

# SUCCESS POWERED BY EFFICIENCY

Annual Report 2018



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah the Most Compassionate, the Most Merciful



Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al-Saud**  
King of Saudi Arabia



His Royal Highness  
**Prince Mohammed Bin  
Salman Bin Abdulaziz Al-Saud**  
Crown Prince, Deputy Prime Minister  
and Minister of Defense

# CHAIRMAN'S MESSAGE



**Abdulaziz Bin Abdullah Al-Zamil**  
Chairman



The Board of Directors has decided to distribute cash dividends to shareholders. This distribution is to the tune of four hundred and thirty-eight million seven hundred and ninety-five thousand Saudi Riyals (438,795,000) or (10%) of the company's capital.

May the peace and mercy of Allah and his

blessings be upon you,

On behalf of my colleagues and the members of the Board of Directors of Sahara Petrochemical Company, I am pleased to present our Annual Report for the fiscal year 2018 composed of our performance, the projects we implemented as well as our financial statements for the year that ended on 31 December 2018.

2018 has been a distinguished year in terms of the operational scale of the company's projects. The company has reported a profit of SR500 m, in spite of comprehensive maintenance work during the fourth quarter at the factories of Al Waha Petrochemical Company and Sahara and Maaden Petrochemicals Company which will positively impact our 2019 performance.

We are additionally grateful for the performance of our subsidiary companies despite economic difficulties. Consequently, the Board of Directors has decided to distribute cash dividends to shareholders. This distribution is to the tune of four hundred and thirty-eight million seven hundred and ninety-five thousand Saudi Riyals (438,795,000) or (10%) of the company's capital.

As for the joint venture between Sahara Petrochemical Company and Saudi International Petrochemical Company (Sipchem), progress has been made in terms of verification and confirmation studies, which indicated that the proposed merger will be beneficial to the two companies in the areas of technical prowess, economic returns and marketing. Shareholders of both companies as well as employees have

welcomed the announcement of the signing of the "Transaction Agreement" declaring equal integration.

In line with the vision of Saudi Arabia 2030 to create a thriving private sector in the region, this transaction is expected to achieve multiple strategic benefits for both companies, including enhanced diversification in terms of product and raw material supply, and increased volume and flexibility of petrochemicals, which is characterized by the rapid pace of change and development both in Saudi Arabia as well as globally. This would also enhance the competitiveness and integrated capabilities of both companies would help achieve commercial, operational and practical benefits and enhance the efficiency and productive capacity of the industrial assets of both companies in Jubail City. Additionally, the establishment of a platform with better financial resources would enable them to access capital markets more easily, and have better production and technological expertise to take advantage of local and global growth opportunities.

In conclusion, I would like to extend my thanks and gratitude to the Custodian of the Two Holy Mosques, His Highness the Crown Prince and the Government for supporting the economic sector's contributions to bring forth the vision of Saudi Arabia 2030, developing both industrial and investment environment in order to serve all parties, which will positively influence the national economy.

**Abdulaziz Bin Abdullah Al-Zamil**  
Chairman

**2017**

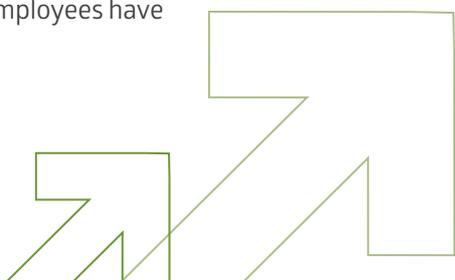
10%

Dividends of the company's Share Capital

**2018**

10%

Dividends of the company's Share Capital



# Vision

To be a preferred manufacturer and marketer of chemical products and build effective strategic alliances.



# Mission

To manufacture and market quality chemical products that are in compliance with applicable local and international regulations.

To achieve sustainability that meets customers and shareholders expectations through an efficient, motivated and productive organization.

# COMPANY PROFILE

Sahara Petrochemical Company is one of the Saudi companies listed on the Saudi stock market “Tadawul”. The Sahara Petrochemical Company was incorporated on 19.05.1425 Hijri (corresponding to 7/7/2004 AD) under the commercial registration number (1010199710), with a capital which currently stands at, 4.388 Billion Saudi Riyals.

The headquarters of the company is located in Riyadh city. It operates as a holding company focused on its core activity in the petrochemical sector in Saudi Arabia, and is committed to the implementation of its activities to the highest quality standards in production with its commitment to safeguarding the environment and the safety of its employees and the community in general, and contributes to many joint projects with local and international partners in the following areas:

- Provide valuable investment opportunities for the Saudi private sector in the fields of petrochemicals manufacturing and petrochemical industry.
- Secure contemporary, modern and skilled workers trained for manufacturing highly competitive features to match export requirements.
- Provide jobs which are promising for its employees with a focus on the application of the Saudization program in all sections of the company.





# CORPORATE SOCIAL RESPONSIBILITY

Sahara seeks to be a leader in the area of corporate social responsibility through achieving growth and sustainability in its programs and community projects. Sahara has committed itself to fulfilling its obligations to serve the individual and society as an integral part of its mission and objectives to serve different sectors of society.

The company has provided financial and moral support during 2018 for a number of programs that involve social responsibility in which diversity has taken into account the categories of beneficiaries, whether charities, educational, social activities and awareness campaigns, to name a few:

- Supplying Furniture for Jubail Female Charity Association – WAHAJ
- Open day for children with diabetes
- Honoring Ceremony for Holy Qur'an Memorizers- Jubail Charitable Authority (Girls section)
- Jubail Youth football tournament organized by Jubail Governorate
- International Day for Eradication of Poverty
- Mutrafiya Mosque needs
- Anti-drug awareness campaign
- Winter Dress for needy people
- Jubail 1st Health Forum 2018
- Jubail Basketball Tournament
- National day Greeting in Armed Force Magazine (Barriya)
- Jubail industrial city Guidance Center (Iftar) - Industrial Support
- Mosques renovation & preparation program for Ramadan
- Iftar Ramadan for Needy People in Jubail
- Qura'n Summer Memorization Rewards (Hamza Bin AbdulMuttaleb Masque)
- Jubail Dawah and Guidance Center (Iftar) – Resalah
- Ihasa Secondary School in Jubail
- Marine 3rd Festival
- Ceremony of children with Down's syndrome
- Forum of family anti - violence “ reality and hope”
- Open day at Sahara Beach camp for “Naseeba Bint Ka'ab Quran School
- Falanteer Walking team
- Jubail Force Gurad Ceremony
- Qura'an Memorization ceremony
- Charity Society for Orphan Children
- Supporting Endowment Project for Needy Families
- Jubail activities
- Disabled Children Assassination
- Jubail Horse track
- Rehabilitation Center for Children with Special Needs
- Pilgrimage Programme for Blind People
- 6th Intermediate School for Girls in Jubail
- SOMO Ladies Toastmasters Club

The number  
of beneficiaries in 2018

More than  
**120,000**

Number of service  
and awareness programs in 2018

More than  
**35**

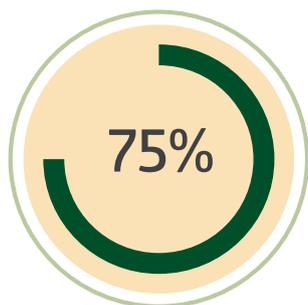
Number of business  
meetings in 2018

More than  
**300**



## Affiliates of Sahara Petrochemicals Company:

### AlWaha Petrochemicals Company (AlWaha)



Al Waha Petrochemicals Company was established in September 2006 as a limited liability company, formed as a joint venture between Sahara and Basell Arabie Investissements S.A.S. with a seventy-five percent (75%) and twenty-five percent (25%) shareholding respectively. The share capital of AL WAHA is SAR 1,660 billion.

Al Waha was established with the objective of constructing, possessing and operating a petrochemicals complex that produces 467.6 thousand tons of propylene annually as primary feedstock to produce 450,000 tons of Polypropylene annually.

The polypropylene will be sold in both regional and international markets. The AL WAHA Plants are in Jubail Industrial City in the eastern region of Saudi Arabia and commenced commercial operations on 1 April 2011.



# Tasnee & Sahara Olefins Company (TSOC)

TSOC was established in May 2006 as a closed joint stock company in which Sahara owns 32.55%, GOSI owns 7.00% and the remaining 60.45% is owned by Tasnee, Tasnee Petrochemicals and Marketing Company, National Gulf Company for Petrochemical Technology and National Worldwide Industrial Advancement Company.

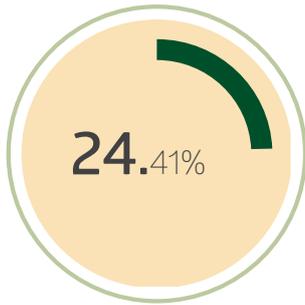
TSOC was incorporated with a share capital of SAR (2400) million, subsequently increased to be SAR (2530) million and SAR (2830) million during the fiscal years 2009 and 2010 respectively, with issued shares counting 283,000,000 with equal nominal value of SAR 15.

TSOC was established as a holding company for investments in certain other joint venture projects. Its current holdings comprise a a seventy-five percent (75%) equity stake in Saudi Ethylene & Polyethylene Company (SEPC) and a sixty-five percent (65%) equity stake in Saudi Acrylic Acid Company Limited (SAAC).



## Saudi Ethylene & Polyethylene Company (SEPC)

SEPC was established in May 2006 as a limited liability joint venture company between TSOC and Basell Moyen Orient Investissements SAS with a seventy-five percent (75%) and twenty-five percent (25%) shareholding respectively. By virtue of Sahara's 32.55% equity stake in TSOC, Sahara owns an indirect equity stake of 24.41% in SEPC. The share capital of SEPC is SAR 2,737.5 million.



SEPC was formed to develop, finance, construct, commission, own, manage and operate a petrochemical complex for the production of 284,800 tons per annum of propylene and 1,008,000 tons per annum of ethylene, approximately 80% of which will

be used as the primary feedstock for the production of approximately 800,000 tons per annum of high and low-density polyethylene. The SEPC Plant is located in Jubail Industrial City in the eastern region of Saudi Arabia and has commenced its operations in June 2009.

## SAHARA & Ma'aden Petrochemicals Company (SAMAPCO)

SAMAPCO was established in August 2011 as a limited liability Company which is a 50:50 joint venture between Sahara and Ma'aden with a share capital of SAR 900 million.



