

Annual Report

2022





His Royal Highness Prince

Mohammad bin Salman Al Saud

Crown Prince and Prime Minister and the Minister of Defense

May God protect him



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

May God protect him



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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01



Chairman's Statement



Chairman's Statement

Fayez bin Ahmed Al-Ahmari
Chairman of the Board of Directors

Chairman's Statement

It is a pleasure for me to meet with you through the annual report of the Board of Directors for the fiscal year 2022G, to review with you the results of the performance of Namaa and its subsidiaries, and the developments of its business for the fiscal year ending on 12/31/2022G. Which was designed to give an adequate summary of the group's performance, its strategic direction, and some analyzes and performance indicators. In terms of production capacity and competitiveness, with the development of new projects in the chemical and petrochemical sectors. And the company has succeeded in the framework of this strategy, by the grace of God, since its establishment in 1992G, in providing the Saudi economy with a new project. The project of the Arab Alkali Company (Soda), which began production in 1995, was the first of these ambitious projects. This was followed by the project of the Jubail Chemical Industries Company (JANA), which began producing epoxy in the year 2000. The third of these projects is the (Hassad) project, which added four other chemical products to the company's growing list of products.

In the same context, the company was able to integrate the common services of all its subsidiaries in parallel with its implementation of its plans related to the development of the organizational structure and human resource systems, thus ensuring the effectiveness of the services provided while reducing their cost at the same time. All of this was implemented in conjunction with the program to qualify and absorb Saudi cadres through cooperation with the (Hada) program, within which the company succeeded in qualifying a large number of ambitious Saudi youth, who became involved in the constellation of the company's cadre and proved their superior competence in the work. In terms of safety, health and the environment, it has always been the focus of the company's attention, which was evident through the company's assertion of its commitment to the highest safety specifications to ensure a safe work site to reduce the risks resulting from operations, by following the best international standards in the field of safety and environmental preservation. In line with its ambitious strategy to keep pace with government efforts to devote a clean environment free of pollutants and harmful gases, aiming to achieve zero carbon emissions in the Kingdom of Saudi Arabia.

The report presents an adequate summary of the mechanisms of implementing corporate governance and disclosures related to the composition of the Board of Directors, its remunerations, tasks, the structure and tasks of its committees, the remunerations of senior executives, and the transactions made with related parties. This report was prepared in the light of the requirements of the Corporate Governance Regulations and the Registration and Listing Rules issued by the Saudi Capital Market Authority, in addition to some good international practices in the field of governance and transparency. With regard to the developments of the company's business and its performance for the fiscal year 2022 AD, the final audited accounts and the accompanying clarifications, and the report of the external auditor for the fiscal year ending on 12/31/2022 AD. The Board has the honor to respond to your inquiries about the information and directions contained in this report during the annual meeting of the Ordinary General Assembly of Shareholders, and hopes for your approval of the information and strategic directions contained therein.

Finally, I am pleased to raise the verses of appreciation and gratitude to our wise leadership represented by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, and his trustworthy Crown Prince, His Royal Highness Prince Muhammad bin Salman bin Abdulaziz Al Saud, may God preserve them, for their great and unlimited support for the national industrial sector, public and private. I also extend my sincere thanks to the shareholders for their precious trust and great support for us, and thanks to all members of the Board of Directors for their directives and support to the executive departments of the company that had a great impact on raising the efficiency of performance and achievement, and I must salute all employees of the company and its subsidiaries and all its projects for their dedication and sincerity Al-Kabeer implements all the directives of the senior management efficiently and competently. God grants success.

May the Almighty bless you all.



Chief Executive Officer's Statement

Mr. Abdullah bin Mohamed Al Salem

Chief Executive Officer

Chief Executive Officer's Statement

We are pleased to highlight to you the salient features of performance and achievements at the level of all work channels of the company and its subsidiaries. In terms of production, this year it increased by (44%) for epoxy, which contributed to an increase in sales by (20%) compared to last year, while modified epoxy production increased by (68%) compared to last year, due to the company following an ambitious strategy through which it was committed to improving the specifications of its unique products, to significantly increase their quality and reliability.

The company also continued to implement an ambitious strategy in an effort to support and develop its human capital at all levels, by improving the work environment to be more competitive. The company conducted internal audit training, which contributes to bridging all gaps and identifying areas for improving the efficiency of work relations, and supporting them in all forms of empowerment for all its employees at the leadership and workforce levels, by launching many initiatives and conducting workshops, which covered (2,700) training hours in the fields of a diverse professional career, to motivate them to exert more efforts and give, and to retain them to ensure a stable job cycle, through which they are guaranteed all facilities and appropriate support, to achieve job security and stability for them. Meanwhile, the company continued to implement the nationalization policy successfully, resulting in an increase of Saudization to (70%).

The company continued to apply the highest international safety and security standards in all its production and operational channels with high efficiency, which preserved the company's record of any disabling work injuries, praise be to God. The company has developed an integrated methodology for preserving the environment, as the past year witnessed an improvement in carbon neutrality (4,500 tons of carbon dioxide), in line with government policies aimed at achieving the goals of Vision 2030 by preserving the safety of the environment and society from pollutants and harmful gases and raising the quality of life in the Kingdom.

"Nama" Company has achieved new successes of its kind during the year 2022G. It has gradually managed to overcome the challenges it faced as a result of slow recovery and return of supply chains to the levels before the Corona pandemic with its negative repercussions, in its endeavors to meet the requirements and needs of the industrial sector, and raise the level of services to customers and beneficiaries, in an effort to contribute to developing and raising the level of quality and efficiency of the sector, one of the most important productive sectors that raise the contribution of non-oil sectors in the gross national product, which comes as an objective of the Kingdom's Vision 2030.

In conclusion, I would like to extend my sincere thanks to all shareholders and members of the board of directors for their precious trust and great support for us in successfully implementing all our strategic objectives. My thanks go out to all the company's employees for their great role in achieving excellence in performance and excellence at all levels in order to achieve the company's goals and aspirations to develop the industrial sector, and to provide its qualitative products with efficiency and high quality, in order to ensure the sustainability of the strategic development of the local and regional position and presence of the company.

May the Almighty bless you all.

A photograph of a large industrial facility, likely a refinery or chemical plant, at night. The structure is illuminated by warm yellow lights, showing multiple levels of steel frameworks, pipes, and storage tanks. A sign with the words "SAFETY FIRST" is visible on one of the upper levels. The foreground is a dark, flat area, possibly a road or parking lot. The right side of the image is partially covered by a green overlay with white text.

02

Company Overview



Company Overview

1992

Nama Chemicals Company (Nama), is a Saudi joint stock company, incorporated by the Ministerial Resolution No. 719, dated 29/06/1412H corresponding to 1992G. The company joined the Saudi Stock Exchange "Tadawul" under the name "Nama". The company operates from its headquarters in the Kingdom of Saudi Arabia, and works in the field of developing, owning, operating and managing industrial projects in the chemical fields. The company's product portfolio includes epoxy, a thermosetting polymer; caustic soda, which is used in various applications in many industries around the world to produce the chemical epichlorohydrin used in the manufacture of cellulose, resins and coatings; calcium chloride; hydrochloric acid, and sodium hypochlorite. Nama operates through its subsidiaries, Jubail Chemical Industries Company (Jana), Arab Alkali Company (Soda), Nama Industrial Investment Company, and Nama Europe Company W.L.L.

With the aim of expanding its investment base in projects that provide services and products which integrate with its production lines, in order to enhance its financial strength and leading position, as one of the most prominent companies active in the non-oil industrial sector in the Kingdom of Saudi Arabia, the company has established two industrial projects in Jubail Industrial City, namely "Jana and Soda" companies for the production of epoxy and caustic soda. A third project "Hassad" was established, and these projects are wholly owned by Nama Chemicals. The company's activity depends on investing, owning, establishing and operating industrial projects in the field of chemical industries. Nama has also been able to expand its customer base, through an ambitious strategy, to become one of the most prominent national companies with a distinguished global presence, as a safe and reliable supplier to major global industrial companies.



Summary of the Company's Activities

The company operates in the Kingdom of Saudi Arabia through three (3) subsidiaries in which it owns a controlling stake (directly or indirectly) and in which it appoints the majority of the members of the boards of directors:

01

Arab Alkaline Company "Soda": Soda Company was established in 1995G as a limited liability company. Nama Company owns 90% of Soda Company's capital shares. Soda Company's main activity is the manufacture and marketing of soda granules, liquid soda, and solid soda, which are used in several industries such as paper, textile, detergents, etc. Soda Company has a production capacity of fifty thousand (50,000) tons annually.

02

Jubail Chemical Industries Company "Jana": Jana was established in 1999G as a closed joint stock company and was later converted into a limited liability company. Nama owns 95% of the capital shares of Jana Company. The main activity of Jana Company is in the manufacture and marketing of epoxy resin, which is used in paint, glue, electronics, vehicles, etc. The production capacity of the epoxy resin plant is one hundred and twenty thousand (120,000) tons annually.

03

Nama Industrial Investment Company: a limited liability company in which Nama owns 95% of the capital shares. Nama Industrial Investment Company was established in 2007G for the purpose of investing in the field of establishing, developing, managing and operating petrochemical, gas and petroleum plants, generation, transmission, and distribution of electric power, and mechanical and industrial works.

The company operates outside the Kingdom of Saudi Arabia through two subsidiaries:

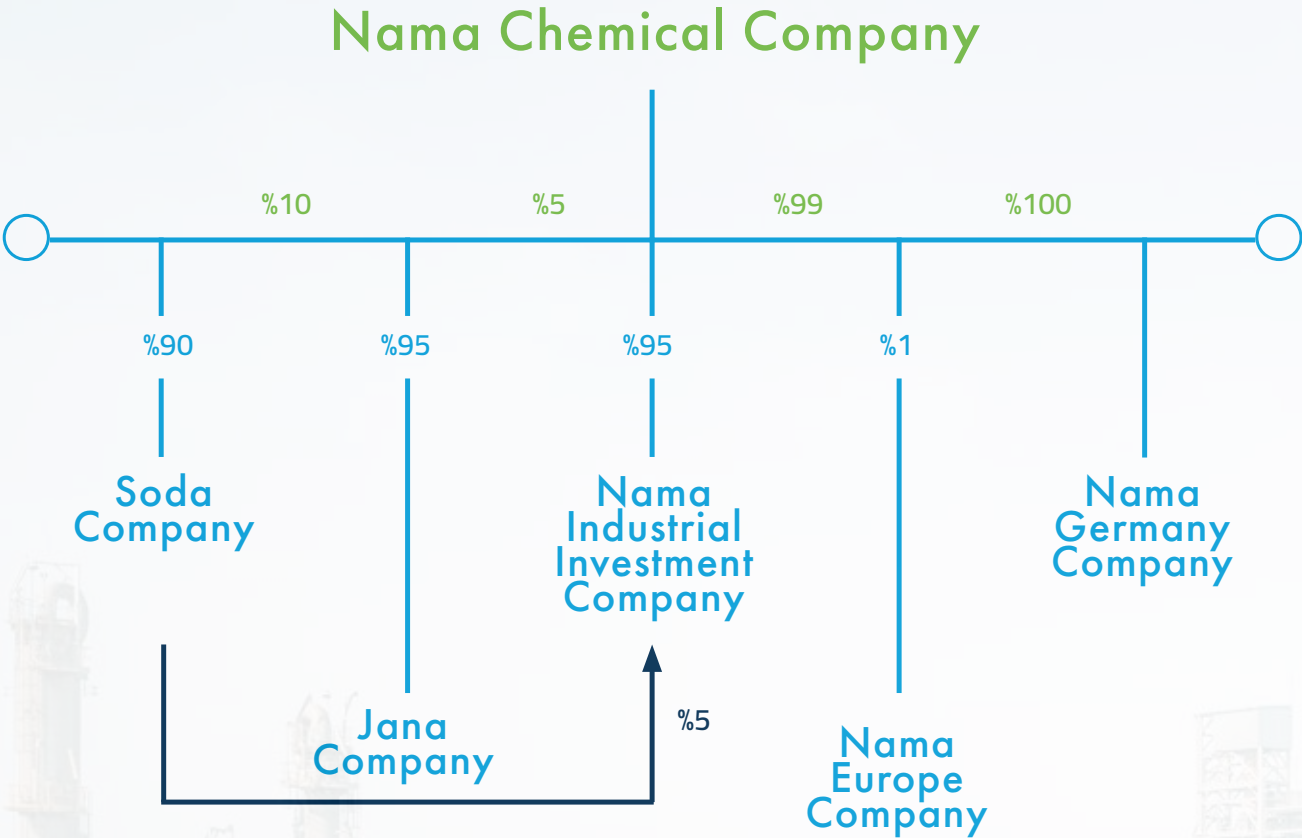
01

Nama Europe Company: a limited liability company in which Nama Company owns 1% of the capital shares, while the subsidiary company (Nama Industrial Investment Company owns 99%). Nama Europe Company was established in 2008G as part of the company's plan to enhance marketing programs and customer services in European Union countries.

Nama Germany: a one-person limited liability company wholly owned by Nama Europe. Nama Germany was established in 2012G, specifically to serve Nama's customers in Germany and its neighboring countries.

02

The chart below shows the subsidiaries of Nama:



Our Vision

The Company strives to meet the needs of its customers in chemicals industry and provides innovative solutions that enhance their satisfaction, based on our belief in the value of strategic business partnerships which makes "Nama" the leader in the chemical industry.

Our Mission

Nama is keen to develop, implement and operate strategic projects that benefit from hydrocarbon resources, salt and other local natural resources, through its own capabilities or in cooperation with specialized parties, in order to achieve added value for its customers and shareholders. The company also seeks to be a key regional player in the manufacture and marketing of epoxy resins and related specialty products, and a leading industrial company recognized for its profitable investments, excellent products, and ability to develop and maintain business alliances.

Offering high quality products and services that enhance customer satisfaction, while ensuring that we maximize the rights of our shareholders through strategic growth plans to raise the value of their investments. We are committed to applying the highest standards in the field of quality control and occupational safety by adhering to the best professional practices. Nama pays special attention to the environment as a core value, through the use of clean and advanced technology. It also bets on human capital through continuous training, and we are proud of our commitment to international standards of transparency and professionalism.



Company strategy

The company's stated strategy is as follows:

- 01 Enhancing the efficiency of existing projects in terms of production capacity and competitiveness.
- 02 Developing new projects in the chemical and petrochemical sector.
- 03 Building an effective organizational structure and developing human resources systems to meet the company's ambitions and achieve its goals.
- 04 Improve reliability.

