the petrochemical industry around the world. During 2021, the Board also approved to submit an offer to the National Petrochemical Company (Petrochem) to acquire all the issued shares in Petrochem that are not owned by the Saudi Group in return for issuing new shares in the Saudi Group to Petrochem shareholders. Furthermore, the Group is working to obtain all the necessary official approvals in accordance with the relevant laws and regulations as well as the terms and conditions of the implementation agreement. The two companies expect to complete the process during the first quarter of 2022.



Moreover, the jointly managed projects (Saudi Chevron Phillips Company - Jubail Chevron Phillips Company) completed the scheduled maintenance work during the year 2021 in order to renew the catalyst materials within the timeframe and budget set in advance; and the maintenance work did not result in any injuries or additional costs.

The company will continue to work towards achieving its objectives by maximizing the return to its shareholders, paying attention to the security and safety of its facilities, improving the performance of affiliated projects, enhancing production efficiency, developing human resources capabilities, and facing the ongoing challenges in the petrochemical markets.

In conclusion, I would like to extend on my own behalf and on behalf of the members of the Board of Directors my sincere thanks and appreciation to the Custodian of the Two Holy Mosques and his wise government for their continuous support to the industry sector,,, May Allah grant us success.

Board Chairman
Khalil Ibrahim Al-Watban



Board Members



Eng.

Khalil Ibrahim Al-Watban

Chairman of Board of Directors



Mr.

Nabil Abdullah Al Mubarak

Deputy Chairman of the Board



H.E. Mr.

Suleiman Abdul Rahman Al-Quwaiz

Member of the Board of Directors



Mr.

Farraj Mansour Abu Thaneen

Member of the Board of Directors



Dr.

Saad Saleh Al-Ruwaita

Member of the Board of Directors



Dr.

Abdul Rahman Suleiman Al Rajhi

Member of the Board of Directors



Mr.

Adel Abdulaziz Al-Quraishi

Member of the Board of Directors



Mr.

Fahad Abdul Rahman Al-Maikil

Member of the Board of Directors



Mr.

Thamer Abdullah Al-Hamoud

Member of the Board of Directors



1st: Petrochemical Industry - Challenges and Prospects:

The petrochemical industry in the Kingdom is a vital component of the Saudi non-oil economy, so the Kingdom aims to increase the production capacity of specialized chemicals and end products. This will not only achieve growth in the Kingdom's non-oil exports, but will also create a base for manufacturing high-value products with greater returns as well as creating job opportunities for Saudi citizens.

With regard to demand, the increase of the world population as well as the individual purchasing power in many countries of the world, especially China and India, lead to a rise in demand for consumer products around the world, which depend on petrochemicals in their manufacture. In fact, countries in the Arab Gulf region have become one of the largest exporters to China due to their production capacities and geographical location.

The next decade is expected to witness a significant increase in petrochemical production capacity, as the shale gas boom has provided large and cheap supplies of feedstock to American producers. In addition, China has managed to develop technology to utilize coal in its petrochemical supply chain. Therefore, there are still great challenges encountering manufacturers in the Gulf region to maintain their position in the petrochemical industries. The industry is also facing a major challenge in terms of preserving the environment and recycling final products.

In general, the petrochemical products market during the year 2021 showed an increase in the prices of the products, which is a result of the beginning of the global economic recovery from the impact of the Corona virus pandemic. It is difficult to predict the company's future results; however, the company will continue to work on regulating operations, production and sales in order to mitigate the negative impact of such challenges.

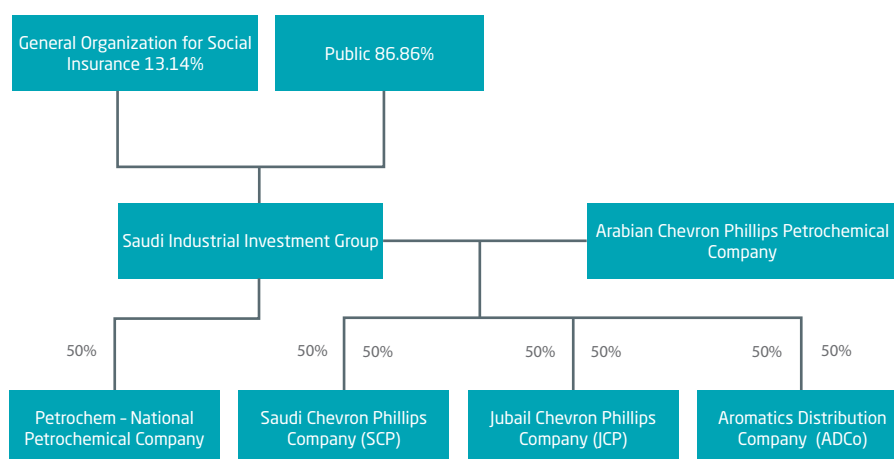


2nd: Company Foundation and Activity:

The Saudi Industrial Investment Group Company was established pursuant to the Ministry of Commerce Resolution No. 291 dated November 23, 1995, and it is a Saudi public joint stock company headquartered in Riyadh, Saudi Arabia. It is registered with commercial registration record 1010139946 on January 1, 1996, with a capital of 4,500 million SAR, divided into 450 million shares, with a face value of 10 SAR per share. The company's main activity is to invest in the petrochemical industries.

3rd: Company Projects:

The chart below shows the percentage of ownership of the Saudi Industrial Investment Group in its jointly managed and affiliated projects by the end of 2021, as well as the percentages of major shareholders in the group:



The Saudi Group's operations in 2021 were limited to investing in the following companies:

Company Name	Capital*	Ownership Percentage	Main Activity	Country of Establishment and Operations
Petrochem – National Petrochemical - Subsidiary	4,800	50%	Investing in petrochemical companies	KSA
Saudi Chevron Phillips (SCP) - Jointly Managed	244	50%	Manufacturing petrochemical products	KSA
Jubail Chevron Phillips (JCP) - Jointly Managed	484	50%		
Aromatics Distribution (ADCo) - Jointly Managed	0.102	50%	Marketing petrochemical products	Free Zone - UAE

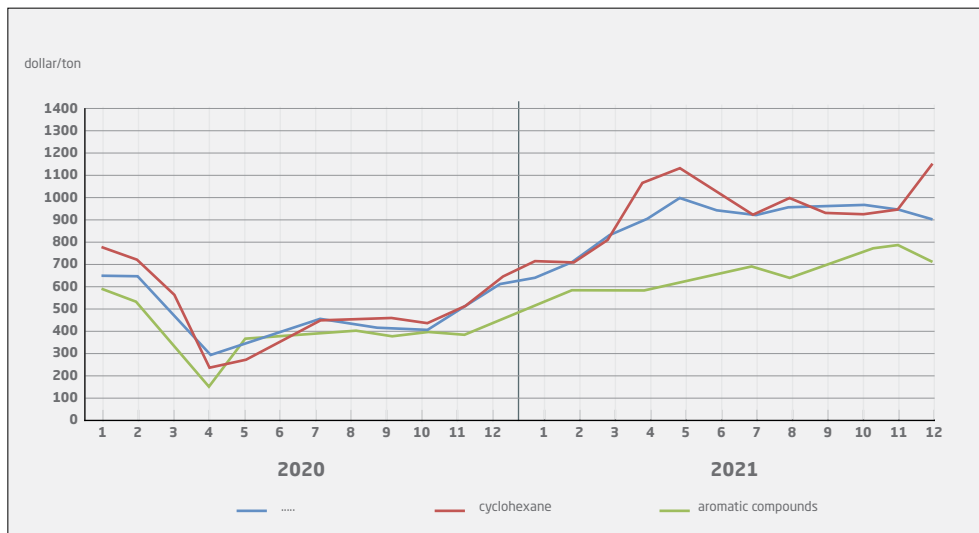
1

Saudi Chevron Phillips (SCP):

A limited liability company, located in Jubail, Saudi Arabia, registered with trade register no. 2055003839, dated July 8, 1996, with a capital of 244 million SAR. It is owned equally between the Saudi Industrial Investment Group and Arabian Chevron Phillips Petrochemical Company, with 50% each. The project is located in Jubail Industrial City, and production began in 2000, producing gasoline, cyclohexane and aromatic vehicles.

The company's total sales reached SR 4,498 million in 2021, compared to Sar 2,703 million in 2020, and achieved a pre-tax profit of SAR 715 million for 2021, compared to SAR 33 million for 2020.

