

**METHANOL CHEMICALS COMPANY'S
BOARD OF DIRECTORS REPORT
ON THE COMPANY'S PERFORMANCE & BUSINESS
FOR THE FINANCIAL YEAR 2023**

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BOARD MEMBERS

Chairman

Eng. Ali Abdul Aziz Ali Al-Turki

Vice Chairman

Mr. Melfi Manahi Melfi Al-Marzoqi

Members

Mr. Hani Sulaiman Al-Saleh

Eng. Abdullah Abdul Aziz Al-Znaedi

Eng. Saud Abdullah Al-Sanea

Mr. Abdullah Abdulrahman Bu-Ali

Mr. Yousif Abdullah Al-Rajhi

Eng. Waleed Abdul Aziz Al-Showair

Eng. Sabri Abdullah Al-Ghamdi

Board Secretary

Mr. Osama Saeed Abdul Fattah

1. CHAIRMAN'S STATEMENT

Dear valued Shareholders,

On behalf of the Board of Directors and Executive Management, I am honoured to express our sincere gratitude to the Custodian of the Two Holy Mosques King Salman bin Abdul Aziz Al-Saud and His Royal Highness Crown Prince Mohammed bin Salman, for their unwavering support and leadership in fostering the Kingdom's manufacturing industry. Their dedication inspires us to continue striving for excellence and contributing to the prosperity of our beloved Kingdom.

The Board recognizes the importance of fostering engagement and collaboration with our stakeholders across both the government and private sectors. We are particularly grateful for HRH Prince Abdul Aziz bin Salman bin Abdul Aziz Al Saud, Minister of Energy for his invaluable support in securing necessary feedstock to expand production at our existing Methanol plant; the main pillar of our business, as well as for his approval for allocating the additional gas to produce new specialty chemicals within the company's future projects, which will significantly enhance our product portfolio and serve as an impetus for our future endeavours and strategic growth.

We also extend our deepest appreciation to the Executive Management, employees, and business partners whose extraordinary commitment and resilience has helped us navigate safely despite the ongoing challenges. Their determined efforts are the cornerstone of our success, and we are deeply grateful for their commitment to the success of Chemanol.

With renewed focus and resolve, the Board is confident that Chemanol will achieve its envisaged significant milestones in the coming years and be a significant contributor and key driver that propel the petrochemical sector forward.

Ali Abdul Aziz Ali Al-Turki

Chairman of Board of Directors

2. ABOUT THE COMPANY

Chemanol is a Saudi joint-stock Company listed on the Saudi Stock Exchange under the Commercial Registration No. 2055001870. Its paid-up capital is Six Hundred Seventy-Four Million, Five Hundred Eight Thousand, Six Hundred Thirty (674,508,630) Saudi Riyals, divided into Sixty-Seven Million, Four Hundred Fifty Thousand, Eight Hundred and Sixty-Three (67,450,863) ordinary shares with a nominal value of ten (10) Riyals per share. The Company is located in Al-Jubail Industrial City and has a total annual production capacity approaching one million metric tons, and exports 15 product (26 grades) to over 75 countries around the world.

The Company operates in the field of manufacturing and marketing speciality chemical products including superplasticizers, Pentaerythritol, Hexamethylenetetramine (Hexamine), Monomethylamine, Dimethylamine, Trimethylamine, Dimethylformamide, Aq. Formaldehyde, Paraformaldehyde, Acetaldehyde, Amino Resins (Urea & Melamine based), Carbon Monoxide, Sodium Formate as well as Methanol, the main feedstock for the previously mentioned products.

The following table shows the Company's products and their annual production capacity:

Product	Capacity (MTY)
Aqueous & Urea Formaldehyde (AF - 37 & UFC - 85)	300,000
Methanol	231,000
Sulphonated Naphthalene Formaldehyde (SNF)	163,020
Dimethylformamide (DMF)	60,000
Dimethylamines (DMA)	50,000
Carbon Monoxide	33,000
Mono Pentaerythritol (Penta)	20,000
Formaldehyde RESINS (UF, MF & MUF)	13,200
Acetaldehyde	8,000
Sodium Formate (Sofo)	12,000
Hexamine (HMT)	9,600
Paraformaldehyde (Para)	8,000

*Including intermediate products which are converted into finished products.

3. ENVIRONMENT, HEALTH, SAFETY & SECURITY (EHSS)

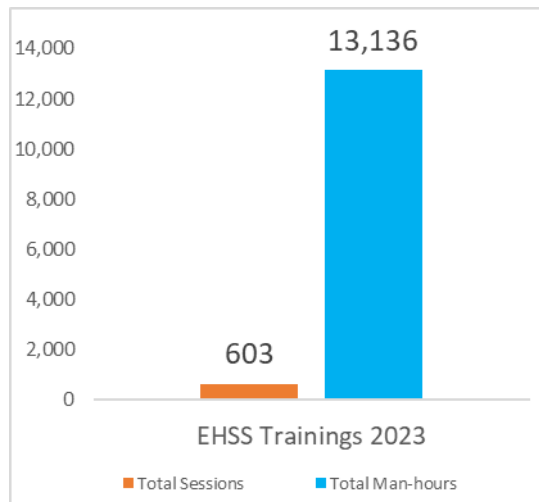
During 2023, the Company continued applying the requirements of Responsible Care Certificate (RC 14001) in accordance with internal and external audit criteria and procedures.

Compliance with Environmental Standards

Chemanol did not record any incidents of non-compliance with the environmental standards during 2023, which demonstrates the Company's firm commitment to environmental requirements and standards.

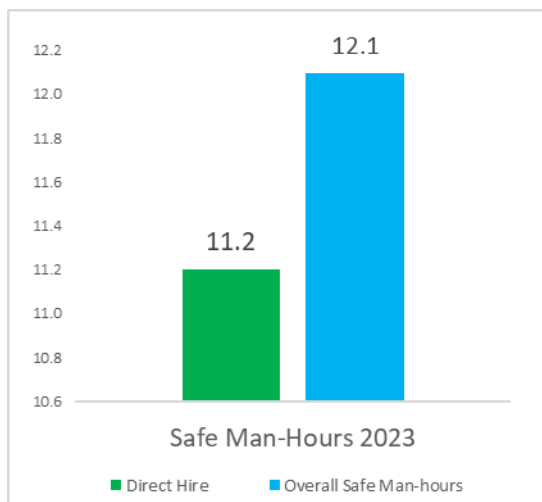
EHSS Training and Awareness Sessions:

Chemanol put the rehabilitation and training of its employees and contractors at the top of its list of priorities by conducting training and awareness courses in the field of EHSS. The Company has completed 603 intensive courses, equivalent to 13,136 training hours.



Work Performed Without Injury/ Lost Time Injury:

During 2023, Chemanol achieved 12.1 million safe-man-hours without lost time injury for its employees and contractors of which 9.8 million hours for direct employees.

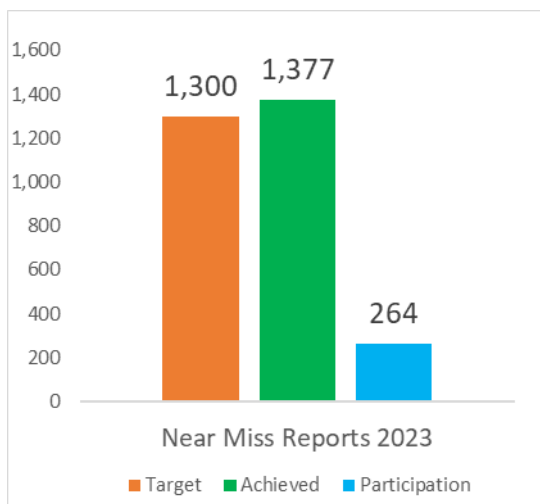


Emergency Preparedness and Response:

The Company has, using in-house capabilities, carried out 48 emergency response mock drills to ensure that an effective system is in place. It has also successfully carried out the annual joint drill with Jubail Area Mutual Aid Association (JAMA'A), and the emergency response teams of the Company, for the sixth consecutive year, scored full marks as evaluated by JAMA'A.

Quality Near-Miss Reports:

The Company encourages its employees to carry out report near miss incidents through the Potential Risk Report System in order to enhance the level of safety, security, and environmental protection. The total reports submitted by 264 employees were 1,377 cases during the year.



Lowering the Accidents Rate:

The good initiatives, trainings and practices have resulted in the achievement of the highest industrial safety rates in the history of the Company compared to previous years.

4. HUMAN RESOURCES:

Chemanol is proud of its human resources, and it pays a considerable attention to them as they are the fundamental element in managing and operating its business and facilities. The Company continuously strives to develop and promote its human competencies at all professional and occupational levels. At the end of 2023, the total headcount of the Company was 498 employees. The Company continued to implement the objectives set by the Board of Directors to employ and develop the talented local employees. Accordingly, by the end of this year, the Saudization rate reached 71% posting an increase of approximately 15% over the last five years, which enabled the Company to maintain its "Platinum" ranking in the Ministry of Labor and Social Development's classification program (Nitaqat) for achieving high rates in the level of Saudization.

The Department of Human Resources carried out many initiatives, and training and stimulus programs during 2023 including:

- **Saudi Fresh Graduates Training Programs:**

Chemanol employs local talented fresh graduates in various jobs and qualifies them through skill development programs and specialized training courses relevant to their area of work and technical and administrative disciplines. Such programs aim at strengthening and improving employees' basic skills by providing them on-the-job training courses and by attending relevant training courses to achieve the highest level of efficiency.

- **Program for Replacement of Local Competencies in Leadership Positions:**

In continuation of the Company's plans to raise the rate of Saudization, the employment replacement program in leadership positions (in technical and administrative fields) has been started and is being implemented in a phased manner.

- **Cooperative Training Program:**

In pursuit of its strategy to qualify the local talented employees, Chemanol participated in the cooperative training program and received some university and college students who wished to take on-the-job training to complete the graduation requirements.

A total of (27) male and female students received training in a variety of specializations, both technical and administrative.

- **Housing Loans Program:**

In line with its strategy to achieve job satisfaction and stability as well as attract national talent with distinguished professional experience, the Company compensates the Saudi employee for the monthly loan interests resulting from the Housing Finance that he receives from the Approved Financing Entity in accordance with the applicable terms and conditions. The Company's objective is to ensure that a larger number of Saudi employees benefit from such program to enhance job and social stability for them. The Company is also in the process of developing housing solutions to facilitate employees' access to adequate and suitable accommodation.

- **Female Employment:**

Based on the Kingdom's Vision 2030 and its programs, which encourages allocating one of the goals of the vision to ensure an increase in women's participation in the labor market, and in line with the Company's strategy, Saudi women's steps towards empowerment accelerated. Eighteen women were hired and assigned to different divisions and departments within the Company.

- **Employment Support Program (Hadaf):**

Based on its vision to utilize the programs of the Ministry of Human Resources, the Company recruited 16 young Saudis and added them to the Employment Support Program (Hadaf). However, the Company seeks to increase the number of beneficiaries during the coming year in line with its needs and policies.