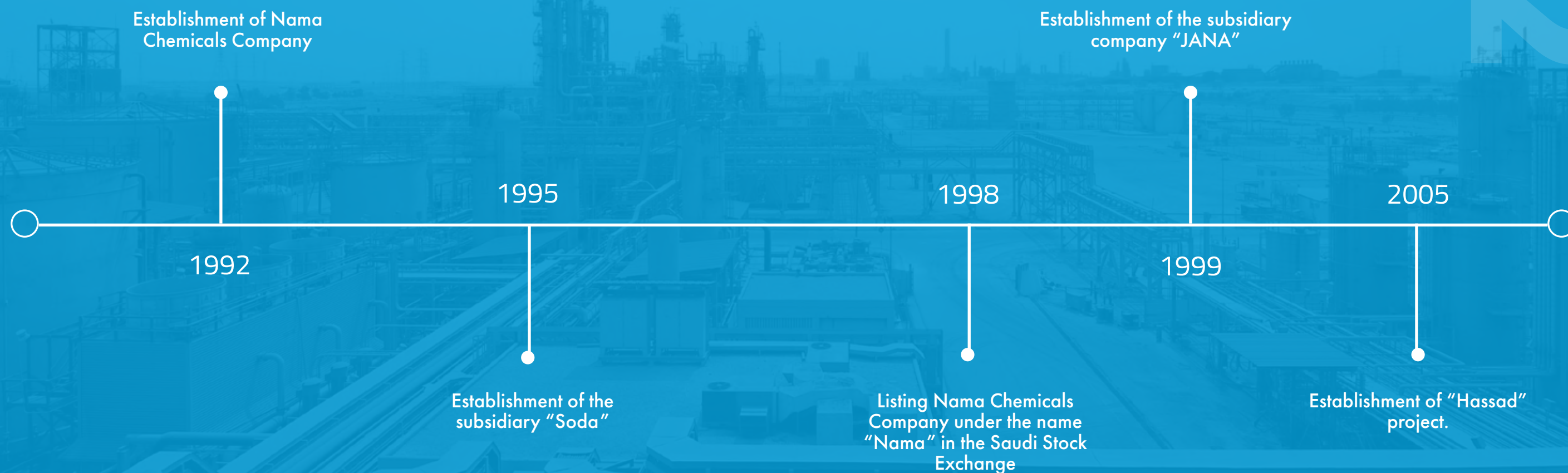


Strengths and Competitive Advantages of the Company

- 01 Raw material agreements.
- 02 Low cost of production.
- 03 An integrated chemical complex.
- 04 Technical licenses with global partners.
- 05 Geographical location and proximity to target markets.
- 06 Barriers to entry, which include difficulty in obtaining technology.
- 07 The government's support for industrial development, in line with its relentless efforts towards achieving the goals of Vision 2030, which gives the company a competitive advantage compared to its global competitors.

Company Milestones

1992



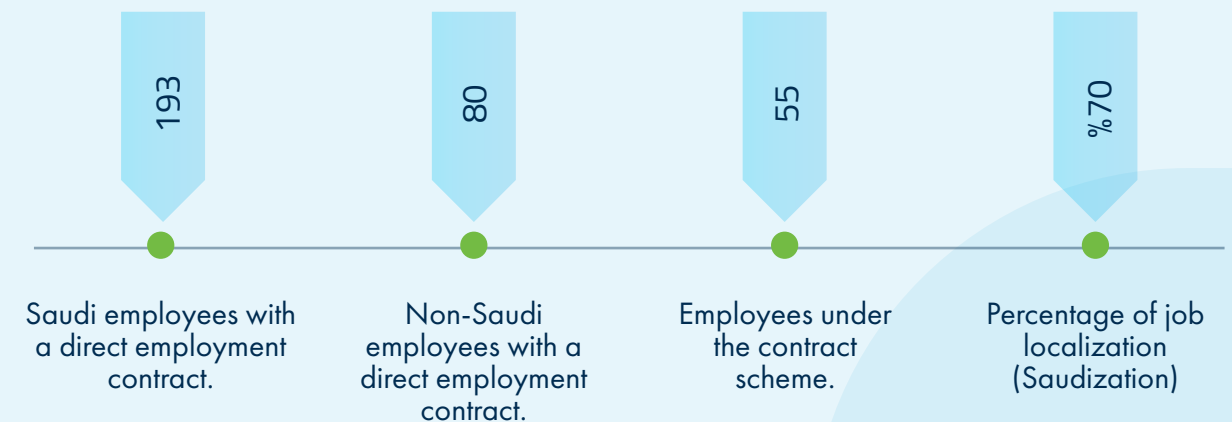
Annual Report For Nama
Chemicals Company 2022



Our Human Capital and Manpower

The management of "Nama" company seeks to attract the best competencies, experiences, skills and talents, and support them with a wide range of advanced development and training programs, to refine their knowledge and experience, and retain them within an attractive competitive work environment, strengthen the bonds of internal institutional communication with them, and involve them in all festive and institutional events. All of this for the aim to enhance and develop communicative participatory skills permanently to enhance the concept of productive teamwork, in an effort to motivate them to give and be creative in all their work and job roles, in addition to developing awareness and commitment to applying all security and safety measures and ensuring that the concept of quality is integrated into all the activities that they carry out in the company.

Meanwhile, the company continued during the year 2022G to implement its policy of job localization (Saudization), as the number of workers under a direct employment contract reached (193) Saudi employees and (80) non-Saudi employees, at a percentage of (70.07%), and the number of workers under the contract system is estimated at (55) workers. We have a plan in the coming period to reduce the number in line with the interest of the company. The company has distinguished expertise in management and manufacturing, as some of them have global experiences of more than (30) years of experience in this industry. We select our employees very carefully from among the strongest candidates to work in a variety of administrative and technical specializations. This enthusiastic workforce is committed to quality standards, keen for teamwork in a smooth and effective manner, and showing an optimistic drive towards the future.



A male scientist with a beard and safety glasses is working in a laboratory. He is wearing a white lab coat and is holding a flask containing a pink liquid. He is also holding a pipette. In the background, there is a laboratory bench with various equipment, including a large black bottle and a glass flask. The image has a blue overlay on the right side.

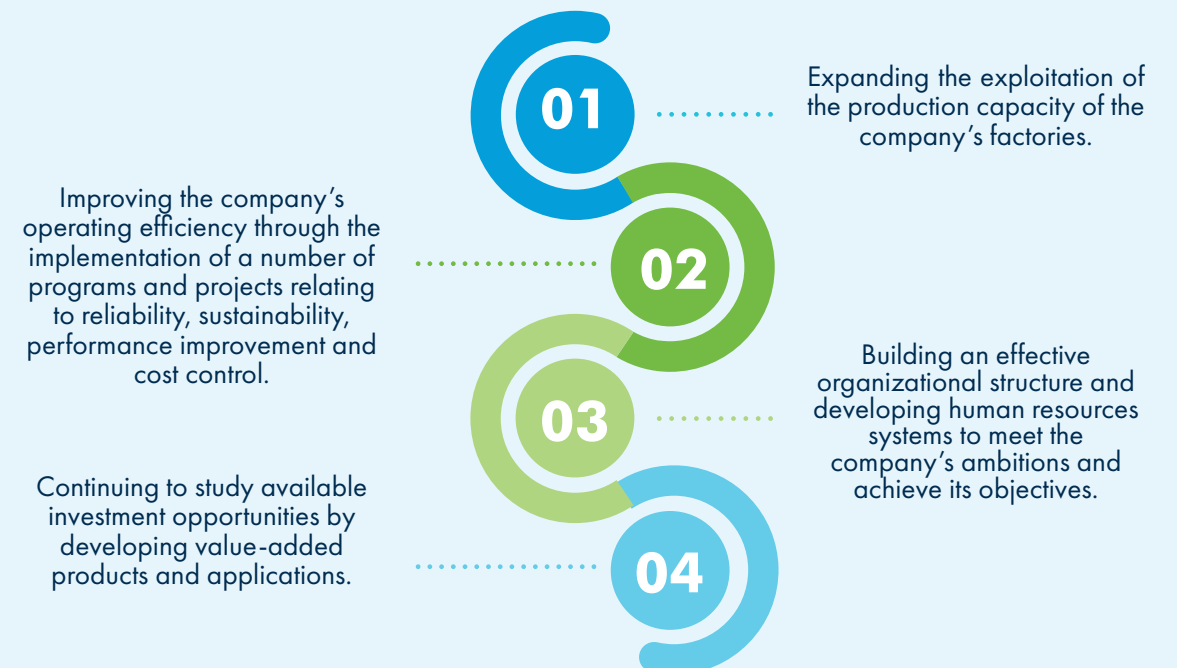
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Strategic Direction

In an effort to develop work mechanisms and methodologies, improve work efficiency, and maximize the impact on achieving the targeted production rates, the company has developed a clear future strategy to ensure correction and growth in the field of value-added chemicals on the company's assets and shareholders' rights, while maintaining work to develop the highest levels of safety, quality and sustainability, with full compliance with all relevant industry standards and laws to achieve leadership, confirm partnership among all parties associated with the company locally and globally, and develop shareholders' rights without prejudice to the company's social responsibility.

Pillars of implementing our strategy

To achieve the highest levels of efficiency and quality in implementing the company's strategy, its implementation has been approved based on to the following principles:

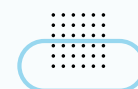




Competitive Advantages

Nama Chemicals enjoys real competitive advantages that enhance its position and leadership in the non-oil industrial sector in the Kingdom. Following are the most important of these advantages:

- 01 It is characterized by the production of very important materials, which are included in most major projects in the Kingdom. This contributes to enriching the local content in these projects, one of the goals of the Kingdom's Vision 2030
- 02 "Nama" is the only company producing epoxy in the Middle East and Africa
- 03 It enjoys a leading position in the manufacture of liquid, solution and solid epoxy products.
- 04 Holds several international ISO certificates in the field of quality and occupational safety.
- 05 The interdependence of supply chains with the presence of joint factories within their distinguished business environment.
- 06 The company is characterized by a strong and sustainable presence in various local and regional exhibitions, conferences and events.





Challenges faced the Company in the year 2022G

The past year witnessed many challenges at the local and global levels, due to many global environmental, political and security events, which led to a slowdown in the performance of the global and local markets in general, and the performance of the Company in particular. Here are the most important of these negative events:

China's policy of zero infection of (COVID) has led to lockdowns since March 2022G, affecting the world's largest consuming country. Also, there was a marked slowdown in the domestic demand growth.

The Ukrainian-Russian conflict in April 2022G resulted in massive effects on the increase in the prices of raw materials, energy and electricity, disruption of supply chains, inflation and interest rate hikes, a decline in the European domestic production, and a collapse in the demand for products, particularly in the fourth quarter of 2022G.

There was a weak demand in the second half of 2022G, as the economic outlook became increasingly unclear regarding the economic recession fears and inflationary concerns.

Due to the sharp slowdown in supply chains from the Asian market, especially in China, markets have experienced stiff competition, resulting in a collapse in prices. Due to the significant slowdown in demand and weak global markets, some epoxy manufacturers in Europe and Asia have reduced their production to very low levels.

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Consumers' strict control of inventory has accelerated deflation and inflation.

The following are the most important possible future expectations on the performance of the local and global markets during the coming year:

The outlook for global demand markets is hazy and unstable.

Weak global demand for epoxy resins, due to the global economic situation.

The demand forecast for epoxy resins in Asia is still uncertain in 2023G, after it recorded a record decline in two years by the end of 2022G due to the prevailing economic conditions in the region in general.

Epoxy resins in Europe are under constant pressure until 2023G due to the current political and economic situation.

The Russian-Ukrainian war continues to drive inflation and economic slowdown, and may lead to global recession.

Domestic demand is expected to continue to improve in the Kingdom of Saudi Arabia due to economic stability.

The impact of weak demand for liquid caustic soda and lower prices compared to the costs of manufacturing caustic soda granules. It is expected that the decline will continue.

The availability of raw materials (BPA & ECH) is already stable due to slow demand. However, some logistical obstacles such as shipments not arriving at the required times and lack of vessel availability may negatively affect the import and export activities.

Future outlook of market conditions in 2023G

The most prominent achievements during the year 2022G



Nama has realized a number of achievements in its various administrative and operational activities during the past year, the most important of which are as follows:

01

The protection of environment, health, and safety of our employees and the surrounding community are among the most important values that "Nama" Company is committed to. The Company makes every effort to carry out its business to the fullest to ensure the health and safety of its staff, employees, contractors and the community, in addition to preserving natural resources and protecting the environment.

Environment, health and safety

02

The year 2022G passed without a crippling injury, praise be to Allah. In addition, several safety awareness programs and campaigns were implemented during the year.



Investing in human resources

"Nama" always strives for the continuous improvement and development of its employees, to motivate them to raise the efficiency of their performance to achieve the Company's goals.

As part of the company's efforts to motivate employees, many initiatives have also been launched and workshops have been held to improve the Company's business, help them excel and develop their skills.

In an effort to raise the efficiency of its employees, the Company conducted internal audit training, which contributes to filling all gaps and identifying areas for improving the efficiency of the work process.

The Company has improved the percentage of Saudization by (7%) to rise to (70%) of the overall Saudization.

(2,400) training hours were conducted in various fields such as: safety, environment, root cause analysis and auditing skills.

The Company was also keen to honor its distinguished employees on various areas, where their efforts contributed to the improvement of the Company's condition, production and reliability.

The Company created a unique development program for its engineers, by engaging them in regular training events under the supervision of experienced leaders and trainers.

The Company attaches great importance to securing the future of its employees and achieving job security by adopting many programs, such as the housing unit ownership program to help employees secure housing for themselves and their families, in line with the Kingdom's vision for the year 2030G to increase home ownership in Saudi Arabia.



Production and sales

01

The quantities of epoxy product sold in 2022G were (25,595) compared to (20,965) in 2021G, with an increase of (20%), even with all the challenges, such as the impact of COVID-19, geopolitical tension, and global raw material shortages.

02

The quantities of epoxy product produced in 2022G were (30,514) compared to (21,101) in 2021G, with an increase of 44%. The Company achieved a high production of modified epoxy products amounting to (4,169) metric tons, with an increase of (68%) compared to 2021 G, by improving reliability and reliability.



Social responsibility

As part of its celebration of the National Day of the Kingdom of Saudi Arabia, the company's management presented all its employees with symbolic gifts, as an expression of their participation in their joy on this precious occasion, and what it represents of the values of belonging, loyalty and love for our country and its wise leadership.