The following chart shows the comparison of the prices of Chevron Phillips Products Saudi Arabia from the beginning of 2020 to the end of 2021:



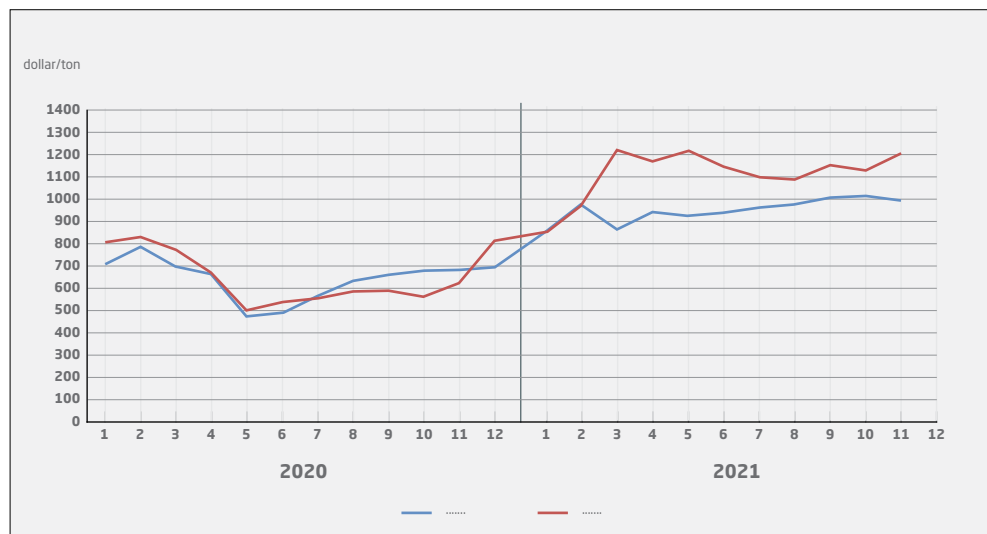
2

Jubail Chevron Phillips (JCP):

It is located in Jubail, Saudi Arabia, with commercial register no. 2055005901, dated August 23, 2003, with a capital of 484 million SAR. It is 50% owned by the Saudi Industrial Investment Group and Arabian Chevron Phillips Petrochemical Company, with 50% each.

The company's total sales were SAR 6,019 million in 2021, compared to SAR 3,877 million in 2020, and pre-tax and zakat profits of SAR 137 million for 2021, compared to a loss of SAR 128 million for 2020.

The following chart shows the comparison of the prices of Jubail Chevron Phillips products from 2020 to the end of 2021:



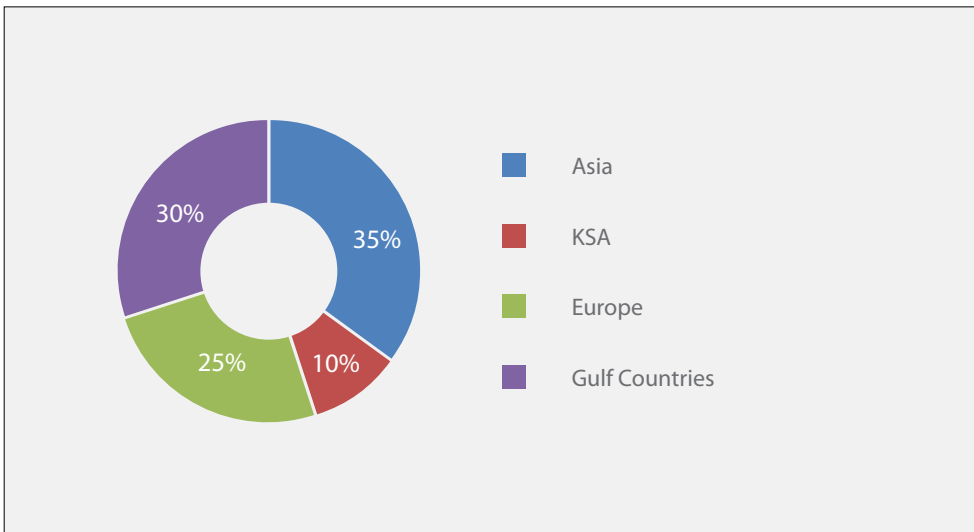
The operation rate for the jointly managed projects reached 89% for the year 2021, which was due to the scheduled interruptions in 2021.

3

Aromatics Distribution Company (ADCo):

It is limited liability company located in the Free Zone at Dubai Airport, UAE. It was established in 2020 with a capital of AED 102,000. It is equally owned by the Saudi Industrial Investment Group and Arabian Chevron Phillips Petrochemical Company, with 50% each. The company markets the products produced by the Saudi Chevron Phillips Company (SCP) and the Jubail Chevron Phillips Company (JCP) outside the Kingdom, in cooperation with the Chevron Phillips Chemical Company. Its activity is limited to providing marketing support through marketing and sales services for all the company's products outside the Kingdom. The company's total sales were 4,237 million SAR in 2021, and the company achieved profits of 1,798 million SAR for the year 2020..

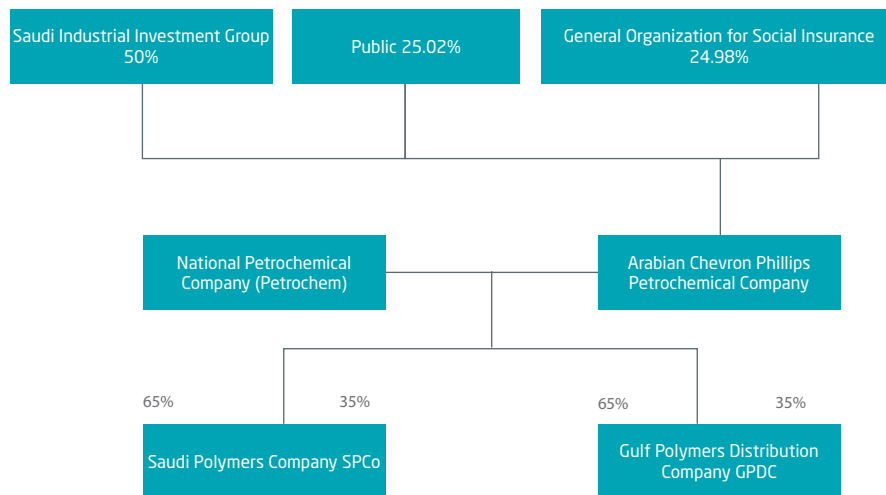
The geographical division of revenues of jointly managed companies (SCP-JCP-ADCo) for 2021 is as follows:



4

National Petrochemical Company - Petrochem:

It is a Saudi public joint stock company based in Riyadh, Saudi Arabia, with the trade register no. 1010246363, dated March 16, 2008, with a capital of 4,800 million SAR divided into 480 million shares, with a face value of 10 riyals per share. The Saudi group owns 50% of the shares of the National Petrochemical Company (Petrochem). Its activity is to invest in the petrochemical industries, and the company achieved a profit of 1,367 million SAR for 2021, compared to a profit of 230 million SAR for 2020. The chart below shows the ownership ratio of the National Petrochemical Company Petrochem in its subsidiary projects by the end of 2021, as well as the proportions of major Petrochem shareholders:



Petrochem's operations are limited to investment in its subsidiaries:

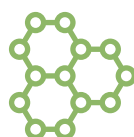
Company Name	Capital	Ownership ratio	Main Activity	Country of establishment and operations
Saudi Polymers (SPCo) - Jointly Managed	SAR 1,406 million	65%	Manufacturing and selling petrochemical products	Saudi Arabia
Gulf Polymers Distribution (GPDC) - Jointly Managed	AED 2 million	65%	Sale and distribution of petrochemical products outside the Kingdom	U.A.E

► Saudi Polymer Company (SPCo):

It is a limited liability company located in Jubail, Saudi Arabia, with the commercial register no. 2055008886 dated December 9, 2007, with a capital of 1,406 million SAR. It is owned by the National Petrochemical Company (Petrochem) 65%, while Arabian Chevron Phillips Petrochemical Company owns 35%. The project is located in Jubail Industrial City, and production began in 2012. It produces materials with the following capacities:



Ethylene
1,220



Propylene
440



Polly Ethylene
1,100



Polypropylene
400



Hexen-1
100

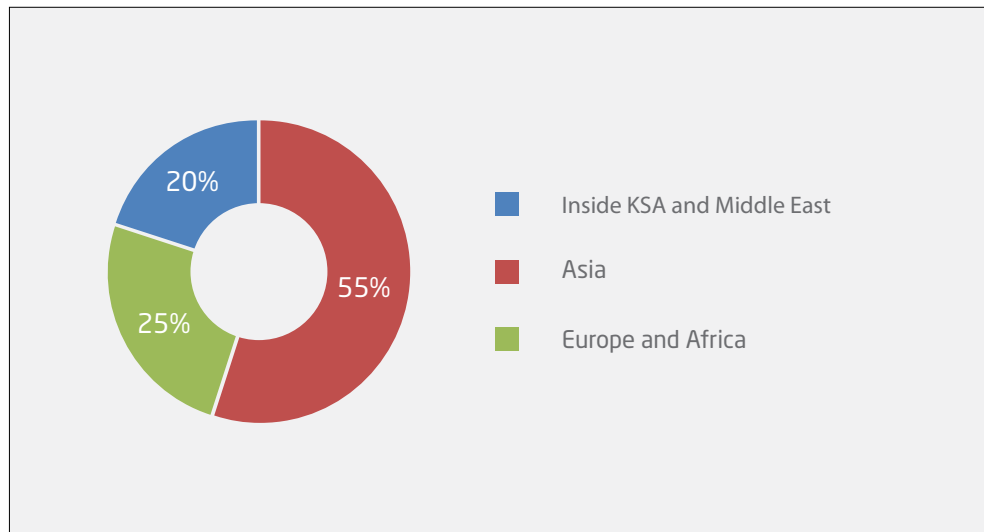
In 2021, the company also completed the procedures for reducing the capital of Saudi Polymers Company (SPCo) from SAR 4,800 million to SAR 1,406 million due to lack of need. This reduction will be returned to partners in accordance with the availability of cash with the company in the coming years. Petrochem's share of this reduction will amount to SAR (2,206) million.

