



# Annual Report 2021







The Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

Prime Minister



His Royal Highness

**Prince Mohammed bin Salman bin Abdulaziz**

Crown Prince, Deputy Prime Minister, and Minister of Defense



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**Eng. Abdulaziz Fahad Al Khayyal**  
Chairman



**Mr. Ali Mohammed Al Saflan**  
Vice-Chairman



**Mr. Ahmed Abdulrahman Al Mohsen**  
Member



**Mr. Bakr Abdulrahman Al Muhanna**  
Member



**Mr. Turki Abdullah Al Jawini**  
Member



**Mr. Raed Abdullah Al Tamimi**  
Member



**Dr. Raed Abdullah Al Hogail**  
Member



**Dr. Mohammed Hamad Al Kathiri**  
Member



**Mr. Mohammed Nazal Al Khaldi**  
Member



**Eng. Abdulrahman bin Abdulaziz bin Sulaiman**  
(Member & CEO)



## Chairman's Message

While the signs of the novel coronavirus pandemic are receding, and with the start of the recovery of the economic and financial sectors, the work's wheel started to turn and move. Many companies and institutions set out towards restoring their activities, investments, and businesses in the markets, in an attempt to compensate for what had befallen them as a result of the period of recession/downturn that affected the economic and production sectors at the international and local levels.

Thanks to Allah's grace, and then thanks to the efforts and determination of its employees, GASCO has succeeded in overcoming obstacles and challenges that it faced during the last year, and its capability of moving forward in applying its own strategic development policies, achieving accomplishments at the level of the production, operational and commercial sectors, implementing projects, and launching initiatives.

During the year of the report (2021), GASCO was keen to make all possible efforts to meet the demands of its customers and work to gain their satisfaction, and the results of these tireless efforts were the company's obtaining of ISO and EN (European Standard) certificates for all stations and the central workshop.

During 2021, the company also made outstanding achievements in implementing several capital projects such as developing handling areas, developing the security, and firefighting systems. It is also expected that during the first half of 2022, the implementation of the first phase of the strategic storage project at the Riyadh station will be completed.

In this sense and on behalf of my fellow members of the Board of Directors, I am pleased to present this detailed report, which reviews the company's most prominent achievements during 2021 in all its sectors, in addition to the financial and operational performance report, social responsibility and governance report.

In conclusion, I consider it an honor to express my heartfelt thanks and gratitude to His Majesty the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, as well as his Royal highness the Ministry of Energy, for their unlimited support. I also express my thanks and appreciation to the company's shareholders, hoping to meet their high expectations, and to all GASCO employees for their tangible efforts to achieve the company's vision, objectives and directions.

# 2021

- GASCO has overcome the obstacles and challenges it has faced.
- The tireless efforts resulted in the company obtaining the ISO and the European Standards certificates.

**Chairman of the Board of Directors**  
**Eng. Abdulaziz Fahad A. Alkhayal**



## CEO's Message

The world's recovery from the effects and repercussions of the novel coronavirus (COVID-19) pandemic came as a motive and incentive for GASCO to exert more efforts in order to implement its operational plans, accomplish its promising projects, ambitious initiatives, and development strategy in most of its sectors.

In the context of working to raise the level of performance and improve the service provided to customers, the company has automated the requests submitted by customers, replacing manual invoices with electronic invoices, unifying the payment number (SADAD) and linking it to the customer's reference number.

More than 75% of the requests for bulk filling of gas were served within the cities within a period not exceeding two days, and more than 75% of the requests for filling outside the cities within a period not exceeding four days, and the total amount of requests exceeded (621 million) liters of liquefied gas. The filling fleet was also strengthened and upgraded, with (17) trucks, as the company continued its activity in supplying liquefied gas filled with cylinders to all its seven stations located in the Kingdom.

In the field of gas filled cylinders, about (100 million) cylinders were filled (26) new retail/sales outlets were added during the year of the report, and provision of fiber cylinders in (53) new outlets, whereas the company's sales of fiber cylinders increased by 12% compared to 2020. In the field of cylinder maintenance, more than 1.5 million cylinders with a capacity of 11 kg were rehabilitated and maintained, an increase of 1% compared to the previous year.

In the field of gas transport from its sources, the company's tankers have traveled approximately 75 million kilometers between Aramco's facilities and the company's stations, using its fleet of 565 tankers.

In the field of human cadres, Specialized programs have also been developed to train and rehabilitate (223) employees of all sectors and job levels. The total

number of employees who were employed in the company reached (233) male and female employees, while the percentage of Saudization reached 57%, While the Saudization rate, other than transport drivers, exceeded 80%.

GASCO also participated in many international exhibitions and internal events. Several agreements and cooperation have been concluded with several parties in different fields. In the context of supporting small and medium-sized Establishments, GASCO has signed an agreement to activate the role of these Establishments in finding innovative solutions in the liquefied gas sector, in addition to signing an agreement for the «Jadeer» platform.

Despite the presence of many challenges during 2021, foremost of which are the high prices of raw materials locally and internationally. in light of the fixed prices of sales for more than 20 years. GASCO is making all possible efforts and working to find alternative solutions in order to continue providing its services to its customers with high quality and reliability while preserving the interests of investors.

In conclusion, I would like to express my sincere thanks and appreciation to His Majesty the Custodian of the Two Holy Mosques King Salman, His Royal Highness the Crown Prince Muhamad Bin Salman, the His Royal Highness Ministry of Energy, the Board of Directors, and all relevant government agencies for their care and support for the energy sector in the Kingdom, and thanks to all employees for their commendable efforts. May Allah the Almighty perpetuate the security and prosperity of our kingdom under the wise leadership of our rulers.

**75%**

of orders within cities were fulfilled in two days

**+75%**

orders outside cities were fulfilled in four days

CEO's

**Eng. Abdulrahman bin Abdulaziz bin Sulaiman**



## About GASCO

National Gas and Industrialization Co. (GASCO) was incorporated in 1963 G (1383 H), via the merger of National Gas Company in Dammam and Saudi Manufacturing and Gas Company in 1975 G (1395 H). GASCO has become a leading company in manufacturing Liquefied Petroleum Gas (LPG) all over the Kingdom of Saudi Arabia. GASCO follows the latest international standards in delivering LPG reliably and safely from its developed and modern facilities to all KSA areas. Furthermore, GASCO seeks to provide distinguished operations and innovations in energy field.



### Our Vision:

To be the leading company of gas solutions provider in the region, contributing to the sector's growth and increasing innovation in it.



### Our Mission:

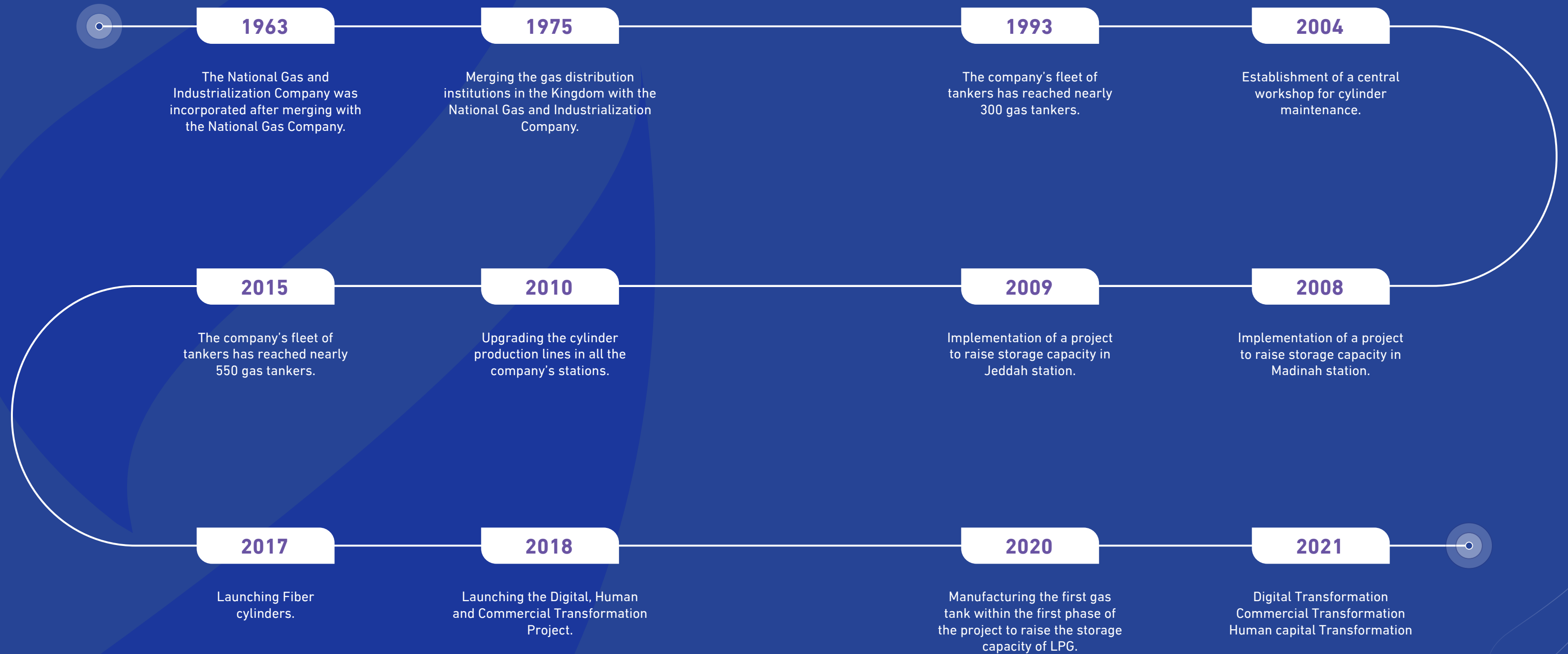
We rely on our unique capabilities and resources, efficient operations, superior talent, as well as our customers are our relentless focus for us to be at the forefront of our business. We firmly believe in the development of this sector through strong partnerships built within a competitive and fair work environment.



### Our Values:

Safety First | Excellence | Innovation | Integrity  
Customer Centricity | Responsibility & Initiative | Teamwork

## Extensive experience:



# GASCO's Activities:

The company is engaged in carrying out all works related to the exploitation, manufacturing, production, purchase, sales, marketing, distribution, transport of all kinds of gas and its derivatives and industrial gases inside and outside the Kingdom of Saudi Arabia, and this includes the following:



Purchase, sales, and maintenance of cylinders, tanks, and their accessories.



Maintenance of gas networks and units and their accessories.



Transporting goods and missions for a fee on the land roads in the Kingdom.



Manufacturing, purchase, sales, transport and marketing of petroleum, chemical and petrochemical products, glass, auto spare parts and equipment.



Establishment of petroleum service centers and maintenance of equipment and cars



Participation in energy production, water treatment and environmental services.



Investment in the real estate sector by buying and selling.





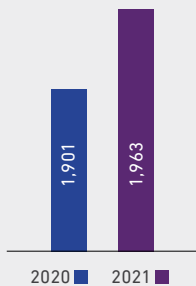
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## Financial Performance

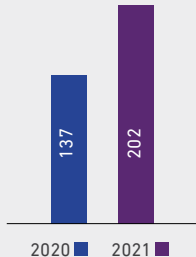
65

million Increase in net profit

Revenues (million riyals)



Net profit after deduction of Zakat (million riyals)



Total revenue of SAR 1,901 million was achieved in 2021 compared to SAR 1,963 million in 2020, marking a decrease of 3%.

Net profit after Al-Zakat reached SAR 202 million in 2021 compared to SAR 137 million in 2020, marking an increase of 47%.

The increase in net profit by SAR 65 million is mainly due to:

First: an increase in operating profit by SAR 32 million which resulted from the decrease in the cost of revenues and general and administrative expenses as a result of launching some initiatives undertaken by the company, which contributed to improving operating efficiency and reducing costs, including the early retirement plan of employees.

Second: an increase in investment revenues by 43 million riyals, mainly represented by an increase in dividends received from the National Industrial Gases Company (GAS).

Despite the decrease in other revenues by 6 million riyals, the increase in finance costs by 3 million riyals, and the Zakat expense by 2 million riyals.

## GASCO’s Financial Performance for the last Five Years

### Working Capital (in millions of SAR):

Item	2021	2020	2019	2018	2017
a) Current Assets	613	808	573	295	382
b) Current Liabilities	370	421	344	248	236
Working Capital (A) - (B)	243	387	229	47	146

\*Numbers of compared years were amended as a result of reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to note No. 39 regarding 2021 unified financial statements.

## Financial Position Statement (in millions of SAR):

Item	2021	2020	2019* (Amended)	2018* (Amended)	2017
<b>Assets</b>					
<b>Non-Current Assets</b>					
Properties, Plant, and Equipment	715,388	633,521	605,271	615,918	597,006
Intangible Assets	30,727	32,895	32,290	23,829	-
Investments in Real Estate	34,342	34,353	34,494	34,494	34,494
Right to use Assets	1,495	3,401	5,461	-	-
Investments in Affiliates	87,899	80,270	79,289	78,946	81,897
Investments in shareholders' equity tools held at fair value through comprehensive income	645,042	665,659	787,538	1,017,286	855,923
Investments in property rights title devices at amortized costs	146,500	30,000	-	-	-
<b>Total Non-Current Assets</b>	<b>1,661,393</b>	<b>1,480,100</b>	<b>1,544,343</b>	<b>1,770,473</b>	<b>1,569,320</b>
<b>Current Assets</b>					
Investments in shareholders' equity tools held at fair value through profit and loss statement	299,154	279,498	169,114	-	-
Inventories, net	160,233	157,749	166,697	202,708	196,507
Receivables, net	31,149	45,481	38,594	15,276	22,345
Advanced Expenses and other Assets	60,694	49,078	40,967	38,461	53,901
Cash and Cash Equivalents	61,906	276,610	157,610	38,436	109,995
<b>Total Current Assets</b>	<b>613,136</b>	<b>808,417</b>	<b>572,982</b>	<b>294,881</b>	<b>382,748</b>
<b>Total Assets</b>	<b>2,274,529</b>	<b>2,288,517</b>	<b>2,117,325</b>	<b>2,065,354</b>	<b>1,952,068</b>
Liabilities and Shareholders' Equity					
<b>Shareholders' Equity</b>					
Paid-up Capital	750,000	750,000	750,000	750,000	750,000
Statutory Reserves	225,000	225,000	270,551	270,551	270,551
Contractual Reserve	-	-	-	-	20,655
Retained Earnings (Accumulated Losses)	151,964	44,448	(124,216)	(29,759)	(13,351)
Unrealized Profits (from fair value investments through comprehensive income)	524,380	545,959	668,339	637,969	508,130
Suggested Profit Distribution	-	-	-	-	-
Total Shareholders' Equity	1,651,345	1,565,407	1,564,674	1,628,761	1,535,985
<b>Non-Current Liabilities</b>					
Loans from the Saudi Fund for Development	112,344	143,642	-	-	-
Lease Commitments	659	2,242	4,699	-	-
Specific Employee Benefits Commitments	140,601	156,481	203,602	188,400	180,506
<b>Total Non-Current Liabilities</b>	<b>253,604</b>	<b>302,365</b>	<b>208,301</b>	<b>188,400</b>	<b>180,506</b>



Item	2021	2020	2019* (Amended)	2018* (Amended)	2017
<b>Current Liabilities</b>					
Trade Payables	128,205	111,055	96,232	47,424	36,200
Lease Commitments	1,781	2,309	2,271	-	-
Expenses due and other Current Liabilities	152,256	190,078	161,266	122,524	113,297
Financing the Saudi Industrial Development Fund	-	32,000	-	-	-
Legal Al-Zakat Provision	87,238	85,302	82,981	78,245	86,077
<b>Total Current Liabilities</b>	<b>369,580</b>	<b>420,745</b>	<b>334,350</b>	<b>248,193</b>	<b>235,575</b>
<b>Total Liabilities</b>	<b>623,184</b>	<b>723,110</b>	<b>552,651</b>	<b>436,593</b>	<b>416,082</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,274,429</b>	<b>2,288,517</b>	<b>2,117,325</b>	<b>2,065,354</b>	<b>1,952,068</b>

\*Numbers of compared years were amended as a result of reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 39 regarding 2021 financial statements.

#### Comprehensive Income Statement (in Thousands of SAR)

Items	2021	2020	*2019 (Amended)	*2018 (Amended)	2017
Revenues	1,901,496	1,963,042	1,922,559	1,901,940	1,985,134
Revenue Costs	(1,644,670)	(1,740,534)	(1,679,636)	(1,693,289)	(1,780,818)
Gross Profit	256,826	222,508	242,923	208,651	204,316
Selling and Distribution Expenses	(92,879)	(87,528)	(90,035)	(56,742)	(51,904)
Administrative Expenses	(91,700)	(95,127)	(125,516)	(92,912)	(76,964)
Operating Income	<b>72,247</b>	<b>39,853</b>	<b>27,371</b>	<b>58,997</b>	<b>75,448</b>
Investment Income	13,430	6,516	5,484	4,180	21,148
Other Investment Income – Net	128,516	92,177	105,470	28,544	23,236
Financial Charges	(9,034)	(6,045)	(249)	(1,913)	-
Other Revenues	10,841	17,091	6,941	9,607	14,625
Decrease in Real Estate Investment Value	(11)	(141)	-	-	-
Net Income before Al-Zakat	<b>215,991</b>	<b>149,451</b>	<b>145,017</b>	<b>99,415</b>	<b>134,457</b>
Legal Al-Zakat Provision	(14,252)	(12,559)	(35,575)	(9,521)	(7,110)
Net Profit for the Year	<b>201,738</b>	<b>136,892</b>	<b>109,443</b>	<b>89,894</b>	<b>127,347</b>
<b>Other Comprehensive Income for the Year</b>					

Items	2021	2020	*2019 (Amended)	*2018 (Amended)	2017
<b>Items that will not be reclassified within profit or loss at later stages:</b>					
Profits from re-Quantification of Specific Employee Benefits	(472)	(13,779)	(12,374)	13,022	2,758
Net change in fair value of Investments in shareholders' equity tools held at fair value through other comprehensive income	(21,578)	(122,380)	33,844	129,838	299
<b>Other Comprehensive Income for the Year</b>	<b>(22,051)</b>	<b>(136,159)</b>	<b>21,470</b>	<b>142,860</b>	<b>3,057</b>
<b>Total Comprehensive Income for the Year</b>	<b>179,688</b>	<b>733</b>	<b>130,913</b>	<b>232,754</b>	<b>130,404</b>

\*Numbers of compared years were amended as a result of reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 39 regarding 2021 financial statements.

#### Cash Flow Statement (in Thousands of SAR)

Items	2021	2020	2019* (Amended)	2018* (Amended)	2017
Cash flow from operating activities	126,043	111,397	209,741	157,712	242,111
Cash flow used in investing activities	(175,725)	(159,575)	101,932	(110,860)	(102,302)
Cash flow used in financing activities	(165,022)	167,179	(192,499)	(118,410)	(133,086)
Net change in cash flow	(214,704)	119,000	119,174	(71,558)	6,723
Cash and cash equivalents beginning of the year	276,610	157,610	38,436	109,994	103,271
Cash and cash equivalents end of year	61,906	276,610	157,610	38,436	109,994

\*Numbers of compared years were amended as a result of reclassification of some numbers within the compared years to be compliant with the current year. For more information, please refer to clarification No. 39 regarding 2021 financial statements.