Summer training and cooperation

Nama has continuously contributed to providing opportunities for young Saudis looking for a co-op training or a summer program for fresh graduates. Interns are enrolled in the different areas of the Company to gain valuable knowledge and insights about plant operations and prepare them to start their careers.



Charities

01

Nama participate in many social programs and encourage its employees to participate. For example, Nama, contributed to charities for orphans, with a total amount of SAR 100,000 for the Widow's Care Program and the Orphan's Care Program.

02

Nama has encouraged and coordinated within the Holy Quran Society's charitable program since 2020G, it provides monthly contributions to the program from its employees in order to develop and sustain it. In addition to the company's participation in the daily Ramadan Iftar program for the needy.



Quality assurance

Nama Chemicals is committed to applying the highest international standards and practices related to quality management, environmental management, occupational health, and safety practices. The Company adopts the Integrated Management System (IMS) and is committed to quality, environment, safety and health practices for sustainability and continuous improvement.

01

02

ISO9001: 2015 Quality Management System is the basic standard for auditing the Company's internal and external activities.

03

Environmental management ISO 14001: 2015 has become necessary for the Company to improve the environmental performance of the organization and to gain the trust of the legislators and the community.

04

The Company effectively manages ISO 45001 in the field of occupational health and safety, including risk management and legal compliance.

05

Nama Chemicals, the only manufacturer of epoxy resin in the Middle East, applies the standards and requirements of three certifications from various international bodies to manage its operations as a competitive advantage to facilitate and enable the marketing of its multiple products, globally and locally.

06

The Company maintained the validity of all certificates by achieving the requirements of internal and external auditing in 2022G.



Reliability and Efficiency

Nama has developed its own comprehensive program to improve and excel asset performance management, asset health management and asset defect elimination. As a result, the reliability journey has begun to pay off in terms of efficiency and effectiveness. These efforts include:

A chilled water integration project was implemented to combine three compressors and a refrigeration unit from the epoxy 120 unit with two compressors from intermediate products. This led to reduced energy consumption and improved operating sustainability with high efficiency.

Reducing greenhouse gas emissions by 4,500 tons of carbon dioxide annually by using excess hydrogen in the chlor-alkali plant in boilers.

Successful recycling of the high total dissolved solids (TDS) causing acid waste to flow from the epichlorohydrin plants scrubber to the reactor.

Signing wastewater treatment projects for wastewater flowing from the calcium chloride plant and the epoxy resin plant to reduce operating costs, improve the environment, and enhance production rates.

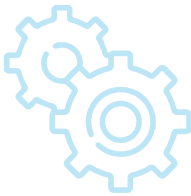


Nama Chemicals Company
"Saudi Joint Stock Company"



04

Operational Review



Our Products

Products	(Capacity (MT/year	Activity
Epoxy	120,000	Paint industry, military industries, cars, renewable energy industry from wind and various other industries in construction projects, electronics and some other industries.
Epichlorohydrin	30,000	A raw material for epoxy production, the pharmaceutical industry, and water treatment industry
Calcium chloride	45,000	A by-product used in oil drilling
Chlorine alkali (caustic soda)	50,000	A byproduct used in several industries, such as epichlorohydrin, and an intermediate for many industries
Hydrochloric acid	33,000	A byproduct that has multiple industrial uses
Soda granules	50,000	Chemical industries, detergents, paper industries, mining and other industries



Our Subsidiaries

Subsidiary Name	Location (Head Office	Activity	Capital
Jubail Chemical Industries Company (JANA)	Jubail Industrial	Production of multiple chemicals and petrochemicals	SAR 1,425,000,000
Arab Alkali Company (Soda)	Jubail Industrial	Production of dry caustic soda granules	SAR 50,000,000
Nama Industrial Investment Company	Jubail Industrial	Investing in industrial projects, oil and gas	SAR 1,000,000
Nama Europe Company	Berne - Switzerland	Marketing of chemical products	SAR 70,000



Investment Activity

Subsidiary Name	Location (Head Office)	Activity	Capital	Nama Ownership (%) in the company
Arabian Industrial Fiber Company (Ibn Rushd)	Saudi Arabia Yanbu Industrial	Production of chemicals	2,000,000,000 SAR	0.78%
National Chemical Company (NACC)	Kingdom of Bahrain	Production of chemicals	9,000,000 BD	4.05%



Production comparison for the year 2021G & 2022G (Actuals)

Production Volume (MT)	Actual 2021	Actual 2022	%
Epoxy liquid	19,024	22,478	%118
Epoxy Solid	3,599	4,169	%116
Epoxy Solution	2,523	3,867	%153
HCL	62,205	54,251	%87
HYPO	13,707	10,584	%77
CCL	4,872	3,802	%78
ECH	15,257	16,155	%106
CAUSTIC LYE	40,347	38,622	%96
SODA PRILLS + SOLIDS	40,416	20,177	%50



Work Environment Developments

During the year 2022G, Nama Chemicals Company, with Allah's help and grace, continued to implement its annual plan emanating from the company's announced strategy. Following are the most prominent achievements of the plan during the past year:





Risk Management

The Board of Directors is responsible for overseeing risk management as part of its strategic leadership of the Company. The Board Audit Committee is responsible for overseeing the risk management framework, monitoring the key risks identified, following up on all matters related to risks, submitting periodic reports on them to the Board and working with the executive management to implement the risk management policy. The Company continued in 2022G to assess the risks that it may face and may affect the achievement of its goals. The process of assessing risks takes place at the strategic and operational level and is followed up periodically, and the necessary actions and preventive measures are taken to prevent or reduce these risks.

(Nama) implements a business continuity management system which is concerned with setting priorities and understanding the challenges facing the Company and the requirements necessary to reduce the possibility of exposure to accidents and limit their negative effects. Accordingly, the Company held a workshop for all departments in order to review business continuity strategies and ways to develop them.

The Company is exposed, by virtue of the nature of its activity, to some risks that are necessarily related to the chemical and petrochemical industry. These risks include the following:

01

The shortage of qualified cadres and the high demand for them in the labor market, which constitutes strong competition that makes it difficult for the Company to attract qualified cadres.

02

Change in production costs due to the change in raw material prices linked to energy prices, which affects the Company's profitability margin.

03

The increase in the prices of main raw materials. This was one of the most prominent challenges that the Company faced during the year 2022G and had a clear impact on the Company's performance due to the inability of the Company to provide raw materials on time due to the limited financial resources.

04

It is known that the Company markets its products in global markets that have a strong competitive nature and are subject to the forces of supply and demand, which exposes the Company to the risks of competing with large companies, especially after the entry of Chinese companies into the market of the Company's products.

05

The Company's continuity in bearing the high costs of disposing of return water from factories.

Procedures and Policies that Reduce Risks

In light of these risks that the Company is exposed to or may be exposed to in the future, the Company's management works hard and continuously to develop policies and procedures that limit or mitigate current or expected risks and works to track them on a permanent and daily basis. For this, the Company has implemented, for example but not limited to, the following steps and procedures:

01

Research and openness to new markets and production of materials equivalent to new epoxy uses for the local and global market.

02

The Audit Committee has undertaken risk management, as the committee works to develop policies and strategies to manage and confront risks, train employees and encourage them to report any risks they encounter while performing their work. The committee also works to take preventive measures to prevent or mitigate the results of risks, as well as identify and analyze risks that the Company's various sectors may face through analyzing and assessing risks, working to address them, and raising the level of readiness to face unexpected risks.

Linking the system of risk management, internal audit and legal department.

03

Nama Chemicals Company
"Saudi Joint Stock Company"



Plans, Decisions, and Prospects

Nama operates in accordance with the strategic plans drawn up by the Board of Directors, which adopted the principles of safety, sustainability and reliability in managing operational processes, managing risks, monitoring performance and comprehensive implementation in the Company, aiming to improve the efficiency of operations, rationalize energy and natural resources, and improve the level of performance of its assets in a way that contributes to the growth its shareholders equities, protecting the environment and enhancing the Company's competitive capabilities in various markets.

Since the end of 2019G, and under the leadership of the board of directors, the Company has appointed a new executive management with experience in managing chemical factories. Through it, the Company's performance over the past years was reviewed and analyzed, as well as the size and requirements of the local and global markets. Accordingly, a transformation plan has been developed for the next five years, in line with the National Transformation Plan (Vision 2030).

The transformation plan focused on achieving key objectives, which are:

01

Applying the highest safety and health standards to protect employees, contractors and neighboring industries, and complying with all applicable environmental regulations.

02

Improving and maintaining reliable maintenance works to raise the factories' productivity performance by at least 98% of their production capacity, In addition to improving epoxy production and working to increase it up to 50% during the coming years.

03

Expanding the epoxy products portfolio to include new products such as specialized varieties of epoxy and epoxy hardening materials to reach at least 10% of the production.

04

Reducing the production cost by 15% the levels of the year 2021-2022G.

05

Ensuring the continuity and sustainability of all transformation plan programs.



The main axes of the plan

During the development of the plan, the focus was on four main axes:

01 Operational Excellence Program

This program includes

Adherence to all safety, health and environment instructions

Factory improvements such as projects and replacement of worn-out or poorly performing equipment

Development of operations and operating systems, maintenance programs, inventory management and quality assurance programs.

This program includes

02 Human Resources Program

Human Resources Policy Improvements

Restructuring And Required Manning

Preparing A Replacement Plan For Important Jobs

Incentive Programs To Retain Distinguished Employees

Training And Development

Saudization programs



The implementation of the company's transformation plan requires the injection of capital for new strategic projects during the next two years to implement them, which are as follows:

01

The project of treating the return water from the calcium chloride plant using the ultraviolet oxidation technology in order to remove suspended organic matter from the water, which saves the Company the cost of disposing of this water at a value of (12 million riyals annually) and doubles the factory's production (30 thousand tons annually) from the current level. The Company has agreed with a specialized company to develop this project, and preliminary studies and tests are being prepared according to the requirements of the regulatory authorities.

03

Study of increasing production capacity in the epichlorohydrin plant to meet global demand

Work on manufacturing new specialized products from epoxy resin packages by making additional technical modifications to the current factory, and work is underway to study them. These products have been identified based on the global market demand for them, and the study will be conducted to cover (10%) of the annual global demand for them.

02

A project to treat return water from the epoxy resin factory through several technologies that are being studied and approved. This will also save the Company the cost of disposing of this water at a value of (9 million riyals annually). The Company has agreed with a specialized company to develop this project. Preliminary studies and tests are being prepared according to the requirements of the regulatory authorities. The Company made several amendments during the past year with several improvements to increase the efficiency of the existing unit.

04



03 Sales and Marketing Management Program

This program includes

strategic plans to raise sales by increasing production

adding specialized products that can be manufactured in the epoxy resin factory

improving the performance of logistics services

Opening new markets, increasing the effectiveness of presence in the markets.

04 Financial Management Program

This program includes

Updating Financial Policies

Debt Restructuring

Providing financial solutions to support working capital, in line with the Company's future plans, which will be reflected in the Company's financial results during the next five years in several scenarios through the implementation of the previous programs.

applying financial control procedures

Sustainable Strategic Growth

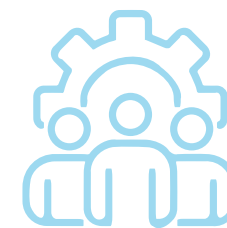


05

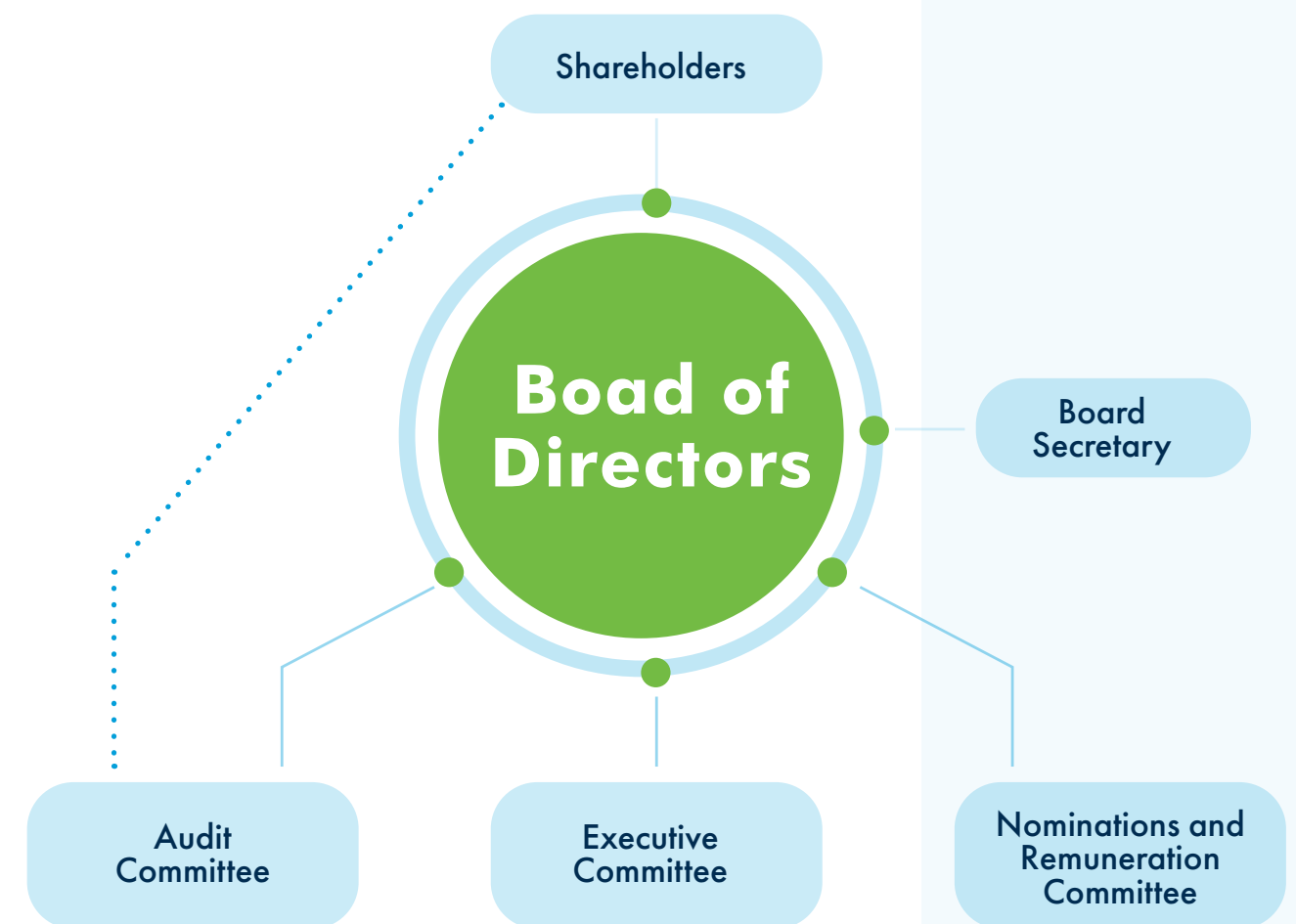
Governance and Compliance



"Nama Chemicals" is keen to commit to integrating the concepts of disclosure and transparency in all the business of the Company and its subsidiaries, while adhering to the highest standards and best professional practices of the governance. It is keen to spread a culture of commitment to the highest levels of integrity and honesty in all its administrative and operational practices in a sustainable manner. The Company also affirms its constant keenness to comply with all laws, regulations and instructions issued by the official authorities related to the work and activity of the Company, which enhances the confidence of shareholders and partners in its successful approach in accordance with all standards of efficiency, quality, and proficiency. This report has been prepared in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, as amended in the version dated (January 14, 2021 G).