The operation rate of the Saudi Polymers Company project was 97% for the year 2021, and the Saudi Polymers Company (SPCo) project will see a scheduled halt during the second half of 2022 in order to carry out periodic maintenance work.

► **Gulf Polymers Distribution Company (GPDC):**

It is a limited liability company located in the Free Zone of Dubai Airport, UAE. It was founded in 2011 with a capital of AED 2 million. Petrochem owns 65%, while Arabian Chevron Phillips Petrochemical Company owns 35%. Its activity is limited to providing marketing support by storing products produced by the Saudi Polymers Company, selling and distributing them outside the Kingdom.

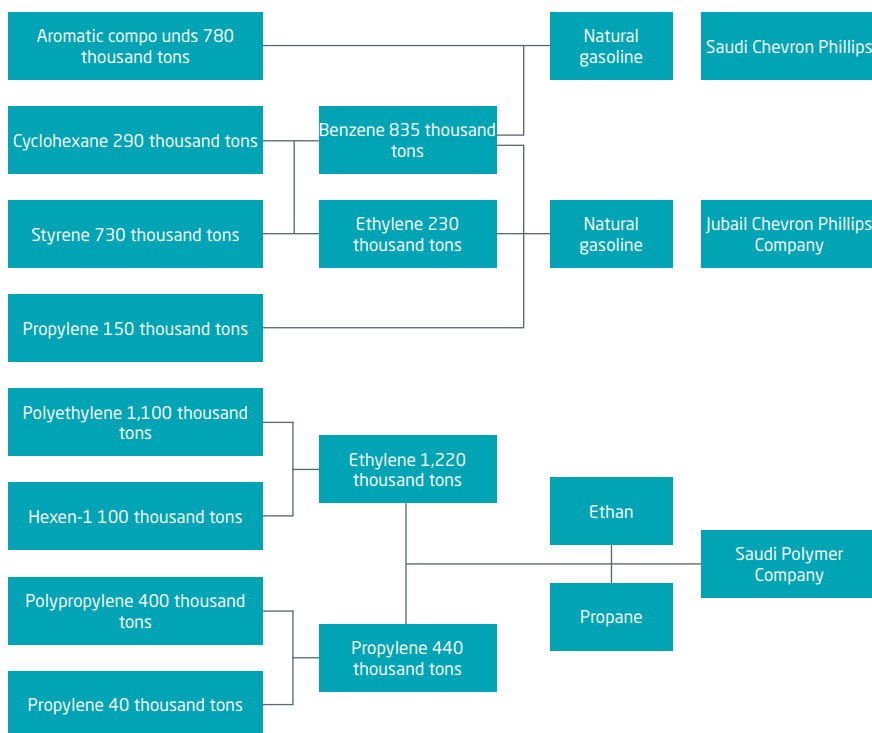
The geographical distribution of revenues of the two companies during 2021 was as follows:



5

Project Integration:

The three projects (Saudi Chevron Phillips, Jubail Chevron Phillips, and Saudi Polymers Company) complement each other, producing various products with a total capacity of 6,400,000 tons per year, including those used internally to produce value-added products, with 3,700,000 tons available for sale domestically and internationally:





4th: Risks Related to Company's Main Operations:

The Group and its projects manage the factory operations, risk management and performance control; and they aim to develop the rights of its shareholders and enhance the company's competitiveness in various markets. The company and its subsidiaries are constantly monitoring the management of such risks and taking preventive measures that contribute to raising awareness and reducing their impact. Risks that may affect the company in its key industries include:

- ▶ The risks and prices of basic materials supply (feedstock) on which the company's projects depend in production, as subsidiaries receive feedstock from the main supplier (Saudi Aramco) at prices similar to those of petrochemical companies in Saudi Arabia, and any change in the price of feedstock will affect the profitability of the company.
- ▶ The state of the global economy, which reflects on product prices, and it may affect the demand for the subsidiaries' products, and consequently on sales and revenues, as well as the expected cost of feedstock whose prices are linked to world prices. Therefore, the company and its subsidiaries continuously monitor the market situation, supply and demand conditions and exchange rates in order to develop plans and forecast any possible recession.
- ▶ High competitiveness in markets that affected subsidiaries in terms of supply and demand, as subsidiaries work on marketing and selling their products in various local, regional and global markets, expand their customer base through marketing agreements, and are vulnerable to fluctuations in the prices of petrochemical products. Subsidiaries try to mitigate such impacts through the optimal distribution of their products globally, reducing costs as much as possible and increasing the quantities produced and sold.
- ▶ The risks of operational performance level, given that the projects involve many technologies and equipment, which by their nature may be disabled and discontinued from time to time; therefore, the production quantity may be affected as a result of such interruptions.
- ▶ The subsidiaries' operations involve manufacturing and marketing petrochemical products, including hazardous or flammable substances, such as in any activities involving dealing with hazardous materials. In order to reduce such risks, subsidiaries train workers continuously in all areas of safety and environmental protection, and apply the highest safety standards applicable globally.
- ▶ Interest rate risk: the change in interest rates has two impacts on the company's business, as its constant decline negatively affects bank deposits, Islamic funds and existing hedging operations associated with subsidiaries. Moreover, higher interest rates have a negative impact, raising the cost of subsidiaries' existing loans.
- ▶ The risks of human resources associated with the instability of Saudi competencies, and the relevant impact on the development and continuity of the company's performance. In order to avoid such risks, the company and its subsidiaries are developing appropriate programs that help attract and retain Saudi employees and reduce their turnover.

- ▶ The environmental risks inherent in petrochemical industries, such as pollution, and the resulting fines and costs. In order to minimize such environmental risks, subsidiaries adhere to sustainability principles - by using less environmentally harmful materials, which are universally permitted - and disposing of waste in the appropriate ways without harming the environment and society by specialists in this field.
- ▶ Risks related to anti-dumping laws in the markets where the products of subsidiaries are sold. Therefore, the company strives to apply the best international practices in the distribution of its products, besides cooperating and coordinating with the official authorities to represent the Saudi side in any dumping cases brought against it abroad.
- ▶ The spread of epidemics and diseases and the impact on the global economy, such as what happened as a result of the spread of COVID-19. Thus, the company and its subsidiaries are implementing full preventive and precautionary measures to protect employees and reduce the spread of the virus, and to abide by the instructions issued by the Ministry of Health.
- ▶ The risk of suspension of navigation in the Arabian Gulf or the Strait of Hormuz due to the presence of the company's projects on the east coast of the Kingdom, and its reliance on the export of its products through ports located on the Arabian Gulf; therefore, any political or military events that occur in the Arabian Gulf may hinder the ability of the company's projects to export its products outside the Kingdom.



5th: Company Financial Results:



Summary of the company's operation results for the fiscal years 2017 - 2021:

The following table shows the results of the company's operation for the past five years:

(Financial Position List) in million SAR	2021	2020	2019	2018	2017
Current assets	3,574	1,781	5,838	7,060	6,365
Non-current assets	8,737	9,385	16,397	17,345	18,658
Total assets	12,310	11,166	22,235	24,405	25,023
Current liabilities	397	676	3,000	4,243	3,066
Non-current liabilities	20	19	4,267	5,747	8,957
Total liabilities	417	694	7,267	9,990	12,023
Total property rights	11,893	10,472	14,968	14,415	13,000
Total liabilities and property rights	12,310	11,166	22,235	24,405	25,023

Income list (million SAR)	2021*	2020*	2019	2018	2017
Sales *	-	-	7,656	8,930	7,364
Cost of sales*	-	-	(5,773)	(6,247)	(5,100)
Gross profit	-	-	1,883	2,683	2,264
Company's share in the profits of jointly managed projects*	1,906	253	274	311	609
General, administrative, sales and distribution expenses*	(69)	(52)	(616)	(702)	(662)
Jointly managed project investment losses	-	-	-	-	(41)
Operating profit*	1,837	201	1,541	2,310	2,170
Revenue (costs) financing	10	20	(113)	(304)	(269)
Other income, net.	1	-	14	252	208
Income (loss) before non-controlling equity and zakat	1,848	221	1,442	2,258	2,109
Zakat and income tax	(30)	(14)	(158)	(259)	(253)
Share of non-controlling equity in net profit (loss) of subsidiaries	(682)	(115)	(678)	(1,116)	(852)
Net profit	1,136	92	606	865	1,004
Profitability per share in SAR	2.53	0.2	1.35	1.92	2.23

B

Fundamental differences in operating results from previous year results:

Items (million SAR)	2021*	2020*	Changes +/-	Change Percentage %
The company's share in the profits of jointly managed projects	1,906	253	1,653	%653
General, administrative, sales and distribution expenses	(69)	(52)	17	%33
Operating profit	1,837	201	1,636	%814
Net profit	1,136	92	1,044	%1,135

The increase in net profit is attributed to the Group's higher share in the profits of jointly managed projects as a result of higher product sales prices for 2021.