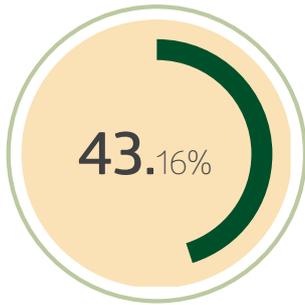
SAMAPCO was established to design, construct, commission, own and operate an integrated chlor-alkali plant capable of producing 212,000 tons per annum of chlorine and 250,000 tons per annum of caustic soda, as well as an ethylene dichloride plant capable of

producing 300,000 tons per annum of ethylene dichloride, together with the associated utilities and support facilities to be in Jubail Industrial City in the eastern region of Saudi Arabia. Commercial operations commenced on July 01, 2014.



## Saudi Acrylic Acid Company (SAAC)

Saudi Acrylic Acid Company (SAAC) was established in April 2009 as a limited liability joint venture company in which Sahara owns twenty-two percent (22%), TSOC owns sixty-five percent (65%) and Tasnee owns the remaining thirteen percent (13%) of the share capital. By virtue of Sahara's 32.55% equity stake in TSOC, Sahara owns an additional indirect equity stake of 21.16% in SAAC giving an aggregate shareholding of 43.16%.

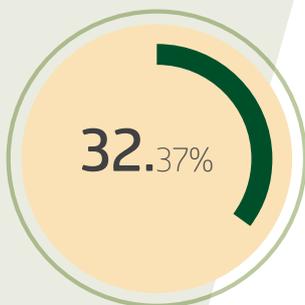


The share capital of SAAC is SAR 1,777 million. SAAC was established as a holding company for investments in certain other joint venture projects including the Integrated Acrylates Complex project. Its current holdings comprise a seventy-five percent (75%) equity stake in SAMCO, a seventy-five percent (75%) equity stake in SAPCO and a thirty-three percent (33%)

equity stake in Butanol JV. SAAC will also own and operate the U&O Facilities for the Integrated Acrylates Complex project including product storage and warehouse, truck-loading/transportation, water cooling and port facilities. The company commenced its commercial operation on July 01, 2014.

## Saudi Acrylic Monomer Company Limited (SAMCO)

Saudi Acrylic Monomer Company Limited (SAMCO) is established in July 2009 as a limited liability joint venture company between SAAC and Dow Chemical with a seventy-five percent (75%) and twenty-five percent (25%) shareholding respectively. By virtue of Sahara's aggregate 43.16% equity stake in SAAC, Sahara owns an indirect equity stake of 32.37% in SAMCO. The share capital of SAMCO is SAR 1.084.5 billion.



SAMCO is established to own, manage and operate the acrylic acid and esters plant of the Integrated Acrylates Complex. It will be supplied with up to 96,000 tons per annum of n-butanol from SAAC, up to 100,000 tons per annum of propylene from SEPC, and up to 14,000 tons per annum of propylene

from S-Chem (Chevron). SAMCO produces and sells up to 64,000 tons per annum of Glacial Acrylic Acid to SAPCO, and up to 160,000 tons per annum of butyl acrylate to Butanol Project. The company commenced its commercial operation on July 01, 2014.

## Saudi Acrylic Polymer Company (SAPCO)

Saudi Acrylic Polymer Company (SAPCO) is established as a limited liability joint venture company between SAAC and Evonik with a Seventy-five percent (75%) and twenty-five percent (25%) shareholding respectively. On this basis, by virtue of Sahara's aggregate 43.16% equity stake in SAAC, Sahara owns an indirect equity stake of 32.37% in SAPCO noting that the capital of SAPCO is SAR 416.4 million.

SAPCO is established to own, manage and operate the super absorbent polymer plant of the Integrated Acrylates Complex. It will be supplied with up to 64,000 tons per annum of glacial acrylic acid from SAMCO and 24,000 tons

per annum of dry caustic soda from SABIC or Cristal. SAPCO produces 80,000 tons per annum of super absorbent polymer for sale to Evonik & Tasnee Marketing Company. Commercial operations commenced on July 01, 2014.



## Saudi Butanol Company (SaBuCo)

Saudi Butanol Company (SaBuCo), with paid-up capital SAR 486 Million, was established in May 2013 as a limited liability joint venture between SACC, Saudi Kayan and Sadara Chemical Company, each with 33.3% shareholding. On this basis, by virtue of Sahara's aggregate 43.16% equity stake in SAAC, Sahara owns an indirect equity stake of 14.38% in the Butanol JV.

The Butanol JV IS established to own, manage and operate the Butanol Plant of the Integrated Acrylates Complex. The n-butanol plant will produce 330,000 tons of n-butanol and 11,000 tons of Iso-butanol per annum, and these produced quantities of both products will be made available in

equal proportions to SAAC, Saudi Kayan and Sadara. Each of them will be responsible for procuring and supplying propylene and sales gas feedstock for production of their share of n-butanol and off-takes thereof. Commercial operations commenced in March 2016.



## Sahara Marketing Company

In December 2016, Sahara Petrochemicals Company established a new affiliate (Sahara Marketing Company) which specializes in marketing petrochemicals with an ownership of 100% of the company with capital of SAR 500,000.



The Company activities are: whole selling of industrial chemicals and petrochemicals and exporting them, also commercial undertakings and marketing on behalf of the others. This step is within the framework of a strategy of Sahara

to take advantage of growth in the marketing of petrochemical products and to reduce the cost of marketing and expanding by marketing of products from other industrial companies.

## Promising Business Company

In December 2018, Sahara Petrochemicals Company acquired the Promising Business Company with 100% ownership of Sahara Petrochemical Company with a capital of SAR 700,000.



The company's activity includes the wholesale of chemical fertilizers. This step comes within the framework of Sahara's strategy to

take advantage its growth and own shares in Khair Inorganic Chemical Industries Company ("InoChem").

## Khair Inorganic Chemical Industries Company ("InoChem")

Khair Inorganic Chemical Industries Company ("InoChem"), a closed joint stock company, was established in May 2016 with a capital of SR 800 million.



Sahara owns indirectly 30% of its capital through its 100% ownership of the Promising Business Company. InoChem will built an industrial complex on a total area of 800,000 square meters in Ras Al Khair Industrial City to produce 300,000 tons of soda ash and 348,000 tons

of calcium chloride. Construction works at the complex are expected to begin in Q1 2019, with the commercial production in early 2022 and the project has already obtained all the necessary approvals including natural gas allocation and industrial licenses.



الصحراء للتنظيفات

sahara professional cleaning

والمرتبطة لها

الصحراء للتنظيفات

sahara professional cleaning

والمرتبطة لها

# Compliance with corporate governance regulations

## Applied and unapplied provisions of Corporate Governance Regulations and reasons for non- application:

Sahara applies all the provisions stipulated upon in Corporate Governance Regulations issued by Capital Market Authority except for the provisions set below:

Article/ Paragraph	Text	Reasons for non- application
20/c/10	To complete more than nine consecutive or intermittent years as a member of the company's board of directors.	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
32/b	The Board of Directors shall hold at least four meetings annually considering holding at least one meeting every three months.	A guiding article that conflicts with article (22) of the company's bylaws.
38	Determining the conditions of selecting the secretary.	A guiding article; The secretary is appointed in accordance with article (21) of the company's bylaws.
41	<p>a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p> <p>b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</p> <p>c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</p> <p>d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof.</p> <p>e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three year.</p> <p>f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified, and a solution shall be proposed for the same in the best interests of the Company.</p>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
65/8	Competencies of the Nomination Committee: Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executive Management	A guiding article; the Company will consider an appropriate mechanism for its application in the future.

Article/ Paragraph	Text	Reasons for non- application
70	<p><b>Composition of the Risk Management Committee</b> Pursuant to a resolution by Company's Board, a committee shall be formed under the name of "Risk Management Committee". Its chairman and majority of its members shall be Non-Executive Directors. The members of that committee must possess an adequate level of knowledge in risk management and finance.</p>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
71	<p><b>Competencies of the Risk Management Committee:</b> The competences of the risk management committee shall include the following:</p> <ol style="list-style-type: none"> <li>1) developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;</li> <li>2) determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level;</li> <li>3) Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;</li> <li>4) overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein;</li> <li>5) Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example);</li> <li>6) preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board;</li> <li>7) providing recommendations to the Board on matters related to risk management;</li> <li>8) ensuring the availability of adequate resources and systems for risk management;</li> <li>9) reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;</li> <li>10) verifying the independence of the risk management employees from activities that may expose the Company to risk;</li> <li>11) ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk; and</li> <li>12) reviewing any issues raised by the audit committee that may affect the Company's risk management.</li> </ol>	
72	The risk management committee shall convene periodically at least once every six months, and as may be necessary.	A guiding article; the Company will consider an appropriate mechanism for its application in the future.

Article/ Paragraph	Text	Reasons for non- application
78	<p><b>Internal Audit Report</b></p> <p>a) The internal audit unit or department shall prepare and submit a written report on its activities at least quarterly to the Board and the audit committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the unit or department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure;</p> <p>b) The internal audit unit or department shall prepare a general written report to be submitted to the Board and the audit committee on the audit activities it carried during the fiscal year compared to the approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year;</p> <p>c) The Board shall specify the scope of the report of the internal audit unit or department, based on recommendations from the audit committee and the internal audit unit or department. The report shall include the following in particular:</p> <ol style="list-style-type: none"> <li>1) procedures for monitoring and overseeing the financial affairs, investments and risk management;</li> <li>2) assessing the development of risk factors threatening the Company and the existing systems, in order to confront radical or unexpected changes in the Exchange;</li> <li>3) an assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues;</li> <li>4) failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance, and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's annual reports and its financial statements);</li> <li>5) the extent to which the Company has complied with the internal controls when determining and managing risks; and</li> <li>6) information describing the Company's risk management operations.</li> </ol>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
85/ 3	<p><b>Employee Incentives</b></p> <ul style="list-style-type: none"> <li>- Establishing a scheme for granting Company shares or a percentage of the Company profits and pension programs for employees.</li> <li>- Setting up an independent fund for such program.</li> <li>- Establishing social organizations for the benefit of the Company's employees</li> </ul>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
87	<p><b>Social Responsibility:</b></p> <p>The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.
95	<p><b>Formation of Corporate Governance Committee:</b></p> <p>If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.</p>	A guiding article; the Company will consider an appropriate mechanism for its application in the future.



# BOARD OF DIRECTORS



The Board of Directors at its fifth session consists of eleven members who were appointed by cumulative voting by the 13th Ordinary General Assembly held on 03/08/1439 AH corresponding to 19/04/2018 AD and the committees provided for by law are emerged from this Board. All Board members may be re-appointed. The members are classified according to the definitions contained in Article 1 of the Corporate Governance Regulation issued by the Capital Market Authority of Saudi Arabia.