The general framework of corporate governance



Ownership Structure

Nama Chemicals Company (Nama) was established as a Saudi company under the Saudi Companies Law as a joint stock company (closed) under Ministerial Resolution No. Qaf / (979) dated 05/09/1412H corresponding to 08/03/1992G and with commercial registration No. (2050023216) issued in Dammam on 10/11/1412H corresponding to 12/05/1992G and it was registered in the Dammam city registry.

In (1998G) the Company turned into a (public) joint stock company and all official procedures were completed and the Company's shares trading started from 22/10/1998G.



Annual Report For Nama
Chemicals Company 2022



The main activity of the Company

own and establish industrial projects, especially in the field of chemical industries

operate and manage the factories it establishes, and to provide technical support and industrial maintenance to serve the Company's projects and other industrial projects

The Company's Articles of Association also allows it to carry out other activities complementary to its main activity.



Governance in Nama Company

Corporate governance aims to create a system by which the Company can be led and directed. This system includes procedures for regulating the various relationships within the Company between shareholders (through shareholders' annual meetings or extraordinary meetings) and the board of directors on the one hand, and between the board of directors and executive directors on the other hand. This is in addition to regulating the relationship of the company with the stakeholders, by setting special rules and procedures to facilitate the decision-making process in the Company's affairs, and giving transparency and credibility to these decisions, in order to protect the rights of shareholders and stakeholders and to achieve fairness, competitiveness and transparency in the market.



The Company has been giving utmost importance to applying governance mechanisms and tools to ensure effective management. The Company has issued several regulations related to the corporate governance, culminated by the governance regulations. The Company has issued the policies emanating from the governance regulations, which are:



The Policies Emanating From The Governance Regulations

Audit Committee work charter

Corporate Governance Manual

Policy for regulating the relationship with all stakeholders and the rules of professional conduct

Remuneration policy for members of the Board of Directors, its committees, and the executive management

Policies, standards and procedures for membership in the Board of Directors

Nominations Committee work regulation

Disclosure policy

Executive Committee work regulations

Conflict of interest policy and rules

Dividend Distribution Policy

Policy for reporting violating practices

According to the Governance Regulations and the regulations and policies emanating from them, the Company has dealt with a number of effective management issues. In the same context, the Company reviewed and amended the tasks of the committees to comply with the provisions of the Corporate Governance Regulations, which recently announced as mandatory by the Capital Market Authority. The Company has fulfilled and implemented the provisions of the Corporate Governance Regulations issued by the Authority. It should be noted that this report did not contain some of the clarifications stipulated under Article 43 of the registration and listing rules and those stipulated under the corporate governance regulations. In this context, the Board of Directors confirms that such clarifications are not included due to the non-applicability of their cases to the Company during the year 2022G. The Company is keen to update its governance regulations and all the policies of the committees emanating from the Board of Directors periodically or whenever the need arises in accordance with the requirements of the Capital Market Authority and related regulations.



Conflict of Interest

The Board of Directors confirms that during the year 2022G, no conflict of interests occurred and there was no direct or indirect interest, for any of the members of the Board of Directors, the CEO, the deputy CEOs, the CFO of the Company, or any person associated with any of them in contracts concluded by the Company.



Board of Directors

The Board of Directors consists of (8) eight members appointed by the Ordinary General Assembly for a period of (3) three years on 1 February 2022G, where their session began on 16 Rajab 1443H corresponding to 17 February 2022G.

The company is committed to the corporate system and the governance regulations, as it was found that the number of board members is not less than three and not more than eleven. It also shows the company's commitment to Article (16) of the Corporate Governance Regulations, which obliges listed companies to have the majority of the members of the Board of Non-Executive Members and that the number of its independent members is not less than two members or one third of the Board members (whichever is greater), all members of the Board of Directors of Nama Company are independent.

Chairman, Vice-Chairman and Secretary

The company is committed to the articles of association and governance regulations in terms of mandatory appointment in these positions, as the company's board of directors approved on February 23, 2022 the appointment of Mr. Fayez bin Ahmed Al-Ahmari as Chairman of the Board of Directors, Eng. Abdullah bin Hajres Al-Sabeel as Vice Chairman of the Board and Mr. Ali bin Saad Al-Qahtani as Secretary of the Board.



Biographies of Board Members



Mr. Faiz bin Ahmed Al-Ahamari
Chairman of Board of Directors
Independent member

Current Positions
* Chief Financial Officer
* Alibaba Cloud Saudi Arabia

Previous Positions
* General Manager of Corporate Finance, Abraj Telecommunications Company (TAWAL)
* Head of the Treasury at Yanbu Aramco Sinopec Refining Company (YASREF)
* Head of the Treasury at the National Company for Titanium Dioxide (Cristal)
* Financial Manager at Elite Trading Company
* Manager of Corporate Relations at Samba Financial Group

Qualifications
* He graduated with excellence from King Fahd University of Petroleum and Minerals in Finance
* Master's degree in Financial Engineering from Stevens Institute of Technology.
* Certificate in the Executive Leadership Program for Emerging CFOs at Stanford Business School.
* Certificate in the Emerging Leadership Program from the College of Business Administration.

Experience
* Chief Financial Officer of (SCCC) Alibaba Cloud and Chairman of Nama Chemicals.
* General Manager of Corporate Finance at the Abraj Telecommunications Company (TAWAL).
* Treasurer at Yanbu Aramco Sinopec Refining (YASREF).
* Treasurer of Crystal Corporation, a leading manufacturer of titanium dioxide
* Financial Manager of Elite Trading Company.
* Manager of Corporate Banking Relationships at Samba Financial Group.
* Managing cash flows, financial forecasts, borrowings and investments while building positive relationships with lenders and government agencies to ensure capital projects support for large projects in Yanbu, Jubail and Jazan.



Eng. Abdullah Hajres Al Subayel
Deputy Chairman of the Board of Directors
- Chairman of the Executive Committee
Independent member

Current Positions
* Retired

Previous Positions
* President and Chief Administrator of the YASREF Yanbu Refinery
* Vice President of YASREF Yanbu Production Company and responsible for the initial operation of the refinery
* Chairman of Aramco Asia Company in Beijing - China
* Vice President and representative of Saudi Aramco in Fujian Refining and Petrochemical Company - China
* Vice President for Engineering Affairs and Maintenance in Petro Rabigh
* Representative of Saudi Aramco and head of the negotiation team for the petrochemical project in China - Hong Kong

Qualifications
* Bachelor of Applied Chemical Engineering

Experience
* More than 37 years of experience in managing industrial companies



Eng. Saeed Ahmed Bayounes
Board Member - Chairman of the
Nomination and Remuneration Committee
Independent member

Current Positions
* Retired

Previous Positions
* Vice President of Shared Services at Sipchem
* Vice President of Manufacturing at Sahara Company (before its merger with Sipchem)

Qualifications
* Bachelor's degree in Chemical Engineering

Experience
* More than 32 years of experience in the chemical and petrochemical industry in Jubail Industrial City



Mr. Abdullah Bin Jaber Al-Fifi
Board Member - Chairman of the Audit
Committee
Independent member

Current Positions
* Independent consultant on audit, governance, risk, and compliance

Previous Positions
* Consultant in Audit, Governance, Risk and Compliance - Ministry of Health October 2018G - May 2022G
* Member of the Nominations and Remunerations Committee - Eastern Health Pool, January 2019G - December 2021G
* Chairman of the Audit Committee - Saudi Society of Internal Auditors, January 2016G - December 2018G
* Senior Advisor in Finance - Saudi Aramco - August 2017G - September 2018G.
* Advisor to His Excellency the Minister of Health in review and follow-up (assigned by Saudi Aramco) - August 2015G to July 2017G.
* Several administrative positions in Saudi Aramco, including:
* Acting General Auditor - Saudi Aramco - May 2015G - July 2015G).
* Director of Special Audits - January 2013G - April 2015G
* Director of International Business Review - January 2008G - December 2012G.
* Manager of Internal Audit - Supply Chain and Business Services Audit Department - Financial and Administrative Affairs Audit Department - Projects Review Department - Refining and Marketing Business Review Department - January 2002G - December 2008G

Qualifications
* Bachelor's degree in accounting
Professional Fellowship in Internal Audit (CIA)
Professional Fraud Detection Fellowship (CFE)
Professional Fellowship in Risk Management Assessment (CRMA)

Experience
* More than thirty-five years of experience in several sectors in the fields of; governance, risk assessment and management, internal audit, special audits, managing conflicts of interest and work ethics.

Biographies of Board Members



Mr. Fahd bin Abdullah Al-Khonaini
Independent member

Current Positions

- * Partner and Chairman of the Board of Directors of the Urban Energy Investment Company
- * Partner and Chairman of the Board of Directors of the Mineral Energy Company
- * Owner and Chairman of the Board of Directors of the First Hotel Residences Company
- * Partner, Founder and Chairman of the Board of Directors of Artal Hotel Company
- * Owner of Mega Information Technology Company
- * Owner of Arkan Artal Company for Maintenance and Operation

Previous Positions

None

Qualifications

- * Bachelor's degree from Imam Mohammed bin Saud Islamic University

Experience

- * More than 23 years of experience in real estates and hotel investment. He chairs many boards of directors of companies in which he is a partner and wholly owned by him.



Mr. Abdullah bin Mohamed Al Salem
Executive Board Member

Current Positions

- * CEO

Previous Positions

- * General Manager of Manufacturing Efficiency Assurance at SABIC
- * President of the National Industrial Gases Company (Gas).
- * General Manager of Production at the Saudi Petrochemical Company

Qualifications

- * Bachelor's degree in Applied Chemical Engineering from King Fahd University of Petroleum and Minerals
- * Executive MBA in Global Business Administration from Thunderbird International Business School

Experience

- * More than 25 years of experience in operating and managing petrochemical companies.
- * He started his work as a process engineer at the Saudi Petrochemical Company (Sadaf). He was promoted to work as General Manager in various positions. Then he moved to the position of Chairman of the National Industrial Gases Company (Gas) for a period of 4 years. He then moved to SABIC's Manufacturing Division as General Manager for Manufacturing Quality Assurance for SABIC's global operations.
- * During his career, he has led and participated in numerous development and transformation processes in various areas of the chemical industry.



Mr. Mohammed bin Zuhair Murad
Independent Board Member

Current Positions

- * Lawyer and legal advisor

Previous Positions

- * Attorney

Qualifications

- * Master of Law from the United States of America - Michigan State University
- * Bachelor of Law from Lebanon - Beirut Arab University, Lebanon

Experience

- * Attorney and legal advisor for many companies and commercial organizations. Experience in the field of law and legal advice, starting in 2007 in various commercial fields, arbitration, contracts, and legal advice.



Mr. Haitham bin Faisal Oskoubi
Independent Board Member

Current Positions

- * Office owner / Haitham Scobi Legal Office

Previous Positions

- * A former consultant at Saudi Aramco

Qualifications

- * Master of Business Administration
- * Bachelor of Law

Experience

- * 29 years in Saudi Aramco and finally 9 months in Haitham Lascobe law firm.



Names of companies inside and outside the Kingdom in which a member of the Board of Directors is a member of its current and previous boards of directors or one of their managers

Name	Names of companies in which a member of the Board of Directors is a member of its current boards of directors or one of their managers	Inside / Outside the Kingdom	Names of companies in which a member of the Board of Directors is a member of its previous boards of directors or one of their managers	Inside / Outside the Kingdom
Mr. Faiz bin Ahmed Al-Ahamari	Board member of the Special Petrochemical Fund	Inside	- Member of the Board of Directors and member of the Executive Committee, Nama Chemicals Company - Chairman of the Audit Committee - Nama Chemicals Company	Inside
Eng. Abdullah Hajres Al Subayel	Chairman of the Executive Committee of the Board of Directors of the Global Environmental Services Management Company	Inside	None	-
Eng. Saeed Ahmed Bayounes	None	-	None	-
Mr. Abdullah Bin Jaber Al-Fifi	- Member of the Board of Directors, Chairman of the Audit Committee, and member of the Nominations and Remuneration Committee of Rabigh Refining and Petrochemical Company (listed joint stock) as of November 2021 G. - Member of the Audit Committee of Al-Othaim Markets Company (listed joint stock) as of October 2021 G. - Member of the Audit and Risk Committee of Tanami Arabia Company (not listed) as of November 2021 G. - Member of the Audit Committee of Saudi British Bank (listed joint stock as of January 2023G).	Inside	None	-
Mr. Fahd bin Abdullah Al-Khonaini board member	- Chairman of the Board of the Urban Energy Investment Company - Chairman of the Board of the Mineral Energy Company - Chairman of the Board of the First Hotel Residences Company - Chairman of the Board of Artal Hotel Company	Inside	None	-
Mr. Abdullah bin Mohamed Al Salem	Al-Farabi Petrochemical Company (-2020present)	Inside	Jubail Fertilizer Company (Al-Bayrouni) LLC (2018-2015)	Inside
Mr. Mohammed bin Zuhair Murad	None	-	None	-
Mr. Haitham bin Faisal Oskoubi	None	-	None	-



Board of Directors Meetings

According to the company’s articles of association, the Board shall meet at least twice a year at the invitation of its chairman or when requested by (2) two of the members. The invitation must be in writing. According to article (32) of the Corporate Governance Regulations, the Board shall meet regularly, at least every three months during one fiscal year. The board of directors must also document its meetings and prepare minutes of discussions and deliberations, including the voting operations that took place, classify them, and keep them handy for easy reference. It appears from the minutes of Nama Board meetings for the year 2022G that the company is committed to the minimum Board meetings required by law. The board of directors held six (6) meetings in 2022G, during which no member of the Board authorized anyone else to attend on his behalf. The following is the record of attendance at these meetings for each board members:

Member’s Name	Appointment Date	Type of Membership	Board Meetings						Total (6)
			first meeting 17/02/2022	Second meeting 23/02/2022G	Third meeting 16/03/2022G	Fourth meeting 01/06/2022G	Fifth meeting 03/11/2022G	Sixth meeting 25/12/2022G	
Mr. Faiz bin Ahmed Al-Ahamari	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Eng. Abdullah Hajres Al Subayel	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Eng. Saeed Ahmed Bayounes	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Mr. Abdullah Bin Jaber Al-Fifi	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Mr. Fahd bin Abdullah Al-Khonaini	06/11/2022G	Independent	-	-	-	-	-	✓	1
Mr. Abdullah bin Mo-hamed Al Salem	08/05/2022G	Executive	-	-	-	✓	✓	✓	3
Mr. Mohammed bin Zu-hair Murad	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Mr. Haitham bin Faisal Oskoubi	17/02/2022G	Independent	✓	✓	✓	✓	✓	✓	6
Mr. Iyad Ishaq Afghani His membership expired on 05/11/2022	17/02/2022G	Independent	✓	✓	✓	✓	✓	-	5
Mr. Hamza Ghulam Jaharji His membership expired on 10/04/2022	17/02/2022G	Independent	✓	✓	-	-	-	-	2

Board Committees

The board of directors has (3) three sub-committees that assist it in performing its tasks, which are:

01 Executive Committee

which consists of three members, all of whom are Board members.