*Note: starting from the third quarter of 2021, Petrochem has stopped fully consolidating its financial statements with Saudi Polymers, Gulf Polymers Distribution Company, and it started offering its investments in accordance with the equity method. Such a change that Petrochem has made in consolidating the statements with its jointly managed companies has also altered the way the group presents its financial statements. The 2021 financial year statements as well as the comparison figures for fiscal year 2020 were presented in equity method, while the rest of the years were presented using the complete fiscal consolidation method as previously published.

C

Accounting financial policies and implementing standards:

The company's consolidated annual financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as well as other standards and issues approved by the Saudi Organization for Chartered and Professional Accountants. There are no variations in the accounting financial policies and standards applied in the company.





6th: Dividend Policy:

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

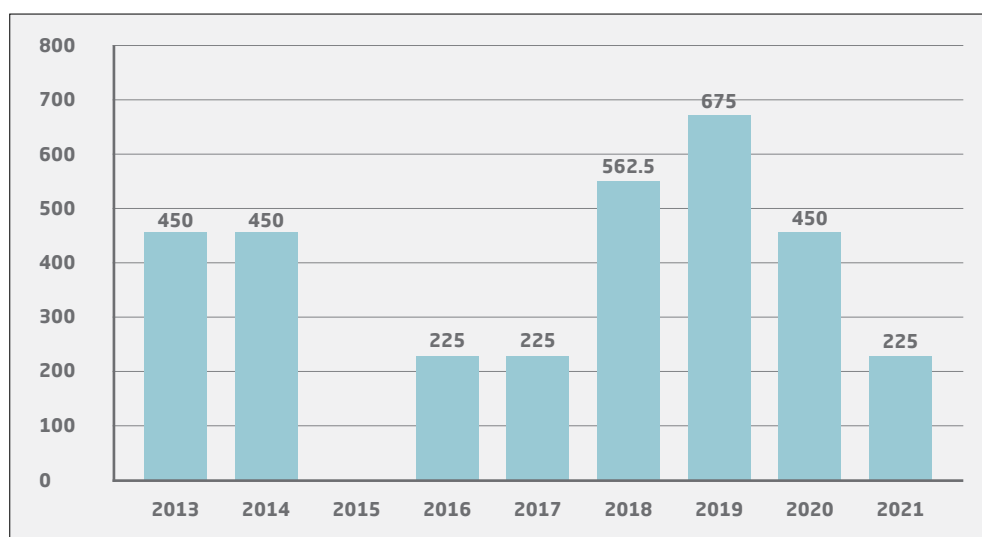
- ▶ Ten percent (10%) of net profits are set aside to form a regular reserve, and the Ordinary General Assembly may stop this saving once the reserve is 30 percent (30%) of the paid-up capital.
- ▶ At the suggestion of the Board of Directors, the Ordinary General Assembly is entitled to set aside five percent (5% of net profit) to form a consensual reserve and allocate it for a specific purpose/s.
- ▶ The Ordinary General Assembly is entitled to decide on the formation of other reserves, to the extent that it is in the company's interest or to ensure that stable dividends are distributed to shareholders as much as possible. The Assembly may also deduct certain amounts from net profits to establish social institutions for the company's employees or to support the currently established ones.
- ▶ Using the remaining after then, dividends are distributed to shareholders with a minimum of five percent (5% of the paid-up capital)
- ▶ Taking into account the provisions established in Article Twenty Two (22) of the Company's Articles of Association, and Article Seventy Six (76) of the Corporate Law, 10 per cent (10%) of the rest is allocated to reward the Board of Directors provided that this entitlement of this bonus commensurate with the number of sessions attended by the member.

The company may also distribute interim profits to its shareholders on a semi-annual or quarterly basis, by decision of the Board of Directors, if the company's financial position and availability of liquidity are permitted in accordance with the controls and procedures set by the competent authority, provided that it is after obtaining authorization from the General Assembly.

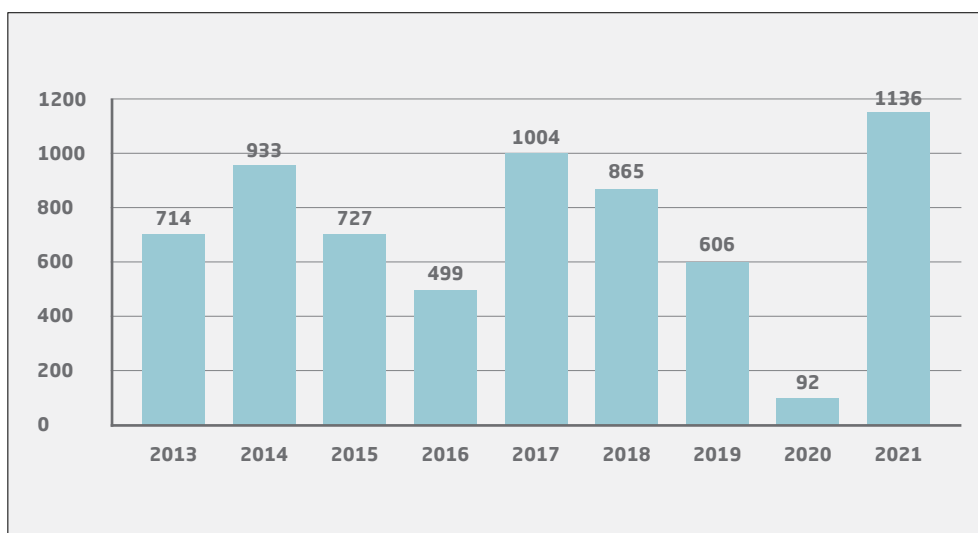
The Board of Directors of the Saudi Industrial Investment Group has decided to distribute cash dividends for the fiscal year 2021 as follows:

Earnings period	First Half - 2021
Board Decision	03/06/2021
Due date	30/06/2021
Distribution date	15/07/2021
Total amount distributed	225 Million SAR
Number of shares due	450 million shares
Dividend per share	SR 0.5
Ratio	5%

This brings the total dividend for 2021 to Sar 225 million, and the dividend per share is half a riyal, with 5% to the face value of the share. The cash dividends over the past years have been as follows:



The company made net profits in previous years as follows:



The petrochemical industry is known to be a volatile industry due to the change in the prices of feedstock costs, as well as the globally prices of final products; therefore, it is difficult to predict the company's profits for the coming years, which requires a periodic review of the dividend policy, given that the company aims to achieve the continuity and growth of annual distributions of shareholders whenever the capacity is achieved, and the following table shows the balance of profits:

Statement	Balance (Million SAR)
Balance of remaining profits on 1 January 2021	1,005
Dividends for the first half of 2021	(225)
Net profit on 31 December 2021	136
Other comprehensive income for the year	6
Transferred to regular reserve with 10%	(114)
Accumulated remaining profits on 31 December 2021	808



7th: Loans and Debt Instruments:

The Saudi Group and its jointly managed companies do not have any outstanding direct loans, while its subsidiary, Petrochem, has loans based on its project. The following table shows the loan information, debt instruments and transactions during 2021:



Saudi Polymers Company (million SAR)

Saudi Polymers has signed refinancing agreements with each of the following parties: Samba Financial Group and Riyadh Bank, with a total of SAR 3,000 million for a four-year semi-annual payment, starting in June 2020 and ending in December 2023. The interest rate is based on the London Interbank Offered Rate (Libor), in addition to 0.9% guaranteed by a principal bond. The following table shows the loan information, debt instruments and transactions during 2021:

Lender	Loan Value	Opening Balance	During Year Payments	Fiscal Year-End Balance	Loan Term (year)*
Riyadh Bank	1,500	1,125	375	750	4
Saudi National Bank	1,500	1,125	375	750	4
Total	3,000	2,250	750	1,500	

* Payment began in mid-2020.