	2021	2020	2019* (Amended)	2018* (Amended)	2017
Total Profit Margin	0.14%	0.11%	0.13%	0.11%	0.10%
Net Profit Margin	0.11%	0.07%	0.06%	0.05%	0.06%

	2021	2020	2019* (Amended)	2018* (Amended)	2017
Return of Assets	0.09%	0.06%	0.05%	0.04%	0.07%
Return of Shareholder's Equity	0.12%	0.09%	0.07%	0.06%	0.08%

	2021	2020	2019	2018	2017
2021	22.02	54.00	2.69		20
2020	20.87	30.50	1.83		17
2019	20.86	30.90	1.46		21
2018	21.72	28.00	1.20		23
2017	20.48	30.54	1.70		18

## Revenues:

GASCO's revenues from main activities, geographical analysis, and impact on the Company's business and contribution to the Company's results:

Product (item)	Revenues from Activities	Percentage
Sale of Gas	1,774,810	93.4%
Sale of Cylinders	57,139	3.0%
Sale of Tanks	42,764	2.2%
Sale of Installation Tools and Other Activities	5,230	0.3%
Other Revenues	10,851	0.6%
Revenues from Cages	6,021	0.3%
Revenues from Commercial Projects	4,681	0.2%
<b>Total</b>	<b>1,901,496</b>	<b>100%</b>

Revenues for 2021 and 2020 after deduction of return on sales as per the following geographical distribution: (In Thousands of SAR)

Branch	2021	2020
Riyadh	475,759	485,386
Jeddah	410,056	428,852
Dammam	299,561	322,636
Abha	233,901	244,053
Al-Qassim	205,075	213,975
Medina	185,226	168,087
Ta'if	83,904	89,072
Naqel Al Riyadh	3,952	4,360
Naqel Yanbu	960	5,556
Head Office	3,102	1,065
Total	1,901,496	1,963,042

## Subsidiaries:

During the first quarter of 2021 AD, the company established a 100% owned subsidiary under the name Gas Solutions Company. The entire capital was paid in full on March 9, 2021, amounting to SAR 5,000,000. The subsidiary company specializes in the construction, construction and maintenance of LPG networks and tanks, and the development of LPG products and solutions. The subsidiary company started its activities during the second quarter of 2021 AD.

## Investments in Associate Companies:

Companies in which GASCO owns 30% or more of share capital:

### 1- Saudi Gas Cylinder Factory (ENAGAS) – Closed Joint Stock Company:

The Saudi Gas Cylinder Factory was established in the Kingdom of Saudi Arabia in Riyadh in accordance with the Saudi Companies Law under the commercial register number 101002956, dated 30/04/1400 H.

The Factory undertakes the manufacturing of gas cylinders according to industrial permit number 682/S dated 15/05/1418 H. Financing for the manufacturing of cylinders, tanks and dry powder fire extinguishers totals to SAR 92.13 million with less than 25% paid-up.

The Company's form was changed from Limited Liability into closed Joint Stock based on ministerial decision number 239/K dated 14/07/1430 H.

The share capital adds up to SAR 23 million, consisting of 2,300,000 ordinary shares with a nominal value of 10 SAR each. Total shares owned by GASCO are equal to 863,995, which constitutes 37.57% of the Company's share capital. The Company has not issued any debt instruments.

ρ	Activity Description	Revenue (In Thousands of SAR)	Percentage	Head Office
1	production of Gas Cylinders	66,431,770	59%	Riyadh
2	Production of Gas Tanks	45,336,857	41%	
Total	...	111,768,627	100%	

### 2- National Gas Distribution Company in Riyadh – Closed Joint Stock Company:

The National Gas Distribution Company was established in the Kingdom of Saudi Arabia in Riyadh in accordance with commercial register number 1010160762; dated 02/05/1421 H corresponding 20/08/2000.

The Company's activities comprise purchasing of natural gas from Saudi Aramco and establishing a distribution network to deliver the gas to current and future industries in the Second Industrial City of Riyadh.

The Company operates and maintains the gas pipeline distribution's network to customers as per permit number 1 for 1423H. granted by the Ministry of Energy, Industry and Mineral Resources, and industrial permit number 5358/S dated 23/7/1432 H. In 1431 H. (corresponding 2010), the Company was given the permission to change its status into a closed joint stock company in 1431 H. (corresponding 2010).

The Company's declared and subscribed share capital is equivalent to SAR 50 Million, divided into 5 million ordinary shares with a nominal value of 10 SAR each. Total paid up capital totals to 2,500,000 shares, equivalent to SAR 25 million. GASCO owns 1,750,000 shares in the National Gas Distribution Company, which is equivalent to 35% of total share capital of SAR 50 million. The Company has not issued any debt instruments.

No.	Activity Description	Revenue (In Thousands of SAR)	Percentage	Head Office
1	Sale of Natural Gas	89,591	100%	Riyadh

### 3- East Gas Company – Limited Liability Saudi Company:

The East Gas Company was established in the Kingdom of Saudi Arabia in Dammam in accordance with commercial register number 2050048153, dated 10/05/2005.

The Company's share capital is equivalent to SAR 40 million divided into 4 million ordinary shares with 1,400,000 shares owned by GASCO that is equivalent to 35% of total share capital.

No.	Activity Description	Revenue (In Thousands of SAR)	Percentage	Head Office
1	Operating and maintaining natural gas pipeline distribution network	96,131	100%	Dammam

%9

of the Company's capital.

%11.01

From Arabian United Float Glass Company's capital

## Company Investments:

### National Industrial Gases Company (GAS)

A limited liability Saudi Company established in the Kingdom of Saudi Arabia, in accordance with commercial register number 2055001171, dated 24 Rajab 1403 H. (corresponding 7 May 1983). The Company became operational on August 1st, 1985.

The Company's main activities consist of production of industrial gases and distribution of the same to various industries. The Company's share capital consists of 248,000 shares totaling to SAR 248 million, and it is a subsidiary of Saudi Arabia Basic Industries Corporation (SABIC) that owns 70%, while GASCO owns 9% of the Company's capital.

### Arabian United Float Glass Company:

Registered as a Saudi Closed Joint Stock Company as per ministerial decision number 157 on 02/06/1427 H. (corresponding 28/06/2006), and under Saudi Arabian Commercial Register No. 1010221369 issued in Riyadh on 20/06/1427 (i.e. 16/07/2006).

The Company is engaged in the activities of wholesale and retail, in addition to import, export, and acquisition of constructions and properties, as well as construction of buildings, manufacturing of float glass, and conducting research and development in the glass manufacturing requisites.

The Company's share capital is equivalent to SAR 243 million, comprised of 24,325,147 ordinary shares of which GASCO owns 2,677,819 shares that is equivalent to 11.01% of share capital.

## Invested Properties:

	Property	City	Area in sqm	Net Book Value as at 31 December 2021 (in Thousands of SAR)
1	King Fahd Road, Mousa Bin Nasir Street Crossroad – property	Riyadh	14,912	25,164,160
2	Sulaimaniya, Abu Bakr Al Razi Street – property	Riyadh	6,750	3,510,001
3	King Fahd Road, Imam Faisal Bin Turki Street Crossroad – property	Riyadh	790	2,021,692
4	Al Marba Street – property	Riyadh	684	1,427,321
5	Al Batha Street – property	Riyadh	800	900,000
6	Jeddah Kilo 10, Holy Makkah Road – property	Jeddah	6,000	668,000
7	Al Dahi Street – Land	Al-Qassim	20,000	441,000
8	Ha'il / South Dab'a – Land	Ha'il	90,000	210,000
	<b>Total</b>		<b>34,342,174</b>	

## Other Investments:

The Company's other investments are focused on income bonds, money funds, structured financial instruments and investment funds in initial public offerings of shares and others.



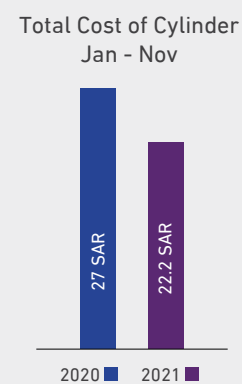
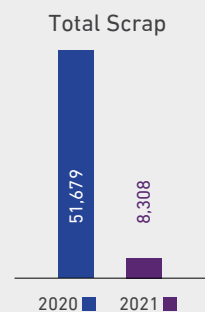
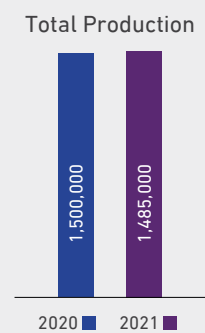
# 02

## Operations Sector



500+

Cylinders in accordance with the highest quality and performance standards



## 1- Station Operations Department

The Operations Sector manages and operates the filling stations located throughout the Kingdom (7 stations located in each of Riyadh, Jeddah, Dammam, Khamis Mushait, Al-Qassim, Medina, and Taif) in addition to the rehabilitating cylinders' station located in Riyadh. Cylinders with the capacity of 11 kg are refilled at the filling stations, and the daily production capacity reached more than 500,000 cylinders in accordance with the highest quality and performance standards. Filling stations additionally provide containers with a total capacity of 39,900 m3 for storing LPG. LPG is supplied by ARAMCO refineries in the Kingdom and transported using tankers designated for this purpose. Filling stations receive the LPG in areas designated to handling gas through which liquefied petroleum gas (LPG) is received, in addition to filling the specific distribution tanks (trucks) designated for that.

The Operations Sector prioritizes conducting scheduled maintenance works for production lines and filling stations' facilities and gives great importance to applying safety standards in work sites.

## 2- Operations

In 2021, the company filled more than 99,000,000 11kg-capacity cylinders in all its seven stations.

## 3- Cylinder Maintenance and Rehabilitation

With a view to preserve the quality of service and continuously adhere to safety measures, GASCO works on rehabilitating and conducting maintenance for cylinders in the company's central workshop, where the workshop has rehabilitated and maintained more than 18 million cylinders since its establishment in 2004. In 2021, more than 1.5 million 11kg-capacity cylinders, with an increase of 1% compared to the last year.

The central workshop also has carried out projects to automate the following operational processes:

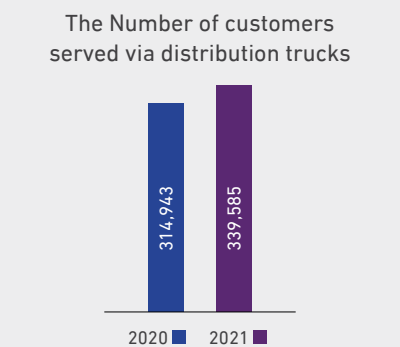
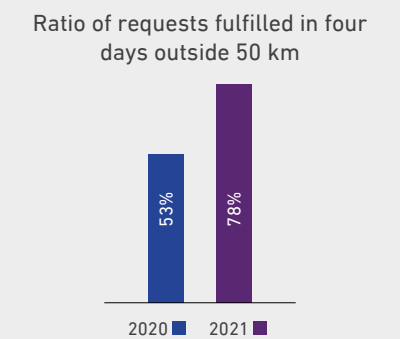
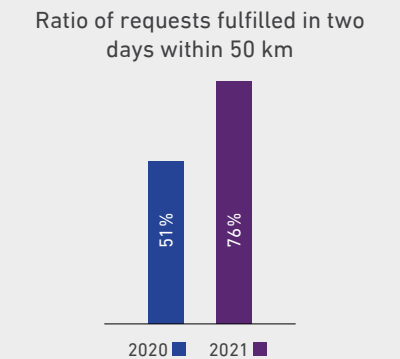
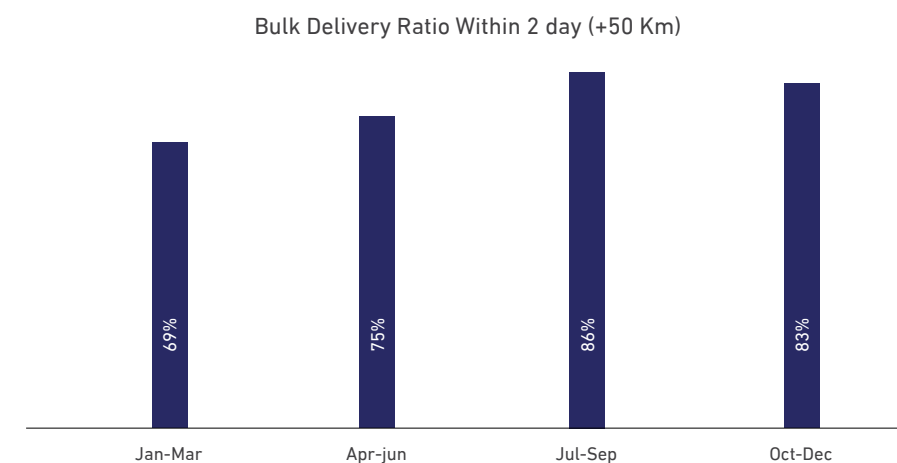
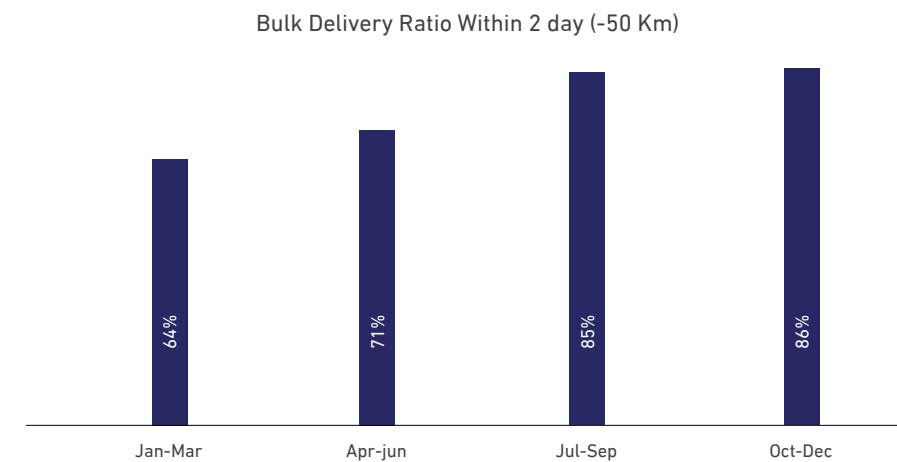
- 1- Check that the cylinders are free of water.
- 2- Check the air ratio inside the cylinders before the (water) hydrostatic test.
- 3- Check the air ratio inside the cylinders after (water) hydrostatic test.
- 4- Connect the valves.
- 5- Connect the reading of the cylinder data to the computer.

Which had the effect of reducing the percentage of scrap by 84% and the cost of conducting maintenance of the cylinder by 18%

## 4- Gas filling service for customers

The company delivered more than 621 million liters of gas to its customers in 2021. Also, the company was keen to raise the quality of the service provided, as the ratio of requests that were delivered in two days of the total requests within cities in the first quarter was 64%. The main control room was activated to receive customer requests in all parts of the Kingdom and follow up on their service, which had an impact on raising performance, as the percentage increased to 81% from the second quarter to the end of the year, compared to 51% in 2020. 81% of the requests from the second quarter to the end of the year were served outside the cities within a period not exceeding four days, compared to 53% in the last year, despite the increase in the number of requests up to 8%.

Year	The Number of customers served via distribution trucks	Ratio of requests fulfilled in two days within 50 km	Ratio of requests fulfilled in four days outside 50 km
2020	314,943	51%	53%
2021	339,585	76%	78%



## 5- Programs and initiatives implemented during 2021:

The most important programs in 2021 in contribution to improving operational performance, quality and achieving the company's strategy are as follows:

**+20**

Million cylinders were cleaned in all of the company's stations

### a) Program to Revamp /Improve Cylinder Appearance

As GASCO aims to provide products that meet the highest quality standards and strives to preserve customer satisfaction, and as part of a wide range of initiatives taken by the Company. In 2021 AD, more than 20 million cylinders were cleaned in all of the company's stations, an increase of 25% compared to 2020.

### b) Installing cylinder washing equipment on cylinder filling lines

The company took the initiative to manufacture and install cylinder washing equipment on a filling line in the branches located in (Riyadh, Dammam, and Medina) in order to provide the best continuous services to customers and maintain the cleanliness of cylinders, which had an impact on improving the level of cleanliness of the cylinders.

### c) Program to Improve Performance and Reliability

Due to the importance of sustainability and raising the degree of reliability in the company's business, the Company proceeded with upgrading the equipment in GASCO stations and increasing stations' readiness. Achievements along these lines include: replacing the hydraulic power unit system, maintaining fire and alarm system, replacing the valves of liquefied gas tanks in the stations, testing the grounding system and replacing two transformers due to the expiration of Operating life, raising the performance of the handling area. The company also obtained ISO (International Organization for Standardization) and EN (European Standards) certificates for all stations and central workshop.

### d) Automation of gas filling and tapped off Requests and Activation of the main control room

In the context of working to raise performance and improve the service provided to customers, the company has automated the requests submitted by customers, as requests for tapped off and filling gas are raised from the system, and manual invoices have been replaced with electronic invoices, and the payment number has been unified and linked to the customer reference number. The main control room has also been activated, where customers' requests are received and scheduled at the Kingdom level, as well as follow-up to complaints and follow-up of the fleet.

## 6- Projects:

### Project Name: Upgrading the fleet with 17 trucks:

**01**

**Overview:**  
Developing and upgrading the fleet to ensure performance and quality.

**02**

**Project Value:**  
7,110,000 SAR

**03**

**Project Status:**  
Completion date in 2022

### Project Name: Rehabilitation of all trucks with the modern identity:

**01**

**Overview:**  
Reconfiguring/reformatting all trucks in line with the modern company identity

**02**

**Project Value:**  
1,035,000 SAR

**03**

**Project Status:**  
of completed in 2021

## 7- future plans:



Installing cylinder washing equipment on all filling lines in the company's stations.



Continuing to raise the efficiency and effectiveness of operation by organizing resources and reducing waste.



Raising the productivity and safety of gas handling areas in the company's stations.



Increasing the strategic storage in the company's stations.



Investing in cage manufacturing operations.



Investing in automation of welding operations.

# 03

## Gas Transport Sector



# 1- Overview of the role of the transport sector:

The company has paid great attention to this sector and worked to develop it by increasing and upgrading the fleet to raise the efficiency of the sector, due to the vital role played by the transport sector, represented in supplying the company's branches with their needs of liquefied petroleum gas from Aramco's gas sources, as well as taking over the tasks of transporting materials/products (cylinders and tanks) between the company's branches and to the distributors and customers and undertaking the maintenance of the company's fleet of trucks and tankers.

# 2- Transport sector achievements until the end of 2021 AD:

01

The total trips amounted to 150 thousand trips with a decrease of 3% compared to 2020.

02

The Total traveled distances amounted to 73 million km with a decrease of 9% compared to 2020.

03

The total amount of transported gas reached 1222 thousand tons with a decrease of 3% compared to 2020.

04

A transport and delivery service of cylinders was provided to 120 distributors in Riyadh, Dammam, Jeddah and Qassim.

# 3- The most Significant Initiatives in 2021:

01


Purchase of 100 MAN trucks at a cost of more than 30 million SAR.

02

Start to provide a transport and delivery service for cylinders to distributors, to be the first building block for the revenues of the Transportation Department.