2. Names, current & previous positions, qualifications and experiences of the Board, committees and senior management's members. The Board of Directors consists 11 members elected by the General Assembly Meeting on April 19, 2018. The Board tenure starts from June 27 2018 till June 2021 for 3 years.

## A. Board Members

	Name	Current positions	Previous positions	Qualifications	Experiences
1.	<b>HE Eng. Abdulaziz bin Abdullah Al-Zamil</b>	<ul style="list-style-type: none"> <li>- Chairman, Sipchem</li> <li>- Chairman, Alinma Bank</li> <li>- Chairman, Zamil Group Holding</li> </ul>	<ul style="list-style-type: none"> <li>- Minister of Industry and Electricity.</li> <li>- Chairman, SABIC</li> <li>- Manager,</li> <li>- Research and Industrial Development Center.</li> </ul>	<ul style="list-style-type: none"> <li>- Masters degree in industrial engineering, 1976</li> <li>- B. Sc. In Industrial Engineering, 1966</li> </ul>	<ul style="list-style-type: none"> <li>- Minister of Industry and Electricity.</li> <li>- Chairman, SABIC</li> <li>- Manager, Research and Industrial Development Center</li> <li>- Chairman, Sipchem.</li> </ul>
2.	<b>Eng. Saleh bin Mohammed Bahamdan</b>	<ul style="list-style-type: none"> <li>- Executive President, Sahara Petrochemicals</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Engineering &amp; Project Management, SABIC</li> </ul>	<ul style="list-style-type: none"> <li>- Master Degree in Engineering, 1983</li> <li>- B. Sc. In Electrical Engineering, 1980</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Engineering &amp; Project Management, SABIC</li> <li>- Executive President, Sahara Petrochemicals</li> </ul>
3.	<b>Jabr bin Abdul Rahman Aljabr</b>	<ul style="list-style-type: none"> <li>- General Manager, Legal Affairs Department, Public Pension Agency</li> </ul>	<ul style="list-style-type: none"> <li>- Legal work</li> <li>- Membership in the Board of Directors of Petrochemicals Companies.</li> <li>- Membership in the Board of Directors of Real Estate Companies</li> </ul>	<ul style="list-style-type: none"> <li>- B. Sc. In Law Systems, 1406H</li> <li>- Diploma in English Language, 1429 H</li> </ul>	<ul style="list-style-type: none"> <li>- Legal work</li> <li>- Membership in the Board of Directors of petrochemicals Companies.</li> <li>- Membership in the Board of Directors of Real Estate Companies</li> </ul>
4.	<b>Osama bin Abdulaziz Al-Zamil</b>	<ul style="list-style-type: none"> <li>- Vice President for Business Development, Al Zamil Holding Group</li> </ul>	<ul style="list-style-type: none"> <li>- Researcher in marketing division and analyst in SABIC.</li> <li>- Many positions in Al Zamil Group</li> </ul>	<ul style="list-style-type: none"> <li>- Master degree in Business Administration, 1998</li> <li>- B.Sc. in Industrial Engineering, 1995</li> </ul>	<ul style="list-style-type: none"> <li>- Researcher in marketing division and analyst in SABIC.</li> <li>- Many positions in Al Zamil Group</li> </ul>
5.	<b>Saeed Omer Qasim El-Esayi</b>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A Board Member, Yanbu Cement Co.</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A board Member, Al Rajhi Bank</li> </ul>	<ul style="list-style-type: none"> <li>- B.Sc. in Management and Industrial Engineering, 1980</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A Board Member, Yanbu Cement Co.</li> <li>- A Board Member, Al Rajhi Bank</li> </ul>
6.	<b>Rashid Saif Al-Ghurair</b>	<ul style="list-style-type: none"> <li>- Chairman, Al Jazeera Petrochemicals Co.,</li> <li>- A Board Member, AL Mashreq Bank</li> <li>- A Board Member, Taghleef Industries.</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman, Al Jazeera Petrochemicals Co.,</li> <li>- A Board Member, AL Mashreq Bank</li> <li>- A Board Member, Taghleef Industries.</li> </ul>	<ul style="list-style-type: none"> <li>- B.Sc. in Business Administration, 1988</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman, Al Jazeera Petrochemicals Co.,</li> <li>- Administration, follow-up and development</li> </ul>
7.	<b>Mohammed bin Ali Al-Muslim</b>	<ul style="list-style-type: none"> <li>- President, Qalat Al Mesk Center for Development and Projects.</li> </ul>	<ul style="list-style-type: none"> <li>- Governmental sector, industry.</li> <li>- Private sector, business man and consultant</li> </ul>	<ul style="list-style-type: none"> <li>- Master Degree in General Management, 1970</li> <li>- B.Sc. in Economy, 1970</li> </ul>	<ul style="list-style-type: none"> <li>- Governmental sector, industry.</li> <li>- Private sector, business man and consultant</li> </ul>
8.	<b>Ahmed Fahad Al-Dwayan</b>	<ul style="list-style-type: none"> <li>- Consultant, Ali Al Dwayan Holding.</li> </ul>	<ul style="list-style-type: none"> <li>- Lecturer, department of Internal Architecture, Dammam University</li> </ul>	<ul style="list-style-type: none"> <li>- Master degree in Construction Technologies, 2006</li> <li>- B.Sc. in Architecture, 2002</li> </ul>	<ul style="list-style-type: none"> <li>- Lecturer, department of Internal Architecture, Dammam University</li> <li>- Board member in Jouf Cement</li> </ul>
9.	<b>Khalid bin Abdulhameed Al-Shuayer</b>	<ul style="list-style-type: none"> <li>- Founder and CEO of Eltamiuz Information Technology Est.</li> </ul>	<ul style="list-style-type: none"> <li>- Auditor and Analyst in the Risks and Credit Department.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor Degree of Accounting, Specialty accounting 2011.</li> </ul>	<ul style="list-style-type: none"> <li>- Auditor and Analyst in the Risks and Credit Department.</li> <li>- Shareholders' Affairs Specialist.</li> </ul>
10.	<b>Saleh bin Halwan Al-Humaidan</b>	<ul style="list-style-type: none"> <li>Retired</li> </ul>	<ul style="list-style-type: none"> <li>- Agricultural Engineer, Saudi Aramco.</li> <li>- Agricultural Economy Analyst in the Ministry of Agriculture, Water and Environment.</li> <li>- Economic Analyst, Ministry of Planning.</li> <li>- Assistant MD in SIDF.</li> <li>- CEO, Arabian Investment Co.</li> <li>- Economic Advisor, Ministry of Planning.</li> </ul>	<ul style="list-style-type: none"> <li>- B.A. of Agricultural Economy 1964.</li> <li>- Master Degree in Agricultural Economy 1967.</li> <li>- PhD in Agricultural Economy 1980.</li> </ul>	<ul style="list-style-type: none"> <li>- Agricultural Engineer, Saudi Aramco.</li> <li>- Agricultural Economy Analyst in the Ministry of Agriculture, Water and Environment.</li> <li>- Economic Analyst, Ministry of Planning.</li> <li>- Assistant MD in SIDF.</li> <li>- CEO, Arabian Investment Co.</li> <li>- Economic Advisor, Ministry of Planning.</li> </ul>
11.	<b>Ali bin Abdulrazak Al-Ghamdi</b>	<ul style="list-style-type: none"> <li>- Owner of Misrab Development Trading Establishment.</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Technical Affairs, Ibn Zahr</li> <li>- President, Gulf Stabilizers Co. (GSI)</li> <li>- President, AlWaha Petrochemicals Co.</li> <li>- Executive President, APPC</li> <li>- Executive President,</li> <li>- Al Tanmiah Industrial And Commercial Investment Company.</li> <li>- CEO, Takween</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor Degree of Chemical Engineering 1987. The Executive Management Program 2000.</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Technical Affairs, Ibn Zahr</li> <li>- President, Gulf Stabilizers Co. (GSI)</li> <li>- President, AlWaha Petrochemicals Co.</li> <li>- Executive President, APPC</li> <li>- Executive President,</li> <li>- Al Tanmiah Industrial And Commercial Investment Company.</li> <li>- CEO, Takween</li> </ul>

## B. Committees' Members

### 1. Executive Committee

Name	Current positions	Previous positions	Qualifications	Experiences
<b>HE Eng. Abdulaziz bin Abdullah Al-Zamil</b>	<ul style="list-style-type: none"> <li>- Chairman, Sipchem</li> <li>- Chairman, Alinma Bank Vice Chairman and CEO, Zamil Group Holding Company</li> </ul>	<ul style="list-style-type: none"> <li>- Minister of Industry and Electricity.</li> <li>- Chairman, SABIC</li> <li>- Manager,</li> <li>- Research and Industrial Development Center.</li> </ul>	<ul style="list-style-type: none"> <li>- Master degree in Industrial Engineering, 1976</li> <li>- B. Sc. In Industrial Engineering, 1966</li> </ul>	<ul style="list-style-type: none"> <li>- Minister of Industry and Electricity.</li> <li>- Chairman, SABIC</li> <li>- Manager, Research and Industrial Development Center</li> <li>- Chairman, Sipchem.</li> </ul>
<b>Eng. Saleh bin Mohammed Bahamdan</b>	<ul style="list-style-type: none"> <li>- Executive President, Sahara Petrochemicals</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Engineering &amp; Project Management, SABIC</li> </ul>	<ul style="list-style-type: none"> <li>- Master Degree in Engineering, 1983</li> <li>- B. Sc. In Electrical Engineering, 1980</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Engineering &amp; Project Management, SABIC</li> <li>- Executive President, Sahara Petrochemicals</li> </ul>
<b>Saeed Omer Qasim El-Esayi</b>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A Board Member, Yanbu Cement Co.</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A board Member, Al Rajhi Bank</li> </ul>	<ul style="list-style-type: none"> <li>- B.Sc. in Management and Industrial Engineering, 1980</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Alesayi Trading Co.</li> <li>- General Manager, Omar Qasim Alesayi Co.</li> <li>- A Board Member, Yanbu Cement Co.</li> <li>- A Board Member, Al Rajhi Bank</li> </ul>
<b>Ali bin Abdulrazak Al-Ghamdi</b>	<ul style="list-style-type: none"> <li>- Owner of Misrab Development Trading Establishment</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Technical Affairs, Ibn Zahr</li> <li>- President, Gulf Stabilizers Co. (GSI)</li> <li>- President, AlWaha Petrochemicals Co.</li> <li>- Executive President, APPC</li> <li>- Executive President,</li> <li>- Al Tanmiah Industrial And Commercial Investment Company.</li> <li>- CEO, Takween</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor Degree of Chemical Engineering 1987. The Executive Management Program 2000.</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager, Technical Affairs, Ibn Zahr</li> <li>- President, Gulf Stabilizers Co. (GSI)</li> <li>- President, AlWaha Petrochemicals Co.</li> <li>- Executive President, APPC</li> <li>- Executive President,</li> <li>- Al Tanmiah Industrial And Commercial Investment Company.</li> <li>- CEO, Takween</li> </ul>