8th: Description of any interest in the category of shares with voting rights or company debt instruments (except members of the company's Board of Directors, senior executives and their relatives) and any change of such rights during fiscal year 2021:

Interest Owner	Year Beginning	Year End	Net change	Change Rate
General Organization for Social Insurance	Number of shares	Number of shares		
	59,137,322	59,137,322	-	-

9th: Company Management:

A

Board membership:

The company is managed by a nine-member board of directors, elected on 21 April 2021 at the three-year General Assembly's meeting. Their membership began on 1 July 2021, and the current board session ends on 30 June 2024. The members are classified according to the definitions under Article One of the CMA's Corporate Governance Regulations as follows:

M	Members name	Adjective
1	Engineer Khalil Ibrahim Al-Watban (representative of the General Organization for Social Insurance) (Board Chairman)	Non-executive
2	Mr. Nabil Abdullah Al Mubarak (Vice Chairman)	Non-executive
3	H.E. Mr. Sulaiman Abdulrahman AlQuwaiz	Independent
4	Dr. Abdulrahman Sulaiman Al-Rajhi	Non-executive
5	Mr. Faraj Mansour Abuthnain	Independent
6	Dr. Saad Saleh Al Rwaita	Independent
7	Mr. Adel Abdulaziz AlQuraishi	Non-executive
8	Mr. Thamer Abdullah Al Hamoud (representative of the General Organization for Social Insurance)	Non-executive
9	Mr. Fahad Abdulrahman Almuaikeel	Independent

B

Names of companies inside or outside the Kingdom that a board member is a member of its current and former board of directors or one of the directors:

Current Boards Membership	Inside/ outside the Kingdom	Legal entity	Previous Boards Membership	Inside/ outside the Kingdom	Legal entity
Khalil Al Watban					
Saudi Investment Recycling Company "Sark"	Inside the Kingdom	Limited liability			
Nabil Al Mubarak					
Arab Sea Information Systems Co.	Inside the Kingdom	Listed Joint Stock			
Social Development Bank	Inside the Kingdom	Government Institution			
Lendo Company	Inside the Kingdom	Limited liability			
Sulaiman AlQuwaiz					
Telecommunication Union Company (Mobily)	Inside the Kingdom	Listed Joint Stock	Hassana Investment Company	Inside the Kingdom	Non-Listed Joint Stock
Saudi Arabian Mining Company (Maaden)	Inside the Kingdom	Listed Joint Stock	The National Company for Glass Industries (ZOUJAJ)	Inside the Kingdom	Listed Joint Stock
.....	Inside the Kingdom	Listed Joint Stock	National Manufacturing Company (Manufacturing)	Inside the Kingdom	Listed Joint Stock
.....	Inside the Kingdom	Listed Joint Stock	Royal & Sun Alliance Insurance Co.	Inside the Kingdom	Non-Listed Joint Stock
			AJIL Financial Services Company	Inside the Kingdom	Non-Listed Joint Stock
			Inside the Kingdom	Non-Listed Joint Stock
Abdulrahman AlRajhi					
Advanced Education Company	Inside the Kingdom	Non-Listed Joint Stock	Advanced Education Company	Inside the Kingdom	Non-Listed Joint Stock
Alrajhi Ekhwan Group	Inside the Kingdom	Non-Listed Joint Stock	AlWatania Poultry Companies Group	Out of the Kingdom	Closed Joint Stock
Saudi Cement Company	Inside the Kingdom	Listed Joint Stock	Sulaiman Bin Abdulaziz Al Rajhi Endowment	Inside the Kingdom	Non-profit
Arab Syoob Co.	Inside the Kingdom	Non-Listed Joint Stock			
National Information Systems Ltd.	Inside the Kingdom	Non-Listed Joint Stock			
Sulaiman Al-Rajhi University	Inside the Kingdom	Educational Institution			
Sulaiman Bin Abdulaziz Al Rajhi Charitable Foundation	Inside the Kingdom	Non-profit			
King Saud University, College of Medicine	Inside the Kingdom	Educational Institution			
Sulaiman Al-Rajhi Finance and Development Foundation	Inside the Kingdom	Non-profit			

Current Boards Membership	Inside/ outside the Kingdom	Legal entity	Previous Boards Membership	Inside/ outside the Kingdom	Legal entity
National Society For Community Services (Ajwad)	Inside the Kingdom	Non-profit			
NGOs	Inside the Kingdom	Non-profit			
Tamkeen Foundation	Inside the Kingdom	Non-profit			
Faraj Abuthnain					
Astra Industrial Group	Inside the Kingdom	Listed Joint Stock	National Petrochemical Company Petrochem	Inside the Kingdom	Listed Joint Stock
AlJazira Capital	Inside the Kingdom	Listed Joint Stock	Inside the Kingdom	Listed Joint Stock
Al Moammar Information Systems Co.	Inside the Kingdom	Listed Joint Stock	Inside the Kingdom	Listed Joint Stock
Saad Al Rwaita					
Riyadh City Center Development	Inside the Kingdom	Government Institution	National Commercial Bank	Inside the Kingdom	Listed Joint Stock
			Saudi for Printing and Packaging Co.	Inside the Kingdom	Listed Joint Stock
			Rana Investment Company	Inside the Kingdom	Listed Joint Stock
Adel AlQuraishi					
Higher Commission for Tourism	Inside the Kingdom	Governmental	Al , Sabah Trading Company	Inside the Kingdom	Limited liability
United Motors Company	Inside the Kingdom	Limited liability	Ali Zaid Al , Quraishi Company	Inside the Kingdom	Limited liability
Advanced Systems Company	Inside the Kingdom	Limited liability	Arab Automobile Company	Inside the Kingdom	Limited liability
Al Quraishi Company	Inside the Kingdom	Limited liability	Rana Investment Company	Inside the Kingdom	Limited liability
Thamer Al Hamoud					
Saudi Pharmaceutical Industries Company	Inside the Kingdom	Listed Joint Stock	-	-	-
Fahad Almuaikeel					
Saudi Arabia Refineries Co	Inside the Kingdom	Listed Joint Stock	-	-	-
Arab Tanker Company	Inside the Kingdom	Limited liability	-	-	-



Board meetings:

The company's Board of Directors held six meetings during the fiscal year 2021, and the attendance of members was as follows:

Member's name	March 10	April 21	July 1	September 27	October 7	December 22
Khalil Ibrahim Al-Watban*	-	-	✓	✓	✓	✓
Nabil Abdullah Al Mubarak*	-	-	✓	✓	✓	✓
Sulaiman Abdurrahman AlQuwaiz	✓	✓	✓	✓	✓	✓
Abdulrahman Sulaiman AlRajhi	✓	✓	✓	✓	✓	✓
Faraj Mansour Abuthnain*	-	-	✓	✓	✓	✓
Saad Saleh Al Rwaita*	-	-	✓	✓	✓	✓
Adel Abdulaziz AlQuraishi	✓	✓	✓	✓	✓	✓
Thamer Abdullah Al Hamoud	✓	✓	✓	✓	✓	✓
Fahad Abdulrahman Almuaikeel*	-	-	✓	✓	✓	✓
Hamad Saud Al Sayari**	✓	✓	-	-	-	-
Sulaiman Mohammed Al-Mandeeel**	✓	✓	-	-	-	-
Saleh Eid Al Husseinii**	✓	✓	-	-	-	-
Abdul Aziz Saleh Al Anbar**	✓	✓	-	-	-	-
Abdulrahman Saleh Al Ismail **	✓	✓	-	-	-	-

Note: * Membership began on 1 July 2021.

** Membership ended on 30 June 2021.

D

Board Members Ownership:

- ▶ A description of any interest belonging to the members of the Board of Directors, their wives and minor children in the shares of the company (Saudi Group) during the year 2021:

Interest Owner Name	Beginning of the year	End of the year	Net change	Change Rate
Khalil Ibrahim Al-Watban	---	---	---	---
Nabil Abdullah Al Mubarak	5,000	5,000	0	0%
Sulaiman Abdurrahman AlQuwaiz	---	---	---	---
Abdulrahman Sulaiman AlRajhi	38,193	38,193	0	0%
Faraj Mansour Abuthnain	---	---	---	---
Saad Saleh Al Rwaita	---	---	---	---
Adel Abdulaziz AlQuraishi	40,000	40,000	0	0%
Thamer Abdullah Al Hamoud	17,500	17,500	0	0%
Fahad Abdulrahman Almuaikeel	15	15	0	0%

- ▶ A description of any interest belonging to board members, their wives and minor children in the shares of Petrochem subsidiary during the year 2021:

Interest Owner Name	Beginning of the year	End of the year	Net change	Rate of change
Khalil Ibrahim Al-Watban	---	---	---	---
Nabil Abdullah Al Mubarak	---	---	---	---
Sulaiman Abdurrahman AlQuwaiz	---	---	---	---
Abdulrahman Sulaiman AlRajhi	---	---	---	---
Faraj Mansour Abuthnain	---	---	---	---
Saad Saleh Al Rwaita	---	---	---	---
Adel Abdulaziz AlQuraishi	---	---	---	---
Thamer Abdullah Al Hamoud	---	---	---	---
Fahad Abdulrahman Almuaikeel	---	---	---	---

There are no debt instruments for board members or subsidiaries.