- **Social Development Bank:**

Chemanol has recently signed a reciprocal agreement with the Social Development Bank to make it easier for employees to obtain personal loans, which cover the financing services

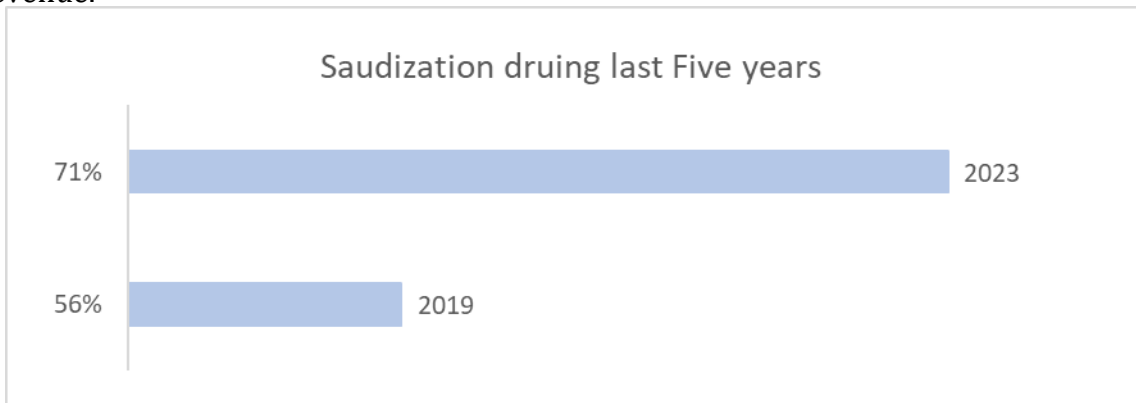
provided by the Finance Bank, such as marriage, family, cars, and other services. This initiative comes from the Company's Management's belief in the importance of finding easy solutions for the Saudi employees and thereby support their stability.

- **Establishment's Self-Assessment:**

In compliance with the Ministry of Human Resources and Social Development's request to complete the annual self-evaluation of the facility, and after verifying the necessary information and requirements, Chemanol achieved a score of 100% on the establishment's self-assessment platform.

Tamouh Program:

Tamouh (*which means in Arabic Ambitious*) is a platform for preparing and training future leaders and developing their skills while showcasing their concepts, leadership competencies and capabilities, and providing them with the necessary guidance and knowledge support. Every young and talented employee can propose his\her great ideas in front of the Management team relating to enhancing efficiency, reducing costs, or increasing revenue.



5. PRODUCTION AND SALES

First: Production:

The Company produced 746,223 metric tons of various products in the year 2023 with a slight increase of 0.2% compared to the quantities of 2022 which was 744,52 metric tons. The reason for the increase in 2023 compared to the previous year is due to the improvement in the operational performance of the plants and increase in demand for some Company products.

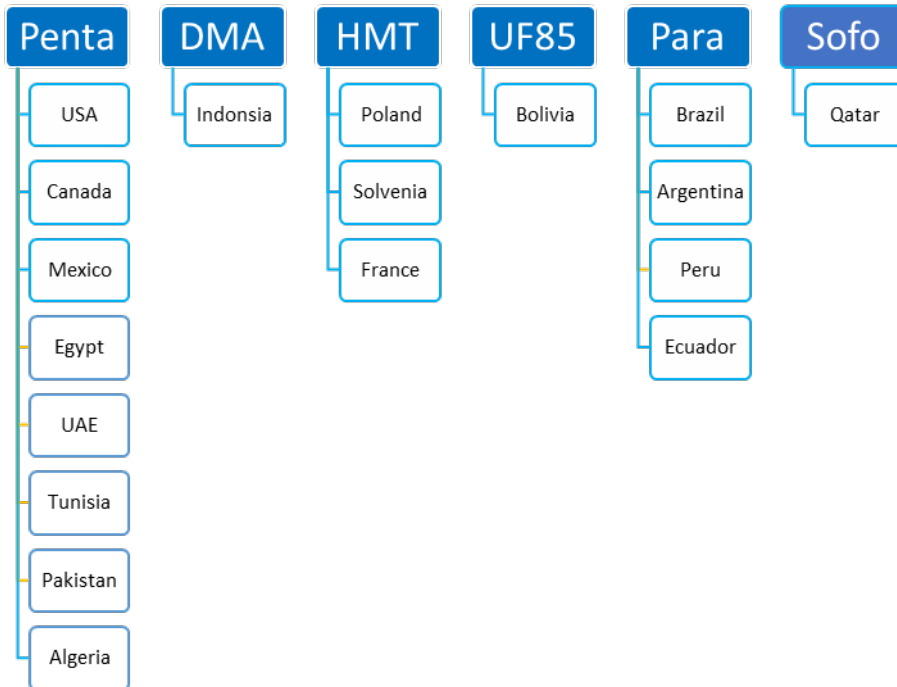
Second: Sales:

The Company sells and markets a variety of trusted products to a broad customer base around the world (more than 76 countries). This requires intense effort to ensure continuity and sustainability through enhancing customer experience and resolving all their problems and challenges.

Chemanol constantly strives to ensure adaptability to the changing market conditions by keeping abreast of the new developments and changes in the market, and accordingly changing plans and objectives to reach the desired results.

The Company has been working to increase its geographical expansion through exploring promising marketing opportunities and opening new markets and exploring new applications for

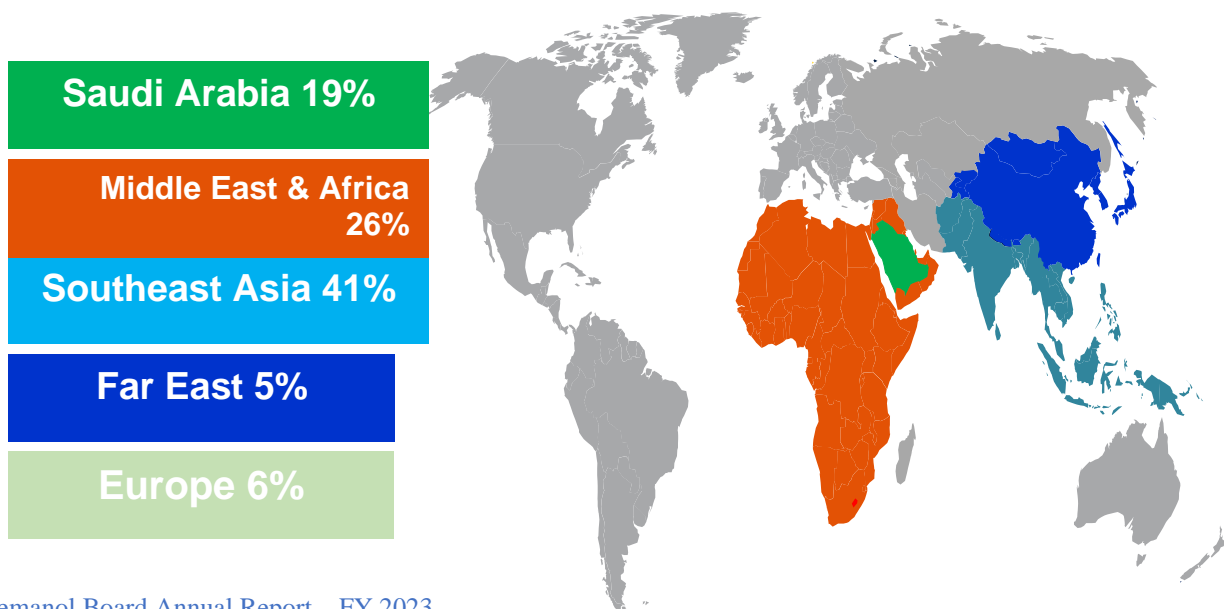
its products to widen its outreach and minimize the potential risks of market fluctuations. As a result, the Company successfully entered 6 products into 18 new markets in 2023 as shown in the below diagram:



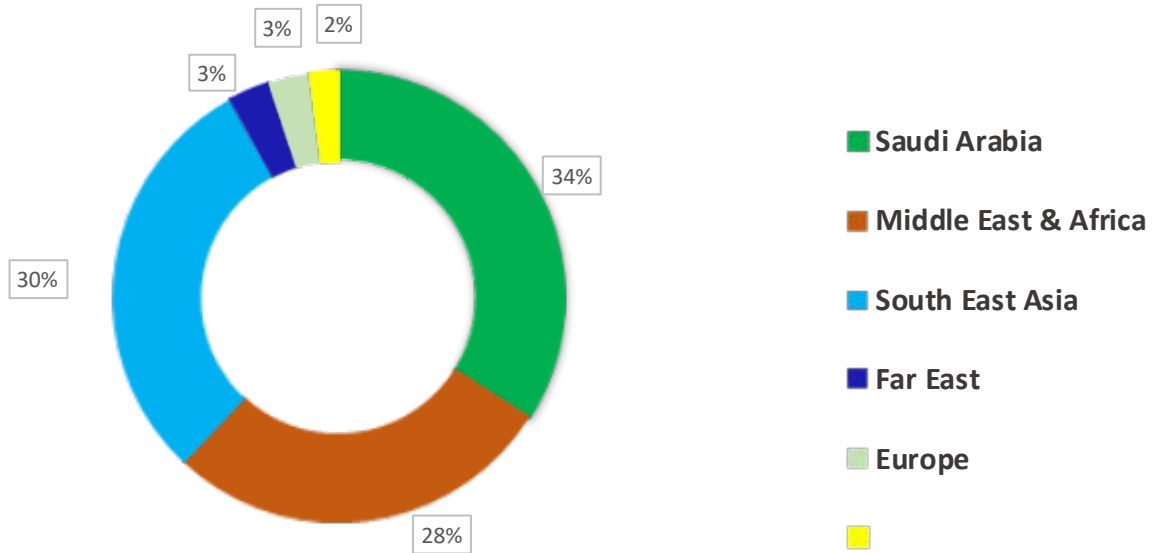
Sales revenues decreased to SAR 728 million in 2023 compared to SAR 1,076 billion in 2022, with a decrease of about 32%. The reason for this decrease is due to the decline in the average selling prices of all Company products by 37% compared to similar periods of the previous year, caused by the global economic difficulties and challenges, despite an increase in sales volume by 7% to 325.8 thousand metric tons in 2023.

• **Geographical Analysis of Revenues**

The following diagram shows the percentage of sales revenues by geographical region:



The following diagram shows the percentage of sales quantities by geographical region



6. COMPREHENSIVE QUALITY

Chemanol is committed to implementing the highest international standards of quality, safety and environment. From that perspective, the Company adopted the Total Quality Management System ISO 9001 in 2000 as a tool of achieving the objectives through self-assessment of its internal and external activities. Also, it adopted the Responsible Care Certification RC 14001 and ISO/IEC 17025 (the quality standard for testing and calibration laboratories) in 2015. The Company is keen to maintain its relevant certificates effective and updated by meeting the internal and external audit requirements. The Company considers these certificates as added value to its products and activities.

7. ENERGY EFFICIENCY PROGRAM

Chemanol has completed the first phase and started on the second phase of the Saudi Energy Efficiency Centre's (SEEC) energy efficiency program. The Company is proceeding in application of the requirement according to the schedule set forth. It aims at reducing energy consumption as well as increasing the operational efficiency of its plants.

The following diagram shows the actual and target electrical readings for Methanol, Dimethyl Formamide (DMF) and Formaldehyde plants for the first and second phases which started in 2011. The first phase ended in 2019 and the second phase started in 2021 and will end in 2025, and the target results for 2021 is expected to be completed in 2025. It is worth mentioning that the second phase is concerned with the consumption of energy as fuel and feedstock, while the first phase was focused on using the energy as fuel only.

Plants under the Supervision of SEEC Program	Second Phase (2021 -2025)	
	Energy Intensity Target 2025 (MMBtu/Tons)	Energy Intensity Achieved 2023 (MMBtu/Tons)
Methanol plant	33,03	37.03
Methylamine & Dimethyl Formamide Plant	45,97	21.98
Formaldehyde plant 30000	- 2,74	- 2.8
Formaldehyde plant 33000	- 2,74	- 3.09

Note: all Company plants that under the supervision of SEEC Program achieved distinctive results in reducing energy consumption and raising the efficiency of energy use. This was due to improvement in the efficiency and productivity of the plants, and optimized use of energy except for Methanol plant which needs a revamp project to reach the required levels. Hence, the said project is being implemented and it is in the engineering works phase.