150

Thousand Trips




100

Truck purchased



1222

Thousand tons of transported gas







# 04

## Commercial Sector



## First: Commercial Marketing Department

1. The company has launched a new visual identity to keep pace with the development of the quality of services and products provided to customers after the completion of the digital, commercial, and human transformation programs, and the subsequent initiatives aimed at improving the customer experience. The elements of the new visual identity were also applied to the company's facilities and properties, the means of communication, and the website, and the company worked on developing the company's file brochures, services, products, and safety guidelines in a creative manner that reflects the new visual identity.
2. The company has offered various discount campaigns to customers that included discounts for tanks, discounts for regulators, and discounts for the lightweight fiber cylinder.
3. The company has launched creative marketing campaigns to introduce the company, its services, products and the value that the brand offers to improve customers' awareness.
4. The company has provided new products that suit customers' aspirations after conducting research and study that included knowing customers' need to obtain reliable and high-quality products, and presenting them to customers in a professional and awareness-raising manner.
5. GASCO has launched interactive competitions for followers on social media platforms during the holy month of Ramadan and allocated valuable gifts for them.
6. The company urged its customers to follow safety procedures by launching various awareness campaigns aiming to clarify the proper procedures in case of a gas leak, God forbid, in addition to sensitizing customers that all products are designed according to the highest safety standards, as they are certified by the Standards, Metrology, and Quality Organization.



## Second: Distributor Relations Department:

01

A number of 26 new outlets were added in 2021 in a number of cities in the Kingdom.

02

Provision of fiber cylinders in 53 new outlets.

03

Launching new products of cylinder accessories (package for gas 3 m, for gas 40 m).

04

12% growth in sales of fiber cylinders compared to 2020.

05

Provision of the company's products in a number of stores, such as (Sako, Amazon).

06

Starting the "Makhdhoom" distributor portal project.

## Third: Business Development Department

The Business Development Department was established with the aim of developing strategies and methods to maintain the customer account sector, and discovering sales opportunities and market services within the scope of providing products of interest to GASCO customers, as well as achieving higher profitability for the company.

### Business Development Department Achievements 2021:

#### 1- Establishing the VIP Clients' Accounts Department, whose objectives are summarized as follows:

- Preserving the company's VIP customer sector by establishing a strong long-term relationship that achieves stability in the work of both parties.
- Increasing the loyalty of the VIP customers sector and raising their satisfaction rate.
- Gaining competitive experience in the market.

Since the establishment of this department, the following achievements have been achieved by the grace of Allah:

- Signing long-term contracts (3-5) years, Achieving insurance of a financial target of SAR 48 million annually.
- Achieving a sales target of SAR 161 million, with an increase of 5 million.
- Exceeding the expectations of the last quarter of visits by VIP customers by 120% in the targeted areas.
- Obtaining 8 government tenders with a total value of SAR 9.5 million.
- The percentage of customers' satisfaction has been raised, and several certificates of thanks have been obtained.

161

Million riyals in sales, an increase of 5 million riyals

161

SAR Million Sales



8

Government Tenders



Long-term contracts



2- Praise be to Allah, several projects have been initiated to develop additional products for GASCO and will be launched next year with the aim of providing products of interest to customers and increasing the company's profitability.

3- The entire gas tank sales department was transferred to Gas Solutions according to the plan agreed upon at the end of the year.

4- The digital inspection service (tanks locations' inspection) has been launched, as this service aims to increase the company's profit margin by increasing efficiency and speed and achieve the highest levels of customer satisfaction by reducing the lead time to obtain the service to one day only.

Fourth: Organizational Communication Achievement 2021:

Being aware of its social responsibility and keenness to adopt community initiatives and support activities that serve the country and its youth, and to keep pace with the 2030 vision, which GASCO has given great attention to voluntary work that benefits the individual and society, GASCO has organized and participated in many of these initiatives, as well as active participation in exhibitions and various events, as follows:

Foreign Exhibitions, Participations and Agreements:

- 01

GASCO participated in the Saudi International Conference on Industrial Safety and Loss Prevention, which was held at the Ritz-Carlton Hotel for 3 days.
- 02

Participating in the wlpq exhibition and conference held in Dubai as a supporting sponsor.
- 03

Signing several agreements, including the "Jadeer" agreement with Monsha'at, with the aim of supporting small and medium-sized establishments and their access to purchasing opportunities.
- 04

Signing a cooperation agreement with stc pay, which includes opening a new payment channel for customers.
- 05

Signing a cooperation agreement with "SAC" that includes the sales of GASCO products in SACO stores.
- 06

Signing a cooperation agreement with "joodeskan" that includes the provision of gas to the beneficiaries of the "joodeskan" platform.
- 07

Signing a cooperation agreement with the Association of Children with Disabilities to sponsor and support the Drawings and Creations Program for Children with Disabilities.



International Days and Internal Events:

- 01

It held a party to celebrate the launch of the new identity, during which gifts were presented to the employees.
- 02

The company held a lunch party for its employees on the National Day and the two Eids Al-Fitr and Al-Adha, during which gifts were presented.
- 03

GASCO celebrated its female employees on the occasion of International Women's Day, as well as its female employees who have children on the occasion of Mother's Day, the company also celebrated its employees on the occasion of the International Day of Happiness.
- 04

Launching the "My Experience" forum, which is concerned with the exchange of experiences among employees.
- 05

Participating in the World Cancer Day and the International Day of Child Cancer.
- 06

Participating in the International Day of Civil Defense, and the distribution of awareness-raising brochures and gifts to employees.
- 07

Participation in the International Day of Civil Defense, and the distribution of awareness brochures and gifts to employees.
- 08

Activating the International Day of Traffic, the International Day of the Family, the International Anti-Smoking Day and the Parents' Day.
- 09

Organizing a cycling day event for employees on the occasion of the World Bicycle Day.
- 10

Participating in the International Day of Friendship, the International Youth Day, the International Day of First Aid, the Food Day, the International Day for Hypertension, the world Breast Cancer Day, and the participation included the establishment of awareness pillars and lectures for the company's employees.
- 11

GASCO provided gifts to the distributors as a support and motivation for them.
- 12

Conducting a competition for the most beautiful picture on the occasion of the World Photography Day.
- 13

Activating the World Tourism Day by providing distinguished offers to employees.
- 14

Participating in the International Coffee Day.
- 15

Organizing an event on the occasion of Children's Day dedicated to the employees' children.
- 16

Activating GASCO Winter, a monthly recreational event for employees.
- 17

The company's employees participated in the International Volunteer Day.
- 18

Organizing an event on the occasion of the World Arabic Language Day.



#### Social responsibility:

01

Implementing an awareness-raising workshop on the World Down Syndrome Day in cooperation with the DSCA Association and providing them with financial support.

02

Supporting the Assembly of Disability for Adults.

03

Supporting the International Science Olympiad (Mawhiba/talent).

04

Supporting the Takaful Association.

05

Supporting drawings of children with disabilities.

06

Organizing two campaigns for blood donation.

07

Supporting Ehsan platform.

08

Supporting the Qutouf Association and providing Ramadan baskets.

09

Supporting the "Joodeskan" platform.

10

Supporting productive families by allocating a corner for them within the company.

11

Visiting the Retirement home and providing a dinner.

#### Newspapers and Ads:

01

Announcing the general assembly in the local newspapers.

02

Participating in national events and expressing blessings to the wise leadership.

#### Fifth: customer's experience

GASCO strived to improve the customer's experience through self-services to facilitate access to the company's services, as an automated phone system was developed, which enables the customer to create requests, inquiries about appointments, and the balance without the need to communicate with the employee. The number of received requests increased by 10%, thus achieving a customer satisfaction level reached 4.69 out of 5 compared to 4.58 out of 5 last year, and the number of customer complaints decreased by 32%.

426,678



Number of calls

456,429



Requests for services

%4.69



Customer Satisfaction Rate

#### Call Center Achievements:

01

Launching the self-service system for service executors.

02

Reducing the number of complaints by 32%.

03

Reducing the complaints rate for the number of requests to 1.5%.

04

Reducing the period of closing complaints by 40%.





05

Common Services Sector

# 1- Safety and Industrial Security

GASCO is committed to implementing the best security standards along with the operational and personal safety standards to protect assets and resources and establish the concept of safety first based on the principle of supporting awareness to identify and manage risks just as to encourage the Company's employees and contractors to cooperate to avoid material and human losses and preserve the environment, The work of the Industrial Safety and Security Department is focused on protecting the Company's facilities and the lives of its employees from internal and external risks by providing all means and requirements for safety and security and making the work environment free from human and material risks and losses in accordance with the standards of local and international organizations. GASCO always seeks optimal safety methods in the operation and maintenance aspects to ensure business quality and sustained production at the lowest costs possible.

## 1- Safety and Industrial Security Legislations:

Safety and Industrial Security measures are implemented in accordance with global and local regulations under the umbrella of the General Secretariat of the High Commission for Industrial Security at the Ministry of Interior. Safety and Industrial Security projects are also implemented according to the instructions received.

## 2- Environment and Occupational Health:


GASCO cares about the environment and occupational health, along with the reduction of injuries and diseases to ensure the personnel and operational safety and provide a safe and healthy working environment. The company also focuses on the safety of employees, contractors and visitors by applying the commitment to use personal protective equipment and clothing appropriate to the nature of the facility and working in a spirit of leadership to support the development of a safety culture in line with future goals.

## 3- Contingency Plans:


The Company implements emergency plans under the supervision of the High Commission for Industrial Security and with the participation of Civil Defense and other government sectors through knowledge exchange and periodic implementation of fake hypotheses, assessment of elements, and emergency training to achieve the Company policy of protecting its assets and the surrounding environment with utmost care and responsibility.

## 4- Expected Goals:


The Department is always looking forward to continuously raise the level and aims to develop cadres and tools to reduce the risks to property and lives, through various data, including work policies and procedures. Among the most prominent goals of the Department are as follows:




Developing, upgrading and unifying work procedures at the level of the company's branches.




Developing and upgrading human cadres and attracting talent.




Developing risk department and sustainability plans in line with the company's requirements.



Completing the implementation of the integrated security system project for the remaining branches of the company.



Upgrading and developing the fire alarm and protection system in line with the company's strategic and expansion plans.



Working on improving and raising the level of safety culture.

## 5- Cooperating with official and external agencies:

### 01

Participating in training and hypotheses at the national level for crisis and disaster management within the Ministry of Energy system with the relevant government agencies.

### 02

Coordination and joint cooperation with the Supreme Authority for Industrial Security and King Fahd Security College to conduct several security courses and programs for industrial security employees.

### 03

Participation in the Saudi International Conference on Industrial Safety and Loss Prevention, which was organized by the Supreme Authority for Industrial Security as a diamond sponsor, and presented through the conference its capabilities in safety and loss prevention.

## 6- General Statistics:

### 01

GASCO did not record any fire incident during the year in all its operations.

### 02

No environmental violations were recorded against GASCO during 2021.

### 03

Several procedures and policies have been put in place to confront the Covid-19 pandemic, and precautionary measures and guarantees have been identified to limit the exposure of the workforce to the virus.

### 04

Completion of projects to upgrade fire-fighting and fire protection systems in Al-Qassim and Khamis Mushait stations.

### 05

Completion projects to upgrade security systems in Riyadh and Khamis Mushait stations.



## 2- Management Services

### Management Services Department:

The Management Services Department is concerned with following up, issuing, and renewing all documents and licenses of the company, following up on transactions and procedures with government agencies, and seeking to provide appropriate services to the company's employees in an ideal manner using the best systems that facilitate the highest quality follow-up and implementation methods.

#### Goals:

01

Serving the company's employees in line with their aspirations and improving the work environment.

02

Provision of the best services in the easiest way.

03

Digital transformation using the best systems (electronic communication - electronic archiving - technical support system - petro app system).

## 3- the supply chain

The Supply-Chain Department was established out of GASCO's constant concern to raise its products efficiency to the highest standards. Through this department, the Company guarantees the provision of all needed materials and services on time and least costly manner, and as per the required quality standards. This is achieved through purchase operations ensuring the integrity of competition between suppliers, and through suppliers' performance management as per standards allowing them all equal and fair chances. This is in addition to all the support given by the Company to local products in line with the Saudi Vision 2030, and needless to mention the Company's constant follow up with contractors and providers on duty to raise all partners' performance level.

The growth of export operations in the Company resulted from the major role of activating the strategic procurement management that contributed to the localization of the industry in the Kingdom through agreements signed with many local and international companies. This had positive effects on the Company and directed its path towards finding more practical ways to satisfy its needs. It is worth mentioning the development in logistic operations carried out through a restructuring process of the product transportation system to become more effective in order to benefit the most from this service in all locations. It has also concentrated on preserving national resources through decreasing fuel consumption and keeping the environment clean through developing transport business.

### Projects:

#### 1- Correspondence System (ARROW)

The management communication system works to convert the manual system into a digital system for transactions and the exchange of outgoing and incoming transactions within the company and how it deals with government agencies and others. It also works to save time and effort with high accuracy.

#### Goals:

01

Providing a less paper-used environment.

02

Entering correspondence electronically, which leads to the preservation of all correspondence.

03

Managing all incoming and outgoing correspondence and its various documentary cycles in terms of follow-up until it is finally saved.

#### 2- Electronic Archiving System (OpenText)

The electronic archiving system gives the ability to process, manage, save and store unlimited amounts of files and documents within the company. The electronic archiving system is used as part of the company's quality improvement procedures by converting manual documents of all kinds and status into electronic documents that are easy to retrieve and deal with in an electronic way.

#### Goals:

01

Ease of keeping and archiving documents and papers related to all the transactions that take place in the company.

03

Increasing security in storing and preserving documents and maintaining their confidentiality.

02

Ease of searching for any document and quickly retrieval, and then collecting the required information in the least possible time.

04

Preserving paper resources and replacing them with electronic documents.

### Main achievements of the Supply Chain:

01

Continuing to reduce operational costs by providing alternatives of the same quality despite global inflation in prices.

02

Reducing capital costs through direct negotiations with competitors.

03

Raising stock efficiency by using the material planning system to target inventory reduction.

04

Establishing a public auction to get the highest possible value of the movable assets.

05

Digital transformation of supply chain management through digital dealing with suppliers.

06

Reducing supply risks by balancing between multiple suppliers.

07

Continuing to attract investors to transform /shift the supply process from dependence on external supplier to internal supplier and develop local manufacturers.

08

Preparing plans to develop logistical businesses with local partners, which will impact customer service performance.

### GASCO's Economic Contribution:

In continuation of the development and support of small and medium establishments, GASCO has signed an agreement with "Monsha'at" to activate the role of small and medium establishments in finding innovative solutions in the liquefied gas sector, in addition to signing the "Jadeer" platform agreement, which in turn qualifies and activates the role of small and medium establishments in their access to available purchasing opportunities.



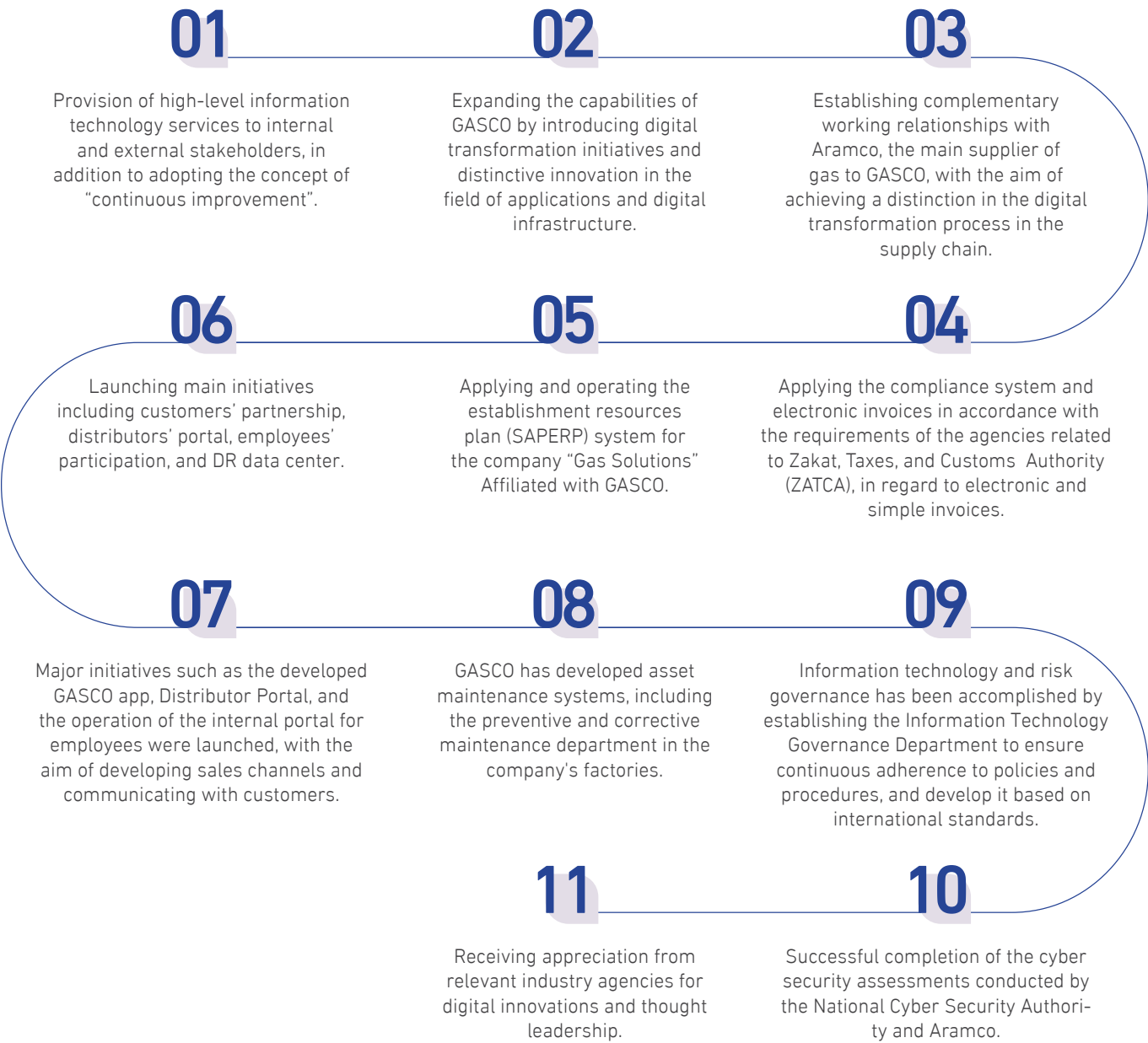
# 06

## Technology & Digital Transformation

During 2021, Technology & Digital Transformation sector achieved remarkable progress by developing and establishing a supportive digital environment for all sectors of the company, which contributed to increasing operational efficiency and supporting strategic priorities. The sector focused on four main directions: improving and developing the customer experience, implementing and launching a portal, and complying with standards and legislation in relation to electronic billing and Cybersecurity Authority controls. In line with work priorities, the sector has implemented flexible methods and ways to build and expand digital infrastructure, technology governance, work systems, and smart applications.

Throughout 2021, GASCO paid more care and attention to improving performance levels and eliminating deficiencies.

### Main Activities in 2021:



### Main Initiatives:

#### Customers' Participation

In response to the increasing demand from customers and with the aim of improving the level of service provided and customer satisfaction, the "customer experience development" platform was launched by automating the "request to receive" process, by introducing multiple and integrated innovative systems that are expected to increase productivity, rapid response and provide a set of Self-service for customers, which will have a positive impact on the loyalty of the company's customers.

#### Distributors' Portal

GASCO has developed the "Distributors Portal" platform to automate sales of gas cylinders and their accessories, and manage distributor relationships by linking with the company's internal systems and related government services. The platform provides a set of self-services for distributors, such as creating, following up and scheduling orders, making payments, checking balances, attaching documents and ensuring compliance with security and safety requirements...etc.