E

Senior executive ownership:

- ▶ A description of any interest belonging to senior executives, their wives and minor children in the company's shares (Saudi Group) during the year 2021:

The name of those who belong to him.	Beginning of the year	End of the year	Net change	Rate of change
Abdulrahman Saleh Al Ismail	1,000	1,000	0	0%
Hazem Marwan Abu Swaireh	---	---	---	---
Muhammad Ali Al Daghish	---	---	---	---
Fahad Nasser Roseh	---	---	---	---

- ▶ Description of any interest belonging to senior executives, their wives and minor children in the shares of the subsidiary of the National Petrochemical Company (Petrochem) during the year 2021:

The name of those who belong to him.	Beginning of the year	End of the year	Net change	Rate of change
Abdulrahman Saleh Al Ismail	1,000	1,000	0	0%
Hazem Marwan Abu Swaireh	---	---	---	---
Mohammed Ali Al Daghish	---	---	---	---
Fahad Nasser Roseh	---	---	---	---

There are no debt instruments for senior executives of the company or its subsidiaries.





Board committees:

Audit Committee:

The audit committee's functions include the following:

- ▶ Study the company's accounting policy, monitor its operations, and verify the validity and integrity of financial reports and statements as well as the company's compliance with relevant regulations, laws and policies.
- ▶ Recommend the selection and removal of external auditors, determine their remuneration, assess their performance, verify their independence, and review their scope of work and contract conditions.
- ▶ Study annual and preliminary financial statements before they are approved and published.
- ▶ Verify that the design company's oversight activities is adequate and effective in an appropriate manner, ensure the independence of internal auditors, Approve the company's internal audit action plan, evaluate its performance, study its reports, and follow up on the implementation of the corrective actions based on the relevant feedback.
- ▶ Assess the effectiveness of the company's assessment of major and potential risks, and how to monitor and address such risks.

The Audit Committee consists of three members, all of whom have practical and professional experience to actively participate in the work of the Audit Committee. The committee held five meetings during 2021, and the attendance of the committee's members was as follows:

M	Member Name	Membership Status	January 27	March 3	April 28	August 4	October 27
1	Saad Saleh Al Rwaita	Chair	✓	✓	✓	✓	✓
2	Abdulrahman Sulaiman AlRajhi	Member	✓	✓	✓	✓	✓
3	Khalid Abdullah Alk-howaiter	Member	✓	✓	✓	✓	✓

Note: they were reappointed during the General Assembly meeting on April 21, 2021, and the membership began on July 1, 2021.

Executive Committee:

The tasks of the Executive Committee include the following:

- ▶ The tasks assigned the Board of Directors in managing and directing the company's operations and affairs as well as the review of the estimated budget.

- ▶ The committee functions as the Risk Committee, the Social Responsibility Committee and the Investment Committee.
- ▶ After each meeting, the committee shall submit a report to the company's Board of Directors, which describes all the actions taken by the committee at the meeting.
- ▶ The committee may use independent advisers, whenever needed, to conduct specialized studies that will help the committee carry out its functions and determine its fees..

In 2021, the committee held four meetings, and the attendance of the committee members was as follows:

M	Member Name	Membership Status	August 31	September 22	December 1	December 20
1	Khalil Ibrahim Al-Watban	Chair	✓	✓	✓	✓
2	Sulaiman Abdurrahman AlQuwaiz	Member	✓	✓	✓	✓
3	Nabil Abdullah Al Mubarak	Member	✓	✓	✓	✓

Note: the membership began on 1/ 7/ 2021.

Nominations and Rewards Committee:

The Nominations and Rewards Committee performs the following tasks:

- ▶ The committee shall recommend nominations to the Board of Directors taking into account that those convicted of any offence related to honesty and integrity must not be nominated.
- ▶ Conduct the annual review of the necessary skills requirements for board membership, and prepare a description of the capabilities and qualifications required for board membership, including determining the time required to be allocated by the member to the Board of Directors.
- ▶ Review the structure of the Board of Directors and make recommendations on what changes can be made.
- ▶ Identify weaknesses and strengths in the Board of Directors, and propose appropriate solutions when needed in accordance with the company's interests.
- ▶ Ensure, on an annual basis, the independence of independent members, and the absence of conflict of interest in case any of the members is also a board member in another company.
- ▶ Develop clear policies for the remuneration of board members, senior executives, and use performance-related criteria to determine such rewards.
- ▶ Develop a job description of executives, non-executive members, independent members and senior executives.
- ▶ The committee shall take into account on an annual basis not to violate the provisions of the Corporate Law, the financial market law and the relevant executive regulations.
- ▶ The Committee shall periodically review the remuneration policy and assesses its effectiveness in achieving the foreseeable objectives.
- ▶ Recommend rewards to board members and committees, senior executives and employees of the company in accordance with the policy in place.

In 2021, the Committee held three meetings, and the attendance of the committee members was as follows:

M	Members name	Membership Status	January 12	February 16	December 19
1	Faraj Mansour Abuthnain*	Committee Chair	-	-	✓
2	Adel Abdulaziz AlQuraishi	Committee Member	-	-	✓
3	Fahad Abdulrahman Almuaikeel*	Committee Member	-	-	✓
4	Thamer Abdullah Al Hamoud*	Committee Member	✓	✓	✓
5	Abdulrahman Sulaiman AlRajhi	Committee Chair	✓	✓	-
6	Abdul Aziz Saleh Al Anbar**	Committee Member	✓	✓	-

Note: * membership began on 1 July 2021.

** Membership ended on 30 June 2021

Governance Committee:

The committee has the following objectives and responsibilities relating to the company's governance rules:

- ▶ Ensure the company's commitment to applying the governance regulations, clarifying the competencies of the Board of Directors and committees, and developing its efficiency to strengthen the company's decision-making mechanisms.
- ▶ Inform the Board of developments in governance and provide it with the committee's reports and recommendations.
- ▶ Review and develop the professional code of conduct that represents the company's values, as well as other internal policies and procedures in order to meet the company's need to apply best practices.

In 2021, the committee held three meetings, and the attendance of the committee members was as follows:

M	Member Name	Membership Status	March 7	December 15
1	Saad Saleh Al Rwaita*	Committee Chair	-	✓
2	Fahad Abdulrahman Almuaikeel*	Committee Member	-	✓
3	Thamer Abdullah Al Hamoud	Committee Member	✓	✓
4	Sulaiman Abdurrahman AlQuwaiz	Committee Chair	✓	-

M	Member Name	Membership Status	March 7	December 15
5	Saleh Eid Al Husseinii**	Committee Member	✓	-

Note: * membership began on 1 July 2021.

** Membership ended on 30 June 2021

Investment Committee:

The Investment Committee performs the following tasks:

- ▶ In order to perform its duties, the Investment Study Committee is entitled to communicate and hold initial discussions with other relevant parties, without resulting in any legal obligation on the company until the approval of the Board of Directors is taken.
- ▶ Develop its own investment strategy, guidelines and policies, and propose possible domestic and external investment areas.
- ▶ Find investment opportunities in specific areas, including mergers or acquisitions, and expand existing projects.
- ▶ Use the experts or specialists they deem necessary to consider any issue that fall under its duties and responsibilities, after the approval of the Board of Directors.
- ▶ The committee has the authority to contract consultants and experts and pay their fees within the budget of 500,000 SAR per year; and in case more budget is needed, the approval of the Board of Directors is required.
- ▶ Set and arrange priorities for proposed investment offers, identify attractive investment opportunities, and consider their feasibility before submitting them to the Board.
- ▶ Review the impact of the proposed investments on the group's financial position list - including the required financing - and assess the impact on liquidity and debt ratios.

In 2021, the committee held two meetings, and the attendance of the committee members was as follows:

M	Member Name	Membership Status	March 7	March 15
1	Saleh Eid Al Husseinii	Committee Chairman	✓	✓
2	Abdul Aziz Saleh Al Anbar	Committee Member	✓	✓
3	Abdulrahman Saleh Al Ismail	Committee Member	✓	✓

Note: the membership ended on 30/2021/6/, and the Board of Directors in the meeting on 1/2021/7/ approved that the executive committee to carry out the duties of the Investment Committee.