02 Audit Committee

which consists of three members, including one member from the board of directors.

03 Nominations and Remunerations Committee

which consists of three members, all of whom are Board members.

The functions of the Board committees include reporting to the Board and are responsible for handling a range of operational and business matters including human resources, remuneration and nominations.

It appears from the minutes of the meetings of the Board committees for the year 2022G that the company is compliant with the minimum required by law for the meetings of the Board committees.

Executive Committee



Eng. Abdullah Hajres Al Subayel
Chairman of the Executive Committee

Current Positions

* Retired

Previous Positions

- * President and Chief Administrator of the YASREF Yanbu Refinery
- * Vice President of YASREF Yanbu Production Company and responsible for the initial operation of the refinery
- * Chairman of Aramco Asia Company in Beijing - China
- * Vice President and representative of Saudi Aramco in Fujian Refining and Petrochemical Company - China
- * Vice President for Engineering Affairs and Maintenance in Petro Rabigh
- * Representative of Saudi Aramco and head of the negotiation team for the petrochemical project in China - Hong Kong

Qualifications

* Bachelor of Applied Chemical Engineering

Experience

* More than 37 years of experience in managing industrial companies



Eng. Saeed Ahmed Bayounes
Member

Current Positions

* Retired

Previous Positions

- * Vice President of Shared Services at Sipchem
- * Vice President of Manufacturing at Sahara Company (before its merger with Sipchem)

Qualifications

* Bachelor's degree in Chemical Engineering

Experience

* More than 32 years of experience in the chemical and petrochemical industry in Jubail Industrial City



Mr. Faiz bin Ahmed Al-Ahamari
Member

Current Positions

- * Chief Financial Officer
- * Alibaba Cloud Saudi Arabia

Previous Positions

- * General Manager of Corporate Finance, Abraj Telecommunications Company (TAWAL)
- * Head of the Treasury at Yanbu Aramco Sinopec Refining Company (YASREF)
- * Head of the Treasury at the National Company for Titanium Dioxide (Cristal)
- * Financial Manager at Elite Trading Company
- * Manager of Corporate Relations at Samba Financial Group

Qualifications

- * He graduated with excellence from King Fahd University of Petroleum and Minerals in Finance
- * Master's degree in Financial Engineering from Stevens Institute of Technology.
- * Certificate in the Executive Leadership Program for Emerging CFOs at Stanford Business School.
- * Certificate in the Emerging Leadership Program from the College of Business Administration.

Experience

- * Chief Financial Officer of (SCCC) Alibaba Cloud and Chairman of Nama Chemicals.
- * General Manager of Corporate Finance at the Abraj Telecommunications Company (TAWAL).
- * Treasurer at Yanbu Aramco Sinopec Refining (YASREF).
- * Treasurer of Crystal Corporation, a leading manufacturer of titanium dioxide
- * Financial Manager of Elite Trading Company.
- * Manager of Corporate Banking Relationships at Samba Financial Group.
- * Managing cash flows, financial forecasts, borrowings and investments while building positive relationships with lenders and government agencies to ensure capital projects support for large projects in Yanbu, Jubail and Jazan.

Audit Committee



Mr. Abdullah Bin Jaber Al-Fifi

Board Member - Chairman of the Audit Committee

Current Positions

* Independent consultant on audit, governance, risk, and compliance

Previous Positions

* Consultant in Audit, Governance, Risk and Compliance - Ministry of Health October 2018G - May 2022G
* Member of the Nominations and Remunerations Committee - Eastern Health Pool, January 2019G - December 2021G
* Chairman of the Audit Committee - Saudi Society of Internal Auditors, January 2016G - December 2018G
* Senior Advisor in Finance - Saudi Aramco - August 2017G - September 2018G
* Advisor to His Excellency the Minister of Health in review and follow-up (assigned by Saudi Aramco) - August 2015G to July 2017G.
* Several administrative positions in Saudi Aramco, including:
* Acting General Auditor - Saudi Aramco - May 2015G - July 2015G).
* Director of Special Audits - January 2013G - April 2015G
* Director of International Business Review - January 2008G - December 2012G.
* Manager of Internal Audit - Supply Chain and Business Services Audit Department - Financial and Administrative Affairs Audit Department - Projects Review Department - Refining and Marketing Business Review Department - January 2002G - December 2008G

Qualifications

* Bachelor's degree in accounting
* Professional Fellowship in Internal Audit (CIA)
* Professional Fraud Detection Fellowship (CFE)
* Professional Fellowship in Risk Management Assessment (CRMA)

Experience

* More than thirty-five years of experience in several sectors in the fields of; governance, risk assessment and management, internal audit, special audits, managing conflicts of interest and work ethics.



Mr. Abdul-Rahman bin Abdulaziz Belghunaim

Member from outside the board

Current Positions

* General Manager of Internal Audit at Takamol Business Services Company

Previous Positions

* Auditor at KPMG
* Director General of Internal Audit at the Ministry of Communications and Information Technology
* Head of the Investigation Unit at Sadara Chemical Company
* Chief internal auditor in the Saudi Ready-mix Company
* General Manager of Internal Audit at the Saudi Contractors Authority (SCA).

Qualifications

* Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals.

Experience

* More than 14 years of experience in internal audit and financial management.



Mr. Mufdi bin Ali Atnan

Committee member from outside the board

Current Positions

* Acting Head of Asset Management at Osoul & Bakheet Investment Company

Previous Positions

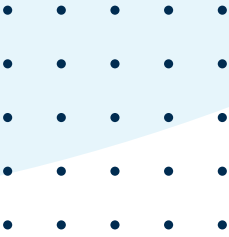
* Manager of the Research Department at Osoul and Bakheet Investment Company
* Senior Fund Manager in Asset Management at Adeem Financial Company
* Financial Analyst in the Investment Department of Saad Group.
* Senior Financial Analyst at Mulkia Investment Company
* Assistant fund manager at Al-Bilad Investment Company
* Financial Analyst at Shuaa Capital Company
* Analyst at Al-Bilad Investment Company
* Head of the Financial Markets Department at Osoul and Bakheet Investment Company.

Qualifications

* Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals

Experience

* More than 13 years of experience in asset management, investments, and financial analysis



Nominations and Remuneration Committee



Eng. Saeed Ahmed Bayounes
Committee Chairman

Current Positions

- * Retired

Previous Positions

- * Vice President of Shared Services at Sipchem
- * Vice President of Manufacturing at Sahara Company (before its merger with Sipchem)

Qualifications

- * Bachelor's degree in Chemical Engineering

Experience

- * More than 32 years of experience in the chemical and petrochemical industry in Jubail Industrial City



Mr. Abdullah Bin Jaber Al-Fifi
Member

Current Positions

- * Independent consultant on audit, governance, risk, and compliance

Previous Positions

- * Consultant in Audit, Governance, Risk and Compliance - Ministry of Health October 2018G - May 2022G
- * Member of the Nominations and Remunerations Committee - Eastern Health Pool, January 2019G - December 2021G
- * Chairman of the Audit Committee - Saudi Society of Internal Auditors, January 2016G - December 2018G
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- * Manager of Internal Audit - Supply Chain and Business Services Audit Department - Financial and Administrative Affairs Audit Department - Projects Review Department - Refining and Marketing Business Review Department - January 2002G - December 2008G

Qualifications

- * Bachelor's degree in accounting
- * Professional Fellowship in Internal Audit (CIA)
- * Professional Fraud Detection Fellowship (CFE)
- * Professional Fellowship in Risk Management Assessment (CRMA)

Experience

- * More than thirty-five years of experience in several sectors in the fields of; governance, risk assessment and management, internal audit, special audits, managing conflicts of interest and work ethics.



Mr. Faiz bin Ahmed Al-Ahamari
Member

Current Positions

- * Chief Financial Officer
- * Alibaba Cloud Saudi Arabia

Previous Positions

- * General Manager of Corporate Finance, Abraj Telecommunications Company (TAWAL)
- * Head of the Treasury at Yanbu Aramco Sinopec Refining Company (YASREF)
- * Head of the Treasury at the National Company for Titanium Dioxide (Cristal)
- * Financial Manager at Elite Trading Company
- * Manager of Corporate Relations at Samba Financial Group

Qualifications

- * He graduated with excellence from King Fahd University of Petroleum and Minerals in Finance
- * Master's degree in Financial Engineering from Stevens Institute of Technology.
- * Certificate in the Executive Leadership Program for Emerging CFOs at Stanford Business School.
- * Certificate in the Emerging Leadership Program from the College of Business Administration.

Experience

- * Chief Financial Officer of (SCCC) Alibaba Cloud and Chairman of Nama Chemicals.
- * General Manager of Corporate Finance at the Abraj Telecommunications Company (TAWAL).
- * Treasurer at Yanbu Aramco Sinopec Refining (YASREF).
- * Treasurer of Crystal Corporation, a leading manufacturer of titanium dioxide
- * Financial Manager of Elite Trading Company.
- * Manager of Corporate Banking Relationships at Samba Financial Group.
- * Managing cash flows, financial forecasts, borrowings and investments while building positive relationships with lenders and government agencies to ensure capital projects support for large projects in Yanbu, Jubail and Jazan.

Report of the audit committee

The board of directors formed the financial audit committee pursuant to the requirements of the company's bylaws and governance regulations. The Audit Committee is responsible for reviewing the financial statements, recommending financial and accounting matters to the board of directors, recommending the appointment of the external auditor, supervising the efficiency of the work of the internal auditor, and other issues falling under its competence in accordance with the amendments approved by the governance regulations.

The audit committee's responsibilities include supervising the preparation of financial reports, including reviewing the financial statements; providing technical opinion regarding the Board's report and financial statements that comply with regulatory requirements; verifying accounting estimates; supervising internal control systems and risk management; supervising internal audit and verifying its effectiveness; supervising the external auditor by recommending and determining fees and verifying his independence.

The fiscal year ending on December 31, 2022G did not witness any conflict between the recommendations of the Audit Committee and the decisions of the board of directors. Furthermore, there were no cases of rejection by the Board of the Committee's recommendations regarding the appointment of the company's auditor, his dismissal, determining his fees, evaluating his performance, or appointing the internal auditor. Following is the composition of the audit committee and the record of attending its meetings during the year 2022G:

Member Name	Membership Capacity	Date of the meeting					Number of meetings
		12/03/2022G	26/04/2022G	30/07/2022G	29/10/2022G	20/12/2022G	
Mr. Abdullah bin Jaber Al-Fifi	Chairman	✓	✓	✓	✓	✓	5
Mr. Abdul-Rahman bin Abdulaziz Belghunaim	Member	✓	✓	✓	✓	✓	5
Mr. Mufdi bin Ali Atnan	Member	✓	✓	✓	✓	✓	5

Report of the Executive Committee

The Executive Committee is composed of three members and undertakes some tasks delegated to it by the Board from time to time according to the company's need and business requirements. The Executive Committee holds periodic meetings and submits the necessary recommendations to the board of directors. On February 23, 2022, the board of directors selected a new executive committee, as per the table below. The responsibilities of the Executive Committee include participating in developing the company's new general strategic plans and evaluating proposals submitted by management; reviewing the company's performance based on monthly management reports; monthly reviewing the company's business; reviewing and submitting proposals for new capital investments; reviewing the policies and regulations proposed by the executive management; periodically reviewing the rules of corporate governance, policies and controls of professional conduct of employees; reviewing topics and actions that could affect the company's public image. Following is the composition of the Executive Committee and the record of attending its meetings during the year 2022G:

Member Name	Membership Capacity	Date of the meeting						Number of meetings
		07/03/2022G	24/05/2022G	26/06/2022G	09/08/2022G	26/09/2022G	19/12/2022G	
Abdullah Hajres Al Subayel	Chairman	✓	✓	✓	✓	✓	✓	6
Faiz Ahmed Al-Ahamari	Member	✓	✓	✓	✓	✓	✓	6
Saeed Ahmed Bayounes	Member	✓	✓	✓	✓	✓	✓	6

Report of the Nominations and Remuneration Committee

The Nominations and Remunerations Committee was formed in accordance with the requirements of the company's corporate governance regulations based on the Corporate Governance Regulations issued by the Capital Market Authority. The Nominations and Remuneration Committee undertakes the tasks of assessing the commitment and contribution of Board members to the work of the Board and determining the members' remuneration in alignment of the aforementioned assessment; in addition to reviewing the company's requirements regarding the expertise that must be available in the membership of the board of directors and recommending the nomination requirements for membership of the Board. On February 23, 2022, the Board selected the new Nomination and Remuneration Committee, as per the table below. The responsibilities of the Nominations and Remuneration Committee include recommending to the board of directors the nomination of its members and re-nomination of them in accordance with the approved controls and criteria; conducting an annual review of the necessary skills or experiences suitable for membership of the board of directors and the functions of the executive management; reviewing the structure of the board of directors and the executive management and submitting recommendations to the Board regarding the changes that can be made, determining the strengths and weaknesses of the Board and proposing solutions to address them in accordance with the interests of the company; verifying annually the independence of the members and the absence of a conflict of interest if the member is a member of the board of directors of another company developing a job description for the executive members, non-executive members, independent members and senior executives; clarifying the relationship among the granted remunerations and the applicable remuneration regulation; recommending to the board of directors the remunerations of the members of the board of directors, its committees and senior executives of the company in accordance with the approved regulation.