#### Technical linkage and integration with Aramco

Gasco has made an important achievement as its supply chain systems have been linked with Aramco, the main supplier of liquefied gas, by automating work procedures related to the purchase, delivery of gas and billing, as this contributes to the work cycle, reducing costs, and providing the necessary information on gas quantities.

#### Employees' participation

The human capital Department occupies a top priority in the list of interests of GASCO during its journey in achieving its strategy, by exploiting new capabilities, and by recruiting and retaining talents by upgrading the employees' participation system and activating it with rich professional experiences. which provide an automation platform for heavy-duty office processes, as well as employee lifecycle management, education, and talents.

Also, field staff and truck drivers (more than 500 drivers) have been provided with the "Driver Applications" system, which works to treat any errors and avoid deficiencies, in addition to relieving drivers of the consequences of cumbersome paper-based transactions. This system informs drivers of information in a timely manner while providing them with information about their trip plans. This self-service system enables drivers to focus on efficiency, safety and customer relations while maintaining their mental health.



## Disaster Recovery (DR) Data Center:

GASCO has set out to build a "Disaster Recovery Data Center" to be used in case of any accidents, God forbid, that require moving to alternate locations. The center will be ready in 2022. The center will reflect the main data of GASCO and will be equipped to ensure the continuity of critical services. A Business Continuity Plan will be developed to link people, processes, and systems in case of any incidents.

## Maintenance of Assets:

As a company with a broad base of assets, asset management and maintenance is an important financial and business component of GASCO. The Maintenance of Assets System was commissioned last year to conduct preventive and corrective maintenance activities while ensuring that the requirements of the Health and Social System (EHS) are met. With the principle of "ensuring supply" as the first management priority, the system will prevent any unplanned interruptions of assets. Economically, this system will minimize maintenance expenses, while preserving the efficiency and quality of the equipment.



### The most significant achievements of compliance with standards



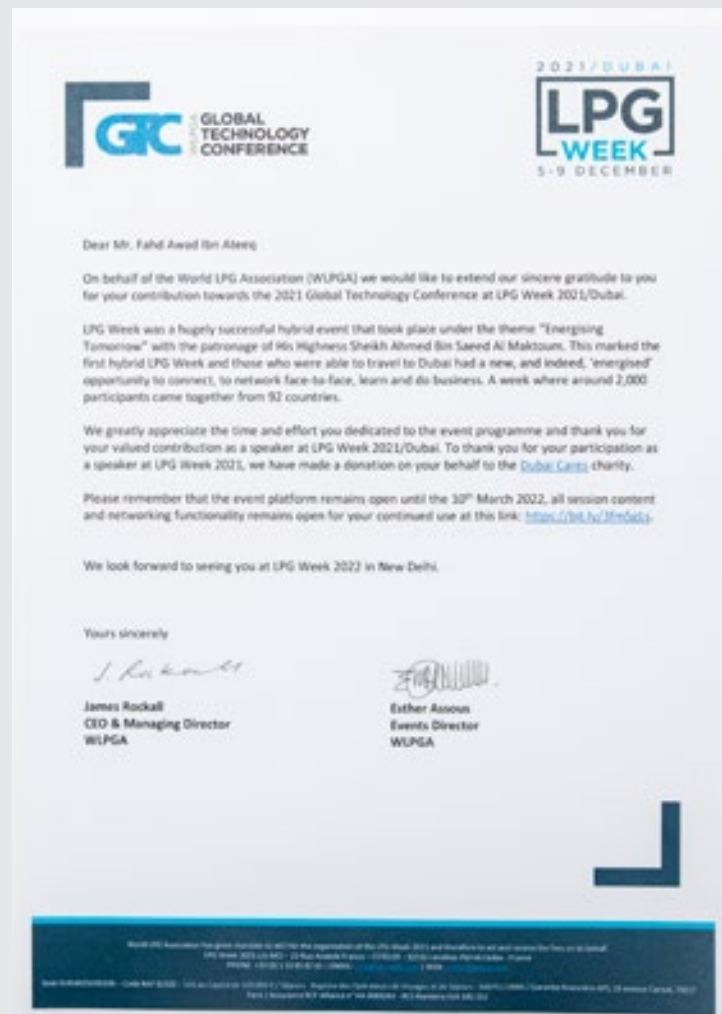
Successful completion of cyber security assessments between GASCO and the National Cyber security Agency, in cooperation with GRCL.



Participation in WLPGA Conference



Activating the electronic invoices system for "ZATCA" before the deadline.





## Awards and Certificates of Appreciation:

### GASCO wins the International Oil and Gas Award at the “Middle East Technology Excellence Awards 2021”

GASCO won the International Oil and Gas Award at the “Middle East Technology Excellence Awards 2021”, for the “Smart Gas Replenishment System”, which made it possible to provide smooth and time-saving services to the company’s customers.

The program commended the exceptional companies that are riding the wave of digital advancement in Asia, and that are leading the technology revolution and digital transformation activities in the industrial sector.

### GASCO participates in the Global Technology Conference at LPG Week 2021

The General Manager of the Technology and Digital Transformation Sector, who representing GASCO, attended the Global Technology Conference at LPG Week 2021 in Dubai, whereas he delivered a speech entitled: “Liquid Petroleum Gas in the Digital World”. The event took place under the theme “Energising Tomorrow”.

A week where around 2,000 participants came together from 92 countries. Mr. James Rockall, CEO & Managing of the World LPG Association, sent a letter of appreciation to GASCO.

## GASCO Ambitions / Aspirations for 2022

By 2022, Technology and Digital Transformation is looking forward to Applying the Dual Practical Approach: the business-driven track and the technology-driven track. At the same time, The Company will go through the process of evaluating technology and harnessing new technologies. The following are some objectives in this field:



# 07

## Organizational Development Sector



## A- Strategy Management Office:

In 2017, GASCO launched a comprehensive development strategy to integrate effective investment in gas and environment protection, in line with the Company's vision to be the leader in gas solutions in the Middle East and driving the industry's growth towards excellence and innovation. GASCO's mission is to offer safe, reliable, and high-quality gas solutions to customers, provide sustainable value to its shareholders, protect the environment and society, actively contribute to the country's economy, and ensure a healthy work environment for its employees. Furthermore, the Company firmly believes in continuous development by forming strong partnerships in a fair competitive environment. To support these pillars and achieve the goals of this strategy, GASCO launched the following four strategic transformation programs:

**First:** The Operational Excellence Program, which aims to make GASCO a hub of excellence in the region, support development and innovation, and provide smart solutions that ensure the sustainability of supplies and operational efficiency.

**Second:** The Business Transformation Program, which aims to offer the best services and solutions required by the gas market in the Kingdom, and to operate in a competitive market that ensures the highest levels of customer satisfaction.

**Third:** The Digital Transformation Program (Afaq), which seeks to automate all procedures within all the Company's departments.

**Fourth: The Human Capital Transformation Program,** which seeks to raise the efficiency and capabilities of the Company's employees, with the aim to ensure effective and high-quality performance of tasks and responsibilities. It also aims to attract national competencies capable of contributing to the development process by following the best professional practices.

**GASCO** has also worked on several projects to develop security and safety systems, in coordination with the best international and local specialized companies, according to the latest standards approved by the High Commission for Industrial Security, and under their direct supervision thereof. Moreover, the Company launched other projects to improve the infrastructure, increase storage capacity, and upgrade the transport and distribution trucks fleet. The budget for these projects exceeded SAR 500 million. GASCO has implemented a set of initiatives and procedures aimed at raising the level of service and customer satisfaction by offering high-value products, and technical solutions that easily and quickly provide services, in addition to establishing a direct communication with customers to improve our products and services.

## B- Project Management Office:

### List of the Most Important Projects & Programs:

In addition to the achievements made in the four strategic transformation programs, in 2021 the company made significant achievements in implementing the following capital projects:

#### Handling Area Development Project:

Building gas filling and unloading platforms for tankers in accordance with the highest safety and security standards, automating filling procedures and processes, and adding devices to measure gas levels in accordance with the latest technologies.

#### Underground Tanks / Reservoirs Project:

Increasing the strategic storage of GASCO in accordance with the international specifications and best practices for underground tanks.

#### Security System Development Project:

Developing the integrated security system in accordance with the latest specifications from the High Commission for Industrial Security to raise the security protection standards for the branch.

#### Firefighting System Development Project:

Updating the firefighting system in accordance with the latest specifications from the High Commission for Industrial Security and international standards in order to increase safety standards for personnel and equipment.

## GASCO's Strategic Initiatives



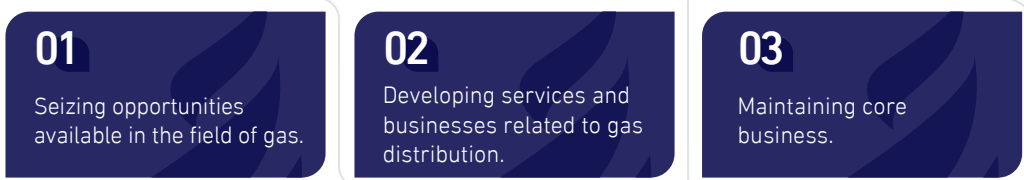
## Foundations & Enabling Factors



## Strategic Themes



## Strategic Pillars



## C- Data Management and Business Intelligence:

The company has worked on developing the infrastructure for data management and business intelligence by unifying the registration of the whole data of it electronically with the highest international standards to meet the company's requirements to facilitate access to information, measure performance, and ensure the smooth running of the business, as data management and business intelligence aim to develop ways to obtain information easily and confidentially in accordance with information security systems.

# 08

## Human Capital



The human capital sector plays an important and major role, as it is concerned with human cadres who work hard to complete the tasks, activities and projects requested by the Company to achieve its goals by adopting best professional practices. The Company also aims to raise the efficiency and capabilities of the employees to ensure that the accomplished tasks and responsibilities are efficient and of high quality.

## Human Capital Development Department:

### 1- Organizational Development Section:

Through 2021, the Organizational Development Section worked on building and strengthening systems and playing a strategic role for business, focusing on human capital initiatives, which are as follows:

1. Job analysis and creation of job descriptions.
2. Designing and developing a competency framework that guarantees basic, leadership, behavioral and technical competencies.
3. Designing and developing a benefits and compensation framework to mitigate employee turnover risks.
4. Developing a comprehensive talent management framework that includes the following:
  - Determining the critical functions in GASCO.
  - Succession planning for all critical jobs
  - Identification of HIPOs (High Potential /Performance, High competence)
  - Developing Individual Development Plans (IDPs) for high performers and highly qualified individuals.
5. Designing different incentive plans according to the following groups to improve efficiency, sustainability and growth:
  - Operations Incentive Plan (production, maintenance, quality)
  - Incentive plan for branch managers.

### 2- Performance Management Section:

The management has set goals for all employees in all sectors so that GASCO ensures that all its employees and employees work in one system towards achieving its strategic goals, with a review of all those goals and ensuring that they comply with the performance management standards, taking into account the following:

- Smart indicators (SMART)
- Putting a weight for each goal when calculating the evaluation from the total goals.
- Setting minimum and maximum goals for the employee

Coordination was also made with the Talent Development section to develop and improve the performance of employees by identifying the strengths and weaknesses in the employee's evaluation. A proposed plan has been formulated and implemented for the performance cycle for 2022.

### 3- Talent Development section:

The Talent Development section worked on training and developing GASCO employees in several professional fields in an effort to raise the skills and competencies required in the accomplishment of their daily tasks, and to verify the reflection of training and development on the performance of employees directly, thus increasing their productivity and achieving GASCO's strategic objectives.

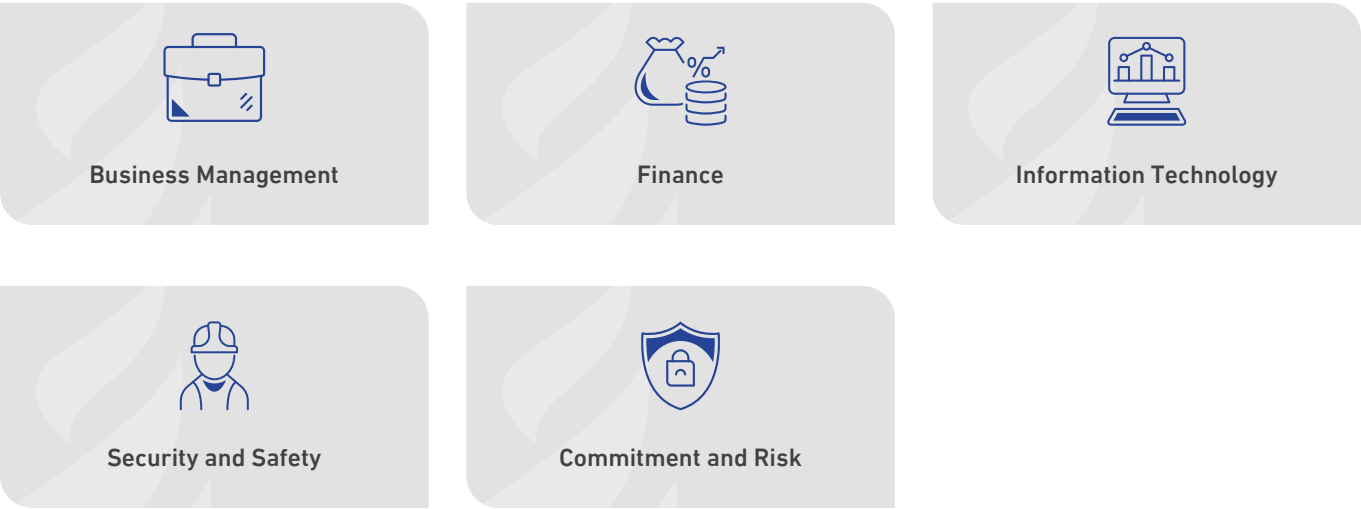
The section is keen to ensure the availability of training needs for all company's sectors and bridge the performance gap by providing various training programs. The training programs also included a number of programs in administrative development such as (finance for non-financials, strategy, and development, etc...), As well as a set of technical programs such as (transport

of hazardous materials on the roads, the international code for firefighting, and liquefied gas, etc..), It also included accredited professional programs such as the disclosure program and the accredited official program. These programs also included training and qualifying (223) employees from all sectors and job levels.

GASCO has also made a strategic partnership with Knowledge City to build and develop the GASCO Academy, whereas it contains many visual training programs with a total of 10,000 educational videos and is also characterized by the presence of exams to pass these programs.

These programs are considered self-taught, as they provide the opportunity for the organization's employees to enter the platform and choose the appropriate scientific material and study it by watching visual programs aimed at enhancing and developing the necessary skills, as well as expanding and increasing the employee's knowledge of the possible sciences to succeed in work. The employee can obtain an internal approved certificate upon completion of each course and passing the test. The GASCO Academy also provides the direct manager with the opportunity to assign training courses to his employees in a way that contributes to meeting the employee's training needs.

These training programs include the following areas:



## Human Capital Operations Department:

### Talent Acquisition:

GASCO sought to raise the level of service provided by the Talent Acquisition Department through the continuous procedures on the new employment portal system, contributing to facilitating and automating employment stages.



### Social Achievements and Programs:

#### Thank You Initiative:

The 'Thank You Initiative' was launched as part of GASCO's broad and comprehensive restructuring, in order to achieve work interests in terms of boosting performance agility, reducing costs, and making the most of human Capital. This initiative was granted as an incentive by GASCO to those whose positions will be canceled due to the closure of some locations or as a result of merging some jobs due to the technical development witnessed by the company, with an estimated budget of SAR 44,000,000, under specific conditions.

#### Discount Program for Employees:

GASCO has provided Wala Plus service, which offers a set of discounts and offers for employees and their families.

#### Qard Hassan:

GASCO has continued to provide Qard Hassan loans to employees with the aim of helping them meet their needs, as these loans amounted to a total of SAR 5,000,000 by the end of 2021.

#### Subsidies:

GASCO has allocated a program to provide subsidies to some of its employees , to some of its employees, including (Ramadan subsidy, those who are about to get married), The value of disbursed subsidies reached more than SAR 1,000,000 by the end of 2021.

#### Housing Allowance:

GASCO was keen on facilitating the employees' lives by offering the (provided housing allowance) program to its employees, the value of the expenses for employees amounted to more than SAR 7,000,000.





GASCO غازكو

# 09

## Governance Sector





## First: Organizational Risks

The energy and gas sector in general, according to the nature of the business and the activities related to it, faces many risks of different types. As It has recently been classified in GASCO according to the guidelines and international standards ISO 31000 and best practices in the sector into four types according to the nature of the company's business: strategic, financial, operational, security, safety, and environmental risks.

GASCO seeks to develop an integrated system to monitor and treat risks on a regular and proactive basis based on the requirements of the Capital Markets Authority of Saudi Arabia (CMA) by forming and activating the risk committee emanating from the Board of Directors to supervise the organizational risk system and evaluate the effectiveness of the mechanisms taken to manage various risks and follow best practices. In 2021, the basic policies and procedures were developed with the formation of an internal committee. Cadres were developed and trained in all sectors, while enhancing the culture of risks and activating the three lines of defense for defining, evaluating, treating and reporting to the Council for various risks, while updating the formal structure to link them directly with the office of the President. Below is a summary of the significant risks, with treatment and development of internal controls for each type.

### 1- Strategic Risks:

One of the most significant strategic risks associated with the competitive advantage that the company may face is the disruption or delay in gas supplies in all regions of the Kingdom, in addition to the shrinking of the market share due to market openness. GASCO is currently in the phase of reaping the fruits and the completion of strategic storage projects, which will contribute significantly to reducing the effects and interruptions of liquefied gas supplies. In order to address and improve the internal controls in preparation for the opening of the competition, investment was made in initiatives to improve the quality of service provided to the consumer for gas supplies while raising internal competency and launching strategic partnerships.

### 2- Operational Risks:

GASCO avoids the risks of supply disruption from Aramco for emergency or scheduled maintenance through joint plans that help to exploit the storage capabilities of the two companies to ensure the continuation of the gas supply to customers. GASCO also deals effectively with the risks of the approved main road routes between the Company's stations and the two Aramco refineries in Qatif and Yanbu being affected, as alternative methods are used when needed in coordination with the High Commission for Industrial Security at the Ministry of Interior, and this result from a large accumulation of practical on-the-ground experience. In addition to that, the Company works to manage the potential risks of technical accidents causing shortage of supply or sudden

interruption through modernizing and increasing the transportation and distribution fleet of tankers and tanks, in accordance with the highest international and local specifications and standards to ensure the provision of gas stocks. Also, operational efficiency and performance are improved, available resources are utilized, periodic and preventive maintenance is carried out and safety standards are followed. GASCO has also developed cylinder filling lines in all its stations with modern and distinctive systems in the LPG market, Obtaining ISO (International Organization for Standardization) and EN (European Standards) certifications to ensure continuous fulfillment of demand and the implementation of the highest levels of quality and safety, and accessing to the highest level of professionalism in systems and practice.

Moreover, GASCO manages the risks related to human cadres by developing career succession plans, providing an effective and inspiring environment for workers and allocating specialized and general courses with the support of the GASCO Academy, which was launched in the current year for specific training that increases the efficiency and capabilities of workers in order to avoid the effects of the Corona pandemic, in addition to a number of motivational programs to support job stability.

In the areas of evaluation and assessment of the internal control systems and review of the Company's business, GASCO has activated an independent and specialized department for internal auditing, which carries out missions, through annual plans, in order conduct a continuous review of the Company's business in all its various sectors to address observations and evaluate performance. The department also supervises the results of the periodic evaluation of the GASCO's risks and monitoring the extent of compliance with the approved laws, regulations, and policies. Periodic reports are submitted to the Audit Committee to issue its recommendations to the Company's Board of Directors in order to take the necessary action in this regard.