The Company strives unceasingly to abide by all energy consumption efficiency requirements. A number of measures have been taken to improve energy consumption and reduce wastage as shown in the table above with a view to achieving the remaining goals according to the requirements of the second phase by 2025 instead of 2024. A number of measures are currently being taken to help reaching the target such as increasing the production capacity of Methanol plant. In order to achieve target values in 2025, the Company developed a road map which was discussed with, and ultimately approved by SEEC.

8. RELIABILITY

Considering the attention given by the Company to the preventive maintenance programs and performance and in enhancing its positive results on the different business units, the Company successfully reduced production losses caused by the sudden equipment failures, improved overall plant performance, and thereby increased their productivity and operational efficiency. It adopted and applied certain programs in this regard such as Risk-Based Inspection (RBI) and Reliability-Centered Maintenance (RCM).

9. PLANS, FUTURE PROSPECTS AND RISKS

Chemanol is undertaking a transformation program to reinvent the company as a National Specialty Chemicals Champion, to become the leading specialty Chemical company in the Kingdom.

To achieve this goal, our strategy roadmap Includes the following pillars that will enable Chemanol to sustainably maintain and grow our business. This transformation initiative allows us to be more focused and agile in addressing both opportunities and threats to our business.

1- Sustainable and Strategic Growth

A key pillar of the roadmap where we are developing and executing organic and in-organic growth opportunities. This includes expansion projects, greenfield projects, and acquisitions. All of which are meant to develop and invest across the petrochemical sector value chain. A list of major activities and their expected impact in this regard is shown in the table below.

Project	Type	Strategic Compatibility
Expansions	Brownfield	Overproduction & Cost reduction
Chemanol Downstream Industries	Greenfield	Diversity and expanding the company's business
ACC	Acquisition	Vertical expansion & Horizontal integration
GCI	Acquisition	Vertical expansion & Horizontal integration

2- Innovation & Development

plays an important role in giving a competitive edge to chemical companies. This is why we are taking steps in developing in-house capabilities for research and development that will be geared towards operational excellence and new products and application development,

3- Value Added Creation

We continue to work on bringing value to our shareholders by defining and maintaining clear value proposition and creation from our growth projects, and ultimately delivering top tier Financial Performance.

4- Responsible Investments

Our strategy revolves around making responsible and Sustainable investments, that is why Chemanol is now incorporating clear and defined environmental, social and governance metrics as part of its new investment criteria. Recently, Chemanol signed an MOU with NIDC to enable local development and downstream projects in the Kingdom.

5- Carbon Neutrality

We are also committed to the Kingdom's Carbon Neutrality commitments and have recently announced Chemanol's 2030 and 2050 decarbonization roadmap to enable us to meet those targets, this roadmap includes plans to adopt and integrate with the industry new Energy Transition.

10. RISKS

- The Company's business engages in the manufacture and marketing of chemicals including hazardous and flammable products. To reduce such risks, the Company follows the highest safety standards related to the storage and transportation of products and raw materials. The Company also continuously trains employees in the areas of safety, as well as insuring all its assets and operations.
- Due to the nature of its operations, the Company is exposed to fluctuation of chemical products prices. Therefore, it strives to develop an effective strategy that contributes to reduce the impact of the international price volatility on the Company's products.
- The Company is continuously seeking to reduce employee turnover by providing appropriate working environment, and attracting, training and retaining talented local employees to serve the Company's goals and plans.
- The Company may, from time to time, be subject to scheduled and non-scheduled shutdowns like other companies. It has sought to reduce the risk of such shutdowns by applying comprehensive reliability to all its plants to detect faults before they occur and take the appropriate measures for their maintenance.
- Although the Company views the competition positively, there emerges the problem of dumping practices. The Company takes appropriate legal measures against such practices to protect its own products.
- The Company's products are primarily based on using methanol and methanol derivatives, which means that they are directly correlated to methanol prices. The Company seeks to address this challenge through its future strategy aimed at diversification of its products base.
- The Company allocates a significant part of the cash flow from its operations to repay the principal and long-term loan service, and any fluctuation in the interest rates affects the profitability and cash flow of the Company. Furthermore, the Company assesses its financial capability for prepayment of its loan installments due during the year. It also conducts due studies regarding the possibility of refinancing the existing loans in order to lower the financing costs. The Company also manages the liquidity risk by periodically ensuring that sufficient liquidity is available to meet any future commitments as they fall due.
- There are also the risks related to the Company's transactions in foreign currencies. Currency risk is the risk that the value of a financial instrument will fluctuate because of fluctuations in foreign exchange rates. Therefore, most of the Company's transactions are made in Saudi Riyals and US Dollars and accordingly, the Company's Management believes that the currency risks are immaterial.

11. ASSETS, LIABILITIES AND BUSINESS RESULTS

▪ Statement of Financial Position (in '000 SAR)

Statement	2023	2022	2021	2020	2019
Current Assets	597,294	620,530	655,901	322,810	344,587
Non-current Assets	1,051,644	1,175,545	1,246,665	1,355,093	1,598,450
Total Assets	1,648,938	1,796,075	1,902,567	1,677,903	1,943,038
Current Liabilities	199,252	142,685	385,789	827,555	228,456
Long-term Loans & Other Liabilities	409,128	431,775	498,929	71,816	660,769
Shareholders' Equity	1,040,558	1,221,616	1,018,542	778,532	1,053,813
Total Liabilities & Shareholders' Equity	1,648,938	1,796,075	1,902,567	1,677,903	1,943,038

▪ Statement of Income (in '000 SAR)

Statement	2023	2022	2021	2020	2019
Sales	727,967	1,076,824	1,009,548	495,709	527,240
Cost of Sales	(646,582)	(664,630)	(571,478)	(477,783)	(467,781)
Impairment losses	(72,000)	-	(25,005)	(157,099)	-
Gross Profit	9,386	412,194	(413,065)	(139,173)	59,459
Other Expenses	(1,139)	(6,760)	(4,634)	(5,307)	(3,658)
Selling, Administrative & General Expenses	(154,455)	(161,045)	(122,167)	(91,937)	(96,437)
Financial Expenses	(18,917)	(30,003)	(23,285)	(32,575)	(37,532)
Zakat	(12,674)	(7,958)	(18,974)	(7,102)	(5,908)
Net Profit / (Loss)	(177,800)	206,428	244,005	(276,094)	(84,076)

12. CLARIFICATION ON MATERIAL DIFFERENCES IN OPERATING RESULTS

Particulars	(in '000 SAR)		Variances + or (-)	Percentage of Variance
	2023	2022		
Sales	727,967	1,076,824	(348,857)	32,4 %
Cost of Sales	(646,582)	(664,630)	(18,048)	(2,7%)
Impairment losses	(72,000)	-	-	-
Gross Profit	9,385	412,194	(402,809)	(97,7%)
Operating Profit	(146,209)	244,390	(390,599)	(159,8%)

The Company realized sales of SAR 728.0 million in 2023 compared to sales of the previous year, which was SAR 1,076.8 million, a decrease of 32.4%. The Company also recorded a gross profit of SAR 9.4 million against SAR 412.2 million in 2022. Total operating loss amounted to SAR 146.2 million in 2023 compared to operating profit of SAR 244.4 million in 2022. The company incurred a net loss of SAR 177.8 million in 2023 as compared to the net profit of SAR 206.4 million in the previous year primarily due to the significant decline in the average selling prices of the major products by 37%, despite the increase in selling quantities by 7% in the current year as compared to last year, even though there was a major turnaround of Methanol plant done in Q1 2023 as announced earlier on 23 Feb 2023.

13. CLARIFICATION OF ANY DIFFERENCE FROM THE ACCOUNTING STANDARDS APPROVED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS

The Company's financial statements for FY ended December 31, 2023, have been prepared in accordance with the International Financial Reporting Standards adopted by the Kingdom of Saudi Arabia.

14. AUDITORS' REPORT AND THE FINANCIAL STATEMENTS

The Auditor's report shows that the financial statements are free from material misstatement and there are no reservations about them. Furthermore, the Board of Directors has not recommended to replace the Auditor.

15. DIVIDEND POLICY

Articles 42 of the Company's Articles of Association stipulates the Dividend distribution as follows:

1. The Company may distribute interim dividends bi-annually or quarterly under the following controls:
 - a. The General Assembly shall delegate the Board to distribute the dividends as per the policy adopted thereby.
 - b. The Company shall achieve good and regular profitability.
 - c. The Company shall have reasonable liquidity and profitability that may be predicted.
 - d. The Company shall have divisible earnings as enumerated in the most recent financial statements as sufficient to cover the proposed earnings, less the divided amounts of such earnings after the date of such statements.
2. The divisible earnings shall consist of the retained earnings demonstrated in the balance sheet as for the most recent period immediately prior to the period during which the division resolution is adopted, plus any divisible reserve balance, setting aside percentage of net profits for reserves for certain purposes, if any.

16. CHANGE IN EQUITY FOR PERSONS OTHER THAN DIRECTORS AND SENIOR EXECUTIVES

None of the shareholders other than directors or Senior Executives have notified the Company of any change in the ownership of the shares during the year ended 31/12/2023.

17. INFORMATION ON COMPANY LOANS

The Company's loans and financing facilities at the end of 2023 amounted to SAR 356.3 million compared to SAR 356.3 million at the end of 2022. This is given the 2023 instalments were prepaid in 2022, thus no loan repayment was done in 2023. Financing facilities include bank loans in accordance with the Islamic Murabaha Regulation.

The following table shows the Company's Payable Loans at the end of 2023 (SAR in '000')

Lender	Loan Amount	Loan Period (year)	Maturity Date	Opening Balance	Additions	Payments	Restructured Amounts	Closing Balance
Alinma (Syndicate)	227,500	8	31/12/2030	178,167	-	-	-	178,167
Banque Saudi Fransi (Syndicate)	227,500	8	31/12/2030	178,167	-	-	-	178,167
Total commercial banks' long-term loans	455,000	-	-	356,334	-	-	-	356,334

18. DESCRIPTION OF DEBT INSTRUMENTS ACTIVITIES

There are no convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the Company during the FY 2023. There are also no rights of transfer or subscription under convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the Company during the FY 2023. Also, there is no refund, purchase, or cancellation by the Company for any redeemable debt instruments.

- There is no interest in voting shares class belonging to persons (other than the Company's Board of Directors, and Senior Executives and their relatives), who have notified the Company of holdings pursuant to Article eighty-five of the Rules on the Offer of Securities and Continuing Obligations.

19. CORPORATE GOVERNANCE

The Company implements all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority except for the following provisions:

Article No.	Article	Reasons for Non-application
13/ c	Shareholders' General and Special Assemblies shall convene upon the request of the Board of Directors in accordance with the conditions stipulated in the Companies Law and its implementing Regulations as well as the Company's Articles of Association. The Board of Directors shall invite the Ordinary General Assembly to convene within thirty days from the date of the request made by the external auditor, the Audit Committee or a number of shareholders holding shares equal to at least (10%) of the share capital of the Company that have voting rights. The external auditor may invite the Ordinary General Assembly to convene if the Board of Directors does not invite the Assembly to convene within thirty days from the date of the auditor's request.	The external auditor or any of the shareholders holding shares equal to 10% of the share capital of the Company did not request the Ordinary General Assembly to convene during the FY 2023.
39/a	The Board shall develop, based on the proposal of the Nomination Committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management, through appropriate performance measurement indicators linked to accomplishing the Company's strategic objectives provided that the strengths, weaknesses, and proposal for addressing them shall be identified in accordance with the interest of the Company.	A guiding article. Although it is a guiding article, the Nominations and Remuneration Committee sets annual performance indicators to assess the performance of the Executive Management in accordance with the Company's strategic objectives. The Committee also aims, during the next phase, to develop the necessary mechanisms to assess the performance of the Board, its members, and its committees.
39/e	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.	A guiding article. It hasn't been implemented till date.
39/f	The non-executive members of the Board of Directors shall conduct a periodic assessment to the Chairman of the Board after taking the views of the executive members provided that the Chairman of the Board shall not attend the discussion designated for this purpose. Strengths and weaknesses, and proposal for addressing them shall be identified in accordance with the interest of the Company.	A guiding article. It hasn't been implemented till date.
67	A Risk Management Committee shall be formed by a resolution from the Company's Board of Directors where the Chairman and majority of its members shall be non-executive directors. The members of that Committee shall possess adequate levels of knowledge in risk management and finance.	A guiding article. An ad hoc Risk Management Committee consisting of the Senior Executives was formed. It is to be noted that risk monitoring falls within the functions of the Audit Committee. Also, a risk register has been established and it will be annually updated and submitted to the Audit Committee and Board of Directors.
68	Authorities of the Risk Management Committee.	
69	Meetings of the Risk Management Committee.	