Following is the composition of the Nominations and Remuneration Committee and the record of attending its meetings during the year 2022G

Member Name	Membership Capacity	Date of the meeting						Number of meetings
		05/04/2022	21/04/2022	22/05/2022	06/07/2022	03/08/2022	06/11/2022	
Eng. Saeed bin Ahmed Bayounes	Chairman	✓	✓	✓	✓	✓	✓	6
Mr. Abdullah bin Jaber Al-Fifi	Member	✓	✓	✓	✓	✓	✓	6
Mr. Faiz bin Ahmed Al-Ahamari	Member	✓	✓	✓	✓	✓	✓	6

Executive Management and their Biographies



Mr. Abdullah bin Mohamed Al Salem

Current Positions

* CEO

Previous Positions

* General Manager of Manufacturing Efficiency Assurance at SABIC
 * President of the National Industrial Gases Company (Gas).
 * General Manager of Production at the Saudi Petrochemical Company

Qualifications

* Bachelor's degree in Applied Chemical Engineering from King Fahd University of Petroleum and Minerals
 * Executive MBA in Global Business Administration from Thunderbird International Business School

Experience

* More than 25 years of experience in operating and managing petrochemical companies.
 * He started his work as a process engineer at the Saudi Petrochemical Company (Sadaf). He was promoted to work as General Manager in various positions. Then he moved to the position of Chairman of the National Industrial Gases Company (Gas) for a period of 4 years. He then moved to SABIC's Manufacturing Division as General Manager for Manufacturing Quality Assurance for SABIC's global operations.
 * During his career, he has led and participated in numerous development and transformation processes in various areas of the chemical industry.



Mr. Rayan bin Mustafa Baaqil

Current Positions

* CFO

Previous Positions

* Financial Controller at Aramco Rowan Offshore Drilling Company (Arrow Drilling)
 * Deputy Financial Controller at Yanbu Aramco Sinopec Refinery Company Limited (YASREF)
 * Head of the Financial Reports and Budgets Department at Yanbu Aramco Sinopec Refinery Company Limited (YASREF)

Qualifications

* Bachelor's degree in Accounting from King Abdulaziz University
 * Masters in Commerce and Business from Western Sydney University
 * Fellowship from the Saudi Organization for Certified Public Accountants

Experience

* More than 14 years of experience in the field of finance, administrative and operational accounting, achieved through holding positions in several sectors such as chemical manufacturing, oil refineries, energy services, and professional consulting.
 * He started his work in the external audit at KPMG Al Fozan & Partners (KPMG). Then he joined Yanbu Aramco Sinopec Refinery Company Limited (YASREF) in various positions starting from the project stage for a period of 7 years, during which he participated in the development of financial functions, policies, systems and operations.
 * He then moved on as Financial Controller at Aramco Rowan Offshore Drilling Company (ARO) for 3 years during which he led transformation and development plans for financial functions, policies, systems and operations.



Eng. Mohammed bin Abdulwahab Al-Ghamd

Current Positions

* Vice President for Manufacturing

Previous Positions

* General Manager of Maintenance, SABIC Company (Sadaf / North Petrokemiya).
 * Technical / Engineering Executive Director - SABIC (Kimya)
 * Vice President for Manufacturing Operations at Nama Chemicals Company.

Qualifications

* Bachelor's degree in Electrical Engineering

Experience

* More than 24 years of experience in the petrochemical industry, including maintenance, technical/engineering support, and operation, and extended to include production planning and supply chains for the company's products.
 * He held many engineering, leadership and executive roles in a number of leading companies affiliated with SABIC with partners such as: Shell and ExxonMobil
 * He participated and led many transformation projects at the level of SABIC subsidiaries, which included several sectors, including safety and reliability, development of the technical/engineering scale, capital expenditure management, fixed costs, integration projects, energy, sustainability and crisis management.
 * He has held various roles at company level as a member of various boards related to Personnel Services, Global Procurement, Information Technology, Shared Service, Accounting Service, Utilities and Polyethylene.
 * Currently, he holds the position of Vice President of Manufacturing (Operation, Maintenance, Technical Affairs, Health, Environment and Safety) for Nama Chemicals Company.



Mr. Mutaib bin Hamad Al-Dariwish

Current Positions

* Vice President for Shared Services

Previous Positions

* General Manager of human and administrative resources and medical services - Maaden Company
 * Head of Human Resources and Recruitment - Sahara Company
 * Supervisor of recruitment and manpower planning - facilities

Qualifications

* Master's degree in Business Administration, Northumbria University, Newcastle, United Kingdom

Experience

* More than 25 years of experience in corporate management



Mr. Aladdin bin Abdullah Bawazir

Current Positions

* Vice President for Sales and Marketing

Previous Positions

* Sales Manager Crystal - National Titanium Dioxide Co., Ltd
 * CEO - Arab Calcium Carbonate Company,
 * Regional Sales and Marketing Manager - Oasis Fiber glass Company in Jeddah
 * Director of Strategic Accounts and Markets - Industrial Group in Jeddah

Qualifications

* Bachelor of Science - Applied Chemical Engineering from King Fahd University of Petroleum and Minerals

Experience

* More than 24 years of experience in the field of chemicals and various industries in five different companies

Paid Remunerations and Policies

Disclosure of the remuneration policy for members of the board of directors and executive management in the company

In implementation of the provisions of paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority and the company's corporate governance guide, a policy for remuneration of members of the board of directors, its committees and the executive management of the Nama Chemical Company has been put in place. This policy aims to set standards for remuneration of members the board of directors, its committees and the executive management in accordance with the requirements and objectives set out in the Corporate Governance Regulations, in order to encourage and urge the members of the board of directors, its committees and the executive management to perform their work to the fullest extent in the interest of the company and its employees, as well as for the success of the company and development of its business without prejudice to the statutory requirements and the company's articles of association and the provisions of the relevant governance regulations. The remuneration of the members of the Board, its committees and senior executives in the company is subject to the following criteria:

01

It shall be consistent with the company's strategic plans, long and short-term objectives, activities, the sector in which it operates, the skill required to manage it, and the size, nature, and degree of risks in the company.

02

Encouraging the members of the board of directors, its committees, and the executive management to ensure the success and development of the company in the long term, and to link the variable part of the remunerations with performance in the long term

03

The remunerations shall be determined based on the level of the position, the tasks and responsibilities assigned to its occupant, the level of performance, in addition to the objectives set by the board of directors to be achieved during the fiscal year

04

The remunerations shall into account the practices of other companies in determining remunerations, while avoiding what may result from unjustified increase in remunerations and compensation.

05

To aim at attracting, preserving and motivating professional competencies, without exaggerating them.

06

The promise to coordinate with the remuneration and Nomination Committee in the company when making new appointments

07

Stop the disbursement of the remunerations or refund it if appears that it was decided on the basis of inaccurate information provided by a member of the board of directors or the executive management; This is to prevent career mode from being exploited for undeserved remunerations.

Board Members Remuneration

	Variable Bonuses							Fixed Bonuses									
Member	A certain amount	Attendance Allowance of Board meetings	Total allowance for committee attendings sessions	In-kind benefits	Remuneration for Technical, consulting and administrative work	Remuneration of the Chairman, Managing Director or Secretary, if he is a member	Total	A Percentage of profits	Periodic Remunerations	كافة المدخلات والبدلات والمسابقات	Short-term incentive plans	Long term incentive plans	Granted Shares (value)	Total	End of service Remuneration	Expense allowance	Grand total
First: Independent members																	
Mr. Faiz bin Ahmed Al-Ahmari	200,000	18,000	36,000	-	-	-	254,000	-	-	-	-	-	-	-	-	-	254,000
Eng. Abdullah bin Hajres Al Subayel	200,000	18,483	18,000	-	-	-	236,483	-	-	-	-	-	-	-	-	-	236,483
Eng. Saeed bin Ahmed Bayounes	174,794	22,000	36,000	-	-	-	232,794	-	-	-	-	-	-	-	-	-	232,794
Mr. Abdullah bin Jaber Al-Fifi	174,794	22,000	33,000	-	-	-	229,794	-	-	-	-	-	-	-	-	-	229,794
Mr. Fahd bin Abdullah Al-Khonaini	30,684	3,000	0	-	-	-	33,684	-	-	-	-	-	-	-	-	-	33,684
Eng. Abdullah bin Mohamed Al Salem	130,410	13,000	0	-	-	-	143,410	-	-	-	-	-	-	-	-	-	143,410
Mr. Muhammad bin Zuhair Murad	174,794	23,119.42	0	-	-	-	197,913.42	-	-	-	-	-	-	-	-	-	197,913.42
Mr. Haitham bin Faisal Oskoubi	174,794	26,000	0	-	-	-	200,794	-	-	-	-	-	-	-	-	-	200,794
Mr. Iyad Ishaq Afghani His membership expired on 05/11/2022	144,109	15,000	0	-	-	-	159,109	-	-	-	-	-	-	-	-	-	159,109
Mr. Hamza Ghulam Joharji His membership expired on 10/04/2022	0	6,000	0	-	-	-	6,000	-	-	-	-	-	-	-	-	-	6,000
Total		166,602	123,000	-	-	-	1,889,602	-	-	-	-	-	-	-	-	-	1,889,602

Note: During the fiscal year 2022G, no amounts were paid to Board members in their capacity as workers, managers, or for technical, administrative or consulting work.

Senior Executive Remunerations

The following are details of the remunerations and compensations for senior executives during the year 2021 G.

Senior executive positions	Fixed Remunerations				Variable Remuneration								Grand total
	Salaries	Allowances	In-Kind benefits	Total	Periodic Remunerations	Profits	Short-term incentive plans	Long term incentive plans	Granted shares (value)	Total	End of service benefit	Total executive remuneration for the board, if any	
Senior Executives	3,653,512	1,125,306	-	4,778,818	409,720	-	-	-	-	409,720	97,521	97,521	5,383,580

Remunerations of Committee Members

Committees	Fixed Remuneration (2022)	Meetings attending Allowance (2022)	Total
Members of the Audit committee			
Abdullah bin Jaber Al-Fifi - Chairman of the Committee	60,000	15,000	75,000
Abdul Rahman bin Abdul Aziz Balghunaim - Member	60,000	15,000	75,000
Mufdi bin Ali Atnan - Member	60,000	15,000	75,000
Members of the Executive Committee			
Abdullah bin Hajres Al Subayel - Chairman of the Committee	150,000	18,000	168,000
Faiz bin Ahmed Al-Ahamari - Member	150,000	18,000	168,000
Saeed bin Ahmed Bayounes - Member	150,000	18,000	168,000
Members of the Nominations and Remuneration Committee			
Saeed bin Ahmed Bayounes - Chairman of the Committee	60,000	18,000	78,000
Faiz bin Ahmed Al-Ahamari - Member	60,000	18,000	78,000
Abdullah bin Jaber Al-Fifi - Member	60,000	18,000	78,000

Assignment of Remunerations

During the year 2022, there are no arrangements or agreements under which a member of the board of directors or a senior executive assigned any remuneration.

Ownership of Board members, senior executives and their relatives in the company as of 31/12/2022G

A description of any interest, contractual securities, and subscription rights belonging to members of the Board or senior executives and their relatives in shares or debt instruments of the company or sukuk issued by the company or any of its subsidiaries, and any change in that interest or those rights during the fiscal year (2022G):

Name of the party who has the interest	Number at the beginning of 2022		Number at the end of the year 2022		Net change	Change (%) percentage
	Shares	Shares	Shares	Shares		
Mr. Faiz bin Ahmed Al-Ahamari (Chairman)	1,000	-	1,000	-	0	0%
Eng. . Abdullah bin Hajres Al Subayel (Deputy Chairman of the Board)	-	-	-	-	0	0%
Eng. Saeed bin Ahmed Bayounes (Member)	-	-	-	-	0	0%
Mr. Abdullah bin Jaber Al-Fifi (Member)	10	-	10	-	0	0%
Mr. Fahd bin Abdullah Al-Khonaini (Member)	436,250	-	286,301	-	-149,949	41.51%
Eng. Abdullah bin Mohamed Al Salem (Member)	-	-	-	-	0	0%
Mr. Mohammed bin Zuhair Murad (Member)	45	-	45	-	0	0%
Mr. Haiham bin Faisal Oskoubi (Members)	100	-	100	-	0	0%
Eng . Abdullah bin Mohamed Al Salem (CEO)	-	-	-	-	0	0%
Mr. Rayan bin Mustafa Baaqil (CFO)	-	-	-	-	0	0%
Eng. Mohammed bin Abdulwahab Al-Ghamdi (Vice President for Manufacturing)	-	-	-	-	0	0%
Mr. Mutaib bin Hamad Al-Dariwish (Vice President for Shared Services)	-	-	-	-	0	0%
Mr. Aladdin bin Abdullah Bawazir (Vice President for Sales and Marketing)	-	-	-	-		0%

The Board of Directors confirms that there is no interest belonging to the members of the Board or senior executives in the company's debt instruments or sukuk issued by the company or any of its subsidiaries.

Method of informing Board members of shareholders and investors proposals

The company's executive management informs the members of the board of directors, especially the non-executive ones, of the shareholders' proposals and observations regarding the company and its performance, through several methods, including reports submitted during the meetings of the board of directors, meetings of the General Assembly, or reports sent by e-mail.

Informing shareholders and investors of significant developments and ways to communicate with them

Nama Company is committed to and acknowledges the right of shareholders and investors to be informed of the company's performance and activity, as well as any developments that may occur in the company and have an impact, whether positive or negative, on the company's work, financial condition, and ability to compete in the local or global markets, through meetings held with them during the year and by presenting to them the Board report, and the disclosure and announcement of any material or non-material developments on Tadawul's or the company's websites.