### 3- Financial Risks:

One of the most important financial risks related to the company's profitability is setting the higher ceiling for energy consumers, which is linked to the balanced state policy to preserve the standard of living for the consumer, with the return on the investment portfolio fluctuating due to the economic climate.

To address financial risks, focus has been placed on strategic initiatives, namely diversifying sources of income and quality investments while rationalizing expenditure.

The company takes all the necessary precautions and financial provisions to face the risks related to the main financial assets, including receivables, inventory, cash in banks and other assets, in addition to the main financial liabilities, including payables, other liabilities and workers' rights.

### 4- Security and Safety Risks:

Among the high risks, which the company puts great efforts to avoid, are serious accidents and fires, which may lead to human or material losses. In the areas of security, safety and protection from accidents and fires, GASCO adopts the latest standards for occupational safety and health and works to adhere to the requirements of the High Commission for Industrial Security at the Ministry of Interior, the standards of the National Fire Fighting Association (NFPA) with regard to firefighting and the standards of the Occupational Safety and Health Administration (OSHA). The Company has also been keen to obtain ADR certificates for the road transport of hazardous materials.

The company maintained a low rate of recordable injuries and did not record any fire accident or environmental violations in all its operations in 2021.



## Second: Governance Report

GASCO ensures its commitment to the highest Company governance standards and guarantees the implementation of best practices to strengthen the relationship with its shareholders as well as all its investors and clients, which secures the protection of the shareholders and stakeholders rights on the long term.

Believing in the principles of disclosure and transparency, and in the importance of data to the investors, the Company discloses its performance, financial results, and previous management activity, and provides information of interest to the investors as follows:

### 1- Shareholders’ Rights:

GASCO gives special consideration to its shareholders’ rights; hence their inclusion in the Company’s by-laws and Governance Report, as these documents included the rights of shareholders stipulated by laws and regulations, and stated as follows:

- Shareholders have the right to:

- Receive their share of the net profit due to be distributed in cash or through share issuance.
- Receive their share of the Company’s assets upon liquidation.
- Attend the Company’s General Assemblies and take part in deliberation and voting processes.
- Alienate shares in accordance with provisions stipulated by the companies and capital market laws and implementing regulations.
- Enquire about and request access to the Company’s books and documents, including data and information on the Company’s activity as well as its operational and investment strategy, without detriment to its interests and in a manner consistent with the companies and capital market laws and implementing regulations.
- Monitor the Company’s performance and the Board activities.
- Hold Board members accountable, pursue liability against them, and consider the appeal of invalid General Assemblies decisions, as per the conditions and restrictions stated in the Companies Law and the Company’s bylaws.
- Have the priority in equity participation with ownership of new shares issued for cash consideration, unless this priority is no longer granted by the Company’s Extraordinary General Assembly.
- Register shares in the Company’s shareholders’ register.
- Inquire access to a copy of the Company’s Memorandum and Articles of Association, unless published on the Company’s website.
- Nominate Board members and vote for them.

The Company endeavors to communicate directly with its shareholders through the Ordinary and Extraordinary General Assemblies. It also strives to publish the Company ads on the Saudi Stock Exchange website (Tadawul), and to make the full, clear, correct, and non-misleading information available and published at the right time. The Company also issues an annual report encompassing the Board of Directors’ report that showcases the required disclosures in conformity with the companies and capital market laws and implementing regulations as well as required approvals.

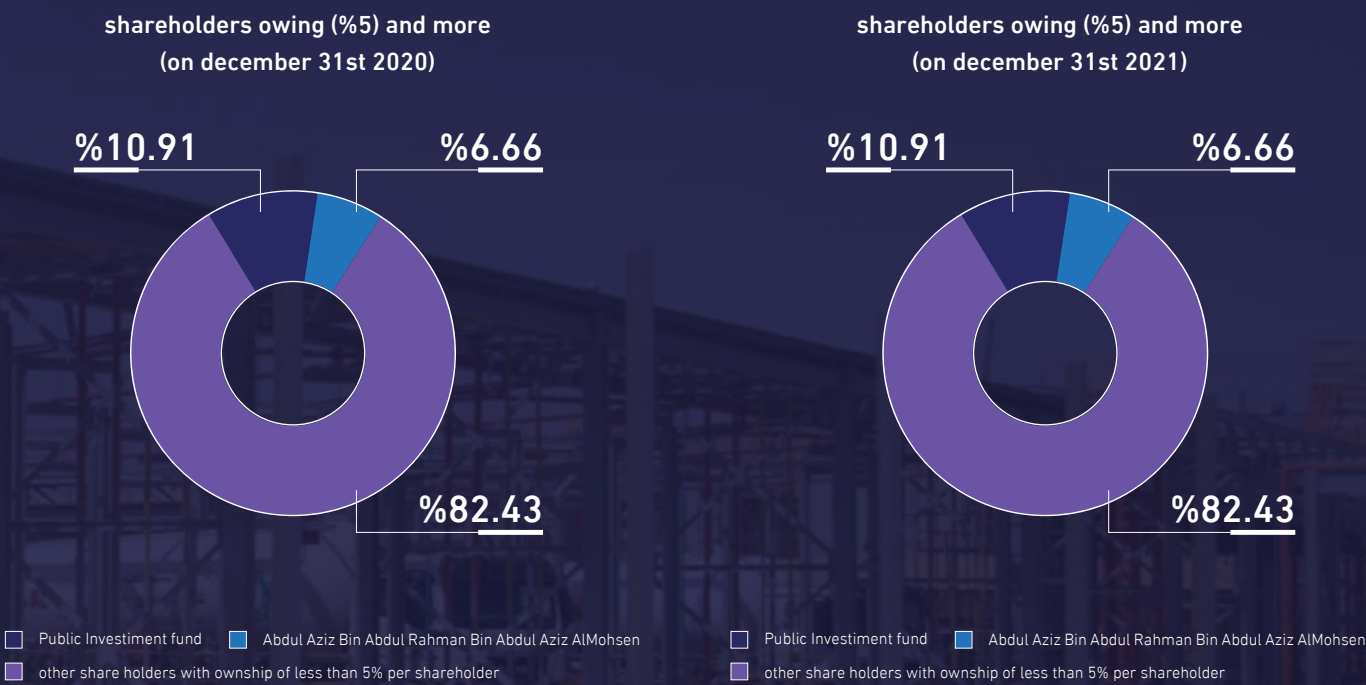
Moreover, the Company enables the shareholders to inquire about any information and to send any comments via post or email, in addition to granting the shareholders access to the Company’s books and documents on (WWW.GASCO.COM.SA) with the aim of ensuring that all shareholders equally benefit from their regular rights, and as a follow up on all required measures to do so.

### 2- The Company’s Capital as registered on the 31st of December 2021:

The Company does not have preference shares or shares with voting power, be it for shareholders, Board members, or associates. All the Company’s shares are equal in nominal value and equal in voting rights and other rights in accordance with the Company’s bylaws.



### 3- Shareholders’ Information:







4- Treasury Shares:

There are no treasury shares available in the Company.

5- Profit Distribution:

As per GASCO's policy, profit distribution depends on the Company's operational results, cash flow, and working capital needs, in addition to the Company's needs in terms of capital investments. Based on the aforementioned factors, the Board of Directors makes the relevant recommendations for profit distribution, taking into consideration article (45) of the Company's bylaws:

Annual net Company profits are distributed as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the Company. The Ordinary General Assembly may discontinue setting aside such reserves once it has reached (30%) of the paid capital.
2. Upon the Board of Directors' suggestion, the Ordinary General Assembly can set aside (5%) of the net profits to form a consensual reserve for the Company to cope with significant matters and emergencies.
3. The Ordinary General Assembly shall decide to set aside other reserves amounting enough to serve the Company's interest or guarantee a steady profit distribution amongst shareholders to the extent possible. The Assembly shall also deduct amounts from the net profits with the aim to establish social institutions for the Company's employees or to help existing institutions.
4. The remaining amount following the above deductions shall be distributed amongst shareholders with a percentage no less than (1 %) of the paid-up capital.
5. Taking into account the provisions stipulated in article no. (Twenty-one) of these Articles of Association, and article no. (Seventy-six) of the Companies Law, a provision of (10%) of the remaining profits is made for the Board remuneration, after distributing profits amongst shareholders with a percentage no less than (5%) of the Company's paid-up capital, while ensuring that this remuneration is proportional to the number of meetings attended by the Board member.
6. Upon the Board of Directors' suggestion, the Ordinary General Assembly shall take an appropriate decision in relation to the remaining profits in a manner consistent with the decisions and instructions issued by the competent authorities.

Following the fulfillment of the established controls, The Board of Directors shall distribute half-yearly and quarterly profits throughout the financial year.

Moreover, the Company's profit distribution policy includes the following:

- Consideration of hierarchy and consistency in profit distribution and percentage depending on the potential and liquidity available within the Company.
- Disclosure and announcement of the periodic regular profits that are decided to be timely distributed amongst shareholders.
- The Board of Directors shall distribute half-yearly and quarterly profits throughout the financial year in accordance with article (45) of the Company's bylaws. The Board can proceed with the distribution upon receiving an authorization from the Company's General Assembly through a yearly renewable decision to distribute interim profits, taking into consideration the availability of regular profitability and liquidity enabling the Company to expect its profit level to a possible extent, and considering the existence of distributable profits as per the most recent audited financial statements, enough to cover the profits suggested to be distributed, after deduction and capitalization of previously distributed amounts from these profits, following the date of these financial statements.
- Upon taking the decision to distribute interim profit or to release recommendations to the General Assembly, the Board shall commit to disclose and announce it immediately and shall provide the Capital Market Authority with a copy of this distribution as soon as issued.
- The profits are due at the end of the trading day on the date of profit claim for stockholders, and at the end of the second trading day following the date of profit claim for shareholders registered in the Company's shareholders' register published in "Tadawul".
- The Board shall implement the General Assembly's decision in terms of profit distribution to the registered shareholders within (15) days of the profit claim date agreed as per the Assembly's decision or in accordance with the Board decision to distribute interim profits.
- In its annual report submitted to the Company's General Assembly, the Board shall disclose the detailed description of the Company's profit distribution policy, the percentages of profits distributed amongst shareholders in the different times of the year, the percentage of profits suggested to be distributed at the end of the financial year, the gross value of these profits, in addition to the announcement of any arrangement or agreement through which any of the Company's shareholders has waived any profit rights.



**Disclosure of any arrangements or agreements through which any of the Company’s shareholders has waived any profit rights:**

**No arrangements or agreements have been set for any of the Company’s shareholders to waive any profit rights.**

Year	Earnings per share from the Distributed Profits (SAR)	Earnings per share from the net income (SAR)
2021	1.50	2.69
2020	0.5	1.82
2019	2.6	1.46
2018	1.6	1.20
2017	1.8	1.70

**6- Shareholders’ Assemblies:**

**In 2021 AD, the company held one general assembly as follows:**

**Ordinary General Assembly held on Tuesday June 22, 2021.**

By virtue of the invitation sent by the Board of Directors to the Company’s shareholders to attend the Ordinary General Assembly declared on the Saudi Stock Exchange (Tadawul) website on 6/5/2021, and on 25/5/2021 AD and in accordance with the circular issued by the Capital Market Authority requesting from the listed shareholding companies to hold meeting by means of modern technology using the Tadawulaty system to participate and vote on its decisions, for the safety of the financial market dealers. These regulations were imposed in the framework of the efforts and preventive measures taken by the competent health authorities against COVID-19 and in support of the constant efforts bestowed by all government entities in the KSA to curb the spread of this virus. This said, the meeting was held remotely at (8:00 pm), headed by the Chairman of the Board Eng. Abdul aziz bin Fahd Al Khayyal, and in presence of the following Board members:

Eng. Abdul aziz bin Fahd Al Khayyal (the Chairman of the Board)	Mr. Ahmed Abdulrahman Abdulaziz Al-Mohsen (Board Member)	Mr. Bakr Abdulrahman Al Muhanna (Board Member)
Mr. Raed Abdullah Al Tamimi (Board Member)	Dr. Raed Abdullah Al Hogail (Board Member)	Dr. Mohammed Hamad Al Kathiri (Board Member)
Mr. Mohammed Bin Nazal Al Khaldi (Board Member)	Eng. Abdulrahman Abdulaziz bin Sulaiman (Board Member)	

The following Board members apologized for not attending:

Mr. Ali Mohammed Al Saflan (Vice chairman)	Mr. Turki Abdullah Al Jawini (Board members)
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Representative of the Capital Market Authority, Ms./ Al-Jawhara Al-Sharihi, and the representatives of the Auditor/ Ernst & Young co.”, were also present at the meeting. .

The president of the Assembly and the Chairman of the Board opened the meeting at 7:00 pm by welcoming the attendees and announcing that the Ordinary General Assembly would not be held, as the attendance rate was (24.3%), and the meeting got postponed till 8 :00 pm on the same day mentioned in the invitation to the Assembly.

At 8:00 pm exactly, the president of the Assembly and the Chairman of the Board opened the meeting by welcoming the attendees and declared that the ordinary general assembly shall take place with the following shareholders’ information detailed as follows:

Percentage	Number of Shares	Number of Shareholders
24.3%	18,278,861	167

The meeting was held in conformity with the Companies Law and the Company’s bylaws.

The Chairman of the Board announced that Mr. Mousa Al-Mousa was appointed as the Assembly’s secretary, and that the Canvass Committee members have been selected and include Mr. Abdullah Al-Khalidi and Mr. Fahd Al-Harbi.

The assembly’s articles were reviewed, and the auditor’s representatives were allowed to read aloud the auditor’s report to answer any of the shareholders’ inquiries.

After that, the result of voting on the items on the assembly’s agenda was announced, after the voting was closed and the results report was received through the “Tadawulati” depository center, and announced as follows:

Item	Agree	Disagree	Abstain from Voting	
Voting on the Board report for the financial year ending December 31st, 2020.	13,773,227 75.35 %	34,250 0.19 %	4,471,384 24.46 %	
Voting on the Company’s auditor’s report for the financial year ending December 31st, 2020.	13,773,227 75.35 %	14,325 0.08 %	4,491,309 24.57 %	
Voting on the financial statements for the financial year ending December 31st, 2020.	11,316,022 61.91 %	2,255,972 12.34 %	4,706,867 25.75 %	
Voting on the discharge of the Board obligations for the financial year ending December 31st, 2020.	11,440,606 62.59 %	2,503,902 13.70 %	4,334,183 23.71 %	
Voting on granting remunerations amounting to a total of (SAR 3,275,069) for Board members for the financial year ending December 31st, 2020.	15,009,575 82.12 %	519,643 2.84 %	2,749,642 15.04 %	
Voting on selecting a Company auditor from the list of candidates as per the Audit Committee recommendation, with the aim to conduct the audit of the financial statements for the second and third quarters and for the entire financial year 2021and first quarter of financial year 2022, and agreement of his fees.				
	1	Ernst & Young & Co. - CPAs	12,773,469	%69.88
	2	PricewaterhouseCoopers - CPAs	667,916	%3.65
	-	abstained	4,837,476	%26.46
Voting on mandating the Board of Directors to distribute the Interim profits on a half-yearly or quarterly basis for the fiscal year 2021 and set the due date for their distribution in accordance with the regulatory procedures issued to implement the Companies Law commensurate with the Company’s financial situation, cash flow, as well as expansion and investment plans.	15,660,021	28,650	2,590,190	
	85.67 %	0.16 %	14.17 %	
Voting on mandating the Board to handle the Ordinary General Assembly as per the authorization in section (1) of article seventy- one of the Companies’ Law, for a full year as of date of Ordinary Assembly’s approval, or until the end of the Board mandate (whichever comes first); as per the regulatory procedures issued in implementation of the Companies’ Law of the listed shareholding companies.	15,119,271	501,675	2,657,915	
	82.71 %	2.75 %	14.54 %	
Voting on the Board recommendation relevant to cash profit distribution of financial year 2020 amounting at the rate of SAR half for each share, representing 5% of the nominal value of the share, and a total of SAR 37,500,000, representing 5% of the capital. Provided that the eligibility is for the shareholders owning the shares at the end of trading on the day of the general assembly meeting and Those who are registered in the company’s shareholders register with the Securities Depository Center Company (Edaa) at the end of the second trading day following the due date, and the profit distribution date will be announced later.	15,434,960	59,982	2,783,919	
	84.44 %	0.33 %	15.23 %	
Voting on To vote on disbursing additional fees to the auditor of the company, Ernst & Young & Co., CPAs on the recommendation of the Audit Committee, for the review and audit of the company’s accounts for the second, third and annual quarters of the year 2020 AD and the first quarter of 2021, preparing and submitting the zakat declaration and ending the zakat status with the Zakat, Tax and Customs Authority.	14,709,020	671,688	2,898,153	
	80.47 %	3.67 %	15.86 %	

Consequently, the resolution of the Board of Directors regarding the agenda is the approval by majority of votes on all items of the agenda , and the selection of Ernst & Young to conduct the audit of the financial statements for the second and third quarters and for the entire financial year 2021 in addition to the first quarter of financial year 2022. Note that the Board members did not vote on the items related to them.

The meeting was closed at (8:00) p.m. on the same date. The president of the Assembly, on behalf of the Company’s Board of Directors and all members, extended his thanks to all attendees for their attendance and effective participation.

7- Shareholders’ Register:

Number of company’s requests for shareholders’ Register	Date of Request	Reasons for request
1	10/06/2021	Company’s procedures
2	22/06/2021	holding a general assembly
3	24/06/2021	profits distribution
4	15/09/2021	profits distribution
5	21/12/2021	Company’s procedures

8- Formation of the Company’s Board of Directors & Committees:

Formation of the Board of Directors:

A Board of Directors shall manage the Company and consists of 10 members elected by the Shareholders’ Ordinary General Assembly by cumulative votes:

Independent Members	1- Eng. Abdulaziz bin Fahd Al Khayyal - Chairman	Individually
	2- Dr. Raed Abdullah Al Hogail - Member	Individually
	3- Dr. Mohammed Hamad Al Kathiri- Member	Individually
	4- Mohammed Bin Nazal Al Khalidi - Member	*Representative of the Public Pension Agency
	5- Turki Abdullah Al Jawini – Member	Representative of the Human Resources Development Fund
	6- Raed Abdullah Al Tamimi - Member	Individually
Non-Executive Members	7- Ali Mohammed Al Saflan – Vice Chairman	Individually
	8- Ahmed Abdulrahman Abdulaziz Al-Mohsen - Member	Individually
	9- Baker Abdulrahman Al Muhanna- Member	Representative of the Public Investment Fund
Executive Members	10- Abdulrahman Abdulaziz bin Sulaiman - Member	Individually

\*On Tuesday, June 15th , 2021, the Council of Ministers agreed to merge the Public Pension Agency with the General Organization for Social Insurance, and the General Organization for Social Insurance replaced the Public Pension Agency, in all its responsibilities, powers, rights, obligations, and the like, and the merger decision is effective as of August 1st 2021 AD.