### 2. Audit Committee

Name	Current positions	Previous positions	Qualifications	Experiences
<b>Mohammed bin Ali Al-Muslim</b>	<ul style="list-style-type: none"> <li>- President, Qalat Al Mesk Center for Development and Projects.</li> </ul>	<ul style="list-style-type: none"> <li>- Governmental sector, industry.</li> <li>- Private sector, business man and consultant</li> </ul>	<ul style="list-style-type: none"> <li>- Master Degree in General Management, 1970</li> <li>- B.Sc. in Economy, 1970</li> </ul>	<ul style="list-style-type: none"> <li>- Governmental sector, industry.</li> <li>- Private sector, business man and consultant</li> </ul>
<b>Jabr bin Abdul Rahman Aljabr</b>	<ul style="list-style-type: none"> <li>- General Manager, Legal Affairs Department, Public Pension Agency</li> </ul>	<ul style="list-style-type: none"> <li>- Legal work</li> <li>- Membership in the Board of Directors of petrochemicals Companies.</li> <li>- Membership in the Board of Directors of Real Estate Companies</li> </ul>	<ul style="list-style-type: none"> <li>- B. Sc. In Law Systems, 1406H</li> <li>- English Language Diploma, 1429 H</li> </ul>	<ul style="list-style-type: none"> <li>- Legal work</li> <li>- Membership in the Board of Directors of petrochemicals Companies.</li> <li>- Membership in the Board of Directors of Real Estate Companies</li> </ul>
<b>Osama bin Abdulaziz Al-Zamil</b>	<ul style="list-style-type: none"> <li>- Vice President for Business Development, Al Zamil Holding Group</li> </ul>	<ul style="list-style-type: none"> <li>- Researcher in marketing division and analyst in SABIC.</li> <li>- Many positions in Al Zamil Group</li> </ul>	<ul style="list-style-type: none"> <li>- Master degree in Business Administration, 1998</li> <li>- B.Sc. in Industrial Engineering, 1995</li> </ul>	<ul style="list-style-type: none"> <li>- Researcher in marketing division and analyst in SABIC.</li> <li>- Many positions in Al Zamil Group</li> </ul>
<b>Abdulaziz Saud Alshabeebi</b>	<ul style="list-style-type: none"> <li>- Board Member, Saudi Organization for Certified Public Accountants (SOCPA)</li> <li>- Member of SOCPA Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Partner, Ernst &amp; Young</li> <li>- Worked with many companies during their transitional phase from family companies to closed joint stock companies and transforming some of them to public listed companies in Tadawul, for example:</li> <li>- Sons of Abdullah Abdulmohsen Al-Khudari</li> <li>- Basic Chemicals Industries Co.</li> <li>- Chemanol</li> <li>- AlMouwasat Medical Services</li> <li>- Electrical Industries Co.</li> </ul>	<ul style="list-style-type: none"> <li>- B.A of Accounting, King Faisal University.</li> <li>- Holder of American Fellowship in Accounting (CPA)</li> <li>- Member in the Saudi Organization for Certified Public Accountants (SOCPA).</li> </ul>	<ul style="list-style-type: none"> <li>- Partner, Ernst &amp; Young</li> <li>- Worked with many companies during their transitional phase from family companies to closed joint stock companies and transforming some of them to public listed companies in Tadawul, for example:</li> <li>- Sons of Abdullah Abdulmohsen Al-Khudari</li> <li>- Basic Chemicals Industries Co.</li> </ul>

### 3. The Nomination and Remuneration Committee:

Name	Current positions	Previous positions	Qualifications	Experiences
<b>Ahmed Fahad Al-Dwayan</b>	- Consultant, Ali Al Dwayan Holding.	- Lecturer, department of Internal Architecture, Dammam University	- Master degree in Construction Technologies, 2006 - B.Sc. in Architecture, 2002	- Lecturer, department of Internal Architecture, Dammam University - Board member in Jouf Cement
<b>Rashid Saif Al-Ghurair</b>	- Chairman, Al Jazeera Petrochemicals Co., - A Board Member, AL Mashreq Bank - A Board Member, Taghleef Industries.	- Chairman, Al Jazeera Petrochemicals Co., - A Board Member, AL Mashreq Bank - A Board Member, Taghleef Industries.	- B.Sc. in Business Administration, 1988	- Chairman, Al Jazeera Petrochemicals Co., - Administration, follow-up and development
<b>Khalid bin Abdulhameed Al-Shuayer</b>	- Founder and CEO of Eltamiz Information Technology Est.	- Auditor and Analyst in the Risks and Credit Department.	- Bachelor Degree of Accounting, Specialty accounting 2011.	- Auditor and Analyst in the Risks and Credit Department. - Shareholders' Affairs Specialist.

## C. Executive Management

Name	Current positions	Previous positions	Qualifications	Experiences
Saleh bin Mohammed Bahamdan	Chief Executive Officer	<ul style="list-style-type: none"> <li>- Engineering Department, Electricity and precise machines, Sabic. 19831995</li> <li>- Projects Manager, Sabic. 19951999</li> <li>- Vice President for Planning and Projects Management, Sahara. 20042007</li> <li>- President, Al Waha Co., 20072009</li> <li>- Executive President, Sahara.</li> </ul>	<ul style="list-style-type: none"> <li>- Master Degree in Engineering</li> </ul>	36 years of experience in petrochemicals industry
Mr. Rushdi K. Al-Dulaijan	Executive Vice President, Finance & IT	<ul style="list-style-type: none"> <li>- Accountant, Saudi Electricity Co. 19952003</li> <li>- Manager, Dep. Of Financial Systems, Saudi Electricity Co., 20042011</li> <li>- Manager, Financial Department, Sahara Petrochemicals. 20002012</li> <li>- Finance &amp; IT general manager, Sahara Petrochemicals.20122017</li> </ul>	<ul style="list-style-type: none"> <li>- B. Sc. in Accounting</li> </ul>	24 years of experience in finance
Omar Salem Bahobail	Executive Vice President, Shared Service	<ul style="list-style-type: none"> <li>- Mechanic Engineer, SABIC. 19911998</li> <li>- Manager, Maintenance Department, SABIC. 19982001</li> <li>- Manufacturing General Manager, Sahara Petrochemicals, 20042009</li> <li>- President, Al Waha Co. , an affiliate of Sahara. 20092016</li> <li>- Vice President, Shared Services, Sahara. 2016 till now.</li> </ul>	<ul style="list-style-type: none"> <li>- Master of Business Management.</li> <li>- B.Sc. in Mechanical Engineering.</li> </ul>	28 years of experience in petrochemicals industry
Saeed A. Bayounis	Executive vice president, manufacturing	<ul style="list-style-type: none"> <li>- Chemical Engineer, SABIC, 19901992</li> <li>- Project Manager, SABIC, 19921994</li> <li>- Operations Manager, SABIC, 19942000</li> <li>- Manager, Engineering Department, SABIC, 20002001</li> <li>- Manager, Department of engineering services, SABIC, 20012004</li> <li>- Production Department Manager, SABIC, 20042006</li> <li>- General Manager, Maintenance and Technical Services Department, Sahara Petrochemicals, 20062011</li> <li>- President, SAMAPCO, Sahara Petrochemicals, 2001 till now.</li> <li>- Vice president, Manufacturing, Sahara Petrochemicals, 20152017</li> </ul>	<ul style="list-style-type: none"> <li>- B.Sc. in Chemical Engineering</li> </ul>	29 years of experience in petrochemicals industry
Saad A. Al-Olayan	Vice President, Operations	<ul style="list-style-type: none"> <li>- Mechanical Engineer, SABIC, 19962005</li> <li>- Production Manager, SABIC, 20052007</li> <li>- Manager, Department of Equipment engineering and Inspection, SABIC, 20072009</li> <li>- Operations Manager, Sahara Petrochemicals, 20012013</li> <li>- Operations General Manger, Sahara Petrochemicals, 20132017</li> <li>- Vice President, Operations, 2017 till now.</li> </ul>	<ul style="list-style-type: none"> <li>- Master of Construction Management and Engineering.</li> <li>- B.Sc. in Mechanical Engineering.</li> </ul>	23 years of experience in petrochemicals industry

3- Names of companies both inside and outside KSA in which Board members are members in their current or previous Board of Directors of among their directors:

Member	Company's name in which a member belongs to its current Board or a director therein	Inside or outside KSA	Legal Entity (joint stock, listed, unlisted joint stock, limited liability)	Company's name in which a member belonged to its previous Board or was a director therein	Inside or Outside KSA	Legal Entity (joint stock, listed, unlisted joint stock, limited liability)
<b>HE Eng. Abdulaziz bin Abdullah Al-Zamil</b>	- Zamil Group Holding - Sipchem - Alinma Bank - Abdul Aziz Al Zamil & Sons Co.	KSA	- Closed joint stock. - Public joint stock - Public Joint stock - Limited Liability	- Zamil Group Holding Company - Sipchem - Alinma Bank - Chairman (Sabic)	KSA	- Closed joint stock. - Public joint stock - Public Joint stock
<b>Jabr bin Abdul Rahman Aljabr</b>	- Saudi Real Estate Co.,	KSA	- Listed company	- Saudi Real Estate Co.,	KSA	- Listed company
<b>Ahmed Fahad Al-Dwayan</b>	- Mashura Engineering Consultants. - Ali Al Dwayan Holding Co.	KSA	- Joint stock - Closed Joint stock	- Al Jouf Cement - Mashura Engineering Consultants. - Ali Al Dwayan Holding Co.	KSA	- Joint Stock - Joint stock - Closed Joint stock
<b>Saeed Omer Qasim El-Esayi</b>	- Omer Qasim ElEsayi Group - Yanbu Cement Co., -	KSA	- Joint stock - Public joint stock	- Yanbu Cement Co., - Al Rajhi Bank	KSA	- Public joint stock - Public joint stock
<b>Rashid Saif Al-Ghurair</b>	- Taghleaf Industries Co., - Al Mushrik Bank	UAE	- Public joint stock - Public joint stock	- Taghleaf Industries Co., - Al Mushrik Bank	UAE	- Public joint stock - Public joint stock
<b>Osama bin Abdulaziz Al-Zamil</b>	- VP, Zamil Group Holding Co. - Saudi Industries Development Co., Tatweer - National Power Company - Zamil Plastics Industry Co. - AlZamil Alba Company - Bischof & Klein Co. - Saudi German Co. - AlYamamah Bricks Co.	KSA	- Closed Joint stock - Closed Joint stock - Limited Liability - Limited Liability - Limited Liability - Limited Liability - Limited Liability - Limited Liability	- Saudi Industries Development Co., Tatweer - National Power Company - Zamil Plastics Industry Co. - AlZamil Alba Company - Bischof & Klein Co. - Saudi German Co. - AlYamamah Bricks Co	KSA	- Closed Joint stock - Limited Liability - Limited Liability - Limited Liability - Limited Liability - Limited Liability - Limited Liability
<b>Khalid bin Abdulhameed Al-Shuayer</b>	- Founder and CEO of Eltamiz Information Technology Est.	KSA	- Sole Propriety Est.	- Auditor and Analyst in the Risks and Credit Department in Samba Bank. - Shareholders' Affairs Specialist in Sahara Petrochemicals Co.	kSA	- Public joint stock - Public joint stock
<b>Ali bin Abdulrazak Al-Ghamdi</b>	- Owner of Misrab Development Trading Establishment. - Gulf Salt Company - Falcon Plastics Company - Osos Advanced Plastic Industries Company - (OSPIN)	KSA	- Sole Propriety Est. - Closed Jointstock - Limited Liability - Limited Liability	- General Manager, Technical Affairs, Ibn Zahr - President, Gulf Stabilizers Co. (GSI) - President, AlWaha Petrochemicals Co. - Executive President, APPC - Executive President, - Al Tanmiah Industrial And Commercial Investment Company. - CEO, Takween	KSA	- Limited Liability - Limited Liability - Limited Liability - Public Jointstock - Public Jointstock
<b>Mohammed bin Ali Al-Muslim</b>	- Retired - President, Qalat Al Mesk Center for Development and Projects.	KSA	- Limited Liability	- Secretary General, Gulf Org. for Industrial Consultations. - Director of Licenses, Ministry of Industry & Electricity.	KSA	- Governmental and Gulf Sector
<b>Saleh bin Halwan Al-Humaidan</b>	- Fujairah cement industries company - Retired	Abroad KSA	- Public Jointstock in UAE Stock Market - Governmental Sector	- Agricultural Engineer, Saudi Aramco. - Agricultural Economy Analyst in the Ministry of Agriculture, Water and Environment. - Economic Analyst, Ministry of Planning. - Assistant MD in SIFE. - CEO, Arabian Investment Co. - Economic Advisor, Ministry of Planning. - International Acetyl Company Limited (IAC)	KSA	- Saudi Aramco, Stateowned Company. - Governmental Ministries - Closed Jointstock
<b>Saleh bin Mohammed Bahamdan</b>	- Tasnee & Sahara Olefins Company - Sahara & Maaden Co., - Waha Petrochemicals	KSA	- Closed Joint Stock - Limited Liability - Limited Liability	- Tasnee & Sahara Olefins Company - Sahara & Maaden Co., - Waha Petrochemicals	KSA	- Closed Joint Stock - Limited Liability - Limited Liability

#### 4. Board Members and their classification:

s	Member name	Type of membership (Executive, non-executive, independent)
1	HE Eng. Abdulaziz bin Abdullah Al-Zamil	Non-executive
2	Jabr bin Abdul Rahman Aljabr	Non-executive
3	Ahmed Fahad Al-Dwayan	Independent
4	Saeed Omer Qasim El-Esayi	Independent
5	Rashid Saif Al-Ghurair	Independent
6	Osama bin Abdulaziz Al-Zamil	Non- executive
7	Mohammed bin Ali Al-Muslim	Independent
8	Khaled bin Albdulhameed AlShwayer **	Independent
9	Ali bin Abdulrazak Al-Ghamdi **	Independent
10	Saleh bin Hlwan Al-Humaidan **	Independent
11	Saleh bin Mohammed Bahamdan	EXECUTIVE

\*\* Membership started on June 27, 2018

#### 5. Procedures taken by the Board of Directors to inform its members, non- executive members in particular, of the suggestions and remarks of the shareholders.

The company dedicated the following contact details to receive the enquiries and remarks of its shareholders to be submitted to the Board's secretary then to the Chairman for discussion. The chairman submits the suggestions and remarks to the Board members in a Board meeting.

Tel.: 0133567788

E- mail: shareholders@SaharaPCC.com

## 6. The Board of Directors' Committees.

### The Executive Committee

Executive Committee holds the management functions of the company's business and makes recommendations to the Board on various issues, such as strategic planning and senior management appointments. Executive Committee has been delegated all powers of the Board of Directors that may be delegated thereto in accordance with the Company's By-Laws and other applicable laws in this regard, provided that the Executive Committee exercises the powers delegated to it in consistency with any decisions imposed thereon by the Board of Directors. The Executive Committee is also delegated by the Board of Directors with certain executive authorities as per the schedule of authorities approved by the Board of Directors. The Executive committee held four meetings in 2018.

Names of Executive Committee Members and number of its meetings:

#	Name	Position	Executive Committee Meetings (2018)			
			1st Meeting 19/04/ 2018	2nd Meeting 19/09/ 2018	3rd Meeting 23/07/ 2018	4th Meeting 05/12/ 2018
1	HE Eng. Abdulaziz bin Abdullah Al-Zamil	Chairman	√	√	√	X
2	Saeed Omer Qasim El-Esayi	Member	√	√	√	√
3	Saleh bin Mohammed Bahamdan	Member	√	√	√	√
4	Ali bin Abdulrazak Al-Ghamdi **	Member	X	√	√	√

\*\* Membership started on June 27, 2018.

### The Audit Committee

The Audit Committee is in charge of supervising the company's activities and ensuring the integrity and accuracy of the company's reports, financial statements and internal audit system. The duties of the Audit Committee include, in particular, the following:

#### First: Financial Reports

- To review the company's primary and annual financial statements and its before submission to the Board of Directors, to give its opinion and recommendations, in order to assure its integrity, accuracy and fairness.
- To give its technical opinion, upon the request of the Board, whether the Board 's report and the company's financial statements are fair, balanced, understandable and include the information which enable the shareholders and investors

to evaluate the company's financial position, performance, work scheme and strategy.

- To examine any important or unusual matters included in the financial reports and accounts. To investigate precisely any matters raised by the company's financial manager or his deputy, compliance officer or the auditor.
- To examine the accounting estimations with regard to the material matters stated in the financial reports.
- To study the accounting policies applicable in the company, give opinion and issue recommendations to the Board .

#### Second: Internal Audit

- To examine and review the company's internal audit, financial and risk management systems. To prepare written report stating the committee's opinion and recommendations concerning the adequacy of such systems and the work performed within its competency.

The Board of Directors shall submit sufficient copies of this report in the company's headquarter ten days at least before the General Assembly date in order to provide a copy thereof to any of the shareholders upon its request. The report shall be recited in the General Assembly's meeting.

- To study the internal audit report and follow up the execution of the corrective measures with regard to the observations contained in it.
- To control and supervise the performance and activities of the internal auditor and internal audit department, if any, to ensure the availability of the required materials and its effectiveness in performing the tasks and duties assigned thereto. If the company does not appoint an internal auditor, the committee has to submit its recommendations to the Board on the necessity of appointing an internal audit.
- To recommend to the Board of Directors on the appointment of an internal audit unit/ department manager or an internal auditor and suggesting its remuneration. Otherwise, to approve the appointment of one of the professional accounting companies to carry out the internal auditing process.

#### Third: The Auditor

- To make its recommendation to the Board of Directors to appoint or dismiss auditors, determine their remuneration and assess their performance after assuring their independency, reviewing their scope of work and terms of contracting with them.
- To assure the independency, subjectivity and fairness of the auditor and the effectiveness of the auditing activities taking into consideration the relevant rules and standards.

- c To review the plan and activities of the auditor. To make sure that such auditor does not provide any technical or administrative works beyond the scope of auditing and give its opinion.
- d To reply to the company's auditor enquiries.
- e To study auditor's accounting reports and its remarks on the financial statements and to review the actions taken with this regard.

#### **Fourth: Commitment Assurance**

- a To review the results of the supervisory authorities' reports and ensure that the company has taken the necessary measures with regard to such reports.
- b To check the company's compliance with the related laws, regulations, policies and instructions.
- c To review the potential contracts and transactions to be executed by the company with related parties and submit its recommendations to the Board of Directors.
- d To report to the Board of Directors on any actions that it deems necessary to be taken concerning any matters and present its recommendations of the measures to be taken.

#### **Names of Audit Committee Members and number of its meetings:**

#	Name	Type of membership	Audit Committee Meetings (2018)				
			1st Meeting 6/2/ 2018	2nd Meeting 28/2/ 2018	3rd Meeting 30/05/ 2018	4th Meeting 23/06/ 2018	5th Meeting 25/10/ 2018
1	Mohammed Ali Al-Muslim	Chairman	√	√	√	√	√
2	Jabr Abdul Rahman Aljabr	Member	√	√	√	√	√
3	Osama Abdulaziz Al-Zamil	Member	√	√	x	x	√
4	Abdulaziz Saud Alshabeebi **	Member	x	x	x	√	√

\*\* Membership started on June 27, 2018.

#### **The Nomination and Remuneration Committee**

Pursuant to Paragraph (7), Article 50 of The Regulations of Corporate Governance issued by The Capital Market Authority, the Company merged the Remunerations Committee and Nomination Committee into one committee called The Nomination and Remuneration Committee ("The Committee") by virtue of a General Assembly's resolution in its 21th annual meeting dated 27 December 2017. The Committee fulfils all the requirements of the two committees.

#### **Duties of the Remuneration and Nomination Committee:-**

##### **First: Remunerations**

1. To develop clear policies for the compensations of the Board Members, Board committees' members and the senior executives to motivate the company's management and maintain the outstanding cadres. To submit these policies to the Board of Directors for approval in the General Assembly Meeting, taking into account to use performance related criteria while developing such policies, to disclose and assure the implementation thereof.
2. To clarify the relationship between the granted remunerations and the applicable remuneration policy and indicate any material deviation from this policy.
3. To review the remuneration policy on regular basis and assess its efficiency in achieving its objectives.
4. To make recommendations to the Board of Directors regarding the remunerations of the Board members, committees' members and senior executives in accordance with the approved policy.