84	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	A guiding article. The Company's Corporate Governance Regulation includes Policy for social responsibility and contributions which shall be approved by the General Assembly later.
85	Social Work Initiatives	The Board of Directors carries out many social initiatives towards the community, whether through organizing awareness initiatives related to security and environmental safety or through training students from technical colleges in the Company's plants, as well as donations and contributions to non-profit associations and institutions.
93	Formation of a Corporate Governance Committee.	A guiding article. The Board formed specialized committees in accordance with the needs of the Company and its conditions to enable it to perform its functions and duties effectively, Also, the work of the Board and its committees are considered key components of the Corporate Governance, where each of them contributes to the achievement of its objectives.

20. BOARD OF DIRECTORS

The current Board members were elected by the Ordinary General Assembly convened on November 09, 2021, for a period of three years; from 12/11/2022 to 11/11/2024, through cumulative voting system.

The current Board of Directors is comprised of the following members:

Name of Member	Membership Classification	Position
Eng. Ali Abdul Aziz Al-Turki	Independent	Chairman of the Board
Mr. Melfi Manahi Al-Marzoqi	Independent	Vice Chairman
Eng. Saud Abdullah Al-Sanea	Non-Executive	Board Member
Mr. Abdullah Abdulrahman Bu-Ali	Non-Executive	Board Member
Mr. Hani Sulaiman Al-Saleh	Independent	Board Member
Eng. Waleed Abdul Aziz Al-Showair	Independent	Board Member
Eng. Abdullah Abdul Aziz Al-Znaedi	Independent	Board Member
Mr. Yousif Abdullah Al-Rajhi	Independent	Board Member
Eng. Sabri Abdullah Al-Ghamdi	Executive	Board Member

Current and previous positions, qualifications, and experience of Board & Committees Members:



Eng. Ali Abdul Aziz Ali Al-Turki

Chairman of the Board

Chairman of Executive Committee

Member of Project Steering Committee

Current Position:

Founding Partner and CEO of Energy Capital Group (ECG)

- Board Member of Nesma & Partners Co.
- Board Member of AL-Safwa Cement Co.

Previous Positions & Experience:

- Vice Chairman of Rawabi Holding Co.
 - Member of Rawabi's Executive Committee.
 - Executive Chairman of the Board of Directors of Redland Industrial Services (RISAL); Arabia.
- Eng. Ali Al-Turki holds a bachelor's degree in manufacturing engineering from Boston University, USA.



Mr. Melfi Manahi Melfi Al-Marzoqi
Vice Chairman

- **Member of Nominations & Remuneration Committee**

Current Position:

MD & CEO of Thimar Development Holding Co.

Previous Positions & Experience:

- Vice-President of Human Resources at Etihad Etisalat Co. (Mobily).
- General Manager of Public Services at Etihad Etisalat Co. (Mobily).
- General Manager of Administration and Property Affairs at Etihad Etisalat Co. (Mobily).
- Executive Director of Licensing Affairs at Etihad Etisalat Co. (Mobily).
- Director of Administration Affairs Department at Etihad Etisalat Co. (Mobily).
- Services Department Manager at the General Authority of Zakat & Tax.

Mr. Melfi Al-Marzoqi holds Diploma of Electronics from the College of Technology, Bachelor's Degree in Business Management from King Abdul Aziz University, KSA, and certificate of Senior Executives from London Business School, United Kingdom.



Eng. Saud Abdullah Al-Sanea
Board Member

- Member of Executive Committee.**
- Member of Marketing Committee.**

Current Position: Retiree

Previous Positions & Experience:

- CEO & Managing Director of Chemanol.
- CEO of Saudi Methanol Co. (AR-RAZI).
- Operations General Manager at Saudi Arabia Petrochemical Company (SADAF).
- Technical and Maintenance General Manager at Saudi Arabia Petrochemical Company (SADAF).

Eng. Saud Al-Sanea is a graduate in Electrical Engineering from USA and also holds a Degree in Executive Development Program from Kellogg, North Western University, USA.



Mr. Abdullah Abdulrahman Bu-Ali

Board Member

Member of Audit Committee

Current Position:

Retiree

Previous Positions & Experience:

- CFO of Chemanol.
- General Manager – Finance at National Methanol Company (Ibn Sina).
- General Manager - Finance & Administration at Saudi Arabia Petrochemical Company (SADAF).
- General Manager – Finance at MARAFIQ

Mr. Bu-Ali holds a Bachelor's Degree in Industrial Management from the King Fahd University of Petroleum & Minerals, KSA.



Eng. Abdullah Abdul Aziz Nasser Al-Znaedi

Board Member

Chairman of Marketing Committee.

Current Position:

- CEO of the Explosives Sector at Saudi Chemical Co.
- Board Member of Al-Jouf Cement Co.
- Member of Executive & Monitoring Committees, Al-Jouf Cement Co.

Previous Positions & Experience:

- He previously worked in several positions at the Saudi Basic Industries Corporation (SABIC), the most recent of which was CEO and Managing Director of SABIC Africa.

Eng. Abdullah holds a bachelor's degree Chemical Engineering from King Fahd University of Petroleum & Minerals, KSA, and a Master of Business Administration (Executive MBA) in Global Management from Thunderbird School of Global Management, USA.



Mr. Yousif Abdullah Abdul Aziz Al-Rajhi

Board Member

Member of Audit Committee.

Current Position:

- General Manager of Abdullah Abdul Aziz Al-Rajhi & Sons Industrial Co.

Previous Positions & Experience:

- General Manager of Al-Rajhi Industrial & Trading Co.
- Financial Project Manager at Al-Rajhi Exchange & Investment Co.
- Branch Manager of Al-Rajhi Banking & Investment Corporation.

Mr. Yousif Al-Rajhi holds a Bachelor's Degree in Economic & Political Sciences from King Saud University, KSA, and a Master of Development Administration from Western Michigan University, USA.



Mr. Hani Sulaiman Abdul Rahman Al-Saleh

Board Member

Chairman of Nominations & Remuneration Committee

Current Position:

- CEO of Arabian Hala Group.

Previous Positions & Experience:

- Founder & CEO of Naqel Co.
- Project Manager at the Saudi Industrial Development Fund (SIDF).
- Board Member of Al Etihad Cooperative Insurance Co.
- Board Member of Alujain Holding Corp.
-

Mr. Hani holds a Bachelor's Degree in Finance Management from King Saud University, KSA, and a Master of Business Administration (MBA) in Entrepreneurship from Babson College, USA.



Eng. Waleed Abdul Aziz Al-Showair

Board Member

Current Position:

- Deputy Chief Executive Officer for Sales & Marketing at Al-Jouf Cement Co.
- Sales Department Manager at Al-Jomaih Equipment Co.

Previous Positions & Experience:

- Worked at Al-Khorayef Equipment Co., and Akel Trading & Industrial Co.

Eng. Waleed Al-Showair holds Bachelor's Degree in Agricultural Engineering from King Saud University, KSA.



Eng. Sabri Abdullah Al-Ghamdi

Board Member

MD & CEO.

Member of Executive Committee

Member of Project Steering Committee

Previous Positions & Experience:

- Refinery Processes Engineer Saudi at Aramco.
- Global Technology Licensing Manager at Saudi Arabia Basic Industries Corporation (SABIC).
- Executive Director of the Center of Expertise, Global Technology Licensing and Contract at SABIC.
- Chairman of Investment Committee at Global Company for Downstream Industries (GDI).
- Currently is a member of Board of Directors of Hadaf International Energy Company.
- Previously held Board memberships in various companies including GDI, Global Company for Chemical Industries (GCI); an affiliate of GDI, and Rufayah Chemicals Company (RCC) an affiliate of GDI.

Eng. Sabri holds bachelor's degree in chemical engineering from King Fahd University of Petroleum & Minerals, KSA, and specialized high level management training courses.

The following table shows the Directors' membership in current and former Boards:

Name of Member	Memberships in current boards of directors of companies or being one of their Management Teams	Memberships of Former boards of directors or Being one of their Management Teams
<p>Eng. Ali Abdul Aziz Al-Turki</p>	<p>Inside the Kingdom Chairman of Immensa Technologies Co. First Power Energy Co. Advanced Technologies Company for Mining Al-Maseya Energy Co. AL-Safwa Cement Co. Nesma & Partners Co.</p>	<p>Inside the Kingdom - Vice Chairman of Rawabi Holding Co. Nesma & Partners Co. - Rawabi Vallianz Offshore Services Co. - Jenan Real Estate Co. -National Petrochemical Industry Co. (NATPET). - Samba Capital & Investment Management Co., and Alujain Holding Corp. - Alujain Holding Corp. - Executive Committee member of the Saudi Cancer Foundation. - Asharqia Business Youth Council of the Eastern Province Chamber of Commerce. Outside the Kingdom: - Neos Geo Solutions Inc (USA).</p>
<p>Mr. Melfi Manahi Al-Marzoqi</p>	<p>Inside the Kingdom Thimar Development Holding Co.</p>	<p>Inside the Kingdom - Nama Chemicals Co</p>
<p>Eng. Saud Abdullah Al-Sanea</p>	<p>Inside the Kingdom None</p>	<p>Inside the Kingdom - Saudi Arabia Petrochemical Co. (SADAF), an affiliate of SABIC/ a limited liability Co. - Saudi Methanol Co. (AR-RAZI), an affiliate of SABIC/ a limited liability Co.</p>
<p>Mr. Abdullah Abdulrahman Bu-Ali</p>	<p>Inside the Kingdom Saudi Water Partnership Company (SWPC), a limited liability Co.</p>	<p>Inside the Kingdom - Marafiq Insurance Limited, a limited liability Co. - Saudi Iron & Steel Company (Hadeed), a limited liability Co. - MARAFIQ Water and Power Supply Co. (TAWREED), a limited liability Co. - Jubail Water &-Power Co. (JWAP), a limited liability Co. - SABIC Catalyst Company, a limited liability Co.</p>

Mr. Hani Sulaiman Al-Saleh	Inside the Kingdom - Naqel Co. - Dermabit Waterproofing Industries Co. - Hala Supply Chain Services Co. - Health Water Bottling Co. - Hala Auto For Cars. - Specialized Automotive Company	Inside the Kingdom Al Etihad Cooperative Insurance Co Alujain Holding Corp.
Eng. Waleed Abdul Aziz AlShowair	Inside the Kingdom Thimar Development Holding Co.	Inside the Kingdom None
Mr. Yousif Abdullah Al-Rajhi	Inside the Kingdom - Abdullah Abdulaziz Al Rajhi & Sons Holding Co. - Abdullah Al-Rajhi Trust Foundation - Almatar Co. for Commercial Services. - Tabuk Agricultural Development Co. - United International Transportation Co. (Budget, Saudi). - Riyadh International Hotels & Resorts. - Al Rajhi Hydraulic Center. Outside the Kingdom Islami Bank Bangladesh plc.	
Eng. Abdullah Abdul Aziz Al-Znaedi	Inside the Kingdom - Methanol Chemicals Co. (Chemanol) - Al-Jouf Cement Co.	Inside the Kingdom None
Eng. Sabri Abdullah Al-Ghamdi	Inside the Kingdom Hadaf International Energy Company.	Inside the Kingdom - Global Company for Downstream Industries (GDI). - Global Company for Chemical Industries (GCI). - Rufayah Chemicals Company (RCC) an affiliate of GDI.