## 9 - Formation of the Company's Committees:

### Executive Committee:

The Committee consists of 4 Board Members:

Eng. Abdulaziz Fahd Al Khayyal (Head)	Mr. Ali Mohammed Al Saflan (Member)	Dr. Raed Abdullah Al Hogail (Member)	Dr. Mohammed Hamad Al Kathiri (Member)
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### Nomination & Remuneration Committee:

The Committee consists of 4 Board Members:

Mr. Mohammed Nazal Al Khaldi (Head)	Mr. Ali Mohammed Al Saflan (Member)	Mr. Baker Abdulrahman Al Muhanna (Member)	Dr. Raed Abdullah Al Hogail (Member)
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### Investment Committee:

The Investment Committee consists of 3 Board members:

Baker Abdulrahman Al Muhanna (Head)	Eng. Abdulaziz Fahd Al Khayyal (Member)	MR. Ahmed Abdulrahman Al-Mohsen (Member)
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### Crisis Management Committee:

The Committee consists of 4 members; 3 from Board Members and 1 from outside the Board of Directors including:

MR. Raed Abdullah Al Tamimi (Head)	Mr. Mohammed Nazal Al Khaldi (Member)	Eng. Abdulrahman bin Sulaiman (Member)	Mr. Abdulaziz Mohammed Al-Babtain (Member from outside the Board)
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### Audit Committee:

The Committee consists of 4 members; 2 non-executive Board Members and 2 from outside the Board of Directors including a specialist in financial and accounting affairs:

Mr. Ahmed Abdulrahman Al-Mohsen (Head)	Mr. Raed Abdullah Al Tamimi (Member)	Dr. Ahmed Abdullah Al-Munif (Member from outside the Board)	Mr. Mousa Abdullah Al-Mousa (Member from outside the Board)
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### Changes that occurred in terms of the classification and nature of membership in the Company's Board of Directors and Committees during the year 2021:

There aren't any Changes that occurred in terms of the classification and nature of membership in the Company's Board of Directors and Committees during the year 2021.

## Board and Committee Members' Biographies



### Eng. Abdulaziz bin Fahd Al Khayyal - Chairman of the Board

**Qualifications:** Master of Business Administration in 1979, Bachelor's degree in Mechanical Engineering from the University of California, Irvine in 1977, and Advanced Management Program from the University of Pennsylvania in 1995.

**Current Position:** Retiree.

**Experience and Previous Positions:** He worked at Saudi Aramco from 1981 till 2014 where he held many positions, the most recent of which being Senior Vice President for Industrial Relations. He also occupied the positions of Senior Vice President for Refining, Marketing and International, Vice President for Sales and Marketing, and Vice President for Corporate Planning. He also served as President of Saudi Petroleum International Inc. in New York.

Memberships in Company Committees
Executive Committee – Head
Investment Committee – Member

### Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Marathon Petroleum Corporation	Outside	Listed Stock Company
Halliburton Corporation	Outside	Listed Stock Company

### Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Saudi Aramco	Inside	Listed Stock Company
Petro Rabigh	Inside	Listed Stock Company
Petron	Outside	Listed Stock Company
Bahrain International Villa	Inside and Outside	Limited Liability Company
S-Oil Corporation	Outside	Listed Stock Company
Saudi Electricity Company	Inside	Listed Stock Company



**Ali Mohammed Al Saflan - Vice Chairman of the Board**

**Qualifications:** Business Management Programme Certificate from Columbia University (USA), Master of Business Administration from King Fahd University of Petroleum and Minerals, and Bachelor's degree in Financial Management and Business Administration from Rider University (USA).

**Current Position:** Entrepreneurial ventures.

**Experience and Previous Positions:** He has over (44) years of experience working in many technical and administrative positions at Saudi Aramco, the last of which being the Senior Vice President for Industrial Relations and Affairs.

**Memberships in Company Committees**

Executive Committee – Head

Nomination and Remuneration Committee – Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Sarawat Printing & Publishing	Inside	Closed Stock Company
Saeed Ghodran Group	Inside	Closed Stock Company
Tagat Al Sharq Al-Saudi Factory	Inside	Closed Stock Company

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
S-Oil Corporation	Outside	Listed Stock Company
Gabas Albilad Holding Company	Inside	Closed Stock Company
Gulf SAF Group	Inside	Closed Stock Company
Natural Gas Distribution Company	Inside	Closed Stock Company
East Gas Co Ltd	Inside	Closed Stock Company



**Ahmed Abdulrahman Al Mohsen - Board Member**

**Qualifications:** Master of Business Administration from University of Missouri (USA), Bachelor's degree in Accounting from King Saud University in Riyadh, and Fellow CPA (Certified Public Accountant) Certificate (USA). He also completed the Strategic Financial Leadership Program at Stanford University in the USA.

**Current Position:** Chief Financial Officer at Al Rajhi Capital.

**Experience and Previous Positions:** He held the position of Chief Financial Officer at Al Rajhi Bank (Jordan) after occupying various positions at Al Rajhi Bank, Price water house Coopers (PwC), and Saudi Fund for Development.

**Memberships in Company Committees**

Executive Committee – Member

Nomination and Remuneration Committee – Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Al Rajhi Reit	Inside	Listed Real Estate Investment Fund

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
-	-	-



**Baker Abdulrahman Al Muhanna- Board Member**

**Qualifications:** Bachelor's degree in MIS from King Fahd University of Petroleum and Minerals in 2006.

**Current Position:** Director and Head of Transport & Logistics and Food & Agricultural Investments Division at the Public Investment Fund.

**Experience and Previous Positions:** He worked as an investment banking specialist at Deutsche Bank in the areas of capital markets and mergers and acquisitions. He also held the position of Head of Investments at King Abdullah City for Atomic and Renewable Energy and served as Assistant Director of Investments at the Saudi Arabian Industrial Investments Company.

Memberships in Company Committees
Investment Committee – Head
Nomination and Remuneration Committee – Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Minerva Foods	Inside	Closed Stock Company
Tatweer Education Holding Company	Inside	Closed Stock Company
Al Madina Al Turathiya Company	Outside	Listed Stock Company
Saudi Global Ports Company	Inside	Closed Stock Company
Saudi Fisheries Company	Inside	Closed Stock Company
Saudi Coffee Company	Inside	Closed Stock Company
Nupco Consolidated Procurement Company	Inside	Closed Stock Company
Red Sea Gateway Terminal Company	Inside	Closed Stock Company
Saudi Fisheries Company	Inside	Listed Stock Company



**Turki Bin Abdullah Al Jawini - Board Member**

**Qualifications:** Bachelor's degree in MIS from Clarion university in USA.

**Current Position:** Director General of the Saudi Human Resources Development Fund (Hadaif).

**Experience and Previous Positions:** He has extensive experience in many fields in which he held several leadership positions in the Saudi British Bank (SABB), NAS Holding, and NASJET. He also worked as the Advisor to the Vice President of the Airports' Sector at the General Authority for Civil Aviation and was the Director General of King Fahd International Airport in Dammam. Al Jawini occupied the position of CEO of Dammam Airports Company (DACO).

Memberships in Company Committees
No Members

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Takamol Holding	Inside	Closed Stock Company
Future of Work	Inside	Closed Stock Company
Hadaif	Inside	Limited Liability Company
Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)	Inside	Listed Stock Company

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
East Gas Company ltd	Inside	Limited Liability Company





**Raed Bin Abdullah Al Tamimi - Board Member**

**Qualifications:** holds a bachelor’s degree in Medical Sciences from the University of Wales, Britain (1996), and several professional certificates in insurance and management.

**Current Position:** member of the Board of Directors in several companies.

**Experience and Previous Positions:** CEO of the National Medical Care (2017-2018). He worked in the Company for Cooperative Insurance, Tawuniya, from 1996 to 2017. Throughout those years, he held many other positions, the last of which was CEO of the company. He holds many certificates and advanced training certifications in management, strategy, leadership, insurance, investment, risk management and governance from several well-known international institutes such as INSEAD, IMD, Fitch, London Business School, and others.

Memberships in Company Committees
Audit Committee – Member
Risk Committee – Chairman

Current Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
Al Rajhi Bank	Inside	Public Joint-Stock Company
Saudi Public Transport Company (SAPTCO)	Inside	Public Joint-Stock Company

Previous Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
National Medical Care	Inside	Public Joint-Stock Company
Najm	Outside	Closed Stock Company
Tawuniya	Inside	Public Joint-Stock Company
Natural Gas Distribution Company (NGDC)	Inside	Closed Stock Company
United Insurance Company - Bahrain	Inside	Closed Stock Company
Tawuniya for Real Estate Investment	Inside	Limited Liability Company
Waseel ASP Ltd	Inside	Closed Stock Company



**Dr. Raed Bin Abdullah Al Hogail - Board Member**

**Qualifications:** holds a PhD in financial management from George Washington University, a master’s degree in finance from the University of Denver, and a Bachelor of Science in industrial management (finance and accounting) from King Fahd University of Petroleum and Minerals.

**Current Position:** General Manager, Al Masader Al Sari’a Company.

**Experience and Previous Positions:** has an extensive experience of more than 30 years, during which he held several positions, including Executive Vice President for Support Services at NTCC and worked as an Assistant Professor in finance and investment at King Saud University.

Memberships in Company Committees
Executive Committee – Member
Nomination and Remuneration Committee – Member

Current Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
Abdullah Al-Othaim Markets Co.	Inside	Listed Public Shareholding Company
National Tri-generation Company (NTCC)	Inside	Unlisted Shareholding Company

Previous Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
Cushman & Wakefield	Inside	Limited Liability Company
Natural Gas Distribution Company (NGDC)	Inside	Listed Public Shareholding Company
Arabian United Float Glass Company (AUFGC)	Inside	Unlisted Shareholding Company
Walaa Insurance	Inside	Listed Public Shareholding Company
Gulf One Investment Bank B.S.C	Inside	Unlisted Shareholding Company



**Dr. Mohammad Bin Hamad Al Kathiri - Board Member**

**Qualifications:** PhD in Business Administration with a specialization in Strategic Management from University of Manchester School of Business in the United Kingdom, master's in Business Administration from the University of Ottawa in Canada, and a bachelor's degree in Business Administration from King Saud University.

**Current Position:** Entrepreneurial Ventures and consulting jobs in administration and economics.

**Experience and Previous Positions:** He has more than 30 years of experience; worked as Secretary-General of Riyadh Chamber of Commerce and Industry, Undersecretary of the Ministry of Trade and Investment and Foreign Trade, and Secretary-General of Riyadh Economic Forum. He is a Professor in the Department of Business Administration at King Saud University and a consultant in facilities strategic planning and development.

**Memberships in Company Committees**

Executive Committee – Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Diriyah International Consulting Co.	Inside	Closed Stock Company
National Gas Industries Co.	Inside	Limited Liability Company
Kablaat al Jawda	Inside	Limited Liability Company
Saudi Makanah Investment Co. (SMICO)	Inside	Limited Liability Company

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Closed Stock Company	Inside	Closed Stock Company
Limited Liability Company	Inside	Limited Liability Company
Closed Stock Company	Inside	Closed Stock Company



**Mohammed Bin Nazal Al Khaldi- Board Member**

**Qualifications:** Master's degree in Executive Management from Al-Yamamah University (2018) and a Bachelor of Science in Human Resources Management and Organization from King Abdulaziz University (2008).

**Current Position:** Director of the General Services Department at the General Organization for Social Insurance

**Experience and Previous Positions:** He Previously, worked as Assistant Governor for Administrative Affairs at the Public Pension Agency. Worked as Human Resources Operations Manager of General Manager at Qanawat, a Saudi Telecom Company, and as Director of Human Resources Planning and Training Programs at Maaden Company. He also served as Acting Head of Human Resources at Bank Albilad and worked as Vice President of Human Resources at Merrill Lynch.

He worked as Head of Human Resources at Sanabil Investments, Head of Human Resources and Administration at Al Dakheel Financial Group, and Vice President of Human Resources at Samba Financial Group SJSC.

**Memberships in Company Committees**

Nomination and Remuneration Committee – Head

Risk Management Committee– Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Al Ra'idah Investment Company	Inside	Limited Liability Company
AUFGC	Inside	Closed Stock Company
RAZA Inc	Inside	Limited Liability Company
SPIMACO	Inside	Saudi Stock Company

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Riyad Bank	Inside	Saudi Stock Company



### Members of Committees Outside the Board of Directors



**Dr. Ahmed bin Abdullah Al Munif- Audit Committee Member**

**Qualifications:** Holds a PhD in Accounting and Finance from University of Dundee - UK; MA in Accounting and Finance, University of Glasgow - UK; Master of Science in Accounting and Information Systems from Central Tennessee State University, USA; Bachelor's in Accounting, King Saud University, Kingdom of Saudi Arabia.

**Current Position:** Head of Accounting Department, member of staff In the accounting department - King Saud University.

**Previous Positions:** worked as Internal Audit Supervisor at King Saud University in addition to his work as a Dean for the Academic Affairs of the College of Business Administration, lecturer in Accounting, and Assistant Financial Auditor at the Saudi Industrial Development Fund.

Type of Membership	Individually or as a representative of a corporate body
Member from outside the committee	Individually

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
-	-	-

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
-	-	-



**Eng. Abdul Rahman Bin Abdul Aziz Bin Suleiman - Board Member and CEO**

**Qualifications:** Holds a master's degree in petroleum engineering from King Saud University and a master's degree in business administration from the University of Hull, UK. Holds also a bachelor's degree in petroleum engineering from King Saud University.

**Current Position:** CEO of GASCO.

**Experience and Previous Positions:** Has more than 22 years of experience; held several positions, including CEO of the Samnan Holding Group, General Manager of Abyat, and Managing Director of Jazan Development Company. Occupied several positions at GASCO, including Assistant General Director of Transportation, and Director of Project Management and Director of Strategic Planning Department.

Memberships in Company Committees
Risk Committee – Member

Current Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
NGDC in Riyadh	Inside	Closed Stock Company
Samnan Holding Group	Inside	Closed Stock Company
Tabuk Fishers Co.	Inside	Closed Stock Company
East Gas Company	Inside	Limited Liability Company
Gas Solutions	Inside	Limited Liability Company
Shiyadh Company	Inside	Closed Stock Company

Previous Board Memberships & Managerial Positions:

Company's Name	Inside / Outside KSA	Legal Entity
Jazan Energy	Inside	Listed Stock Company
Jinan	Inside	Closed Stock Company
Saudi Gas Cylinder Factory (ENAGAS)	Inside	Closed Stock Company
AUFGC	Inside	Closed Stock Company



**Moussa bin Abdullah Al Mousa - Audit Committee Member**

**Qualifications:** Bachelor’s degree in Accounting from King Saud University in Riyadh, holder of the Saudi Fellowship for Certified Public Accountants (SOCPA).

**Current Position:** A licensed chartered accountant from 2014, “Al Mousa Chartered Accountants and Consultants”, and a bankruptcy trustee since 2019. He also works as a secretary to the Board of Directors of the National Gas and Industrial Company.

**Previous Positions:** Held many positions in the financial management of the National Gas and Industrialization Company previously, in addition to his work at the Ministry of Water and Electricity Agency for Planning and Development, and in the Financial Department of Herfy Food Services Co.

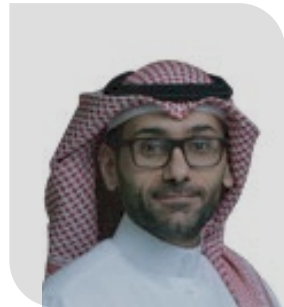
Type of Membership	Individually or as a representative of a corporate body
Member from outside the committee	Individually

Current Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
-	-	-

Previous Board Memberships & Managerial Positions:

Company’s Name	Inside / Outside KSA	Legal Entity
-	-	-



**AbdulAziz Mohammad Ababteen - Risk Committee Member**

**Qualifications:** Master of Finance from the University of Portsmouth, Bachelor’s degree in Accounting from King Saud University, and holder of a Corporate Governance Officer Certificate from London University of Finance and Business.

**Current Position:** Head of Internal Audit at the National Shipping Company of Saudi Arabia (Bahri).

**Previous Positions:** Director of Internal Audit at the Saudi Hollandi Bank (Alawwal Bank), Director of Internal Audit at Al-Rajhi Bank, and Principal Auditor at KPMG, and others.

Memberships in Company Committees
Risk Management Committee – Member from outside the Board

Current Board Memberships & Managerial Positions:

Legal Entity	Inside / Outside KSA	Company’s Name
-	-	-

Previous Board Memberships & Managerial Positions:

Legal Entity	Inside / Outside KSA	Company’s Name
-	-	-

**10- Tasks and Specialties of the Board of Directors and Committees:**

**Tasks and Specialties of the Board of Directors:**

The Board of Directors represents all the shareholders and exercises all diligence and care in managing the Company, safeguarding its interests, and ensuring its development and the appreciation of its value, while abiding by the General Assembly mandates. The Board of Directors shall exercise the highest power in managing the Company and directing its business towards achieving its objectives. The following are among the main tasks and functions of the Board:

1. Developing the main plans, policies, strategies, and objectives of the Company, monitoring their implementation, and reviewing them periodically, in addition to ensuring the availability of the financial and human resources necessary to achieve them.
2. Developing and monitoring internal control policies and procedures.
3. Preparing clear and specific standards and policies and procedures for membership in the Board of Directors - in a way that does not conflict with the mandatory provisions of the rules and regulations - and putting them into effect after the approval of the General Assembly.
4. Developing written policies to regulate the relationship with all stakeholders.
5. Establishing policies and procedures to ensure that the Company complies with the rules and regulations, and that it is committed to disclose all essential information to shareholders and stakeholders, and that the Executive Management is as well in compliance with them.
6. Preparing and approving the interim and annual financial statements prior to their issuance, and monitoring the Company’s financial management, its cash flow, in addition to the financial and credit relationship with other parties.
7. Proposing to the Extraordinary General Assembly on the increase or decrease of the Company’s capital, the continuation of the Company, or its dissolution prior to the term defined in the Bylaws.
8. Proposing to the Ordinary General Assembly on the utilization of the Company’s constitutional reserve, in case it was formed by the Extraordinary General Assembly and was not restricted for a specific purpose, or the creation of additional reserves or financial provisions, and recommending on the distribution of net earnings.
9. Establishing effective communication channels that enable shareholders to review all aspects of the Company’s various activities continuously and periodically, or any substantial developments.
10. Establishing values and standards that govern the Company’s activities.

In addition to the above, the Board of Directors’ duties include other tasks and functions, established in accordance with the Companies Law, the Company’s bylaws, and the Corporate Governance Regulations.

**Tasks and Specialties the Company’s Committees:**

**The Audit Committee**

The Audit Committee is responsible for monitoring the Company’s activities. Thus, it has the right to review the Company’s records and documents, and to request any clarification or declaration from the members of the Board of Directors or the Executive Management. It may also request the Board of Directors to invite the Company’s General Assembly to convene, if the Board of Directors impedes its work, or if the Company is exposed to material damages or losses. The following are among the main tasks and functions of the committee:

- Assisting the Board in undertaking its responsibilities regarding the internal control system in the Company. The Audit Committee is also responsible for reviewing the accounting reports and ensuring their compliance with the statutory and regulatory requirements of the Company, ensuring the effectiveness of controls, and reviewing the Company’s accounting policies.
- Supervising both the internal audit representatives and the external auditor.
- Reviewing the Company’s internal control system and preparing written reports on its opinions and recommendations.
- Reviewing the internal audit report and following up on the execution of the corrective actions.
- Recommending to the Board of Directors on the appointment or replacement of the internal audit representatives, or the termination of the external auditor’s services and determining their fees and ensuring its independence while making recommendations.