##### **Second: Nominations**

1. To propose clear policies and standards for membership in the Board of Directors and its committees.
2. To make recommendations to the Board of Directors regarding the nomination and re-nomination of its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a dishonesty crime.
3. To give a description of the capabilities and qualifications required for Board membership and fill of executive management vacancies.

4. To determine the time to be dedicated by the member to perform his duties as a Board member.
5. To conduct annual review of the skills and experiences required for Board membership and executive positions.
6. To review the structure of the Board of Directors, its committees and the executive management and to make recommendations of the possible changes.
7. To annually verify the independency of the independent Board Members and the absence of any conflict of interest if the board member is occupying a Board membership in another company.
8. To set the job description of the executive, non-executive and independent members as well as senior executives.
9. To set certain procedures in case of the existence of a vacant position among Board members or Senior Executives.
10. To determine the strengths and weaknesses of the Board of Directors and proposing certain treatment in a way that serves the interests of the company.
11. The committee is in charge of studying the relevant matters or those referred thereto by the Board of Directors in order to make its recommendations to the Board to take its decision.

#### Names of Remuneration and Nomination Committee Members and number of its meetings:

#	Name	Type of membership	No. of Meetings (2)	
			1st Meeting 01/ 03/ 2018	2nd Meeting 04/ 12/ 2018
1	Ahmed Fahad Al-Dwayan	Chairman	√	√
2	Rashid Bin Saif Al-Ghurair	Member	√	√
3	Khaled bin Abdulhameed Alshuayer	Member	x	√
3	Saeed Omer Qasim El-Esayi *	Member	√	x

\* Membership started on June 27, 2019

\* Membership ended on June 26, 2018

**7. When applicable, tools that the Board of Directors rely on in the assessment of its performance, the performance of its committees and members as well as the independent authority which conducted the assessment and its relationship with the company, if any.**

No means for assessing the Board of Directors; it is an indicative Article. The company will study a suitable mechanism for its application in the future.

## 8. Compensations and awards of Board members and senior executives:

	Fixed compensations			Variable compensations										End of service	Grand total	Expenses allowance	
	Certain amount	Meeting attendance allowance	Total attendance allowance	In- kind benefits	Statement of amounts received by board members as employees, administrative officers or for technical, administrative or consultancy services	Awards for chairman, CEO or secretary if from board members	Total	Profit dividend	Regular awards	Short term incentive plans	Long term incentive plans	Granted shares, insert value	total				
<b>First: Independent Members</b>																	
1	Saeed Omer Qasim El-Esayi	0	9000	12000	0	0	0	21,000	0	300,000	0	0	0	300,000	0	321,000	17490
2	Ahmed Fahad Al-Dwayan	0	9000	6000	0	0	0	15,000	0	300,000	0	0	0	300,000	0	315,000	5000
3	Khaled Abdulhameed AlShuayer	0	9000	3000	0	0	0	12,000	0	0	0	0	0	0	0	12,000	
4	Rashid Bin Saif Al-Ghurair	0	12000	6000	0	0	0	18,000	0	300,000	0	0	0	300,000	0	318,000	40540
5	Saheh H. AlHumaidan	0	9000	0	0	0	0	9,000	0	0	0	0	0	0	0	9,000	7500
6	Ali A. AlGhamdi	0	9000	9000	0	0	0	18,000	0	0	0	0	0	0	0	18,000	7500
7	Mohammed bin Ali Al-Muslim	0	12000	15000	0	0	0	27,000	0	300,000	0	0	0	300,000	0	327,000	
<b>Total</b>		0	69000	51000	0	0	0	120,000	0	1,200,000	0	0	0	1,200,000	0	1,320,000	78030
<b>Second: Non- Executive Members</b>																	
1	HE Eng. Abdulaziz bin Abdullah Al-Zamil	0	9000	9000	0	0	0	18,000	0	300,000	0	0	0	300,000	0	318,000	
2	Jabr bin Abdul Rahman Aljabr	0	12000	15000	0	0	0	27,000	0	300,000	0	0	0	300,000	0	327,000	
3	Osama bin Abdulaziz Al-Zamil	0	12000	9000	0	0	0	21,000	0	300,000	0	0	0	300,000	0	321,000	
<b>Total</b>		0	33,000	33,000	0	0	0	66,000	0	900,000	0	0	0	900,000	0	966,000	0
<b>Third: Executive Members</b>																	
1	Saleh bin Mohamed Bahamdan	300000	12000	12000	0	0	0	324,000	0	300000	0	0	0	300,000	0	624,000	248,107.00
<b>Total</b>		300000	12,000	12000	0	0	0	324,000	0	300000	0	0	0	300,000	0	624,000	248,107

## Senior Executive Compenations

		Fixed compensations				Variable compensations						End of service Award	Total compensations of executive members, if any	Gross
		salaries	allowances	In-kind benefits	total	Periodic rewards	profits	Short term incentive plans	Long term incentive plan	Granted shares Insert value	total			
1	Chief Executive Officer													
2	Executive Vice President, financial affairs													
3	Executive Vice President shared services	6,574,926.00	2,391,789.71		8,966,706.71	1,584,966.00					1,584,966.00	13,196,313.81		23,748,016.52
4	Executive Vice President manufacturing													
5	Vice president Manufacturing													
	<b>Total</b>	<b>6,574,926.00</b>	<b>2,391,789.71</b>	<b>0.00</b>	<b>8,966,706.71</b>	<b>1,584,966.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,584,966.00</b>	<b>13,196,313.81</b>	<b>0.00</b>	<b>23,748,016.52</b>

## Compensations of Committees' Members

	Fixed bonus Except attendance allowance	Allowance for attending Board Meetings	Total
<b>Members of Audit Committee</b>			
Mohammed bin Ali Al-Muslim	100000	15000	115000
Osama bin Abdulaziz Al-Zamil	100000	9000	109000
Jabr bin Abdul Rahman Aljabr	100000	15000	115000
Abdulaziz Saud Alshbeebi	0	6000	6000
<b>Total</b>	<b>300000</b>	<b>45000</b>	<b>345000</b>
<b>Members of Remuneration and Nomination Committee</b>			
Ahmed Fahad Al-Dwayan	100000	6000	106000
Rashid Bin Saif Al-Ghurair	100000	6000	106000
Khaled Abdulhameed Al-Shuayer	0	3000	3000
<b>Total</b>	<b>200000</b>	<b>15000</b>	<b>215000</b>
<b>Members of Executive Committee</b>			
HE Eng. Abdulaziz bin Abdullah Al-Zamil	100000	9000	109000
Saeed Omer Qasim El-Esayi	100000	12000	112000
Saleh bin Mohammed Bahamdan	100000	12000	112000
Ali Bin Abdulrazak Al-Ghamdi	0	9000	9000
<b>Total</b>	<b>300000</b>	<b>42000</b>	<b>342000</b>

9. No penalty, punishment, preventive measures or precautionary attachment is imposed upon the company by any authority, supervisory, regulatory or judicial body.

### 10. Results of the annual review of internal auditing procedures:

The Audit Committee of the company held four meetings during 2018 in order to review the financial statements and internal auditing procedures of the company. The company has appointed "Ernst & Young" to carry out the functions of the Internal Auditor of the Company, who has reviewed the following operations during 2018, namely:

- Information Technology
- Strategy and Business Development
- Operational Efficiency of Maintenance
- General Services

The Audit Committee has also reviewed and approved the audited financial statements for 2017, and a review of the quarterly statements of the year 2017 and has made an assessment of all the risks relating to the company's operations, marketing and finance. The Audit Committee presented its activities and the results of its work to the company's Board of Directors. Thanks to God, there was no fundamental weakness in the company's overall business.

11. The Audit Committee approved the appointment of "Ernst & Young" as the company's internal auditor.

12. There is no recommendation by the Audit Committee that conflict with the decisions of the Board of Directors.

### 13. Social Responsibility:

14. A statement of the General Assembly meetings held during the last financial year and the names of the Board members who attend such meetings:

S	Member	Record of Attendees
		The 13th General Assembly Meeting 19/ 4/2018
1	HE Eng. Abdulaziz bin Abdullah Al-Zamil	✓
2	Jabr bin Abdul Rahman Aljabr	✓
3	Ahmed Fahad Al-Dwayan	✓
4	Saeed Omer Qasim El-Esayi	✓
5	Rashid Saif Al-Ghurair	x
6	Osama bin Abdulaziz Al-Zamil	✓
7	Saleh Bin Helwan Al-Humaidan **	x
8	Ali Bin Abdulrazak Al-Ghamdi **	x
9	Mohammed bin Ali Al-Muslim	✓
10	Khaled Bin Abdulmohsen Al-Shuayer	x
11	Eng. Saleh bin Mohammed Bahamdan	✓

\*\* Membership started on June 27, 2018



## 15. Description of the company's main activity

Sahara Petrochemicals Co. is one of the Saudi companies registered in Saudi financial market "Tadawul". Sahara Petrochemicals was established on 19/05/1425H (corresponding to 07/07/2004) under a commercial register No. (1010199710) with a capital of 4.388 billion SR. Its headquarters is located in Riyadh and the company works as a holding company that focuses its main activity in petrochemicals in KSA. Sahara, in its works, sticks to high quality standards of production with a great commitment to preserve the environment, the safety of its employees and society in general. The company participates in many joint ventures with local and international partners in the following fields:

- Providing valuable investment opportunities for Saudi private sector in petrochemicals manufacturing and petrochemicals industry,
- Securing contemporary and modern technologies, well-trained and skilled labors for manufacturing high added value products of competitive competencies consistent with export requirements.
- Providing promising work opportunities for its employees with a focus on applying the Saudization program in all departments of the company.

## 16. Description of the company's important plans and decisions and future prospects for the company's business

### Merger with Saudi International Petrochemical Company (Sipchem)

- Sahara declared that it intends to renegotiate with Sipchem regarding the proposed merger within the latest changes of the organizational regulations in March 2018.
- Sahara declared the signing of non-binding memorandum of understanding (MoU) for a merger of equals with Saudi International Petrochemical Company in December 2018.

In line with Saudi Arabia's Vision 2030, which aims to create a thriving private sector in the Kingdom, the potential merger is expected to achieve multiple strategic benefits for the two companies, including:

- Strengthening product portfolios, diversifying feedstock supply.
- Expanding presence along the value chain; increasing scale and resilience in petrochemicals, both in the Kingdom and internationally.
- Building on both companies' competitive advantages and complementary capabilities to provide commercial, operational and functional benefits.