Current & previous positions of members of Committees who are coming from outside the Board:



Mr. Saad Ibrahim Al-Mushawah
Chairman of Audit Committee.

Current Position:

- Board & Executive Committee Member, Qassim Cement Co.
- Board Member & Head of Audit Committee, Al-Jazeera Bank.
- Board Member & Head of Nomination Committee, Al-Othaim Co.
- Board Member, Maan Al-Jasla Closets.
- Member of Board, Audit and Executive Committees, Al Watania Agriculture Company.
- Audit Committee Member, Durrah Sugar Co.
- Audit Committee Member, Thob Al Aseel Co. (a Joint-Stock Co.).
- Board Member, Soybean Crushing Company & Derivatives Limited.
- Nomination Committee Member, King Abdullah Humanitarian Foundation.

Previous Positions & Experience:

- Head of Lending Team, Saudi Industrial Development Fund (SIDF).
- Chief Executive Officer, Gulf Union Foods Co.
- Board Member of Al-Jazira Takaful.
- Head of Audit Committee, Al-Jazeera Takaful.
- Nomination & Remuneration Committee Member, Alessa Industries.
- Nomination & Remuneration Committee Member, Raza Co.

Mr. Saad Al-Mushawah holds bachelor's degree in industrial management from King Fahd University of Petroleum & Minerals, KSA. He attended specialized courses in Financial Management & Investment at Chase Manhattan Bank, USA, and Finance & Economics at Harvard University, USA.



Mr. Abdullah Abdul Rahman Al Al-Sheikh
Member of Audit Committee.

Current Position:

- Chief Financial Officer, Abdullah Abdul Aziz Al-Rajhi.
- Board Member, Allied Cooperative Insurance Group (ACIG).
- Board Member, Enma Al-Rwabi Co.
- Board Member, Al-Kathiri Holding Co.
- Board Member, PBS Co.
- Chairman of Audit Committee, Allied Cooperative Insurance Group (ACIG).
- Audit Committee Member, National Unified Procurement Company (NUPCO).
- Executive Committee Member, Specialist International Holding Co.

Previous Positions & Experience:

- Chief Financial Officer, Saudi Medicare Group.
- Chief Financial Officer, King Faisal Specialist Hospital & Research Centre.
- Head, Internal Audit, Saudi Stock Exchange (Tadawul).
- Executive Director, Internal Audit, King Fahad National Guard Hospital Program (AMI – GAMA).

Mr. Abdullah Al Al-Sheikh holds Bachelor's Degree in Accounting from King Saud University, KSA and a Master of Business and Accounting from Aberdeen University, United Kingdom.



Mr. Khalid Abdul Aziz Al-Hoshan
Member of Audit Committee.

Current Position:

- Head of Internal Audit, National Health Laboratory

Previous Positions & Experience:

- General Manager of Al-Rajhi Industrial & Trading Co.
- Group Internal Audit Manager, Safari Holding Company.
- Head of Internal Audit, Al-Ahlia for Cooperative Insurance Company.
- Audit & Compliance Officer, General Organization for Social Insurance.

Member of Audit Committees of a number of companies and organizations such as: Saudi Chemical Holding Company, Saudi Paper Manufacturing Co., Naseej International Trading Co, and Arab Sea Information System Company, and National Tri-generation Company (NTCC, an Unlisted Joint-Stock Co.)

Mr. Khalid Al-Hoshan holds bachelor's degree in law from King Saud University, KSA and a Master of Business Administration from University of Newcastle, Australia.



Mr. Khaled Asaad Khashoggi
Member of Marketing Committee.

Current Position:

- CEO of Oak Wood Co.
- Partner & Executive Board Member of Calin Capital – Canada.

Previous Positions & Experience:

- Administration Manager at City Development Co.; an affiliate of Aqar Holding Co.
- Sales Manager at City Development Co.; an affiliate of Aqar Holding Co.
- Operations Manager at Investment Development Co.
-

Mr. Khaled Khashoggi holds Bachelor's Degree in Business Administration from Templeton University, New York, USA



Eng. Akram Aouni Mohamed Al-Rabayah

Chairman of Project Steering Committee

Member of Executive Committee

Member of Nomination & Remuneration Committee

Current Position:

- Founding & Partner, Energy Capital Funding Group LLC
- CEO of Cayan Group.

Previous Positions & Experience:

- Control Systems Engineer, Aramco Projects, Southern Province, KSA., Bachtel.
- Services Manager at General Electric Co., Controls & Optimization.
- Regional General Manager for Africa, India & Middle East at GE.
- President & Executive Director, CCC. At GE.
- Managing Director of Jazan Gas Co. & Air Products Co, Qudra.

Eng. Akram Al-Rabayah holds bachelor's degree in systems Engineering and a Master of Mechanical Engineering from King Fahd University of Petroleum & Minerals, KSA.

21. BOARD MEETINGS AND ATTENDANCE RECORD FOR EACH MEETING

The Board of Directors held four (4) meeting during 2023 as per the following:

Name of Member					Total
	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	
	March 19 th	September 19 th	September 28 th	December 20 th	
Eng. Ali Abdul Aziz Al-Turki	✓	✓	✓	✓	4
Mr. Melfi Manahi Al-Marzoqi	✓	✓	✓	✓	4
Eng. Saud Abdullah Al-Sanea	✓	✓	✓	✓	4
Mr. Abdullah Abdulrahman Bu-Ali	✓	✓	✓	✓	4
Mr. Hani Sulaiman Al-Saleh	✓	✓	✓	✓	4
Eng. Waleed Abdul Aziz Al-Showair	✓	✓	✓	✓	4
Mr. Yousif Abdullah Al-Rajhi	✓	✓	✓	✓	4
Eng. Abdullah Abdul Aziz Al-Znaedi	✓	✓	✓	✓	4
Eng. Sabri Abdullah Al-Ghamdi	✓	✓	✓	✓	4

22. Executive Management

Current and previous positions, qualifications, and experience of Senior Executives of the Company:



Eng. Sabri Abdullah Al-Ghamdi

Board Member

MD & CEO.

Member of Executive Committee

Member of Project Steering Committee

Current Position:

- Over 30 years of experience in petrochemicals, chemical industries, and project development sectors.
- Currently is a member of Board of Directors of Hadaf International Energy Co., Board member of Al-Baha Municipality, and Chairman of Board of Directors of Madarat Al-Dhara Chemicals Co.

Previous Positions & Experience:

- Global Technology Licensing Manager at Saudi Arabia Basic Industries Corporation (SABIC).
- Executive Director of the Center of Expertise, Global Technology Licensing and Contract at SABIC.
- Chairman of Investment Committee at Global Company for Downstream Industries (GDI).
- Previously held Board memberships in various companies including GDI, Global Company for Chemical Industries (GCI); an affiliate of GDI, and Rufayah Chemicals Company (RCC) an affiliate of GDI.

Eng. Sabri holds a bachelor's degree in chemical engineering from King Fahd University of Petroleum & Minerals, KSA, and specialized high level management training courses.



Mr. Fares Al-Abbad

Vice President – Manufacturing



Mr. Abdulaziz Dammak Daabash

General Manager - Strategy, Projects, and Business Development

Previous Positions & Experience:

He has more than 26 years of professional experience in the petrochemical industries and project development sector at SABIC, where he worked in operation and process engineering sections as production engineer then senior manager. He also worked as a leader of the process engineering team in converting oil projects to petrochemicals, as well as an expert in the manufacture of olefins, aromatics, butadiene, and butene. Eng. Al-Abbad holds two patents in the same field. He attended dozens of training courses in petrochemicals industry, and the know-how of management and leadership inside and outside the Kingdom.

Engineer Fares Al-Abad holds a bachelor's degree in Applied Chemical Engineering from King Fahd University of Petroleum and Minerals.

Previous Positions & Experience:

- Held various leadership roles in the petrochemical sector, including research and development, process engineering, engineering and technical support, industrial technology investments, acquisitions, and project engineering business development, where he held several positions, including:
- Technology and Innovation Investments Senior Manager - Saudi Basic Industries Corporation (SABIC).
- Technology Licensing Senior Manager - Saudi Basic Industries Corporation (SABIC)

Mr. Daabash holds a master's degree in chemical engineering from the University of Houston and a bachelor's degree in chemical engineering from Texas A&M University, USA.



Mr. Ali Mutair Al-Hothaly

GM HR & Shared Services

He held the position of Intergraded Management System (IMS) & SAP Project Senior Manager before assuming his current position in 2022.

Prior to joining Chemanol, Mr. Ali served in various key administrative positions for more than 20 years at the Saudi Basic Industries Corporation (SABIC), including:

- Internal Audit Senior Manager and Secretary of the Audit Committee at Saudi Methanol Co. (ARRAZI).
- Area Manufacturing Jubail Cost Senior Controller (SABIC).
- HR Business Partner (SABIC).
- Staff Specialist and SAP Basis Expert at Saudi Methanol Co. (ARRAZI).

He also worked as Computer Science Instructor at the Royal Commission for Jubail.

Mr. Ali Al-Hothaly holds a bachelor's degree in management information systems (MIS) from King Saud University, a certificate of Systems Engineer specialized in Unix System and a certificate of Lead Auditor ISO 9001.



Mr. Syed Sohaib Ahsan

Chief Financial Officer (CFO)

Previous Positions & Experience:

Mr. Sohaib is an experienced finance professional with more than 18 years of extensive experience in Finance Operations including Financial Analysis, IFRS Financial & Accounting Reporting, Board Reporting, Audit as well as Team Management and Leadership. He has previously served with reputable entities like PwC Karachi and Jeddah offices, EY Dubai and London offices and Marafiq in KSA .

He holds a bachelor's degree in business administration from University of Karachi, Pakistan and he is a Chartered Certified Accountant from the Association of Chartered Certified Accountants in the UK.



Mr. Osama Saeed Abdul Fattah

Legal Counsel & Board Secretary

Previous Positions & Experience:

- Over 20 years in the field of Companies Regulations, Commercial contracts, corporate governance, secretariat of Boards of Directors of joint-stock companies.

Held several leadership positions such as:

- Deputy Director of Legal Affairs, Concord International Co. (Egypt).
- Director of Legal Affairs, Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER).
- Board Secretary, Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER).

Mr. Osama holds a bachelor's degree in law from Faculty of Law, English Section, Cairo University, Egypt.



Mr. Eid Abdul-Mohsen Al-Dossary

General Manager, EHSS & Administration

Previous Positions & Experience:

- More than 20 years held various leadership positions in Chemanol.
- Administration Manager at Al-Fozan Factory.

Mr. Al-Dossary holds a bachelor's degree in projects management from King Faisal University, KSA



Mr. Saad Ali Al-Garni
General Manager, Commercial

Mr. Saad Al-Garni was Marketing Manager before assuming his current position. He has more than 14 years of extensive and rich experience in business development, sales, marketing, and customer services varying from Oil & Gas, FMCG to petrochemical industries.

Before joining Chemanol, he worked in many distinguished companies, including Jubail Energy Services Company (JESCO) as Sales Specialist from 2010 to 2013. Then he joined Abu Dawood-Saudi FMCG distributor for P&G (IATCO) as Sales Section Manager and throughout his career with IATCO which lasted for 9 years, he occupied several leadership positions in various departments the last of which was Major Clients' Accounts Development Manager.

Mr. Saad holds a bachelor's degree in industrial management - Marketing from King Fahd University of Petroleum & Minerals (KFUPM), 2010.