- Monitoring the work of the external auditors and approving any activities outside the scope of their audit work.
- Reviewing and providing feedback on the audit plan of the external auditor.
- Discussing the external auditor findings on the financial statements with the Executive Management and following up on the corrective measures implemented in this regard.
- Reviewing the quarterly and annual financial statements prior to submitting them to the Board of Directors and submitting their notes and recommendations on these statements to the Company's Board of Directors.
- Reviewing the accounting policies adopted by the Company and submitting any corresponding recommendations to the Board of Directors.

**The Nomination & Remuneration Committee**

The main duties of the Nomination and Remuneration Committee include the following:

- Establishing a clear policy for determining the remuneration of the members of the Board of Directors, its subcommittees, and the Executive Management, and raising recommendations to the Board of Directors to be sent to the General Assembly for approval. The policies, that shall abide by the performance related standards, shall be disclosed and enforced.
- Clarifying the relationship between the bonuses granted and the corresponding remuneration policy and disclosing any material deviation.
- Reviewing the remuneration policy on a periodic basis and assessing its effectiveness in meeting its objectives.
- Providing recommendations to the Board of Directors on the remuneration of the members of the Board of Directors and its sub-committees, and the senior executives of the Company as per the applicable policy.
- Suggesting clear policies and procedures for membership in the Board of Directors and Executive Management.
- Recommending to the Board of Directors on the nomination and re-nomination of its members in accordance with the applicable policies and procedures.
- Preparing a job description of the skills and qualifications required for membership in the Board of Directors and for the executive management positions.
- Defining the time to be allocated by each member for running the Board of Directors' tasks.
- Reviewing annually the required skills or expertise for board membership and executive management positions.
- Reviewing the organizational structure of the Board of Directors and Executive Management and recommending on possible changes.
- Ensuring, on an annual basis, the independence of the independent members, and the absence of any conflict of interest in case the member is a current Board member of another Company.
- Developing job descriptions for the executive members, the independent non-executive members, and the senior executives.
- Preparing specific procedures for filling any vacancy in the position of a Board member or a Senior Executive.
- Defining the strengths and weaknesses of the Board of Directors and recommending corrective action as per the Company's interest.

**The Executive Committee**

It assists the Board of Directors in the executive management of the Company, routinely reviewing and monitoring the company's activities, and making the necessary recommendations to the Board. It also reviews the Company's estimated budget and executes the tasks assigned to it by the Board of Directors, follows up on the strategic procurement plans, and monitors the capital expenditures of the Company.

**The Investment Committee**

This committee is responsible for preparing and drafting the investment policy, submitting it to the Board of Directors for review and approval prior to its implementation, and then monitoring its implementation. It determines the strengths and weaknesses of the investment performance of the Company and provides recommendations that would increase its efficiency. It also reviews and evaluates the investment portfolio of the Company, assesses, and monitors all investment-related risks. It also submits the minutes of its work to the Board of Directors.

**The Risk Management Committee**

The Risk Management Committee develops comprehensive policies and strategies for managing risks in accordance with the nature and size of the Company's activities, determining the risk acceptance levels, verifying its feasibility and the ability to successfully continue its activities, and identifying the risks that threaten its ability to continue during the coming period. It provides oversight of the Company's risk management systems, re-evaluating on a periodic basis its risk exposure and tolerance, and preparing detailed reports of recommended action. It also reviews the organizational structure of the Risk Management Unit, to ensure the availability of adequate resources and systems, and submitting the corresponding recommendations to be approved by the Board of Directors. It also ensures the independence of its employees from any activities that may expose the Company to any risk, and it evaluates the surrounding risks and reviews any issues raised by the Audit Committee that may affect the Company's risk management.

**11- Training and Development of Board Members:**

None of the Board members did undergo any training courses during the year 2021, due to the circumstances related to the Coronavirus pandemic and its impact on the business activities during the year.

**12- The means adopted by the Board of Directors in evaluating its performance, the performance of its committees and members, and the external party that carried out the evaluation and its relationship with the company:**

The performance of the Board and Committees was evaluated through self-evaluation among the members of the Board and under the supervision of the Nominations & Remunerations Committee.

**13- Board and Committee Meetings:**

**First: Board Meetings**

During the year 2021, the Board of Directors has held (5) meetings as follows:

Board Members	15 February	30 March	14 June	7 September	27 December
Eng. Abdulaziz bin Fahd Al Khayyal - Chairman	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan – Vice Chairman	✓	✓	✓	✓	✓
Ahmed Abdulrahman Al Mohsen	✓	✓	✓	✓	✓
Baker Abdulrahman Al Muhanna	✓	✓	✓	✓	✓
Turki Abdullah Al Jawini	✓	✓	✓	✓	✓
Raed Abdullah Al Tamimi	✓	✓	✓	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓
Mohammed Hamad Al Kathiri	✓	✓	✓	✓	✓
Mohammed Nazal Al Khaldi	✓	✓	✓	✓	✓
Abdulrahman Abdulaziz Sulaiman	✓	✓	✓	✓	✓

### Second: The Executive Committee:

During the year 2021, the Executive Committee has held (8) meetings as follows:

أعضاء اللجنة	1 Feb	16 Mar	27 April	26 May	25 Aug	19 Oct	8 Nov	14 Dec
Eng. Abdulaziz bin Fahd Al Khayyal – Head of Committee	✓	✓	✓	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan	✓	✓	✓	✓	✓	✓	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓	✓	✓	✓
Mohammed Hamad Al Kathiri	✓	✓	✓	✓	✓	✓	✓	✓

### Third: The Nomination and Remuneration Committee:

During the year 2021, the Nomination and Remuneration Committee has held (5) meetings as follows:

Committee members	26 Jan	25 Mar	2 June	17 Aug	14 Dec
Eng. Abdulaziz bin Fahd Al Khayyal – Head of Committee	✓	✓	✓	✓	✓
Ali Mohammed Al Saflan	✓	✓	✓	✓	✓
Baker Abdulrahman Al Muhanna	✓	✓	✓	✓	✓
Raed Abdullah Al Hogail	✓	✓	✓	✓	✓

### Fourth: The Investment Committee:

During the year 2021, the Investment Committee has held (6) meetings as follows:

Committee members	24 Jan	15 Feb	14 June	7 September	8 November	27 December
Baker Abdulrahman Al Muhanna – Head of Committee	✓	✓	✓	✓	✓	✓
Eng. Abdulaziz bin Fahd Al Khayyal	✓	✓	✓	✓	✓	✓
Ahmed Abdulrahman Al Mohsen	✓	✓	✓	✓	✓	✓

### Fifth: The Audit Committee:

During the year 2021, the Audit Committee has held (13) meetings as follows:

Committee members	3 Jan	27 Jan	10 Feb	28 Mar	9 May	20 May	20 June	18 Aug	15 Sept	3 Oct	7 Nov	22 Dec	28 De
Ahmed Abdulrahman Al Mohsen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Raed Abdullah Al-Tamimi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmed Abdullah Al Munif	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mousa Abdullah Al Mousa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Sixth: The Risk Management Committee:

During the year 2021, the Risk Management Committee has held (4) meetings as follows:

Committee members	25 February	24 June	29 August	19 December
Raed Abdullah Al Tamimi – Head of Committee	✓	✓	✓	✓
Mohammed Bin Nazal Al Khaldi	✓	✓	✓	✓
Abdulrahman Abdulaziz Sulaiman	✓	✓	✓	✓
Abdulaziz Mohammed Ababteen	✓	✓	✓	✓

## 13- The Executive Management:

The Board of Directors shall establish the Executive Management of the Company, organize its operations, control it, and supervise it, and ensure its performance of assigned tasks. The Executive Management shall be responsible for executing the plans, policies, strategies and the main goals of the Company, in order to meet its objectives, all while taking into account the Board mandates. Below are the main tasks and functions of the Executive Management:

- 1- Implementing the policies and the internal regulations enacted by the Board;
- 2- Proposing the Company's overall strategy as well as long-term and short-term plans, policies and procedures of investments, financing, and risk management, and plans and action plan to face unforeseen developments.
- 3- Managing the daily activities and tasks of the Company, as well as managing its resources in the most ideal manner and in line with the Company's goals and strategy.
- 4- Implementing internal control and risk management systems, ensuring their effectiveness and adequacy, and ensuring compliance with the level of risks established by the Board of Directors.
- 5- Effective implementation of the Company's corporate governance standards and the policies and procedures that ensure the Company's compliance with rules and regulations and its commitment to disclose important information to shareholders and stakeholders.
- 6- Preparing periodic financial and non-financial reports on the Company's progress considering its strategic plans and objectives and submitting these reports to the Board of Directors.



## Senior Executives’ Biographies:

### Mr. Majed Ahmed Koueider – Chief Financial Officer

**Qualifications:** holder of a Certified Public Accountant certificate from the University of Illinois in the United States of America and the Jordanian Association of Certified Public Accountants in Jordan, and a Bachelor’s degree in Accounting and Business Administration from the University of Jordan.

**Current Positions:** Chief Financial Officer

**Experience and Previous Positions:** He has extensive experience that extends to (36) years in Saudi Arabia, Canada and Jordan, where he held the position of Group Chief Financial Officer in both the Saudi Chemical Company and the Saudi Printing and Packaging Company, and as an Executive Director at Price water house Coopers, in addition to his work in other companies.

### Mr. Ibrahim bin Suleiman Al Ateeq – Executive Vice President of Human capital

**Qualifications:** Holds an Executive Master’s degree in International Management and Leadership from Al Yamamah University, an MBA from INSEEC University in France, a Diploma in Entrepreneurship from Washington State University, and a bachelor’s degree in Business Administration from Imam Muhammad Ibn Saud University.

**Current Positions:** Executive Vice President of Human capital.

**Experience and Previous Positions:** He has an extensive experience that extends to 20 years during which he has held the position of Senior Vice President of Operations at Najm Company for Insurance Services, and Director of Human Resources in a group of companies.

### Eng. Raed Bin Nasser Al Haidari – Executive Vice President of Operations

**Qualifications:** Holder of an Executive Master’s degree in Business Administration from Al-Yamamah University, a master’s degree in Business Administration from INSEEC University, and a Bachelor’s degree in mechanical engineering from King Saud University, and additionally he has several project management certificates.

**Current Positions:** Executive Vice President of Operations.

**Experience and Previous Positions:** He has an extensive experience that extends to 14 years during which he has held the position of Vice President for Business Execution in a technology company, and he has assumed leading positions in the private and semi-governmental sectors.

### Eng. Abdul Hadi bin Ayed Al Qahtani – Executive Vice President for Control and Business Development

**Qualifications:** Holder of an Executive Master’s degree in Business Administration and a bachelor’s degree in Electrical Engineering from King Fahd University of Petroleum and Minerals.

**Current Positions:** Executive Vice President for Control and Business Development

**Experience and Previous Positions:** He has an extensive experience that extends to 23 years during which he has held the position of Executive Director of Sales and Business Development at “Elm” Company, Operations Director at “Al Mazoon Group”, and Director of Technical Services at “Advanced Electronics Company”.

### Mr. Nasser bin Abdulaziz Al Maawi – Executive Vice President of commercial sector

**Qualifications:** Holds two master’s degrees in Management and Supply Chain Management and Logistics Services from the University of Windsor, Canada, and a Bachelor’s degree in Marketing and International Business from the University of Northern British Columbia in Canada.

**Current Positions:** Executive Vice President for commercial sector.

**Experience and Previous Positions:** He has an extensive experience that extends to 10 years during which he has assumed the position of the Director of Distribution and Solutions Department at the Gas Company, Director of Logistics at STC and Director of Supply Chain Management at “Al-Motaheda Company”. He also worked as a supply chain specialist in Heligen International Trade in Canada.

Changes to Senior Executives’ Positions in 2021:

No.	Name	Type of change	Date of change
1	Mr. Majed Ahmed Koueider	Appointed as CFO	25/03/2021
2	Mr. Fahd bin Sulaiman Al Juraish	Resigned as Executive Vice President of Technology and Digital Transformation sector	05/08/2021

## 14- Remunerations of Board, Committee, and Executive Members:

GASCO pays remunerations, expenses, and attendance fees for Board and Committee members on the basis of the provisions stated in the Ministry of Commerce and Investment Companies Law and its implementing regulations, the Company’s bylaws, and the Capital Market Law (Capital Market Authority) and its implementing regulations. The Company also pays the salaries, remunerations, and compensation fees of the executive administration members as per their contracts.

### Main Criteria for Remunerations:

**The Nomination and Remuneration Committee shall be responsible for making recommendations to the Board of Directors, Committees, and Executives, while abiding with the following:**

- Remunerations shall be consistent with the Company’s activity and the skill required to perform it and with the Company’s strategy and objectives.
- The Board and Executive members shall be urged to work towards the long-term success and development of the Company.
- Remunerations shall be determined based on the employee’s job level, duties and responsibilities, academic qualifications, work experience, skills, and performance level.
- Remunerations shall be compatible with the Company’s risks in nature, size, and level.
- The practices of other companies shall be taken into consideration in determining remunerations, while avoiding the unjustified increase in remunerations and compensations that may result from that.
- Remunerations shall aim to attract, maintain, and motivate competent staff without exaggeration.
- Remunerations shall be discontinued or refunded if it appears that they were decided based on inaccurate information provided by a Board or Executive member, in order to prevent exploitation of the employment status to obtain undue rewards.
- If the General Assembly decides to terminate the Board membership of an absentee after 3 consecutive unjustified nonattendances of 3 respective meetings, this Board Member shall not be entitled to any remuneration for the period following the last attended meeting. All previously earned remunerations within this period will have to be returned to the Company.
- In all cases; the total yearly amount of remunerations and financial or in-kind benefits granted to a Board Member are not to exceed five-hundred thousand SAR.
- Remuneration-related policies, mechanisms for determining remunerations, and amounts and financial and in-kind benefits granted to each Board member for any executive, technical, administrative, or advisory functions or position shall be disclosed in the Board’s annual report.

Remunerations of Board Members:

In accordance with Article (21) of the Company’s bylaws, the remuneration of Board members shall be a specific sum, attendance allowance for sessions, in-kind benefits, or a certain percentage of the net profits. If the remuneration consists of a certain percentage of the net profits, the provisions of Paragraph (5) of Article (45) of the Company’s bylaws must be observed. It is permissible to combine two or more of these benefits in compliance with the Companies’ Law or any other supplemental regulations. Remunerations also include travel, residence, and accommodation expenses for each session for non-resident Board members as per the Board’s decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.

The report of the Board to the Ordinary General Assembly shall include a comprehensive statement of all salaries, attendance allowances, expenses, and other benefits received by members of the Board during the financial year. The report shall also include a statement of all amounts received by Board members as employees or administrators or received by them in return for any technical or administrative work or consultations previously approved by the Ordinary General Assembly.

- Remunerations of independent Board members shall not be a percentage of the Company’s profits or be based directly or indirectly on the Company’s profitability.
- Remunerations of Board members shall be proportional to the number of sessions attended by each member.
- Board members shall be entitled to remunerations for the period from the date of appointment in the Board and in accordance with the term of membership.
- The recommendation of the Board on members’ remunerations for the ended financial year is presented in a separate clause in the General Assembly, and Board members may not vote on it.
- Remunerations of Board members shall be disbursed upon the approval of the General Assembly.
- Allowances for attending Board sessions shall be disbursed at the end of each calendar quarter.

Remunerations of Board Committees:

- Remunerations of Committee members shall be an annual bonus (a lump sum) for the membership in each committee, an attendance allowance for sessions, or both, in addition to travel, residence, and accommodation expenses for each session for non-resident Committee members as per the Board’s decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.
- Committee members shall be entitled for remunerations for the period from the date of appointment in a committee and in accordance with the term of membership.
- Remunerations of Committee members and attendance allowances shall be disbursed at the end of each calendar quarter.

Based on the foregoing, the Board has set a specific amount for the remuneration of each member for 2020 in accordance with the above policy. Remunerations have also been set for Company representatives’ membership in the boards of directors of associate and subsidiary companies, with remuneration not exceeding a hundred thousand riyals (SAR 100,000) for members who do not receive remunerations from those companies or whose remunerations from those companies do not amount to hundred thousand riyals (SAR 100,000). In this case, the remuneration shall be paid in full or as a complement. However, in all cases, the sum of remunerations and financial or in-kind benefits received by a Board member shall not exceed the amount of five hundred thousand riyals (SAR 500,000) annually – excluding the remunerations and allowances of the Audit Committee. These bonuses shall be disbursed upon the approval of the Company’s General Assembly.

Remunerations of the Chairman and Managing Director:

- The remunerations of the Chairman and Managing Director – if any – shall be an annual bonus (a lump sum) in addition to travel, residence, and accommodation expenses and whatever supports the satisfaction of the Board’s terms of reference, as per the Board’s decision and in accordance with the regulations, decisions, and instructions established in the Kingdom and issued by the competent authorities.
- Remunerations of the Chairman and Managing Director – if any – shall be disbursed at the end of each calendar quarter.

Executive Management Remuneration Policy:

Remunerations of the Executive Management shall consist of:

- Fixed remunerations including basic salaries – paid on a monthly basis at the end of each calendar month –, allowances (housing allowances, transportation allowances, etc.), and other benefits (medical insurance, social insurance contributions paid in accordance with the regulations, annual leaves, etc.).
- Variable remunerations – if any – including periodic remunerations, profits, short and long-term incentive plans, and stock grants.
- End-of-service benefits.

Based on the recommendation of the Nomination and Remuneration Committee, the Board shall be responsible for approving the remuneration structure for various employment levels at the Company. Accordingly, there is no substantial deviation between the granted remunerations and the applicable policies.

Details of remunerations, salaries, and expenses paid to the Company’s Board members and Senior Executives, including the Company’s CEO and Financial Director, in 2021:

Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
Independent Members						
Eng. Abdulaziz bin Fahd Al Khayyal Chairman of the Board	343,000	15,000	42,000	-	400,000	4,300
Dr. Raed Abdullah Al Hogail	335,000	15,000	-	-	350,000	
Dr. Raed Abdullah Al Hogail	296,000	15,000	39,000	-	350,000	
Dr. Raed Abdullah	323,000	15,000	51,000	-	389,000	
Mohammed Hamad Al Kathiri	311,000	15,000	24,000	100,000	450,000	
Mohammed Bin Nazal Al Khaldi	308,000	15,000	27,000	50,000	400,000	
Total	1,916,000	90,000	183,000	150,000	2,339,000	4,300

Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
Non - Executive Members						
Ali Mohammed Al Saflan Vice Chairman	296,000	15,000	39,000	-	350,000	4300
Baker Abdulrahman Al Muhanna	302,000	15,000	33,000	-	350,000	-
Ahmad Abdulrahman Al Mohsen	317,000	15,000	57,000	-	389,000	-
Total	915,000	45,000	129,000	-	1,089,000	4,300



Members	Amount	Attendance allowance for Board sessions	Total Attendance Allowance for Committee Sessions	Remuneration for Company Representation in the Membership of the Boards of Directors of Associate and Subsidiary Companies	Total	Expenses Allowance
Executive Members						
Eng. Abdulrahman Abdulaziz bin Sulaiman	323,000	15,000	12,000	100,000	450,000	-
Total	323,000	15,000	12,000	100,000	450,000	

\*Remunerations and attendance allowances for Public Investment Fund representatives' membership in the Board are paid to the Fund since it is the legal entity being represented.