- Driving efficiency and productivity of their industrial assets at Jubail.
- Creating a platform with improved financial resources, capital market access, and product and technological expertise to take advantage of local and international growth opportunities, both organic and inorganic.
- The potential transaction is expected to generate synergies in terms of increased revenues and reduced costs, which will provide added value to shareholders. The potential transaction is also expected to provide benefits for the joint workforce and local and international business partners.

## 17. Risks Management Policy

### Types of Risks

- Strategic Risks:** Risks associated with the company's mission and its future plans that result because of inability to achieve the expected targets, for example taking incorrect strategic decisions and wrong application of such decisions or non-effective response to changes related to the company.
- Compliance / Legal Risks:** Risks associated with adherence to the legal requirements of the regulatory authorities, contractual relations, independence and provisions.
- Reputation Risks:** Risks associated with the company's reputation and factors that may negatively impact this reputation.
- Operational Risks:** Risks associated with operating and project management, fraud, business continuity, policies and procedures, inappropriate day-to-day actions and non-separation of tasks and non-compliant systems and inaccurate / inappropriate management reports, which hinder the company from being highly effective and efficient when managing its operational activities.
- Financial Risks:** Risks associated with the financial reporting cycle, and the timeliness and accuracy of financial statements and financial control, financial and budget estimates that may have a negative financial impact on the company.
- IT risks:** risks associated with the development and application of new systems, log-in powers, backup of systems, disaster recovery procedures, change management, and information security.

### Risk management methodology:

Risk management is divided into several phases that can be clarified as follows:

**A. Risk Identification:** To identify risks, the following are required:

- Risk identification should be shared by people with the correct knowledge. Risk identification requires knowledge of the company, its clients and its legal, social, cultural and political environment besides its strategic and operational objectives.
- Risk identification is a continuous activity as it does not end once the risk definition has been shown to a specific department, as it may appear anytime.
- To identify the risks, the concerned department should be involved to inform them of responsibility for risk management.

**B. Risk Analysis:**

The risk analysis stage reviews how to analyze new risks or re-analyze risks which have been identified in advance to monitor any changes that may occur in the surrounding environment;

There are two main parts: the assessment of each risk in terms of potential damage to the company - the likelihood of occurrence.

**Risk Assessment Method:**

It is carried out according to four main factors: "probability of occurrence, expected impact, time frame, status of response activities"

The risk is assigned to a specific percentage of each factor so that each risk gets a result of 100%.

## 18. Summary of Assets, Liabilities, Results for the last Five Years as follows:

**Results Comparison**

Item	2018	2017	* 2016	2015	2014
Net Profit	500,822	444,526	* 409,402	43,181	385,378
Current Assets	1,459,442	1,348,227	2,682,647	1,937,667	2,179,140
Non-current Assets	5,564,560	4,515,134	6,404,277	6,553,382	6,310,955
Total Assets	7,024,002	5,863,370	9,086,924	8,491,049	8,490,095
Current Liabilities	588,054	110,328	684,176	370,037	582,728
Non-Current Liabilities	1,461,707	394,277	2,142,979	2,047,002	1,556,814
Total Liabilities	2,049,761	504,605	2,827,155	2,417,081	2,145,542

\* The results as per SCOPA criteria applied in 2016

## 19. Geographical Analysis of the Company and its Affiliates' Revenues

Marketing and sale of the company's products are performed in all local markets, the Middle East markets and global markets. The following table shows the geographical distribution of sales of Sahara Petrochemicals Company during 2018:

### Geographical Analysis of the Company's Affiliates' Total Revenues

Year	Geographical Analysis of AI Waha Total Revenues						
	USA	Europe	Local	GCC	India	Asia	Total
2018	-	-	520,607,677	866,967,809	-	717,971,602	2,105,547,088

Year	Geographical Analysis of SAMAPCO Total Revenues						
	USA	Europe	Local	GCC	India	Asia	Total
2018	33,703,791	5,305,881	423,859,484	37,439,868	157,062,48	108,825,202	760,890,830

## 20. Material Differences in Operational Results comparing with the Previous Year

There were significant differences in the operating results due to the relative consolidation of Waha Petrochemicals Company's results for the last three months due to the implementation of International Standard No. 11 and the consolidation of Sahara Marketing Company in the consolidated financial statements, which resulted in a relative change in 2018 compared to 2017 as shown in the following table:

Description	2018	2017	Changes (+) or (-)	Change (%)
Sales / Revenues	210,058.00	-	210,058.00	+100%
Sales Cost / Revenues	(231,473.00)	-	(231,473.00)	
Total Profit	(21,415.00)	-	(21,415.00)	
Profits from Affiliates	542,118.00	490,117.00	1,032,235.00	0.11
Other Operational Revenues	37,976.00	29,642.00	67,618.00	0.28
Other Operational Cost	72,061.00	(181,000.00)	(108,939.00)	(1.40)
Main Operations Revenue	557,762.00	486,511.00	1,044,273.00	0.15
Operational Profit (Loss)	500,822.00	444,526.00	945,348.00	0.13

**21. The Unified Financial Statements were prepared according to the Saudi Accounting Standards as issued by the Saudi Organization for Certified Public Accountants (SOCPA).**

**22. Name of each affiliate, main activity, the country of operational headquarter and its country of corporation in 2018.**

Name of the Affiliate	Capital (SAR million)	Sahara ownership percentage	Main activity	Country of Operation	Country of Corporation
Waha Petrochemicals	1,660	75%	Production of Polypropylene and propylene	Jubail Industrial City	Saudi Arabia
TSOC	2,830	32.55%	Construction, management, operation, ownership and investment in industrial projects specially petrochemicals and chemicals, marketing its products and all relevant activities.	Jubail Industrial City	Saudi Arabia
SEPC	2.737.5	24.41%	Production of Ethylene, Polypropylene, high and low-density poly ethylene	Jubail Industrial City	Saudi Arabia
SAAC	1.777	43.16%	Construction, management, operation and ownership of Acrylic acid projects and its derivatives as well as petrochemicals industrial projects.	Jubail Industrial City	Saudi Arabia
SAMCO	1.084.5	32.37%	Producing Acrylic acid derivatives: 1- Acrylic acid 2- Butyl Acrylates 3- Ethylhexyl Acrylates 4- Glacial Acrylic Acid	Jubail Industrial City	Saudi Arabia
SAPCO	416.4	32.37%	Owning, managing and operating super absorbent polymer plant of the Integrated Acrylates Complex Project.	Jubail Industrial City	Saudi Arabia
SAMAPCO	900	50%	Designing, constructing, owning and operating an integrated plant to produce chlorine, concentrated Soda in addition to ethylene dichloride	Jubail Industrial City	Saudi Arabia
SaBuCo	486	14.3%	Production of n-butanol and iso-butanol.	Jubail Industrial City	Saudi Arabia
Sahara Marketing Company	.50	100%	Marketing and whole sale trading of petrochemicals.	Jubail Industrial City	Saudi Arabia
Promising Business Company	.70	100%	Whole Sale of Chemical Fertilizers	Jubail Industrial City	Saudi Arabia
Khair Inorganic Chemical Industries Company ("InoChem")	800	30%	Production of sodium carbonate, heavy and light soda ash, calcium chloride and calcium carbonate	Al-Khobar	Saudi Arabia

**23. There are no shares or debit instruments issued by Sahara's affiliates.**

## 24. Dividend Policy

As per article (40) of the Company's Bylaws, the annual net profit of the company shall be distributed after deducting general costs and other costs, as follows:

- 0% of net profits shall be set aside to form the statutory reserve. The Ordinary General Assembly may discontinue this deduction if the reserve reaches 30% of the capital,
- The Ordinary General Assembly may, subject to the Board of Directors proposal, set aside specific portion of net profits to form agreed reserve for a certain purpose(s).
- The Ordinary General Assembly may decide to form other reserves that may serve the company's interest or secure regular distribution of profits to the shareholders. Also, it may deduct some portion from the net profits to establish community associations for the company's employees or support the existent ones.
- As for the remaining amount, a first dividend payment of five percent (5%) at least of the paid-in capital shall be allocated to the shareholders.

- With compliance with article 20 of this system and article 76 of the companies Act, not more than ten percent (10%) of the remaining profits shall be allocated to the Board of Directors remunerations provided that the total remuneration amount granted to a board member shall not exceed SAR 500,000 per annum as per the regulations set by the competent authority. The eligibility of this remuneration shall be in proportion with the actual sessions attended by the board member.
- The company may distribute partial profits quarterly or semi-annually.

The Board of directors recommended the distribution of 5% monetary profits to the company's shareholders for the 1st half of 2018 during August 2018.

The Board of directors recommended the distribution of 5% monetary profits to the company's shareholders for the 2nd half of 2018 during December 2018.

The company distributed the profits to the shareholders as follows:

Profits distributed during 2018 (%)			Total Distributed Profits
	August 2018	December 2018	
Percentage	5%	5%	10%
Total	219,397,500	219,397,500	SAR 438,795,000

The company distributed the profits over the previous year as per the following table:

Profit per Share	Payment Method	Distribution Date	Maturity Date
19/04/2017	30/04/2018	Bank Transfer	1
18/04/2017	30/04/2017	Bank Transfer	7.5
05/06/2016	15/06/2016	Bank Transfer	0.50
29/03/2015	02/04/2015	Bank Transfer	0.85
19/03/2014	07/04/2014	Bank Transfer	0.85
30/03/2013	13/04/2013	Bank Transfer	0.50

Also, we would like to refer that the company distributed bonus shares, one for four, in 2007.