23. INTERESTS OF BOARD MEMBERS AND SENIOR EXECUTIVES

There are some interests in the shares of the Company during 2023, belong to some members of the Board of Directors as shown below:

First: Members of the Board of Directors

Description of any interest, contractual papers and subscription rights attributable to the members of the Board of Directors in the Company's shares or debt instruments during the FY 2023								
Name	Beginning of the year			End of the year			Net Change	Percentage of Change
	Number of shares	Debt Instruments	Percent. of Ownership	Number of shares	Debt Instruments	Percent. of Ownership		
Eng. Ali Abdul Aziz Al-Turki	100	-	-	100	-	-	-	0%
Mr. Melfi Manahi Al-Marzoqi	2100	-	-	3,800	-	-	1,700	80%
Eng. Saud Abdullah Al-Sanea	1,000	-	-	8,000	-	-	7,000	800%
Mr. Abdullah Abdulrahman Bu-Ali	-	-	-	-	-	-	-	0%
Eng. Waleed Abdul Aziz Al-Showair	10	-	-	-	-	-	10	100%
Eng. Abdullah Abdul Aziz Al-Znaedi	20	-	-	20	-	-	-	0%
Mr. Hani Sulaiman Al-Saleh	17,620	-	-	24,6758	-	-	229,138	1300%
Mr. Yousif Abdullah Al-Rajhi	24,688	-	-	24,688	-	-	-	0%
Eng. Sabri Abdullah Al-Ghamdi	587	-	-	587	-	-	-	0%

Description of any interest attributable to the spouses and children of minors of members of the current Board in the Company's shares in 2023.

Description of any interest, contractual papers and subscription rights attributable to the spouses and children of minors of members of the Board in the Company's shares or debt instruments as from the beginning of the term of the current Board on 12/11/2021								
Name	Beginning of the year			End of the year			Net Change	Percentage of Change
	Number of shares	Debt Instruments	Percent. of Ownership	Number of shares	Debt Instruments	Percent. of Ownership		
Spouse of Mr. Hani Sulaiman Al-Saleh	9,042	-	-	25,679	-	-	16,637	183%
Mr. Sulaiman Hani Sulaiman Al-Saleh	5	-	-	-	-	-	-	100%
Spouse of Eng. Waleed Abdul Aziz Al-Showair	3,000	-	-	3,000	-	-	-	0%

*Except as indicated above, there is not any interest attributable to the spouses and children of minors of members of the Board in the Company's shares in 2023.

Second: Senior Executives

There is no any interest attributable to the Senior Executives in the Company's shares in 2023.

Description of any interest, contractual papers and subscription rights attributable to the Senior Executives and their relatives in the Company's shares or debt instruments								
Name	Beginning of the year			End of the year			Net Change	Percentage of Change
	Number of shares	Debt Instruments	Percent. of Ownership	Number of shares	Debt Instruments	Percent. of Ownership		
Eng. Sabri Abdullah Al-Ghamdi	587	-	-	587	-	-	-	0%
Eng. Fares Ahmed Al-Abbad	-	-	-	-	-	-	-	-
Mr. Syed Sohaib Ahsan	-	-	-	-	-	-	-	-
Mr. Eid Abdul-Mohsen Al-Dossary	-	-	-	-	-	-	-	-
Osama Saeed Abdul Fattah	-	-	-	-	-	-	-	-
Mr. Saad Ali Al-Garni	-	-	-	-	-	-	-	-
Mr. Ali Mutair Al-Hothaly	3000	-	-	3000	-	-	-	0%

* There is no any interest, contractual papers and subscription rights attributable to the relatives of Senior Executives in the Company's shares or debt instruments.

24. REMUNERATION OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT

Considering the provisions governing the remuneration of Board members, Board committees and Senior Executives, there was no significant deviation during the FY 2023 in any remuneration paid to the Board members and Senior Executives from the Remuneration Policy adopted by the Ordinary General Assembly on 15/06/2023. Hence, the remuneration of Board members, Board committees and Senior Executives was paid in accordance with the following principles and rules:

First: Board Members & Board Committees:

- Based on the Remuneration Policy for Board Members, Board Committees and Senior Executives adopted by the Ordinary General Assembly on 15/06/2023, The Board of Directors shall, on a recommendation of the Nominations & Remuneration Committee, determine the remuneration of Board members and Committee members in accordance with the following principles:
 - ✓ The organization of the remuneration should be consistent with the Company's strategic objectives and should be an incentive factor for the members of the Board and committees to achieve these objectives and enhance the Company's ability to develop and sustain its business.
 - ✓ The remuneration should be commensurate with the nature of the Company's business, activity and size, as well as the experience required.
 - ✓ The remuneration should be a means to attract Board members with experience and qualifications to enhance the Company's ability to achieve its objectives.

- ✓ The remuneration shall be determined based on the level of job, the tasks and responsibilities assigned to its occupant, academic qualifications, practical experience, skills, and level of performance.
- ✓ The remuneration shall be fair and proportionate to the member's competencies, work and responsibilities carried out and borne by members of the Board of Directors or committees, in addition to the goals set by the Board of Directors to be achieved during the financial year.
- ✓ The Company's Articles of Association specifies the method of remunerating members of the Board of Directors. It may consist of a certain amount, attendance allowance for sessions, certain benefits, a certain percentage of the net profits, other allowances or granting of shares. It is permissible to combine two or more of these benefits. However, the Company's Articles of Association may specify the maximum limit for these awards.
- ✓ The members' remuneration may be of varying amount to reflect the member's experience, competence, tasks entrusted to him, his independence, the number of sessions he attended, and any other considerations, according to the discretion of the Board of Directors and based on a recommendation of the Nomination and Remuneration Committee.
- ✓ An annual remuneration of four hundred thousand (400,000) Riyals for the Chairman of the Board of Directors and three hundred thousand (300,000) Riyals for each member of the Board, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending meetings in the amount of 3,000 Riyals. For members outside the Company's head office business class airline ticket or its equivalent shall be provided, in addition to booking a suitable hotel, provided that the amount does not exceed (2,000) Riyals per night.
- ✓ A member of the Board of Directors may obtain a remuneration in exchange for his membership in the Audit Committee formed by the General Assembly, or in return for any additional executive, technical, administrative or advisory work or positions - under a professional license - assigned to him in the Company, in addition to the remuneration that he can obtain as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Articles of Association.
- The annual remuneration of the members of Board Committees shall be as follows:
 - ✓ An annual remuneration of two hundred thousand (200,000) Riyals for the Chairman of the committee and one hundred-fifty thousand (150,000) for each member of the committees, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending meetings in the amount of three thousand (3000) Riyals. For members from outside the Company's head office, a business class airline ticket is provided, or its equivalent, in addition to booking a suitable hotel, provided that the amount does not exceed two thousand (2,000) Riyals.
 - ✓ An annual remuneration of three hundred thousand (300,000) Riyals for the Chairman of the Audit committee and two hundred thousand (200,000) for each member of the committees, provided that the entitlement to this award is proportional to the number of meetings the member attends during the year, and a remuneration for attending

meetings in the amount of three thousand (3000) Riyals. For members from outside the Company's head office, a business class airline ticket is provided, or its equivalent, in addition to booking a suitable hotel, provided that the amount does not exceed two thousand (2,000) Riyals.

- ✓ The Board of Directors may take decisions that include paying an additional work allowance to any member who is assigned additional work for the Company, provided that they are disclosed in the Company's annual report.
- ✓ The Company shall pay attendance allowances to members of the Board and committees immediately after the end of each meeting.
- ✓ The remuneration of the Board and committees, the allowance for attending Board and committee meetings may be paid in installments at the end of each quarter of the financial year.
- ✓ If the Audit Committee or the Capital Market Authority find that the remunerations paid to any member of the Board of Directors are based on incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board of Directors, then he must return them to the Company, and the Company shall have the right to ask for restitution.

Second: Senior Executives:

- Based on a recommendation of the Nominations & Remuneration Committee, the Board of Directors shall determine the remuneration of Senior Executives in accordance with the following principles:
 - ✓ The remuneration and compensation should be consistent with the Company's strategic objectives and should be an incentive factor for Senior Executives to achieve these objectives and enhance the Company's ability to develop and sustain its business.
 - ✓ The remuneration should be commensurate with the nature of the Company's business, activity, and size, as well as the experience required.
 - ✓ The remuneration should enable the Company to attract Senior Executives with the necessary credentials, skills and capabilities to enable the Company to achieve its objectives.
 - ✓ The remuneration should not cause any conflict of interest that would adversely affect the interest of the Company and its ability to achieve its objectives.
 - ✓ The short-term incentive plans linked to exceptional performance and long-term incentive plans such as share/ stock option programs.
 - ✓ The Nominations and Remuneration Committee shall submit a recommendation to the Board of Directors based on a proposal from the CEO to retain the employees and guarantee their continuity in the Company by giving them home ownership and shares in the Company.

The following tables show the remuneration and compensation paid to the members of the Board of Directors during the FY ended December 31, 2023, in accordance with Article Ninety-Three of the Corporate Governance Regulation:

Board Members	Specific amount	Fixed Remuneration					Total	Variable Remuneration					Grand Total	Expense Allowance		
		Allowance for attending meetings of the Board	Total allowance for attending committee meetings	In-kind benefits	Remuneration of technical administrative and Chairman, Managing Director	Percentage of profits		Periodic Remuneration	Short-term incentive plans	Long-term incentive plans	Shares granted	Total			End of service benefits	
FIRST: INDEPENDENT MEMBERS																
Eng. Ali Abdul Aziz Al-Turki	400,000	12,000	168,000	-	-	-	580,000	-	-	3,000,000*	-	-	-	-	3,580,000	3,500
Mr. Melfi Manahi Al-Marzoqi	300,000	12,000	12,000	-	-	-	312,000	-	-	-	-	-	-	-	312,000	5,000
Mr. Hani Sulaiman Al-Saleh	300,000	12,000	12,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	3,500
Eng. Waleed -Showair	300,000	12,000	12,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	3,500
Eng. Abdullah Al-Znaedi	300,000	12,000	12,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	7,000
Mr. Yousif Abdullah Al-Rajhi	300,000	12,000	21,000	-	-	-	333,000	-	-	-	-	-	-	-	333,000	1,500
SECOND: NON-EXECUTIVE MEMBERS																
Eng. Saud Abdullah Al-Sanea	300,000	12,000	174,000	-	-	-	486,000	-	-	-	-	-	-	-	486,000	-
Mr. Abdullah Bu-Ali	300,000	12,000	21,000	-	-	-	333,000	-	-	-	-	-	-	-	333,000	9,845
THIRD: EXECUTIVE MEMBER																
Eng. Sabri Al-Ghamdi	300,000	12,000	194,000	-	-	-	506,000	-	-	-	-	-	-	-	506,000	-
Total	2,800,000	108,000	626,000	-	-	-	4,160,000	-	-	-	-	-	-	-	6,515,000	33,845

- In return for the efforts he made in managing the company's business and the positive results achieved during the Financial year 2022.