Names of board members, committee members, executive administration, their current and former duties, qualifications and experience:

Board Members (and Board Committees):	
Khalil Ibrahim Al-Watban, Board of Directors Chairman, Executive Committee Chair	
Current position	Deputy Minister of the Ministry of Economy and Planning for Sectoral and Regional Development Affairs
Qualifications	Bachelor of Mechanical Engineering
Previous jobs and experiences	Vice President of Strategy and Planning at Saudi Arabian Mining Company and its subsidiaries - President of Alpha Project Development - Vice President of Projects and Engineering at Utility Electricity and Water Company - Working for Saudi Basic Industries Corporation (SABIC) and its subsidiaries.
Nabil Abdullah Al Mubarak - Vice Chairman - Member of the Executive Committee	
Current position	Simah Credit Rating Agency (Tassnief)
Qualifications	Master of Information and Financial Management
Previous jobs and experiences	Founder and CEO of Simah Credit Rating Agency (Tassnief) - Founder and CEO of Saudi Credit Information Company (Simah) - Saudi Central Bank
A. Sulaiman Abdurrahman AlQuwaiz - Board Member - Member of the Executive Committee - Mergers Committee Chair	
Current position	Retired
Qualifications	<ul style="list-style-type: none"> • Professional qualification in corporate financial management and banking operations management. • B.A. in Business Administration.
Previous jobs and experiences	Assistant CEO of Individual, Corporate, Treasury and Investment Sectors - Riyadh Bank, with multiple positions and expertise at Riyadh Bank and Samba Bank.
B. Abdulrahman Sulaiman AlRajhi, Board Member, Member of the Review Committee, Member of the Mergers Committee	
Current position	Businessman
Qualifications	Ph.D. in Accounting.
Previous jobs and experiences	Various experiences and positions in the management of Sulaiman Bin Abdul-Aziz Al Rajhi Holding Company, Sulaiman Bin Abdulaziz Al Rajhi Charitable Foundation, and managing the National Information Systems Company.
Faraj Mansour Abuthnain, Board Member, Member of the Nominations and Rewards Committee, Member of the Mergers Committee	
Current position	Businessman
Qualifications	Bachelor of Engineering Management

Previous jobs and experiences	Senior Vice President of Investment and Finance at the National Manufacturing Company - Director of Lending at the Saudi Industrial Development Fund
A. Saad Saleh Al Rwaita, Outside Board Member, Audit Committee Chair, Governance Committee Chair	
Current position	Prince Sultan University Vice President for Administrative and Financial Affairs.
Qualifications	Ph.D. in Accounting.
Previous jobs and experiences	Head of accounting at King Saud University, and held positions and memberships in boards and audit committees in companies and government institutions.
Adel Abdulaziz AlQuraishi, Board Member, Member of the Nominations and Rewards Committee	
Current position	Businessman
Qualifications	Bachelor of Industrial Management.
Previous jobs and experiences	Managing Director Arab United Motors Company - Working for Samba Bank, and also held board positions in companies and government institutions.
Thamer Abdullah Al Hamoud, Board Member, Member of the Nominations and Rewards Committee, Member of the Governance Committee	
Current position	General Legal Counsel - Raidah Investment Company (RIC)
Qualifications	Master of Finance and Securities Law - Bachelor of Law.
Previous jobs and experiences	Seconded legal Counsel at Norton Rose Fulbright, Director of the CMA's Board Decisions and Instructions Unit, and legal adviser at the FDA.
Fahad Abdulrahman Almuaikeel, Board Member, Member of the Nominations and Rewards Committee, Member of the Governance	
Current position	Director of Saudi Arabian Refineries Company (SARCO)
Qualifications	Bachelor of Economics and Management
Previous jobs and experiences	Deputy Director of The Office of The Southern Region Company, Jeddah - National Guard for the Western Sector in the Tender Department
Committee Members (Outside Board Members)	
Khalid Mohammed Alkhwaiter, Outside Board Member, Member of the Audit Committee	
Current position	Financial and Administrative Adviser
Qualifications	Bachelor of Management Sciences - Accounting Department. American CPA Fellowship
Previous jobs and experiences	Chief Financial Officer, Advanced Electronics, held positions and memberships in audit committees in companies and government institutions.
Executive Administration:	
Abdulrahman Saleh Al Ismail	
Current position	CEO of Saudi Industrial Investment Group.

Qualifications	Master of Economics.
Previous jobs and experiences	Managing Director of Petrochem National Petrochemical Company, Project Manager, Saudi Industrial Investment Group, General Manager, Integrated Technology Solutions Company, Investment Program Manager, Banking Institute.
A. Hazem Marwan Abu Suwairah	
Current position	Senior Chief Financial Officer - Saudi Industrial Investment Group.
Qualifications	Bachelor of Economics and Management Sciences.
Previous jobs and experiences	Accounting Manager - Saudi Industrial Investment Group, held many positions and gained various experiences in the fields of auditing, accounting and finance (Al Robaish Chartered Accountants & Auditors, Real Estate And Tourism Development Company, Development Company for Investment and Real Estate and Tourism Development, Saudi Industrial Investment Group).
B. Mohammed Ali Al Daghigh	
Current position	Board Secretary and Project Manager - Saudi Industrial Investment Group.
Qualifications	Master of Engineering Management - Bachelor of Petroleum Engineering
Previous jobs and experiences	Project Analyst - Saudi Group, held many positions and gained various experiences in the Saudi Industrial Investment Group and Global Electronics Company.
Fahad Nasser Roseh	
Current position	Group Internal Auditor
Qualifications	Bachelor's and Master's of Accounting.
Previous jobs and experiences	Director of internal audit at Saudi Kayan Petrochemical Company, senior internal auditor at the Southern Province Cement Company, financial controller at the General Court of Audit.





	Fixed rewards			
Third: Executive Members				
Abdulrahman Al Ismail **	200	3	6	209
Total (SR 1,000)	1,800	138	270	2,208

Note: * the membership in the Board of Directors began on 1 July 2021.

**the membership in the Board of Directors ended on 30 June 2021.

No benefits in kind, rewards to the Chairman of the Board, the Chief Executive Officer, the Secretary if he was a member, or a reward for technical, administrative and advisory work have been disbursed. No variable rewards either a proportion of profits, periodic rewards, short or long-term incentive plans, grant shares, end-of-service bonus or expense allowance have been disbursed.

Committee Members Rewards:

Member	Committee	Fixed Rewards (SR 1,000)	Attendance Allowance Total (SR 1,000)	Total (SR 1,000)
Hamad Al Sayari**	Executive	200	3	203
Sulaiman AlQuwaiz	Governance - Executive - Integration	200	30	230
Sulaiman Al-Mandeeel*	Executive	200	3	203
Abdulrahman AlRajhi	Governance - Audit - Nominations and Rewards - Mergers	300	72	372
Saleh Eid Al Husseinini*	Nominations and rewards - Governance - Investment - Mergers	200	45	245
Thamer Al Hamoud	Nominations and Rewards - Governance	200	15	215
Abdul Aziz Saleh Al Anbar*	Nominations and Rewards - Investment - Mergers	200	48	248
Adel AlQuraishi	Governance - Executive - Nominations and Rewards	200	3	203
Abdulrahman Saleh Al Ismail *	Investment	200	6	206
Khalil Al-Watban**	Executive	100	12	112
Nabil Al Mubarak**	Executive	100	12	112
Faraj Abuthnain**	Nominations and Rewards - Governance - Integration	100	3	103
Saad Al Rwaita**	Governance - Audit	150	18	168

Member	Committee	Fixed Rewards (SR 1,000)	Attendance Allowance Total (SR 1,000)	Total (SR 1,000)
Fahad Almuaikeel**	Nominations and Rewards - Governance	100	6	106
Khalid Alkhwaiter***	Audit	100	18	118
Total (SR ...)		2,550	294	2,844

Note: * the membership in the Board of Directors ended on 30 June 2021.

** The membership in the Board of Directors began on 1 July 2021.

*** Outside board member of the Audit Committee.

Senior Executives Salaries and Rewards:

	Item	Senior Executives
Fixed rewards	Salaries	3,868,712
	Allowances	1,354,049
	Benefits in kind	-
	Total	5,222,761
Changing rewards	Periodic rewards	-
	Profits	-
	Short-term incentive plans	1,162,850
	Long-term incentive plans	-
	Shares granted	-
	Total	6,385,611
End-of-service reward		726,043
Total executive Board rewards, if any		-
Total (SAR)		7,111,654

All remunerations and rewards were paid to board members, committee members and senior executives on the basis of the company's policy and the recommendation from the Nominations and Rewards Committee, approved by the Board of Directors without any deviations from the policy.