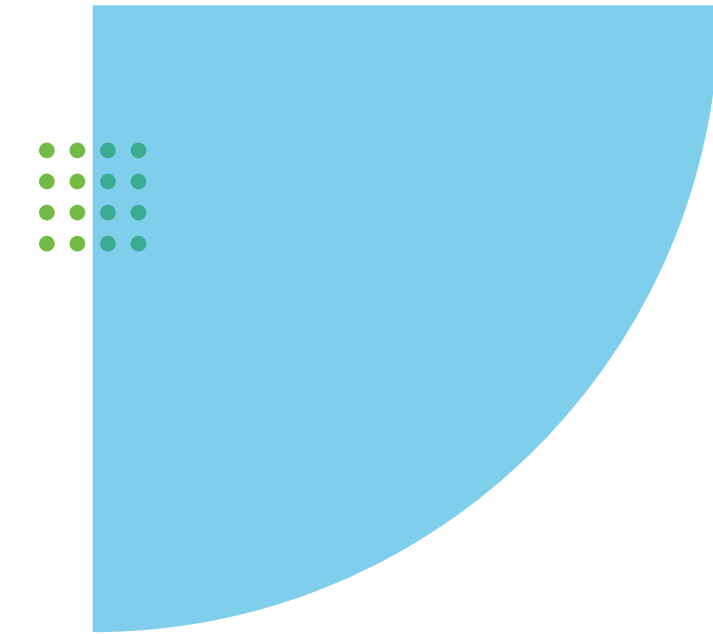
Internal Control

Nama Chemicals gives internal control utmost importance in its endeavor to improve the efficiency and effectiveness of performance, increase profitability, and take into account the systems through which the company operates. The elements on which the company's internal control is based are dependent on the control environment, risk analysis and management, communication and information, control and follow-up procedures and other effective control and management mechanisms.

In this context, the company's management has established policies and procedures that provide a reasonable basis for internal control to meet potential risks at the level of the company as a whole and at the level of various operations. At the level of the company, the management has developed several procedures aimed at providing a climate of responsibility and honesty, distributing authorities and responsibilities, exchanging information and protecting information systems, as well as the company's adoption of various policies and procedures that regulate the management of human resources. As for operations, the company's management has set written procedures for each activity according to the risks and objectives of the activity. The Audit Committee supports the independence of the company's internal audit function by monitoring its activities and following up on the implementation of its recommendations. The internal audit implemented the work plan for the year 2021 and issued the necessary reports, including its recommendations in the context of improving performance.



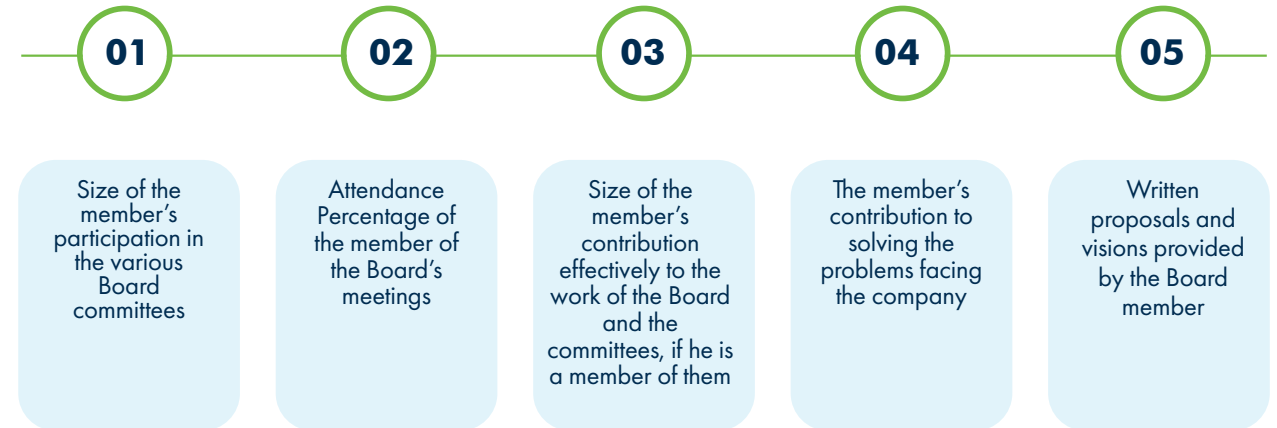
Internal Audit and compliance



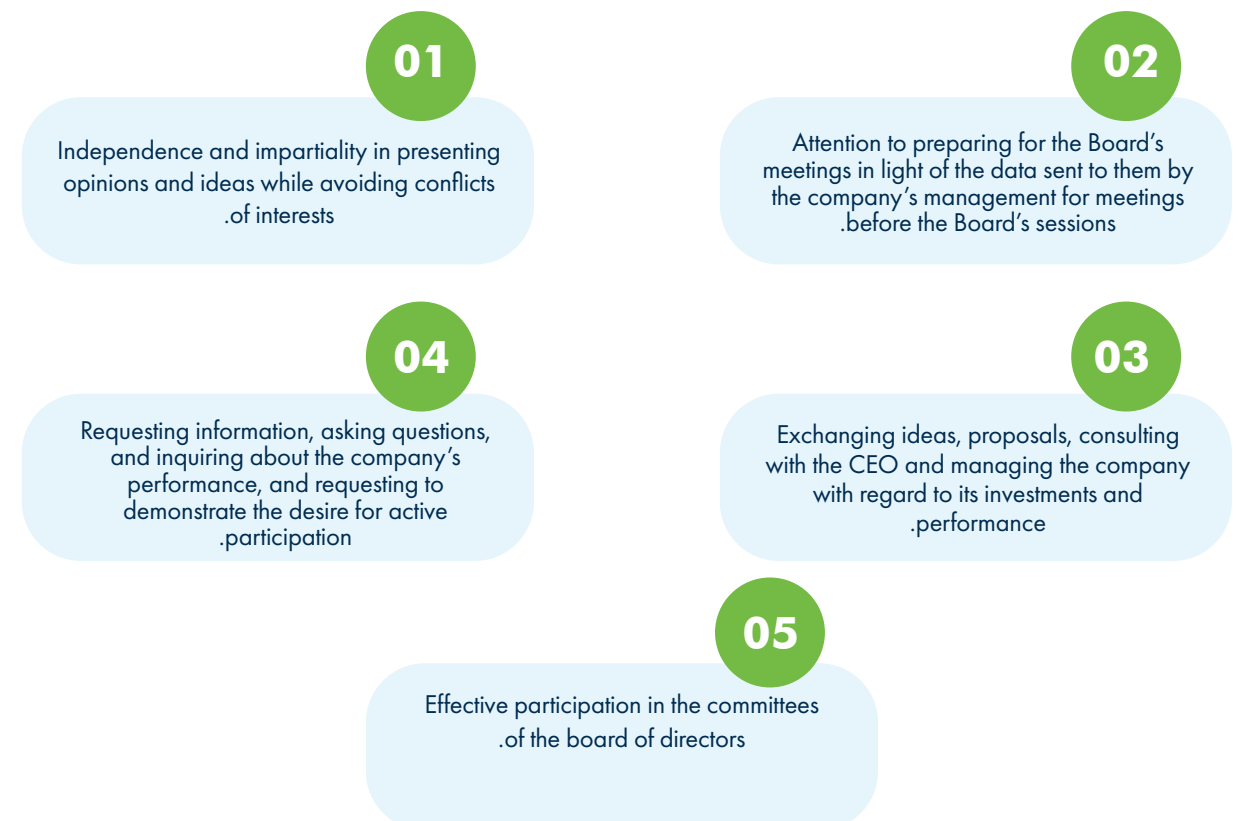
Assessment method of the performance of the board and its committees



The Remuneration and Nominations committee conducts assessment of the performance of the members of the Board according to the criteria mentioned below



The Non -Executive Board members are also conducting a periodic assessment of the performance of the Chairman of the board of directors after taking the views and opinions of the executives. Following are the characteristics of Board members performance during 2022G:





01 Accounting Standards

The consolidated financial statements were prepared, according to the international standards of the financial report (IFRS) approved in the Kingdom of Saudi Arabia, as well as the standards and other publications approved by the Saudi Authority for Auditors and Accountants.

02 Transactions with Related Parties

There are no business or contracts that the company is a party to, and in which it had or has an interest for a member of the company's board of directors, senior executives, or for any person related to any of them.

03 Declarations as per the Corporate Governance Regulation

The board of directors of "Nama" declares that:

The account records were prepared correctly

The internal control system is prepared on sound foundations and effectively implemented.

There is no doubt about the company's ability to continue its activity.

Sustainable Strategic Growth



Shareholders rights and the General Assembly

The articles of association of Nama Chemical Company and its governance regulations guarantee that shareholders obtain all their rights related to shares, especially their right to obtain a share of the agreed dividends, their right to obtain a share of the company's assets upon liquidation, and the right to attend the shareholders' general assembly meetings (participate in its discussions and vote on its decisions), the right to dispose of shares, the right to supervise the work of the board of directors and file a liability suit against its members, and the right to inquire and request information, provided that it shall not affect the interests of the company or conflict with the provisions of the Capital Market Authority and its implementing regulations.

Nama Chemical Company allows the participation of the maximum number of its shareholders in the meetings of the General Assembly and is keen to ensure the selection of the place and time that allow full participation. The company's Articles of Association and its governance regulations also stipulate the provisions related to the general assembly of shareholders, which include the procedures and precautionary steps necessary to ensure that all shareholders exercise their rights on a regular basis. It also provides for the possibility of holding meetings of the general assembly through modern technology.

Shareholders rights and the General Assembly

The general assembly of shareholders is the highest authority in the company, and its exclusive powers include appointing and terminating the members of the board of directors, approving the consolidated financial statements, appointing external auditors and determining their fees, approving the percentage of dividends in accordance with the recommendations of the board of directors, increasing or decreasing the company's capital, and amending the company's bylaws and articles of association.

Nama Chemical Company also provides sufficient access for shareholders to read the minutes of the general assembly meetings by uploading them on the company's website, and a copy of these minutes is submitted to the Capital Market Authority within (10) days only from the date of the meeting. Investor relations is a continuous channel of communication with investors and answers their questions during working days and is considered as a mutual communication channel between investors and the company's board of directors and executive management.



The board of directors of Nama Chemical Company recognizes the importance of regular and open dialogue with shareholders and other stakeholders, not only prior to the general assembly meeting but throughout the year.

The group's investor relations department and the secretary of the board of directors act as a permanent communication center with shareholders, investors and analysts. The board of directors receives regular updates on the opinions, suggestions and observations of the group's shareholders about the company and its performance through the Investor Relations Department and the Board secretary.

The CEO informs the members of the board of directors of the significant opinions and suggestions of shareholders, and discusses these opinions and suggestions with them during the meetings of the board of directors.

Investor relations activities

Nama Chemical Company also aims to strike balance in the continuous participation of investors throughout the year, by providing continuous opportunities to interact with them through a variety of meetings, including quarterly and annual meetings and conference calls to discuss business, attending many investor conferences, and issuing explanatory statements to management about the company's activities and business results. Nama Chemicals also invited its shareholders, investors and interested parties to attend the meeting to review the company's performance during the year 2021 on 30/03/2022G.

Nama Chemical Company is committed to effective and permanent communication with all shareholders, to ensure the highest levels of consistency and clarity in disclosure processes at all times. We look forward to engaging with shareholders transparently and regularly with the aim of facilitating mutual understanding of our respective goals. We strive to communicate with investors from the public and private sectors alike, and we encourage all shareholders to participate in the annual general meeting

Nama Chemicals Company
"Saudi Joint Stock Company"

Means of communication with our shareholders

The company aims to be a leader in the industry. In order to achieve this, it is committed to providing higher levels of disclosure and transparency in its financial reports, whether in the quarterly or annual financial statements.

01

02

The company looks forward to providing all means of financial and strategic communications in an open and harmonious manner, ensuring the use of Arabic and English languages - wherever possible - to enhance the clarity of disclosures in order to provide a fair, balanced and understandable assessment of the company's position and future prospects.

The company welcomes receiving shareholders' comments and constructive suggestions, which can be submitted to the Investor Relations Department via e-mail.

03

04

Investors can view all financial reports, corporate governance policies, minutes of general assembly meetings, periodic announcements and related information, including management clarifications and comments, available on the website (www.nama.com.sa), which the information systems team is currently developing.

Nama Chemical Company is also committed to protecting the rights of shareholders and ensuring justice and equality among them, and is keen to implement the shareholders' rights policy and procedures approved by the board of directors. The board of directors and the executive management of the company are also obligated not to discriminate between shareholders who own the same class of shares, and after blocking any of their rights.

05



Shareholders' suggestions and observations regarding the company and its performance

The board of directors of Nama Chemical Company is committed to the following measures to inform its members - especially the executives ones - of the shareholders' proposals and their observations regarding the company and its performance:



The members of the board of directors and the chairmen of committees attend the meetings of the general assemblies to view directly the observations and proposals of the shareholders.



An Investor Relations Unit was established, affiliated to the Financial Department, in order to inform the members of the board of directors of the comments and suggestions of shareholders.



Quarterly and annual meetings were held with investors and financial analysts to discuss the company's financial results.

Number of the company's requests for the shareholders' register, dates and reasons for those requests during 2022G

Number of the company's requests for the register of shareholders	Request Date	Reasons for the request
1	01/02/2022G	General Assembly
2	29/03/2022G	Corporate actions
3	10/04/2022G	General Assembly
4	21/04/2022G	Corporate actions
5	13/06/2022G	General Assembl
6	06/07/2022G	Corporate actions
7	07/08/2022G	Corporate actions
8	27/10/2022G	Corporate actions
9	13/11/2022G	Corporate actions
10	05/12/2022G	Corporate actions
11	27/12/2022G	Corporate actions

A statement of the dates of the general assemblies and attending members of the board of directors during 2022G.