Fourth: Remuneration of members of the Board Committees:

Audit Committee				
Member's Name	Capacity	Fixed Remuneration	Allowance for Attending Meetings	Total
Mr. Saad Ibrahim Al-Mushawah	Committee Chairman	300,000	21,000	321,000
Mr. Abdullah Abdul Rahman Al Al-Sheikh	Committee Member	200,000	21,000	221,000
Mr. Khalid Abdul Aziz Al-Hoshan	Committee Member	200,000	21,000	221,000
Mr. Yousif Abdullah Abdul Aziz Al-Rajhi	Committee Member	200,000	21,000	221,000
Mr. Abdullah Abdulrahman Bu-Ali	Committee Member	200,000	21,000	225,000

Nomination and Remuneration Committee				
Member's Name	Capacity	Fixed Remuneration	Allowance for Attending Meetings	Total
Mr. Hani Sulaiman Al-Saleh	Committee Chairman	200,000	12,000	212,000
Mr. Melfi Manahi Al-Marzoqi	Committee Member	150,000	12,000	162,000
Eng. Akram Aouni Al-Rabayah	Committee Member	150,000	12,000	162,000

Marketing Committee				
Member's Name	Capacity	Fixed Remuneration	Allowance for Attending Meetings	Total
Eng. Abdullah Abdul Aziz Al-Znaedi	Committee Chairman	200,000	12,000	212,000
Eng. Waleed Abdul Aziz Al-Showair	Committee Member	150,000	12,000	162,000
Mr. Habes Yaseen Al-Shammari <i>Resigned as of January 23rd, 2024.</i>	Committee Member	150,000	12,000	162,000
Mr. Khaled Asaad Khashoggi	Committee Member	150,000	12,000	162,000

The Executive Committee				
Member's Name	Capacity	Fixed Remuneration	Allowance for Attending Meetings	Total
Eng. Ali Abdul Aziz Al-Turki	Committee Chairman	200,000	15,000	215,000
Eng. Saud Abdullah Al-Sanea	Committee Member	150,000	15,000	165,000
Eng. Sabri Abdullah Al-Ghamdi	Committee Member	150,000	15,000	165,000
Eng. Akram Aouni Al-Rabayah	Committee Member	150,000	15,000	165,000

Project Steering Committee				
Member's Name	Capacity	Fixed Remuneration	Allowance for Attending Meetings	Total
Eng. Akram Aouni Al-Rabayah	Committee Chairman	200,000	159,000	359,000
Eng. Ali Abdul Aziz Al-Turki	Committee Member	150,000	153,000	303,000
Eng. Saud Abdullah Al-Sanea	Committee Member	150,000	159,000	309,000
Eng. Sabri Abdullah Al-Ghamdi	Committee Member	150,000	159,000	309,000

Fifth: Senior Executives:

(SAR in '000')

Remuneration of Senior Executives including CEO & CFO	Fixed Remuneration				Variable Remuneration						End of service benefits	Total Executives remuneration for the Board, if any	Grand total
	Salaries	Allowances	In-Kind	Total	Periodic Bonus	Profits	Short -Term Motivational Bonus	Long -Term Motivational Bonus	Shares granted	Total			
	4,293	802	-	-	919	-	-	-	-	6,014	155,1	312	6,481
Total	4,293	802	-	-	919	-	-	-	-	6,014	155,1	312	6,481

*The Company committed to disclose the total remuneration of the Senior Executives in accordance with the requirements of Article (93), paragraph (4), item (b), of the Corporate Governance Regulations. However, non-disclosure of the remuneration in detail is due to that the Company is careful to protect its interests and the interests of its shareholders, maintain job stability and safeguard the financial and contractual information of the Senior Executives. Not to mention that salaries and remuneration of Senior Executives are subject to several criteria with respect to their professional experience and educational qualifications, in addition to salary differences from company to company and from sector to sector, besides that they are engaged in employment contracts that are governed by the provisions of the Labor Law, and such positions are not honorary or voluntary positions.

25. THE PROCEDURES TAKEN BY THE BOARD OF DIRECTORS TO INFORM ITS MEMBERS OF THE SHAREHOLDERS' PROPOSALS AND OBSERVATIONS REGARDING THE COMPANY AND ITS PERFORMANCE

The Company's Articles of Association and Corporate Governance guarantees' the equity rights of shareholders. The Company also receives all shareholders' suggestions and observations by e-mail, phone calls, through the General Assembly Meeting and other means of communication. The Board of Directors is notified with a summary of these suggestions or observations, if any.

26. MEANS RELIED UPON BY THE BOARD OF DIRECTORS FOR EVALUATING ITS PERFORMANCE AND THE PERFORMANCE OF ITS COMMITTEES AND MEMBERS

The Nomination and Remuneration Committee's Regulations approved by the General Assembly includes conducting assessment for the performance of the Board and its committees on an annual basis. However, the Board underlines the significance of communicating with the committees through reviewing their periodic reports and hence discussing the recommendations and decisions taken by them.

27. BRIEF DESCRIPTION OF THE AUTHORITIES AND DUTIES OF THE BOARD COMMITTEES

The Board of Directors has formed several committees that play an important role in helping to carry out its statutory duties in order to achieve the optimum performance and benefit from the diverse expertise and experience of its members:

First: The Executive Committee:

In the light of the Executive Committee Regulations approved by the Board of Directors, the functions and responsibilities of the Committee shall be as follows:

1. Follow up on the Company's financial situation and its operational and marketing policy.
2. Reviewing the Company's strategic planning procedures and operations in cooperation with the Company's CEO.
3. Coordination with the CEO in setting the Company's strategic plan and operational objectives.
4. Periodic review of the Company's strategic plans and operational objectives to ensure their compatibility with the Company's mission and objectives.
5. Preparing recommendations to the Board of Directors regarding strategic decisions related to investment opportunities that aim to improve the Company's performance.
6. Any other duties and tasks assigned by the Board of Directors.

The committee's term shall be three (3) years starting from the commencement date of each Board term, and in no way shall an Executive Committee's member's term be extended beyond the Board's term.

- | | |
|----------------------------------|--------------------|
| 1. Eng. Ali Abdul Aziz Al-Turki | Committee Chairman |
| 2. Eng. Saud Abdullah Al-Sanea | Committee Member |
| 3. Eng. Sabri Abdullah Al-Ghamdi | Committee Member |
| 4. Eng. Akram Aouni Al-Rabayah | Committee Member |

The following table shows the number of meetings and attendance record of the Committee members in 2023:

S.N.	Date of Meeting	Eng. Ali Al-Turki	Eng. Saud Sanea	Eng. Akram Al-Rabayah	Eng. Sabri Al-Ghamdi
1.	27/02/2023	✓	✓	✓	✓
2.	12/03/2023	✓	✓	✓	✓
3.	25/09/2023	✓	✓	✓	✓
4.	06/11/2023	✓	✓	✓	✓
5.	18/12/2023	✓	✓	✓	✓

Second: Audit Committee:

In the light of the Audit Committee Regulations approved by the General Assembly of the Company on 15/06/2023, and the approval of the Ordinary General Assembly to form the Audit Committee as of 12/11/2021, the Committee shall exercise its functions and responsibilities as follows:

- **Financial Reports:**
 - a. Examining and reviewing the Company's financial statements and providing opinion and recommendation to the Board thereon.
 - b. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
 - c. Examining any important or non-familiar issues contained in the financial reports.
 - d. Investigating any issues raised by the Company's Chief Financial Officer or any person assuming his/her duties, or the Company's external auditor.
 - e. Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- **Internal Audit:**
 - a. Examining and reviewing the Chemanol's internal and financial control systems and risk management system.
 - b. Examining the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
 - c. Providing a recommendation to the Board on appointing the Head of the Internal Audit and suggest his remuneration.
 - d. Monitoring and overseeing the performance and activities of Chemanol's Internal Audit Department to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
- **External Auditor:**
 - a. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remuneration, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
 - b. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
 - c. Reviewing the plan of the Company's external auditor and its activities and ensuring that it does not provide any technical or administrative works that are beyond its scope of work and provides its opinion thereon.
 - d. Responding to queries of the Chemanol's External Auditor.
 - e. Reviewing the External Auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.

- **Ensuring Compliance:**

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

In general, to perform its duties, the Audit Committee may:

- Investigate any matter falling within its functions or any subject specifically requested by the Board of Directors.
- Access the Company's records and documents.
- Request any explanation or statement from Board members, Executive Management, or the Company employees for the purpose of investigating and inquiring about any information.
- Seek legal and technical advice from any third party or other independent consultant when necessary to assist the Committee in performing its functions and to investigate any shortcoming relating to Internal Audit Department.
- The Company Management shall inform the Chairman of Audit Committee of any defect, fraud, or irregularity according to their level of seriousness.

To ensure the independence of the Audit Committee's work, both the Head of Internal Audit Department and the External Auditor shall directly deal and communicate with the Audit Committee without any intermediary.

- On 15/06/2023, the Ordinary General Assembly approved the appointment of Mr. Abdullah Abdulrahman Bu-Ali (a Board Member) in the Audit Committee until the end of the term of the Board of Directors.

The Audit Committee held seven (7) meetings during 2023 as per the following table:

S.N.	Date of Meeting	Mr. Saad Al-Mushawah	Mr. Yousif Al-Rajhi	Mr. Abdullah Al Al-Sheikh	Mr. Khalid Al-Hoshan	Mr. Abdullah Bu-Ali
1.	02/02/2023	✓	✓	✓	✓	✓
2.	11/05/2023	✓	✓	✓	✓	✓
3.	20/06/2023	✓	✓	✓	✓	✓
4.	08/08/2023	✓	✓	✓	✓	✓
5.	14/09/2023	✓	✓	✓	✓	✓
6.	07/11/2023	✓	✓	✓	✓	✓
7.	23/12/2023	✓	✓	✓	✓	✓

Third: Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall exercise its functions pursuant to the regulations approved by the General Assembly on 16/06/2022 which is in conformity with the requirements of the Capital Market Authority (CMA). The following are the principal functions of the Committee:

1. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that such policy is considered in following standards related to performance, its disclosure, and verification of its implementation.
2. Suggesting amendments to clear policies and standards for membership of the Board.
3. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with the approved policies and standards.
4. Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
5. Determining the amount of time that the member shall allocate to the activities of the Board.
6. Annually reviewing the skills and expertise required of the Board members and the Executive Management.
7. Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.
8. Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another Company.
9. Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management.
10. Setting procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant.
11. Determining the weaknesses, strengths, and opportunities for development in the Board and its committees, and thereby recommending remedy solutions that serve the Company's interests by proposing training courses or any other means to ensure developing the skills of the Board and committee members.
12. Periodically reviewing the remuneration policy and assessing its effectiveness in achieving the desired objectives.
13. Explaining the relationship between remuneration granted and applicable remuneration policy, highlighting any significant deviation from such policy.
14. Providing recommendations to the Board in respect of the remuneration of its members, the committees' members, and Senior Executives, in accordance with the approved policy.

The following table shows the meetings of the Committee and Members attendance record.

S.N.	Date of Meeting	Mr. Hani Al-Saleh	Mr. Melfi Al-Marzoqi	Eng. Akram Al-Rabayah
1.	12/04/2023	✓	✓	✓
2.	19/07/2023	✓	✓	✓
3.	17/09/2023	✓	✓	✓
4.	12/11/2023	✓	✓	✓

Fourth: Marketing Committee:

The Marketing Committee was formed by the Board of Directors' resolution dated 19/10/2022 and has been restructured to support the Company in the sale and marketing of its products. In the light of the Committee's Regulations approved by the Board of Directors on 14/04/2022, the functions and responsibilities of the Committee shall be:

1. Assisting the Marketing and Sales Department in developing the annual marketing plan for the products. Such a plan shall be submitted to the Board for approval.
2. Approval of the company's optimal product list based on market conditions and prices to maximize profitability and approval of a MAN (Minimum Acceptable Net Back) price for each quarter one month before the start of the quarter. The prices should also be reviewed to ensure that the company is not exposed to any anti-dumping risks anywhere in the world where these products are sold.
3. Conducting a periodic review - or as needed - of the variable costs to set the pricing policy accurately.
4. Reviewing the logistic work and its costs and cooperating with the executive management to develop plans for its continuous improvement.
5. Reviewing all sales contracts and approving contracts that extend for more than one year.
6. Reviewing all logistic contracts (shipping, packaging, warehousing, transportation, etc.) and approving contracts that extend for more than one year.
7. Approving the sales and performance indicators and ensuring that they are achieved by the CEO and the Sales Department.
8. Reviewing product grades and/or profitability of new grades, and making recommendations on adding and deleting products, as needed.
9. Develop key performance indicators in coordination with the Marketing and Sales Department, through which the company periodically measures and reviews the department's performance in light of these indicators.