11th: Company Social Contributions:

One of the social contributions made by the company for the year 2021 was supporting the Health Endowment Fund under the supervision of the Ministry of Health with SAR 2 million to combat and prevent the spread of COVID-19. HEF aims to contribute to the health development in the Kingdom, help provide the needs of patients in terms of equipment, treatment and rehabilitation, highlight the importance of health care, contribute to the financing of preventive programs and health research, and apply preventive and precautionary measures. In cooperation with the associations mentioned below during 2021, the company also contributed to support programs that are in the interest of society, and the total support for the year 2020 amounted to approximately SAR 1,500 thousand as follows:

M	The side	Program
1	Ehsan Initiative	Ehsan
2	Children with Disabilities Association	Al Jabaer Workshop
3	Kayan Charity	Training 70 orphans (English- computer - management) at the Gulf Institute for Training and Education
4	Saudi Food Association (Feed/Itaam)	Itaam Charity Program
5	Bunyan Charity	Equipping a meeting room

The company is keen to continue looking for outstanding programs with high goals that focus on supporting educational programs in health and safety, supporting orphans and poor families in the field of education and training, and encouraging educational and training institutions. The company is always working to assess the effectiveness and seriousness of the training course supported by the company and the collaboration team, so that the company can decide to continue supporting or looking for other programs.

12th: Due Regular Payments Statement:

The Company has no loans or debts payable other than the following payments:

Statement	2021		Brief Description	Statement of Reasons
	Paid	Due		
Zakat	40,758,955	44,213,310	The due amount represents the Zakat for 2021.	Paid upon submitting the Zakat declaration for the year 2020.
Social Security	537,099	43,120	Insurance contributions	The due amount for December 2021, and paid in January 2022.
Visa and Passport Fees	12,034	0	Renewal fees for residence permits, and exit and return visas.	
Labor Office Fees	25,197	0	Work permit renewal fees.	

13th: Dealings with related parties:

In 2021, transactions were made with related parties on commercial grounds as follows:

Related Parties	Company Relation	Transaction Type / Duration / Value
National Petrochemical Company (Petrochem)	Subsidiary	Many financial transactions took place between Saudi Industrial Investment Group and the National Petrochemical Company (Petrochem) during the year, including joint services and transactions, without preferential conditions, and the total transactions with Petrochem during 2021 amounted to SR 670,000.

14th: Company Governance Regulation:

The CMA Board issued the Corporate Governance Regulation on 13 February 2017, based on the Corporate Law, which outlines the rules and criteria governing the management of listed joint stock companies in order to ensure compliance with best governance practices that guarantee the protection rights of shareholders and stakeholders. This is a mandatory regulation for all companies listed on the financial market, except for some articles that are still considered merely as guidelines. In the report of the Board of Directors, the company shall be obligated to disclose the regulation's provisions that have been applied and those that have not as well as the underlying reasons. Therefore, the company's Board of Directors adopted its own governance regulation by updating the previous regulations in order to be in line with the CMA's Corporate Governance Regulation, which was approved during the Company's General Assembly meeting on April 17, 2018.

The following table shows the remaining provisions of the Corporate Governance Regulation that have not been implemented, or do not apply:

Article/Item Number	Article/Item text	Reasons for not applying
Article 41	Evaluation – the required mechanisms to assess the performance of the board, its members, committees and executive administration.	Guiding Article: the company will consider applying best practices to assess the performance of board members and committees.
Chapter 5: Article 70 Article 71 Article 72	Risk Management Committee: Risk Management Committee Formation Risk Management Committee Competencies Risk Management Committee Meetings	Guiding Article: the Executive Committee undertakes the duties of the Risk Management Committee by reviewing the subsidiaries' risk management reports.

15th: Shareholders General Associations during 2021:

During 2021, the company held one meeting of the General Assembly of Shareholders, which was a regular meeting, in the presence of the following board members:

Members name	April 21, 2021
Hamad Saud Al Sayari	✓
Sulaiman Abdurrahman AlQuwaiz	✓
Sulaiman Mohammed Al-Mandeel	✓
Abdulrahman Sulaiman AlRajhi	✓
Saleh Eid Al Hussein	✓
Thamer Abdullah Al Hamoud	✓
Abdul Aziz Saleh Al Anbar	✓
Adel Abdulaziz AlQuraishi	✓
Abdulrahman Saleh Al Ismail	✓

16th: Shareholders Record:

The records were requested by the company's shareholders from Tadawulaty website as follows:

Number of Requests	Application date	Reasons for request
1	04/01/2021	Data of shareholders eligible for profits.
2	04/01/2021	Company procedures.
3	02/02/2021	Company procedures.
4	12/04/2021	Shareholders data to attend the General Assembly.
5	21/04/2021	Shareholders data to attend the General Assembly.
6	04/07/2021	Data of shareholders eligible for profits.
7	25/08/2021	Company procedures.
8	30/09/2021	Company procedures.
9	09/11/2021	Company procedures.

17th: Public Disclosures:

- ▶ The company has signed a non-binding memorandum of understanding with the National Petrochemical Company (Petrochem) with regard to the exchange ratio, provided that the execution structure of the potential transaction is through a stock swap offer made by The Saudi Petrochem Group for the purpose of acquiring all Petrochem's issued shares which are not owned by the Saudi Group in exchange for the issuance of new shares in the Saudi Group for Petrochem's shareholders. This results in cancelling the listing of Petrochem shares to become a wholly owned company by the Saudi Group.
- ▶ The company held a regular General Assembly meeting on 1/ 4/ 2021, in which the approval was given for the board report, the audit report and financial statements for fiscal year 2020. Furthermore, the members of the Board of Directors were elected for session that began on 1/ 7/ 2021, for a period of three years. The members of the Audit Committee were also appointed.
- ▶ On 1/ 7/ 2021 the Board of Directors approved by correspondence to change GOSI's representative in the Board of Directors, and appointed Professor Khalil bin Ibrahim Al-Watban (a Non-Executive Member), in place of Professor Bandar Bin (a Non-Executive Member), based on the letter from the General Organization for Social Insurance, as of 1/ 7/ 2021. In fact, the board's approval of this appointment is not final, and it will be discussed in the first meeting of the General Assembly for approval.
- ▶ There are no convertible debt instruments, contractual securities, subscription warrants or similar rights issued or granted by the company during the fiscal year.
- ▶ There are no transfer or underwriting rights under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company.
- ▶ There is no refund, purchase or cancellation by the company for any recoverable debt instruments and the remaining value of securities, taking into consideration the distinction between the listed securities purchased by the company and those purchased by its subsidiaries.
- ▶ There are no arrangements or agreements under which a member of the company's Board of Directors or a senior executive waives any rewards.
- ▶ There are no arrangements or agreements under which a shareholder of the company waives any rights to profits.
- ▶ No penalty, punishment, precautionary measure or reserve restriction against the company by CMA or any supervisory, regulatory or judicial body was issued during 2021.
- ▶ There is no conflict between the decisions of the Audit Committee and the Board of Directors in terms of the nomination or removal of the company's auditor, determination of their remuneration, evaluation of their performance, or appointment of the internal auditor.

- ▶ The company has not made any investments or allocated any reserves for the benefit of the company's employees.
- ▶ The report of the external auditor included an attention notice. In the financial statements of 2021 third quarter, the external auditor referred to the change that «Petrochem» made in the way the financial statements are presented starting from the third quarter of 2021. It also referred to that fact the Petrochem discontinued the method of complete consolidation of its financial statements with Saudi Polymers Company and Gulf Polymers Distribution Company, and offered its investments in these companies in the equity method; therefore, the financial items (sales and total profit) of the companies invested in were not shown in Petrochem's profit or loss list. Accordingly, since the Group has complete consolidation of financial statements with Petrochem besides the fact that Petrochem has changed the method of consolidating the statements with its jointly managed companies, this led the Group to change the presentation method of its financial statements as well. Therefore, the financial items (sales and total profit) were not shown in the profit or loss list. In fact, this change has not had any impact on the equity of the Group's shareholders or the net profit and return on the stock.
- ▶ The Board of Directors did not recommend the change of the auditor before the end of the appointment period.
- ▶ The company did not issue any shares into the treasury or retained shares.



18th: Annual Audit Results on Effectiveness of Internal Control Procedures:

The internal audit is an objective and independent confirmation and advisory activity to add value and improve the company's operations. The internal audit helps the company achieve its objectives by providing a regular basis for evaluating and improving the effectiveness of oversight and the processes involved in the company's oversight performance. Thus, the internal audit has carried out several periodic and specific audits that have ensured the effectiveness and integrity of internal control systems. In addition, it contributed to the audit of preliminary and final financial statements as well as coordinating the work of external regulators. The Board of Directors was briefed on the Audit Committee's report on the 2021 audit results reports submitted to by the internal auditor, and there were no substantial observations. It was also found that the internal control system is functioning properly.

19th: Board of Directors and Senior Executives Statements:

The Board of Directors acknowledges the following:

- ▶ That the account records were properly prepared.
- ▶ The internal control system was properly developed and implemented effectively.
- ◀ There is little doubt about the company's ability to continue its activities.
- ▶ There is no substantial interest for the board members, CEO, CFO or senior executives in the company's contracts, other than what was disclosed in the transactions with related parties in this report.

In conclusion, the Board of Directors would like to extend sincerely gratitude to the Custodian of The Two Holy Mosques and its wise government for the continued support to the industry and all sectors.

May Allah Grant Us Success

Board of Directors