**25. A description of any interests held by the Board members and senior executives, their wives and their adolescent children in the shares or debt instruments of the company or any of its affiliates during the year 2018:**

Name	Related Party with Interest	Shares at the Year Beginning	Shares at the Year End	Net Change	Change (%)
H.E. Eng. Abdulaziz Al-Zamil	-	1,651,500	1,651,500	0	0
Jabr A. Al-Jabr	-	0	0	0	0
Ahmed F. Al-Dhwuyan	-	1000	1000	0	0
Saeed O. Al-Essayie	-	7,634,765	7,634,765	0	0
Rashid S. Al-Gurair	-	0	0	0	0
Osama A. Al-Zamil	-	2000	2000	0	0
Mohammed Ali Aloslem	-	11000	50000	39000	400%
Khaled Abdulhameed Al-Shuayer **	-	0	2	0	0
Ali A Al-Ghamdi **	-	6000	6000	0	0
Saleh Hlwan Al-Humaidan	-	30000	30000	0	0
Saleh M. Bahamdan	-	64000	64000	0	0
Rushdi K. Al-Dulijan	-	0	0	0	0
Omar S. Bahobail	-	0	0	0	0
Saeed A. Bayounis	-	0	0	0	0
Saad A. Aloyan	-	0	0	0	0

\*\* Membership started on June 27, 2018

**26. Neither the issuer's board members nor any of the senior executives or their wives or adolescent children have any interest, stock –options or rights in the shares or the debt instruments of the issuer or any of its affiliates and no change therein during this financial year.**

**27. Sahara Petrochemicals Company's and its Affiliates' Indebtedness**

**Sahara Petrochemicals Company**

Lenders	Loan Value (SAR)	Loan Term	Total Payments during the year (SAR)	Balance (SAR)
Saudi Britain Bank	500 million SAR	10 years	38,888,890	291,666,665 SR
Riyadh Bank (Revolving loan)	300 million SAR	One year	-	Revolving loan
Saudi Bank for Investment	300 million SAR	One year	-	Revolving loan

### Al Waha Petrochemicals Company (Al Waha)

Lenders	Loan Value	Loan Term	Total Payments	Balance (SAR)
Commercial Banks (Note 1)	1,964,000,000 SR	10 years	137,480,000	1,473,000,000 SR
Saudi Program for Supporting Exports	70,000,000 USD	One year	Revolving loan	Revolving loan
Saudi British Bank (SABB)	375,000,000 SR	One year	Revolving loan	Revolving loan

Note 1: Banks are: BSF, SABB

### Sahara & Ma'aden Petrochemicals Company (SAMAPCO)

Lenders	Loan Value	Loan Term	Total Payments during the year (SAR)	Balance (SAR)
Commercial Banks (Note 1)	758,610,123 SR	13 years	23,300,324 SR	582,508,096 SR
Saudi Industrial development fund	Balance (SAR)	900,000,000 SR	43,000,000 SR	799,000,000 SR
	900,000,000 SR	11 years	-	799,000,000 SR
PIF	660,000,000 SR	13 years	26,400,000 SR	501,600,000 SR
Riyadh Bank	112,500,000 SR	one year	-	Revolving loan

Note 1: Banks are: SABB, Riyadh Bank, BSF

### Saudi Butanol Company (SABUCO)

Lenders	Loan Term	Loan Value (SAR)	Total Payments in 2017 (SAR)	Balance (SAR)
SIDF	865,000,000 SR	8 years	70,000,000 SR	735,000,000 SR

### Saudi Butanol Company (SABUCO)

Lenders	Loan Value (SAR)	Loan Term	Total Payments in 2017 (SAR)	Balance (SAR)
SIDF	865,000,000 SR	8 years	70,000,000 SR	735,000,000 SR

### Saudi Ethylene & Polyethylene Company (SEPC)

Lenders	Loan Value (SAR)	Loan Term	Total Payments during the year (SAR)	Balance (SAR)
Commercial Banks (Note 1)	2,671,302,000 SR	9 years	533,299,500 SR	1,604,703,000 SR

Note 1: Banks are: Apicorp Bank, BSF, National Bank, Riyadh Bank, Investment Bank, SABB, Arab National Bank and SAMBA

### Saudi Acrylic Acid Company (SAAC)

Lenders	Loan Value (SAR)	Loan Term	Total Payments during the year (SAR)	Balance (SAR)
Saudi Industrial development fund	1,745,000,000 SR	7 years	170,000,000 SR	1,485,000,000 SR
Commercial Banks (Note 1)	3,555,554,016 SR	13 years	326,632,877 SR	3,248,268,009 SR

Note 1: Banks are: SABB, Al Ahli Bank, Riyadh Bank, BSF, SAMBA, Holland Bank, Inmaa, Al Jazeera Bank

Company's and its affiliates total indebtedness Balance (SAR)	10,720,745,770 SAR
--	-----------------------

28. The company hasn't issued or granted any transferable debt instruments or any securities or subscription right notes or similar rights during the financial year.

29. The company hasn't issued or granted any transfer rights, or any securities or subscription right notes or similar rights.

30. Neither the company nor its subsidiaries hasn't recovered or bought any debit instruments that are transferable.

### 31. Attendance record of the Board of Directors for the year 2018:

Board Member Name	1st Meeting 19/04/2018	2nd Meeting 19/04/2018	3rd Meeting 02/10/2018	4th Meeting 05/12/2018	Total
H.E. Eng. Abdulaziz A, Al-Zamil	√	√	√	x	3
Jabr Abdulrahman Al-Jabr	√	√	√	√	4
Ahmed Fahad Al-Dwayan	√	√	√	√	4
Saeed OmerQasim El-Esayi	√	√	x	√	3
Rashid Saif Al-Ghurair	√	√	√	√	4
Osama Abdulaziz Al-Zamil	√	√	√	√	4
Ali Bin Abdulrazak Al-Ghamdi **	x	√	√	√	3
Saleh Bin Helwan Al-Humaidan **	x	√	√	√	3
Mohammed bin Ali Al-Moslem	√	√	√	√	4
Khaled Abdulhameed AlShuayer	x	√	√	√	3
Saleh bin Mohammed Bahamdan	√	√	√	√	4
Last General Assembly Meeting Date	19/04/2018				

\*\* Membership started on June 27, 2018

### 31. Number of requests for the shareholders' record, dates and justifications:

Number of requests for the shareholders' record	Justifications	Request Date
1	31/12/2017	Start of the year
2	27/03/2018	Companies Procedures
3	29/03/2018	Preparation for the General Assembly Meeting
4	23/04/2018	Profits Eligibility
5	27/08/2018	Profits Eligibility
6	03/09/2018	Companies Procedures
7	02/10/2018	Companies Procedures
8	18/11/2018	Companies Procedures
9	02/01/2019	End of year

32. There is no information in any transaction between the Company and a related party.

33. There is no information in any contract in which the company is in existence or in which there is a substantial interest of a member of the board of directors of the company or the chief executive officer or the financial manager or any person related to any of them.

34. No member of the Board of Directors or senior executives of the Company has made any waiver of any salary or compensation.

35. None of the Company's shareholders has waived any rights in profits.

### 36. Payable Statutory Payments

Authority	2018		Description	Details
	Paid	Due up to end of financial year and not settled		
Zakat	42,027,378.37	31,750,000	22 million for Sahara Petrochemical Company and 9 million for Al Waha Petrochemical Company	The effect of consolidation of the relative lists with the Al Waha Petrochemical company
Taxes	-	-		-
GOSI	33,587,773.41	160,256.74	2018 the company's and its employees subscription fees.	Differences between the months subscription and actual paid amounts.
Visas & Passports	384,535.50	0	Payment of Iqamas and Exit reentry visas fees.	Full amount was paid.
Labor Office Fees	-	-	-	-

### 37. A statement of the value of any investments or reserves created for the benefit of the Company's employees.

As part of the company's keenness to stimulate, attract and maintain the company's most important assets, namely its employees and as one of the long-term employee reward program strategies, residential units have been allocated to the Saudi employees of Sahara and its affiliates, which aims to ensure the stability and comfort of its employees by providing appropriate housing.

The program was approved by the company, which aims to provide 279 housing units distributed to the employees of the company according to the system of entitlement. The total cost of the project is 448,857,092 Saudi riyals.

The company has been keen to provide residential villas in accordance with the highest standards of construction and quality at the Royal Commission in Jubail with competitive prices in the district of Al-Matrafiyah in Jubail Industrial City, which is a new area near the new city center, which provides all the needs and amenities required for a perfect life for residents.

The delivery of all the housing units of the company's employees was completed. The program was made available to 80% of the total employees entitled to ownership and 72% of the total Saudi employees.

The 2nd phase of the Home Ownership Program (HOP) started in the middle of 2018 by purchasing 60 developed pieces of land in Jalmudah District in Jubail Industrial City. The company already started the project's construction activities and expected to complete it by the end of 2020 to be delivered to its employees.

### 38. The Company's Declarations..

**The Board of Directors declares the following:**

- Books of accounts are prepared correctly.
- There is no doubt concerning the ability of the company to continue its activity,
- Internal Auditing system is prepared on sound foundations and implemented effectively.

**The auditor's report did not contain any reservations to the annual financial statements.**

**The Board of Directors did not recommend changing the auditor before the end the period designated for it.**

### The Company declares the following:

Sahara Petrochemicals owns 75% of Al Waha Petrochemicals equity stake while the remaining 25% is owned by its foreign partner LyondellBasell that markets the products of Al Waha as previously agreed upon in the shareholding and marketing agreements. Sahara also owns 32.55% of the capital of TSOC, which in turn owns 75% of the capital of SEPC and the remaining 25% is owned by LyondellBasell. Therefore, Sahara Petrochemicals owns 24.41% shareholding in SEPC which supplies Al Waha Petrochemicals with approximately 25,000 tons annually of Ethylene as feedstock. In addition, propylene is exchanged, as needed, between Al Waha and SEPC via a pipeline connecting the two companies. Also, Sahara Petrochemicals Company granted

shareholders' loans to each of Al Waha Petrochemicals Company, Sahara and Ma'aden Petrochemicals Company and Saudi Acrylic Acid Company as per the signed agreements with related parties. Additionally, Al Waha Petrochemicals Company is handling the management and operation of the shared services which includes (Financial Affairs, IT, Administration, Safety, Industrial Security, Projects, and Total Quality Management) for both Al Waha Petrochemicals Company and Sahara and Ma'aden Petrochemicals Company as per the signed agreements in this regard.



# CONCLUSION

I and the members of the Board of Directors would like to express our sincere thanks and appreciation to the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud for their efforts to promote and advance the national economy in all fields. Thanks are also extended to the Ministry of Trade and Investment, the Capital Market Authority, the shareholders, management and employees of the company for their sincere and capable efforts to promote the company.

God bless.





# Sahara Petrochemicals

Saudi Joint Stock Company

Public Relations Department

Tel: +966 (13) 356 7777

Fax: +966 (13) 3589900

E-mail: [public\\_relations@saharapcc.com](mailto:public_relations@saharapcc.com)

Investors Relations

Tel: +966 (13) 3567788

Fax: +966 (13) 358 9911

E-mail: [shareholders@saharapcc.com](mailto:shareholders@saharapcc.com)

P.O. Box: 11166

Jubail 31961

Jubail Ind.City

[www.saharapcc.com](http://www.saharapcc.com)