The following table shows the dates of meetings and attendance record of the Committee members in 2023:

S.N.	Date of Meeting	Eng. Abdullah Al-Znaedi	Eng. Waleed Al-Showair	Mr. Khaled Khashoggi	Mr. Habes Al-Shammari*
1.	05/01/2023	✓	✓	✓	✓
2.	03/04/2023	✓	✓	✓	✓
3.	11/07/2023	✓	✓	✓	✓
4.	17/11/2023	✓	✓	✓	✓

Resigned as of January 23rd, 2024.

Fifth: Project Steering Committee:

In line with the Company's policy in implementing its future strategy and expansion projects, the Board of Directors decided to form a project committee that includes in its membership expertise and professional competencies with extensive experience in setting up projects. The Committee's objective is to take responsibility for feasibility studies, business case, and the achievement of outcomes of the projects. It will also monitor and review the project status, as well as provide oversight of the project deliverable rollout. Consequently, the Committee which composed of the following members was formed by a Board resolution issued on 19/10/2022:

- | | |
|----------------------------------|------------------|
| 1. Eng. Akram Aouni Al-Rabayah | Committee Member |
| 2. Eng. Ali Abdul Aziz Al-Turki | Committee Member |
| 3. Eng. Saud Abdullah Al-Sanea | Committee Member |
| 4. Eng. Sabri Abdullah Al-Ghamdi | Committee Member |

Since the beginning of 2023, this committee has been meeting regularly and continuously because part of its responsibilities includes developing the company's strategic plan and monitoring the latest progress of its planned projects. It convenes once a week via modern technology means or in person.

28. RESULTS OF THE ANNUAL REVIEW OF THE EFFECTIVENESS OF THE INTERNAL CONTROL PROCEDURES

The business of the Company is subject to periodic audits in accordance with Audit Committee's approved plan. Reports on the outcomes of such audits are submitted to the Executive Management and Board of Directors. The internal audit activities demonstrated some remarks and had been reported to both Executive Management and Board of Directors and corrective actions were taken. Nothing has been brought to the attention of the Audit Committee to believe that there are material deficiencies that require disclosure. Furthermore, the control system has achieved many improvements during the year.

29. WAIVING OF REMUNERATION

None of the Board Members or Senior Executives has waived the annual remuneration for FY ended December 31, 2023.

30. WAIVING OF DIVIDENDS

The Company did not distribute dividends to shareholders in FY ended December 31, 2023.

31. CONTRACTS IN WHICH DIRECTORS AND SENIOR EXECUTIVES HAVE AN INTEREST

The Board of Directors acknowledges that the Company did not enter into any contracts in which there was a personal interest for any of the Board members or Senior Executives.

32. BOARD OF DIRECTORS DECLARATIONS

The Board of Directors acknowledges that:

1. The accounting records have been properly prepared.
2. The internal control system has been developed and implemented soundly and effectively.
3. There are no doubts on the Company's ability to continue its activity.

4. The Company does not have an affiliated Company, therefore, there are no shares or debt instruments issued to such an affiliated Company.

33. GENERAL ASSEMBLIES

The following table shows the dates of General Assemblies held during the FY ended December 31, 2023, and the names of members of the Board of Directors who attended them:

The Assembly	Ordinary General Assembly	Extraordinary General Assembly
Board Member/ Date of GA	15/06/2023	15/06/2023
Eng. Ali Abdul Aziz Al-Turki	✓	✓
Mr. Melfi Manahi Al-Marzoqi	✓	✓
Eng. Saud Abdullah Al-Sanea	✓	✓
Mr. Abdullah Abdulrahman Bu-Ali	✓	✓
Mr. Hani Sulaiman Al-Saleh	×	×
Eng. Abdullah Abdul Aziz Al-Znaedi	✓	✓
Eng. Waleed Abdul Aziz Al-Showair	✓	✓
Mr. Yousif Abdullah Al-Rajhi	✓	✓
Eng. Sabri Abdullah Al-Ghamdi	✓	✓

34. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company Management is committed to achieving the principle of fairness in providing the appropriate information at the right time to investors in order to help them take the best decisions based on correct and adequate information, to ensure that such information is not leaked to some investors rather than others and also to ensure that all the beneficiaries have equal access. The Company is strictly and keenly committed to implementing the policies and procedures for disclosing the material developments, financial statements, and performance reports in accordance with the legal requirements, the applicable regulations and instructions of the competent authorities.

35. SHAREHOLDERS RECORDS

The following table shows the dates of the requests of Shareholders Records and the reasons thereof during the FY ended December 31, 2023:

Date of Request	Reason for the Request
02/01/2023	Corporate actions
27/03/2023	Other
12/06/2023	Other
15/06/2023	General Assembly
15/06/2023	General Assembly
01/11/2023	Other

36. COMPANY ANNOUNCEMENTS ON THE SAUDI STOCK EXCHANGE (TADAWUL) WEBSITE

During the FY ended December 31, 2023, the Company announced several events and resolutions on Tadawul website through 28 announcements addressed to the Company shareholders.

S.N.	Date of Announcement	Title of Announcement
1.	January 1 st	Methanol Chemicals Company announces the Latest Developments on obtaining the approval of the Ministry of Energy for allocating the required feedstock to expand the Methanol Plant.
2.	February 5 th	Methanol Chemicals Co. Announces an update regarding the non-binding Memorandum of Understanding signed with Global Company for Downstream Industries (GDI) for supplying Methanol and Exploring Future opportunities in the field of Petrochemical Products.
3.	February 23 rd	Methanol Chemicals Co. (Chemanol) announces the Shutdown of its Methanol & Amine Plants for Periodic Maintenance.
4.	March 1 st	Methanol Chemicals Co. announces its Annual Financial Results for the Period Ending on 2022-12-31.
5.	March 14 th	Methanol Chemicals Co. announces an update Regarding the Shutdown of its Methanol & Amine Plants for Periodic Maintenance
6.	May 21 st	Methanol Chemicals Co. announces its Interim Financial Results for the Period Ending on 2023-03-31 (Three Months).
7.	May 22 nd	Methanol Chemicals Company (Chemanol) invites its Shareholders to attend the Ordinary General Assembly Meeting through the Modern Technology Means (First Meeting).
8.	May 23 rd	Methanol Chemicals Co. announces to Invites its Shareholders to Attend the (First Meeting) Extraordinary General Assembly Meeting.
9.	May 23 rd	Addendum Announcement from Methanol Chemicals Co. in regard to its invitation to its Shareholders to attend the Ordinary General Assembly Meeting through the Modern Technology Means (First Meeting).
10.	June 18 th	Methanol Chemicals Co. Announces the Results of the Ordinary General Assembly Meeting, (First Meeting).
11.	June 18 th	Methanol Chemicals Co. Announces the Results of the Extraordinary General Assembly Meeting, (Second Meeting).
12.	June 19 th	Methanol Chemicals Company (Chemanol) announces the signing of a binding offer to acquire 84% of ADDAR Chemicals Company (ACC).
13.	June 19 th	Methanol Chemicals Company (Chemanol) announces the signing of a binding offer to acquire 80% of Global Company for Chemical Industries Ltd. (GCI).
14.	July 16 th	Methanol Chemicals Company (Chemanol) announces signing of a Memorandum of Understanding with the National Industrial Development Center (NIDC).
15.	July 30 th	Methanol Chemicals Co. announces its estimated Financial Results for the Period Ending on 2023-06-30 (Six Months).
16.	August 10 th	Methanol Chemicals Co. announces its Interim Financial Results for the Period Ending on 2023-06-30 (Six Months).
17.	September 5 th	Methanol Chemicals Company announces the Latest Developments regarding its signing of a binding offer to acquire 80% of Global Company for Chemical Industries Ltd. (GCI).
18.	September 5 th	Methanol Chemicals Company announces the Latest Developments regarding its signing of a binding offer to acquire 84% of ADDAR Chemicals Company (ACC).
19.	November 9 th	Methanol Chemicals Co. announces its Interim Financial Results for the Period Ending on 2023-09-30 (Nine Months).
20.	November 12 th	Methanol Chemicals Co. Announces an update on the Latest Developments regarding its signing of a binding offer to acquire 84% of ADDAR Chemicals Company (ACC).

21.	November 23 rd	Methanol Chemicals Co. Announces an update on the Latest Developments on obtaining the approval of the Ministry of Energy for allocating the required feedstock to expand the Methanol Plant.
22.	December 3 rd	Methanol Chemicals Company (Chemanol) announces the Ministry of Energy's approval for allocating the required feedstock for producing several Specialty petrochemical products.

37. PAID AND DUE STATUTORY PAYMENTS

The following table shows the paid and due statutory payments during the FY 2023 (SAR in '000')

Particulars	Amount Paid	Payable until the end of the year	A Brief Description	Reason
Zakat	5,710	22,698	Company Zakat	Mandatory
Tax	--	--	Company Tax	Mandatory
General Organization for Social Insurance (GOSI)	14,652	1,154	GOSI Subscription Payments	Mandatory
Visa and Passport Cost	306	-	Payments against Employees visa and passports	Mandatory

38. INVESTMENTS OR RESERVES CREATED FOR THE BENEFIT OF EMPLOYEES

The following table shows the provision of Company employees as of December 31, 2023 (SAR in '000').

Item	2023	2022
Provision for End of Service Benefits	68,471	59,367

39. SANCTIONS AND PENALTIES IMPOSED ON THE COMPANY

There is no penalty, sanction, precautionary measure, or precautionary restriction imposed on the Company by CMA or by any other supervisory, regulatory, or judicial authority during the FY ended December 31, 2023.

40. DESCRIPTION OF ANY TRANSACTION BETWEEN THE COMPANY AND A RELATED PARTY

There are no transactions concluded between the Company and any related party during the FY ended December 31, 2023.

41. SOCIAL RESPONSIBILITY

As part of its ongoing efforts to fulfil its obligations to the country and society, Chemanol has adopted and implemented in 2023 a number of social initiatives. Through these initiatives, it gave financial and in-kind support to a range of societal sectors and components, including charitable societies & charitable society for memorization of the Holy Quran, health and environment, education, and culture. The Company provided financial support for the Capacity Building Initiative and the Exchange of Experiences of Orphan Associations in the Kingdom, the programs of the Eastern Orphans Association (Tamkeen), the graduation ceremony for students of Jubail

Industrial College and Jubail Technical Institute, the Kingdom's Beach Rowing Championship in Jubail, as well as the twenty-fifth Running Race in Khobar Corniche.

It is worth noting that all these contributions were made only to entities having legally registered with the Saudi Authorities to receive charitable donations and were in accordance with the annual budget as approved by the company's Board of Directors.

In addition, the Company contributed to the distribution of Ramadan baskets in cooperation with the Saudi Food Bank Association (Etaam). It also visited the children of the "Irada" Association as well as the Royal Commission Hospital in Jubail Industrial City. It also participated in the blood donation campaign at the Royal Commission Hospital. The Company also distributed a book highlighting "the biography and journey of the Custodian of the Two Holy Mosques, King Salman bin Abdul Aziz, may Allah protect him, as part of its celebrations of the Kingdom's 93rd National Day.

Internally, the Company implemented various awareness programs as part of its interest in providing a safe and healthy work environment for its employees. These initiatives include health and occupational safety initiative in the workplace, World Environment Day celebration in collaboration with the Royal Commission departments, a first-aid course for the Company's female employees in collaboration with the SABIC Emergency Response Academy.

The Company also initiated two special programs to enhance motivation and foster competencies, (Tamouh) program which aims to qualify and train future leaders and (Ajyal) program which focuses on developing the skills and practical abilities of future generations in the Company.