### Committee Members:

Committee Members	Fixed Remunerations Committee Members (excluding attendance allowance)	Attendance Allowance for Total Committee Sessions	Total
Audit Committee			
Ahmad Abdulrahman Al Mohsen	100,000	39,000	139,000
Raed Abdullah Al Tamimi	100,000	39,000	139,000
Dr. Ahmed bin Abdullah bin Ali Al Munif	100,000	39,000	139,000
Mousa bin Abdullah bin Hamad Al Mousa	100,000	39,000	139,000
<b>Total</b>	<b>400,000</b>	<b>156,000</b>	<b>556,000</b>
Executive Committee			
Eng. Abdulaziz bin Fahd Al Khayyal – Head	50,000	24,000	74,000
Ali Mohammed Al Saflan	50,000	24,000	74,000
Dr. Mohammed Hamad Al Kathiri	50,000	24,000	74,000
Dr. Raed Abdullah Al Hogail	50,000	24,000	74,000
<b>Total</b>	<b>200,000</b>	<b>96,000</b>	<b>296,000</b>
Nomination and Remuneration Committee			
Mohammed Bin Nazal Al Khaldi – Head	50,000	15,000	65,000
Ali Mohammed Al Saflan	50,000	15,000	65,000
Baker Abdulrahman Al Muhanna	50,000	15,000	65,000
Dr. Raed Abdullah Al Hogail	50,000	15,000	65,000
<b>Total</b>	<b>200,000</b>	<b>60,000</b>	<b>260,000</b>
Investment Committee			
Baker Abdulrahman Al Muhanna – Head	50,000	18,000	68,000
Eng. Abdulaziz bin Fahd Al Khayyal	50,000	18,000	68,000
Ahmad Abdulrahman Al Mohsen	50,000	18,000	68,000
<b>Total</b>	<b>150,000</b>	<b>54,000</b>	<b>204,000</b>
Risk Committee			
Raed Abdullah Al Tamimi – Head	50,000	12,000	62,000
Mohammed Bin Nazal Al Khaldi	50,000	12,000	62,000
Eng. Abdulrahman Abdulaziz bin Sulaiman	50,000	12,000	62,000
Abdulaziz Mohammed Abdullah Ababteen	100,000	12,000	62,000
<b>Total</b>	<b>250,000</b>	<b>48,000</b>	<b>298,000</b>

### Senior Executives:

Remuneration of 5 of the Senior Executives who received the highest remuneration (including CEO & CFO)

Salaries			Variable Remuneration	
Salaries	Allowances	Total	Short term Incentives	Grand Total
5,613,346,00	1,787,336,50	7,400,682,50	782,867,00	8,183,549,50

\* The company has committed to disclosing the elements of the remuneration of senior executives in total in accordance with the statutory requirements contained in sub-paragraph (B) of paragraph (4) of Article (93) of the Corporate Governance Regulations. In order to protect the interests of the company, its shareholders and its employees, and to avoid any harm as a result of disclosing in detail according to positions, the details were not presented as contained in Annex (1) of the Senior Executives of the Corporate Governance Regulations.

A statement of any arrangements or agreement that a member of Board of Directors or senior executives waive any remuneration:

No arrangement or agreement has been made under which a member of Board of Directors or senior executives has waived any remuneration.

Disclosure of the number of shares owned by Board members and Senior Executives and changes to those shares during 2021, in addition to the description of any interest, contractual securities, and subscription rights belonging to Board members, Senior Executives, and their relatives in the shares or debt instruments of the Company or any of its subsidiaries and any changes to that interest or those rights during the last financial year.

### Board Members:

No.	Name of Stakeholder	Start of Year		End of Year		Net Change	Percentage of Change
		Number of Shares	Debit Instruments	Number of Shares	Debit Instruments		
1	Eng. Abdulaziz bin Fahd Al Khayyal	-	-	-	-	-	-
2	Mr. Ali Mohammed Al Saflan	1000	-	1000	-	-	-
3	Mr. Ahmad Abdulrahman Al Mohsen	170	-	170	-	-	-
4	Mr. Baker Abdulrahman Al Muhanna	-	-	-	-	-	-
5	Mr. Turki Abdullah Al Jawini	-	-	-	-	-	-
6	Mr. Raed Abdullah Al Tamimi	-	-	-	-	-	-
7	Dr. Raed Abdullah Al Hogail	1000	-	1000	-	-	-
8	Dr. Mohammed Hamad Al Kathiri	-	-	-	-	-	-
9	Mr. Mohammed Bin Nazal Al Khaldi	-	-	-	-	-	-
10	Eng. Abdulrahman Abdulaziz bin Sulaiman	-	-	-	-	-	-

There are no interests, contractual securities, or subscription rights belonging to Board members or their relatives in the shares or debt instruments of the Subsidiary Company. There has been no change in that interest or those rights during the last financial year.

### Senior Executives:

ρ	Name of Stakeholder	Start of Year		End of Year		Net Change	Percentage of Change
		Number of Shares	Debit Instruments	Number of Shares	Debit Instruments		
1	Eng. Abdulrahman Abdulaziz bin Sulaiman	-	-	-	-	-	-
2	Mr. Ibrahim bin Sulaiman Al Ateeq	-	-	-	-	-	-
3	Eng. Raid bin Nasser Al Haidary	-	-	-	-	-	-
4	Eng. Abdelhadi bin Ayed Al Qahtani	-	-	-	-	-	-
5	Mr. Fahad bin Sulaiman Al Juraish	-	-	Resigned on 5-8-2021			
6	Mr. Nasser bin Abdulaziz Al Maawi	-	-	-	-	-	-

There are no interests, contractual securities, or subscription rights belonging to Senior Executives or their relatives in the shares or debt instruments of the Subsidiary Company. There has been no change in that interest or those rights during the last financial year.

#### Actions taken by the Board to inform its members – especially the non-executives – of shareholders’ proposals and remarks regarding the Company and its performance:

During 2021, the Company did not receive any proposals or remarks from shareholders regarding the Company and its performance, except for the discussions held during the assemblies throughout the year, in addition to responding to shareholders’ inquiries and remarks in a timely manner and in the presence of Board members or informing them of the minutes of the assembly meetings.

#### Sanctions, penalties, precautionary procedures, or reserve provisions imposed on the Company by the Capital Market Authority or any other supervisory, regulatory, or judicial authority:

No sanctions, penalties, precautionary procedures, or reserve provisions were imposed on the Company in 2021 by the Capital Market Authority or any other supervisory, regulatory, or judicial authority

The company’s internal audit department is responsible for evaluating the internal control system and supervising its application, and verifying the extent to which the company and its employees are committed to the applicable laws, regulations, instructions and company policies and procedures. Accordingly, a number of internal audit works were carried out in partnership with one of the qualified and specialized consulting companies in the field of internal auditing according to a comprehensive plan approved by the Audit Committee based mainly on the degree of importance of these activities and operations and the extent of their seriousness. It also submitted its reports on a regular basis to the Audit Committee, including its conclusions and recommendations, and a statement of the procedures it took with each department regarding the treatment of the results and recommendations of the previous audit and any observations regarding them, especially in the event that they were not addressed in a timely manner. In light of this the Audit Committee briefs the Board of Directors periodically provides the results, recommendations and specific time plans to evaluate those observations.

During 2021, the Audit Committee held a number of meetings to exercise its duties and powers, including:

Recommending to the Board of Directors to nominate the auditors to review and examine the company’s accounts for the second, third and annual quarters of the fiscal year 2021 and the first quarter of the year 2022 and determine their fees.

Reviewing the results and the preliminary quarterly financial statements for the year 2021 and approving them according to the authorization of the Board of Directors with its resolution No. 06/365 of the Board’s meeting No. 03/2020/365 dated 03/31/2020, and recommending the Board of Directors to approve the financial statements for the annual final accounts for the year 2021 and the notes attached thereto.

Holding periodic meetings with the external auditor and the internal audit department as well as the executive management with the aim of discussing all reports, issues and observations raised by the external auditor or the internal audit, and working on implementing the recommendations issued in this regard and following them up with the executive management periodically and submitting to the Board any recommendations or issues deemed necessary take note of it.

With regard to the qualified opinion received from the auditor: (Includes accrued expenses and other current liabilities the balance of the accounts receivable account “the account” amounting to 27.4 million riyals, as shown in note 22 (c) to the consolidated financial statements, the group’s management discovered In 2020, embezzlement with a total amount of 25.7 million riyals committed by a former employee, which was directed through this account, and was reversed on December 31, 2020, so it was difficult to track other transactions within this account, and thus ensuring the correctness of the balance this account is as of December 31, 2020 due to the lack of appropriate evidence. We were not able to obtain sufficient audit evidence to reach conviction regarding the assertions of the existence of this account and the correctness of its registration, and therefore, we were unable to determine the necessary modifications, if any, to this account and their impact on these consolidated financial statements). The Committee confirms that it held several periodic meetings with the external auditor and the consultant appointed for this purpose, in addition to the executive management in order to address this reservation. During the last period, the executive management and the consultant analyzed the account and prepared a report on data contained therein, and according to the auditor’s opinion, that it is still incomplete and sufficient to reach a conviction. The company will continue its work to complete all comments received from the auditor to address this as soon as possible. The Committee would also like to point out that the company has restricted the amount of embezzlement as an expense during 2020, according to what was disclosed in the financial statements for the year 2020. Accordingly, there will be no negative impact on the company’s financial results, but it is expected that there will be a positive impact if the account settlement is completed in the future.

In line with the scope of the Committee’s work, its tasks and terms and the reports it has reviewed, the committee did not find a fundamental defect in the internal control system or important and critical points that should be mentioned in this report. The Committee also notes that it cannot be absolutely assured of the comprehensiveness of the audit, examination and evaluation of the internal control procedures, as the essence of the audit process is based on sampling. The company, represented by its



board of directors, committees, and executive management, stresses that it will work permanently to develop and improve the quality of internal control systems, raise their effectiveness, and follow up on their implementation, including developing, updating and reviewing policies periodically, appointing specialized consultants to identify weaknesses and addressing gaps, working to improve controls, and integrating financial and technical systems.

Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company:

The company has an internal audit department; in addition to hiring a company specialized in internal auditing to assist the internal audit department in preparing the annual audit plan and implementing a number of audits on the company's sectors.

Recommendations of the Audit Committee that there is a conflict between them and the decisions of the Board of Directors, or which the Board has refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor.. The justifications for those recommendations, and the reasons for not taking them into account:

There are no recommendations of the Audit Committee that conflict with the decisions of the Board of Directors or the Board's refusal to take them regarding the appointment of the company's auditor, determining his fees, evaluating his performance, or appointing the internal auditor, and the Committee did not make any recommendations regarding the dismissal of the company's auditor.

#### Variations from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA):

There is no variation from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

**Information related to any business or contract in which the Company is involved, or in which a member of the Company's Board, Senior Executives or any related person has an interest, including the names of those involved in the business or contract and the nature, terms, duration, and amount of these businesses or contracts, in addition to whether or not there are such businesses or contracts:**

The governance policy of GASCO defines system related-party transactions, whereby any transaction or contract involving conflict of interest is disclosed to any Board member or to the Executive Management and shareholders.

Related-party transactions are limited to as the following:

Company Name	Transaction Type	December 31, 2021		December 31, 2020	
		Transaction Amount	Balance (Credited)/ Debited	Transaction Amount	Balance (Credited)/ Debited
Saudi Gas Cylinder Factory (ENAGAS)	Associate company	72,071,799	3,000,357	81,616,117	(11,271,802)
Gas Solutions Co.	Subsidiary company	881,466,48	1,076,605	n\	a

**Information related to any loans received by the Company (whether they are payable upon request or otherwise) and disclosure of the total indebtedness of the Company and its subsidiaries, amounts paid by the Company in repayment of loans during 2021, in addition to principal amount, name of donor, duration, and balance of each loan:**

Name of Company/Subsidiary Company	Name of Donor	Principal Amount of Loan	Loan Duration	Loan balance at the beginning of the year	Amount received during the year (RS)	Amount paid during the year	Loan balance at the end of the year
GASCO	SIDF	203,000	6 Years	188,000	-	(69,000)	119,000
Saudi Gas Cylinder Factory (ownership %37,57)	None	0	0	0	0	0	0
Natural Gas Distribution Co. (ownership %35)	SIDF	20,500	5 Years	8,837	5,928	(3,600)	11,165
EAST Gas Co. (ownership %35)	None	0	0	0	0	0	0
GAS NATIONAL INDUSTRIAL GASES Co. (ownership 9%)	SIDF	651,000	8 Years	520,000	54,394	-	574,394
	Commercial Bank	318,750	10 Years	318,750	-	-	318,750
Arabian United Float Glass Co. (ownership 11.01%)	SIDF	247,340	15 Years	191,840	-	(35,000)	156,840
	Commercial Banks	42,000	5 Years	42,000	22,676	(18,000)	46,676
Total		1,504,590	-	1,269,427	82,998	(125,600)	1,226,825

### Paid and due regular payments for the year 2021:

Item	Disbursed Payments	Outstanding Payments (for the company)	Description	Reasons
Zakat	12,317	14,252	Paid or charged to the year in accordance with Zakat provisions and rules	Government Requirement
VAT	63,093	(13,083)	Paid or charged to the year in accordance with the provisions of Value-Added Tax	Government Requirement
Tax from Suppliers with no offices in KSA (Withholding Tax)	713	46	Paid or charged to the year in accordance with the provisions of Value-Added Tax	Government Requirement
General Organization for Social Insurance	26,157	2,277	Paid or charged to the year in accordance with the provisions of Income Tax	Government Requirement
Costs of visas, passports, government fines, and work permit (Maktab Amal) fees	8,497	-	Paid during the year as visa and passport fees based on the relevant regulations	Government Requirement

**Categories and numbers of any convertible debt instruments or any contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company during the financial year, indicating any compensation received by the Company therefrom:**

There are no categories and numbers of any convertible debt instruments or any contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company during the financial year, or any compensation received by the Company therefrom.

**Transfer or subscription rights under convertible debt instruments, contractual monetary securities, memorandums of subscription rights, or similar rights issued or granted by the Company:**

There are no transfer or subscription rights under convertible debt instruments, contractual securities, memorandums of subscription rights, or similar rights issued or granted by the Company.

**Redemption, purchase, or cancellation of any redeemable debt instruments and of the remaining monetary of securities, with a distinction between the listed securities purchased by the Company and those purchased by its subsidiaries:**

There is no redemption, purchase, or cancellation of any redeemable debt instruments and of the remaining monetary securities.

Acknowledgments:

- a- The account records have been properly prepared.
- b- The internal control system has been prepared according to sound bases and effectively implemented.
- c- There is no significant doubt concerning the Company’s ability to continue its activity.

Reservations of the auditor on the annual financial statements:

Qualified opinion:

Included in the accrued expenses and other current liabilities is an unapplied collection account (“the unapplied account”) of SAR 27.4 million (2020: SAR 27.4 million). As detailed in note 22(c) to the consolidated financial statements; the Group discovered in 2020 that certain transactions totaling SAR 25.7 million related to embezzlement transactions committed by a former employee, were routed through this account. These transactions were reversed as at 31 December 2020. Other transactions in this account could not be completely traced and the closing balance could not be reconciled as at 31 December 2021 due to lack of audit trail. We were unable to satisfy ourselves with respect to the existence and completeness of this account. Accordingly, we are unable to determine if any adjustments are required to this account and the related impact on these consolidated financial statements.

Board recommendation on the replacement of the auditor before the expiry of his/her term:

The Board of Directors did not make any recommendations during the year 2021 AD regarding changing the chartered account-ant.

Implementation of the provisions of the Corporate Governance Regulations:

The Company is committed to implementing all provisions of the Corporate Governance Regulations issued by the Capital Mar-ket Authority, except the provisions listed below:

Number of Article /Paragraph	Content of Article/paragraph	Reasons for non-application
Article (39)	Article (39)	Indicative Article: In view of the conditions of the Corona pandemic and its impact on the conduct of business during 2021, contrary to what was applied in previous years.
Article (54)/B	Article (54)/B	Indicative Article.
Article (89)/3 Partially Not applied	Article (89)/3 Partially Not applied	Indicative Article: A number of information is disclosed on the company's website.
Article (95)	Article (95)	Indicative Article.
Annex (1)	Annex (1)	Disclosure was limited overall in accordance with the statutory requirements contained in subparagraph (b) of Paragraph (4) of Article (93) of the Corpo-rate Governance Regulations, to protect the interests of the company, its shareholders and employees, and to avoid causing any harm that may result from the detailed disclosure according to the position.

Information disclosed by the Company on the Saudi Stock Exchange (Tadawul) website:

GASCO is committed to providing all necessary information to keep shareholders and the public informed of the Company’s significant developments and strategic events and decisions. Accordingly, the most important events and developments during this year have been announced as follows:

ٲ	Date of Announcement	Title of Announcement
1	16/02/2021AD	The National Gas and Industrialization Co. announces the approval of the Board of Directors to establish a subsidiary company with limited liability owned by (100%).
2	24/02/2021AD	Addendum announcement from the National Gas and Industrialization Co. regarding the discovery of the suspicion of embezzlement announced in the preliminary financial results for the period ending on 30-06-2020 (six months).
3	10/03/2021AD	The National Gas and Industrialization Co. announces the latest developments in the lawsuit filed by the Ministry of Transport against the company.
4	14/03/2021AD	National Gas and Industrialization Company announces the latest developments for the establishment of a subsidiary company with limited liability owned by (100%)
5	23/03/2021AD	The National Gas and Industrialization Co. announces the latest developments in the lawsuit filed by the Ministry of Transport against the company.
6	31/03/2021AD	The National Gas and Industrialization Co. announces that it has received cash dividends from one of the invested companies.
7	31/03/2021AD	The National Gas and Industrialization Co. announces its annual financial results for the period ending on 31/12/2020.
8	01/04/2021AD	The National Gas and Industrialization Co. announces that one of the invested companies has obtained the Authority's approval for direct listing in the parallel market.
9	07/04/2021AD	The National Gas and Industrialization Co. announces the launch of its new identity.
10	28/04/2021AD	GASCO announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the financial year 2020.
11	06/05/2021AD	The National Gas and Industrialization Co. invites its shareholders to attend the Ordinary General Assembly meeting (the first meeting) through modern technology means.
12	23/05/2021AD	The National Gas and Industrialization Co. announces its interim financial results for the period ending on 31-03-2021 (Three Months).
13	25/05/2021AD	The National Gas and Industrialization Co. announces the amendment of the date of the Ordinary General Assembly meeting (the first meeting) and the addition of an item to the Assembly's articles.
14	17/06/2021AD	The National Gas and Industrialization Co. announces the date for the start of electronic voting on the agenda items of the Ordinary General Assembly meeting (the first meeting) through modern technology means (reminder announcement).
15	23/06/2021AD	The National Gas and Industrialization Co. announces the results of the Ordinary General Assembly meeting (the second meeting).
16	27/06/2021AD	The National Gas and Industrialization Co. announces the date of distributing cash dividends for the financial year 2020.
17	19/08/2021AD	National Gas and Industrialization Co. announces its interim financial results for the period ending on 30-06-2021 (six months).
18	08/09/2021AD	The National Gas and Industrialization Co. announces the distribution of cash dividends to shareholders for the first half of the financial year 2021.
19	08/11/2021AD	National Gas and Industrialization Co. announces its interim financial results for the period ending on 30-09-2021 (Nine Months).
20	17/11/2021AD	The National Gas and Industrialization Co. announces a fundamental development in one of the companies that owns 35% of its capital share.
21	28/11/2021AD	The National Gas and Industrialization Co. announces the decision of the Board of Directors to agree to negotiate with the Better Gas Carrier Co. "One Person Company" with the aim of acquiring stakes in the Better Carrier Co.