The previous Board, whose term ended on 16/02/2022		The previous Board, whose term ended on 17/02/2022		
Name	Ordinary General Assembly meeting on 09/01/2022	Name	Ordinary General Assembly meeting 10/04/2022	Ordinary General Assembly meeting 13/06/2022
Hazem bin Mansour Al Fardan	✓	Faiz bin Ahmed Al-Ahamari	✓	✓
Abdullah bin Abdul Mohsen Al Issa	Apologized	Abdullah bin Hajres Al Subayel	✓	✓
Abdullah bin Hajres Al Subayel	✓	Saeed bin Ahmed Bayounes	✓	✓
Faiz bin Ahmed Al-Ahamari	✓	Abdullah bin Jaber Al-Fifi	✓	✓
Abdullah bin Hamdan Al Sorayai	✓	Fahd bin Abdullah Al-Khonaini	✓	✓
Firas bin Abdul Aziz Al Hajaj	✓	Abdullah bin Mohamed Al Salem	✓	-
Princess Nouf bint Jalawi Al Saud	✓	Mohammed bin Zuhair Murad	✓	✓
Ahmed bin Abdul Mohsen Al Qosaibi	✓	Haitham bin Faisal Oskoubi	✓	✓

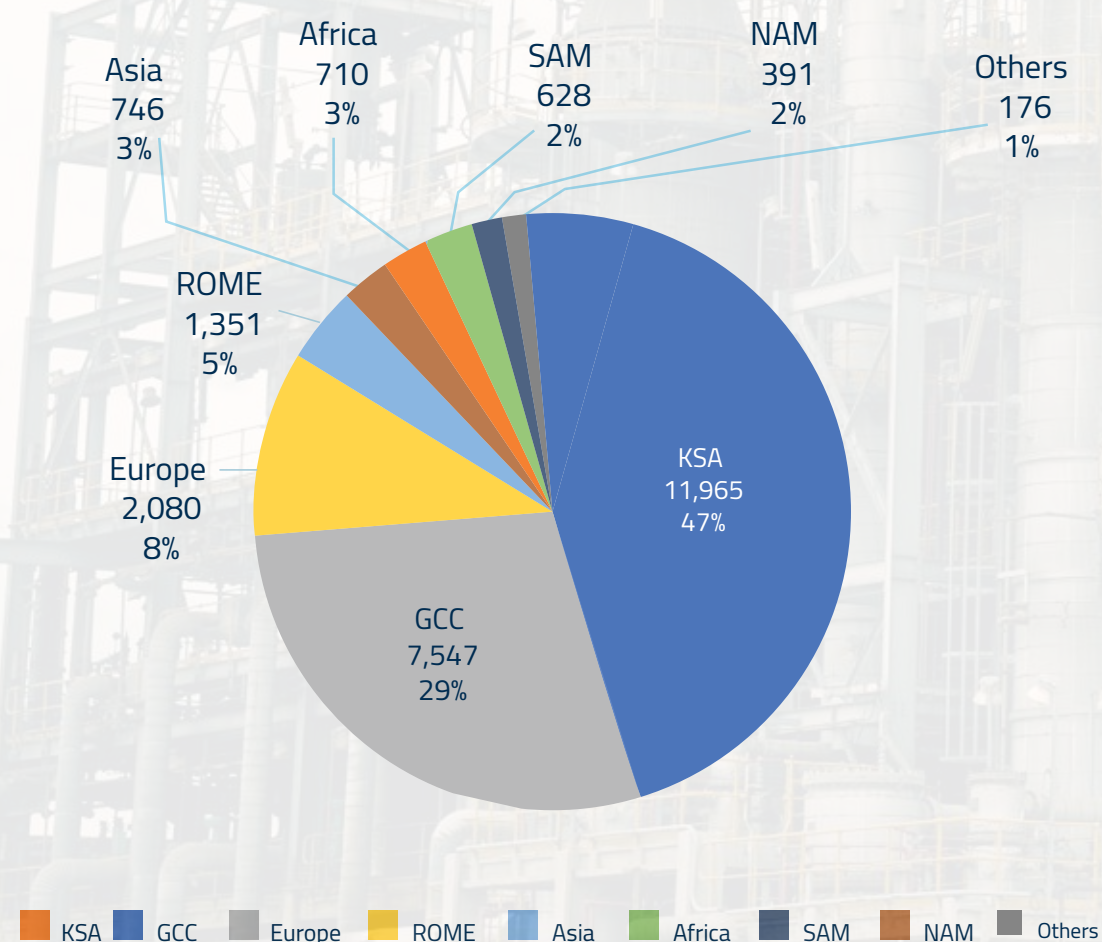


06

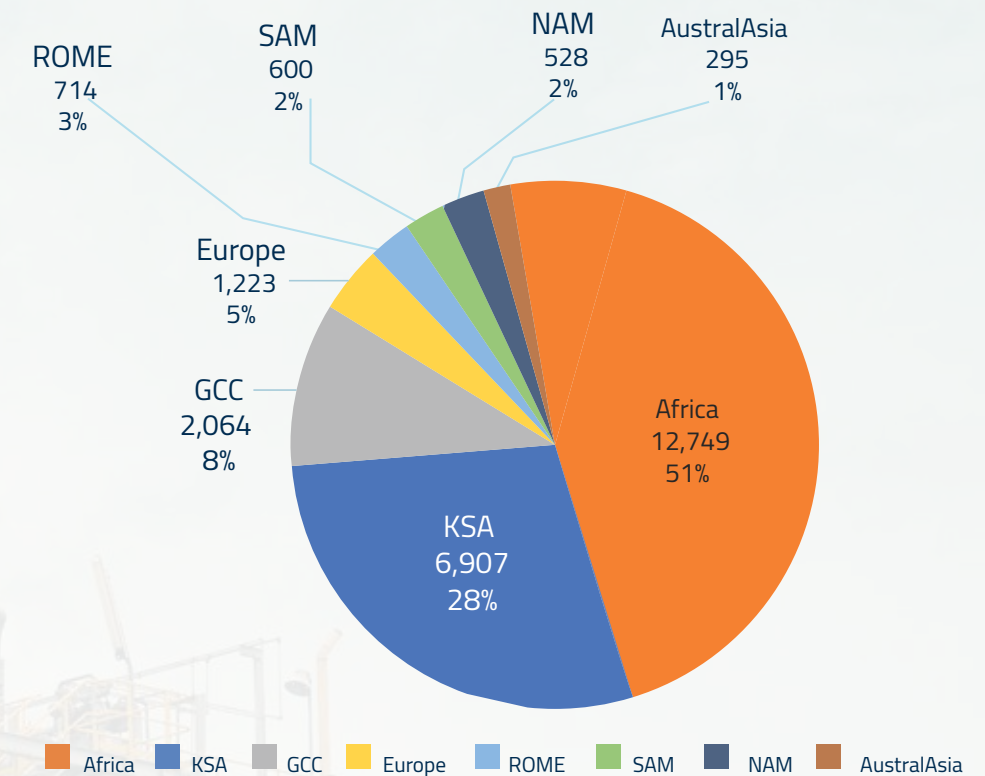
Financial Performance

Total Sales By Geographical Distribution

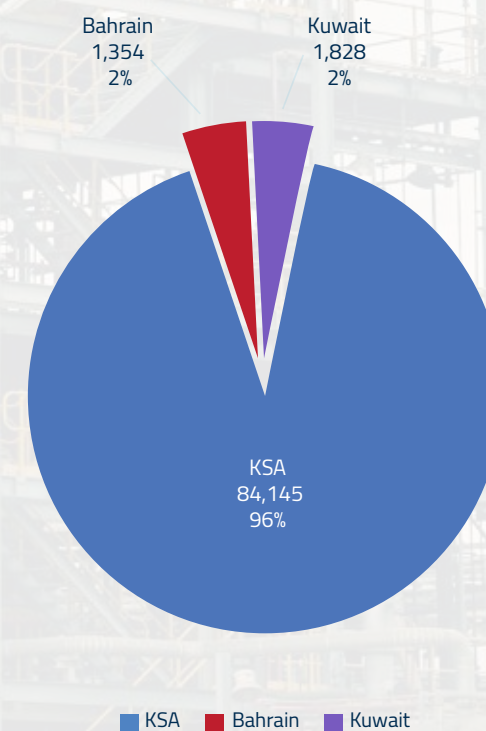
01 Epoxy Sales



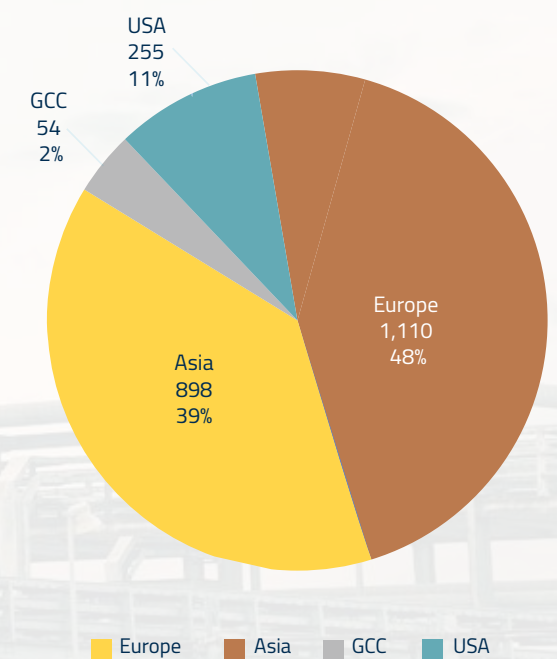
02 Soda Sales



03 Intermediate



04 ECH





Operations income

Comparative operational results for 2022 with 2021G

Statement	2022	2021	Changes (+) or (-)	Change %
Total sales	577	554	23	+4.2%
Cost of sales	(456)	(455)	(1)	+0.2%
Total profit	121	99	22	+22%
Other operating income	-	-	-	-
Other operating expenses	(77)	(84)	7	-8.3%
Operating profit (loss)	44	16	28	+175%
Net profit (loss)	37	28	9	+33%

Financial KPIs	2022	2021 (Restated)	(-) Changes (+) or
Gross Profit margin (%)	21%	18%	%+3
Operating Profit margin (%)	8%	3%	%+5
Net profit margin (%)	6%	5%	% +1



Nama Chemicals achieved a net profit of SAR 37 million in the fiscal year 2022, an increase of 33% year-on-year compared to SAR 27.7 million in the fiscal year 2021. The reason for achieving net profit during this year compared to the previous year is due to the:

01

The increase in total sales was due to an increase in average selling prices of almost all finished products for the current year by 8% compared to the previous year, with a decrease in sales volume by 4% compared to the previous year.

Decrease in selling & marketing expenses.

02

03

Decrease in general & admin expenses.

Reduction in finance costs.

02



Sectoral Activities

Epoxy & Intermediates

Caustic Soda Sector

SAR million	2022	2021 (Restated)
Operating profit (loss).	41.91	11.62
Net profit (loss)	32.83	12.59

SAR million	2022	2021 (Restated)
Operating profit (loss).	(3.23)	1.10
Net profit (loss)	(2.07)	2.02

Others Sector

SAR million	2022	2021 (Restated)
Operating profit (loss).	4.98	3.09
Net profit (loss)	6.25	13.08



Assets and liabilities of the company and results of its operations for the last five financial years (SAR millions)

Statement	2022	2021	2020	2019	2018
Total assets	1,133	1,170	1,273	1,312	1,403
Total Liabilities	747	821	986	996	1,073
Total non-current assets	844	908	1,074	1,105	1,159
Total non-current liabilities	429	507	88	144	210
Current assets	289	263	199	207	244
Current liabilities	318	314	898	852	862
Sales	577	554	439	526	624
Gross profit	121	99	21	74	128
Operating profit (loss)	44	15	(38)	22	59
Net profit (loss)	37	27	(45)	10	35

Financial KPIs	2022	2021 (Restated)	2020	2019	2018
Liquidity ratio	0.9	0.8	0.2	0.2	0.3
Debt-to-equity ratio	1.9	2.5	3.4	3.2	3.2
(%) Return on Equity	9.6%	8.2%	-15.8%	3.2%	10.7%

Additional Information

01 The company's retained earnings and statutory reserve for the current year amounted to 157.4 million Saudi riyals, representing 66% of the capital, an increase of 30% compared to the company's retained earnings and statutory reserve for the previous year.

02 It should also be noted that the company's management has corrected some accounting errors that belong to previous years, which have been restated in the comparative numbers of the financial statements for the current year (refer to note 31 of the financial statements). In this regard, this restatement aims at a fair presentation of the effects of transactions in compliance with the accounting standards.



Period Results

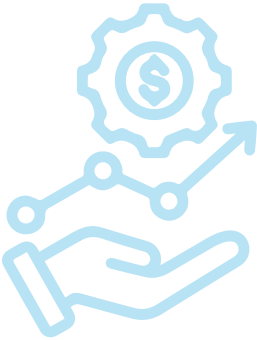
The statement of consolidated operations for the year 2022 shows the following main information, which can be viewed in detail in the notes accompanying the financial statements:

Item	(SAR Million)
Sales	577.2
Sales cost	(456.3)
Financial and other income	8.5
Selling and distribution expenses, general and administrative expenses and financing charges	(89.9)
Zakat	(2.5)

An overview of total loans as of December 31, 2022G

The total outstanding loans owed by the company as of 31/12/2022 amounted to (SAR 0000) million, as per the following details:

Lender	Loan term	(Paid) / Received in 2022	Total outstanding loans of the company and its subsidiaries (SAR millions)
Saudi Industrial Development Fund	8 years	(20.7)	438.8
Bank Aljazeera	5 years	(24.5)	7.9
British Saudi Bank	6 years	(18.8)	11.3
National Bank of Kuwait	6 years	10.3	10.3
Riyad Bank	6 years	3.6	3.6
Total	-	(49.9)	472.0



Description of debt instruments activities

Convertible Debt Instruments

There are no convertible debt instruments, any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022G.

Transfer or subscription rights under debt instruments

There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company during the year 2022G.

Recoverable debt instruments

There is no redeem, purchase or cancellation by the Company for any redeemable debt instruments.

Shares and debt instruments of subsidiaries

There are no shares or debt instruments issued to any of the subsidiaries of Nama Company during the year 2022G.

Shares with voting rights

There is no interest in the category of voting shares belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who notified the company of those rights and any change in those rights during the fiscal year 2022G.



Regulatory obligations

During its normal course of business, the company is committed to making specific payments based on the laws and regulations that the company is subject to. The total amount of the regulatory and due payments as of December 31, 2022, and their breakdown is as follows:

SAR	Paid value	Due during the financial period and not settled
Zakat	916,848	7,659,265
Social Security	6,084,992	556,623
Government passport and visa services	72,945	-
Total	7,074,785	8,215,888

Cash Flows

Net cash from operating activities for the year 2022 amounted to 64.5 million Saudi riyals (2021: 93.8 million Saudi riyals). The net cash used in investment and financing activities for the year 2022 amounted to a total of 65.4 million Saudi riyals (2021: 89.7 million Saudi riyals).



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In conclusion, the Board of Directors would like to extend thanks the shareholders for their response and interest, and on their behalf, we extend thanks and appreciation to the authorities, ministries and government agencies for supporting the company's march under patronage of the Government of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, may Allah protect him.

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